

The Culture, Media and Sport Committee

Inquiry and call for Evidence into the Funding of the Arts and Heritage

This submission is made on behalf of the Historic Towns Forum¹. The Forum's area of interest is the historic environment and it is not commenting directly on matters relating to the arts. However, the HTF recognises that there are a direct links between heritage and the arts, consequently it shares the concern of the arts community at the prospect of reduced funding.

The response below follows the questions set out in the Committee's call for evidence.

1. What impact recent, and future, spending cuts from central and local Government will have on the arts and heritage at a national and local level.

1.1 The impact will depend on where the cuts fall, e.g. cuts in English Heritage's funding to maintain its historic properties will compromise their future conservation, whilst local authority cuts in funding for conservation staff will reduce the ability to manage the impact of development on listed buildings and Conservation Areas. However, the overall impact will be to affect adversely the conservation of the historic environment by:

- a. reducing the ability of agencies across the board to undertake proactive conservation work;
- b. reducing the ability to lever in match funding from the private sector and other non public sector bodies;
- c. undermining the support available to the voluntary sector, which is fundamental to promoting conservation, e.g. through volunteer guides and the work of amenity societies – this seems to be quite counter to the Government's aspiration for 'the Big Society'; and
- d. undermining the pressing need to develop skills in the conservation sector, including both professional and construction/craft skills.

1.2 There is a strong stewardship case to be made for conservation of the historic eminent. There is also a very strong pragmatic one. In his speech on 12th August 2010 The Prime Minister stressed the importance of tourism to the future economic prosperity of the Country. The heritage of this country is central to achieving this vision, as is proved by work carried out for the HLF and other studies:

- a. heritage tourism is an industry worth £12.4bn a year to the UK²;

¹ The Historic Towns Forum (HTF) represents the interests of historic towns across Great Britain. Established as the English Historic Towns Forum (EHTF) in 1987 by a core of key heritage towns, its membership now includes 69 Local Authority and 141 other members. The HTF supports conservation and prosperity in historic towns by promoting good practice, publishing advice, providing a network for sharing experiences and running conferences and training events.

² Economic impact of heritage tourism, Oxford Economics, 2009. This includes museums and green heritage sites as well as visits to the built historic environment

- b. taking into account indirect economic benefit heritage tourism is responsible for £21bn of UK GDP annually³;
- b. heritage tourism employs 195,000 people in the UK⁴;
- c. history/built heritage is the strongest product driver in most overseas markets, and is the highest rated attribute when perceiving Britain as a tourist destination; 30% of overseas tourists claim heritage is the main reason for them visiting the UK – stronger than any other single factor⁵; and
- d. over 80% of potential tourists would visit historic monuments and buildings in Britain, making it the highest ranked activity⁴.

1.3 This is accepted and the HTF has been a leading advocate of developing more sustainable approaches to tourism.

2. *What arts organisations can do to work more closely together in order to reduce duplication of effort and to make economies of scale*

2.1 This question is equally applicable to heritage organisations. There are many operating in the field and they all have a distinctive focus. For example the HTF promotes an integrated local authority approach to conservation of the historic environment in historic towns and cities, which is a unique role. Every effort is made to avoid duplication through the networking and coordination benefits of the Heritage Alliance and the Heritage Forum (formerly the Historic Environment Review Executive Committee (HEREC)) under the auspices of English Heritage.

3. *What level of public subsidy for the arts and heritage is necessary and sustainable*

3.1 The HTF takes issue with the word ‘subsidy’ in the context of heritage – it implies paying for an activity that is not otherwise viable. In fact heritage is a viable and vital part of the economy, see paragraph 1.2 above, and the great majority of funding that goes into conserving our heritage come from the investment of private owners in their property, from country houses to Victorian terraces. In some cases public money is used to top-up private spending or used as match funding. In the case of public spending on the public realm, which is part of the historic environment, it is not subsidy, but a necessary investment in a public asset. The issue is a matter of support, including both financial and policy support, for a vibrant and viable sector, rather than subsidy.

3.2 Such is the breadth and depth of Britain’s heritage that to maintain it all to the very highest conservation standards would require huge resources well in excess of that which has been available historically. However, while this is not a realistic

³ Economic impact of heritage tourism, Oxford Economics, 2009. This includes museums and green heritage sites as well as visits to the built historic environment and the indirect economic impact resulting from these sectors

⁴ Economic impact of heritage tourism, Oxford Economics, 2009. This includes museums and green heritage sites

⁵ ANHOLT-GMI Nation Brand Index, Visit Britain Nov 2007

proposition, it must be recognised that there remains an unmet demand for resources to maintain our heritage at a reasonable level. The annual Heritage at Risk report⁶ provides evidence for this:

- a. 3.2% of grade I and grade II* are at risk;
- b. 7.4% of Conservation Areas are at risk;
- c. 17.2% of scheduled monuments are at risk;
- d. 6.2% of registered park and gardens are at risk;
- e. 14.0% of registered battlefields are at risk; and
- f. 17.4% of protected wreck sites are at risk.

3.3 The HTF takes the view that a sustainable (in its widest social, environmental and economic senses) and necessary level of funding is one which would see the at risk figures reduced to zero. A level which maintained the percentages would be bearable in the short term. A level which saw the percentage increase is unsustainable and unacceptable.

3.4 Note that the HTF has welcomed the proposal to increase the share of Lottery funding for heritage activities.

4. *Whether the current system, and structure, of funding distribution is the right one*

4.1 The HTF offers no comments on this question.

5. *What impact recent changes to the distribution of National Lottery funds will have on arts and heritage organisations*

5.1 The HTF commented in the recent consultation on restoration of the percentage of Lottery funding going to heritage cause. It said:

“The HTF welcomes the Coalition Government’s intention to increase the shares to arts, heritage and sport in two stages, restoring the original share of 20% in 2012. The Forum also welcomes the Government’s commitment to the principle of additionality embodied in this proposal at a time when other sources of public funding will be under greater pressure. The HTF believes that Lottery money should not be a substitute for funding that would normally be met by mainstream public sector spending.”

“Restoring the contribution to the HLF will:

- a. conserve and enhance our heritage leading to environmental, social and economic benefits both locally and nationally;
- b. support proactive conservation by local authorities by expanding a potential base for match funding
- c. support a prosperous tourism industry, which relies heavily on heritage assets;
- d. increase public access to and understanding of our heritage;

⁶ Heritage at Risk, English Heritage, 2010

- e. further develop community and voluntary sector engagement and skills in conserving our heritage; and
- f. support traditional and specialist conservation skills to meet the skills gaps identified by heritage bodies.”

6. *Whether the policy guidelines for National Lottery funding need to be reviewed*

6.1 The HTF offers no comments on this question.

7. *The impact of recent changes to DCMS arm's-length bodies - in particular the abolition of the UK Film Council and the Museums, Libraries and Archives Council*

7.1 The changes to these bodies will have very little direct impact on the heritage sector and the HTF has no strong views. The Forum is concerned about the future of English Heritage and CABE, however, and wishes to see:

- a. their funding maintained; and
- b. their independent existence as distinctive and separate bodies maintained.

8. *Whether businesses and philanthropists can play a long-term role in funding arts at a national and local level*

8.1 This question is aimed at the arts, but the role of business and philanthropy, in effect the private sector, is important to the heritage of this country. As has been pointed out above, private investment in maintaining our heritage is of fundamental, perhaps even overriding importance and to that extent it may be considered to be ahead of the game. It is essential for this level of funding to be maintained and that can in part be ensured by adequate public sector funding being available to create leverage and support investment in public assets. But it is not just about money. It is also about the government demonstrating that it cares about the historic environment and accords it a high priority. It needs to lead by example.

9. *Whether there need to be more Government incentives to encourage private donations*

9.1 Again the wording is not appropriate to the heritage sector where it is a matter of private sector investment rather than donations. That said, initiatives that would encourage greater private sector investment in heritage could include:

- a. ensuring funding is available to match fund private sector initiatives;
- b. considering tax breaks for investment in heritage regeneration and renewal; and
- c. taking VAT off repair works thereby increasing the potential investment in heritage by 17.5% (20%) at a stroke.

2 September 2010