The Chartered Institute of Building (CIOB)

submission to

Culture, Media and Sport Committee

on the inquiry

Protecting Built Heritage

03 February 2025

Daisie Barnett Policy Development Manager E: <u>dbarnett@ciob.org.uk</u>

Protecting Built Heritage

Introduction

The Chartered Institute of Building (CIOB) is the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we have been doing that since 1834. Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

Background & Key Points

The Chartered Institute of Building (CIOB) have submitted written evidence on Protecting Built Heritage in consultation with industry and guidance from CIOB's Heritage Advisory Panel. The Heritage Advisory Panel comprises of experts from various sectors of the heritage industry, working with a diverse range of heritage assets across the UK. This panel includes both CIOB members and non-members, ensuring a balanced and comprehensive perspective on this vital industry.

The heritage sector faces several key challenges, including financial constraints, workforce shortages, and the impacts of climate change. To address these issues, the CIOB urges the government to consider long-term funding schemes accessible to all asset owners and to remove VAT to incentivise repair and maintenance efforts.

A shortage of skilled workers poses a significant threat to heritage conservation, exacerbated by an ageing workforce and training gaps. The CIOB advocates for heritage apprenticeships, the introduction of a Built Environment GCSE, and increased industry awareness to improve take-up of heritage courses. The reduction in local authority conservation officers further complicates heritage asset management, and it is crucial that planning officers are not expected to fulfil this strategic role without adequate training.

Climate change accelerates the degradation of heritage assets, leading to increased maintenance costs and safety risks. The CIOB calls for improved planning laws and a National Retrofit Strategy to enhance the resilience and sustainability of heritage assets.

To support heritage regeneration and economic growth, the CIOB urges the government to provide incentives, support community ownership, and develop funding models that prioritise long-term sustainability.

Expanding access to innovative preservation techniques and financial relief is essential to ensure the sector's future stability. More work should be undertaken to encourage the sector to access innovation funding and to produce research that will benefit the adoption of materials, new technologies, and techniques.

1. What are the most significant challenges facing owners and operators of built heritage assets, and how are they affecting what those sites can offer?

On the whole, the construction sector faces many challenges and over recent decades the industry has been highly volatile, exaggerating wider economic fortunes nationally and locally. This volatility has led to a fragmented and often under-funded industry with 99 per cent of the sector classed as an SME and a high level of self-employment. Within the construction industry we have sectors, such as heritage, who will experience subtle differences in the structures, activity and performance across the UK that reflects the differences in local heritage assets, funding mechanisms and business cultures.

Finance

Heritage owners and operators continue to be stretched financially. With the rising costs in energy, materials, salary as well as the impact of global warming and funding falling short, the sector continues to struggle financially. The 2024 Heritage Alliance report <u>Brink: Heritage in the Cost of Living Crisis</u> highlights the struggles the heritage sector is facing financially.

The economic crisis has hindered the heritage sector as many assets have faced a decrease in footfall, while managing staffing issues, and rising extreme weather events requiring further investment to repair and weather-proof properties. This impact has created a maintenance shortfall with many organisations having to prioritise what work is needed and what funding pots are available to them in order to carry out work.

When speaking to the Heritage Advisory Panel, members pointed out the urgent policy intervention to tackle VAT which is acting as a disincentive for the sector to undertake repair and maintenance activities. According to the 2025 report by Historic Housing, the average heritage asset will spend around £160,000 on its repair and maintenance per year, but the current 18 per cent of VAT eats into tight budgets and almost all money recouped from the tax is immediately put elsewhere into preserving the asset. Meaning profit margins are tight to non-existent for many. It is felt by many that the sector is not keeping up with the demands for repair and maintenance because of the lack of finances and many organisations cannot keep up with the ever-growing list of projects they need to undertake. The CIOB recommend the removal of VAT for retrofit on heritage assets in order to reduce the financial burden on these organisations and enable them to undertake the necessary work.

Workforce

There is a significant lack of skilled and competent workers in the heritage sector. This includes traditional craft skills, digital skills and the professional skills such as surveyors and project managers. Over the years, the traditional skills for heritage have been included on the Shortage Occupation List (SOL), which can help organisations fill those skills gaps, but many in the industry report that the mechanism for hiring is complex and when under financial and time pressure, this can cause further difficulties.

Members of the Heritage Advisory Panel highlighted the growing knowledge gap and appreciation for the subtle differences from contractors and sub-contractors when working on heritage assets. Due to this lack of knowledge, projects can become financially risky with many sub-contractors winning bids with pricing that is unsustainable. Those who have a better understanding will shy away from working with heritage assets as they understand the financial risks and know that the current economy is not stable enough for people to invest in the sector.

The lack of a skilled and competent workforce has an impact on our ability to preserve existing heritage stock. For heritage, many of the workforce have started their career in the wider construction industry and then retraining or upskilling themselves into more technical and specialist roles in order to work within the heritage sector. In the UK we have an ageing population issue and during covid-19 many workers in the construction industry who were approaching retirement age and had the funds, decided to retire. It is therefore no surprise that knowledge gaps have continued to grow in a sector that can often rely on knowledge being passed down to the next generation during a project as many problems for repair and maintenance can be unique due to the type of the heritage building and the materials used.

We are also seeing problems at a Local Authority (LA) level where we continue to witness a loss of town planners and conservation officers. This has resulted in many LAs hiring less experienced workers, many of whom do not have an understanding or appreciation of heritage assets and the subtle differences of these assets. There are currently not enough employed conservation officers, therefore town planners are required to step into this role and look after the many heritage assets in that area. This challenge does not enable the sector to manage their assets appropriately and can lead to even further troubles down the line. Please see response to question 10 for further detail.

Climate Change

The impact of climate change is having a significant impact on the current state of heritage assets. Extreme weather has caused many buildings to need urgent repair and there is now a demand to ensure that these assets are properly protected to withstand any future instances in order to reduce financial costs and preserve the building long-term.

It has also become a health and safety issue where damaged external elements have fallen off a building, damaged due to weather conditions. As the age of existing buildings grow, there will be further demand for resilience to be considered when repairing and maintaining heritage buildings.

Without the necessary funding and skilled workers, many heritage buildings will fall behind on retrofitting key work that is damaged by changes in climate. It is therefore essential that these challenges are addressed to ensure heritage assets are protected, and urgent repair can be treated in a timely manner without further burden being placed on owners and operators. 2. What interventions are needed to prevent the managed decline of heritage assets on publicly-owned land?

Preventing the managed decline of heritage assets is a issue within itself. There are many schools of thought on this topic as people understand that it is not viable to maintain all heritage assets indefinitely, but there is no standardised strategy to evaluate which assets should be classed as 'managed decline'. Public benefit vs cultural significance is a debate that will be brought up by the sector and it is a very nuanced issue that will have long-term implications depending on the decisions made. Understanding the vulnerability of those assets that are declining e.g. climate impact, would then allow owners to assess the risks and solutions further. However, vulnerabilities are not currently measured and so this could be a first step in furthering our understanding.

In terms of interventions, we would suggest that the planning law should be reviewed. In Wales, the Historic Environment (Wales) Act 2023 provides a legislative framework for the management and protection of the Welsh historic environment removing red tape for planning and allowing more freedom for owners to do more with their heritage assets. The 2023 Act consolidates and brings clarity to legislation for those who want an easy, and plain way to understand the law. The UK should look to update their legislation and adapt the same approach as Wales to consolidate and remove red tape for the industry. This will have a positive impact and would allow many owners to move away from 'managed decline' to 'managed preservation'.

The real issue comes to heritage assets that could be classed as 'unmanaged decline'. This is where financial intervention must be undertaken in order to move them into a state of 'managed preservation'. See response to question 1 for further detail.

3. What can the Government do to make it easier for communities or local businesses to take ownership of historic buildings?

At present, local communities and businesses will often end up owning a heritage asset haphazardly. Many will become involved if there is a community need and desire to maintain an asset that otherwise would disappear or become unmanaged.

Those who have ownership quickly realise that costs of the work is extreme and there is a limited, and often small, pot of funding that they can access. This often makes it unviable for communities to take ownership without significant long-term investment from funding pots or community and business buy-in. Once initial repairs are complete, the running costs and reality of converting the use and maintenance of the asset can become a money-pit for many of these assets.

On the other hand, if there is funding and a capable community trust behind the project then it can be a huge success. A good example of this is The Pyramid at Anderston which is a community-led anchor organisation. The building passed to community ownership in 2019 and a grant was sought-out to bring the building, where large parts had fallen into disrepair and unusable, as part of Phase 1. The total project cost £1,275,054 with a grant fund of £89,375 to cover costs. A heritage engagement plan has been produced as part of the project which has a large programme of activities in order to bring in capital. However, this is just Phase 1, and there will be a

need for further phases in this pipeline to decarbonise the building, improve the local area and green spaces as well as undertaking any future repairs and maintenance of the building. More information can by found on <u>the 2023-24 Annual Report</u> by Glasgow City Heritage Trust who help provide funding and support for historic buildings.

We would advise the government to provide a mentoring system where a skilled individual or group of individuals helps to guide communities with business and strategy planning to make ownership viable, in addition to support for funding and partnership opportunities. This will make it easier for communities to engage and take ownership such as The Pyramid project.

4. How effective are the current funding and finance models for built heritage?

When speaking to members of the Heritage Advisory Panel, they stated that the current funding and finance models are not effective. Current processes are very onerous and too much red-tape makes the funding process too time consuming. This time delay can result in materials decaying further due to environmental factors causing even more funding to be required.

We have seen a shift recently for funding towards innovation and there is a missed opportunity to look at providing opportunities for the heritage sector to access this innovation funding in order to use modern and future methods that could unlock financial growth for the sector and enhancement of methods for repairing, maintaining and preserving heritage assets. By having innovation-friendly funding, this would unlock organisations to become less financially dependent on grants and to find new long-term solutions for the sector that could have a wider economic and financial impact on how we operate.

5. What should long-term public funding for the sector look like?

We continue to call for a <u>National Retrofit Strategy</u> to create a stable pipeline of work for the construction industry whilst simultaneously driving demand for retrofit works for all buildings. Currently there is a chronic shortage of skills in the retrofit sector, with research indicating the existing workforce needs to be more than doubled, developing around 500,000 new professionals to address this challenge. By having consistent funding for the built environment to address retrofitting this will ultimately have a positive impact on the heritage sector who often rely on individuals who have gained experience working in other parts of the industry before becoming a specialist and working with heritage assets.

A wider review of funding for heritage organisations and assets must also be undertaken as existing pots of money are not sufficient to fully cover a project for repairs. A focus should be placed on funding programmes for buildings that are low viability rather than high growth and hard to maintain assets of high significance in order to allocate funding appropriately. Without the right funding mechanisms in place and no guaranteed long-term funding, then we will continue to see the sector struggling financially. In recent news, we have seen organisations, such as English Heritage, have had to review their business operations and cut opening times and jobs, due to the increased cost of conservation work. The heritage sector continues to struggle in the wake of low economic growth, exacerbated by the funding shortfalls that we have mentioned in the consultation response.

With a larger pot of funding, this would enable owners to review appropriately what actions need to be taken for conservation, but also how to increase future resilience and preservation of assets. It is important to note, without adequate funding, combined with the issue of extreme weather, the UK will start to lose these heritage buildings quickly. By giving them the room for creating and implementing a strategy this will have long-term benefits for the sector that enables them to become more cost efficient and more resilient to future damage.

If government wants to improve funding for the sector, we urge them to look at reducing VAT as an incentive for organisations and communities to repair and maintain heritage assets. The sector is facing extreme financial pressures, reducing VAT will, in part, help to alleviate this concern for many owners and managers. It will help reduce the deterioration and loss of our existing and future heritage assets as many will be able to look at adapting their buildings to become more resilient to future changes in our climate which remains a large issue.

According to the <u>2025 Historic Houses report</u>, this could cost government just over £6m, and yield as much as £5.5m in additional vital repairs and maintenance. This would have a positive knock-on effect to the economy as there would be an incentive for buildings to provide public access, helping these facilities to generate more revenue and boosting appreciation for our heritage. Overall, the Treasury would experience fiscal gain, and the sector would become more stable over the long-term whilst increasing demand and retention for heritage skills.

The Department for Culture, Media and Sport (DCMS) currently recognises that VAT does disincentives repair and maintenance of heritage assets, and schemes such as the Listed Places of Worship Grant Scheme, which provides a VAT rebate has helped provide relief to many listed places of worship in the past.

The government has since reviewed the Listed Places of Worship Grant Scheme, adding a cap of £25,000 per building each year and reducing the funding from £42m in 2024 to £23m in 2025/26 which is disappointing. We urge government to reconsider given the financial pressures the sector is facing and expand the eligibility and funding pot to include a wider range of listed buildings that could use it for long-term financial injection.

6. What role does built heritage play in the regeneration of local areas and in contributing to economic growth and community identity?

Heritage buildings often act as lever for regeneration activities due to the economic stimulus the work for conservation, preservation, and public awareness they provide. At a local level, heritage helps to provide cultural continuity and fosters a sense of shared identity for communities.

Heritage buildings can also be repurposed by communities to deliver local regeneration that adds value and benefit to those living locally and, in some instances, these buildings have been used to help tackle hardship, such as becoming vaccination centres, food banks and community learning spaces, all of which are integral to successful regeneration services.

Members of the Heritage Advisory Panel have noted the more concentrated heritage assets are in a local area, regeneration tends to become more successful as there is a central hive of activity that draws in public and private interest compared to a lone building.

7. How can heritage buildings be supported to increase energy efficiency and contribute to the Government's net zero targets?

According to the Climate Change Committee <u>report in 2023</u>, progress in reducing greenhouse gas emissions from buildings has stalled since 2010 after significant progress between 1996 and 2008. The Construction Leadership Council (CLC) has continued to urge government to adopt a National Retrofit Strategy to encourage faster uptake and long-term investment in retrofitting 19 million homes within a decade to gain momentum and achieve net zero goals.

Historic buildings will need to have a holistic approach and skilled workers to ensure any work undertaken is appropriate and adequately helps with resilience against future work needed. Done right, we can significantly reduce carbon emissions in heritage assets. A study by <u>Carrig Conservation International in 2019</u> provided real-life case studies for estimated carbon emission savings using different retrofit packages.

There is a demand from leaders in the heritage sector for more case studies and guidance from government on how organisations can improve energy efficiency whilst maintaining the properties historic value. We would encourage this approach and for government to help fund cases to trial energy efficiency measures to understand barriers, opportunities and lessons to be learned.

For homeowners, the approach should be different as many owners do not understand the building needs, and what interventions are ineffective. Currently homeowners can access the Sustainable Traditional Building Alliance (SBTA) tool which is a good starting point, but feedback has been that it is not well-known, the tool can be quite complex for someone who does not have the skills or knowledge and advice is not easily accessible. We would therefore encourage government to provide a central resource for homeowners that allows them to make informed decisions and choices when it comes to making their heritage homes more energy efficient.

8. What are the financial, regulatory and practical barriers to preserving built heritage?

In addition to the financial barriers listed above, there are regulatory barriers facing the industry which should be looked at further. There are significant inconsistencies for town planners and conservation officers depending on the region which can often create confusion, lack of strategic oversight and arduous processes. Having a standardised approach across the UK would make working with LAs a quicker and simpler process for the sector as a whole. For some LAs, they do not have the appropriate resourcing and rely on planning officers to undertake the role of a conservation officer in addition to their usual duties. This lack of capacity and knowledge can cause issues when managing several heritage buildings in that region as many do not have the appropriate training to understand building performance and building conservation. Government's commitment to building 1.5 million new homes and fast-tracked planning system, allowing developers to skip the line for planning consent, will result in the existing limited resources being pulled to focus on the housing sector and away from the heritage sector. Government will need to intervene and provide better resources for LA's to ensure the heritage sector is seen to in a time-efficient way and with skilled officers who understand the need of the sector.

Members of the Heritage Advisory Panel felt there is a lack of clear and consistent guidance as to what is permissible through Local Authority Building Control (LABC). Planning approval is often inconsistent for required details of the proposal, approaches and strategies. This can be difficult for organisations who are managing heritage assets across different regions as they need to take time to understand the variances in approach for each local area when filling in these forms for approval. Further reforms on planning should consider the heritage sector to enable them to undertake the necessary work.

9. What policy changes are needed to make restoring historic buildings easier and less expensive?

We would encourage government to implement a scheme that rewards both the owners who keep their historic buildings in-use or accessible to the public which helps to uplift the local economy, and reward those who have taken on a historic building which is empty but are actively looking to repair and maintain the building. Currently, some historic buildings are hit with empty property chargers while they are trying to assemble the funds, permissions and competent workers to undertake necessary repairs. This creates a barrier for many who want to help preserve local heritage buildings but may not have the necessary funds or permissions to start immediately. It also makes the process more costly and acts as a disincentive for many to take on what will be seen as a 'risky' property.

In addition to our responses to the above questions on finance, it is important to highlight the issue with access and use of materials. Over the years, due to inflation of materials and other rising business costs, an emphasis has been placed on using imported materials that may be cheaper in cost and imitate, rather than replicate the materials originally used in that building. If government is serious about reducing carbon emissions, working with the UN Sustainable Development Goals (UNSDG's) and preserving our built heritage environment, more work must be done to incentivise the use of indigenous materials.

10. What policies would ensure the UK workforce has the right skills to maintain our heritage assets?

The sector faces significant challenges, including an aging workforce, a lack of accessible training opportunities, and limited awareness of heritage careers among younger generations.

The boom-and-bust nature of the wider construction industry has contributed to a leaky pipeline of skills, as many individuals during economic down-turns pursue other sectors. Most pathways into the heritage sector still flow through traditional construction, which remains focused primarily on new build housing and the growing repair and maintenance sectors. As a result, the talent pool for heritage skills remains narrow and often neglected. The CIOB advocates for a wider appreciation of the diverse roles in construction, including heritage, to broaden the talent pool and address this issue through awareness work at a younger age and job portals for the industry that reflect all sectors.

Introducing heritage crafts earlier in schools through Design and Technology, History or Art modules could spark interest among younger students. To support the development of the heritage workforce, the CIOB has called for the introduction of a Built Environment GCSE, aimed at providing young people with early exposure to the construction industry. This would allow students, teachers, and families to better understand the traditional and professional job roles within various sectors of construction, while enhancing their knowledge of their core subjects such as Science, Maths, and English. A greater understanding and appreciation for the built environment could inspire more students to pursue careers in construction, leading to increased uptake of college-level courses.

Limited funding and low enrolment in construction courses, particularly at the college level, have hindered the creation of a stable pipeline of skilled workers. Specialist college programs need to be expanded to offer advanced training, while new "conversion" courses could provide pathways for general construction workers to enter the heritage sector. Collaboration with industry is essential, with employers – whether they're cathedrals, conservation organisations, or contractors – codeveloping training programs that meet the sector's real needs. Grants for employerled training in niche skills, such as stained-glass restoration, could help address skill gaps, while creating regional centres of excellence would ensure training is accessible across the country.

Furthermore, the closure of heritage-related courses in UK colleges due to a lack of funding and enrolment has forced many students to travel long distances and find accommodation to attend specialist schools. This has exacerbated the skills shortage in the industry, and with an aging workforce, there are concerns that valuable knowledge learned on the job may be lost.

A comprehensive approach to workforce development is needed. Increasing funding for heritage apprenticeships, especially for small businesses, would encourage more employers to take on apprentices. Expanding outreach to underrepresented groups – such as women, ethnic minorities, neurodiverse individuals, and disadvantaged youth – would also help bring fresh talent into the sector. Integrating apprenticeships into major publicly funded conservation projects would ensure skills training is embedded in the work itself.

Funding is another critical area. Subsidising training costs for individuals, offering tax relief for employers who hire apprentices, and fostering public-private partnerships for sponsorship would make training more viable. Campaigns to promote heritage crafts as rewarding careers, alongside role models and digital tools like VR, could inspire the next generation to pursue these roles.

Finally, there is much to learn from international collaborations. Countries like France and Italy have excellent heritage training models, and exchange programs could bring new ideas to the UK while expanding the experiences of trainees. What would be of benefit to the industry is for heritage to be part of the curriculum for all construction training so that individuals have an appreciation and understanding of working with heritage assets.

To ensure the future of heritage skills, they must be embedded in national policy. Publicly funded heritage bodies should develop workforce strategies, and heritage crafts should be recognised in the UK's industrial strategy as essential to both the economy and cultural preservation. The government must take action by introducing a long-term funding plan, which would not only support the heritage sector but also have a positive knock-on effect on the broader economy, creating a stable pipeline of skilled heritage workers.