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Local Government and the
Regions Committee

The Role of Historic Buildings in Urban Regeneration

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The ODPM: Housing, Planning, Local Government and the Regions Committee

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Summary

Historic buildings provide a foundation for the regeneration of many of our towns and cities. Regenerating these buildings can reinforce a sense of community, make an important contribution to the local economy and act as a catalyst for improvements to the wider area. They should not be retained as artefacts, relics of a bygone age. New uses should be allowed in the buildings and sensitive adaptations facilitated, when the original use of a historic building is no longer relevant or viable. Councils need to incorporate in their regeneration strategies a clear role for their historic buildings and to establish multi-disciplinary teams to implement them. There is an enormous shortage of conservation officers, especially those with an understanding of regeneration and funding issues. The skills deficit has been recognised for the last five years, but as yet there has been little progress to rectify it.

The Government is reviewing the management of the historic environment. Currently responsibility is split between the ODPM and the DCMS which are not working closely enough together. The main department with heritage responsibilities, the DCMS, is not giving sufficient priority to its historic buildings remit. The DCMS has two non-departmental bodies which have a role in managing the historic environment, English Heritage and the Commission for Architecture and the Built Environment. In some instances they are giving conflicting advice, with CABI favouring modern solutions and English Heritage favouring more conservationism while accepting the need for regeneration. Their work needs to be much better coordinated.

There are too many permissions and consents required before historic buildings can be modified. These are causing delays and preventing the certainty required by developers. The historic environment is subject to up to nine regimes including planning controls, listed building consent and conservation area controls. The listing system lacks clarity. It should not be seen as sterilising a building or a site but should ensure that regeneration schemes recognise and contribute to the historic character of the buildings. The DCMS, which manages the listing system, is proposing to introduce legislation to simplify the regulations affecting historic buildings. It is disappointing that these reforms only apply to controls specifically affecting historic buildings and were not coordinated with the ODPM's review of the planning system which has resulted in the 2004 Planning and Compulsory Purchase Act. The protection of historic buildings should be better integrated within the planning system. This would require the transfer of the responsibility for the historic environment from the DCMS to the ODPM including elements of CABI and parts of English Heritage.

Grants schemes and tax incentives are required to cover the additional costs and risks involved in the sympathetic treatment of the historic environment. There are several grant schemes and some tax incentives but they are difficult to access and poorly coordinated. English Heritage and the Heritage Lottery Fund are the main funders of schemes in historic areas. It is important that they are more closely coordinated and that the HLF recognises the economic value of the historic environment. English Partnerships' Partnership Investment Programme provided gap funding for commercial schemes, many of which involved the reuse of historic buildings. It is disappointing that an adequate

replacement has only now been secured after it was banned by the EU in 1999.

The VAT treatment of construction work on historic buildings is perverse and provides a disincentive to projects involving their reuse and goes against the Government's sustainability principles. New-build schemes are favoured rather than the reuse of existing buildings, and alterations to listed buildings are encouraged rather than repairs to them. The tax system should favour, not deter, the preservation and reuse of historic buildings. The Government is prepared to negotiate with the EU about zero-rating repairs to listed churches; it should also press for zero-rating on all repairs and alterations to historic buildings to support commercial schemes on the margins of viability.

1 Introduction

1. Historic buildings play a central role in many towns and cities. They lend character to an area and have deep-seated associations for local residents and communities. They offer a foundation for regeneration initiatives. Because the regulation of historic buildings and the planning system is being reviewed by the ODPM and the DCMS, the Committee considered this an appropriate time to look at how historic buildings could contribute towards urban regeneration.

2. The inquiry was announced initially by our predecessor committee before it was wound up in July 2002. It was reopened by the current committee in October 2003. We sought evidence on the following issues:

- The contribution of historic buildings to urban regeneration
- The role and effectiveness of the public agencies responsible for the built and historic environment in encouraging urban regeneration
- Whether those organisations carrying out regeneration projects give sufficient regard to historic buildings
- Whether the planning system and the listing of historic buildings aid or hinder urban regeneration
- Whether all Government Departments take adequate account of the historic environment
- Whether fiscal and legislative changes should be made.¹

3. We received fifty five written submissions and held three evidence sessions. We also visited Norwich, Great Yarmouth and Ipswich, Poland and Estonia and the United States. We would like to thank our two specialist advisers, Helen Hayes and Chris Miele, for their guidance and assistance, to all those organisations who gave us hospitality on our visits, made written submissions or gave oral evidence to this inquiry.

¹ Press Notice 53/2002-03 23 October 2003

2 The Contribution of Historic Buildings to Urban Regeneration

4. There was overwhelming evidence to the Committee that improving the environment and securing the reuse of buildings which have historic value can make an important contribution to the regeneration of the urban areas. This was particularly in terms of achieving successful regeneration schemes which

- Acted as a catalyst to the regeneration of a neighbourhood or district,
- Boosted the local economy and created jobs,
- Reinforced local cultures, instilled a greater sense of pride and confidence in a neighbourhood and
- Achieved better use of natural resources

5. The evidence emphasised that the uses of historic buildings should be allowed to change to meet new demands and that to a certain extent, the conventional planning and regulation regime was not ideally suited to unlock the regeneration potential of the historic environment. The Royal Institution of Chartered Surveyors commented:

“There is often a win / win situation where keeping the best of the old and introducing high quality, sensitive new development, can achieve the best result for regeneration (and sustainability) and the historic environment. Regenerators need to appreciate the value that historic buildings can represent, and that sympathetic development of such buildings can be of benefit to both the building and the area.

However, the historic environment lobby also needs to recognise that so long as development is undertaken sympathetically, it can enhance the area and the historic buildings that they seek to protect.

We believe that both sides need greater understanding of the options that are open to them, to develop historic buildings to have a viable, future use.”²

A Catalyst for the Regeneration of a Wider Area

6. The regeneration of a single building or group of historic buildings and public spaces can initiate improvement of a wider urban area. The Institute of Historic Building Conservation said:

“In many parts of Britain, historic buildings have been a positive catalyst in achieving structural economic change, attracting higher value investment and jobs, and providing the context for creative, high quality contemporary design in new

² HIS09

development. The historic environment and good urban design are key elements in achieving ‘urban renaissance’.”³

7. The United Kingdom Association of Preservation Trusts pointed out that:

“Very often it has been the example of a successful historic building repair and conversion project that has acted as the hub of a much wider area regeneration process with the footprint provided by the existing building of merit creating a robust and successful framework for further development and organic growth.”⁴

Economic Regeneration

8. There is evidence that commercial schemes which reuse historic buildings have a higher value than new-build developments and can form the basis for regenerating a local economy. The Committee heard substantial evidence of the successful regeneration of many towns and cities through finding new uses for their historic buildings. Chris Oldershaw, the former director of the Grainger Town Project in Newcastle, told us:

“I think in many ways heritage and historic buildings have a crucial role to play in regeneration. They help to define the identity of cities, they also, certainly for Grainger Town, give economic and competitive advantages as well.”⁵

9. Dr Rob Pickard from the Royal Institution of Chartered Surveyors pointed to research that showed that offices in listed buildings tended to have higher rents.

“Research has been done by the Investment Property Databank in association with the RICS for about ten years now which has shown quite consistently in certain places, for instance the South-East and London, that there is a prestige value to listed buildings.”⁶

Dave Chetwyn from the Institute of Historic Buildings Conservation highlighted the results of research in the USA which showed the important role played by the historic environment in creating jobs, attracting tourists, supporting small businesses:

“investment in building rehabilitation as opposed to general industrial investment delivers far higher incomes, a lot more jobs on average, in terms of heritage-based tourism and money spent particularly in historic environment attractions, which is matched by vast amounts of expenditure in the wider economy. In Toronto where heritage visitors spend \$3 on an historic site itself, and that is matched by \$97 elsewhere in the local economies. The historic environment has a crucial role to play in small business incubation...These are often very small buildings in industrial areas that are sometimes tucked away as part of the traditional industrial core. The historic environment particularly supports small businesses, businesses that employ

³ HIS13

⁴ HIS34

⁵ Q1

⁶ Q179

fewer than 20 people. That is especially important for businesses in growing sectors of the economy: hi tech industries and things of that nature.”⁷

10. English Heritage’s investment through its Conservation Area Partnership grant schemes attracted considerable private and other public investment. Between 1994/95 and 1998/99, EH invested £36m in 357 conservation areas. For every £10,000 of heritage investment, £48,000 match funding had been attracted, which had delivered 177 square metres of improved commercial floorspace, one new job, one safeguarded job and one improved home.⁸ EH has replaced its Conservation Area Partnership grant scheme with the Townscape Heritage Initiative which has a more explicit regeneration remit.

Social Role

11. The Civic Trust pointed to the positive contribution which improving the historic fabric of areas can play in restoring local confidence.

“Historic buildings and public space can inspire regeneration through local pressure groups using them as a rallying point. By contrast, a feeling by the public that “they” are demolishing loved buildings, and its feeling of powerlessness when the redevelopment process has no public involvement or support, creates an indifferent and negative population who feel it is pointless to vote; that they have no control over, and therefore no responsibility for, their local environment; and come to see change as something to be fought rather than encouraged. We believe that the public will accept change more readily if they feel they have more control; it is lack of trust in an apparently indifferent ‘system’, and in decision-makers, which creates ‘nimbys’, who are people who have no other way of showing their concern.”⁹

12. The Committee had extensive evidence on the role of churches and theatres in local communities. The Church Heritage Forum argued that the importance of the historic environment should be valued in its own right.

“It is, therefore, essential that there is a greater recognition of the importance of the historic environment in its own right. A well-maintained church building gives a positive message to its local community whether or not it directly benefits from its activities. The space around churches including churchyards can sometimes provide the only green space in an otherwise concrete-bound urban environment. These benefits apply even before the vast array of voluntary and charitable work sourced from these buildings have been fully quantified.”¹⁰

Churches can become more than centres for religious prayer. Paula Griffiths, head of Cathedral and Church buildings Division for the Archbishops’ Council highlighted to the committee examples where new uses were being found.

⁷ Q34

⁸ The Heritage Dividend Measuring the Results of English Heritage Regeneration 1994-99 English Heritage page 7

⁹ HIS 11

¹⁰ HIS24

“St John’s, Hoxton, was an example of an early 19th century church which ten years ago was creeping with dry rot and desperately in need of renovation. It is now being restored with English Heritage and Heritage Lottery Fund money and there is a children’s nursery in the body of the church itself and there is a computer centre and a gym for disabled people in the crypt.”¹¹

Theatres are important places for local communities for leisure and education. Peter Longman, the director of the Theatres Trust said:

“Theatres are fundamentally places of assembly. They are often a focus of local pride, even for people who do not go to the theatres, and they have fond memories for all sectors of the community.”¹²

He added that the buildings can be converted for other uses when they become redundant and pointed to some examples.

“There is a marvellous bingo hall down in Brighton. It is now run by Mecca Bingo. It is the former Hippodrome Theatre which was at one time a circus. The London Hippodrome, formerly the Talk of the Town, is now a night club and will probably carry on for the time being as a night club, so we are very happy to look at alternative uses for buildings...”¹³

13. The social role of historic buildings is particularly important in deprived areas. Mike Burchnall, planning manager at Liverpool City Council argued that:

“As we move into a major area for the City, which is about housing market renewal, we need to try to retain those areas of heritage which are important and which the people, through the partnerships, are telling us are important and focus redevelopment on those areas that are clearly of lower quality.”¹⁴

14. The Commission for Architecture and the Built Environment called for the historic environment to be respected and to play an important part in delivering the ODPM’s Communities Plan, which focuses on the nine areas part of the Low Demand Pathfinder Initiative and the four growth areas in the South East:

“Of particular relevance in the coming years will be the role of heritage in those areas marked for housing market renewal. It will be important not to sweep away places that are intrinsically of great value or have the potential for imaginative renewal. The legacy of the past can be used as the driver for recovery, particularly where there are buildings, public spaces or urban layouts of heritage value.

The designated housing growth areas also contain areas and buildings of historic significance. If urban coding is to be used as a mechanism for simplifying the planning of these areas, then it will need to be informed by an understanding of the existing local fabric. Characterisation will have a role to play in achieving the goal of

¹¹ Q259

¹² Q235

¹³ Q238

¹⁴ Q12

new neighbourhoods that become recognisably ‘somewhere’ rather than ‘anywhere’; the historic buildings and areas should be seen positively as assets that can inspire the best of new housing rather than becoming an excuse for lowest common denominator solutions.

It may be possible in many cases to use the historic environment and local landmarks as an asset to attract potential investors, residents and tourists, due to the distinctive qualities and identity that they can bring to a neighbourhood.”¹⁵

15. Evidence to the Committee emphasised the importance of securing community benefits within schemes to avoid creating exclusive neighbourhoods. Mike Hayes, the president of the Royal Town Planning Institute, said that it was important to find the right uses for the regenerated historic building.

“The whole business of bringing historic buildings back into use is about finding end users. If we are clever about finding those end users in relation to community need, maybe housing need or whatever, it ought to be possible, particularly making greater use of CPO powers, to join up the resource of the historic building or the historic area and the end user who will not simply look at rising property value but social benefit and social good.”

George Ferguson, the president of the Royal Institute of British Architects suggested that

“a successful regeneration project is not just a mix of building types and styles and old and new, it must also incorporate as much mix to our minds in the way of forms of tenure and types of use.”¹⁶

Environmental Benefits

16. The reuse of historic buildings can be more sustainable in terms of the use of natural resources. Simon Thurley, the Chief Executive of English Heritage, pointed out that

“There is a huge amount of waste generated by the construction and demolition of buildings; something like 24 per cent of all waste is generated by demolition and construction. It is simply better in sustainability terms to use and recycle old buildings than to demolish them and to build new ones.”¹⁷

English Heritage argued that old buildings are not necessarily inefficient in energy use and expensive to maintain. It highlighted the results of a study.

A study was made of three properties in the Manchester area of a similar size but different ages: a Victorian terraced house, a 1920s house and one built in the 1980s. Maintenance and occupation costs were projected over a period of 100 years, looking at decoration, fabric maintenance, services maintenance, utility costs and insurance. Demand for heating and hot water, boiler efficiency and water services were assumed to be the same for all three houses. Largely as the result of the quality and life-span of

¹⁵ HIS10

¹⁶ Q192

¹⁷ Q100

the materials used, maintenance and occupancy costs for the Victorian house were estimated at £2,648 per 100m² per annum, for the 1920s house £3,112, and for the 1980s house £3,686.¹⁸

17. The historic environment has an important part to play in regeneration schemes helping to create vibrant interesting areas, boosting local economies and restoring local confidence. When historic buildings including churches and theatres are no longer needed for their original use, they are capable of conversion for a wide range of other purposes.

18. The Government must ensure that the historic environment plays a central part in regenerating the areas suffering from low housing demand and in the South East where a major house-building programme is planned to ensure that distinctive neighbourhoods are created.

19. It is not only important that the historic environment is improved but that social and community benefits are also secured as part of the schemes including social housing and other local facilities to avoid creating socially exclusive neighbourhoods.

20. The reuse of historic buildings can be more environmentally sustainable than, and their environmental performance can be, as good as, new-build projects.

21. Evidence to the committee highlighted the importance of the following in maximising the benefits to local regeneration:

- Strong leadership by local authorities with the appropriate skills
- Clear guidance and commitment from public agencies at a national and regional
- An easily understood flexible regulatory framework which encourages creativity and allows new uses for redundant historic buildings.
- Adequate and easily accessible funds to support commercial schemes which are at the margins of viability.

We consider how these different elements should be provided in the rest of this report.

¹⁸ HIS32

3 Local Authorities, Strategies, Staff and Skills

22. Some local authorities have appreciated the important role which historic buildings can play in revitalising their neighbourhoods and have integrated them as positive features in their regeneration strategies. Others have seen historic buildings as artefacts to be preserved for their historic value; others have neglected them because they are low on their list of priorities or the multitude of landowners on a site makes it too difficult to regenerate.

23. Local authorities are major owners of sites and buildings, and have a duty to promote the economic and social well-being of their areas through regeneration programmes. The new Planning and Compulsory Purchase Act gives local authorities the responsibility to draw up local development frameworks, a folder of documents incorporating borough or district-wide planning policies, and more detailed area action plans and masterplans for smaller areas in need of regeneration, subject to development pressure or major change, or in need of conservation. Local authority highway departments also have an important role in supporting the historic environment.

24. The most successful towns and cities have integrated the preservation of historic building functions within their planning and regeneration objectives. This required

- A clear vision for the future of their neighbourhoods but also a flexible approach to the reuse of historic buildings
- multidisciplinary teams including conservation officers who can appreciate the wider role of its heritage and highways departments that respect the historic environment

25. Manchester City Council suggested that its success was achieved because of its flexibility in dealing with developers but also a clear vision for the City centre. Peter Babb, the Council's head of planning said:

“In terms of the development control process that we have operated in Manchester over a significant period of time, if we had not been flexible in dealing with the private sector developers, I do not think we would have the development on the ground that we have now. Most of this I think goes down to how we negotiate schemes, particularly with the involvement of English Heritage. It is incumbent on all the parties to give consistent and straight-forward advice of what might be acceptable and what might not. That clarity of view is important. That is why in Manchester we have built up a good network of architects and developers and we understand where each other is coming from. We find it easier to find a way forward with what are often very challenging schemes.”¹⁹

Norwich City Council urged councils to integrate conservation within their economic, social and environmental policies and not to take a ‘buildings-based’ approach.

¹⁹ Q10

“A ‘buildings based’ approach to the historic environment has often resulted in ‘old buildings’ being restored in isolation from their contexts and often from just a fabric, as opposed to a functional, perspective. This process has often marginalised what conservation should be about. ‘Conservation’ is regarded, particularly by the development sector, as something dominated by academically based historic building architects protecting the physical fabric of buildings, often to the detriment of the needs of modern uses and sometimes obsessively concerned with preserving Byzantine details of questionable relevance to the building, its future use or society in general. This is old fashioned preservation for preservation’s sake. What conservation should be is the use of historic assets in their context to drive economic, social and cultural regeneration.”²⁰

26. The Association for Industrial Archaeology argues that conservation rules should not be interpreted too literally.

“We perceive a danger that there is sometimes a lack of imagination and desire for a ‘safe’ answer, following ‘rules’ which may inhibit the preparation of solutions with flair and vision. Too much concern for exact preservation can be as unhelpful as too little.”²¹

Eddie Booth, the chairman of the Institute of Historic Buildings Conservation emphasised the need for flexibility in allowing new uses in historic buildings,

“We are interested in flexibility in the reuse of buildings, particularly those that are not listed but make a contribution to the character of a conservation area.”²²

27. The Landscape Institute suggested that local authorities should carry out comprehensive townscape character assessments to inform the local development frameworks which local authorities are required to draw up under the new Planning and Compulsory Purchase Act.²³

28. In some places, there is a tension between the feasibility of conserving historic buildings and potential regeneration which needs to be publicly discussed particularly with different interest groups. Martin Bacon, the former director of the Civic Trust said:

“There is that crucial balance between what can be kept and what can be afforded. That has to be discussed in a very open way between the development industry, the local planning authority and local people.”²⁴

29. Councils need to develop a vision for their historic buildings which provides a framework for their regeneration. The framework should be flexible and allow for change of use where the original use of a historic building is no longer viable. Historic buildings should not be valued solely for their heritage but incorporated into strategies meeting social, economic and physical objectives.

²⁰ HIS21

²¹ HIS44

²² Q56

²³ Planning and Compulsory Purchase Act 2004

²⁴ Q35

30. A wide public debate is required around the feasibility and desirability of retaining some historic buildings before any decisions are taken to demolish them. Councils need guidance on how to incorporate the historic environment in the new local development frameworks and masterplans.

A multi-disciplinary approach

31. Issues about the management of the historic environment need to be addressed as part of multi-disciplinary teams that promote regeneration rather than solely preservation. Norwich City Council pointed out:

“While an ‘historic environment’ role is regarded as something distinct from urban regeneration there will continue to be a ‘siloes’ approach to both issues rather than an integrated one.

At a local level there is often a plethora of organisations dealing with building preservation issues on a very narrow basis. There is rarely any overview about the strategic vision for the work of such bodies beyond the immediate physical restoration of the building. Even within local authorities, where potential exists for integration, the ‘Conservation’ function is isolated, architecturally and building based, more often than not allied to development control and viewed as a reactive process designed to stop the worst excesses of developers. It is rarely viewed as a proactive process, able to develop a vision, plan change and lead the regeneration process.”²⁵

32. The Landscape Institute urged that

“Local authorities should ensure that work in the public realm is a multi-disciplinary activity. Taking a narrow or time-limited view of the possible impacts of this work, and marginalizing specialist input, is short sighted and counterproductive. The public realm will continue to be valued only so long as it commands the attention of all those who have responsibility for it and deliver services in a coordinated way.”²⁶

33. Transport is a key issue for the multi-disciplinary teams. The submission by the RDAs suggested that

“The level of expertise, and flexibility within Highway Sections of Local Authorities is also variable, and their willingness to use appropriate, but more expensive, materials and equipment within historic environments is debatable.”²⁷

34. All local authorities need to be encouraged to set up multidisciplinary teams including conservation, planning and transport officers alongside regeneration specialists and experts in development finance to oversee the regeneration of neighbourhoods with historic buildings. Councils should provide advice on sources of funding to improve historic buildings and make their contact details readily available to the general public.

²⁵ HIS21

²⁶ HIS37

²⁷ HIS33

Skills and resources

35. One of the main impediments to setting up multi-disciplinary teams is a severe lack of planning and conservation officers because councils have prioritised other functions as their budgets have been cut over the last 20 years. There is a particular shortage of those with the appropriate skills to view historic buildings within a regeneration context. Resources and skills are important to enable local authorities to develop a vision and take the initiative in developing regeneration schemes. Mike Hayes, the president of the Royal Town Planning Institute said:

“The issue very often is providing the expertise and resource at local level to put the local authority on the front foot, so it has vision and some sense of how that vision might be delivered so it can play that key role of co-ordination between these different agencies.”²⁸

Resources

36. With the reductions in public spending in the 1980s and early 1990s, many local authorities have been left with few conservation officers to help manage the historic environment. English Heritage said:

Funding for local authority conservation provision has declined in real terms over the last five years.²⁹ Local authorities have an average of fewer than two conservation officers each, dealing with an average of 1,200 listed buildings and 28 conservation areas per authority. As major regeneration initiatives progress this limited resource will be placed under further strain. With this in mind, the picture in relation to local authority led regeneration schemes is not surprisingly, mixed.³⁰

Eddie Booth, the chairman of the Institute of Historic Buildings Conservation highlighted the problem of resources faced by many local authorities.

“We have a problem that there is a very low level of recruitment for conservation officers. We, in partnership with English Heritage, did a survey of local authorities conservation provision in 2002/03 and, yes, 85 per cent of local authorities had some expertise but, in five per cent of those authorities, that expertise is fractional, ie less than one person. So, under-resourcing is a huge problem. If I were to tell you that the City of Chichester has no conservation officer, you would probably be as scandalised as I am. We have a resource problem.”³¹

The survey by the Institute of Historic Buildings Conservation concluded:

“The overwhelming impression emerging from the survey is of a conservation service that is often stretched, under-resourced and operating without many of the necessary ‘building blocks’ that would ensure an effective, efficient and balanced service. Too many authorities hold inadequate information about the extent,

²⁸ Q171

²⁹ English Heritage and Institute of Historic Buildings Conservation: Local Authority Conservation Provision Report 2003

³⁰ HIS32

³¹ Q46

character and condition of the historic resource to be managed. This is likely to lead to a failure on the part of authorities to match resources with the scale of the challenge they face. Staffing levels are often modest in relation to the size of the resource to be managed and the workloads faced. Whilst it is clear that the majority of conservation specialists would claim to be covering a very wide range of activities, development control tasks invariably predominate at the expense of other important work. Consequently much of what might be regarded as essential best practice, such as buildings at risk work, conservation area appraisals, enforcement, monitoring and other proactive tasks, inevitably receives comparatively low priority in many authorities. In the context of rising development pressures, it seems unlikely that local authorities will be able to properly address their responsibilities for managing the historic environment without more resources, a national framework of standards and associated performance indicators.”³²

37. The shortage of conservation officers is particularly acute in deprived areas, according to the Civic Trust:

“Areas which do have adequate conservation staff are too often those which are well-resourced and not suffering from decline, and where the work of conservation officers is more related to the conservation of a well-kept historic environment than the regeneration of a depressed or decaying one; but levels of prosperity frequently bear no relation to the number of historic buildings in an area.”³³

38. Lord McIntosh, the Heritage Minister, suggested that sub-regional groups could be set up which promoted co-operation between local authority conservation officers and English Heritage:

“One of the proposals suggested to us in the response to the Designation Review, the heritage protection review, is that we should have closer co-operation between English Heritage and local authority conservation officers, and perhaps work in sub-regional groups.”³⁴

English Heritage is to pilot partnerships with local authorities in sub-regional groups to test the feasibility of sharing skills expertise and good practice.

39. The Government has introduced the Planning Delivery Grant, which rewards those authorities that improve the quality of their planning service. An extra £350m is being provided between 2003 and 2006 to local authorities. The funds are not ring fenced to be spent within planning departments and as yet there is only limited evidence that more conservation officers are being recruited.

³² English Heritage and Institute of Historic Buildings Conservation: Local Authority Conservation Provision Report 2003 page vii

³³ HIS11

³⁴ Q312

Skills

40. Conservation officers require the skills to understand how regeneration schemes work as well as how to preserve historic buildings. Simon Thurley, the Chief Executive of English Heritage, said:

“Very often you are dealing with a local conservation officer who has insufficient skills, who is poorly paid, is poorly trained, who is not in the right position in the planning department, in the local authority, to give really good, sound, imaginative advice.”³⁵

41. Chris Brown from the RICS suggested that a new sort of conservation officer was required who had a background in regeneration.

“It seems to me that if your target is to conserve historic buildings, you will fill your staff with archaeologists. If your task is to do with regeneration, you will start recruiting a wider skill base of people to allow you to hit those targets.”³⁶

Dr Rob Pickard, from the Royal Institution of Chartered Surveyors highlighted the need for conservation officers specifically to have some understanding of development finances:

“Particularly those working in conservation do not really understand the financial appraisal or development or the investment sides of the argument.”³⁷

42. Some training is now provided but it has taken a long time to develop and is very limited. Chris Brown from the RICS commented:

“It is now some five years since Lord Rogers’ urban task force reported. He said that skills were the number one deficit, both in terms of urban design and conservation. The reality is that we have seen very little done about it as a result.”³⁸

43. In March 2004 English Heritage launched a training initiative to help councillors and officers such as planners, highways engineers and estate managers make decisions on everything from urban regeneration to countryside initiatives and transport strategies. It has launched a website which includes information on local heritage management as well as technical advice and training activities. It is to contain examples of good practice from both English Heritage and local authorities.

44. CABE is also funding training in design and conservation. Les Sparks, a CABE Commissioner told the Committee:

“This year we have managed just over 2,000 training days with the resources we have available. I think we need at least to quintuple that, up to 10,000 training days a year,

³⁵ Q155

³⁶ Q193

³⁷ Q173

³⁸ Q219

if we are going to make a serious impact..... To do the job which needs to be done through CABE Education we need somewhere in the region of £2 million a year.”³⁹

45. The Government’s inquiry into the skills required to create sustainable communities conducted by Sir John Egan highlighted the important role played by conservation officers in managing the environment.⁴⁰ The ODPM is now setting up a National Centre for Sustainable Communities Skills.

46. Local authorities require well trained staff who have a good understanding of the historic environment to enable them to take the initiative in promoting regeneration schemes.

47. There is a severe shortage of conservation officers employed by local authorities. English Heritage’s new scheme to promote the sharing of skills and expertise across subregions will help smaller authorities but in many areas additional staff will be required. The Government’s new Planning Delivery Grant is intended to encourage the employment of additional local authority planners and conservation officers. ODPM needs to monitor closely the effectiveness of the grant, particularly in terms of the employment of conservation officers. Other incentives may be required if the numbers do not increase.

48. The training of conservation officers needs to be broader so that they have an understanding of development issues affecting historic buildings. The Urban Task Force highlighted the shortage of skills more than five years ago. It is disappointing that so little has been done since. It is important that the new National Centre for Sustainable Communities being set up by the ODPM following the Egan Review provides training for conservation officers in broad issues associated with regeneration and the reuse of historic buildings.

³⁹ Q222 & Q226

⁴⁰ The Egan review: Skills for Sustainable Communities ODPM 2004

4 Central Government

49. The Government sets a national policy framework and provides a regulatory regime for local authorities for the treatment of the historic environment. Government departments are also owners of a large number of historic buildings.

The National Policy Framework

50. The DCMS has responsibility for the identification, conservation and enhancement of the historic built environment in England, which includes listing and scheduling of historic buildings and ancient monuments, protection of conservation areas and the management of the DCMS historic buildings. The ODPM has responsibility for managing the environment through the planning and development control regime and a general role in promoting regeneration in deprived areas.

51. Since December 2000 the DCMS has worked alongside the Department of Transport, Local Government and the Regions and subsequently the ODPM on a joint review of Government policies on the historic environment. The review, which is still ongoing, aims to increase the potential of the historic assets. In December 2001, the Departments published a joint statement “The Historic Environment: A Force for Our Future”, which set out their vision for the role of the historic environment, which was broader than development controls and funding programmes.

“Up until now, Government policy towards the historic environment has been expressed mainly through formal planning guidance and the provision of funds to bodies such as English Heritage and the Heritage Lottery Fund. Initiatives relating to the countryside have also played a significant role. Such functions are crucially important and will continue to occupy a central place in the delivery of policy. But there is a need now for Government both to articulate a more complete vision for the sector and to look systematically at the means of translating the vision into reality.”⁴¹

52. The vision set out in “The Historic Environment: A Force for Our Future” said:

“The Government looks to a future in which:

- public interest in the historic environment is matched by firm leadership, effective partnerships, and the development of a sound knowledge base from which to develop policies;
- the full potential of the historic environment as a learning resource is realised;
- the historic environment is accessible to everybody and is seen as something with which the whole of society can identify and engage;
- the historic environment is protected and sustained for the benefit of our own and future generations;

⁴¹ The Historic Environment: A Force for Our Future DCMS/DTLR December 2001 page 9

- the historic environment's importance as an economic asset is skilfully harnessed.”⁴²

It said that implementation “will involve making good use of all the available tools: legislation; funding; policy guidance; restructuring; and partnership working.”⁴³

The Government's review of its policies on the historic environment has been broadly welcomed. However there are concerns that its vision is not being consistently implemented.

- Government Departments and agencies are not uniformly implementing the aspirations set out in “The Historic Environment: A Force for Our Future”. There are particular concerns that the split responsibility between DCMS and ODPM is hindering integrated strategies.
- The heritage and design agencies – CABE and English Heritage - have overlapping remits and give conflicting advice.

53. The Royal Institution of Chartered Surveyors argued that different Government departments have conflicting aspirations which need to be resolved:

“Government needs to recognise that the successful regeneration of our cities will only take place when all government departments involved recognise the importance of ensuring that both those responsible for preservation of historic buildings, and those responsible for ensuring economic growth and development work together to achieve maximum benefit. While government departments continue to perpetuate the adversarial nature of development, and fail to provide any leadership, then it is unlikely that there will be any change in the rest of industry.”⁴⁴

Leeds City Council said:

“The split between DCMS and ODPM and their roles of heritage protection and management through the planning system does not help a strategic, coordinated approach.....DCMS is remote from the local scene with virtually no regional presence. Heritage is only one part of its brief and perhaps this sector is less vocal than the arts, sport and media interests.”⁴⁵

54. It is also alleged that the DCMS is not allocating sufficient resources to the heritage sector. The RIBA said:

“Within that Department (DCMS), the heritage sector has seemed for some time like a neglected child – often overlooked in favour of more vociferous sectors such as sport or the arts. During previous Comprehensive Spending Reviews – where

⁴²The Historic Environment: A Force for Our Future DCMS/DTLR December 2001 page 9

⁴³The Historic Environment: A Force for Our Future DCMS/DTLR December 2001 page 9

⁴⁴ HIS09

⁴⁵ HIS25

substantial additional funding has been lavished upon the sports and arts sectors – the heritage sector has had to make do with the promise of ‘jam tomorrow’.⁴⁶

Leeds City Council pointed out that English Heritage’s funding had not kept pace with inflation “and that this is likely to diminish its ability to work in partnership with local authorities in the future”.⁴⁷

The Royal Institution of Chartered Surveyors argued:

“The ODPM should take ownership of this within government, and provide leadership to other departments on how successful regeneration projects have involved historic buildings. It should research what criteria have made regeneration projects that involve historic buildings successful and promote the findings with other departments and agencies.”⁴⁸

English Heritage and the Commission for Architecture and the Built Environment

55. The DCMS has two non-departmental public bodies which have a role in managing the historic built environment – English Heritage and the Commission for Architecture and the Built Environment (CABE).

- English Heritage’s role is to protect the historic environment and promote awareness, understanding and enjoyment of it. It operates a number of grant schemes including the area-based Heritage Economic Regeneration Scheme (HERS).
- CABE is the Government’s design champion raising the profile of the role of architecture and urban design in the social and economic improvement to towns and cities.

56. Both organisations have close relationships with the ODPM and have started to embrace the regeneration agenda.

Deborah Lamb, English Heritage’s director of policy, told the Committee:

“What is very useful from our point of view is that for the first time we actually have a funding agreement, which is our agreement with government for what we will deliver for the grant we are given, which actually has the ODPM and DEFRA as joint signatories to that as well as the DCMS. There is a formal recognition that we do operate across government departments. One of the best aspects of that is that we deal with all those government departments together, so it is not just a question of us having to deal with them all separately, but we actually get them in the same room together and talking together. In that sense this has been a mechanism for joining up different bits of government as well.”⁴⁹

⁴⁶ HIS05

⁴⁷ HIS25

⁴⁸ HIS09

⁴⁹ Q156

57. English Heritage is also taking a more flexible view about modifications to historic buildings. Sylvie Pierce, the managing director of Capital & Provident Regeneration, said:

“There seems to be a view in English Heritage that it is the integrity of the building that counts and that bringing it back into use is the focus of design discussions. Consequently the possibility of extending the building with some exciting modern architecture is, for example, seen as a perfectly valid way of both preserving and regenerating an historic building.”⁵⁰

58. There are concerns that the functions of CABE and English Heritage overlap, and that they are not working closely enough together and providing consistent advice on planning applications. The Government has acknowledged that there are too many organisations providing advice. Lord McIntosh, the Heritage Minister, told the Committee:

“There is overlap, and we recognise that. It has been dealt with in the past by ad hoc arrangements for joint working. For example, English Heritage has the design task group with the Commission on Architecture and the Built Environment, and that seems to be working. CABE is working with English Heritage on what are called characterisation studies, which comes back to what I was saying earlier about treating localities as meaningful entities. There is a joint English Heritage CABE body called the Urban Panel, which is providing advice on major regeneration schemes. All of those are being applied, but it is true that there are too many bodies, and I am personally committed to simplifying that as far as possible.”⁵¹

59. In some instances CABE and English Heritage are giving conflicting advice. English Heritage tends to favour conservation while CABE prefers modernist approaches. The Royal Institute of British Architects suggested that:

“CABE sometimes seem blinded by an adherence to particular forms of contemporary architecture and an enthusiasm for tall buildings, occasionally with an element of apparent disregard to the appropriate settings of historic buildings and areas.”⁵²

60. The ODPM and the DCMS have co-operated closely on the review of the Government’s heritage policies and the built environment. However, the split in responsibilities, particularly in terms of heritage protection and development control between the DCMS and ODPM continues to create confusion and additional complexity. DCMS’ commitment to the heritage agenda must be questioned. It is disappointing that there is no link between the Planning and Compulsory Purchase Act 2004 and the reform of the regimes protecting historic buildings.

61. The relationship between CABE and English Heritage needs to be reinforced in order to rationalise their operations, to minimise duplication and ensure that their advice is consistent.

⁵⁰ HIS18

⁵¹ Q327

⁵² HIS 05

Building Preservation Trusts

62. Private developers are showing new interest in the reuse of historic buildings. In many cases, the management and reuse of historic buildings, particularly those in a poor state, is complex and cannot be achieved through the traditional commercial property development market. Building Preservation Trusts offer an alternative approach. There are 250 trusts which, according to the UK Association of BPTs, are “largely grassroots, community driven charities whose remit involves the rescue, repair and re-use of historic buildings within their area for a range of viable, dynamic and innovative new functions. The buildings BPTs redevelop for public benefit are those that for whom the normal, commercial property development market has not delivered solutions”.⁵³ The Architectural Heritage Fund which is the main funder of building preservation trusts highlighted an example of a successful project.

“A project carried out by the Glasgow Building Preservation Trust has had a major impact on its surrounding area and is a good example of conservation-led regeneration. St Andrew’s in the Square, a Category A listed church, was made redundant due to a declining population in a largely abandoned and derelict area. The BPT purchased the church and oversaw its complete restoration and revitalisation as a performance venue and cafe. The square surrounding St Andrews, now no longer blighted by the empty church but enhanced by this unique facility, has been brought back to life. The square has been rebuilt as social and private housing and the Director of the BPT has estimated that the St Andrew’s project has levered in some £54 million of public and private sector funding. This is a regeneration project that has a historic building physically at its centre and as a major catalyst for new development.”⁵⁴

63. Building Preservation Trusts are not getting the recognition or the funds they deserve. The Architectural Heritage Fund pointed out:

“The ODPM firmly backs Community Development Trusts (CDTs) but BPTs, which have much in common with CDTs, do not get the recognition or financial support that they deserve.”⁵⁵

The Prince of Wales’s Phoenix Trust said:

“At present building preservation trusts (BPTs) struggle with limited staff and resources to achieve spectacular results which regenerate an imposing diversity of historic buildings. Their work represents real value for money. It is a constant struggle to keep going without adequate resources to enable BPTs to undertake work at risk during the initial stages of project development. It could be argued that the BPTs are dealing with the problems created by the failure of the public agencies responsible for the built and historic environment to use the present designation and

⁵³ HIS34

⁵⁴ HIS31

⁵⁵ HIS31

legislation apparatus effectively. There should be some mechanism whereby the Regeneration Agencies can assist the work of the BPTs by providing core funding.”⁵⁶

64. Building Preservation Trusts perform an important role in bringing back into use neglected buildings which the private sector are not interested in. They are severely short of money particularly in terms of core revenue funding. The Government needs to review the level and nature of funding to the trusts.

⁵⁶ HIS28

5 Regulation

65. The core statutory regimes intended to regulate historic buildings and their surroundings are:

- **Planning permission** - In general detailed planning applications are required for schemes to alter historic buildings that are listed or in a conservation area. Planning permission is also required for change of use of any building or land. Detailed applications are also normally required for new developments in sensitive locations. In determining applications for planning permission, planning authorities are entitled to consider the effect of development on the setting of a listed building and on the character or appearance of a conservation area.
- **Listed building consent** - Buildings considered to have special architectural or historic interest are included in a statutory list compiled by the Department of Culture, Media and Sport. Listed buildings are graded to show their relative importance. A special form of planning consent, listed building consent, is required for any alteration that affects the special features of a listed building. Listed building consent is also required for a total or substantial demolition.
- **Conservation Area consent** - Local authorities can designate as conservation areas any area of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance. Special permission is required from the Local Authority to demolish buildings within an area.

There are additional regimes which include:

- Scheduled monument consent
- Tree Preservation Orders
- Hazardous substances consent
- Advertisement Regulation
- Hedgerow Regulations and Public Rights of Way
- Building Regulations

Other non-statutory regimes include designation as World Heritage Sites.

66. The Government's review of the future of the historic environment is considering proposals to ensure that "these regimes preserve the best of our past, operate efficiently, are free of unnecessary bureaucracy and deliver high-quality outputs".⁵⁷ The Government also intends to review PPG15 which provides guidance on planning and the historic environment.

67. The Council for British Archaeology summarised the principles that should guide the protection of historic environments.

⁵⁷ The Historic Environment: A Force for Our Future DCMS & DTLR December 2001 p33

“The current system identifies sites and buildings (through listing, scheduling or the designation of conservation areas) that are of merit and worthy of protection for future generations. The intention is that the applicant - be they multi million pound developer or ordinary member of the public, is guided through a series of established stages with free advice from conservation officers, county archaeologists and specialist amenity societies. The system if working correctly works for developers and conservationists to ensure that short term financial gain is not at the expense of the historic environment which is irreplaceable.”⁵⁸

However, evidence to the committee raised concerns that:

- Too many time consuming and repetitive consents and permissions are required when modifying a historic building.
- The listing process lacks clarity and does not take into account the wider issues affecting a historic building. Spot listing is haphazard and can restrict development. Local authority conservation officers are often overzealous concentrating on very fine detail.

Consents and Permissions

68. When schemes are put forward which involve a historic building or affect the historic environment several permissions are usually required, often causing delays and uncertainties.

Dr Rob Pickard from the Royal Institution of Chartered Surveyors said:

“One of the problems may be to do with the bureaucracy in that at the present time there are many different permissions, consents. You may require listed building consent or planning permission. If you are on a site that is within a conservation area and there are unlisted buildings, conservation area consent will be required for demolition of such buildings. It could also have an ancient monument on it.”⁵⁹

The Grainger Town Project suggested that:

“Developers and investors need “clarity” over application processes and “certainty” in terms of timescales.....The Grainger Town Project has shown that all partners need to accept shared responsibility and to collectively endorse an integrated approach to the regeneration of urban areas. Also it would be beneficial if the grant and planning/conservation application systems were streamlined to encourage developer and investor confidence.”⁶⁰

The Royal Town Planning Institute argued that the DCMS’s review of heritage controls was too narrow:

⁵⁸ HIS20

⁵⁹ Q189

⁶⁰ HIS53

“Such a review needs to be extended to cover not only the range of heritage controls but the range of different grant-making regimes and the integration of differing area plans and enhancement schemes.”⁶¹

The listing regime

69. The listing of historic buildings aims to protect the historic qualities of a building. The system lacks clarity. There are no published criteria for listing and it currently seems to be based on highly specialised, academic judgements. It does not recognise the condition of the building, viability or planning issues or the value of the buildings to the community. However, the organisation Regeneration through Heritage said:

“We do not think listing hinders urban regeneration. On the contrary, we believe that listing adds value to buildings and therefore assists in the catalysis of regeneration. Listed buildings are perceived as having value and status, both by developers and the community.”⁶²

The Civic Trust argued that listing does not sterilise a site but it encourages developers to be more innovative:

“Listing does not sterilise a site. Indeed, in reality, Listing does not even protect a site, and it certainly does not cover - nor is it intended to cover - all buildings meriting Listing. Its purpose is to flag up the fact that "There is historic environment here". It concentrates the minds of owners, developers and local authorities, obliging them to recognise the "Power of Place" and not to treat everywhere the same. The presence of historic environment can actually generate a more creative approach by obliging people to think beyond mere demolition and rebuilding.”⁶³

70. Other organisations suggested that the listing system was not transparent, caused delays and restricted the potential reuse of buildings. The City Corporation was concerned that:

“The listing of buildings generally delays the process of regeneration, increases costs and risks and often reduces returns to investors. It can, therefore, act to make seemingly viable projects unviable.”⁶⁴

The developer, Capital and Provident Regeneration, suggested that:

“the problem with the listing system is that it seems to have a scattergun approach. Buildings are listed for reasons that are not apparent to anybody locally. You can get the same buildings almost identical in an area one of which is listed and get the full protection of English Heritage or conservation and another, which is not and can be demolished or very insensitively converted.”⁶⁵

⁶¹ HIS51

⁶² HIS17

⁶³ HIS11

⁶⁴ HIS12

⁶⁵ HIS18

The Theatres Trust argued that the grounds for listing a building should be clearly identified and the key features of historic value specified. The Trust's Director Peter Longman told the Committee:

“You need to understand why the building has been listed, if it has been listed, and what is important about it.”⁶⁶

The developer Land Securities urged that any decision to list a building should take account of the planning context and its potential uses to avoid sterilising the building:

“In my view to list a building in isolation from the wider planning context is wrong especially if the property is in a poor state of repair and is therefore effectively economically and physically obsolescent. This will blight regeneration initiatives in terms of generating real vitality and sustainability. Therefore, I am a strong advocate of assessing the merits of listing in the context of urban regeneration strategies for the area and taking into account the nature of the building and what it can be used for – this may include potential for adaptation without losing the architectural integrity of the building. In this regard I believe that the interaction of urban design and historic building analysis are critical in the decision making process. Historic buildings have much to offer in the right environment but the key is a flexible and sustainable approach.”⁶⁷

The Government's Proposals

71. During the course of this inquiry, the DCMS and the ODPM both published reports setting out the results of consultations and research into integrating and clarifying the regimes which address some of the issues raised during the Committee's Inquiry.

72. The June 2004 report by the ODPM 'Unification of Consent Regimes' sets out options for reforming the planning system to integrate issues affecting historic buildings.⁶⁸ It pointed out that the DETR launched a pilot programme in 1997 with four local authorities offering a 'one-stop shop' approach to development consents which included building control, planning (including listed building consent and conservation area consent) and licensing. A report on the pilot said:

“Authorities and developers agreed that well established, user-friendly services were a factor in developers' decisions about where to locate their projects. One stop shop services could help an authority to attract and retain investment.”⁶⁹

73. The ODPM's report highlighted a study in 2001 by the Society of Advanced Legal Studies on the Simplification of the Planning Legislation which considered the case for amalgamating, planning permission, listed building consent, conservation area consent, consent under the advertisement regulations and scheduled monument consent. It concluded:

⁶⁶ Q237

⁶⁷ HIS40

⁶⁸ Unification of Consent Regimes, ODPM June 2004

⁶⁹ The one stop shop approach to development consent ODPM June 1998 page 42

“The various systems of control have simply grown over the years, with no particular rationale. To bring them together into one system would seem to be entirely feasible and would significantly improve the operation of the procedures and policies..... rationalisation is desirable for both operators of the system and the users. Those likely to be most affected by the consolidation are the heritage lobby. However, the proposed changes to the legislation preserve the special status accorded to the built heritage, and ensure that decision making regarding listed buildings and monuments is brought into the mainstream of planning control, rather than being marginalized. The simpler legislation becomes, the less it would be prone to loopholes and anomalies. Future amendments would be easier if legislation were simpler.”⁷⁰

The report proposes an incremental process which leads to a unification of the ‘core’ regimes which include planning permission, listed building and conservation area consents. It says:

“Proceeding to a unified system, either directly or in stages, would lead to benefits for local planning authorities, applicants and other stakeholders including members of the public. Unification of the ‘core’ consents regimes would mean that three separate regimes would be condensed into one single system.”⁷¹

74. The DCMS’s June 2004 report ‘Review of Heritage Protection: the Way Forward’⁷² does not go as far as the ODPM’s proposals. It sets out a short term package of reforms to the protection regime to be implemented from April 2005 which would help clarify the listing system. These include:

- Transferring responsibility for listing buildings from DCMS to English Heritage
- Reviewing the listing system to make it more easily understood;
- Consultation with local authorities and developers on proposals to list buildings.

A longer term package is considered that would require legislative changes which includes bringing together different regimes protecting historic buildings including

- A unified register of historic sites and buildings;
- An integrated consent regime unifying listed building consent and scheduled monument consent to be administered by local authorities.

It says that the Government is also to consider the results of the ODPM’s research into the reforms to the planning system.

The DCMS has set up 15 pilot sites where it is testing its proposals to integrate the various regimes protecting heritage which will help inform the forthcoming legislation. A range of urban and rural sites with modern and historic buildings have been chosen.

⁷⁰ The Society for Advanced Legal Studies (SALS) The Simplification of Planning Legislation May 2001

⁷¹ Unification of Consent Regimes, ODPM June 2004 page 317

⁷² Review of Heritage Protection: The Way Forward DCMS June 2004

75. The Government is proposing to introduce legislation to enact some of the reforms but this is unlikely to be until 2006. In his introduction to the DCMS report the Heritage Minister Lord McIntosh said:

“It is likely that we would publish a White Paper next year, with a view to seeking Parliamentary time at the first opportunity – probably in 2006/7. However, we are conscious that we hold the historic environment in trust for generations to come. It is vital that we fully explore proposals for change and get them right before we come to primary legislation. We propose to use the next 2-3 years to fully seize that opportunity.”⁷³

76. This legislative timetable does not fit with the reforms of the planning system which have been introduced as part of the Planning and Compulsory Purchase Act 2004.

The RIBA pointed out:

“We are concerned, however, that DCMS may lack sufficient policy input into the work of the ODPM. While we warmly welcomed and we are pleased to contribute to the current review of heritage protection legislation by DCMS, we are nevertheless worried that its timescale is out of synch with the thinking behind the Planning and Compulsory Purchase Bill and the Bill’s current progress through Parliament. It seems to us that the Bill would be an ideal legislative opportunity to make many of the changes envisaged in the heritage protection review. Yet we fear that the DCMS’s stately progress of the review may mean we have “missed the boat”. It may be some time before we have another similar legislative opportunity.”⁷⁴

77. There are concerns that giving responsibility for listing to English Heritage may not help in promoting new uses in historic buildings because it generally favours the conservation of buildings.

Review of PPG15

78. The Government is reviewing all planning policy guidance as part of its reform of the planning system. Some of the reforms to planning controls on historic buildings proposed by the ODPM and DCMS will be included in the new Planning Policy Statement on historic buildings which will replace PPG15 on Planning and the Historic Environment. It is also expected that the new planning policy statement will combine the current PPG16 on Archaeology. However, it is unclear when the new PPS will be published.

79. Many submissions suggested that the new version of PPG15 should specifically reflect the regeneration agenda. The Commission for Architecture and the Built Environment said:

“It should make the case that historic environment issues are integral to planning and regeneration generally. We would like to see the new PPS15 emphasise to local authorities the potential for the imaginative use of conservation area status in assisting the regeneration of more deprived neighbourhoods where the architectural

⁷³ Review of Heritage Protection: The Way Forward DCMS June 2004

⁷⁴ HIS05

and historical significance may not be so overt, but where proper recognition of the historic assets of the area could help to generate a greater appreciation of the underlying economic and social value within the locality.⁷⁵

80. The ODPM acknowledged that PPG15 does not reflect the current regeneration agenda. The regeneration minister Yvette Cooper said:

“It is quite interesting when you look at that 1994 document: it does look like a 1994 document. There is only one mention of regeneration and that may well reflect the political climate at the time. It does talk about economic growth and balancing economic growth and conservation, and certainly PPG15 allows you to do all kinds of development in terms of the use of historic buildings for regeneration but a lot of the language feels like it was written ten years ago and it also does not champion the potential opportunities of historic buildings and regeneration.”⁷⁶

However, the revision of PPG15 has been deferred pending the results of DCMS’ pilot projects. The DCMS now suggests that “the review and replacement of the guidance will take place as and when necessary”.⁷⁷

81. Too many consents and permissions are required before a historic building can be altered or adapted. The listing system is important in obliging developers to recognise the value of the historic buildings and to adopt a more creative approach. However, the listing system lacks transparency and appears haphazard and so can delay regeneration schemes.

82. The Government’s commitment to review the regime regulating the historic environment and to introduce legislation is welcome. It is disappointing that legislation is not being considered before 2006/2007 which will be at least eight years after the reforms were first considered.

83. Historic buildings are part of the built environment which the planning system is intended to control. The DCMS’s proposals to reform the listing system are not coordinated with the reforms which have been introduced by the ODPM to the planning system and are limited to integrating the various regimes specifically controlling historic buildings. They do not reflect work by the ODPM on integrating historic building controls into the planning system. At the very least, the DCMS’ pilot studies should consider how an integrated regime can address planning issues as well as the various historic building controls.

84. Research by the ODPM has demonstrated the feasibility of integrating the protection of historic buildings within the planning system. The forthcoming White Paper should include proposals to bring the protection of historic buildings within the planning system. This would require the responsibility for the protection of historic buildings to be transferred from the DCMS to the ODPM. This would also involve the Commission for Architecture and the Built Environment and sections of English

⁷⁵ HIS10

⁷⁶ Q276

⁷⁷ Review of Heritage Protection: The Way Forward DCMS June 2004 page 23

Heritage involved with listing and regeneration becoming the sole responsibility of ODPM.

85. The delays in the revision of PPG15 are disappointing. It is widely agreed that new guidance is required on how the priorities for regeneration and conservation should be integrated. The Government should set a timetable for the publication of the new Planning Policy Statement which is intended to succeed PPG15. Many of the reforms proposed in this report can be implemented through planning guidance without legislation.

6 Government Departments as Land and Property owners

86. The DCMS has published advice to other Government departments on the disposal of their historic assets which suggests that the maximisation of land sale receipts should not be the overriding objective in heritage disposals. Evidence to the Committee suggested that this guidance is not being applied. The Regeneration Through Heritage organisation commented:

“Notwithstanding government policy that empowers government departments and agencies to dispose of heritage property at less than market value in support of wider economic objectives, we have found that they still feel driven by the need to maximise returns and achieve government financial targets. Too often wider regeneration objectives are lost as a consequence of pressure to maximise capital receipts. Like private developers, government departments seek maximum incomes and, therefore, promote the highest value uses, such as offices, in preference to more appropriate uses, such as cultural, leisure or workshop uses. These might make better use of buildings and bring about a better outcome in terms of economically and socially sustainable outputs. We have found that government departments often do not promote mixed-uses, which usually work best in heritage areas and are inherently more sustainable, with a consequent reduction in the potential public benefits. This obsession with maximising returns leads to sterile heritage regeneration schemes.”⁷⁸

87. The United Kingdom Association of Preservation Trust points out:

“There is considerable evidence that the central importance of an area’s built heritage and – by extension – its identity and links to its civic past are still not central within the regeneration thinking of some organisations. Worse offenders are often government departments – see the demise and redundancy of the health and military estates, where large historic building complexes are often allowed to degrade over time and withdrawal of maintenance until demolition or sale as enabling land for larger often unsympathetic development seems the only answer.”⁷⁹

The Civic Trust suggested that the Defence Estates are “too often sold to maximise financial return without regard to their historic value.”⁸⁰ British Waterways is another public agency which is alleged not to be respecting the heritage value of its estate in some of its redevelopment schemes. Regeneration through Heritage said:

“BW is still driven by the need to maximise economic returns and promotes projects that over-develop buildings, have inappropriate uses, or involve schemes that do not deliver a sufficiently wide social benefit. Some of their alterations to heritage

⁷⁸ HIS17

⁷⁹ HIS34

⁸⁰HIS11

buildings fall short of what they could deliver, reflecting a lack of conservation skills within their organisation.”⁸¹

88. The 1996 DCMS disposal guidelines to Government departments suggested that the aim should be to obtain the best return for the taxpayer having regard to a number of factors which include Government policy for historic buildings and areas and archaeology as set out in PPG15 and PPG 16. “The clear recognition in these documents that the most appropriate long-term use for a historic building (when account is taken of the need to protect its fabric, interior and setting) may not be the use which generates the optimum financial return.”⁸²

89. Some Government departments are felt to be neglecting the historic buildings on their estate and disposing of their properties for inappropriate redevelopments which maximise commercial return and fail to enhance their historic qualities. We recommend that the Government monitor the implementation of its guidelines on the sale of Government assets and take action where they are not applied and report biennially to the House on the outcome.

⁸¹ HIS17

⁸² The Disposal of Historic Buildings DCMS 1996 para 9.1

7 The Funding and Fiscal regime

90. The costs and the risks involved in the sympathetic management, maintenance and possible reuse of historic buildings mean that in many cases financial incentives and grants are required, particularly if commercial developers are to be attracted to them, rather than to new-build schemes. There are several grant schemes and some tax incentives but they are difficult to access, poorly coordinated, and limited in their scope. The current VAT regime is perverse. It taxes repairs to historic buildings and gives tax breaks to alterations.

Tom Bloxham, the chairman of the developer Urban Splash, told the Committee about the extra costs incurred in projects using historic buildings:

“For us, if we are doing a £10 million projects if it is in a conservation area or a listed building, it will cost us probably hundreds of thousands of pounds, certainly tens, extra in fees and probably delay the process by six to 12 months.”⁸³

Funding Sources

91. Funding for the maintenance and reuse of historic buildings comes from English Heritage, the Heritage Lottery Fund, EU Structure Funds, the Regional Development Agencies, English Partnerships, charitable trusts and local authorities. The diverse range of sources requires developers and local authorities to bring together funds from several different agencies with their specific grant conditions and requirements and timescales which is time consuming and precarious. Local authorities have to bid for the funds risking already strained staff resources in an uncertain process.

92. Mike Burchnell, Planning and Protection Manager at Liverpool City Council, told the Committee:

“Funding the re-use of listed buildings is very complex and there can be a cocktail of funding. A developer wants to have all that funding in place so that he reduces his risk at the outset. I am not sure that we have actually achieved that as yet because we look to put a cocktail of funding together. If one person who is providing funding falls out of that, then the scheme is at risk and the developer is at risk. If we can have more secure means of funding on a long-term, sustainable basis, that will certainly reduce the risk for developers.”⁸⁴

93. The ever-changing funding conditions cause additional uncertainties. Tony Hurst from the Inland Waterways Amenity Advisory Council told us:

“One thing that is needed to help the process along is continuity. Funding projects and people who fund change in the main every few years so you do not get continuity over a long period. If you could see into the future and the rules did not

⁸³ Q75

⁸⁴ Q7 Mr Burchnell

change then it would be a lot easier for people to take projects forward and get a greater return.”⁸⁵

English Heritage and Heritage Lottery Fund

94. English Heritage’s funds are almost exclusively available for listed buildings or for schemes in conservation areas. Its Heritage Economic Regeneration Scheme invests about £9.6m per year in projects to improve the condition of historic buildings that are listed or in conservation areas. It needs to broaden its funding criteria to include improvement and modification schemes which will aid the viability of historic buildings for new uses, or make an outstanding contribution to the character of the conservation area. The Heritage Lottery Fund has invested about £2.8bn since 1995 in a broader range of heritage projects but its funds are difficult to access. There is wide recognition that heritage funding needs to be integrated better with other regeneration initiatives.

95. The Civic Trust suggested:

“We are disturbed at indications that the remit of the Heritage Lottery Fund in regard to the built heritage may be restricted; in our view, heritage projects - funded, e.g., through the HLF’s Local Heritage Initiative - are surely the ideal medium for Lottery Funding, which should be geared towards making it easier for local groups to pursue them. It could help materially in enable the backlog of repairs to buildings at risk, etc., to be cleared.”⁸⁶

96. English Heritage accepted the need for simplicity and greater coordination between different grant schemes. Simon Thurley, its chief executive, told the Committee:

“You are absolutely right, what is absolutely crucial here is that the end user has something very clear, very simple and they can find out where they can get the money and what the criteria are. The greater the rationalisation we can do, the better.”⁸⁷

The Heritage Lottery Fund also acknowledged the benefits of greater coordination and pointed to the success of its first collaboration with English Heritage on its church scheme. Carole Souter, director of the Heritage Lottery Fund, told the Committee:

“Working together is the best way of getting the most out of the money we separately have available for regeneration schemes. I do not think we have had any tensions in the past in that area. The churches scheme is another good example where we can pool our resources and make sure we have the widest spread of projects which can benefit from those resources.”⁸⁸

⁸⁵ Q231

⁸⁶ HIS11

⁸⁷ Q130

⁸⁸ Q206

Heritage Economic Regeneration Scheme

97. Manchester City Council argued that:

“Again grant regimes such as CAP and the Heritage Economic Regeneration Scheme, whilst having some successful outcomes have not, because of their funding criteria, helped deal with the real problem of dereliction and derelict properties within, for example, the Northern Quarter area of the City Centre. Many owners/developers would not, by choice, restore original features when schemes are marginal, and more contemporary approaches are ineligible. More flexibility in funding criteria would assist regeneration and bring the stability needed for the future of the area, which would in turn provide the basis for a more conservation orientated approach.”⁸⁹

98. Norwich City Council highlighted the poor integration between HERS and other grant programmes:

“HERS is a tiny drop in the ocean, unco-ordinated with other potential funding streams either nationally or regionally and still, despite good intentions, seen as being ‘about old buildings’ in many quarters. What is needed is serious, joined up funding - if we genuinely believe that heritage can be a key economic driver we should resource it appropriately.”⁹⁰

Heritage Lottery Fund

99. The breadth of projects funded by the Heritage Lottery Fund is welcome. There are concerns that it concentrates too much on education projects, that its funds are not easy to access and that they may be restricted in future.

The Heritage Lottery Fund has four main aims for the period 2002-2007, which are:

- “to encourage more people to be involved and make decisions about their heritage;
- to conserve and enhance the UK’s diverse heritage;
- to ensure that everyone can learn about, have access to and enjoy their heritage.
- to achieve a more equitable distribution of grants across the UK, by making more grants available to those parts of the UK and those communities which have received little funding from us to date.”⁹¹

100. The Heritage Lottery Fund told us that “Government has also asked us to address regeneration in our Policy Directions, which include: the scope for reducing economic and social deprivation, at the same time as creating heritage benefits”.⁹² However according to these priorities it is focusing on education as a main aim. The Heritage Lottery Fund is not

⁸⁹ HIS49

⁹⁰ HIS49

⁹¹ HIS 35

⁹² HIS35

set up to recognise the contribution that heritage-led regeneration projects can make to delivering new jobs, homes and commercial floorspace.

Gap Funding, EP and Regional Development Agencies

101. English Partnerships' Partnership Investment Programme (PIP) was an important funding source for developers taking on schemes involving historic buildings. It provided sufficient funds to make the schemes commercially viable. The EU's decision in 1999 that the grant contravened its state aid rules has had a devastating impact on the funds available for the commercial reuse of historic buildings.⁹³ The programme has not yet been satisfactorily replaced.

102. PIP played an important role in funding the regeneration of the Grainger Town area in Newcastle. The Grainger Town project said:

“The loss of the Partnership Investment Programme funding from English Partnerships in 1999 as a result of the EC decisions on infringements to State Aid rules and the consequential reduced funding allocations from One North East were significant blows to the Grainger Town Project and their impact had to be handled extremely carefully in order to protect investment confidence in the area.”⁹⁴

Yvette Cooper, the Regeneration Minister, told the Committee that there was now progress in setting up a replacement grant scheme:

“We have got approval from the European Commission for a historic environment regeneration scheme, and that does allow funding bodies such as the RDAs, English Partnerships and local authorities to provide grants for up to 100 per cent of heritage-related development at cost within the state aid rules. Since getting the approval we have been working with the funding bodies to get a guidance note in place on supporting projects under the approval, with the aim of being able to give people much greater clarity about the way the heritage gap funding would work.”⁹⁵

103. The RDAs and EP need to be prepared to make the funds available for the new grant scheme once the guidelines have been finalised. There are concerns that they are no longer prioritising urban regeneration projects. Chris Brown from the RICS said:

“I see the RDAs reducing the amount of money and activity which is going into urban regeneration at the moment. I also see English Partnerships focusing increasingly on the sustainable communities plan, which, because it involved the growth areas in the South-East, means they are also moving their focus a little bit away from regeneration.”⁹⁶

⁹³ The predecessor committee the Transport, Local Government & the Regions Committee carried out an inquiry into the impact of the loss of the Partnership Investment Programme and the need for a replacement regime Twelfth Report The Need for a New European Regeneration Framework 31 July 2002 Report and Proceedings of the Committee, HC 483-I

⁹⁴ HI553

⁹⁵ Q329

⁹⁶ Q169

104. Funds for the reuse of historic buildings come from a very diverse range of sources. The Government should consider promoting greater collaboration between the different funders to make them easier to access. English Heritage's review of its grant programme should consider how it can work better alongside other initiatives and broaden the scope of the projects it can fund.

105. The Heritage Lottery Fund needs to recognise the important role that heritage led projects can play in creating jobs, homes and commercial floorspace. It also needs to simplify its application procedures so that the funds can be more easily accessed by smaller organisations.

106. It has taken the Government too long to secure a replacement to English Partnerships' Partnership Investment Programme. It is disappointing that five years since the EU banned the programme the Government is only now putting in place the detailed guidance for the new scheme. It must issue guidance as soon as possible to the Regional Development Agencies and English Partnerships to promote the new programme and allocate sufficient funds for applications.

VAT

107. The VAT treatment of construction work on historic buildings is widely recognised as perverse and provides a disincentive to projects involving their reuse. Reflecting the additional costs and public benefit from the reuse of historic buildings, positive fiscal incentives are required to promote projects. Currently VAT is not applied to the construction and sale of new buildings and approved alterations to a listed building which is a dwelling or communal residential or charitable building.

108. The current arrangements fail to support the Government's sustainability agenda and can encourage bad practice. The Architectural Heritage Fund said:

“The change that is most urgently required is to introduce a lower flat rate of VAT on repairs and alterations and to harmonise the rate of VAT for all building work – VAT is currently charged on repairs to buildings but not on new-build and even more perversely, alterations to listed buildings are free of VAT but repairs are not. At present, therefore, the VAT system acts as a powerful disincentive for owners to maintain their properties and for the repair of neglected historic buildings for reuse. As it stands, the system flies in the face of the Government's sustainability agenda as well as counteracting the contribution that reusing historic buildings can play in urban regeneration.”⁹⁷

The Association for Industrial Archaeology suggested that the current arrangements reward bad practice:

“At present, the system can encourage poor practice: examples are rate reductions when the roof of a building is removed, and a lower rate of VAT for alterations as opposed to repairs.”⁹⁸

⁹⁷ HIS 31

⁹⁸ HIS44

109. The EU is reviewing some of the rules which allow Member States to reduce VAT levels. The Treasury is seeking to persuade the EU to allow the repair and maintenance to listed places of worship to be zero-rated, but the Treasury seems reluctant to support wider changes which would encourage the reuse of historic buildings.⁹⁹ A letter to the Committee from John Healey, the Treasury Minister, set out how the VAT arrangements have evolved and the EU restrictions in reducing them. He highlighted an opportunity to review the restrictions in the light of recent proposals from the Commission but remains unconvinced of the benefits of reducing VAT on the repair and maintenance of all historic buildings although it is pressing:

“Although we cannot introduce new zero rates, in common with other EU Member States, we can introduce a number of reduced rates, but only on a prescribed list of goods and services set out in Annex H of the EC Sixth VAT Directive and at a rate of not less than 5 per cent.

The current reduced rate list includes a category for the “supply, construction, renovation and alteration of housing provided as part of a social policy”. In its current form, Annex H does not include repair and maintenance work. The Commission has made proposals to amend Annex H to clarify the reduced rate provision by removing the distinction that housing should be “provided as part of a social policy” and by specifying the inclusion of the repair and maintenance of housing. If that proposal is agreed, the Government will examine the potential costs and benefits of applying a wider relief in the UK, focusing on those measures, which offer the best-targeted and most efficient support for its key social objectives.

We have yet to see any detailed cost-benefit analysis in support of the case for a reduced VAT rate to be applied to repair and maintenance of historic buildings. We would need to see evidence that a blanket reduced rate for all repair and maintenance work would be an efficient and well-targeted use of resources. We would need to be reassured that the absence of a reduced VAT rate on repairs does hinder the maintenance of historic buildings and that most of the benefit would not just go to middle and higher income households making improvements to houses already in a good state of repair.”¹⁰⁰

Fiscal Incentives

110. Positive fiscal incentives are required to encourage the reuse of historic buildings. Tom Bloxham, chairman of the developer Urban Splash emphasised the necessity for fiscal incentives to encourage the reuse of historic buildings:

“It is not a level playing field; it is by and large quicker, cheaper, easy and certainly much more certain to build a new build than to convert a difficult old building.

⁹⁹ In the 2000 pre-budget statement the Chancellor announced a reduction in VAT on eligible repairs and maintenance to listed places of worship from 17.5% to 5%. This has not yet been approved by the EU and the Government is providing support through the Listed Places of Worship Grant scheme that returns in grant aid the difference between the 5% VAT rate and the actual amount spent on VAT. In the 2004 Budget, the grant scheme was extended to cover the full cost of VAT. The grant funding is now in place until March 2006.

¹⁰⁰ HIS55

.....We have to level our playing field and have some form of fiscal incentives to encourage developers to redevelop the more difficult buildings.”¹⁰¹

Another developer, Land Securities suggested that the owners should be eligible for some form of tax relief to assist the viability of schemes to improve their properties.¹⁰²

111. On our visit to America, we heard of a number of projects which had been achieved using tax credits. The Renaissance Collaborative Inc, a consortium of churches in Chicago, refurbished the early 1900s Wabash YMCA building using grants and tax credits available because of the historic building. In Maryland, the State Government introduced a tax credit scheme in 1997 to encourage developers to take on historic buildings. The Heritage Structure Rehabilitation Tax Credit Program gives tax credits equal to 25% of the qualified capital costs expended in the rehabilitation of a ‘certified heritage structure.’ A study of the programme in 2002 suggested that the tax credits “leverage significant economic development activity and generate far in excess of the program’s costs.”¹⁰³

112. The tax system needs to favour the preservation and reuse of historic buildings rather than deter it. The imposition of VAT on the repair of historic buildings whilst new-build projects are exempt deters developers from taking on complex projects involving historic buildings and runs counter to the Government’s sustainability agenda and its policy on promoting the reuse of historic buildings.

113. It is unclear why the Treasury is committed to the zero rating of VAT on repairs to listed churches and places of worship but appears unconvinced on any other reductions. This Committee has received clear evidence that zero rating VAT on the repair and alteration of historic buildings could bring major benefits in promoting the reuse of historic buildings, particularly on commercial schemes which are on the margins of viability.

114. Developers require incentives to take on difficult projects involving historic buildings. The Government should consider offering tax credits which allow companies to offset some of the construction costs against their tax liability.

¹⁰¹ Q71

¹⁰² HIS40

¹⁰³ State of Maryland Heritage Structure Rehabilitation Tax Credits Economic & Fiscal Impacts Lipman Frizell & Mitchell February 2002

Conclusions and recommendations

The Contribution of Historic Buildings to Urban Regeneration

1. The historic environment has an important part to play in regeneration schemes helping to create vibrant interesting areas, boosting local economies and restoring local confidence. When historic buildings including churches and theatres are no longer needed for their original use, they are capable of conversion for a wide range of other purposes. (Paragraph 17)
2. The Government must ensure that the historic environment plays a central part in regenerating the areas suffering from low housing demand and in the South East where a major house-building programme is planned to ensure that distinctive neighbourhoods are created. (Paragraph 18)
3. It is not only important that the historic environment is improved but that social and community benefits are also secured as part of the schemes including social housing and other local facilities to avoid creating socially exclusive neighbourhoods. (Paragraph 19)
4. The reuse of historic buildings can be more environmentally sustainable than, and their environmental performance can be, as good as, new-build projects. (Paragraph 20)

Local Authorities, Strategies, Staff and Skills

5. Councils need to develop a vision for their historic buildings which provides a framework for their regeneration. The framework should be flexible and allow for change of use where the original use of a historic building is no longer viable. Historic buildings should not be valued solely for their heritage but incorporated into strategies meeting social, economic and physical objectives. (Paragraph 29)
6. A wide public debate is required around the feasibility and desirability of retaining some historic buildings before any decisions are taken to demolish them. Councils need guidance on how to incorporate the historic environment in the new local development frameworks and masterplans. (Paragraph 30)
7. All local authorities need to be encouraged to set up multidisciplinary teams including conservation, planning and transport officers alongside regeneration specialists and experts in development finance to oversee the regeneration of neighbourhoods with historic buildings. Councils should provide advice on sources of funding to improve historic buildings and make their contact details readily available to the general public. (Paragraph 34)
8. Local authorities require well trained staff who have a good understanding of the historic environment to enable them to take the initiative in promoting regeneration schemes. (Paragraph 46)

9. There is a severe shortage of conservation officers employed by local authorities. English Heritage's new scheme to promote the sharing of skills and expertise across subregions will help smaller authorities but in many areas additional staff will be required. The Government's new Planning Delivery Grant is intended to encourage the employment of additional local authority planners and conservation officers. ODPM needs to monitor closely the effectiveness of the grant, particularly in terms of the employment of conservation officers. Other incentives may be required if the numbers do not increase. (Paragraph 47)
10. The training of conservation officers needs to be broader so that they have an understanding of development issues affecting historic buildings. The Urban Task Force highlighted the shortage of skills more than five years ago. It is disappointing that so little has been done since. It is important that the new National Centre for Sustainable Communities being set up by the ODPM following the Egan Review provides training for conservation officers in broad issues associated with regeneration and the reuse of historic buildings. (Paragraph 48)

Central Government

11. The ODPM and the DCMS have co-operated closely on the review of the Government's heritage policies and the built environment. However, the split in responsibilities, particularly in terms of heritage protection and development control between the DCMS and ODPM continues to create confusion and additional complexity. DCMS' commitment to the heritage agenda must be questioned. It is disappointing that there is no link between the Planning and Compulsory Purchase Act 2004 and the reform of the regimes protecting historic buildings. (Paragraph 60)
12. The relationship between CABE and English Heritage needs to be reinforced in order to rationalise their operations, to minimise duplication and ensure that their advice is consistent. (Paragraph 61)
13. Building Preservation Trusts perform an important role in bringing back into use neglected buildings which the private sector are not interested in. They are severely short of money particularly in terms of core revenue funding. The Government needs to review the level and nature of funding to the trusts. (Paragraph 64)

Regulation

14. Too many consents and permissions are required before a historic building can be altered or adapted. The listing system is important in obliging developers to recognise the value of the historic buildings and to adopt a more creative approach. However, the listing system lacks transparency and appears haphazard and so can delay regeneration schemes. (Paragraph 81)
15. The Government's commitment to review the regime regulating the historic environment and to introduce legislation is welcome. It is disappointing that legislation is not being considered before 2006/2007 which will be at least eight years after the reforms were first considered. (Paragraph 82)

16. Historic buildings are part of the built environment which the planning system is intended to control. The DCMS's proposals to reform the listing system are not coordinated with the reforms which have been introduced by the ODPM to the planning system and are limited to integrating the various regimes specifically controlling historic buildings. They do not reflect work by the ODPM on integrating historic building controls into the planning system. At the very least, the DCMS' pilot studies should consider how an integrated regime can address planning issues as well as the various historic building controls. (Paragraph 83)
17. Research by the ODPM has demonstrated the feasibility of integrating the protection of historic buildings within the planning system. The forthcoming White Paper should include proposals to bring the protection of historic buildings within the planning system. This would require the responsibility for the protection of historic buildings to be transferred from the DCMS to the ODPM. This would also involve the Commission for Architecture and the Built Environment and sections of English Heritage involved with listing and regeneration becoming the sole responsibility of ODPM. (Paragraph 84)
18. The delays in the revision of PPG15 are disappointing. It is widely agreed that new guidance is required on how the priorities for regeneration and conservation should be integrated. The Government should set a timetable for the publication of the new Planning Policy Statement which is intended to succeed PPG15. Many of the reforms proposed in this report can be implemented through planning guidance without legislation. (Paragraph 85)

Government Departments as Land and Property owners

19. Some Government departments are felt to be neglecting the historic buildings on their estate and disposing of their properties for inappropriate redevelopments which maximise commercial return and fail to enhance their historic qualities. We recommend that the Government monitor the implementation of its guidelines on the sale of Government assets and take action where they are not applied and report biennially to the House on the outcome. (Paragraph 89)

The Funding and Fiscal regime

20. Funds for the reuse of historic buildings come from a very diverse range of sources. The Government should consider promoting greater collaboration between the different funders to make them easier to access. English Heritage's review of its grant programme should consider how it can work better alongside other initiatives and broaden the scope of the projects it can fund. (Paragraph 104)
21. The Heritage Lottery Fund needs to recognise the important role that heritage led projects can play in creating jobs, homes and commercial floorspace. It also needs to simplify its application procedures so that the funds can be more easily accessed by smaller organisations. (Paragraph 105)
22. It has taken the Government too long to secure a replacement to English Partnerships' Partnership Investment Programme. It is disappointing that five years

since the EU banned the programme the Government is only now putting in place the detailed guidance for the new scheme. It must issue guidance as soon as possible to the Regional Development Agencies and English Partnerships to promote the new programme and allocate sufficient funds for applications. (Paragraph 106)

23. The tax system needs to favour the preservation and reuse of historic buildings rather than deter it. The imposition of VAT on the repair of historic buildings whilst new-build projects are exempt deters developers from taking on complex projects involving historic buildings and runs counter to the Government's sustainability agenda and its policy on promoting the reuse of historic buildings. (Paragraph 112)
24. It is unclear why the Treasury is committed to the zero rating of VAT on repairs to listed churches and places of worship but appears unconvinced on any other reductions. This Committee has received clear evidence that zero rating VAT on the repair and alteration of historic buildings could bring major benefits in promoting the reuse of historic buildings, particularly on commercial schemes which are on the margins of viability. (Paragraph 113)
25. Developers require incentives to take on difficult projects involving historic buildings. The Government should consider offering tax credits which allow companies to offset some of the construction costs against their tax liability. (Paragraph 114)

Formal Minutes

Wednesday 21 July 2004

Members present:

Chris Mole, in the Chair

Mr Andrew Bennett

Mr John Cummings

Mr Clive Betts

Christine Russell

Mr David Clelland

The Sub-committee deliberated.

Draft Report (The Role of Historic Buildings in Urban Regeneration), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 114 read and agreed to.

Resolved, That the Report be the Fourth Report of the Sub-committee to the Committee.-
[The Chairman].

Ordered, That the Chairman do make the Report to the Committee.

[The Sub-committee adjourned.]

Wednesday 21 July 2004

Members present:

Andrew Bennett, in the Chair

Mr Clive Betts

Chris Mole

Mr David Clelland

Christine Russell

Mr John Cummings

The Committee deliberated.

Draft Report (The Role of Historic Buildings in Urban Regeneration), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 114 read and agreed to.

Resolved, That the Report be the Eleventh Report of the Committee to the House – (The Chairman.)

Ordered, That the Chairman do make the Report to the House.

Ordered, That the Appendices to the Minutes of Evidence taken before the Sub-committee be reported to the House.

Ordered, That the provisions of Standing Order No. 134 (Select committee (reports)) be applied to the Report.

[The Committee adjourned.]

Witnesses

	<i>Page</i>
Monday 26 January 2004	
Mr Chris Oldershaw , formerly Project Director, The Grainger Town Partnership, Newcastle, now Executive Director of the TyneWear Partnership	Ev 1
Mr Mike Burchnell , Divisional Manager Planning and Public Protection, Regeneration Directorate, Liverpool City Council	Ev 1
Ms Fran Toms , Head of Cultural Strategy, and Mr Peter Babb , Head of Planning, Manchester City Council	Ev 1
Mr Martin Bacon , Chief Executive, Civic Trust	Ev 8
Mr Eddie Booth , Chairman, and Mr Dave Chetwyn , Consultations Secretary, Institute of Historic Buildings Conservation	Ev 8
Mr Tom Bloxham MBE , Chairman, Urban Splash	Ev 13
Mr Nigel Hughes , Planning and Estate Director, Grosvenor Ltd	Ev 13
Ms Sylvie Pierce , Managing Director, Capital and Provident Regeneration	Ev 13
Monday 2 February 2004	
Mr Simon Thurley , Chief Executive and Ms Deborah Lamb , Director of Policy and Communications, English Heritage	Ev 19
Mr Chris Brown , Chief Executive, Igloo Regeneration Fund	Ev 27
Dr Rob Pickard , University of Northumbria, Royal Institution of Chartered Surveyors (RICS)	Ev 27
Mr George Ferguson , President, Royal Institute of British Architects (RIBA)	Ev 27
Mr Mike Hayes , President, Corporate Director at Watford Borough Council and Mr Jack Warshaw , Director, Conservation Architecture and Planning, Royal Town Planning Institute (RTPI)	Ev 27
Mr Jon Rouse , Chief Executive, and Mr Les Sparks , Commissioner, Commission for Architecture and the Built Environment (CABE)	Ev 33
Ms Carole Souter , Director, and Ms Judy Cligman , Director of Policy and Research, Heritage Lottery Fund (HLF)	Ev 33

Monday 9 February 2004

Tony Hurst OBE , Member, Inland Waterways Amenity Advisory Council	Ev 37
Ms Paula Griffiths , Head of the Cathedral and Church Buildings Division of the Archbishops' Council and Lead officer for the CHF, and The Very Revd Peter Judd , The Dean of Chelmsford, Vice Chair, Church Heritage Forum (CHF)	Ev 37
Peter Longman , Director, Theatres Trust	Ev 37
Yvette Cooper , a Member of the House, Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister	Ev 44
Rt Hon Lord McIntosh of Haringey , a Member of the House of Lords, Parliamentary Under-Secretary of State and Government Spokesman for the Department for Culture, Media and Sport, and Michael Seeney , Head of Architecture and Historic Environment, Department for Culture, Media and Sport	Ev 44

List of supplementary written evidence

Memoranda HIS 01 to HIS 53 published as HC 47-II on 26th January 2004

Liverpool City Council (HIS 54)	Ev 54
Supplementary memorandum by English Heritage (HIS 32(a))	Ev 66
Supplementary memorandum by the Church Heritage Forum (CHF) (HIS 24(a))	Ev 69
HM Treasury (HIS 55)	Ev 70
Supplementary memorandum by the Office of the Deputy Prime Minister (HIS 50(a))	Ev 72
Supplementary Memorandum by English Heritage (HIS 34(b))	Ev 74

Reports from the ODPM Committee since 2002

The following reports have been produced by the Committee since 2002. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2003–04

First Report	ODPM Annual Report and Accounts 2003	HC 102-I (<i>CM 6141</i>)
Second Report	Annual Report to the Liaison Committee	HC 221
Third Report	The Fire Service	HC 43-I (<i>CM 6154</i>)
Fourth Report	Coalfield Communities	HC 44-I (<i>CM 6265</i>)
Fifth Report	Decent Homes	HC 46-I (<i>CM 6266</i>)
Sixth Report	Social Cohesion	HC 45-I (<i>CM 6284</i>)
Seventh Report	Postal Voting	HC 400-I
Eighth Report	The Role and Effectiveness of the Housing Corporation	HC 401-I
Ninth Report	Local Government Revenue	HC 402-I
Tenth Report	Supporting Vulnerable and Older People: The Supporting People Programme	HC 504-I

Session 2002-03

First Report	Local Government Finance: Formula Grant Distribution	HC 164 (<i>CM 5753</i>)
Second Report	Annual Report to the Liaison Committee	HC 288
Third Report	Affordable Housing	HC 77 (<i>CM 3783</i>)
Fourth Report	Planning, Competitiveness and Productivity	HC 114 (<i>CM 5809</i>)
Fifth Report	Departmental Annual Report and Estimates	HC 78 (<i>CM 5841</i>)
Sixth Report	The Evening Economy and the Urban Renaissance: Interim Report [Responding to issues in the Licensing Bill]	HC 541 (<i>HC 750</i>)
Seventh Report	The Effectiveness of Government Regeneration Initiatives	HC 76-I (<i>CM 5865</i>)
Eighth Report	Planning for Sustainable Communities: Sustainable Communities in the South East	HC 77-I (<i>CM 5985</i>)
Ninth Report	Reducing Regional Disparities in Prosperity	HC 492-I (<i>CM 5958</i>)
Tenth Report	The Draft Housing Bill	HC 751-I (<i>CM 6000</i>)
Eleventh Report	Living Places: Cleaner, Safer, Greener	HC 673-I (<i>CM 5989</i>)
Twelfth Report	The Evening Economy and the Urban Renaissance	HC 396-I (<i>CM 5971</i>)

Oral evidence

Taken before the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee (Urban Affairs Sub-Committee)

on Monday 26 January 2004

Members present

Chris Mole, in the Chair

Mr Clive Betts
Mr David Clelland

Mr John Cummings
Christine Russell

Witnesses: **Mr Chris Oldershaw**, formerly Project Director, The Grainger Town Partnership, Newcastle, now Executive Director of the TyneWear Partnership, **Mr Mike Burchnall**, Divisional Manager Planning and Public Protection, Regeneration Directorate, Liverpool City Council, **Ms Fran Toms**, Head of Cultural Strategy, and **Mr Peter Babb**, Head of Planning, Manchester City Council, examined.

Chairman: Good Afternoon and welcome to this first session of the Sub-Committee's inquiry into the role of historic buildings in urban regeneration. We have had an opportunity to look at the written evidence you have submitted. Do you feel the need to make any preliminary statements or would you be happy to go straight to questions? We can go straight to questions.

Q1 Christine Russell: This is a very easy question to all of your. All your cities, Newcastle, Liverpool and Manchester, suffered quite badly from industrial decline but I think all of them, over the last few years, have managed to achieve really successful regeneration schemes. Therefore the question is: what role have historic buildings played in those successful regeneration schemes in your three cities?

Mr Oldershaw: I think in many ways heritage and historic buildings have a crucial role to play in regeneration. They help to define the identity of cities and they also, certainly for Grainger Town, give economic and competitive advantages as well. Back in 1997, we had about one million square feet of open floor space; something like 47% of our 240 listed buildings were at risk. We decided that we needed to protect the legacy of Richard Grainger and to concentrate on quality in terms of our urban regeneration. One of the biggest problems we faced was changing the negative perceptions of a lot of developers and property owners. It took a period of probably three to five years to change their perceptions. One of the greatest things in many ways that we did to change those perceptions was to look at international best practice, particularly through the work of (URBANE) to concentrate on quality, but also to look at a series of demonstration projects in the area. We looked at a high profile mixed-use scheme and concentrated on high quality, public role improvements. We worked through a series of partnerships within the area to ensure comprehensive regeneration within the six years of the project.

Mr Burchnall: I will keep this short so as not to repeat what has been said already. My aspect is really to think about what creates good urban

regeneration and that is about creating an environment which meets the needs of local people, stakeholders and businesses. If you do that and then think about historic buildings, to most people, historic buildings do define the community, and therefore they are a vital element in terms of good regeneration. I would not pretend that is easy. Like Newcastle, we have a huge heritage of listed buildings and conservation areas. Some have been easier to deal with than others. In terms of major listed buildings and major schemes, those have been the catalyst in areas where there has not been funding and priority. Certainly historic buildings have been important but they have been much harder to deal with. Presumably we will get into that later.

Q2 Christine Russell: Before we move to Manchester, could I ask Mike Burchnall a further question? What role do you think Liverpool's historic fabric, if you like, played in helping you to win the City of Culture designation? How much did you play on it, in other words?

Mr Burchnall: The historic environment played an enormous part but in a subsidiary capacity in one sense. In terms of the criteria that any bidder had to meet in terms of Capital of Culture, both the European criteria and government criteria, heritage did not figure very highly because that is about place, the quality of the experience of a place and the culture of a place. If you then turn it round and look at Liverpool and ask about the quality of the experience in Liverpool, you cannot disassociate that from the heritage and therefore, in terms of the bid documentation, having that on the cover meant that we had a head-start over many other people who were actually bidding. A lot of the key projects within the bid itself, which we need to deliver by 2008, are linked to heritage.

Mr Babb: If you look at Manchester city centre, there is a large number of listed buildings and conservations areas. There are something like 450 listed buildings. If you think of the total proportion of buildings within the city centre, it is inevitable that the historic environment for listed buildings needs to

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bring those buildings back into use to play a fundamental role in regeneration. Take, for example, the cotton warehouses that were redeveloped for residential use, that kick-started a growing population in Manchester to what it is today with about 6,000 people living in the city centre as of the 2001 census. That is probably an underestimate. That kick-started new build in the city centre and added to the regeneration of the city centre by providing new uses. That gives a propensity for other listed buildings to be brought back into use and to care for the historic environment. Now, for example, when we are looking at master planning for parts of the city centre, we place a specific emphasis in terms of how we can look after the historic environment with new-build schemes as part of the master planning process. Outside the city centre, there is a growing recognition of the value of the historic environment and buildings to the extent that in East Manchester the regeneration framework actually identified the Ashton Canal Corridor as a place where buildings could be brought back into active use so that they would contribute to the heritage of the area. In North Manchester the regeneration framework has been delivered and as part of that we have just recently declared three conservation areas. In fact that was last week. I think you can see the value of regeneration. That is in the Crumpsall area. That puts the value of conservation to the forefront in terms of looking at the sustainability of local communities because the imperative for looking at our historic environment is coming not just from the public sector but from the people themselves, who are part of the regeneration schemes and participation in that.

Q3 Christine Russell: In your heritage-led regeneration schemes, how effective did you find the statutory powers that you already had? Would you like stronger ones? What is missing?

Mr Babb: If I were to take the example of a heritage-led regeneration scheme, I would have to talk about Ancoats, an area which is part of a potential World Heritage Site for the future. It was declared a conservation area back in 1986. There were big problems about how to go about securing that area for the future. There were various arson attacks on buildings; buildings had to be subject to statutory powers to try to make sure that they did not fall into further disrepair. It is a long convoluted process going through the powers that we have to bring about stability to those buildings, serving of notices and so forth and then through the inevitable CPO process. Fortunately for Ancoats, the North-West Development Agency actually became involved and used its powers to secure a huge area of Ancoats and that will pave the way for the critical mass that is necessary.

Q4 Christine Russell: Are you saying that the powers that you have as a local authority are not strong enough and effective enough and that they are far too complex?

Mr Babb: They are complex. As for the value of the powers of the development agency, it does not really have to go through a fully worked-up scheme for prosecuting the CPO. In fact, if we went through CPO processes elsewhere, basically there would have to be a fully worked-up scheme and the back-to-back arrangement with a developer to take over the site or the building.

Mr Burchnell: I think that is right in relation to that. One of the issues is that the NWDA powers of compulsory purchase are much easier to use and you do not have to go through all those processes. In terms of dealing with conservation areas and listed buildings, again, that is deemed not to be an appropriate tool in certain cases. We have been trying to use those powers in that area of Liverpool and, because of lack of support funding and because it is not as comprehensive an approach as Ancoats, we cannot use those powers; we are left with the planning powers, which I would agree are very difficult and convoluted to use.

Q5 Christine Russell: Will the measures outlined in the Planning and Compulsory Purchase Bill help you at all when you are talking about historic buildings?

Mr Burchnell: In all honesty, they will not. My own view, and I think it is a view shared by a number of people in Liverpool, is that owning a listed building or owning a building in a conservation area is a very important attribute. If local authorities are to be serious about conservation, then local authorities need to be given greater powers to acquire those buildings and to do that much more simply and easily.

Mr Oldershaw: There is a general point in relation to listed building consent, planning consent and COP powers. The issue for us has not been the actual process but the timescale in terms of making sure that we get those decisions through quickly, whether it is through the planning inspectorate or whether we get high priority with a local authority in terms of process and planning applications or with English Heritage. The timing is critical with time-limited regeneration projects like Grainger Town.

Mr Babb: In looking at CPO activity, there is a basic difficulty of the compensation being linked up with, if you like, the principle of a scheme and being heard at a public inquiry. In fact, a lot of people want to earn some reward for the land that has been taken from them. It is about compensation and not necessarily about the principle of the scheme, and yet the inquiry tends to focus on the principle of the scheme and the compensation is sorted out elsewhere. That really is a grey area that needs to be addressed.

Q6 Mr Cummings: When dealing with listed buildings and conservation areas, local planning authorities generally require full and detailed information as to what is proposed. Are your staff generally aware of the level of professional fees required to produce detailed information in support of the applications, and what flexibility can you offer to help reduce developer risk?

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Mr Burchnell: In terms of colleagues knowing the costs involved, yes, I think people are very much aware of those costs. Dealing with the historic heritage of the city is vitally important. It is important that developers recognise that they need to invest up-front in relation to doing work on historic buildings. Having said that, there are mechanisms that we can use for reducing the risk and the cost to developers. A major city centre scheme which Liverpool is pursuing at the moment with Grosvenor, which I think are appearing as a witness later on, involves historic parts of the city and major new development. We have dealt with a process there which delivers detailed permission on certain parts of the site and outline permissions on the remainder but gives the Council and the Secretary of State the certainty needed in relation to those historic areas. We are very much aware of the risk that developers are involved in. We are looking at mechanisms to try and reduce those.

Q7 Mr Cummings: What flexibility can you offer to reduce developer risk?

Mr Burchnell: Developers look for certainty and through our development plans process and the lining up of funding to secure and aid development, we can reduce risk in those areas. One of the issues we have at the moment is that funding regeneration, funding the re-use of listed buildings, is very complex and there can be a cocktail of funding. A developer wants to have all that funding in place so that he reduces his risk at the outset. I am not sure that we have actually achieved that as yet because we look to put a cocktail of funding together. If one person who is providing funding falls out of that, then the scheme is at risk and the developer is at risk. If we can have more secure means of funding on a long-term, sustainable basis, that will certainly reduce the risk for developers.

Q8 Mr Cummings: Are you saying you can offer flexibility or that you cannot?

Mr Burchnell: I am saying that, as a local planning authority, we can. Heritage is a very complicated issue and involves many agencies. The local planning authority is not the funder of last resort normally in relation to regeneration schemes. In Liverpool, we rely on English Heritage and Heritage Lottery funding.

Q9 Mr Cummings: Can you or can you not offer flexibility to the developer?

Mr Burchnell: We can offer flexibility in terms of negotiating the scheme. I am trying to link that to the second part of your question, which was about reducing risk. We can encourage flexibility; reducing risk is the difficult part.

Mr Oldershaw: I have a general comment with regard to gap funding, which is the main source of funding we used Grainger Town. We would generally make a higher fee level for listed buildings, typically 2.5% higher than for an unlisted building, when we are carrying out the development appraisal. In terms of trying to reduce abortive development costs, there is an imperative on behalf of the

developer to come to an early meeting. We have a project executive and have discussions with heritage officers to make sure that they are designing a scheme which is likely to get planning permission. That is where much of the costs and the wastage of fees come in, by delaying until far too late in the day decisions being made. If there had been an early meeting with the planning authority and with the executive, as in Grainger Town, that would have avoided some of those extra costs.

Q10 Chairman: Are you confident that you have the resources and people available to make initial contact?

Mr Oldershaw: During the lifetime of the project, we had a dedicated heritage officer and the developers generally would come in without even appointments to see us on a regular basis. We would basically act as a one-stop shop and we would call in appropriate professionals to guide them through the process. That worked incredibly well.

Mr Babb: In terms of the development control process that we have operated in Manchester over a significant period of time, if we had not been flexible in dealing with the private sector developers, I do not think we would have the development on the ground that we have now. Most of this I think goes down to how we negotiate schemes, particularly with the involvement of English Heritage. It is incumbent on all the parties to give consistent and straight-forward advice of what might be acceptable and what might not. That clarity of view is important. That is why in Manchester we have built up a good network of architects and developers and we understand where each other is coming from. We find it easier to find a way forward with what are often very challenging schemes.

Q11 Mr Cummings: I address this question to Liverpool City Council. Obviously the City Council, in conjunction with DCMS, is strongly supporting a bid for World Heritage Status, a designation focusing on the historic city centre. By its nature—and we have been informed of this—the World Heritage Site status imposes greater regulation on the historic environment. Are you not then concerned that, if successful, you will actually discourage potential developers and other private-sector partners, who will fear more complicated procedures and a less flexible attitude on the part of your officers?

Mr Burchnell: Certainly, if we are successful in being a World Heritage Site, that is a material consideration in relation to planning applications. What we have sought to do, through the World Heritage Management Plan, which the Deputy Prime Minister has recently supported, is to put in an arrangement whereby it is very clear that because of the type of World Heritage Site we are, that site will change over time. You said that is in the city centre; it is the docklands area, the city area and the artistic area around William Brown Street. That is an area where development is taking place at the moment and will continue to take place. That will make sure that we get the highest quality

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development in there. We are very careful about the development that goes into the World Heritage Site. I am a little more relaxed in one sense because, in terms of Liverpool, developers want to be in Liverpool. With World Heritage and the Capital of Culture designation for 2008, again development is being encouraged in Liverpool. Therefore, that should not act as a disincentive. I hope it will act as an incentive, that people will want to develop in the city.

Q12 Mr Cummings: Can you perhaps tell the Committee how you have involved local people in your heritage-led regeneration?

Mr Burchnell: In terms of the community strategy *Liverpool First*, which was one of the pathfinders for the community strategy, that again used heritage as a main element of it. If I were critical of it, I would say that perhaps we have not developed it as much as we should in terms of community targets for heritage issues within the community strategy, but certainly the community was involved in that. In terms of developing major schemes, and the major scheme in the city centre, that has had a large amount of public consultation and direction. One of the things I would pick out is that a lot of the heritage we think about automatically is city centre based. As Chris Oldershaw said earlier, a lot of it committed outside the city centre in areas that are much harder to deal with and areas where heritage is important to local people and it defines the local community. As we move into a major area for the city, which is about housing market renewal, we need to try to retain those areas of heritage which are important and which the people, through the partnerships, are telling us are important and focus redevelopment on those areas that are clearly of lower quality. We are involving the community from the strategic sense, the scheme development sense, and into the local area.

Ms Toms: I would like to add that, just as in Liverpool, community regeneration is becoming more and more important within Manchester. The story of regeneration in our city centres has been well told and is well documented. The particular reasons why that has been successful have also been well documented. Our challenge in Manchester now, with many of our wards having the lowest deprivation status in the country, is to take the models of best practice within city centres to make sure that that benefit can be carried out within regeneration areas in the wider community. There is a number of ways in which that is now taking place in Manchester. One of the themes, picking up from what colleagues have said earlier, is partnership and regularly working together as agencies because that has made the difference. When you have a regeneration strategy which is area-focused and focused on a particular community, you tend to come to the best solutions for that area. By listening to local people, which we do more and more, we have noticed recently that the trend is towards a real understanding and sympathy for the historic environment, and in Manchester particularly not just the built environment. A project such as the

Victoria Baths project clearly was based on an historic building but the number of people who voted for that project reinforced the message that the historic environment is very important but people's social history is too. Heritage and social history are closely aligned. Like Liverpool, that is embedded in both our community strategy and our cultural strategy. That is why Manchester is represented here by both cultural strategy and planning.

Q13 Mr Cummings: May I address the next question to the Grainger Town Partnership? Your evidence stresses the need for partnerships with the commercial sector. Can you tell the Committee how willing commercial partners are and their professional advisers to engage with the community and what mechanisms did you put in place to ensure that appropriate levels of engagement were achieved?

Mr Oldershaw: We have gone for a formal structure within Grainger Town. We set up a company limited by guarantee with 20 directors, including six from the private sector. We set up a business forum and a residents' forum to support that as well. Those met on a monthly basis and were able to go through all the board papers and to comment through the chairs of those meetings, who are also board directors, on strategy and also on implementation. We regularly had about 16 businesses meetings together going through the board papers. Those were representatives of all the various sectors within the Grainger Town community. We have also invested heavily in the skills base within both the business and the residents' forum. We have taken both of those groups to see examples of best practice in places like Liverpool and Manchester and also to Glasgow and Edinburgh. We even went over to Temple Bar. It is only by taking them to places like that where you can see examples of best practice that you raise their aspirations and start to develop a feeling of what is possible in terms of regeneration. That takes time. We built up a lot of confidence, commitment and trust in the area. Certainly, in the first couple of years it was very difficult to get people on board. That has held together very well over the six years of the project.

Q14 Christine Russell: May I perhaps follow on the same theme? One of the main criticisms of heritage regeneration is that it can lead to gentrification, spiralling house prices and booming commercial rents and, as a result, the indigenous community, if I can call them that, are displaced and small businesses are forced out. Do you feel that is a valid criticism? I know, for instance, that in the centres of Liverpool and Manchester you are now looking at one- and two-bed-roomed apartments that are selling for well over £140,000, way beyond the reach of most people in need of affordable housing. How do you counter those criticisms that what you are really doing is just putting the prices up and gentrifying the area?

Mr Oldershaw: The crucial point in many ways is to start out with a coherent strategy. We decided right from day one that we wanted a lot of choice in

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Grainger Town in terms of tenure and price within the area. Some of the early housing schemes were carried out by housing associations providing accommodation at market rents. That helped to create investment confidence in Grainger Town and, after about two years, we started to get some of the bigger private developers coming in and creating owner-occupied accommodation. We are now able to offer choice both in terms of tenure and price. The price range typically to buy is from £80,000 to £500,000 within Grainger Town. Rental levels start at about £60 to £80 per week. These are very accessible to the general public.

Mr Burchnall: If I use Liverpool as an example, in terms of one area, which is the Canning area, the Georgian area of Liverpool that in 1981 was in a very poor condition with many vacant properties, housing associations were instrumental in turning that area around with the support of English Heritage and the City Council. The housing associations themselves have faced problems in those areas and the private sector is now beginning to help out there. The city centre is a driver for economic activity. Without what is happening in the city centre at the moment, Liverpool would not be beginning to be as prosperous as it now is. I tend to think that, rather than offering opportunities within the city centre, the City Council needs to use the economic activity, the driver, to reinvest in the peripheral areas and make the opportunities available in those peripheral areas. Those are the areas where we have real housing problems at the moment.

Q15 Christine Russell: That is not really a mixed community, is it, if you have the rich living in the city centre and the poor in the outskirts?

Mr Oldershaw: In terms of the closeness of our areas, they are actually very close. The inner areas are very close to the areas which have the biggest house prices at the moment. To try and mix the two would be quite difficult and might cause problems in terms of those areas which are regenerating at the moment. My feeling is that we should use the economic driver there to reinvest in those other areas, build back those communities, put in good schools, housing, shopping et cetera. A housing mix within the city centre is a difficult thing to achieve.

Mr Babb: In terms of the housing market within the city centre, that is rather different from the housing markets around. It is not really gentrification because people have not been living in the city centre for quite some time. It is basically people who have come in into converted cotton mills and new build schemes and so forth. In the Northern Quarter area of the city centre, housing associations have been acting for many years and continue to do so. That is a grassroots type approach to regeneration, we are not looking for massive change—that will continue into the future. What we would like is for some of those activities to spill out into the suburbs where we have housing markets that are not in balance and have too much poor housing. We need to look at a better mix of housing. That is why we are a pathfinder for housing market renewal. Not a short

distance from the city centre you can find houses at very affordable prices, some would say too affordable prices, and people do not want those. It is a question of trying to get the balance right.

Chairman: Christine Russell will take us straight on to local authority officer expertise and resources.

Q16 Christine Russell: One of the memoranda that we received was from Grosvenor Estates. I am very familiar with them as they operate in Chester, but they are also busily engaged in Liverpool I believe. In their memorandum, and I will quote it to you, they state: “inexperience/lack of resource of local authority planners leads to delays, lack of decision making and lack of imagination”. How do you answer that?

Mr Burchnall: Is that Chester or Liverpool?

Q17 Christine Russell: I do not think they specify?

Mr Burchnall: I think generally they may have an issue with local authorities. Clearly a lot of local authorities are not geared up to the major development pressures which we are currently having, particularly in the north-west of England. I think we have struggled. We have redirected resources so that we have concentrated key individuals on major schemes. That is particularly true with Grosvenor. We increasingly rely on real partnerships. Our partnership with English Heritage has been vastly important to the city, where we have not had the resources or the skills in-house to push World Heritage to work on buildings at risk. We jointly funded posts with English Heritage to bring in that expertise. We are under considerable pressure as a planning authority. We have used the planning delivery grants to supplement those resources and to partner with the private sector to bring in those resources that we do not have. It is an issue and one that we are addressing. It is not an easy issue, and particularly in terms of the local authorities competing with the private sector, that can be difficult.

Q18 Christine Russell: May I ask you about your conservation officers, because those are the people who usually seem to be on the receiving end of the stick. The developers say that these guys, and the odd woman who is a conservation officer, have no idea about the local economy and the need to regenerate. Do you think there is a problem with the professional local authority conservation officer?

Mr Burchnall: I do not think there is. This depends on the way that you use conservation officers, and we use them as a partnership with development control officers so that the totality of the scheme, the economic importance, can be balanced against the conservation issues involved. As long as you use that partnership, then it is not a problem. You do need the expertise and the drive that comes from professional conservation officers, sometimes tempered with the reality of a department control officer.

Mr Oldershaw: I would like to make a general comment. Certainly from our experience in Grainger Town, we have experienced the City

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Council that is very positive in the sense that it has excellent conservation skills and also English Heritage. The area perhaps of weakness in many ways is the property professional side. Ideally both the City Council and also English Heritage ought to have access to property surveyors so that they can advise the local planning authority on the commercial realism because that inevitably is a process of negotiation between the local authorities and the developer. The local authorities would be assisted if they had professionals advising them on the commercial realism and economic viability of schemes, what is possible working with the grain of the listed buildings. There is certainly a gap there at the moment.

Q19 Christine Russell: And that is a gap that you have within the local authorities, is that what you are saying?

Mr Oldershaw: In Grainger Town we are very fortunate because we had a Conservation Heritage Officer with the executive team but also property professionals as well.

Q20 Christine Russell: Those were not local authority property professionals?

Mr Oldershaw: No, they were working from us, although they are employed by the City Council. They were advising us on whether a scheme stacks up, whether it is deliverable, given the conservation merits of the scheme. It was a very useful debate to have within the team to argue about how many elements we could retain, for example, of the listed building and those that it was possible to move if necessary to get the scheme off the ground. There was a balance that we managed to strike by having the best possible advice within the team.

Q21 Christine Russell: Do you have conservation officers within the real world in Manchester?

Mr Babb: I would turn that round and ask: what is the quality of the scheme that is coming forward? Frankly, we do not always see quality in schemes. You can have several pre-application discussions and give advice, good quality advice. I have an architect planner as my lead Design and Conservation Officer who really does know an awful lot about the commercial realities in which developers live. When an application is submitted, we still do not get the scheme that we thought we had negotiated at pre-application stage. Maybe the penny has not dropped but we do get to the ridiculous extent that for some schemes the developer comes to rely on the Design and the Conservation Officer to try to redesign the scheme for them, and then complains that he has not actually had time to do it for them. That puts an onus back on the development sector to make sure that its schemes come forward in a fit state. We hold up quite a lot of schemes because they do not have all the information when they come in when we are looking at schemes for listed buildings and in conservation areas.

Q22 Christine Russell: Could you give us an example?

Mr Babb: I would rather not. I can think of several schemes, ones that I would not name and I would not want to disclose the name of the developer, but there are many and there are many developers who do not actually use registered architects, for example, or planning consultants to put together a statement under PPG15, for example. These things do not help in processing an application. If it takes longer to process an application, that is probably not surprising. We are stopping some of these applications going forward for processing until they are fit for those considerations to be given, and also fit for the consultation that has to be carried out with English Heritage and others.

Q23 Chairman: So your role model is one of good practice. Do you have experience more widely of your colleagues in other parts of local government or would you rather not pass judgement on them?

Mr Babb: For a city like Manchester, I think we are able to attract staff to do the job. In terms of design and conservation, we are quite fortunate. For some smaller authorities, it might be different and difficult to get staff of the right calibre needed to carry out the work that obviously is needed to inform the development sector about what is appropriate in terms of applications coming in.

Q24 Chairman: That is, let alone to be able to afford a properly specialist?

Mr Babb: Yes.

Mr Oldershaw: I wonder whether it may be feasible for either English Heritage, through their regional officers or through sub-regional partnerships, to provide a specialist service. Structural elements is another area which in many ways need more attention. If they are able to make a property professional available to local authorities within either the region or sub-region as a specialist resource, that could work well.

Q25 Mr Cummings: By its nature, heritage-led regeneration requires the cooperation of local authority staff across many departments and professional competencies. How has your authority achieved integration in these very difficult and different areas?

Ms Toms: From Manchester, the models of working practice that we have developed in Manchester are very much based on the fact that regeneration is at the heart of the City Council's strategies and therefore that approach to partnership comes from the root of every way that we work. More recently, because, as I was saying before, cultural strategy lies very much at the heart of our community strategy, we have been able to develop over the last few years a very close working relationship with the Heritage Lottery Fund. Now that they have a north-west base, they are substantially more influential in terms of their knowledge of the local area and particularly the relationship between our own planning authority and English Heritage in that context. By

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having a shared agenda, which is regeneration needing community regeneration, it is much easier to put into place those sorts of partnerships.

Q26 Mr Cummings: My question was basically aimed at local authorities. I understand that you are saying that perhaps the same level of cooperation does not exist in local authorities.

Mr Babb: Planning and Cultural Strategies both work within the Regeneration Division of the Chief Executive's Department. There was a conscious decision to get people together from those parts of the organisation delivering services so that we actually shared the same agenda, which is the same agenda for the whole of the City Council. In fact, we have corporate aims and objectives; we have a vision that is really all about regenerating the city. Basically, most members of staff, especially senior ones, are absolutely on message about what we have to deliver.

Q27 Mr Cummings: You are all pulling in one direction?

Mr Babb: Yes.

Q28 Mr Cummings: Could I ask the Grainger Town Partnership to answer the next question? How easy was it for your own partnership to achieve a coordinated response from Newcastle City Council and Tyneside TEC, which is now the Learning and Skills Council, in areas that are not strictly confined to the regeneration of the physical environment?

Mr Oldershaw: I will answer that in two parts. Perhaps I could address the urban design first. We set up an urban design panel to vet all major applications for funding major schemes within Grainger Town. That involved the local authority, universities and local architectural practices, both heritage architects as well as contemporary architects. That was chaired by the North East Civic Trust. They went through all major schemes and provided specialist advice to the partnership. With regard to the Learning and Skills Council, that was actively involved through the partnership board that is one of the board members. We also had a training and employment access group, which they part-chaired. We are trying to ensure that the employment and training opportunities created by the regeneration work in Grainger Town were passed down the line so that long-term unemployed people, and young people in particular, could access some of the job and training opportunities. We set that up in the second year and continued it through to the end of the project. That has now been picked up by the City Council and has been introduced for the whole of the City of Newcastle. That process started in Grainger Town and it has now been picked up by the City as a whole.

Q29 Chairman: I think there is generally widespread agreement in the heritage community about the need to do something to reduce VAT on works to listed buildings. Are there any other fiscal measures which, in your opinion, might assist with the regeneration of the historic environment and make it more attractive to the private sector?

Mr Burchnall: To echo a point I made earlier, fiscal business is about funding. As for the complexities and the cocktail of funding that has to be put together to support major historic regeneration projects, we are indebted to a number of agencies for the funding which goes into schemes, but securing those can be difficult and doing so on a long-term basis can be difficult. The key is to get sustainable, long-term funding for heritage projects. That is getting better but there are still gaps. We have examples of projects where we have had promises of funding based on getting five or six different sectors of funding to contribute; if one pulls out, the project is delayed or has to be abandoned. That is still a big issue in terms of funding heritage projects.

Mr Oldershaw: One of the biggest difficulties we have faced in recent years is the withdrawal of gap funding in December 2000. We need greater clarity about the new grant regime. Certainly in terms of Grainger Town, we would not have got any of the schemes off the ground back in 1997 without gap funding. Although values have improved a lot since then, there is still a need, in terms of the costs of heritage and of listed building conversations, to provide a degree of public support. Greater clarity on gap funding would help tremendously in that area.

Mr Babb: In Manchester we have quite a number of locally significant buildings, not listed, not in conservation areas, which are under threat because demolition does not require consent from the planning authority, as you are probably all aware. To bring demolition under planning control would be rather a good thing, rather than what we have to do at the moment, which is to look at a programme of conservation area designations to protect some of these buildings that are very important for local communities, but we do not have any power over their demolition. We would rather have a proactive approach than a reactive approach.

Q30 Chairman: That is not a fiscal measure but it has a financial impact on the developer?

Mr Babb: Basically, it would mean that we could negotiate. If a developer wanted to demolish a building, there would have to be negotiation, if we had the jurisdiction. We do not have the jurisdiction at the moment. In Manchester, over a period of time, we have had buildings of local significance which have been bulldozed overnight. We have no locus to become involved, apart from when a development scheme comes forward for the now vacant site. Those buildings often can be very important for local communities. We are now looking at a programme of conservation area designations to try and protect those areas that we think are more vulnerable. We have looked at the idea of local lists. We do not think that local lists afford any benefit whatsoever as many of these buildings are not listed and because they are not in conservation areas¹.

¹ For clarification, our written evidence covered measures to assist the regeneration of the historic environment to make it more attractive to the private sector. But the antithesis of this is the control that is needed to disincentivise the private sector in particular circumstances and this needs to be more widely recognised.

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Q31 Christine Russell: This follows up on what you have mentioned, the cocktail of funding and the complexities in the present system. You seem to be saying that you want to see a restoration of a gap scheme or a scheme similar to gap. May I press you, in the light of your experiences in your three cities? Are there any good things that you have managed to achieve in Newcastle, Liverpool or Manchester, good practices that you could share with the Committee and with each other? Do you have any ideas, other than the two issues that have just come forward, to improve the present system?

Mr Burchnall: The one thing that I would draw to the Committee's attention is the partnership we have with English Heritage. English Heritage and the City have perhaps not had the best relationship over the years. We have realised that in terms not just of protecting listed buildings but of looking at heritage and culture generally within the City, we need to form an alliance with English Heritage and develop a programme with them. This is called the HELP project; it would be HELP in Liverpool. That has a number of elements in it and it has been very important in bringing English Heritage to the City, bringing national figures to the City, and selling heritage to them. That then has a knock-on effect in terms of the local community and the press, et cetera. It is a high profile partnership arrangement, and there are partnerships with CABE and the private sector as well. The partnership with English Heritage I would flag as being very significant

Q32 Christine Russell: May I ask you a final question about the review of listing that is going on at the moment? What are you looking to come out of that review from a local authority point of view? It could be a useful and helpful outcome of that review that DCMS is presently conducting.

Mr Babb: In any provisional listing or looking at listing, the local authority should be consulted for their views before any buildings are listed, otherwise you can end up with buildings that we would say probably should not be listed. Difficulties would be created for their re-use in future. An example of that was the CIS tower within Manchester, which neither CIS nor the City Council really wished to see listed. In terms of going through looking at various maintenance and alterations, it is giving us a bit of a headache, and the CIS one too, as to whether LBCs are needed or not. We need a degree of understanding and a sensible way forward.

Q33 Christine Russell: Is there no consultation at the moment?

Mr Babb: My understanding is that there has not been consultation in the past. Whether that is changing or not as part of this new regime, I am not sure. Maybe other witnesses will be able to tell you.

Chairman: May I thank you very much for your evidence and taking the time to come today.

Witnesses: **Mr Martin Bacon**, Chief Executive, Civic Trust, **Mr Eddie Booth**, Chairman, and **Mr Dave Chetwyn**, Consultations Secretary, Institute of Historic Buildings Conservation, examined.

Chairman: Good afternoon and welcome. We have had your written contribution. Do you feel the need to make any further statements before we move to questions? You do not.

Q34 Mr Cummings: I address this question to both sets of witnesses. What contribution do historic buildings make to urban regeneration and what, in your view, are the ideal conditions for this contribution to be maximised?

Mr Chetwyn: If we look really at all cities and towns around the United Kingdom, we have seen increasingly the historic environment and urban design and a concentration on the quality of the public realm as fundamental elements of delivering not only regeneration but much higher value regeneration. We have seen three very good examples of that but there are numerous other cities and towns as well. It is particularly important to note that often in these areas there are more specialist developers operating now who are specifically targeting historic buildings and specifically targeting these areas as part of their product and marketing approach. Where this has occurred, we have seen design and conservation operating as a catalyst for quite radical transformation, often turning around areas that no-one would invest in to quite high value areas and areas where a lot of people move in to live, to work

and to spend recreational time. There are also very significant economic development outputs from the built heritage. I have some research that was done in the USA by (Donovan Rypkema). I can put this in as supplementary evidence later. Some of the findings of this research, and this is by an economist rather than someone who works in the conservation sector, states that investment in building rehabilitation as opposed to general industrial investment delivers far higher incomes, a lot more jobs on average and in terms of heritage-based tourism and money spent particularly in historic environment attractions, which is matched by vast amounts of expenditure in the wider economy. An example he gives is in Toronto where heritage visitors spend \$3 on an historic site itself, and that is matched by \$97 elsewhere in the local economies. The historic environment has a crucial role to play in small business incubation. The historic environment is very wide. These are often very small buildings in industrial areas that are sometimes tucked away as part of the traditional industrial core. The historic environment particularly supports small businesses, businesses that employ fewer than 20 people. That is especially important for businesses in growing sectors of the economy: hi-tech industries and things of that nature.

Chairman: We would like you to leave a copy of that with the clerks.

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Q35 Mr Clelland: You made a comment that the number of jobs generated tends to be higher on this sort of site rather than on new-build. Are you talking about jobs generated in the actual redevelopment or jobs generated afterwards in the businesses which follow? Obviously, in terms of redevelopment, you can see why there would be more jobs in that than in new construction.

Mr Chetwyn: I think these are jobs delivered by the investment—there could be elements of both but I would have to research that.

Mr Bacon: On the first part of the question, the Civic Trust takes that as a given, that successful regeneration does require really carefully attention to the historic environment. By that I mean not just buildings but also the spaces. If you look at a number of the publications that have come out over the last five to six years from BURA, English Heritage, Business in the Community and Civic Trust awards, you can see that that is a given. We are really talking about the degree to which we can make that work more successfully for local communities and for the private sector and how we can build on that record of success. As regards the ideal conditions, it is important that all the people involved in regeneration, say in a place like East Birmingham, understand what they are dealing with and that they undertake the proper surveys of what is there. So often one finds that the temptation is to dive in because of some economic problem and not really understand what you are dealing with. Secondly, what is required is openness and a debate about what is there, what can be afforded, what is needed, and a commitment to excellence, as we heard from the previous witnesses, and a recognition too that development has to pay for itself at the end of the day. There is that crucial balance between what can be kept and what can be afforded. That has to be discussed in a very open way between the development industry, the local planning authority and local people.

Q36 Chairman: Is there not a conflict with what developers are prepared and indeed able commercially to put on the table?

Mr Bacon: There may be sometimes, yes, and that is why things like gap funding and other financial regimes can help over that short to medium term time span. There is no doubt that in the view of the Civic Trust if you look at the sustainability of our urban areas, we ought to be making as much use as we can of existing buildings and their fabric. We cannot go on for ever digging up our countryside for bright new minerals and everything else. There is no doubt about it that if we can do it that way, it is more sustainable. It may be an issue of timescale for the development industry.

Q37 Mr Cummings: This question is to IHBC. You state in your written evidence: “It is often the areas that most need to use urban design and historic buildings as effective regeneration tools that consider them as peripheral and low priority. Thus regeneration opportunities are being missed through simple lack of awareness and low levels of urban and

economic literacy.” I represent an area of very high deprivation and I know that statement is both arrogant and insulting to people who give their lives, with limited resources, to try to improve the environment and buildings in the area they represent. Facing deprivation is a real problem. People are expending their efforts and limited resources on more pressing issues than the historic environment, such as health, education, reduction of crime and poor quality housing. Would you like to tell the Committee why you made that statement, which is certainly going to upset, indeed infuriate, many people who are working for the community in areas I represent?

Mr Chetwyn: I wrote those words. I live in an area that suffers from considerable deprivation. I was born in that area and have worked in it the whole of my life and care very much what happens to the area. The reason I wrote those words is that many cities have managed to use design and heritage regeneration to deliver a wide range of economic benefits, better paid jobs, more choice of employment, more choice of cultural facilities, better housing and improved self-image for the city. That is extremely important. The areas that are suffering most from deprivation really need to take these issues most seriously but often, because they have not dealt with the kind of developers that regenerated the cities we have heard about, they just have not developed the experience yet. This is really about transferring best practice and knowledge of what is possible.

Q38 Mr Cummings: I live in a deprived area. You have said that these people are not aware. I find this absolutely astounding.

Mr Chetwyn: May I finish my answer? It is really about raising aspirations. In Stoke on Trent we have made great efforts to import an awareness of how design and heritage are being used to attract higher value investment. It is not just investment but moving away from the very understandable “investment at any cost” point of view to looking at better quality investment and investment that is going to deliver higher paid jobs and more choice and opportunities for local people. I passionately believe in that.

Mr Cummings: I am afraid we must disagree on that.

Q39 Christine Russell: May I ask my first question to Martin Bacon and to the Civic Trust? I would like to hear your views on what role you feel local communities have in delivering conservation-led regeneration and whether or not you feel that local communities are getting a stronger voice. To quote your evidence, you have said that the public have a feeling of powerlessness.

Mr Bacon: I think it is true to say that, whether they are civic societies or not, there are many local groups right across the country that love their historic environment and do a range of very small-scale projects right up to quite large ones. I understand that you have been to Norwich. You will have seen the wonderful state of that city centre, and that is very much due to the role that the Norwich Society

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has played over the years since the 1920s. Indeed it celebrated its 80th birthday recently. They were there pushing forward things like pedestrianisation, painting schemes, shop-front controls and restoration of unfashionable buildings in the 1920s and 1930s, which are now quite fashionable and so on. They have played a major role. There are other civic societies that go in for smaller sorts of projects, such as in East Retford where they are working with the local council to restore a landmark building, a church in their area. Desborough Civic Society will be using a disused shoe factory in the foreseeable future for a heritage centre. Cromford Mill in the East Midlands, and you may know it, was a series of industrial mills which were taken over by a civic society and now provide jobs for 100 people. At Burslem Port, which I visited in the Stoke area this summer, a whole series of community groups came up with a plan for the canal which comes off the Severn-Trent Canal. They have produced a regeneration plan for heritage and jobs and everything else, which is now attracting support from the local council and from the RDA. Local communities are very much involved. Your question is about whether or not they feel powerless. There is a tremendous amount going on. Keeping pace with all of that and the various agencies involved bewilders people from time to time. The development industry and the public sector do not undertake public consultation very well. They often do not research enough about who is in an area and, secondly, what techniques to use to involve them. Many people think about calling a public meeting and wait to see how that goes but that is not really the best thing to do. The reason why some people feel powerless and fed up with the whole process is because they invest a lot of their personal time in these things and then nothing happens or, if something does happen, they do not hear about it and they are not kept informed. There is a lot to be learnt there by all sides. From the point of view of the civic societies and the local groups, they need to understand how the money machine works and how things can and cannot be afforded. There is a real dialogue to be had between the three sectors. It is not just us saying, "They do not know how to consult". There is learning to be done in the community sector as well.

Q40 Christine Russell: In general, what you are saying is that there is a willingness on the part of local authorities to go out and consult with local communities

Mr Bacon: Yes, I think so

Q41 Christine Russell: It is just that the consultation process is not being run very competently, it is not very well organised

Mr Bacon: I think sometimes it seems as just an add on

Q42 Christine Russell: Can I ask both of you the question that I put to the three cities who have just given evidence, which is how you would comment on this argument that, so often, heritage-led

regeneration seems to lead to gentrification, rising house prices and small businesses being forced out of the area. Do you feel that that is a problem and, if it is, how should we tackle it?

Mr Bacon: I think that the gentlemen from Newcastle and Manchester had the answer. If you just see urban regeneration as a physical thing and not a social economic thing as well, then you are going to get that result. We have moved on a lot since the sixties when we just drew lines around conservation areas and we gave grants and so on—we have moved a long way since then—and one talks to housing authorities and housing associations and there is a collective partnership as to how you can bring all those agencies in to get the best balance that is considered right for that area. It is not the problem of a care for heritage buildings that pushes the prices up, it is the housing market because the whole issue of intervention in the housing market is possible for a whole range of mechanisms that are not being applied in that particular area. So, we should not kick the horse that is delivering the benefit

Mr Booth: Can I add that you could make the same argument for new development. It is not the heritage factor necessarily that is driving the argument that you have put. In Docklands, for instance, both new world development, similar effects. So, it is not just to do with heritage regeneration. The other factor is perhaps that creating value is what it is all about and how you deal with value is another issue, and whether you create value and make compensatory gestures elsewhere or whatever—there are ways and means I am sure, but we are interested in creating value

Q43 Christine Russell: So, what you are saying is that where the local authority has a determination to create an inclusive development where there are important historic buildings, that can actually happen if they are determined from the outset but that they are going to have affordable houses, affordable workspaces, etc

Mr Booth: I believe so, yes.

Mr Chetwyn: Could I add as well that much of the built heritage is not in these high-profile areas we have heard of. There is much that just is the fabric of everyday life. I work with a number of residents and a number of small businesses and medium-size businesses, community/amenity groups etc and it is just the everyday buildings. It is part of the fabric of our cities. So, there, the value thing tends to come in where you get a concentration of inner city regeneration and where you get new housing markets. That can be good as well particularly again coming from a city that has suffered from suppressed land values, that city living market and trying to raise values as part of a city, that is actually an essential part of regeneration and attracting the right kind of employment and opportunities into the area. You need some of that but much of heritage regeneration is small scale and more scattered.

Q44 Christine Russell: So, you would totally rebut the argument that is sometimes made that it is just a kind of rather precious group of people who care

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about our historic environment. You say that, in your experience and in the work you do, people do care and do want to protect.

Mr Chetwyn: Yes, absolutely and that includes businesses as well

Q45 Christine Russell: Can I ask you about your members because some of the submissions that we received in fact were rather critical—I put it kindly like that—of the calibre of local authority conservation officers.

Mr Booth: I have heard a lot of third-hand anecdote on this kind of thing and I can tell you that no complaint has ever been addressed directly to the Institute. That quite surprises me but I am ready to investigate any complaints.

Q46 Christine Russell: The complaints we have are that there is a lack of awareness of the real world and you want to preserve everything at all costs—those are the main criticisms—and that you are standing in the way of good redevelopment schemes.

Mr Booth: We have a problem that there is a very low level of recruitment for conservation officers. We, in partnership with English Heritage, did a survey of local authorities conservation provision in 2002–03 and, yes, 85% of local authorities had some expertise but, in 5% of those authorities, that expertise is fractional, ie less than one person. So, under-resourcing is a huge problem. If I were to tell you that the City of Chichester has no conservation officer, you would probably be as scandalised as I am. We have a resource problem.

Q47 Christine Russell: Is that because young people are just not attracted into the profession because it is such lousy wages?

Mr Booth: Quite possibly, yes.

Q48 Christine Russell: Rather than the status.

Mr Booth: You might say that the whole of town planning is suffering to some extent from lack of charisma perhaps compared with other opportunities in life. I certainly have not pushed my daughter into it. Yes, you could say that.

Mr Chetwyn: If I could add that there are a number of conservation officers and a number of planners involved in conservation who are actually involved in regeneration. The team I work for, which deals with design and conservation, is actually part of the Directorate of Regeneration in the Community. Much of what we do is proactive work, putting together funding packages, helping local developers, local businesses and people like that to actually take their schemes and projects forward. I think we should not get the view that conservation officers are purely about a policing role. There is also that proactive side. That needs real realism and real awareness of what local markets will take. Also, on the other side, on the development control side, it depends on the developer. You get very, very aware developers, very good developers; they come forward with the right professional teams, and it is often not really a problem going through the planning process. You get someone who is

employing kitchen table designs, the sort of cheap sort of design firm, and you do run into difficulties there and inevitably the planning process is there to make sure that people take account of the external impacts of their development, including on other businesses and other developers. Some people are not going to like that ever, I think.

Q49 Christine Russell: So, we should view conservation officers as cherished endangered species rather than obstacles to development in historical areas?

Mr Chetwyn: Well, I just think that they are often more proactive and the sort of tank-top wearing stereotype often does not have a lot to do with reality.

Q50 Christine Russell: Could I just get a view from the Civic Trust on local authority conservation officers. I know that you work with them very closely.

Mr Bacon: I think they are very hard-pressed individuals, by and large, and that they are doing a pretty good job in a pretty bad environment.

Q51 Christine Russell: Why do you say that? Do you say that because they are not valued by local authorities?

Mr Bacon: Because they are suffering from the lack of forward thinking that is in the planning system. We run our planning systems in this country on the basis of development control rather than the locally planned forward plans and that is what thwarts the development industry who see opportunities for investment and change but the planning system is not up to date. So, what happens is that they come in with their proposals and often the conservation officer is the last one between them and a duty to look after the historic environment. So, they get lumbered with the whole problem. I think that sometimes they are unfairly challenged in that respect. In a former existence, I spent nine years as a city town director at Canterbury City Council and I can inform you that my conservation officers actually got the private sector out of a lot of “holes” in buildings that they had actually purchased without doing the proper survey work. So, there is another story to be told on this as well.

Q52 Mr Clelland: Can I go back to something Mr Bacon said a few moments ago when he was referring to community groups and I think I heard him right when he said that they do not understand how the money machine works.

Mr Bacon: Yes.

Q53 Mr Clelland: Also, in evidence, the Civic Trust have said, “Many local groups are anxious to save and restore historic buildings but cannot compete with professional, financial and development interests.” Mr Bacon, could you perhaps say how community groups could play a greater part with the benefit of additional funding and how such funding could be made more accessible to community groups.

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Mr Bacon: There is a range of funds for community and groups like the Civic Trust and civic societies. English Heritage and the Heritage Lottery Fund provide some funding for voluntary community groups and both recognise in their funding the value of volunteers as value in kind in assessing grant claims. English Heritage's funding sources are very, very limited, very limited indeed, and one is hard pressed to get hold of them at the local level. The Heritage Lottery Fund is very project orientated, so you have to have a project in order to get the money for infrastructure. It seems to me that what we could be looking at is more sustained further funding for certain voluntary groups in areas where we know through the development planning process or through RDA work or something that there is going to be a 15–20 year project of regeneration of some size and those groups could be supported in their infrastructure in order that they can make the considerable contribution that they can make through their knowledge and their understanding of how services join up at particular local level.

Q54 Mr Clelland: Where will that sustained funding come from?

Mr Bacon: I think it has to come from the public and private agencies involved in development. One would be surprised at what civic society and voluntary groups exist on in their budgets. I have been to the AGM and some of these bodies have £2,000 a year and they run the whole of their advocacy service and the work they do on that, so we are talking about very small sums of money. I just think that it needs a willingness of people to say, "Right, we do think you are valued, we do think that you have something to say. Can we get round a table and share with you our constraints as a developer from the funding regimes that are affecting us from the city in order that you understand our constraints as well as we understand yours" and then get that dialogue going forward. I think it is very important and that not enough of that takes place.

Q55 Chairman: Mr Bacon, you refer in your evidence to the Shimizu judgment where it is possible to very much take the middle of the building out and just keep the façade. If a building is unlisted and it has townscape value, why is façadism wrong in that circumstance?

Mr Bacon: I will ask my colleagues on my right-hand side to deal with that if I may, Chairman, because we have talked about this before and they know more about this judgment in practice than I do.

Mr Booth: I would say that Shimizu is not just about coring out an historic building, it is about the definition of what is partial demolition and that does not just mean behind a retained façade. Façadism, to answer your question, is the problem because, if a building is worth keeping, it is worth keeping for its meaning: the front informs the back and the back informs the front, so to speak. Our concern is more about the erosion of character of conservation areas and the lack of control over that, and Shimizu takes away one of the planks that was available to local authorities in controlling partial demolition.

Q56 Chairman: If you want to preserve the identity that the façade contributes and enable the interior to be applied for modern usage, whether that be disabled access or air-conditioning for new technology or whatever, then surely the inside is more important in what it can be applied to now than its historical value.

Mr Booth: Certainly if the interior were hugely important, then perhaps the building would be listed and a whole set of other considerations would apply. We are interested in flexibility in the reuse of buildings, particularly those that are not listed but make a contribution to the character of a conservation area, but I come back to the point that it is not just this coring out that Shimizu addressed.

Q57 Chairman: So, you do not see this as an excessively preservationist perspective?

Mr Booth: To resist Shimizu?

Q58 Chairman: Yes.

Mr Booth: No, I do not.

Mr Chetwyn: I think that a half-demolished building in the middle of an area can do a lot to harm confidence in that area. This basically allows a lot of damage to the external townscape to be done. I think that is why it is important to address Shimizu.

Q59 Christine Russell: Mr Bacon, I have just been pondering further on your reply to my earlier question. You made what I thought was a very interesting comment about the lack of forward thinking in local authority planning departments. My question to you is, do you feel that the measures contained in the new Planning and Compulsory Purchase Bill will have any influence whatsoever perhaps on changing attitudes and priorities in local authority planning departments?

Mr Bacon: Speaking bluntly, no. I think the issue, as here, is about resources, skills and working together. The Trust's view is that the current planning system has been made to work better with extra skills and resources. We do not need the changes that are going through.

Q60 Christine Russell: So, the resources are needed to, I assume, employ more planners.

Mr Bacon: That is right and also raise the status—

Q61 Christine Russell: How would this improve the skills?

Mr Bacon: Basically, we have lost a lot of the strategic planners; they have gone out of the profession because we have just become essentially a development control planning system.

Q62 Christine Russell: Where they have gone to?

Mr Bacon: They have retired or they have gone to work for regeneration agencies or housing associations or, as in my case, they left to become a chief executive of a local authority. They became so fed up with working in the planning system that any other job would do, actually.

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Q63 Chairman: Mr Bacon, you referred to the use of section 106 resources to permit public realm improvements. We understand that the relevant circular already permits this. Was there something perhaps briefly that you had in mind that we had not understood?

Mr Bacon: No, not really but I do think it is very important in regeneration areas to have a strategy for the whole of the public realm in which these buildings are fixed, so that in fact you can then allocate to particular buildings the contribution you

actually want up at the head before these buildings are bought in the marketplace and so on and so forth. So, again, getting back to the point that was made from the big cities, certainty is what the development industry likes and I think that if you have a very up-front public realm strategy costed out, then developers know what they are going to pay and usually, once they know what they are going to pay, they have the certainty and they cough up.

Chairman: Thank you, that is helpful. Can I thank you all for your evidence this afternoon.

Witnesses: **Mr Tom Bloxham MBE**, Chairman, Urban Splash; **Mr Nigel Hughes**, Planning and Estate Director, Grosvenor Ltd, and **Ms Sylvie Pierce**, Managing Director, Capital and Provident Regeneration, examined.

Q64 Chairman: Good afternoon. Would you be so kind as to state your names for the record, please.

Mr Hughes: I am Nigel Hughes, Planning and Estate Director for Grosvenor Ltd.

Ms Pierce: Sylvie Pierce, Managing Director of Capital and Provident Regeneration.

Mr Bloxham: Tom Bloxham, Chairman of Urban Splash.

Q65 Chairman: We have had your written submissions; do any of you feel the need to make any further statements before we move to questions?

Ms Pierce: No, thank you.

Q66 Christine Russell: Can I ask a very simple and straightforward question which is, what do you value as developers from heritage projects? How important are they to you? What are the problems in achieving regeneration that involves listed buildings or historic buildings?

Mr Bloxham: The value of it is simply about the quality of the buildings and what attracts us as developers to historic buildings of whatever age is that we believe there is something in them of great quality, no matter how old they are, and that it is therefore worth trying to save them. Very often, they are looked upon as not having some quality. Clearly, in places like Oxford and Cambridge, we are very familiar with what we see as the historic environment and everybody likes it. In other towns and cities, the mills in Oldham are much less widely appreciated but they are still very, very important. The problems with it are not a general desire from the local authority to see them put back into use and almost universally you get cooperation and you get a desire to see them come back into use, but the actual practical workings of the process through it can be extremely problematic, time consuming and expensive.

Ms Pierce: Historic buildings are often in the heart of regeneration areas. I work only in London, so my experience is only London based and we specialise in regeneration in public sector partnerships, so a lot of the buildings we work on are originally in public sector ownership and in economically deprived areas. So, those buildings are very loved in the community. I think it is actually fascinating how

much local people do feel ownership of old schools, old libraries, old town halls, things that are part of their heritage. I think, if sensitively done and with a good architect, you can come up with wonderful reuses of those buildings and what it is about is actually bringing these buildings that have had one use in a community, giving it new uses that have a resonance with the local community but also make money for everybody, or at least hit the bottom line for everybody. Many of the problems have been spoken about but I would list them as a sort of, in my view, very old-fashioned antagonism between the public and the private sector which I think is a real pity. I came from the public sector into the private sector and, if I had known then what I know now, if you know what I mean, I would have done it all rather differently! I think that that is a real problem and I think that is a lot to do with competence on the public sector side. I think there are problems in relation to the way in which local authority planners sometimes, and conservation officers, deal with developers. I think a lot of developers are, if you will forgive me saying so, rather conservative in their approach. They see historic buildings as a problem, a problem because you cannot manage costs so easily, a problem because they think they will have problems with English Heritage or with the local conservation officer, and I think that, as an industry, we have not always been smart about the way that we have interacted with local people or, if you like, given full weight to the kind of values that the public sector bring and have tended to focus on criticisms of public sector rather than, if you like, trying to bring the good things about the private sector out which, in my view, are very good risk management and decision making and kind of aligning that with what seem to me to be public sector values which are about valuing the local community and understanding the local community. If you could bring those together, maybe you would have something that was better than the sum of the parts.

Mr Hughes: I think we value the challenge that Grosvenor specialises in, the inner city area and perhaps more well known in London which is where I have done the work rather than in Liverpool, but it is a challenge. We see it very much as a community rather than just as the buildings. The problems have

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already been covered but it is the uncertainty particularly in terms of the risk, the type of the building, the future use and the planning issues. There are lots of problems but we enjoy it.

Q67 Christine Russell: In your submission, you were really questioning the viability of some of the schemes. Have Grosvenor rejected any schemes recently on the grounds that they are just not viable because there are far too many historic buildings that need to be maintained as part of the scheme?

Mr Hughes: Historic buildings, by their nature, are more expensive to deal with. I cannot think of anywhere where we have said, "No, we won't deal with it", but it is always a long struggle to get the right things for it and for the approved alterations to make that building a viable proposition.

Q68 Christine Russell: Tom, can I ask you to elaborate a little on words in your submission where you describe some developers as carefree, even criminal in their approach to listed buildings. Why do you say that?

Mr Bloxham: There are numerous examples of buildings mysteriously exploding when they cannot get planning permission for them and even more numerous examples of people owning listed buildings and simply leaving them, either taking the slates off the roof or leaving them to actually deteriorate and very rarely does anything ever happen about these.

Q69 Christine Russell: In your experience, do you feel that local authorities should perhaps be a little more responsive to the needs of listed buildings and actually use what powers they do have to try to safeguard them?

Mr Bloxham: Absolutely and, what is more, be much more proactive. We have been in situations where we have taken on . . . Can I take for example in Ancoats(?) where we are the first developers to come in to take on a very important series of old historic mills. We were delayed for months, even years, arguing about the mortar mix, what it should be in the mortar, while, next door, buildings are falling down and nothing happens to people who own them.

Q70 Christine Russell: Who were you having that dialogue with?

Mr Bloxham: Again, with a listed building, conservation officers, listed building consents, the reality of the matter is that where you have buildings, particularly buildings of interest and importance, you almost get an auction, in our experience, between different conservation bodies who are all being consulted with and offering their advice in a very well-meaning way. The Victorian Society, the Georgian Society and local history associations—many of these people simply want to see no change to buildings and want to see buildings restored to exactly as they were even now or when they were first built.

Q71 Mr Cummings: Perhaps you could advise the Committee as to how important the availability of grant aid or fiscal incentives to developers is in order to take their interest towards redevelopment and improvement of historic buildings?

Mr Bloxham: I have two things to say in answer to that question. One is that it is not a level playing field; it is by and large quicker, cheaper, easy and certainly much more certain to build a new build than to convert a difficult old building. Most of the buildings that we consider to be a risk, more importantly, have actually lain empty for a long time and there is no beneficial occupation of them for a variety of different reasons. Almost by definition then, if there were an easy solution, someone would have done it before. They are lying now empty and, quite often, if you want something to happen with these buildings and if, as a nation, we believe they are worth keeping, we have to level our playing field and have some form of fiscal incentives to encourage developers to redevelop the more difficult buildings.

Q72 Chairman: Can I ask the other witnesses to add something only if they feel they need to add something new to that.

Ms Pierce: Obviously, it depends on land values in the area and I think the way in which you work with local people and local planners. I suspect that, in London, it is easier because, even in places like Hackney where I do a lot of work and Lambeth, land values are relatively high. We have not had any grant aid in any of our schemes, although I would add that sometimes the public sector partners have then gone separately and got some grant aid for themselves to help whatever venture they wanted to put in the building. It seems to me that we have kind of set the stage that has enabled them to do that because they have a building that they can then use, but we have done it all as private members.

Mr Hughes: I think it is probably a question of disincentives as much as incentives on the fiscal side. Our concern is section 106 agreements, possible planning tariffs and other obligations that are part of the package.

Q73 Mr Cummings: Urban Splash states in their evidence that VAT should be recoverable for refurbishment and improvement work to historic buildings and that some other fiscal incentives should be introduced, and you give the example that capital allowance should be used to encourage reuse of historic buildings. What other fiscal incentives do you have in mind?

Mr Bloxham: I am sure that a lot of people cleverer than I could say them but, some form of capital allowances, rates reductions, help in doing the externals, ease through the planning process and maybe there should be a presumption that the whole process should be quicker with historic buildings. I think a whole series of different measures could be used to encourage developers to bring forward historic buildings.

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Q74 Mr Clelland: I think it would be helpful to the Committee if the witnesses were to put on record their description of the financial risks associated with work done on historic buildings and in conservation areas.

Mr Hughes: The principal financial risk is in terms of the cost of dealing with a listed building or historic building, the uncertainties that you only find once you start to do the building work. The other risks are in terms of the amount of money you have to put up front for the planning negotiations. One of the local authorities that we deal with, you now have to pay for a pre-planning application meeting before you then start to pay for the planning application itself and the amount of information that is required at the planning application stage involves a myriad of consultants that you would not necessarily always employ. Where historic buildings are concerned, also we have had a requirement to do detailed planning application for those historic buildings as part of the master-planning and again it is additional expense but also you are perhaps tying yourselves to something which you may want to reconsider at a later stage once you have completed your master-planning exercise.

Ms Pierce: I would agree with all that. I would also add that one borough we are working with does not have pre-application meetings at all. So, if you are dealing with a listed building and you have to put in a detailed planning application, they do not give you any meetings, so you are working completely in the dark and at risk. There is also the issue of planning use because, especially if you are working in buildings that have been in the public sector, they usually have a B1 use and therefore not being able to speak to the planners is pretty difficult. The last thing I would add is that one of the things I have talked about in my evidence is, if you like, the split between conservation officers and English Heritage and we have certainly had experience of having very good support from English Heritage but much less good support from a local conservation officer.

Mr Bloxham: It will always cost more than you think and take longer than you think with an old building—you can rely on that one—and then just the bureaucracy and the amount of detail and plans which you have to go through to actually get the consents.

Q75 Chairman: What scale are we talking about? What is the size of this risk against the overall cost of the project?

Mr Bloxham: For us, if we are doing a £10 million projects if it is in a conservation area or a listed building, it will cost us probably hundreds of thousands of pounds, certainly tens, extra in fees and probably delay the process by six to 12 months.

Q76 Chairman: What is the difference in delay comparative to a new build? Was that the difference in the costs that you were describing?

Mr Bloxham: Yes, the difference in the costs.

Q77 Mr Clelland: I suppose that another complication in this area on historic sites is the different regulatory regimes: conservation areas, listed buildings, scheduled monuments and other archaeological features. How does the existence of several regimes affect regeneration projects in which you have been involved?

Mr Bloxham: It certainly does not make them more easier and more helpful. I suppose that, in a way, we get and I will not say jaundiced about it because a historic environment is very, very important, so let us keep all this in perspective, but we know that we have to get an architectural survey done, you are going to have claims for new construction because you are going to have researchers in there photographing and digging up buildings and, with almost all the buildings, you do photographic records. The thing that we find most difficult is this hierarchical almost auction that goes on. When you are putting consent through with different interested parties; they are all very well intentioned but they are all putting pressure on the conservation officer to actually accept their point and you need a very strong conservation officer who actually says, “No, this is what is important about the building. We must keep this. The other parts are actually not vital and, for the sake of redevelopment and saving the building, let’s give on those but keep that one.”

Ms Pierce: I would agree with that and I would just like to give an example. We are doing a scheme in a London borough which is a mixture of new build and refurbishment of a listed building. We try to be proactive and go and talk to as many of the bodies that are involved as possible. We could not speak to the conservation officer because he does not do pre-application meetings, but we did talk to the Civic Society, local organisations and English Heritage and we received fantastic support and we chose what we thought were really exciting architects. We did all that work and then found that there was a kind of dispute in the heart of the borough because actually the conservation officer had a completely different view, and it did not matter how many letters of support we had because, in the end, we put a lot of money into working with people we thought were giving good professional advice on heritage only to fall when we finally got to speak to the planners. So, you can do your very best but actually, because the regimes do not coalesce, you only have to upset one person who has quite a lot of power and it can undo all your good work.

Q78 Chairman: Are you happy with those answers, Mr Hughes?

Mr Hughes: Yes, I am happy with those.

Mr Clelland: I did not hear any simply solutions to it.

Q79 Christine Russell: Can I follow that up a bit more because, Tom, you have been very critical of—I am not quite sure how to describe them—the purist amenity groups who you feel get in the way of regenerating historic schemes and, Sylvie, you have just told us of your experiences with a local authority

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and its conservation officer. Can I ask all three of you about your experiences with English Heritage. In the main, do you find officers from English Heritage a help or a hindrance?

Mr Hughes: We have a good relationship with English Heritage and we have carried out a number of joint studies with them. One of them was comparing the value of historic buildings with new buildings which was done about 10 years ago, and it was partly as a result of that that English Heritage employed an investment adviser to cover what was covered in one of the previous sessions in terms of the professional property advice which we felt that Heritage, in particular, at that time lacked and which I think Westminster and other local authorities still perhaps lack.

Q80 Christine Russell: Have you experienced awkward situations where perhaps English Heritage have agreed with your plans but then the local authority has said, "But we don't like them"? Have you experienced differences of opinion between them?

Mr Hughes: There have been differences of opinion but it is more often a difference of opinion between the officers and the members and the councillors. Very often, we will get the officers on board because it complies with them but we have problems with the members.

Q81 Christine Russell: Who are reflecting the views of local people?

Mr Hughes: Not necessarily. They might be reflecting their own views.

Ms Pierce: My experience with English Heritage has been very positive and, as I have said, less positive at the local authority level and my observation would be that English Heritage has changed and has embraced much more, if you like, the kind of end product—how do we use our historic heritage to kind of bring it to new uses and to maybe blend it with modern architecture mixed with particularly Victorian and Edwardian architecture? I think they have become quite bold and brave about that. I suspect that is to do with confidence and professionalism. If I were to be generous towards conservation officers, I do think that they are often very isolated, they are not well supported internally, they do not appear to get a lot of professional development and they are not kind of loved and cared for, and they are part of planning and planners have been kind of beaten up over the years. So, what you get is a sort of obsession with the old because at least that is something you can hold on to.

Q82 Christine Russell: And they are ultra-conservative in their views?

Ms Pierce: In my experience they are, yes.

Mr Bloxham: I think the answer is that English Heritage is improving dramatically and I think particularly at high level—it is very good now and they embrace change. I think they are handicapped by two things: the whole listing system—if the building is listed, the whole building is listed and you cannot change anything by statute at all. Secondly,

a number of people have worked in English Heritage for a long time and, like any organisation, it takes time for that change to filter through.

Q83 Christine Russell: Have you ever experienced a conflict of views between regional officers of English Heritage with national policy pursued by English Heritage?

Mr Bloxham: The more usual conflict is between junior officers and more senior officers and a purely conservation-led approach. I think that we have to be very careful with buildings. If I owned a Turner picture or a great work of art, I can do what I want with it: I can throw it away, I can bin it. It is always uniquely with buildings that actually, by statute, you cannot alter your own property. I think that again, as a nation, if there are buildings that are so important—and we have many buildings that should not be touched—we also have an obligation as a nation to look after those and protect those and I think it is unfair and dishonest to say, "Actually, you cannot touch this building at all by statute, yet you still have to look after it and cannot make a use of it." We have to be very clear as a nation whether we are going to pay for keeping it as a museum piece or find new uses for it.

Chairman: I do not think that is unique in public policy, but there we are.

Q84 Mr Clelland: What are the attitudes of the big institutional funders like pension schemes to heritage-led regeneration projects?

Mr Hughes: Our silence probably says it all! I cannot really comment on that one, I am afraid.

Mr Bloxham: My own experience is that people have always used finance as a reason why things do not happen. My experience in a number of different businesses is that actually finance has never been an issue and I think that, if you have a good scheme which stacks up, the financial institutions do not care an iota whether it is a brand-new building or whether it is a historic building, they simply need to see demonstration of the returns and all they are interested in are the financial returns.

Q85 Chairman: So you will not get property funds shying away from historic buildings because of the cost of maintaining the windows compared with putting sealed units in?

Mr Bloxham: No, it is not that simple. We are funded by major financial institutions and I think the right product is out there if funding can be found for it.

Q86 Mr Cummings: This question is for Capital and Provident Regeneration. In your evidence, you stress your commitment to the use of leading architectural practices. Can you tell the Committee what commercial benefits the use of such practices has brought.

Ms Pierce: Can I talk about general benefits as well as commercial benefits?

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Q87 Mr Cummings: Yes.

Ms Pierce: I think that historic buildings often need a real skill in thinking about bringing them into modern usage. A number of the buildings that we are doing have multiple uses in them because we work in partnership with the public sector. I found the skills of an outstanding architect to be absolutely indispensable. We are just finishing a building in Hackney which I think is really beautiful and it has a multitude of uses in it and, if we had not had those architects, we would have probably ended up with a very insensitive development. In commercial terms, what, if you like, the leading architects are often very good at is getting a lot of uses out of a building, so they are able to work with the grain of the building to produce something really outstanding.

Q88 Mr Cummings: And the commercial benefits?

Ms Pierce: Part of my point is that, by being able to get a lot of uses out of the building, you are probably going to be able to make the building work commercially because certainly a lot of our buildings have very high footfall going into them and you have to be able to make all the servicing work, you have to make all the access . . . Just the fire strategies in these buildings is absolutely mind numbing. So, I think having an architect who can really deliver complex design has worked very well for us.

Q89 Mr Cummings: Have you every heard of the so-called trophy architects who might be engaged to secure planning permission in sensitive locations who are then dropped in favour of design and build contractors?

Ms Pierce: I have heard of that but I would like to absolutely assure you that we never do that.

Q90 Mr Cummings: I am not suggesting that you do. What I am saying is, is there a danger that the so-called trophy architects might be engaged in many projects and what might be the consequences of this practice? What can local authorities and local governments do to prevent it?

Ms Pierce: I think that is very difficult, is it not?

Q91 Mr Cummings: I really do not know. I was a coalminer! I am not an architect or a builder.

Ms Pierce: I was a chief executive of a local authority. I think that if you engage an architect simply to get a planning consent . . . Clearly, there is nothing that the local authority can do about it because they have given their planning consent and then you bring in a tenth-rate architect to finish the scheme. If you were, as I am, in partnership with the public sector, they would never work with you again. Your reputation is as good as your last scheme. So, to do that for me would be to really shoot myself in the foot.

Q92 Chairman: So, the risk is to the trophy in putting his or her reputation on the line.

Ms Pierce: Absolutely. It seems to me that a partnership is about being very honest and about building trust and part of that is about saying, "This is the architect we are bringing in. You are going to

get a fantastic building and we will see that to completion." Otherwise, they are not going to work with me again.

Q93 Mr Cummings: Do the other two witnesses have any comments to make?

Mr Hughes: There are developers who use trophy architects and I would say that we are not one either.

Q94 Mr Cummings: Can you tell us anyone who is?

Mr Bloxham: It depends if you mean, by using trophy architects, using good architects or famous architects and I think absolutely and that you have really hit the crux of the problem. If you want to save the built environment, it is all about having quality design, quality architects and quality buildings. You can stop people changing the architects half-way through by very, very carefully planning permissions which do not allow any changes without going back and clearly, if someone comes back in and does not change a single thing, then you do not mind them changing architects but, by definition, they make have the intention of sacking the trophy architect to water down the scheme. So, that can be done if the planning authority thinks about it and prejudices it. Much more importantly, I think, is the whole planning process. The planning process does not give sufficient regard to good design, in my opinion. The planning process is still based on use classes which was very appropriate 100 years ago with smokestack industries. Now, what difference does it make if a building is a hotel or an office or residential, and most of the antisocial issues can be dealt with and environmental health pollution and much, much more emphasis should be put on design and, again, good designers should be able to get planning permission more easily.

Q95 Chairman: Does that not contradict what you said earlier about it being the freedom of the individual owner to do what they want with a building?

Mr Bloxham: No. With regard to the freedom to do whatever they went, when you actually go through the planning process, if you have two different planning schemes, one with a better design and one with a worst design, the one with the better design should get planning permission more easily than the one with the worst design.

Q96 Christine Russell: I was going to ask you a question about that. I was going to ask you whether, in your view and in your practical experience, planning officers—and I suppose one should say planning authorities because it is members as well as officers—are just too inflexible about the reuse of historic buildings. It would be interesting to know from your own experiences whether you have had an important historic building and you have had a vision that this could be used for a new purpose but the planners have said, "Oh, no, it has to be converted or reused as this" and how you got round it.

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Mr Bloxham: It is not so much the change of use *per se*, I think that only comes an issue in parts of London where economic use has become residential. The issue is more like, we believe that, to be able to let a building, we need to have a big atrium going through there so that there is a stunning entrance space, whereas typically old mills were for workers who were treated very badly and did not have any big stunning space. So, it is these sorts of material changes inside a building and then having an argument over those. The quality of the design comes unfortunately very low down and is much harder and you need more confident planners and more confident planning authorities to be able to say, "Yes, we will give them this one because it is a good design" and it is much easier to say, "Actually,

no, it is a listed building and you cannot change anything, but you are changing this and this", and so it is difficult.

Q97 Christine Russell: I was just looking at Grosvenor to see if they have encountered problems with trying to get change of use for historic buildings.

Mr Hughes: Yes, we have and also in terms of bringing buildings up to standard, for instance strengthening floors within a listed building to take off as floor loadings. We have had a "no" to that which severely limits what a building can be used for.

Chairman: Thank you for your excellent contributions and for taking the time to come and give evidence.

Monday 2 February 2004

Members present

Chris Mole, in the Chair

Andrew Bennett
Sir Paul Beresford
Mr Clive Betts

Mr Bill O'Brien
Christine Russell

Witnesses: **Mr Simon Thurley**, Chief Executive and **Ms Deborah Lamb**, Director of Policy and Communications, English Heritage, examined.

Q98 Chairman: Welcome to the second evidence session in the inquiry into the role of historic buildings in urban regeneration. May I welcome the first two witnesses and ask you to give your names for the record, please?

Ms Lamb: My name is Deborah Lamb. I am Director of Policy and Communications at English Heritage.

Mr Thurley: My name is Simon Thurley. I am the Chief Executive of English Heritage.

Q99 Chairman: We have seen your written submission. We usually give witnesses the opportunity to make a further brief oral statement if they wish, otherwise we can go straight to questions.

Mr Thurley: We should just like to say that Sir Neil Cossons, the Chairman of English Heritage would have been here today. Unfortunately he was taken to hospital yesterday. It is not life-threatening, but he is extremely sorry not to be with you. We are very happy to be here in his stead and extremely happy to be invited to give evidence.

Chairman: I am sure the Committee wishes him a speedy recovery.

Q100 Christine Russell: May I ask a really easy question to start off with? Could you tell us what you believe historic buildings uniquely have to offer regeneration?

Mr Thurley: We think a lot of things, but probably three things in particular. There is a social, economic and an environmental benefit. On the first one, the social benefit, we believe very strongly that historic buildings—in fact the term historic environment is the one we prefer to use because it includes historic landscapes and parks and the like—contribute a sense of place, a sense of belonging, a sense of history and as such they have the opportunity to make somewhere into a place which people value and where they feel at home and have a sense of ownership and belonging. Secondly, we believe that there is a significant economic benefit. We believe that the historic environment adds economic value. I am sure we could give you a lot of examples of regeneration projects where the historic environment has provided a sound economic base, somewhere like Grainger Town in Newcastle, where without the historic environment the new economic activity would not have anything like the chance of developing it has had. Thirdly, we think there is a considerable environmental benefit through the

notion of sustainable development. There is a huge amount of waste generated by the construction and demolition of buildings; something like 24% of all waste is generated by demolition and construction. It is simply better in sustainability terms to use and recycle old buildings than to demolish them and to build new ones.

Q101 Christine Russell: What brought about this change of thinking in English Heritage? Up to a few years ago your main concern was to save old buildings for cultural, symbolic reasons. You are now using the economic arguments as well for saving buildings. What brought about the change?

Mr Thurley: There has been a general move in all sorts of environmental agencies away from preservation to management. We are now more interested in the management of the historic environment. Certainly that does include preservation on some occasions, but the key to it is actually finding a way of managing it so you can unlock the benefits it gives to people, particularly in terms of quality of life.

Q102 Sir Paul Beresford: Do you ever consider that there are occasions when listing buildings is a serious impediment to development?

Mr Thurley: The short answer is no, it should not be. We have a system of listing buildings in this country which really dates from immediately after the war. The DCMS is currently undertaking a review of the heritage protection legislation which will hopefully result in a considerable modernisation of the system which will remove some of what we regard as procedural problems which the current system has. If it worked properly, the listing of buildings should do quite the reverse: it should actually highlight the significance and the value of the assets which we have, which are irreplaceable assets and give people a sense of history.

Q103 Sir Paul Beresford: Can I give you a tiny example? Several years ago the then government was looking at the extension of the high-speed rail link from King's Cross out to the tunnel and there was a spot of difficulty with some English Heritage individual, admittedly some level down from your position. There were some gasometers, at least there was the framework of some gasometers. They were in the way and the little man at English Heritage decided, if I remember correctly, that the pump was

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special and that the latticework was special. These two hideous pieces of latticework had no gasometers within them, the Science Museum said that the pump was not special and if a drawing could be sent that would be fine and we could scrap the pump as far as they were concerned. However, English Heritage persisted and that cost that project an extra £1 million just to take them down, to have them stored so that someone, somewhere, heaven knows where, could put these blessed bits of latticework up. If anyone put them up anywhere near my sight and that of most of this country, we would have shot them down. Would you not have thought that was an obstacle?

Mr Thurley: I cannot comment on that particular incident; I was not working for English Heritage at that time. What I would talk about is the general principle, which is that one of our key remits is to make sure that the things which are valued by people today as part of their history, their past, are still able to be valued by people in the future. In very, very, very many, in fact in the vast majority of cases of regeneration, those buildings, those structures actually make a positive contribution to the end result.

Q104 Sir Paul Beresford: Just suppose an application were put through or suggestion were put through that in fact it was an obstacle to regeneration, would you ever consider recommending delisting?

Mr Thurley: Yes, it has been recommended on a number of occasions. There is a very important point to make here and that is that there are two parts to the process of listing and development control. There is the action of listing, which identifies significance and puts it on a list. That does not mean that the building needs to be kept forever, it does not mean that it needs to be kept forever in the condition it is now. What it does mean is that when development is considered, it is one of the factors which are taken into consideration. That is when planning guidance comes in. What those guidance notes do is bring a much wider spectrum of consideration to that particular designated asset and that wider spectrum includes economics, it includes regeneration, it may include the political and social condition around. What that allows us to do is to look at something which by general agreement is of value to society and decide whether that thing ought to be altered, taken away, destroyed or whether it ought to be nurtured and converted to some alternative use.

Q105 Sir Paul Beresford: Does English Heritage ever review its listings?

Mr Thurley: You can apply to have a building de-listed.

Q106 Sir Paul Beresford: No, I did not ask that. English Heritage seems to be listing constantly. One wonders whether it reaches the stage where you have a host of examples of 1950s and 1960s ironwork

which could have one or two examples and because of the impediments some of the others may produce to urban regeneration they could be de-listed.

Mr Thurley: There are about 450,000 listed buildings in this country and so far as I am aware at the moment there has been no proposal to review the entire list. In a way though, that is a red herring. What is much more important is the issue of management. As I said earlier, we have moved away from looking solely at preservation. What we are looking at is management. The important issue is how you manage that asset. I think you will find that if you look at our activities and if you look at the activities of the best local authorities, we are all moving away from saying this is something which must never be touched, to asking how the thing can be used for the long term for the good of the people who live around here.

Sir Paul Beresford: Do write and tell me how we could have used the gasometer framework?

Q107 Mr O'Brien: As you prefer preservation more than the question of helping to sustain communities, why did it take so long for English Heritage to move to encouraging sustainability in communities?

Mr Thurley: I do not think we feel we have taken so long. We have been involved in what was not then called regeneration for many, many years. We have been encouraging derelict, rundown areas to regenerate. We have been giving small grants to high streets and to communities.

Q108 Mr O'Brien: That was to preserve properties.

Mr Thurley: Yes, but the act of preservation has increased the sense of worth and the sense of value that people have in a place and that in turn has triggered regeneration.

Q109 Mr O'Brien: When did English Heritage get into regeneration?

Mr Thurley: We would say that we have always been involved in what is now called regeneration.

Q110 Mr O'Brien: When did you first publish your historic environment report?

Mr Thurley: That was first published two years ago.

Q111 Mr O'Brien: Why did it take so long? You were saying that you have been involved in this for a long while but you only made a report two years ago. In the 1960s local authorities and local communities accepted that heritage can encourage and sustain community renewal. So we were involved with that 40 years ago. You published your report two years ago. Where have you been?

Mr Thurley: I think you are referring to *The State of England's Historic Environment* report, which is a compendium of statistics. I know, because I was involved in making the decision to publish it, that what we realised was that what we needed to do was make the case much more clearly, particularly to the ODPM and put some facts and figures out to show how £10,000 of heritage regeneration funding unlocked £46,000 of investment in that area. We live in a world where those sorts of statistics are vitally

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important if your case is to be proved. We felt we actually ought to look back over the many, many years we had been involved in what is now called regeneration and make the case and publish the statistics, which is what we did.

Q112 Mr O'Brien: How do you engage communities directly? How do you value people's views on this?

Ms Lamb: The very fact of actually dealing with historic buildings, buildings which already exist, means that there is a community there, who live there, who work there. Focusing on regeneration based on historic buildings means that there is a community of people we can engage in the process of development. Working with historic buildings gives you a chance to engage the local people much more positively in what is happening to that area than would otherwise be the case if it were all to be knocked down and something else built in its place.

Q113 Mr O'Brien: How is value added to your scheme?

Ms Lamb: Value added from . . . ?

Q114 Mr O'Brien: Engaging communities.

Ms Lamb: Because all the research we have done shows that people value historic buildings. They are what give a place a real sense of identity, distinctiveness, it is what makes people feel that their place is special, different, and it can engage that level of confidence and commitment to the future.

Q115 Mr O'Brien: I accept that communities do value that. How does English Heritage get involved in valuing communities and their proposals?

Ms Lamb: We get involved in a number of different ways and there are several specific projects which we have done which looked very directly and engaged the community in particular aspects. There is a project we have done in Liverpool called Memory Block which is very much about working with local people and finding out exactly what it is they value in the place around them, what it means to them. We are currently looking at doing some work in Bradford in terms of developing a heritage trail with the New Deal for Communities partnership there. That is precisely the sort of thing which helps people connect with their local environment and then build on that to develop regeneration proposals. More generally, the point would be that what we would look to do would be to help the people responsible for regeneration schemes within local authorities and help them develop their scheme, engaging with local communities as well. It is not all for English Heritage, but we have a role in helping other people to do that as well.

Q116 Mr O'Brien: Is that community led? Is what you have just talked about in Liverpool and Bradford community led?

Ms Lamb: It involves the community.

Q117 Mr O'Brien: Is it community led?

Mr Thurley: An example I would give of heavily community-led regeneration is Liverpool where the whole of the regeneration of the historic part of Liverpool was started by the *Liverpool Echo's Stop the Rot* campaign, which was entirely generated by the people of Liverpool. We have very much come in on the back of that to provide the expertise the council needs to deal with that.

Q118 Mr O'Brien: So you did not encourage it, you came on the back of it? How do you encourage community-led regeneration?

Mr Thurley: We encourage it by helping local authorities who are the frontline developers of all these types of project to take the historic environment seriously and to take the historic environment out to the people with whom they are engaging.

Q119 Chairman: You have cited a MORI survey which looked at attitudes and I am sure most people, like motherhood and apple pie, think keeping historic buildings is a good idea. What have you done to assess the costs they are prepared to sustain in preserving or conserving or managing a particular building?

Mr Thurley: We have not yet done any such research. You can always use an opinion poll in almost any way you want. In a way, it is stating the obvious that people care about the historic buildings around them. It is very difficult to attach a value to them. What is clear is that the vast majority of requests which come to us, for instance for listing, come from private individuals. There is a very, very strongly held feeling out there that this is important to them, but we have not yet put a financial value onto it.

Q120 Andrew Bennett: The Victorian Baths in Manchester are obviously very popular in terms of people voting for them to be preserved. How many of those people who voted for them to be preserved would want to use them? If you are a kid close to those baths, would you not prefer new baths with a water chute and various other fun items rather than the nostalgia of the Victorian Baths?

Mr Thurley: That is certainly a problem and as far as I am aware the proposal with the Manchester baths is only to restore one of the swimming pools not both of them because everyone thinks there is no point in having two pools. The other space will be used for something else. There definitely is evidence, particularly for that building, that people do want to use that swimming pool; there is no doubt about it.

Q121 Chairman: So you do take into account the existence of other similar examples when deciding to list.

Mr Thurley: Certainly. There are two ways recently that buildings have been listed and one of them is through the thematic surveys we have done, by looking at university buildings, schools, factories or whatever it is. The other way is through requests from the public to have something listed. What we

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would probably do at English Heritage is to try to encourage you to move away from thinking about listing too heavily. We do not regard listing as the crucial element in heritage regeneration. It is important, it can be important, it can be used as being important, but the absolutely fundamental issue is what happens afterwards, once you have identified what is important in an area. It might not just be historic listed buildings; it might actually be buildings which the local community find very important. It might be a pub at the end of the road, it might be the Town Hall, it might be a library, things which are not listed but which are the historic buildings which start giving character to a place.

Q122 Chairman: Are you never worried that listings are used inappropriately to prevent change of use?

Mr Thurley: We are continually worried about that and that is one of the reasons why we welcome both the revision of PPG15 and PPG16 and also the heritage protection review by the DCMS. It is an old-fashioned system and we do believe that it could be used in a much more positive way than it has been in the past.

Q123 Sir Paul Beresford: Do you think the parameters under which you consider listing are too tight?

Mr Thurley: They are not articulated clearly enough. I know that there is nowhere you can go to and find the parameters written down and I think that is an extraordinary state of affairs and there should be an agreed set of parameters which are agreed with the Secretary of State and those are the ones used by everybody.

Q124 Sir Paul Beresford: Are you suggesting parameters to the Secretary of State?

Mr Thurley: That has not happened yet, but I am sure as part of the designation review that will be one of the things which happens.

Q125 Sir Paul Beresford: Could you send some suggestions to us?

Mr Thurley: It is probably most appropriate for us to work through the channels which have already been set up, the DCMS.

Q126 Mr Betts: You said a couple of minutes ago that buildings did not have to be listed to be important as part of heritage regeneration, but in fact when you come to deal out grants as an organisation you generally tend to concentrate on Grade I and Grade II* buildings; it is quite rare for anything else to get a grant. There is probably an impression that it goes to the grand buildings in the country and not necessarily to an industrial building or a parade of shops which might be quite important in themselves in helping regeneration of a wider area.

Ms Lamb: We have a number of different grant schemes and all of them are constrained by the resources available. In terms of the grants which are available for particular individual buildings, those are limited; that is just a way of rationing the

resource, in terms of the highest designations and also buildings at risk. Those are the things most in need of the money and the resource and in fact for many regeneration schemes it has been our putting grant money into certain buildings at risk which has been part of the overall scheme, stabilising them, which has helped them to provide the basis for further regeneration. We do have other grant schemes as well, in particular the Heritage Economic Regeneration Scheme (HERS), which is precisely the sort of scheme which focuses on small high streets, focuses on areas of commercial and mixed use, frequently in areas of deprivation. Those schemes are targeted on those sorts of areas and they can help to lift that very small scale regeneration which is also the kind of area which is quite frequently missed by some of the bigger regenerations.

Q127 Mr Betts: Just picking up on the Heritage Economic Regeneration Scheme, would you confirm that actually a very small percentage of your budget goes on that in total? Perhaps we could hear what it is. Secondly, have you not actually stopped giving grants under this scheme?

Ms Lamb: The Heritage Economic Regeneration Scheme is about £9 million a year in grants. We are currently reviewing all our grant programmes and seeing where priorities should lie for the future.

Q128 Mr Betts: So you are not giving grants under that programme at this stage.

Ms Lamb: Yes, we are at the moment.

Q129 Mr Betts: You are giving grants.

Ms Lamb: We are at the moment, but we are reviewing it for the future.

Mr Thurley: We work extremely closely with the Heritage Lottery Fund (HLF) and the Heritage Lottery Fund have a wider spectrum of things they can grant aid than we. We are actually restricted by statute. If you look, for instance, at our church scheme which we operate jointly with the HLF, it enables us to grant aid places of worship regardless of their listing and is much more targeted on the social benefits we can get out of that. We work very closely with HLF on that.

Q130 Mr Betts: Is there not almost a case for amalgamating the two grant regimes so there is only one grant to apply for? At present there are two lots of forms to fill in and two organisations and by all accounts some organisations do not even bother to try to apply for them because what they get out of them at the end is not worth the effort they have put into it.

Mr Thurley: We do now have a joint scheme for churches, which is a great step forward. We are currently discussing with the HLF what other schemes we can amalgamate. You are absolutely right, what is absolutely crucial here is that the end user has something very clear, very simple and they can find out where they can get the money and what the criteria are. The greater the rationalisation we can do, the better.

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Q131 Christine Russell: I know you want to move away from the listing issues, but can I move you back to them. We have been given examples and told about what happens when a major development scheme is scuppered at the eleventh hour by English Heritage coming along and listing a building. Could you just talk us through the existing system of what you do when you decide to spot list a building?

Mr Thurley: The first point to make is that over 90% of listed building consent applications which come to us are passed. So we are talking about a 10% area, which are the ones where there is some sort of debate. The debate comes in one of two areas. It either comes when the planning application comes to us, or it actually comes when there is a question about spot listing. The current legislation means that anybody, any member of the public, can write in at any moment and ask for a building to be listed. We, legally, are obliged to go and examine it, to apply the criteria which we talked about a moment ago to that and recommend to the Secretary of State—

Q132 Christine Russell: So anyone. You do not go to the local authority and check their views.

Mr Thurley: Anyone.

Q133 Christine Russell: If you get a call from anyone you immediately set this investigation into action.

Mr Thurley: The request goes to the Secretary of State, because we do not list. The listing is done by the Secretary of State. The Secretary of State gets a request. We are her official advisers. She turns to us and what it is our job to do is take the criteria, go and look at the building and then report back to the Secretary of State whether the building meets the criteria or not. On the basis of that the Secretary of State will decide—

Q134 Christine Russell: May I just ask you what you do when the local planning authority has given a planning consent?

Mr Thurley: I will come onto that in one moment. I am talking about the system at the moment. The Secretary of State will then decide whether to list or not. She will then say yes or not and if it is yes, the building is listed and that action, spot listing, can happen at any point in the development process. Both the DCMS and we recognise that is a very, very unsatisfactory situation, but that is how the law stands at the moment. We do not believe that is the right way forward. The DCMS do not believe that is the right way forward and I know in fact that officials in the ODPM do not think it is the right way forward. The proposals for the reform of the system may introduce some mechanism which prevents spot listing happening whilst the planning permission is actually being considered by a local authority. The thing you are worried about, if we can get the change in the law, will not happen any longer. We believe that is really important. It gives us an incredible amount of grief, because the criticism we get is very often caused by a member of the public asking for spot listing and we, having said yes, it meets the

criteria, the Secretary of State saying she cannot do anything about it because it meets her criteria and it is listed, then it does cause a problem.

Q135 Christine Russell: And you have said that to DCMS. So in your submission to the consultation, you have said you believe there should be no spot listing. At what stage does that happen? Does it happen at the point when the developer first goes into the planning department and says he is interested in developing X, Y or Z on this land, or does it not happen until a formal planning application is submitted?

Mr Thurley: What I can talk about is the principle, because I do not have at my fingertips the precise details. The principle needs to be that whilst something is in play as an active planning application, you need to have a moratorium on suddenly whacking listing into the middle of it. This is all part of our belief that we should not actually be waiting until a planning application arrives on our desk to be discussing these things. What is really important is to get discussion up front, pre-application discussion. The reason that 90% of all applications coming to us are passed straight through, very quickly, is because we have been successful in driving a large number of applications right up front. Before they come in as an application they have been discussed, we have looked at them, everybody has agreed and it is just ticked through. If we can get the other 10%, we shall be very, very happy.

Q136 Christine Russell: So we already have nearly half a million listed buildings in the country. What scope do you think there still is for more buildings being listed?

Mr Thurley: A very small number of buildings a year are added to the list and a number of them are taken off the list every year as well. If you look at the growth in listed buildings over the last 20 years or so, they have not actually kept pace with the number of buildings being built in the country, so they are not actually increasing as a percentage of the buildings there are in the country. The principal effort has been diverted to post-war listing and about 300 post-war buildings have been listed now and that is where the main effort is.

Q137 Christine Russell: Give us one or two examples, off the top of your head, where you have listed buildings recently because they are part of a potential regeneration scheme?

Mr Thurley: I am not sure you have the right two people here to answer that question.

Q138 Chairman: Could you send us a note?

Mr Thurley: With ease we could give you a thorough briefing on that. I am sorry, we just do not have that here.

Q139 Christine Russell: I am told Parkhill flats in Sheffield are one example.

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Mr Thurley: That is an extremely good example of the way that listing, far from hindering regeneration, has been a positive spur to it.

Q140 Andrew Bennett: What I understand now in principle is that if you are worried that someone might come up with a planning application for re-development in your area, you have to get in your objection before the planning permission is sought. Is that not a bit unfair on people, because there may be quite a few historic buildings in their neighbourhood and they think they are perfectly all right? Why now tell people they have to get in an application to protect them just in case someone comes up with a planning application, because as soon as they come up with a planning application it will be too late, will it not?

Mr Thurley: What we want to do is to encourage local authorities to have a look at their building stock and we also, as the responsible national agency, should be doing that. Quite frankly, our regional offices have a pretty good idea where major regeneration schemes are happening, where major schemes are happening and we should be in there way, way up stream, looking at those buildings, working with the local authority to make sure these issues are addressed to begin with.

Q141 Andrew Bennett: Does that mean you are going to spot list before these schemes, as soon as you get a hint of them? The developer is going to have to be even more secretive, is he not to avoid you knowing about it?

Mr Thurley: Let me give you an example of a very, very good project. We are working in South Shoreditch at the moment on the City fringe. It is a joint project between us, Hackney, the local authority and the GLA. All of us know that is an area which is ripe for regeneration, ripe for re-development; we also all know that it is a very rich area culturally. It is the area with all the art galleries, all the clubs, pubs, bars, a very, very rich cultural area. What the three bodies are doing is a comprehensive survey to look at the historic environment in those areas and work out what we think are the valuable things, what we think will be the valuable ingredients in the regeneration of South Shoreditch over the next five, 10, 15 years. What that study will do, is give everybody certainty. That is what the developers want. They want certainty; they want to know what the parameters are. We would hold that up as a model of the local authorities, the national agency and the regional body working together to try to identify how the historic environment can be made to work best.

Q142 Mr O'Brien: Does English Heritage have the skills and expertise to deal with complicated planning issues such as the ones you have just been outlining?

Mr Thurley: Yes, we do.

Q143 Mr O'Brien: What percentage of your staff has had experience of the private sector?

Ms Lamb: We have a director, so he is one of our senior managers, who is director for development economics and he is an experienced developer and worked in the development sector before he came to work for us. We have regional estate surveyors and the role that our development director plays is very much to be a source of advice for staff across the whole organisation. So when they have particular issues to do with the economics of development, they will come to him and he will advise them on it.

Q144 Mr O'Brien: That is on the environment side of development. Do you have secondments to the private sector so that your staff have exchange of views and experience?

Ms Lamb: I must admit that I am not experienced enough to know whether we have in the past. We would have to come back to you on that. Certainly it would be something we should like to see more of.

Mr Thurley: We certainly second staff to the regional development agencies and local authorities.

Q145 Mr O'Brien: How do you go about developing further the experience of your staff in the private sector as well as the public sector so that there is no misunderstanding and people are aware of what is happening with a regeneration development?

Ms Lamb: We do have staff seconded into some of the major regeneration agencies and regeneration companies; the Leicester Urban Regeneration Company is a good example of that. There is that interchange. On the other side, our director of development economics actually regularly talks to groups of developers, all sorts of developers to try to get across the point of the importance of the historic environment and potential that it has.

Q146 Mr O'Brien: What about your relationships with regional development agencies?

Mr Thurley: It is very strong. Our Chairman has recently been round and if he were here he would tell you that he has spoken to every single chairman of every RDA in the country in the last six months to ensure that we are working absolutely in tandem on regeneration issues.

Q147 Mr O'Brien: What about the assemblies? Do you have any contact with the assemblies?

Mr Thurley: Yes, we have a number of contacts with assemblies.

Ms Lamb: In each of the regions we have a regional historic environment forum which brings together a range of people, including RDAs, including some of the development agencies and local government to work together to realise the potential of the historic environment.

Q148 Andrew Bennett: If you get two experts together, there is a very good chance they will disagree. Is that right?

Mr Thurley: Yes, it is right, but that is one of the reasons why a national body like us is important. What we try to do is to set standards nationally. We try to make sure that there is a level of consistent decision-making on matters relating to the historic

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environment, not only amongst our own staff, but actually in local authorities. We regard that as one of the crucial roles because sitting nationally as we do we see how Land Securities is developing its projects in four, five or six cities. We are able, through cross-fertilising between those, to try to ensure that the same standards are set and, perhaps even more importantly, lessons are learned from different developments and passed across.

Q149 Andrew Bennett: Do you use the same experts as Heritage Lottery Fund?

Mr Thurley: Heritage Lottery Fund uses us.

Q150 Andrew Bennett: Exclusively?

Mr Thurley: Not exclusively, but very largely for most.

Q151 Andrew Bennett: So you do not think there is ever any disagreement between yourselves and Heritage Lottery Fund?

Mr Thurley: We are responsible for advising them on the historic buildings aspects of Heritage Lottery Fund applications. Whether the trustees will then agree with what we say is a different matter, because it is the prerogative of the trustees to decide to fund something or not.

Q152 Andrew Bennett: You have this expertise, so why do we need the CABA Urban Panel?

Mr Thurley: The CABA Urban Panel started off as the English Heritage Urban Panel and is an extremely good example of two national agencies working together to provide some joined-up advice to local authorities. There is always a danger when you have a whole series of national bodies giving advice to local authorities that they get advice fatigue. The Urban Panel is an absolute model of the way that two organisations got together to try to give rounded historic buildings advice to local authorities.

Q153 Andrew Bennett: When you look at giving this expert advice, is it important that you make it look right or that it is right? I am particularly conscious that on a lot of your buildings some of your experts are very keen to have oil based paints used because that is the sort of paint which was used historically rather than perhaps more environmentally friendly water based paints, which look just as good.

Mr Thurley: I could bore you for many, many hours on the benefits of using lead based paints and how much longer they last, etcetera. The point is that there is a number of factors to be considered when one is dealing with these types of issues. Design is one of them, the original fabric is another. It is a difficult task to balance them all, but that is what we and local authorities have to do every day, day in, day out.

Q154 Chairman: Let us try mortars then. I heard of a seventeenth century building which was moved and put back together again where, allegedly, English Heritage insisted that a 1930s mortar was

used rather than a modern mortar because that was about as near as you could get to the seventeenth century.

Mr Thurley: Clearly I cannot comment on that.

Q155 Chairman: Can you believe that was likely to have happened or is it apocryphal?

Mr Thurley: I very much hope that did not happen. There is a very important point to make though amongst all this and that is that the vast amount of advice which is given to historic building owners is given by local authorities. We deal with a tiny, tiny number of these sorts of issues and if you talk to any developer, they would infinitely prefer to deal with English Heritage than a local authority. The reason for that is that generally speaking our staff are more experienced and they have better skills and they are better trained than staff in local authorities. What we believe is that the biggest thing that has to happen to the conservation movement is that we have to make sure that the skills are there in local authorities. I am sure all of you could regale me with lots and lots of these sorts of horror stories which you keep telling me and I could regale you with even worse ones if I dug deep enough into my memory. Some of them are true, some of them are apocryphal, but the grain of truth that lies behind it is that very often you are dealing with a local conservation officer who has insufficient skills, who is poorly paid, is poorly trained, who is not in the right position in the planning department, in the local authority, to give really good, sound, imaginative advice. That is why one of the principal efforts we have at the moment is to work with local authorities to make sure those skills exist and the sooner we can get those skills the sooner we can stop these extraordinary stories which you are bringing up.

Q156 Mr Betts: You are talking about joined-up advice to government, but what about the issue of joining up government. You report through to DCMS, but more of the planning and regeneration issues in government are through ODPM and local councils have their responsibilities to that department. DEFRA deals with regeneration in rural areas. You heard earlier from Sir Paul about transport schemes which often get bound up with some of the heritage issues. Is it not all a bit complicated?

Ms Lamb: It is indeed complicated, but what all of that shows is that in some ways the historic environment is a classic cross-cutting issue which impacts on a wide range of policy issues right across government. It is up to government. They could draw the boundaries in different places, but we would still be in a position of dealing with more than one department and probably several. What is very useful from our point of view is that for the first time we actually have a funding agreement, which is our agreement with government for what we will deliver for the grant we are given, which actually has the ODPM and DEFRA as joint signatories to that as well as the DCMS. There is a formal recognition that we do operate across government departments.

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Q157 Mr Betts: Are there any improvements which can be made so that your advice is better received and more effectively received in government?

Ms Lamb: Yes. What is very refreshing is that now that funding agreement has been set up, that has led to a regular mechanism which we have to deal with all those government departments. One of the best aspects of that is that we deal with all those government departments together, so it is not just a question of us having to deal with them all separately, but we actually get them in the same room together and talking together. In that sense this has been a mechanism for joining up different bits of government as well.

Q158 Mr Betts: Could I come back to the crucial role of planning authorities in this? Are you having any effect on improving the advice they are giving? Can that be demonstrated, or are there any further things which you can do or which can be done to make sure it happens?

Ms Lamb: Yes. In a few months time we are planning to launch and to run for the next 18 months a major programme to raise the level of skills and awareness in local authorities. That is both to raise the level of awareness of historic environment issues amongst non-conservation professionals, the chief executive and people in highways departments and regeneration departments. Those are the people who are taking decisions which are impacting on the historic environment; it is not just the conservation officers. That is one side of it. The other side of it is to broaden the skills base of the conservation officers and issues we have been discussing to do with development economics and to do with community involvement. It is about broadening the range of skills for those people and also raising the awareness of the potential of the historic environment across a wider range of local authority staff.

Q159 Sir Paul Beresford: You mentioned earlier that a certain number of buildings are listed every year and a certain number are de-listed. Do you ever instigate the delisting?

Mr Thurley: We do, by the very fact that it is up to us to advise the Secretary of State to de-list.

Q160 Sir Paul Beresford: If a local authority and a developer come to you looking for help and they say it is just hopeless and this concrete 1950s mushroom in the middle of Coventry building site should be bulldozed, are you ever prepared to consider that is for real and actually advise the minister?

Mr Thurley: I cannot emphasise enough that listing a building is not pickling it in aspic. Listing a building does not mean that you cannot knock it down, listing a building does not mean that you cannot change it. As I said before, the crucial element here is what management regime you put to a listed building, what you do with it once it has been listed.

Q161 Sir Paul Beresford: What if the decision is that it should be bulldozed?

Mr Thurley: That is one of the options. There is currently a presumption in favour of keeping a building which is listed, but on occasions they are not kept and they are either radically altered or sometimes taken down. We really do want to move away from this notion that listing or delisting is the key thing. The key thing is what happens once you have identified a building as being of significance and what process then takes place to find a long-term, economic, viable use for that building so it can make a big contribution to the community. The number of listed building cases that we deal with which actually end up being in some way a blockage is absolutely miniscule.

Q162 Sir Paul Beresford: Do you think that when you asked people in your MORI poll how important they felt historic listed buildings to be, they realised that listed buildings include some 1950s and 1960s monstrosities, at least monstrosities from my point of view?

Mr Thurley: The public is incredibly aware of the programme which has been going on for the last 15 to 20 years to list post-war buildings; in fact it has been driven very heavily by public taste.

Q163 Christine Russell: You have tried to impress upon us this afternoon how committed you are to operating in real world scenarios and Deborah just told us about the need to improve the skills base. My question to you is: do you know what percentage of your frontline advisory staff who meet daily with property owners and local authorities has a degree in archaeology? The reason I ask that question is because in my previous existence as chair of a planning committee, virtually everyone I ever met from English Heritage had a degree in archaeology. So I am just asking you what the percentage is. You may not know off the top of your head.

Mr Thurley: It would certainly be interesting to find out precisely. What we would say is that historically English Heritage has been an organisation which has been driven by archaeologists because archaeology was the thing which used to be protected and buildings were only introduced into the frame relatively recently. What we can say is that we try to field archaeologists where archaeological issues are involved. Chester amphitheatre is a very good example; obviously archaeologists are involved in that.

Q164 Christine Russell: Do not forget the Georgian tea house.

Mr Thurley: We have not forgotten that. I can assure you that it would be impossible to forget that, given Chester's views about it. We also do make sure that our architects, our planners, our historians are involved and I think you will find that the proportion of archaeologists dealing with buildings issues these days is very small.

Q165 Chairman: I am sure we are going to hear from other witnesses later on about the benefits of investing in historic buildings in terms of drawing in

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other investment. Have you ever undertaken an assessment of the additional costs which can occur to developments as a result of listing?

Mr Thurley: We have actually got some information on that, but I do not have it at my fingertips.

Q166 Chairman: Is that something you could supply to the Committee?

Mr Thurley: If I am right that we have it, I am sure we can.

Chairman: That would be most helpful. On that note, may I thank you for your evidence.

Witnesses: **Mr Chris Brown**, Chief Executive, Igloo Regeneration, **Dr Rob Pickard**, University of Northumbria, Royal Institution of Chartered Surveyors (RICS), **Mr George Ferguson**, President, Royal Institute of British Architects (RIBA), **Mr Mike Hayes**, President, Corporate Director at Watford Borough Council and **Mr Jack Warshaw**, Director, Conservation Architecture and Planning, Royal Town Planning Institute (RTPI), examined.

Q167 Chairman: Good afternoon, thank you for coming. Would you state your names for the record, please?

Mr Warshaw: I am Jack Warshaw. I am head of a practice called Conservation Architecture and Planning; here with the RTPI this afternoon. I am the lead author of the RTPI's conservation good practice guide and a former head of conservation at Wandsworth Council.

Mr Hayes: I am Mike Hayes. I am currently President of the Royal Town Planning Institute. I work in local government, currently for Watford Borough Council, though in previous lives for Lambeth, Glasgow and Liverpool.

Mr Ferguson: George Ferguson, President of the RIBA.

Dr Pickard: Rob Pickard. I am a member of the RICS. I am also a member of the IHBC. I am at present a university lecturer in Newcastle, dealing with both RICS matters and historic conservation matters. I am a member of a Council of Europe expert group on the form of legislation to do with cultural heritage.

Mr Brown: Chris Brown, Director of Igloo Regeneration Fund and also representing the RICS this afternoon.

Chairman: We do usually give people the opportunity to make a brief statement if they wish to add anything to their written submission. Otherwise we will go to questions if you are happy to do that.

Q168 Christine Russell: May I invite you gentlemen to comment on how effective or otherwise you believe government agencies and arm's-length government agencies, quangos, whatever, are when they work in the field of regeneration? How effectively do they work?

Mr Ferguson: Are you referring both to organisations like English Heritage and the RDAs for instance?

Q169 Christine Russell: Absolutely; central government, local government, regional government.

Mr Ferguson: It is a very broad question, but in the question of English Heritage, they do their prime job extremely well and that is to protect and enhance our heritage. They are having a lot else pushed on them, but that is the job they do well. The RDAs are being very effective and we would probably all think and

agree with some of the things which have been said about the needs for more skills within local authorities.

Mr Brown: May I pick up the point about RDAs? From my point of view, I see the RDAs reducing the amount of money and activity which is going into urban regeneration at the moment. I also see English Partnerships focusing increasingly on the sustainable communities plan, which, because it involved the growth areas in the South-East, means they are also moving their focus a little bit away from regeneration.

Q170 Christine Russell: How do you think the RDAs in the North are reducing the amount of attention and money they are giving to regeneration?

Mr Brown: They have hugely wide remits and they started with about 80% of their budgets coming from things like a single regeneration budget. They are now increasingly focused all the way through the organisation, certainly at board level, the individuals there, certainly now in the lead departments, on the economic development agenda rather than the urban regeneration agenda. You need both, but I suspect the balance has gone a little awry.

Q171 Christine Russell: What about the RTPI?

Mr Hayes: There is a large number of organisations; they all have a different perspective on life, sometimes different skills and sometimes competing objectives. The key is: what are we going to do? It does strike me that holding the rein very often is the local authority. It is the local authority's task to assemble, to make these different perspectives, these different funding regimes, these different sets of expertise work. The issue very often is providing the expertise and resource at local level to put the local authority on the front foot, so it has vision and some sense of how that vision might be delivered so it can play that key role of co-ordination between these different agencies.

Mr Warshaw: It must be said that not all local authorities are equally effective. I am sure it is recognised that many are very proactive and have been able to utilise resources more than some others.

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Q172 Christine Russell: Do you think there is a correlation between the number of historic buildings which a local authority has within its boundaries and its effectiveness? Is there a correlation there?

Mr Hayes: There may well be a correlation. A large number of buildings means that there is a necessity to develop and create the scarce skills in-house. It is very often the larger local authorities, or those which have very obvious historic inheritances, which have been able to develop expertise. Elsewhere, with a smaller number of listed buildings, a smaller number of local authorities, it is much more difficult to develop that in-house capability.

Mr Warshaw: There is no general rule.

Dr Pickard: A good example is Newcastle-upon-Tyne. Simon Thurley mentioned the Grainger Town regeneration project, which was one of the first conservation area partnership schemes and then a heritage economic regeneration scheme where you have seen the local authority, the Grainger Town Project, with people from English Heritage and the local authority being seconded, other agencies like the regional development agency, the single regeneration budget, as well as financial elements coming in, business operators in the community, residential associations working together. There are some examples where there are very good, best evidence examples which could be spread elsewhere. Newcastle is a place which has a very high density number of listed buildings and had a high number at risk which is perhaps unusual in so many other places in the country.

Q173 Christine Russell: George Ferguson mentioned the lack of skills within local government planning departments. May I turn the argument around and ask you about your own three separate organisations and invite you to comment on the skill level and perhaps the amount of training which goes on amongst your membership in the field of the historic environment and getting involved with regeneration schemes?

Dr Pickard: May I make a comment on this, because I think I can speak for both sides, being a chartered surveyor, but also a member of the IHBC and also having taught budding surveying students, as well as people who are going to conservation training? There is a gulf still between the two sides. Although English Heritage and the RICS and other bodies have been working very closely together since the mid-1990s with studies on the economics of conservation, it was probably recognised then that the two sides do not have enough understanding of each other's issues, particularly those working in conservation do not really understand the financial appraisal or development or the investment sides of the argument.

Q174 Christine Russell: Do surveyors really understand the need for good urban design?

Dr Pickard: That is another thing. From an educational point of view, we try to develop those things. It really depends on the module elements of those things. What you will find is that the natural surveyor will be the person who wants to—

Q175 Christine Russell: Demolish the building.

Dr Pickard: Yes.

Mr Ferguson: We are certainly advocating having more learning together. It is very important that surveyors and planners and we learn together. Richard Rogers in the House of Lords only on 22 January, in the Committee stage of the Planning Bill, was advocating this. He was going so far as to say that planning and architecture should become one skill. Certainly we are saying that we should consider such things as a foundation course for planners and architects to work together. What we do feel is that we have the skills within the profession and we do not advocate that every architect is appropriate for every historic building. Some architects are less appropriate for historic buildings than others, while there are some absolutely brilliant designers who can add value to an historic building. We do not want to slot people into only dealing with historic buildings or only dealing with new buildings. There are wonderful cases, some which have come out of the whole lottery process, of where historic buildings and good contemporary architecture have gone really well together. That is a developing skill.

Mr Hayes: There is traditionally a lack of design awareness across the whole of the public sector and certainly until maybe the last decade there has been little incentive within the planning system to promote good design. That is changing and it needs to change. It is changing fast. We have 14,000 corporate members, of whom we reckon around 400 work in conservation in the public sector. That is not a large proportion. As an institute, we are working hard to reform planning education, both to widen the range of people coming into planning—

Q176 Christine Russell: How are you doing that? How are you trying to make planning a more attractive proposition? Everyone wants to be architects? How many want to be planners?

Mr Hayes: How long do we have? We have been through two decades where planning has been relegated to the status of regulation. We are coming out of that and a good thing too. We are into the business of capturing the vision and the delivery of schemes on the ground through the planning process. We are in the business of changing the world, at local level, at regional level, at citywide level. That is about as exciting as it gets. It is difficult for people very often to get into any form of further education. So we are promoting at the moment one-year master courses, full year and promoting them particularly to young people, to women returners, to folk from black and minority ethnic communities to come and be planners.

Q177 Christine Russell: What are you doing with 15- and 16-year-olds who are still in school?

Mr Hayes: We are engaging through planning aid with communities at local level to enable people to engage with the planning process and at regional level, through our branches, we have a programme of visiting schools, getting involved with career's advice and the like. We are also—and this is relevant to the topic under consideration today, developing

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continuing professional development and a lifelong learning ethos, so that people who are qualified as planners can continue to develop their skill base. In terms of becoming design aware and conservation and regeneration aware, that is terrifically important.

Q178 Sir Paul Beresford: Is the statement that developments with a heritage aspect generally command a higher value in the marketplace correct?

Mr Warshaw: I do not think there is any central rule about that.

Q179 Sir Paul Beresford: Are there examples where it does?

Dr Pickard: It depends on the circumstances. Research has been done by the Investment Property Databank in association with the RICS for about ten years now which has shown quite consistently in certain places, for instance the South-East and London, that there is a prestige value to listed buildings. Elsewhere in the country, for instance Newcastle or some other northern cities, you would find that there is generally a lower value to office space and therefore it is perhaps more difficult to find the same prestige value. This whole question really depends upon this sort of research which has been going on for a while now on the economics of conservation, the economics of heritage and in a way that research is only just starting in the UK. The best examples would be from the United States and some European countries in Germany, but that is often the argument to use, to find out what benefits you create financially from investing in the heritage¹. We do not have that material with us now.

Q180 Sir Paul Beresford: Would you feel that there are examples of exactly the opposite, in other words the cost is higher just because of the listed building?

Dr Pickard: Yes, the costs can be higher certainly, but on the other hand the specialist skills you are going to have and the jobs you can create from re-using the heritage can be very significant. It is also being shown in a number of places where public money has gone into the heritage, that you have levered quite considerable numbers greater from the private sector in terms of investment. So there is an economic benefit from investing in the heritage.

Mr Brown: May I answer that from my practical experience? We invest money to get returns for policy holders and almost invariably—there will be the odd situation where it does not apply, but almost invariably—we will look to keep not only listed buildings but other unlisted but attractive or

historically interesting buildings in the area, because we think it adds value. We are a long-term investor, so we invest over 10-plus years.

Mr Hayes: Very often there is a gap in funding and the public sector needs to come in and meet that. The value is way beyond the monetary value of the real estate created, a huge community value placed into heritage-led regeneration and the whole issue of the value in terms of sustainability as well.

Q181 Sir Paul Beresford: What is the attitude of the institutional funders?

Mr Hayes: The institutional funders will be risk averse by and large and will be looking for a return. It is very much the public sector role to bring in the private sector funding we can and the private sector skill that we can and where there is a gap, to meet the gap to the benefit of the wider community.

Mr Ferguson: My experience and the experience of a lot of our members is that conservation-led regeneration does add value. That is a generality, but it is a generality which would be true, whether it be in Leeds, Liverpool, Chester, Bath, wherever it is in general. You can think of Leeds, which I know Mr O'Brien is familiar with, take the Calls area, the fact that was a conservation-led regeneration scheme, or take the Victoria Quarter which helped change the centre of gravity of Leeds in terms of its retail because of that historic value. The Prudential who did that recognised the added value that brought. There is another one in Leeds. I do not know why I keep thinking of Leeds, but it is a very good example of a city you do not necessarily think of as an historic city, but which is using history in schemes like the brand new glass covered scheme in the middle of Leeds which has the SAS-Radisson Hotel in it. It is using historic buildings in a very creative way, together with contemporary architecture. I have absolutely no doubt that those all add value. If you look at the sort of value which Urban Splash have managed to squeeze out of schemes, I know that they have given evidence. We happen to be working with them on a scheme and they squeeze the value out of schemes by using that added character. Sometimes you cannot get that added character in a new scheme, simply because historic buildings break current regulations and you cannot. There is a need for a look at how we break rules, I am talking about planning and building regulation rules, in order to get some of the excitement, charm, sense of place that one gets in historic schemes.

Q182 Sir Paul Beresford: I know this is a very broad question to ask, but could you touch on the risks you feel are specific to this type of scheme involving heritage compared with others?

Mr Ferguson: The biggest risk is delay. You are right about the institutions. The institutions are extremely conservative in terms of the way they approach things. What has happened with the institutions is that they get advised by the commercial agent, who advises them not to take that sort of risk, therefore they advise commercial agents in reverse. It is a circular argument which leads to a very conservative way of thinking. The biggest single risk is the

¹ Evidence of the benefits of investing in historic building conservation in the USA (and some European countries), which have been used to justify financial support mechanisms including tax credits for rehabilitation and additional tax credits for conversion to affordable housing (creating a market for investing in both heritage conservation and social housing), as well state 'bond' revenue raising programmes and rental assistance to tenants, can be found in a RICS publication: Pickard, R. and Pickerill, T (2002) Real estate tax credits and other financial incentives for investing in historic property in the United States, in *RICS Foundation Research Paper Series*, Vol 4, No 17 (63 pages) (Electronic Reference PS0417).

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question of the time it takes and the time is often a factor of the quality of the application. If people take the right decisions early on and get the right advice and put design high on their agenda and knowledge about historic buildings high on their agenda, they are more likely to get a quick result. Let us not disguise the fact: dealing with historic buildings is a longer process, is almost bound to be a longer process than on a virgin site for instance.

Mr Warshaw: It is vitally important to realise the import of George Ferguson's last comment. It is so often the case that neither the applicant, nor the applicant's team, nor the local authority knows sufficient about the building or even the area in question to be able to justify their proposals on the one hand or be able to judge them intelligently on the other. The application therefore becomes only the start of a longer process which should have been undertaken before the application was put in.

Q183 Sir Paul Beresford: We can all think of some superb examples, and you are a past master at them, of a paint brush across a screen and we just see this glowing building, but in a percentage of cases one would suspect that really what should happen is a bulldozer through the building. I am thinking of some of the 1950s and 1960s buildings. Would you agree?

Mr Ferguson: There are bound to be some cases where either a building has got beyond sensible repair or the situation has changed, its circumstances have changed. I do believe that it is right that if a building is judged to be listable for architectural, esthetic, historic reasons, there must be a presumption in favour of its retention. Therefore the onus is on those applicants and their architects to prove that they can do better. That is the whole thing. If you can design a dramatically better building or dramatically better—and I do mean dramatically better, not just marginally—than exists there, then there must be a case for removal of a listed building.

Sir Paul Beresford: I shall not mention my gasometers again.

Q184 Chairman: Let us try to get Mr Hayes' vigorous nodding on the record. You would agree.

Mr Hayes: Yes. I just wanted to recount an occasion when, as the director of planning, I applied for planning permission to demolish two Georgian houses in Liverpool, owned by the city council. That went to public inquiry and the inspector decided they ought to be demolished. The reason for our case was that they were totally shot, they were derelict and there was no feasible way of seeing them brought back into use in the market at that time.

Q185 Sir Paul Beresford: I am tempted to touch on my gasometers again. Since there is a review of the way in which English Heritage is approaching these sorts of matters, what would you suggest which might actually help? Should the system of delisting be speeded up?

Mr Ferguson: There should not be a system of delisting. Delisting should only be applied where there is a real circumstance for the removal of a building. I cannot see the point in having a general delisting programme.

Q186 Sir Paul Beresford: All right: procedure. I will change the word. English is my second language.

Mr Ferguson: No, no; I know exactly what you mean. What I mean is that the procedure is bound to entail you jumping through certain hoops, it is bound to be quite protective.

Q187 Sir Paul Beresford: If you were a developer sitting there with a 1950s building which you have decided has to come down, the local authority has decided has to come down, everybody seems to feel so, are the hoops too long, could they be shortened, could there be a more straightforward way of doing it?

Mr Ferguson: As architects we are often frustrated by the planning and the listed building consent, the length of time it takes. We would not want it to be sped up to the extent that it compromises the solution. It is a matter of getting the balance right. If there is real unjustified delay in the case of some planning permissions or things which have been dealt with by local authorities, and I can point to examples now, one I am dealing with where there is no objection, absolutely no objection, it is agreed that it is okay but it has taken nine months, one just wonders what on earth is happening. That is not a delisting case that is simply a listed building consent.

Mr Warshaw: Let us try to get this absolutely straight. The criteria for delisting are simply that on the one hand wrong information was given which formed the basis of listing in the first place, or, something has happened to it since it was listed in effect to take away the reason for listing. Otherwise, you simply apply for listed building consent to demolish and you use those criteria as something to justify the demolition.

Chairman: Thank you for that clarification.

Q188 Andrew Bennett: Can we just go through the planning process? If something is listed or in a conservation area, how far do people putting together a scheme really have to spend a lot more money up front before they get an idea as to whether the scheme is a runner or not?

Mr Warshaw: I believe that if enough is understood about either the building or the area in question beforehand, there should not be a significant amount of money which has to be spent up front to put together any scheme.

Q189 Andrew Bennett: You think they should be able to get outline planning permission rather than having to go for a detailed one?

Mr Warshaw: If a conservation area appraisal has been properly carried out and the opportunities, the negative parts as well as the positive parts, really well identified and the urban design work part of the system and all of the briefing and development

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master planning work actually carried out up front, it is not quite the same as an outline planning permission, but it amounts to a very positive steer about what should be acceptable at a particular location.

Dr Pickard: One of the problems may be to do with the bureaucracy in that at the present time there are many different permissions, consents. You may require listed building consent or planning permission. If you are on a site that is within a conservation area and there are unlisted buildings, conservation area consent will be required for demolition of such buildings. It could also have an ancient monument on it. The ODPM is now looking at the simplification, the possibility of unified consent regimes, where matters could be brought together. That may assist to speed up the process.

Mr Brown: A quick comment from me about practicalities. We are doing regeneration in conservation areas all over the country. The reality in the present system is that you can get an outline planning permission in a conservation area, but the resistance you will get from local authorities varies from place to place and more or less at random. I take very much the points which have been made before, but it seems to me that for a 20-year regeneration programme over a 20-acre site comprising maybe 40 or 50 listed buildings, a detailed consent is just not feasible.

Mr Ferguson: What should accompany that outline permission is a strong master plan and a design statement and the master plan and the design statement should be judged and agreed and referred back to. That does not mean there cannot be improvement, but it should be seen as a defence against what we have seen happening, which is a slightly cynical use of the outline planning permission, to excite people with a vision and then retreat into the dull and the unimaginative. An outline planning permission concerns a lot of authorities, who feel that once they have given it they can be held to ransom by developers and I understand that concern. It is a concern of ours that some of our best architects are used at the early stages for so-called trophy architecture and are then replaced by less good designers, some of whom may not be architects.

Q190 Andrew Bennett: You are telling me that good practice is possible but that it does not always happen. Is the new planning legislation going to make it easier for good practice to happen or is it not going to make any difference?

Mr Ferguson: It is going in the right direction. It is a more transparent process, it is definitely referring very strongly to sustainable development, it is encouraging just what we are talking about in terms of conservation-led regeneration, it needs very strongly to signal the importance of good design, which it fails to do at the moment and we are hoping that this will be incorporated.

The Committee suspended from 5.30pm to 5.40pm for a division in the House

Q191 Chairman: Would you care to continue?

Mr Ferguson: I was particularly emphasising the need to install design into the Planning Bill. It has been accepted by government in the House of Lords and by Lord Rooker that this is an unanswerable case, that the matter of design should be included in the Planning Bill and it sounds as though it is a matter of how. We believe it should run alongside sustainability as an equal case to sustainability and that it should be defined in the planning guidance rather than in the Bill itself, but nevertheless mentioned and emphasised in the Bill. I say this very strongly, because it applies so much to listed buildings and conservation areas and the matter of the repair and care of our historic buildings cannot be separated from this whole question of the importance of design.

Mr Hayes: Two points about upcoming legislation. One is that I hope the new local development framework concept at local level will enable the planning system to be much more at the delivery end and much more on the front foot. The great thing it does is separate strategy from local delivery. The concept of area action plans, which will allow local authorities to work with partners and with communities to join funding regimes and the like, to set up regeneration schemes in advance of developers coming along seems to me to be potentially a very, very positive move. On a more general front, an upcoming best value performance indicator in relation to the quality of the planning process, requiring local authorities to state whether they have urban design skills and conservation skills, is also absolutely, in my view, a move in the right direction.

Q192 Chairman: May I move to the question of who benefits from heritage-led regeneration? Mostly it leads to higher property costs, so it could be argued that the benefits are only to those who can afford to move into such communities. Is this not just about gentrification?

Mr Hayes: It certainly does not have to be. The whole business of bringing historic buildings back into use is about finding end users. If we are clever about finding those end users in relation to community need, maybe housing need or whatever, it ought to be possible, particularly making greater use of CPO powers, to join up the resource of the historic building or the historic area and the end user who will not simply look at rising property value but social benefit and social good.

Mr Ferguson: One hopes that successful regeneration brings greater prosperity with it. There is a certain balance between the fact that inevitably successful regeneration does inflate local prices. There is a sort of inevitability about that. You cannot escape from it. It does not necessarily mean mass yuppification. What compensates for it currently and is used extensively is the matter of affordable and social housing within private schemes. Our view is that that could be spread in a more creative manner rather than just simply loaded on the private housing developer and that it would be healthier to do so. A successful regeneration is not

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just a mix of building types and styles and old and new, it must also incorporate as much mix to our minds in the way of forms of tenure and types of use. It does seem strange to us that this whole burden is currently on the private housing developer.

Mr Brown: There is a missing ingredient and that is affordable work space. We are getting much better at affordable housing, but we are very poor at affordable work space. It is normally the artists and the creative people who are first there and who are first to be pushed out by regeneration. It seems to me in policy terms quite easy to sort out. So long as those people can be assisted to get ownership early in the process and benefit from the rising values, or similar systems to affordable housing put in place, then we can maintain that mix, which we actually value. Most people do not like sterilised, gentrified areas.

Q193 Chairman: May I ask RICS specifically? You make reference in your evidence to the notion of the RDAs and EP having historic environment targets whilst English Heritage should have regeneration targets. What do you have in mind and how might they be measured?

Mr Brown: I would probably draw the comparison with British Waterways, who were given a regeneration mission in 2001, *Waterways for Tomorrow*. That transformed the way they did business. It seems to me that we heard some interesting things from English Heritage earlier. The number of people with private sector experience I counted from the response was one. It seems to me that if your target is to conserve historic buildings, you will fill your staff with archaeologists. If your task is to do with regeneration, you will start recruiting a wider skill base of people to allow you to hit those targets.

Q194 Christine Russell: I just want to be absolutely clear what your views on the listing process are. You said at the beginning, quite rightly, that there should be a presumption of retaining listed buildings. At a later stage you criticised the length of time it can take to obtain listed building consents. If you were rewriting the listing regulations, what would you put in them? How would you improve the existing system.

Mr Ferguson: The best way of improving it is to bring it all under one umbrella. We do have various forms of protection and I would hope that would be the way the DCMS lean towards bringing it under a single umbrella, although nevertheless you then have to have discrimination, you have to have the skills to recognise how many hoops you have to jump through, because you will still have the buildings which are now scheduled monuments, you will still have the grades of listing, you will still have conservation area consent, so they require subjective judgment in order to deal with them at the appropriate level and in the appropriate time.

Q195 Christine Russell: I am assuming you would go along with the suggestion we heard this afternoon from English Heritage that there will be no more spot listing once the development process had started on a certain site. Yes?

Mr Ferguson: Yes. What Simon Thurley said was absolutely right. Our clients want clarity; they want certainty, more than speed. That matters much more to them. What is incredibly destructive is to be led down a path which is suddenly stopped. We would accept that complicated planning applications take time. What we do not accept is that they zig-zag or go into reverse. That is what we need to avoid.

Q196 Christine Russell: I assume that you will accept that a different set of skills and expertise is perhaps needed when you are working in an historic environment. Can I ask you to be honest about how good and extensive those skills are within your membership? It seems to me that in every town and city there is one specialist architectural practice which deals with historic buildings.

Mr Ferguson: You have a very fine one in Chester.

Q197 Christine Russell: I am just trying to tease out of you, as a professional—

Mr Ferguson: It is true, as some architects have a greater experience of working with hospitals, some architects have greater experience of working with historic buildings. What is surprising, and delightfully surprising, is that you might get an architect who is seen as a very contemporary architect being extremely clever with an historic building. The Great Court of the British Museum is an extreme example, a rather large one. That happens very delightfully in very small buildings as well. It is undoubtedly true that some architects are better at handling it, have a better understanding of the historic environment than others. It will always be thus. Another thing is that there are some local architects who have a greater understanding of their place than those who are flown in from outside. Those are generalisations and I can show you really good cases which break all those generalisations.

Q198 Christine Russell: You have no fears that those kinds of skills are on the decline in your profession.

Mr Ferguson: No. Far from being on the decline, it is something we take extremely seriously and that there is more training for and the whole matter of accreditation which has come in recently, which has been forced on us by English Heritage. We accept the rigour that it brings will mean that there are more architects who are having, for their own economic good, to get more interested and *au fait* with historic building issues.

Q199 Christine Russell: May I ask you for your comments on the reliance which appears to be happening on procurement through design and building contractors? How much of a risk does that pose?

Mr Ferguson: It is something which personally I do not welcome. It has been a trend which means that we, as professionals, are put in a more awkward

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position in that our client becomes the contractor, whose real interest is to get out as economically as possible with as much profit as possible, instead of our client being the developer or end user. The preferred client is the end user, who is interested in getting the best quality result. That is generalisation, but one can see where the pressure is coming from. We are put in a position of being compromised more often when we are working for the contractor in some form of design and build situation, whether it be PFI or not, than we are when we are working for the end user or the developer themselves.

Q200 Andrew Bennett: Preserving historic buildings is distorting history, is it not? Is there any justification for keeping the Victorian building

unless you keep the pea soup fog to go with it, or the Elizabethan houses without the excrement in the street?

Dr Pickard: The conservation philosophy most people working in the conservation world will accept, even going back to William Morris last century, accepts the change which occurs to buildings and we do not restore back to one period. We recognise that change is important and it is also part of the process of management that we can allow further change to occur, including the rehabilitation for new uses. We do not think about it as being at just one period, we think about it as a continuing history in a sense.

Mr Hayes: It is something of a cliché, but it is using the past to build a future. That is the trick.

Chairman: Do we really want to leave this session on a cliché? It looks as though we are going to have to. Thank you very much for your evidence.

Witnesses: **Mr Jon Rouse**, Chief Executive, **Mr Les Sparks**, Commissioner, Commission for Architecture and the Built Environment (CABE), **Ms Carole Souter**, Director and **Ms Judy Cligman**, Director of Policy and Research, Heritage Lottery Fund (HLF), examined.

Q201 Chairman: Good afternoon. Would you be so kind as to give your names for the record, please?

Mr Rouse: I am Jon Rouse, Chief Executive of CABE.

Mr Sparks: I am Les Sparks. I am a commissioner on CABE. I am also a commissioner on English Heritage. I was the head of planning at Bath for 10 years and Birmingham for eight and a half years.

Ms Souter: I am Carole Souter and I am Director of the Heritage Lottery Fund.

Ms Cligman: I am Judy Cligman. I am the Director of Policy and Research at the Heritage Lottery Fund.

Q202 Chairman: I have given everyone else the opportunity to make a brief statement if they need to add anything to their written submission, otherwise we shall go straight to questions. Good. As NDPBs, how clear do you find the guidance you receive from central government departments on heritage-led regeneration?

Mr Rouse: Reasonably clear and getting better, is the way I would describe it. Obviously it is not easy because you have two government departments each providing part of the package: DCMS the designation material and ODPM leading on the relationship between the historic environment and planning. The way the two processes of review have gone forward in parallel this time round has been a lot more joined up than perhaps it has been in the past.

Ms Souter: I very much agree. We have a very broad definition of heritage, so of course we are also working with DEFRA on the natural environment, countryside and so on. We have good working relationships with all the departments we need to work with.

Q203 Chairman: Do you think the guidance you receive is clear enough?

Ms Souter: Yes. We are in a position where, as a lottery distributor, the guidance for us comes through our policy and financial directions as to those things we should be looking to do and looking at social and economic deprivation is one of our policy directions. Within that it is then for our trustees to decide how they distribute their funding on an individual case by case basis.

Q204 Chairman: There seems to be some concern, with the change from conservation area partnerships and the move to heritage economic regeneration schemes. People have some doubts about how long these particular initiatives are going to last. Is there anything the government can do to provide reassurance about the sustainability of some of these funding streams?

Ms Souter: The important thing for any funding stream is to make sure it is doing the job it needs to do at that particular time. That may well mean that over time you need to change the rules slightly, refocus, make sure you are hitting the button. From our point of view, our current townscape heritage initiative schemes which are our regeneration schemes in areas, are something to which we are committed and which is built on the conservation area partnership schemes of the past.

Q205 Mr Betts: I think you heard the question I asked of English Heritage earlier about your working together. Do you think you work together effectively? What are you looking at in terms of the grant regimes to avoid the duplication of applications and the problems that incurs for people?

Ms Souter: I think we do work together effectively, not least with English Heritage being our advisers on these schemes. One of the benefits of being able to work in parallel is that we have slightly different areas in which we can work. We are not bound by

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English Heritage's restrictions on Grade I and II* buildings, for example. We can look at any building which a local community feels is of value to that community and that gives us a broader canvas to work on. Where we can work together, it increases the benefit we can get for the money we have to put into a given scheme.

Q206 Mr Betts: Do you not have a wider regeneration remit perhaps than English Heritage in terms of the sorts of schemes you are looking at? Does that create any differences?

Ms Souter: Yes. It is true, in that we have a broader canvas, which we can work on, so we can look at schemes in areas which simply would not come within English Heritage's *vires* or key important areas. Working together is the best way of getting the most out of the money we separately have available for regeneration schemes. I do not think we have had any tensions in the past in that area. The churches scheme is another good example where we can pool our resources and make sure we have the widest spread of projects which can benefit from those resources.

Q207 Mr Betts: Looking at the wider spread of activities you might support, I suppose people think of the lottery as giving money to lots and lots of different sorts of projects which can be appreciated by a wide range of people, because it is the wide range of people which contributes. How do you avoid getting into a position where you are seen as taking from the many but giving to a number of projects which are really only enjoyed by the few, they are a bit highbrow in terms of the people who might appreciate them?

Ms Souter: There is a number of different ways in which we do that. First of all, we develop all of our strategy and planning in a very open and collaborative way; our strategic plan is based on a lot of consultation with the public and with representative bodies. We use mechanisms like citizens juries to make sure we are informing ourselves what people feel about heritage and what they feel is important. We also do a great deal of work at grassroots level. Our current strategic plan focuses on getting more small grants out to local communities and the majority of our grants in the last financial year were for less than £50,000, which is probably not something which is widely appreciated, because obviously the big projects tend to be the ones which get the most national publicity. Regionally and locally communities are probably much more aware of the smaller grants we give and the smaller projects we support, because they are widely reported and widely supported locally.

Q208 Mr Betts: You have a particular remit to look at schemes and get involved in activities which reduce economic and social deprivation. Do you have a particular target for that? Can you demonstrate you are achieving that fundamental objective?

Ms Souter: We have a continuing monitoring of where our funds are going across the country and we are aiming to ensure an equitable spread of grants across the whole of the UK. In the last 12 to 18 months we have introduced two or three development staff into each of our regional and country teams to go out and look at those areas which combine low levels of heritage lottery funding in the past with evidence of economic deprivation. We are working very hard to get those communities to think of themselves as communities which can come to the Heritage Lottery Fund for funding. It is very early days yet to be able to demonstrate the extent to which that is working, but we are clear already that a lot of communities are coming forward now and saying they did not realise they could apply and now we have gone out and spoken to them there are many more applications from those areas.

Q209 Christine Russell: May I ask CABE some questions? I was quite intrigued to read in your submission that you recommend perhaps considering for listing buildings which you describe as having a community worth. What do you mean? Cherished local landmarks like the village pub or the corner shop?

Mr Rouse: A little bit like that. I will tell you where this comes from and why we reached that tentative conclusion. Basically, if you map where conservation areas and listed buildings are against levels of deprivation, using the indices of deprivation, what you find is that it is almost an exact correlation and the richest areas have the most listed buildings and conservation areas. That is partly a reflection of the fact that heritage does add value, people like living in areas which have lots of heritage. There is always a danger that can almost become self-perpetuating and add to the divide. We come across situations where even planning inspectors within more deprived areas which have less recognised listed buildings and conservation areas, allow things through which would never have been allowed through if it were anywhere near a conservation area. Over the years how does an area of relative deprivation with very few historic assets which can be listed in terms of their architectural and historic significance protect its own historic identity? We just wondered, in terms of the system, whether community worth, the value a community places on a building or an area, should not somehow be recognised more clearly within the system. Did it just have to be something which was down to the experts or could communities have a voice?

Q210 Christine Russell: Is that not going to lead to mega inconsistencies across the planning system? You are going to have a building in one area which is afforded protection, whereas the same building in another area has no protection at all.

Mr Rouse: To be fair, within our response we do not say it is a perfect solution, we say that there are problems and it could lead to a lot more appeals. What we were trying to drive at there was how to stop a two-tier system from developing, whereby

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there is protection in richer areas and anything goes in poorer areas. We had a case in Leicestershire a few months ago in an area where the local population were trying to stop Kentucky Fried Chicken painting the Colonel's face on the roof of a shop. The planning inspector gave that firm the go-ahead because it was not near or in a conservation area. Where are the protections for communities which do not have access to an historic environment as defined by the experts?

Mr Sparks: One of the things being looked at by the review of the designation process at the moment is the relationship between statutory designations at a national level and local designations made by local authorities. There is a big opportunity to develop the latter in respect of buildings which, looking at them strictly on the basis of their architectural and historic criteria, may not merit listing, but which, are very important within a community. Local people frequently come forward looking for protection for a building because it has some significance for their community. They get a rebuff when they are told it is not of the necessary standard. We could develop this aspect of local listing to very great benefit.

Q211 Christine Russell: You must be able to see the dangers. I can think of a community where perhaps MacDonald's want to come and convert the local chapel which is a local landmark. What you are then going to do is put the local authority in a planning appeal situation, are you not, up against the monied lawyers from MacDonald's?

Mr Rouse: We accept the difficulties. What we are trying to drive at is that this two-tier system exists and the gap is getting wider. How do areas of deprivation which do not have many historic buildings protect their local identity?

Q212 Christine Russell: May I go on to ask you about all the, some would call it additional layers of bureaucracy, let us say, interested parties who are responsible for the built heritage? You have English Heritage, from whom we have heard, you have Heritage Lottery Fund and now CABE have set up the Urban Panel.

Mr Rouse: You have the chair here.

Q213 Christine Russell: That gives design advice, I believe. What is that doing that English Heritage is not doing?

Mr Sparks: I am glad you asked me that question. The Urban Panel was actually set up by English Heritage originally, but it is now a joint CABE/English Heritage Urban Panel. It is a collection of very distinguished—apart from me perhaps—people from a range of backgrounds: architects, planners, engineers, historians, archaeologists, people from regeneration backgrounds, development backgrounds. We go and visit historic towns and cities, hopefully at an opportune moment in their life, when something of significance is being contemplated. Our remit is to go there as friends to look at what is being suggested.

Q214 Christine Russell: Do you invite yourselves?

Mr Sparks: No, we always make sure we are welcome and we are invited. We may engineer the invitation, but we would never go anywhere we were not welcome. We have always been welcomed, wherever we have gone. We go there to listen to what people have to say, what they tell us about their town or city, what they are trying to achieve there. We do not go there to preach or to tell them that they have got it wrong, but we go there perhaps to share the collective expertise which we have gathered from previous visits in order to provide suggestions about other solutions which we have seen adopted in other places. What we are focusing on is not a design review service; this is about looking at the strategic development plans, master plans, the overall approach to how you get the best out of the historic environment, the place which has been inherited from the past, in order to steer the place forward to a confident future.

Q215 Christine Russell: How do you get on when you try to sell good, modern design in an historic environment to local people?

Mr Sparks: Increasingly with very willing acceptance. Often people struggle with what is good modern design, but increasingly these days people recognise that our towns and cities need good modern buildings to exist alongside treasured old ones.

Q216 Christine Russell: Do you think we are genuinely going to move forward rather than just be building pastiches of houses?

Mr Sparks: Yes. We went through a period where perhaps we were in a bit of a cul-de-sac during the 1980s. It was an over-reaction to some of the most unfortunate excesses of the 1960s and 1970s, where buildings which were very bad buildings were not necessarily bad buildings because of the architecture *per se*, but because of the relationship between that architecture and the historic environment; the relationships were wrong. I do not believe pastiche has really won many hearts and minds.

Q217 Christine Russell: It has local people.

Mr Sparks: Not always; no. I think a lot of people feel that in the end it is not really very convincing. I am increasingly meeting local people who say they would really like to have some good modern buildings for their town.

Mr Rouse: We are also fans of and passionate about good traditional architecture. What we are against is bad pastiche, not pastiche *per se*. There are some very good examples of traditional schemes done with great craftsmanship and with great ingenuity, using the right source materials and creating environments which are absolutely fantastic to be in. The problem schemes are those which fall somewhere in between. They are neither brilliant, modern, contemporary architecture, nor good traditional architecture, they are just bad pastiche.

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Q218 Christine Russell: How concerned are you about what seems to have happened on some schemes where you have had renowned architects coming in, putting forward original designs, everyone has been very pleased, attention has turned away? What you have actually ended up with is a fairly mediocre design because those renowned architects have not seen the scheme through to completion.

Mr Rouse: This is absolutely right and we have published guidance on this called *Protecting Design Quality through the Planning System* which gives planning authorities a blow-by-blow account, including draft policies, draft decision letters, draft conditions, draft planning agreement statements which they can use to stop that happening. That is incredibly important. It is very difficult to stop through intellectual property protection or copyright. It is very difficult to stop through planning law which is concerned primarily with uses and not with the hand of the architect. There are mechanisms and we have been through them all and brought them all together in one place in this document.

Q219 Andrew Bennett: Both organisations have been in existence long enough now to make a difference. If we look at the period you have both been in existence, the deficit in the number of people with training and skills in planning and conservation has got worse and worse.

Mr Rouse: You are absolutely right and I have said as much very publicly and vocally. It is now some five years since Lord Rogers' urban task force reported. He said that skills were the number one deficit, both in terms of urban design and conservation. The reality is that we have seen very little done about it as a result. We are now all waiting Sir John Egan's report on how we solve this skills deficit and the most important thing is that we act very promptly because we have wasted enough time already.

Ms Souter: We would entirely agree that a good level of skills is absolutely crucial to the quality schemes we are looking to see. We do ask for training plans in our bigger schemes. We do ask people to demonstrate how they are going to share skills and lead to the growth of skills, but it is not something which one body is going to do on its own. The Egan report will be important, but the work which is under way with the various training bodies to look at appropriate schemes is going to be incredibly important for all of that.

Q220 Andrew Bennett: Are you doing anything to encourage people in schools to think about planning and design as a career?

Mr Rouse: We certainly are. We have a charity called CABE Education. It is a membership organisation which teachers and LEA officials and other educators can join. We provide them with materials which go alongside different key stages. We have a

joint committee with the Department for Education and Skills, which looks at different subject areas. We need to do a lot more. We need more resources to do that, but it has made a good start.

Q221 Andrew Bennett: Start off by telling me how much resource you have.

Mr Rouse: The budget this year for the CABE Education charity is just under £500,000.

Q222 Andrew Bennett: How much do you need?

Mr Sparks: To do the job which needs to be done through CABE Education we need somewhere in the region of £2 million a year.

Ms Souter: We do not have a particular programme of that kind as it is clearly not one of our core purposes. We do have a programme addressed to teenagers, 18- to 20-year-olds, called *Young Roots* which is involved in interesting them, exciting them, putting them in touch with heritage issues generally. That sort of route is a very powerful route for getting young people to think that is something they can influence, something they can be involved with.

Q223 Andrew Bennett: So are you spending tuppence while they are spending a penny?

Ms Souter: No, we are spending rather more than that.

Q224 Andrew Bennett: How much?

Ms Souter: About £5 million on that particular programme.

Q225 Andrew Bennett: What else do you need to do? It is alright waiting for Sir John Egan, but what are you going to do as organisations?

Mr Rouse: The other big area is professional training. You had the institutions before you previously and their domain is really undergraduate and postgraduate education.

Q226 Andrew Bennett: So you are blaming them.

Mr Rouse: No, I am not blaming them, but there are things they can do better. I thought it was a very joined-up performance tonight, but they have not always been quite so joined-up in the past. They have something called an urban design alliance which is a very under-resourced organisation which they are all meant to fund and that could do a lot of good in terms of pushing through into university education and making sure that these issues are properly considered. Our main job is really to focus beyond that on professional development, about giving help and assistance and training and mentoring and inspiration to people who are leading regeneration projects out in the field and to planning officers and to local authority members. This year we have managed just over 2,000 training days with the resources we have available. I think we need at least to quintuple that, up to 10,000 training days a year, if we are going to make a serious impact.

Chairman: On that positive and upbeat note, may I thank you for your evidence.

Monday 9 February 2004

Members present

Chris Mole, in the Chair

Andrew Bennett
Sir Paul Beresford
Mr Clive Betts

Mr David Clelland
Mr John Cummings
Mr Bill O'Brien

Witnesses: **Tony Hirst OBE**, Member, Inland Waterways Amenity Advisory Council, **Ms Paula Griffiths**, Head of the Cathedral and Church Buildings Division of the Archbishops' Council and Lead officer for the CHF, **The Very Revd Peter Judd**, The Dean of Chelmsford, Vice Chair, and **Peter Longman** Director, The Theatres Trust, examined.

Q227 Chairman: Welcome to the waterways, churches and theatres session of the inquiry into the role of historic buildings in urban regeneration. Could I ask you to give your names for the record please?

Mr Longman: Peter Longman, Director of The Theatres Trust. Good afternoon.

The Very Revd Peter Judd: Peter Judd, Dean of Chelmsford Cathedral.

Ms Griffiths: Paula Griffiths, Head of Cathedral and Church Buildings Division for the Archbishops' Council.

Mr Hirst: Tony Hirst, Council Member of the Inland Waterways Amenity Advisory Council.

Q228 Chairman: Can I thank you for your written submissions? We give people the opportunity, if they feel the need, to make a brief opening statement; otherwise we usually go straight to questions. Are you happy to go straight to questions?

Mr Longman: Yes.

Q229 Mr Clelland: I wonder if the witnesses would like to outline for the Committee the contribution that historic buildings make in regeneration within each of your respective areas of interest?

Mr Longman: They are large buildings, they are usually prominent, they are often in town centres, and they were built, of course, for a public purpose. Often these days they are in parts of town which are perhaps run down, particularly in the evenings, and one of the advantages of the theatre, if you get it back into use, is that it brings life back into the town at evening. The life that comes in tends not to be the disruptive element and, of course, it then helps other industries, whether they are restaurants, bars, taxis, and so on. It is less expensive to restore or modernise an existing building than to put up the equivalent new one. The London Coliseum, where the restoration is just about to re-open, will have cost about £40 million. The cost of putting up an equivalent new building to that, if you could find a site, is probably at least double that figure. The Hackney Empire is now being refurbished and re-opened at a cost of about £15 million. The cost of an equivalent new building is at least £30 million, again, assuming you could find a site. There are examples all over Britain where theatre buildings have sometimes been brought back from the dead, as it were. The Festival Theatre in Edinburgh, which is

now open as the city's opera house, was finally rediscovered. It had been used finally as a bingo hall and was bought back by Edinburgh City Council with help from the Government 10 or 15 years ago at a total cost of about £12 million. It is in Nicholson Street, not one of the brightest parts of Edinburgh city, so they have done a regeneration job and Edinburgh has got what is now effectively an opera house at a fraction of the cost had they had to start again. One more example is in Stoke-on-Trent. The Regent Cinema was refurbished and converted and extended into the Regent Theatre as part of a cultural quarter in Stoke-on-Trent alongside the Victoria Hall which was refurbished. Again, it is the same idea: it brings people and life back into cities outside normal hours, and of course it helps with other industries.

The Very Revd Peter Judd: Churches are often at the centre of villages, towns and cities and the regeneration that they bring is pretty clear, I think. I am thinking, for example, of one of the largest and grimmest housing estates in Salford. The vicar there had a rather run-down little Victorian church for which he got Dykes Bower, the architect for Westminster Abbey, to design a brilliant colour scheme inside. By the time he had finished it, it was an enormous morale boost to the entire community. It was one thing that stood out in this rather faceless estate, and everybody was very proud of it in the end. There are lots of examples like that. Churches are increasingly getting themselves involved in the community, opening their church halls, putting in new facilities that can enable community functions and opening themselves up much more to the community.

Q230 Mr Clelland: It was not so much necessarily the congregation, but the multi-use of the building?

The Very Revd Peter Judd: absolutely. I have a document here that relates to the churches in my own diocese, cataloguing all the different ways in which they are being developed and opened up to the community. They are often either using their church halls in community use or using the church itself and putting in all the necessary things, such as loos, kitchens and all the rest of it, to enable multi-function use in the community.

Ms Griffiths: I just want to add one point to that, which is that the building itself can be quite symbolic. A building in good repair in a deprived

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area speaks of hope and a future. A building in bad repair speaks of dereliction and depression and so there is vicious circle and a virtuous circle very often between the state of a church building and the way in which the community feels about itself.

Mr Hirst: In inland waterways most of the historic buildings are warehouses, workshops, functional buildings which helped operate the canals in their carrying days. They have been contributing to urban regeneration for over 30 years now. On many sites they have been the catalyst that started renewal. In Ellesmere Port, for example, they had derelict docks and they were brought back to life because the buildings were restored and they were the focus of new developments. You can see all over the canal system that a building or a complex of buildings has been the focus for a regeneration project which has spread outwards, complemented with modern buildings, but they have changed the whole focus of city centres by having a nice old building which people associate with, feel comfortable with it, is an economic project and therefore it starts building up and acting as a catalyst for development around it.

Q231 Mr Clelland: What are the major sources of funding that you can draw on in order to refurbish and regenerate these buildings?

Mr Hirst: How long is a piece of string? The clever bit is to identify some funding that you can match with some other funding. You can never find one source. There is a question later on this, so I do not know whether you want to go into it now in detail, but there are problems that you have to do this mix and match and find all sorts of different funding streams and organisations who want to put a bit in to match somebody else's, but they all change the rules and the outputs keep changing, so there is an awful lot of time taken up by organisations, certainly in the waterways, and I am sure in the other spheres we are looking at, in trying to find a funding source that will generate the money to achieve the development and the reinstatement that we need.

Q232 Mr Clelland: But you have not actually identified any major sources of funding?

Mr Hirst: It changes. Currently you have the RDAs which are a major source. Local authorities contribute to them. There are various government funding initiatives. The Heritage Lottery, particularly in waterways, has put an awful lot of money in. It can only fund the heritage aspect of it. It cannot fund a new development. European money in various forms has come in and helped, so it is a mix and match from all over the place.

Mr Longman: We would probably agree that English Heritage is not able to do as much as it was because its grant has been held, as you know, in real terms. The Heritage Lottery is doing an increasing amount to help theatres, and thank goodness it is, because we do have a fundamental problem in theatres. I talk about a theatre building needing restoring, needing building, and everybody says, "What about the Arts Council?". The Arts Council started by putting in the major part of its Lottery budget for arts buildings. It has reduced that

gradually and now gives out less than one tenth of its Lottery budget each year to arts buildings. The result is that at the moment we have about £16 million a year to do all types of arts buildings throughout England and that simply is not enough. When you have the other problem that local authorities, which traditionally used to take the lead 20 or 30 years ago in helping regeneration of arts buildings, no longer have the capital resources to do that, I would say that the Arts Council policy needs to change. It is not that the money is not there. It would be good to encourage local authorities more; it would be good for English Heritage to be able to do more, but please do not turn off the Heritage Lottery Fund tap because they are being very helpful.

Ms Griffiths: For churches there is a grant scheme run jointly by English Heritage and the Heritage Lottery Fund for repairs to churches in need of repair and that is extremely helpful. This financial year it is offering £30 million, which is the highest amount ever, and that is great, but set against a repair need of, typically, £100 million a year for Church of England churches alone, it does not go all that far. It is a bit of an irony in a sense in that the only guaranteed funding for church buildings which comes from government or public bodies is the DCMS contribution to the Churches Conservation Trust. That is for churches which are actually closed but kept in the interests of the estate and the Church because they are seen to be of artistic and historical merit. That is £3 million per year for about 300 churches. I do echo the point about not turning off the Heritage Lottery Fund tap. The grants we get on repairs are helpful but they are by no means enough. We also have the benefit of the Listed Places of Worship Grant Scheme which has enabled churches to apply for the difference between 17.5% VAT and the 5% which we have been arguing should be supported in Europe. That is extremely helpful. It is also very helpful that the Chancellor has now said that there is funding to keep that going until March 2006. Again, if you can think about a small congregation having to go through what is inevitably a bit of a hassle to make an application to get the paperwork together, it would be so much easier if there was just a simple reduction in the VAT.

Q233 Mr Clelland: Does it matter whether a theatre is in private ownership, in the ownership of a trust or in the ownership of a local authority, for instance? Does that make a difference?

Mr Longman: It does in practice because the Arts Council Lottery and the Heritage Lottery have traditionally made it their policy not to help theatres that are privately owned. There is nothing in legislation to stop privately owned heritage buildings, including theatres, being able to benefit from the Heritage Lottery but in practice I think it is a question of demand on the funds and also possibly the precedent that might be set because if you help one type of privately owned building there are a lot of other privately owned types of building in this country.

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Q234 Sir Paul Beresford: So presumably, in contrast perhaps to the other witnesses, your particular area of regeneration has an opportunity for bringing in the private sector to a greater degree. How much response do you anticipate getting over the coming financial year?

Mr Hirst: I am not a developer; I am a member of an advisory body to British Waterways and similar agencies doing the development, but what we have seen is that the more you can act as a catalyst the more the private developer will come in and put funding in and then take the project on. The basic core is usually done by some government or quasi-government funding in some way or Lottery funding to restore an old building and that is the catalyst to attract the private developer.

Mr Longman: We deal with all types of theatres—local authority, voluntary and commercially owned. Commercial owners are being responsible. They are spending considerable sums but one of the problems is that for a theatre as a building type the industry no longer produces enough money to pay for the wholesale renewal or rebuild that is now needed. The commercial owners, for instance, in London's West End are putting in together around three million pounds a year towards improvements to their buildings. A major company like Clear Channel are investing heavily in Sunderland and in Bristol and other places outside London at this moment. But, the industry does not produce the sort of money you need to pay for wholesale capital refurbishments.

Mr Hirst: One thing that is needed to help the process along is continuity. In the main funding organisations change their rules and required outputs every few years so you do not get continuity over a long period. If you could see into the future and the rules did not change then it would be a lot easier for people to take projects forward and get a greater return.

Q235 Mr Cummings: I ask this question to all of the witnesses. Could you tell the Committee what contribution buildings in your respective sectors make to delivering social as well as physical regeneration, specifically in terms of education and community engagement?

Mr Longman: As I said, theatres are fundamentally places of assembly. They are often a focus of local pride, even for people who do not go to the theatres, and they have fond memories for all sectors of the community. Theatres were traditionally not places where the social elite went. Think of the pantomime and other events, so the re-opening of something like Hackney Empire is bringing in audiences from right across a very deprived part of inner London. It is bringing in audiences of all colours and creeds. Wilton's Music Hall, the regeneration of that down in Tower Hamlets, one of the most deprived local authorities in Britain, is bringing in people from a wide range, working with the local Bangladeshi community, working with schools in the area. A lot of these buildings are run on an amateur or voluntary basis. If there is a petition to save a theatre building on our desks it is very often from the local community who look on it with a sense of pride.

Theatres like the Grand Theatre at Lancaster are totally run and owned by the local community on a voluntary basis.

Q236 Mr Cummings: Do you also take your work out into the field?

Mr Longman: The work is happening already out in the field. We are simply a very small central London agency establishing good practice, so we do not do the regenerations. The King's Theatre at Southsea, which was run on a commercial basis and failed, is now being run by local volunteers.

The Very Revd Peter Judd: Churches and cathedrals usually have an army of volunteers who are working away and we are in the business of building communities. One of the things that we increasingly do is involved with education, with parties of schoolchildren coming round endlessly and working with volunteers to connect with the national curriculum so that the work that is done in the cathedrals and churches which they take back into their classrooms all fits into their curriculum. We also reach out to all levels in society. I am thinking of, in my own area, homeless people and the initiatives that churches together in our town have put together to provide what is not provided by anybody else. All that kind of thing is going on in increasingly busy ways.

Ms Griffiths: The churches are effectively the largest voluntary organisation that we have got, and particularly in deprived areas (or in any kind of area) there will already be a community focusing on that building. It may be small, it may be buoyant, it may be depressed, but there will be a focus for people to come together already there.

Mr Hirst: In the waterways there are two aspects to it. One is the voluntary contributions, which I will come back to, and the other is that there is a goodly number of small buildings which do not have a major commercial future if restored. Many of those have been restored with grants so that, once the building is there, there is no real on-cost except for everyday maintenance. You have got no capital to pay off. Those have been used in many cases for youth groups, for canoeing, various activities around the canal and for social benefit in the area, and they provide very good benefits. People associate with the building, they like old buildings, they feel comfortable with them and they are very active, usually run by volunteers with a bit of professional help. Around the waterway system there are lots of those. The other thing is that a lot of them have been restored by volunteers and the canals are restored by volunteers, so there is a huge social involvement with restoring canals and using old buildings to assist in the process of getting support.

Q237 Mr Cummings: The next question is directed to The Theatres Trust. How do you believe a balance can be maintained between conserving the historically important aspects of saving the buildings and adapting them for modern audiences?

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Mr Longman: In practice this is not seen as a problem. Theatres were not built as monuments. When most of them were built they were intended to be altered. They used to burn down every 15 or 18 years and they were replaced. The Theatres Trust—let me make this quite clear—is not a preservation body. We were set up by Parliament with two Acts of Parliament to protect theatre use because in planning terms if the site was not there the building was not there and the land, particularly in town centres, would be far more valuable for other uses. If we look at an old building which is not good enough and is not worth saving, then we have no hesitation in possibly advising on alternative uses but we will go for a new building, so we are not a preservation body. In practice we find that it is cheaper very often to restore an old building. Where you get into trouble is when the developers or somebody else come along or they try and do things quickly and cheaply and they take on architects who have not thought about the nature of the building. You need an intelligent, sensitive architect. You need to understand why the building has been listed, if has been listed, and what is important about it. Very often those elements that are important about it are the best bits traditionally. The auditorium of a theatre building is one of the best bits and if you talk sensibly and intelligently to English Heritage and to most local authorities in Britain there is no problem. We have a huge problem in that there are not enough good, well qualified, trained local authority employed conservation officers. We have recently done a study, as some of you may know, on the theatres in London, the commercially-owned ones, to see what was wrong and how they might be improved, and out of the 42 of them there was not one instance where the fact that it was a listed building was the fundamental problem. The fundamental problem was in some of the cases a lack of imagination, but more often it was a lack of money.

Q238 Mr Cummings: You have certainly answered one question in relation to the quality of architects. What do you believe is the importance of adapting for other income streams such as conferences, and how can theatres compete with other forms of entertainment, such as cinemas?

Mr Longman: In terms of a theatre building, purely in regeneration terms, if there is not a need any more and a new one has not been provided, the buildings which are there and are listed can very often fulfil other useful functions. We helped the architect for Wetherspoons, the pub people, when they acquired the Prince of Wales Theatre in Cardiff. There was no conceivable need for that building to carry on in use as a theatre. It is near Cardiff Arms Park and it is now one of their most successful pubs in Britain, and it is a very good example of old and new architecture blending together. There is a marvellous bingo hall down in Brighton. It is now run by Mecca Bingo. It is the former Hippodrome Theatre which was at one time a circus. The London Hippodrome, formerly the Talk of the Town, is now a night club and will probably carry on for the time being being a night

club, so we are very happy to look at alternative uses for buildings but, as far as we are concerned, if the building is not good enough and there is a chance of getting a better modern theatre, we will go for the modern theatre.

Q239 Mr Cummings: Is there a shortage of high quality architects in this particular field?

Mr Longman: No, I do not think there is a shortage of high quality architects. You need several things. You need a client who really knows and understands what they are about. It is one thing to be able to run a marvellous theatre organisation; it is another thing to tackle a building project, certainly of the sort of scale that we are involved in. You need a good architect, you need a theatre consultant and you need money and, as Tony Hirst and other speakers have said, the sheer physical act of getting the money together, the fund-raising, the hoops you need to go through, just about exhausts somebody and takes their eye off the ball of running the arts organisation which is what they are meant to be doing in the first place. There is no shortage of architects, there is no shortage of consultants and experts. Britain has some of the best in the world in those fields.

Q240 Andrew Bennett: You are really kidding us, are you not, that some of these old theatres actually offer people the sort of leg room and space they want and the sorts of toilets that are needed for a modern theatre?

Mr Longman: It depends which one you go to. If you go to one that has been done up, like the Lyceum Theatre at Sheffield, you will find that sensitive architects were able to re-tier the thing to reduce the numbers of seats, which is often one of the things you have to do. Backstage you can rebuild the whole thing entirely—new stage, new dressing rooms, all of those things have happened at Hackney Empire and, thanks to an Arts Council grant, they applied for the site on the corner so there are extra toilets, there is a lift and disabled access the whole way through.

Q241 Andrew Bennett: So how much is conservation and how much is really just opportunism to use an old building for a new function?

Mr Longman: I have no doubt whatsoever that if you talked to those responsible at Hackney Empire they would not swap that building for anything because there is something magical and wonderful about the building.

Q242 Andrew Bennett: But you have just told me that they have knocked down everything behind the stage.

Mr Longman: I do not think the stages are usually the most historic, interesting bits. As I say, they were not intended to be kept in use for ever. They were utilitarian. It is the stage and backstage things that have changed and modernised most over the years. There is a problem about sight lines, there is a problem about knee-lengths, if you like, but a sensitive architect with an understanding of putting the right sorts of seats in can overcome those issues.

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Q243 Andrew Bennett: Are there not too many theatres, if you look round the country, that are trying to be preserved?

Mr Longman: I would not say “theatres . . . trying to be preserved”. If the question is, are there too many theatres in use, no, I do not think so. They will not all be in use for Arts Council subsidised expensive touring shows. Some of them, like Lancaster, which I mentioned, and Southsea, can be run by amateurs on a voluntary basis. A lot of local authorities like to run or have a theatre and there is still a thriving commercial sector as well.

Q244 Andrew Bennett: You mentioned the one in Cardiff being handed over to being a pub. Do you see much more scope for theatres being converted in that way and being a cornerstone of regeneration?

Mr Longman: I can give you plenty of examples of theatre buildings which are not currently in use, and I will write if it would be helpful. We call them sleeping beauties. They are fine buildings, they are still there. They may have a potential to come back but in the meantime they can serve a very useful role, whether it as a pub or a club or even a church in some instances.

Q245 Mr O’Brien: Mr Hirst, your organisation is primarily concerned with industrial buildings—

Mr Hirst: With inland waterways.

Q246 Mr O’Brien:—and with works of engineering designed with a particular purpose in mind. How can their special interest be safeguarded with change of use?

Mr Hirst: It has to be by the appropriate people who are in charge of the project and consulting people who have an interest.

Q247 Mr O’Brien: You have not got any input into the future design of these buildings when they are handed over?

Mr Hirst: Our organisation does not specifically do that. It can comment but it does not specifically have a direct input.

Q248 Mr O’Brien: What we are looking at here is urban regeneration. Therefore, if we are to regenerate the urban areas and maintain the main principle of the buildings that we have inherited and the conservation of some of these civil engineering works, does IWAAC or some other body involved with these buildings have some input into the design?

Mr Hirst: Yes, a lot of people have an input into its future function and that affects the design. The detailed design is achieved by making sure you get the right architect to do the work. The developers and the people who own the building, the people who are going to use the building, are the ones who write the specification. Part of the role of conservation officers and the people who are in charge of that aspect of things is to ensure that the integrity of the building is not destroyed.

Q249 Mr O’Brien: How can the special interest be safeguarded then?

Mr Hirst: By having the right people doing the right job.

Q250 Mr O’Brien: And the skills? Are you satisfied that the right people are there and the skills are there?

Mr Hirst: More often than not. Some restorations have not worked. A lot have and have been very successful and have kept the integrity but you can always raise the standards. This comes back to the bit about local authorities. We talked about conservation officers earlier. They have a key role in it.

Q251 Mr O’Brien: In the town and city centres we have had wharves and wharving facilities and these are now being dispensed with to build domestic or other buildings. In the interests of urban regeneration is it a good thing to take the wharves away?

Mr Hirst: I do not think you can make a general statement about it because it varies. There are an awful lot of wharves that have no potential future whatsoever as wharves and therefore it is not unreasonable to build on them. If you have a major building on one that is linked to the canal and you can find a waterway-linked use for it, that is the ideal, but it is not necessarily so and it may not be sustainable. If you say you can get rid of all wharves then you will get sterilisation and you will not get urban renewal. You have got to carefully pick and match what you want to do in generating income and a new centre to an area of urban renewal and maintaining the integrity of the structure and the waterway.

Q252 Mr O’Brien: This is one way of getting materials into a town or city centre and reducing the amount of traffic that would be using the roads. Is that not part of the concern that you have?

Mr Hirst: It is, and British Waterways have done that and there are new schemes starting.

Q253 Mr O’Brien: Where have they done it?

Mr Hirst: There is one down at Uxbridge where they are shifting gravel by water and there are plans for the Thames and other waterways. With the narrow waterways you have got very limited capacity to take heavy goods on the waterway at an economic price.

Q254 Mr O’Brien: Any other examples?

Mr Hirst: In Yorkshire there are an awful lot of examples of waterways being used extensively for freight traffic.

Q255 Mr O’Brien: I am from Yorkshire but I cannot think of any.

Mr Hirst: It is a growing and I am sure over the next few years there will be even more. British Waterways are being active in getting more.

Q256 Andrew Bennett: Is not Gloucester an example of a bit of a muddle between conservation and trying to make the docks function there? It is all right—just say yes.

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Mr Hirst: I understand where you are coming from but I would not like to make a judgment because I have not been to Gloucester for a few years, so it would be unfair to do so.

Q257 Andrew Bennett: Let me go on to the question of church buildings. The Committee went to Norwich recently and there are great claims in Norwich that Norwich has got more medieval churches than almost anywhere else in Britain, and yet 80% of them you could not go in to look at the architecture. Is that not a disgrace?

Ms Griffiths: It is a shame, is it not? I think quite a lot of the ones you went to see were probably redundant rather than churches in use. There is a lot more that needs to be done between local authorities and church authorities. Again, picking up the education, in a place like Norwich there is tremendous potential for using the buildings as a reason for people to go to that place and to understand and learn about it. I would hope that there could be encouragement for them to work more closely together. I referred earlier to the Churches Conservation Trust, which is the national body which looks after 330-odd redundant churches. The ones you saw in Norwich would not be looked after by that body. The Churches Conservation Trust have been working very hard to increase access and visitors and the work of the community on the churches which they look after, and in the past few years that has made quite a difference to their own churches.

Q258 Andrew Bennett: And churchyards? Are they really designed for winos and other people to hang out in?

Ms Griffiths: Again, that is a question of working with the local authority, is it not? Churchyards are terrifically important spaces; that is right. Again, they can give a very negative message if they are not looked after and are inhabited by winos. It is important to work together. Again, in Norwich, some work has been done, and in Ipswich some work has been done in looking at churchyards and putting some money towards them. I agree that more needs to be done.

Q259 Mr Cummings: May I address this question to the Church Heritage Forum? In your evidence you point to a number of impressive church-led community projects. Do you think that you could have more projects if local churches were to work more closely with other agencies based at a strategic level, for example, local authorities, local primary care trusts, child care organisations?

Ms Griffiths: I am sure there are lots of examples. We quoted in the paper St John's, Hoxton, which was an example of an early 19th century church which ten years ago was creeping with dry rot and desperately in need of renovation. It has now been restored with English Heritage and Heritage Lottery Fund money and there is a children's nursery in the body of the church itself and there is a computer centre and a gym for disabled people in the crypt. That is great, and again that symbol of despair has become a real symbol of hope. I am sure there is potential. It is a

question of breaking through the suspicion which sometimes is found with local authorities that the church is different from the rest of the community and that the church is perhaps there to proselytise.

Q260 Mr Cummings: Are you actively encouraging organisations to become involved or is this left to parochial decision?

Ms Griffiths: There is an increasing realisation that the way forward is—

Q261 Mr Cummings: Are you taking the lead on this though?

Ms Griffiths: Yes, we are. There is a measure going to the General Synod tomorrow, which is called the draft Pastoral (Amendment) Measure. What this will do is enable a church still in use to lease part of its premises so that, if there is a use which is appropriate, then the owner of that part of that has got some certainty of tenure, which will be a very positive way forward. Up to now it has only been possible to do that by making part of that building redundant, with all that involves. We are looking very hard at ways to encourage better uses and we do see that as a way forward for every church in the community.

Q262 Mr O'Brien: The historic churches that we have are large buildings which were built to accommodate congregations of 200 or more. Is there any means of adapting the churches for smaller congregations and for using the church buildings sensitively to increase their flexibility and maximum use?

Ms Griffiths: Yes, very often there is, by sub-division and by taking part of the building or an aisle or the back and converting that and using it. It does need sensitivity; that is absolutely right. As was said by the other witnesses, it needs architects with the right skills and people understanding the building and what it can do. There very often is a lot more potential than might be considered.

Q263 Mr O'Brien: You will be aware that the Government is reviewing the Ecclesiastical Exemption from listed building controls.

Ms Griffiths: Indeed.

Q264 Mr O'Brien: How do you see that affecting the future of conversion or assisting with the development of churches?

Ms Griffiths: I do not want to pre-judge the outcome of the exemption review, obviously, but I would say that under the Church's existing system where the Church's own legislation is specifically bound to keep a balance between care and conservation of the buildings and their worship and mission it is possible very often, with care and sensitivity and goodwill on all sides, to bring about schemes of the kind we have discussed at Hoxton and elsewhere.

The Very Revd Peter Judd: There is a monthly magazine called *Church Building* which every month gives you examples of the redesign of the interiors of churches for this kind of use.

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Q265 Mr O'Brien: Mr Hirst, the development of the historic buildings along the waterways sometimes interferes with towpaths and the provision for people to use the towpath because of private development, expensive development. Is there any way of ensuring that the towpaths are available to the public at all times?

Mr Hirst: I cannot think of one recently where a towpath has been closed for a development.

Q266 Mr O'Brien: Maybe not closed but diverted then?

Mr Hirst: I cannot even think of one of those, but I am sure there is one. Certainly British Waterways do not want to close towpaths. Most of the developments you will find are either at the back of the towpath and there is a bridge across or an arm that goes into them or something like that, or they are on the off-side where there is no problem. I cannot think of anywhere where there have been any significant diversions or closures of towpaths.

Q267 Andrew Bennett: British Waterways have not exactly been concerned with conservation most of the time, have they, so it has been an uphill task for you; is that right?

Mr Hirst: In the early days. It is a changed organisation today. They have developed considerably in the conservation field. I would not say they were perfect but they have changed.

Q268 Andrew Bennett: When did they change?

Mr Hirst: They have evolved over the years, and I hope that the work that IWAAC has done has helped to make them change into a more reactive organisation in this way.

Q269 Andrew Bennett: When Manchester were designating parts of Castlefield and the other bits of the old historic canal centre of Manchester in the seventies and eighties, making conservation areas, British Waterways were pretty horrified, were they not?

Mr Hirst: It would not be British Waterways. It would be the Manchester Ship Canal Company.

Q270 Andrew Bennett: No, no.

Mr Hirst: British Waterways do not own either the Rochdale or the Bridgewater Canal, which were the main areas that Manchester was involved with. If you go back to the early seventies when the Ashton Canal was being planned to re-open with volunteers, yes, British Waterways, up until about 1970 or so, were very against any form of regeneration and sold off their buildings, had a lot demolished and were changing the landscape significantly, but that is a totally different organisation today.

Q271 Andrew Bennett: So do we need conservation areas now on these bits of canal or does the organisation do it anyway?

Mr Hirst: I think the conservation area work highlights it, puts pressure on and makes people think more deeply about what they want to do in the buildings and how they should treat them. The conservation areas are fundamental because listing is fine for a building on its own but it does not look at the whole area. Buildings have much greater importance if they are seen in a historic area rather than just as a building sitting there between a series of modern blocks.

Q272 Andrew Bennett: And you feel that the presenting listing system is working well?

Mr Hirst: No. I think it needs reviewing, which is being undertaken at the moment. We have given evidence on that and feel that it is not achieving what it should do in many cases.

Q273 Andrew Bennett: So should you move from listing individual buildings to much more looking at areas of conservation work?

Mr Hirst: I certainly think there has to be a listing of the building but it also ought to take into context other buildings. Structures within the curtilage of a listed building have some protection but it does not seem to do very much. It needs to be more clearly specified and greater power given to that larger area.

Q274 Chairman: Can I come back to the Church Heritage Forum? In your evidence you specifically mentioned the Yorkshire and Humberside model. Can you give us a two-minute introduction to that body or scheme and how that contributes?

Ms Griffiths: This is called The Churches Regional Commission for Yorkshire and The Humber. It was set up following the establishment of the Regional Cultural Consortium. The churches were very anxious to ensure that all the work which they did in the area was fully taken into account by the regional body, so it started with one single faith representative on the Regional Cultural Consortium. For one single faith representative to cover everything that is happening in Yorkshire is quite an uphill task, so what they have done, with some funding from the Regional Cultural Consortium and some funding from the individual churches, is to support that by setting up a bit of a secretariat so that they can pull together information, they can share experiences, they can feed into the kinds of things which are going on in quite a positive way. That is quite clearly becoming a useful force up in Yorkshire to emphasise the work which is going on and to give them a greater presence within the regional decision-making and policy-making.

Chairman: Thank you very much for that, and thank you very much for your evidence this afternoon.

Witnesses: **Yvette Cooper**, a Member of the House, Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister, **Rt Hon Lord McIntosh of Haringey**, a Member of the House of Lords, Parliamentary Under-Secretary of State and Government Spokesman for the Department for Culture, Media and Sport, and **Michael Seeney**, Head of Architecture and Historic Environment, Department for Culture, Media and Sport, examined.

Q275 Chairman: Welcome to the second part of this session of the inquiry into the role of historic buildings in urban regeneration. We have had your written submissions. We usually give witnesses the opportunity to make a brief opening statement if you feel that appropriate. Otherwise we can go straight to questions if you prefer.

Lord McIntosh of Haringey: I am perfectly happy to go on to questions.

Yvette Cooper: I would like to make a couple of general points. There is a huge opportunity and potential for greater use of historic buildings in regeneration programmes. There are some fantastic examples across the country, whether it is the Albert Dock in Liverpool or Tate Modern and so on, that the Committee will be aware of. I think there is considerable potential for greater use of the historic built environment in the regeneration programmes. The thing that I think is perhaps additional to this is that it is not simply about the physical environment and physical regeneration programmes. The other thing I would add is that local history can be particularly important for community-led regeneration programmes. I will just give one local example of that, which is from my constituency, where a big regeneration focus around an urban renaissance programme has meant that the local catalyst has been a couple of historic buildings and the local community want to get involved because they want to champion the historic buildings. Although in the long run the debate ends up being about everything from the transport system to all sorts of broader regeneration issues, where the new jobs are going to be, what skills needs there are, the interesting thing is that people have been drawn into the process, the local community has been drawn into the process, often by a debate about local history and championing local historic buildings, people's pride in their own local history. I just want to say that the potential for history is broader than simply physical infrastructure. It is also the potential that it has to support community regeneration.

Q276 Mr O'Brien: PPG15 is the Government's planning guidance on the historic environment and it refers to the regeneration potential of heritage but that it does not have a strong regeneration focus. Will the draft Planning Policy Statement on the historic environment, PPS15, address the regeneration potential of the historic environment specifically?

Yvette Cooper: It is quite interesting when you look at that 1994 document: it does look like a 1994 document. There is only one mention of regeneration and that may well reflect the political climate at the time. It does talk about economic growth and balancing economic growth and conservation, and certainly PPG15 allows you to do all kinds of development in terms of the use of historic buildings for regeneration but a lot of the language feels like it was written ten years ago and it

also does not champion the potential opportunities of historic buildings and regeneration. It makes it possible to use those opportunities. Certainly it is something that we would want to look at as part of looking at all of the PPGs. What we do not know at the moment is what the timetable will be for looking at PPG15 but it is certainly an issue we will want to look at. Probably in the meantime, however, you could also look at some of the issues about who PPG15 is used and interpreted by rather than specifically the content of it and what more we could do to get a better interpretation by local authorities, by developers and by stakeholders that have to use PPG15.

Q277 Mr O'Brien: So you have no idea when it will be published? Can you give us some indication how it will change, the PPS to the PPG?

Yvette Cooper: Not at this stage. Certainly the issue around potential for regeneration is something that we need to look and consider. One of the reasons I cannot give you a timetable is that we are also looking, in the light of the ODPM Select Committee's comments on the ODPM Annual Report, at the timetable for all of the PPG revisions at the moment in the light of your points. Certainly it is an issue we are interested in but, as I said, there is more we can do in the meantime to see what we could do to help local authorities better interpret it or interpret it in a more flexible way to support regeneration in the short term.

Q278 Mr O'Brien: Will it be earlier or later, do you think?

Yvette Cooper: I cannot tell you that at this stage. I am happy to get back to the committee as soon as we have a conclusion but it is something that the department is still looking at.

Q279 Andrew Bennett: This is crazy. We criticised you for not having a timetable and now you are telling us that it is even worse while you consider our report. Come on: you must have some idea whether you are going to get to grips with this before Easter or not.

Yvette Cooper: No: I cannot give you the timetable at the moment because what we are looking at in the light of the comments that you raised is the different priorities that should be given to different PPGs. What is the critical question on this one is that—

Q280 Andrew Bennett: I accept you cannot tell us on this one, but you should be able to tell us when you are going to complete the process.

Yvette Cooper: No, I cannot tell you that at this stage. I am very happy to get back to the committee as soon as we are able to do so. What we can do in the meantime is recognise that what this PPG does is set out the need for conservation and regeneration. It does encourage local authorities as part of their process to identify the opportunities for

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regeneration with historic buildings. I think we can do more in the meantime to support local authorities in the way that they use PPG15 and the best example of that is the work with English Heritage to develop a training package for all local authorities to use in terms of how they can best approach historic buildings and how that can link with regeneration as well, so I think we can do that in the short term, regardless of the PPG15 process, to enable better interpretation of it.

Q281 Sir Paul Beresford: When is that going to happen?

Yvette Cooper: That is in process at the moment—

Q282 Sir Paul Beresford: Before Christmas?

Yvette Cooper:— and is likely to be published this year and there will be a whole series of regional training seminars. The work is being done by English Heritage. I think the ODPM is putting investment into that process and sponsoring that process as well and there will be a series of regional training seminars for people working in local authorities, working in regeneration in different areas.

Q283 Sir Paul Beresford: The answer is before Christmas?

Yvette Cooper: Before this Christmas, yes. We expect the process to be completed before this Christmas because the regional training seminars need to take place this year.

Q284 Mr O'Brien: Your department has issued a draft guidance and a Planning Policy Statement 12 on the proposed Local Development Frameworks. Will the specific guidance on heritage-led regeneration in relation to area action plans and proposals for community involvement be strengthened? You did refer to taking part in something in your constituency, but on the issue of the Planning Policy Statement can we expect further guidance as to the development of community involvement?

Yvette Cooper: Yes. We clearly want stronger roles for local communities at an early stage and the Planning Bill sets out that we expect local communities to be involved at a much earlier stage in the development of local plans than has previously been the case. The Statement for Community Involvement, the SCI, referred to in the Bill, is the critical way for doing that. We want to set out more guidance and more information about how that should work and what the process should be. I think that is an opportunity both for local communities to be much more closely involved at an earlier stage and for local stakeholders, and that may involve heritage groups and heritage and historical societies and organisations as well, to be involved at a much earlier stage in the process.

Q285 Mr Cummings: *The Historic Environment: A Force for Our Future*, the 2001 Policy Statement, makes a number of recommendations, 54 in all. Some of these recommendations are relevant to

urban regeneration. Would you like to tell the committee what progress has been made on these, for example, on the co-ordination of agencies, equalisation of VAT and the creation of the Historic Attractions Unit?

Lord McIntosh of Haringey: We have about ready to be issued in the form of a written statement a list of the progress on the 54 recommendations from *A Force for Our Future*, and I am hoping that that can come out within the next few days, in other words, while the committee is still considering its remit.

Q286 Mr Cummings: So it has taken three years?

Lord McIntosh of Haringey: Oh, no. We have issued one progress report already, in March 2003, and we undertook to do it roughly on an annual basis. We kept to our commitment last year and we are keeping to our commitment this year as to making a report. Some of the 54 are relatively trivial and some of them are of enormous importance. In particular I would like if I might to draw your attention to the review of heritage protection, the designation review, which we launched after commissioning Geoffrey Wilson and a working party to produce a report on it. We launched it last July. We have carried out an extensive consultation on that. It is of very great importance here because it does propose bringing together the listing of historic buildings and the scheduling of monuments into a single procedure which should be much easier to understand, much fairer for all those involved and continue to provide good protection for historic buildings. We are almost ready to publish a report on that as well.

Q287 Mr Cummings: So when do you think you will be reporting on all 54 recommendations? When will that exercise be finished?

Lord McIntosh of Haringey: We will report on progress towards all the 54 within the next few days. Clearly there are issues here which require legislation and some of them I cannot say will be completed, but if I look at the list in front of me a very significant number of them are recorded as being completed.

Q288 Mr Cummings: This is to the Office of the Deputy Prime Minister. Independent evaluations which are being undertaken on behalf of English Heritage reveal that heritage-led regeneration schemes can be very effective at delivering mainstream regeneration objectives. Would you agree that this is a significant argument for directing more regeneration funding towards heritage-led schemes, perhaps through guidance to the Regional Development Agencies?

Yvette Cooper: What we would not want to do is go as far as separate ring-fencing. Where I think the evaluation you are talking about is right is that there are very considerable opportunities for regeneration that often lie in using historic buildings in a different way, whether it be as physical opportunities, beautiful infrastructure or as tourist attractions or redevelopment opportunities in all kinds of different ways, and that often the problem you can have is that things can polarise. You either end up with people thinking that the only option for

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regeneration is to knock the whole lot down or alternatively the only thing you can do for a beautiful historic building is preserve it in aspic and not use it for anything constructive. What is happening is that there is a big resurgence of the view that comes between those two poles, that you can re-use historic buildings in all kinds of different ways and that this can have huge regeneration potential. There is quite a lot of evidence already that Regional Development Agencies are starting to support this in the programmes that they are sponsoring in different areas and that English Partnerships are now working increasingly on different projects with historical dimensions as well. More resources are going to these different bodies, whether regional development agencies, which are getting increases in investment, or English Partnerships which is getting an increase from £359 million to £493 million next year, or the EPCS whose formula spending share has been increased; and there is also the Planning Delivery Grant. We need to ensure that all these different organisations recognise the economic benefits of using historic buildings in the right kind of way. That is where the training package being developed with English Heritage has very considerable potential, and also some of the culture change programmes that are underway. That is the approach that we are interested to take, to support better information and better skills and expertise for the bodies that have got regeneration money.

Q289 Mr Cummings: Do you not think it necessary to introduce more guidance for the regional development agencies?

Yvette Cooper: It might be something that we should look further at. At the moment the concentration has been on the training support with English Heritage because that is about providing training for individual local authority officers or people who have to make those decisions and are going to be involving. It is providing training and expertise for them in relation to the kinds of decisions they are going to need to take and the opportunities there are. There is also great potential for demonstrating to people what the benefits have been from other areas; so the fact that other projects have been successful as well. It is certainly something we would consider, and we would be more interested in that kind of approach than the idea of ring-fencing and saying “some of your RDA money ought to go on historic buildings projects”.

Q290 Mr Cummings: How much more research are you going to require, Minister? We are told that independent evaluations have been undertaken, and they reveal that heritage-led regeneration schemes are very effective indeed; so how far do you intend to carry further investigations?

Yvette Cooper: That is why I think the issue is how much impact the training package working with English Heritage can have, because that seems to me to be the most productive area in terms of making progress—providing greater skills and expertise for those involved in making the decisions and those involved in the projects at the moment. We are

looking at what more can we do? At the moment, the fear is that a lot of people, whether in planning departments or RDAs do not have the skills and expertise in heritage issues, in historic building regeneration and so on, to realise the potential in some of these areas. If we can provide them with the right kind of training and support packages, that might be the area of the greatest potential gain in terms of making the most of some of these opportunities in the future.

Q291 Chairman: Minister, we have heard from the RTPI that some smaller authorities, which perhaps only have a few historic buildings, struggle to justify and provide the resources for having a heritage-led regeneration service. Is there something you can do to encourage the RDAs to provide something that they can buy into at a more local level?

Yvette Cooper: There is a problem for small authorities, and it is something that can apply across the board in any area where you need any kind of expertise or specialism. It is why we were keen to support the Planning Development Grant, which allows additional resources to support planning departments. The evidence so far is that some of the Planning Development Grant money is going on conservation-related projects and issues, and getting that sort of expertise. There are opportunities, as you say, to explore some of the regional agendas here. The more that we strengthen the regional planning process the more that we may be able to look at support for local areas; so the strengthening of the regional planning process may be an opportunity there.

Lord McIntosh of Haringey: Chairman, may I complete the picture by saying something about the funding of the heritage bodies that we sponsor, in particular English Heritage, which Yvette has already referred to. That has a heritage economic regeneration scheme. If I take the last financial year, 2002–03, that provided matched funding of £9.8 million in 170 schemes; so you can see that a lot of this is on smaller schemes, and presumably quite a lot of them for smaller local authorities. In addition, the Heritage Lottery Fund has the Townscape Heritage Initiative, which is £18 million a year, and a lot of that goes in smaller schemes. Some of these schemes themselves generate private money as well. If you take Graingertown in Newcastle, for example, it was £40 million from public sources, but it generated £80 million of private money. I think that these are worthwhile contributions.

Q292 Mr Clelland: Private developers of course have got particular problems in dealing with conservation sites, have they not? They have pointed out to the Committee the difficulties they have in terms of the time, care and attention involved in these sites, and in particular the requirement to submit detailed planning proposals—planning permissions. Is there going to be anything in the Planning & Compensation Bill to reduce these burdens? It does not appear to address this area at the moment.

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Yvette Cooper: We have said that in the whole Planning Bill process we want to get developers, community stakeholders and so on, involved at the beginning of the process rather than much later down the line, and that helps with this because you get the debate at a much earlier stage. You do not get the problem later on where a local authority is dealing with a plan that is six or seven years out of date, or where it does not have a plan at all and English Heritage only gets involved at a late stage in the process, when there is a whole lot of uncertainty, no-one knows which plan they are dealing with and what the heritage issues will be at a late stage. It makes life very difficult for the developer. Simply streamlining the whole process, making it much quicker for local authorities to update their plans which all of the stakeholders have been involved in at an early stage, will itself bring benefits. We are still looking at the issue about outline planning permission. Keith Hill said in the statement on 15 December that we would consider further the removal of the provision in the Planning and Compulsory Bill that abolishes outline planning permission. We are still looking at that. Obviously, we are going to have to conclude that consideration very shortly because the Planning Bill is going through the House of Lords at the moment.

Q293 Mr Clelland: Have you discussed these ideas with private developers, and how do they react? Do they feel you are on the right track?

Yvette Cooper: We have had a whole series of discussions with private developers and all sorts of stakeholders on a whole range of issues around the planning bill. Some of the discussions about the outline planning permission have been directly as a result of further representations and discussions with private developers. Obviously, we have still got to make final decisions on that, but certainly they have been very closely involved in a series of discussions over quite some time.

Q294 Sir Paul Beresford: In your opening statement you referred to redevelopment and heritage buildings. You mentioned a range of options, one of which at the bottom end—or the top, however you like to approach it—was the use of a bulldozer. Do you sometimes think a bulldozer is appropriate?

Yvette Cooper: In the end, that has to be a local decision, as to what the issues are, what the historic building is and its significance. The PPG 15 has always been about recognising the need to conserve our historic legacy, and that is hugely important. It is possible, for example, in a conservation area, that an unlisted building that has no particular contribution to the area could be demolished within a conservation area if the alternative is acceptable. It is possible for local areas to make those kinds of decisions, but in the end it is for that local area.

Q295 Sir Paul Beresford: Can I give you a small example? Many years ago I remember looking at Coventry, where there was a 50s/60s shopping area with flats on the top storey, and in the middle of it was this toadstool that used to have a 50s/60s ice

cream parlour on it. It was an absolute monster and abomination. It was completely in the way of regeneration, but it had been listed and no-one seemed to be able to move it. I suspect the reason it was listed was that no-one would ever build one like it because it was a fool's mistake in the first place, and it was listed because it was unique. I believe that the thing is still there and it should have been bulldozed. In addition to that, the fretwork around the first floor was listed, which basically meant that you could not do anything much with the building itself because of that. A little bit more flexibility from Lord McIntosh might be helpful.

Lord McIntosh of Haringey: I think there is some help on the way—the US Cavalry riding over the horizon in the heritage protection review, in the sense that in addition to rationalising the listing procedure in itself and merging it with the scheduling procedure, it will be possible to look at larger sites and not just to individual buildings. That is useful, for example, for a university campus. Secondly, we want to be a lot more transparent than we have in the past, and we will be looking to having management agreements with the owners, with the people responsible for listed buildings, which will indicate to them in advance, not just waiting for an application, what things are possible to be done with a listed building and what things are not.

Q296 Sir Paul Beresford: English Heritage list, but they do not seem to review all of the buildings they have got listed.

Lord McIntosh of Haringey: It would be a mammoth task.

Q297 Sir Paul Beresford: Perhaps they should do it, even so. Perhaps they have got 115 examples of fretwork of something or other from the 1960s—

Lord McIntosh of Haringey: If I could be sure of getting money from the Treasury for that, yes. Seriously, it would be also a devotion of resources I think. I am not sure that even if I could get the money I would recommend it.

Q298 Sir Paul Beresford: If the people doing the Phoenix development had come to your department and said, “we think this is a monstrosity; it ought to come down” and there were 327 examples of fretwork throughout the country, should there not be a reviewing attitude at least?

Lord McIntosh of Haringey: That is already possible. It does happen.

Q299 Sir Paul Beresford: How long does it take, though?

Lord McIntosh of Haringey: It does not need to take a very long time. There is no reason why, when an application is made, English Heritage should not respond to it. In the kind of case you are talking about, 20th century buildings, the Commission on Architecture and the Built Environment will have a view. I, myself, have refused to continue the listing of a building simply because in my view it did not work.

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Q300 Mr Betts: Two answers have been given together. Lord McIntosh has mentioned the issue of not just one building but buildings in an environment with ancillary buildings, so an area for regeneration; and you also mentioned outline planning permission. Developers in this sort of process have said to me that outline planning permission is most important when you look at this sort of issue where a group of buildings complicate a site, where they are not going to embark at all on the process of putting things together unless they can go for outline permission and get some certainty that the thing is viable from the beginning.

Yvette Cooper: That is one of the reasons why we have said we will look at this again as part of the Planning Bill process. However, we want to ensure that you have enough information for the local community to be involved and have a say, and which allows local authorities to assess all of the environmental impacts and things like that; and also to make sure that you do not have a situation where the outline planning permission does not deal with any of the key design issues and is a way of getting round the whole process of discussing design with the local authority or the local community—and mix of use and density issues that probably are the most critical things for local authorities to be able to make judgments on. There have been a lot of anxieties about the outline planning permission process in the past and the way in which it has worked or been abused, and we are very conscious. However, we are equally aware of the representations that have been made, and that is why we are looking at it at the moment.

Q301 Andrew Bennett: This is process, is it not? It is all pie-in-the-sky because there are not enough people to do the work, are there?

Yvette Cooper: Part of the purpose of the Planning Development Grant was to allow local authorities to have a way to increase their resources to take seriously the planning issues and put resources into the planning process. As I have said, that also includes issues around conservation as well. Certainly the early evidence from the way in which the Planning Development Grant is being used suggests that conservation is one of the things it is being spent on. It is going up from £130 million in 2003–04 to £170 million in 2005–06. It is true that there is always competition for resources; but there is also always competition for professionals and for people to do the work. I think it is an area that we have put increased funding into in order to respond to concerns.

Q302 Andrew Bennett: Sir John Eagan is looking at this whole area of skills, is he not?

Yvette Cooper: Yes.

Q303 Andrew Bennett: When will his report be received?

Yvette Cooper: His report is due shortly.

Q304 Andrew Bennett: What is “shortly” in your ministerial terms?

Yvette Cooper: Obviously, Sir John Eagan is conducting his review, so it is not possible for me to give a final timetable. It is—

Q305 Andrew Bennett: Just a date—

Yvette Cooper: It is due to be delivered to the Deputy Prime Minister in early spring. That is the current timetable we are expecting.

Q306 Andrew Bennett: The daffodils are out!

Yvette Cooper: I know. I am starting to get hay fever so I can tell spring is on its way! One of the things that it is likely to point out is concern about generic skills. Whatever profession we are talking about and whatever the area, these are things around leadership, communication and project work, community liaison and so on. There are concerns about those sorts of skills right across the sector, which I think is interesting.

Q307 Andrew Bennett: Is his report going to be in time to feed in to the Government spending round so that there is a chance of having a bit more money to promote people with these basic skills?

Yvette Cooper: We would certainly expect it to be in time to feed into the spending review discussions. Obviously, you will know that I cannot anticipate the spending review discussions at this stage.

Q308 Andrew Bennett: What about the old situation where a large number of people were able to get jobs with local authorities with in-service training. You could get a degree while you were working in the planning department. What is the Government going to do, particularly with things like top-up fees coming along, to make sure that we are going to recruit enough people going on to academic courses in planning conservation and related professions?

Yvette Cooper: The Eagan Review is looking at all of the training issues, and all of the questions about how you get the right kinds of—there are two things: the number of skilled people but also the right skill mix among your staff as well. So all the issues around training and skills development will be looked at, and we will need to respond to that review. The implication behind your question is that we need to be more imaginative about the way in which people might acquire different stages along the way, and the support that might be available for people. I think it is right that we should do that.

Q309 Andrew Bennett: It has been put to me that the way in which the National Curriculum makes things like geography optional is not getting enough people wanting to go into planning departments in academic institutions.

Yvette Cooper: I think . . .

Q310 Andrew Bennett: Come on, tell us how many planners you think the country is short of at the moment.

Yvette Cooper: I cannot give you those figures. All I can say is that we have recognised that we want to put more investment into planning departments, which is why we put the Planning Development

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Grant into place. I also think that there is an increased interest right across the community in issues that nobody would necessarily describe as being planning issues, but the sorts of issues that planning underpins, which is the way in which we use physical space in local communities, the way in which the design of local communities—

Q311 Andrew Bennett: There may be interest, but planning departments are cutting back the numbers of recruits they are taking on, are they not?

Yvette Cooper: I would come back to the point that I think we have supported planning departments by increasing the Planning Development Grant, by introducing it in the first place and then by increasing support through that. In the end, local authorities have to make their decisions about how many people they have in which part of the local authority and so on, and that is a matter for local authorities to decide.

Q312 Andrew Bennett: If there is a shortage nationally, all that happens is that each one pinches them from the next one, do they not?

Yvette Cooper: If you are talking about recruitment shortages in the first place, again that comes back to the Eagan Review and the issues it was designed to look at about the different issues that we need to take account of in order to get enough staff and also the right skill mixes we need in order to deliver on the Sustainable Communities Plan, which is an ambitious plan that raises a whole load of issues that are broader than just historic buildings.

Lord McIntosh of Haringey: Can I say a word about the special case of conservation officers? We are conscious that a large number of local authorities do not have conservation officers at all. One of the proposals suggested to us in the response to the Designation Review, the heritage protection review, is that we should have closer co-operation between English Heritage and local authority conservation officers, and perhaps work in sub-regional groups. That is likely to be one of the responses we will put forward to the Designation Review.

Q313 Andrew Bennett: A shortage of conservation officers or merely a misuse of the existing ones?

Lord McIntosh of Haringey: I do not think we have any evidence to say they are being misused; I just do not think there are enough of them and of course it is a very specialist area.

Q314 Andrew Bennett: How many are you short?

Lord McIntosh of Haringey: It is quite a specialist area in which there probably is not much in the way of a career structure, promotion structure.

Q315 Andrew Bennett: How many are we short of, then?

Lord McIntosh of Haringey: I do not know. Something like 40% of local authorities do not have conservation officers.

Q316 Mr O'Brien: Both the ODPM and the DCMS this afternoon have drawn attention to the innovative work of English Heritage and the fact that English Heritage can contribute so much to our local communities. Why is their budget being cut?

Lord McIntosh of Haringey: English Heritage are going through a modernisation process which is designed to take them away from being a hated regulatory body to being a body that is more open to their customers. If you look at their baseline grant in aid, which includes the Royal Commission on Historic Monuments, their original—that was cut. If you go back to 1996–97 it was £117 million. It went down by 2001–02 to £110 million, but the projects are £115.4 last year, and £121.7 this year and next year and the year after, so it is not being cut now.

Q317 Mr O'Brien: It is not being increased with inflation, is it?

Lord McIntosh of Haringey: After an increase ahead of inflation, it is not being increased with inflation.

Q318 Mr O'Brien: In real terms it is being cut. On the question of the importance of English Heritage in helping communities bringing forward innovative schemes, how can this be done by reducing the number of people who are performing those duties? There has to be a point somewhere, do you not think, where—

Lord McIntosh of Haringey: It is not actually reducing the number of people who are helping in the front line. One of the great things about English Heritage is the way in which the new management there has recognised the need to increase their front-line services. That is why they have regionalised their structure and cut out a good deal of the central bureaucracy. If you look at the English Heritage annual report, for example, it is all on a regional basis; and it is much more accessible to the people who need it than it was.

Q319 Andrew Bennett: This Planning Delivery Grant, the jewel in the crown: how many extra employees has it produced?

Yvette Cooper: I cannot tell you that. We have some early research into the impact of the Delivery Grant that suggests that the performance is improving and that the grant is providing a positive incentive for the quality of the work. We are looking at ways to measure the quality in the Planning Delivery Grant allocations, and looking at consulting on two “best value” indicators that might be able to help measure quality more explicitly in planning. The evidence so far—and it is still early stages—is that this is proving a very positive innovation. The sum of £50 million was the extra for planning for this financial year and £130 million for the next financial year and £170 million for the following financial year, so it is a significant increase for local authorities directly for planning.

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Q320 Andrew Bennett: It is slightly immoral, is it not, because the worse you were as a planning authority the more money you have got to improve, or the easier it was to improve, and therefore you got money?

Yvette Cooper: It is set out as an incentive for improvement, and they have to maintain that improvement.

Q321 Andrew Bennett: It is easier if you were terrible—

Yvette Cooper: It is probably even more important that those local authorities get their acts together and improve the performance of the local planning departments. I think it is right that it should support an incentive, rather than simply be a blanket allocation. They have to improve in order to get the money and keep the money as well. What is critical is that we find the right way of measuring both improved performance and progress into the future, so we are going to need to look at that.

Q322 Andrew Bennett: But you get credit if you get the planning application in and you refuse it, rather than take some time to consult and get it approved and amend it. Is that right?

Yvette Cooper: That is why I mentioned the best-value indicators. We have a current consultation paper on best-value performance indicators, and we have proposed two new measures for the quality of planning services. One is a quality checklist indicator, which scores authorities on the processes to deliver quality outcomes. That asks a specific question about the adequacy of advice on conservation matters as part of it, but we are consulting on that at the moment. It is not a simple thing to measure, and it is very easy to measure the speed by which planning applications are dealt with; but we should not underestimate the fact that speed is an important factor, and huge long delays in the planning system can cause immense problems right across the local area.

Q323 Andrew Bennett: So what is the increase in the number of planning appeals in the last two years in percentages?

Yvette Cooper: I do not have those figures but I am happy to send them to you.

Q324 Andrew Bennett: Are you aware that there has been an increase in the number of planning appeals?

Yvette Cooper: As I say, I do not have those figures in front of us.

Q325 Sir Paul Beresford: Could you give us an indication, when you write, of the delays?

Yvette Cooper: Do you want information specifically on appeals?

Q326 Andrew Bennett: The suggestion is that in spite of you believing that the grant is a marvellous thing, that actually it has had some perverse effects, one of which is that people are refusing applications rather quickly in order to meet your current criteria; and that has resulted in a significant increase in appeals,

and one of the reasons I thought that the planning inspectorate was failing to meet their target of speeding up all the planning applications; so if you would let us have those figures, that would be helpful.

Yvette Cooper: Let me send you then some more information about the issue of appeals and also about the early research we have in terms of the impact of the Planning Delivery Grant and the best-value performance indicators and measurements of quality for the future as well.

Q327 Mr Cummings: The Committee has discussed the areas of overlap between English Heritage and CABE, and it has heard evidence that suggests that this overlap has produced confusion within the development community. If that is the case, then should we not be looking towards combining agencies to make the process of regeneration simpler?

Lord McIntosh of Haringey: The short answer is “yes”. There is overlap, and we recognise that. It has been dealt with in the past by *ad hoc* arrangements for joint working. For example, English Heritage has the design task group with the Commission on Architecture and the Built Environment, and that seems to be working. CABE is working with English Heritage on what are called characterisation studies, which comes back to what I was saying earlier about treating localities as meaningful entities. There is a joint English Heritage CABE body called the Urban Panel, which is providing advice on major regeneration schemes. All of those are being applied, but it is true that there are too many bodies, and I am personally committed to simplifying that as far as possible.

Q328 Mr Cummings: In what timescale, Minister?

Lord McIntosh of Haringey: A lot of it would require legislation, and there are no public timescales for legislation—no private timescales either!

Q329 Andrew Bennett: The EU put the boot in to gap funding as far as heritage projects are concerned. Has that been sorted out yet?

Yvette Cooper: We have got approval from the European Commission for a historic environment regeneration scheme, and that does allow funding bodies such as the RDAs, English Partnerships and local authorities to provide grants for up to 100% of heritage-related development at cost within the state aid rules. Since getting the approval we have been working with the funding bodies to get a guidance note in place on supporting projects under the approval, with the aim of being able to give people much greater clarity about the way the heritage gap funding would work.

Q330 Andrew Bennett: Is that guidance note now available?

Yvette Cooper: It is currently with some of the practitioners, and some of those have been involved in it just for feedback at the moment; so we have a draft in place. Hopefully, depending on the comments, if we get very strong responses which say

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it is not clear enough in particular ways, then we will have to do more work on it. At the moment, we have a draft in place, and we are waiting for some feedback on that from different practitioners.

Q331 Andrew Bennett: The spring?

Yvette Cooper: I would not want to commit to a timetable until I see the response we get back. If we get a favourable response, then hopefully it would be as fast as possible.

Q332 Andrew Bennett: A lot of the schemes—you started off with the Albert Dock, and there is a lot more you can mention—almost all of them needed EU structural funds. Is it going to be a major problem if the structural funds disappear or are phased out?

Yvette Cooper: Obviously, the structural funds are in place until the 2006 round, and the spend will still be there until 2008. We are obviously in some negotiations to try and get the best possible deal for the UK out of the further ongoing negotiations about structural funds; and we all have to accept that there are consequences from the enlargement of the EU, which is obviously something that we support. At the same time as those negotiations have been put in place, we have put in place a long-term system for expanding funding through the regional development agencies, funding that is available through that single pot and through other organisations as well. I think we are alive to the long-term issues surrounding structural funds and the importance of those. We are still in negotiations with the EU about what will happen.

Q333 Andrew Bennett: Is there a possibility that they might replace putting up some money for these schemes with a directive? We have the EU Habitats Directive, which you can argue has done a pretty good thing for the natural environment. Is there the possibility that the EU will become involved in the whole of this area?

Yvette Cooper: It is too early to say.

Q334 Andrew Bennett: Do you think it would be a good idea for them to get involved?

Yvette Cooper: We have obviously put forward proposals around allowing different countries to contribute to a net fund to support a lot of the incoming countries, but then also to allow individual countries to be able to support strong regional regeneration within a framework of rules or a framework agreement that would be endorsed by the Commission. Other countries have different proposals on the table, and the Commission itself has different views on this, so we are at too early a stage. We would expect an EU-endorsed framework for that kind of approach, but I think we are too early to say exactly what form that should take.

Q335 Andrew Bennett: Which spring do you think that might happen?

Yvette Cooper: Well, it is now 2004. The current spend obviously runs from 2000–06, so it is an area where negotiations are underway.

Q336 Mr Clelland: Lord McIntosh referred earlier to the Graingertown project, which is in my constituency.

Lord McIntosh of Haringey: That is why I said it!

Q337 Mr Clelland: It is a marvellous job. Everyone applauds the work that has been done there. However, the biggest needs in a city like Newcastle, and in other urban areas, is in social regeneration. I do not know whether Lord McIntosh is aware, but in Graingertown we had the first million pound apartment in Newcastle following the refurbishments, which may say something about the success of the regeneration. On the other hand, to some extent it feeds the criticism that physical regeneration often leads to the gentrification of an area that is in conflict with the social regeneration. Is there anything we can have from you, Minister, as to how we can bring these two areas together so that this conflict no longer exists?

Lord McIntosh of Haringey: It is undoubtedly a fact that if you change the character of an area completely—let us take something that was not planned like Hoxton in Hackney—that happened, and artists took over. The rents and house prices then take off, and the original inhabitants are driven out. If you do that without providing for a mix of community and a mix of different kinds of people in a regeneration area, then you will get exactly that, whether it is publicly funded or privately funded, which is a strong argument for the kind of thing that is happening in large parts of London, which is insisting that there should be affordable housing in any regeneration effort.

Q338 Mr Clelland: If you are in a conservation area, for instance, that is easier said than done, is it not?

Lord McIntosh of Haringey: Yes, but if there is any possibility of redevelopment or change of use, then it is possible to insist on affordable housing; and if that is done then the gentrification process—I am not saying it can be wholly avoided, but it can be mitigated or slowed down.

Yvette Cooper: There is a series of ways in which you can attempt to sustain a mixed community, which is what the aim should be. Clearly, there are benefits from the existing community if people want to move back into an area, and you have different people with different levels of income and different backgrounds wanting to move into the area and helping to regenerate an area in that way. We all know some of the problems with areas of low demand where everybody wants to move out, and how devastating that can be, especially when you reach the extremes of the housing market collapse. Turning that round and bringing people in can be a huge benefit and a critical part of the regeneration process. It is certainly something in the housing renewal pathfinders that part of the plan is not only to regenerate social housing but to regenerate the private housing market and draw people back in to encourage people to want to buy houses in those areas. Inevitably, that has impact on house prices and so on if you are successful. The question is, what you can do to prevent the worst-case scenario, which

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is that the people who have lived there for a long time—the people whose families have been in that area for a long time—feel they are being pushed out or priced out from a regeneration programme. As Andrew said, it is easier where it is a public sector-led regeneration programme than when it is the kind of thing that just happens when you get the private-led regeneration. But even where it is privately led, as Andrew said, there is a lot you can do within the planning system in terms of insisting on levels of affordable housing within housing developments and so on, in order to support those mixed use communities. By putting the idea of sustainable development into the Planning Bill, on the face of the bill, we are reinforcing the idea that we should be developing mixed communities and not these big isolated communities. There should be mixed tenure and mixed levels of income of people living in an area, and we should be actively aiming to support that. If there is public sector investment in the programme then you have even more flexibility; you can use some of that investment in order to safeguard business premises for small businesses, for business start-ups and particularly those from regeneration areas from low-income backgrounds as well as supporting social housing in the area. The housing market renewal pathfinders have a specific remit and that is an important part of the work they are doing, so it would not be possible for them to simply go off down this track of leaving the existing community behind. Equally the growth areas have, as part of their remit, issues around affordable housing and mixed community development. In those areas where we have big investment going in and a lot of public sector involvement, there is a lot of potential to prevent the kinds of problems you are talking about, or the extremes of the problems.

Lord McIntosh of Haringey: Can I just add one sentence, a very sad comment? When I was Chairman of the Development Control Committee in Haringey forty years ago, the mantra was “non-conforming use” and we were driving out all the kinds of things that we want to sustain now in order to have mixed communities. I hope we have learnt that lesson.

Q339 Chairman: Minister, we heard both from Manchester and Liverpool how difficult they found it to use compulsory purchase powers, which they saw as essential to stimulating urban regeneration. Do you think that is fair criticism, and, if so, are you planning anything in the bill that is currently before the house to address that?

Yvette Cooper: We do have proposals in the bill that deal with compulsory purchase powers in general, and making those simpler and easier, speeding up the process particularly where there are no objections and people do not have to go through the full inquiry. That should help in some ways. I have not had a chance to read the Manchester evidence myself, although I did have a briefing note which suggested they were concerned about compensation and people raising issues at inquiry that were about

compensation rather than the principle of the scheme. Is that right? Is that the kind of concern they were raising?

Q340 Chairman: They suggested to us rather than having to have very detailed proposals and a developer ready to go was a challenge sometimes.

Yvette Cooper: Certainly, as part of the broader changes to the compulsory purchase system, they will not have to show both that the land is suitable and also that it is required for the project underlying the scheme. Instead, they will be able to justify the compulsory purchase just on the basis that it is carrying out development, re-development or improvement which they think will be of economic, social and environmental benefit to the area. So that provides greater flexibility in terms of the overall CPO powers. I do not know how far that addresses their concerns.

Q341 Chairman: It goes some way, I would imagine. Are you disappointed at the use of the CPO powers that you have given to RDAs?

Yvette Cooper: I think the RDAs are still at an early stage in their work, and some of the land procurement issues are complex. We have been trying, as part of the bill, to recognise there are difficulties with the way the CPO process works at the moment; that it needs to be speeded up and made easier. We need to get out of a lot of the difficulties and bureaucracy from the process and make that more flexible. That should make things easier in the future, whether at local or regional level.

Q342 Mr O'Brien: Both English Heritage and the Heritage Lottery Fund makes grants to aspects of the historic environment, sometimes duplicating. Is there not an argument for unifying the grants regime with respect to the historic environment?

Lord McIntosh of Haringey: I have already touched on the answer to that question. I think that there is a degree of overlapping. There are things that you can do about it in the short term: I mentioned the joint working arrangements; I could have referred to the strategic memoranda of understanding which English Partnerships have with English Heritage and the Heritage Lottery Fund, so there is a good deal you can do. But if you were going to make more radical changes, as I said earlier, some of that would require legislation.

Q343 Mr O'Brien: Could something not be done through orders in Parliament to try and streamline the organisations and ensure that there is no duplication of grants?

Lord McIntosh of Haringey: I think the organisations are doing an excellent job with the remit they have been given; but I do not disagree with you that there are areas of overlap.

Q344 Chairman: In terms of co-ordination, the 1990 Town and Country Planning Act and the Listed Building and Conservation Areas Act were done in tandem. We have got major changes to the planning

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system involving primary legislation; are you anticipating doing something on the heritage front in the near future?

Lord McIntosh of Haringey: In so far as the work we have been doing on the designation review affects that, yes, we are. When we come to publish the responses to our consultation, I think there will be some quite positive things to be said; but, again, I have to say that some of them would require primary legislation.

Q345 Andrew Bennett: I thought the principle of the Lottery was that it was not to be a substitute for government expenditure. You are telling us that in putting these two grant regimes together English Heritage will have a bit less money and you are going to make it up from the Lottery.

Lord McIntosh of Haringey: No, I did not say that. There is still the arm's length principle for the Heritage Lottery Fund, and that will be maintained. If anything, there might be a move towards a more arm's length principle for other bodies.

Q346 Mr Betts: Thinking back to the Heritage Protection Review consultation, the period for consultation ended on 31 October last year. When are we going to get the Department's response?

Lord McIntosh of Haringey: Very soon.

Q347 Mr Betts: Next spring?

Lord McIntosh of Haringey: Crocuses rather than daffodils!

Q348 Mr Betts: My crocuses are rare!

Lord McIntosh of Haringey: I cannot do it in terms of birds!

Q349 Mr Betts: At the same time you put your question, will you publish a template for taking what action you can?

Lord McIntosh of Haringey: The response will be looking forward. I think the current jargon is "direction of travel"! It will be looking forwards rather than backwards.

Q350 Mr Betts: But with an idea of timescale attached to it as well?

Lord McIntosh of Haringey: If we can do that, yes.

Q351 Mr Betts: There are ideas around having a unified list, but there is a suggestion that that might need an awful lot more by way of resources to implement it properly.

Lord McIntosh of Haringey: I do not think it is primarily a resource issues. It is a powers issue. The problem is that under primary legislation the Secretary of State has the ultimate responsibility. She has the power to delegate the implementation of that responsibility as long as there is a right of appeal to her, but that is an issue of how we implement the existing legislation. I do not think it is necessarily an issue of requiring extra resources.

Q352 Mr Betts: You could unify the list to one whole and—

Lord McIntosh of Haringey: Obviously, there are one-off costs in any changes you make of this kind. I would not anticipate that the resulting system would be more expensive.

Q353 Mr Betts: It is an issue you would be examining as part of—

Lord McIntosh of Haringey: I would go so far as to say we would not do it if it were going to be significantly more expensive.

Q354 Mr Betts: Turning to the position of the spot listing of buildings, which sometimes can hold projects up almost at the last minute; have you any ideas of how that issue might be resolved and how your department might respond to whatever process you think is appropriate?

Lord McIntosh of Haringey: The problem that has been identified by spot listing is when English Heritage has not done its homework and does not know that there are regeneration projects in the offing, and therefore has not looked at the particular buildings in the area; and they recognise that they ought to be able to anticipate the needs of the requirements brought about by a regeneration project in advance, and therefore not introduce a spot listing at a late stage. However, I have to say I do not think spot listing is altogether a bad thing. If it had not been for Geoffrey Ripon spot listing buildings all round Covent Garden, it would have looked like Victoria Street now.

Q355 Mr Betts: Do you think it could be a bit more proactive rather than simply reactive?

Lord McIntosh of Haringey: I think English Heritage recognises that if it anticipates that there is going to be regeneration activity in any particular area, it ought to be ready in advance with a view to what listing is required.

Q356 Mr Betts: Finally, perhaps both departments could reflect on this. Very often, local authorities retain local lists, which do not have any statutory basis at all; but often the buildings on those lists are the ones that the professionals might sneer at rather, but which the local community rather likes. Are there sometimes some that ought to be saved, rather than the examples that Sir Paul has given to the Committee; and how do we resolve that sort of issue?

Lord McIntosh of Haringey: I know what you mean. The responses to our review I think will show that people value local lists but that they do not wish national lists, for example grade II buildings, to be transferred to a local list simply because there is a lower degree of protection for them.

Q357 Mr Betts: How do we deal with that at local level. There is virtually no protection at all. It is all very nice because it is on the local authority's list, and that is it; when it comes to an application to remove it, it gets removed.

Yvette Cooper: If it is not a house, then obviously it has to go through the planning process as normal activity, and so local authorities can take account of

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a whole series of material considerations and the impact on the community of the possible use of a building and so on; so local authorities can take that into account. Sometimes the concerns can arise over private houses where it is possible under the permitted development order to go ahead with demolition without applying for planning permission and without there being any control at all. Concerns have been raised about that, and it is one of the issues we have looked at as part of the General Committee Development Order Review. We have very recently received the research on all of the permitted development orders, which looks at this among other issues; and so we will be responding to that shortly.

Q358 Mr Betts: Will that response tie in with the whole look at the Heritage Protection Review that DCMS is doing, so that we have some sort of—

Yvette Cooper: We will certainly make sure that on any of those related issues we do that.

Q359 Chairman: Everyone is aware of the arguments in favour of equalisation of VAT at 5%. Is this an issue that you are continuing to press the Treasury on, resolving the issues with Europe, *et cetera*; or are

you proposing any other fiscal measures that might encourage the repair and maintenance of historic buildings?

Lord McIntosh of Haringey: It is an anomaly. It is the case, and the churches in particular press it on us, that repairs and maintenance to listed buildings attract VAT at 17.5%, whereas alterations attract VAT at 5%, which encourages people to alter them rather than to repair and maintain them. The problem is that annex 8(h) of the 6th VAT Directive is very precise about this; you cannot make any changes to this without unanimity. There are exceptions that other countries have used, but they are quite limited. They are limited, for example, to social housing or social policy or housing with a social policy—something of that sort. We have very considerable derogations from VAT in this area. For example, we do not have any VAT on new buildings, and we would be very unwilling to risk some of the advantages we have got, despite the anomaly. We have therefore dealt with it by an interim grant scheme, which particularly for listed places of worship, which the Chancellor introduced in 2001, pays by grant the difference between the 5% rate and the full amount. That has produced more than £16 million since it was introduced in 2001. It is not ideal.

Chairman: It has been a long session, but it has been very helpful. Thank you very much for your evidence.

Memorandum by Liverpool City Council (HIS 54)

1. THE CONTRIBUTION OF HISTORIC BUILDINGS TO URBAN REGENERATION

Liverpool is benefiting from post-Urban White Paper changes in urban policy. The national “urban renaissance” is starting to have a far-reaching effect in the city. Investment and development in the city centre especially are at levels unknown for many decades. This follows some 10 years of exceptionally high levels of national and European public funding to address the quite severe social and economic problems associated with the city’s post-war decline, poor economic performance and its general unattractiveness to business and the development and housing markets. The city’s profile has been enhanced further by its successful bid to be the European Capital of Culture in 2008.

Against this background the city has an extremely high quality historic and architectural legacy, especially in the city centre and along its Mersey waterfront; sufficient for consideration by UNESCO as the UK’s nomination for World Heritage Site status in 2004. About half of the city centre is covered by conservation area designations, a concentration of listed buildings and now a proposed World Heritage Site. The city has accolades that include reference to its historic 19th century docks complex as one of the world’s most impressive; St George’s Hall as Europe’s finest neo-Classical building, and the gargantuan Stanley Dock Tobacco Warehouse as the world’s largest brick-built warehouse. With this combination of opportunity and need, the role of historic buildings has been and continues to be a common issue for many of the city’s major regeneration initiatives.

In purely economic terms, historic buildings and places have been shown to have real financial benefits as distinct and unique commodities able to command prices accordingly. The City Council also fully recognises the advantages these bring in marketing the city for inward investment, tourism and as a place to live. This was possibly first demonstrated in Liverpool by the refurbishment of the Albert Dock complex in the 1980s, which undoubtedly put Liverpool back “on the map” following its post-war decline. This is still a sought after residential location, tourist attraction and successful specialist retail and leisure centre. It represents a theme which has been an integral part of the city’s regeneration strategy since.

Liverpool’s experience over the past 20 years demonstrates that architectural “masterpieces” from the past can be used successfully to add value through prestige and status to regeneration projects. In the past 2–3 years, the award-winning refurbishment of Liverpool’s former Art Deco airport as a hotel and award-winning adaptation of nearby Matchworks factory for commercial use has played a key role in the regeneration of the Speke-Garston area of the city as iconic projects. Similarly, the award-winning adaptation of the once ruinous Collegiate School (designed by Harvey Lonsdale Elmes, the 19th century architect for St George’s Hall) in

Everton for apartments has acted as a catalyst for restoration of Georgian properties in the area and the establishment of a residential district. In Liverpool, the work of the innovative developer Urban Splash has been notable as a new generation of developer able to work with, rather than against, an area's historic qualities. Liverpool's experience demonstrates convincingly that historic buildings can be very successful as the "flag ship" scheme; the catalyst, and the iconic symbol for a regeneration initiative.

As well as individual building projects, an area-based approach tackling a group of historic buildings and their setting has played an important role in the city's regeneration. The success of Albert Dock is as much about the detail of the spaces around the warehouses as the buildings themselves. Similarly, in the late 1980s the Cavern Quarter in the city centre demonstrated that a mix of historic building refurbishment, public realm improvements and contemporary development could combine to produce a distinct and successful shopping, restaurant and bars district.

This model continues to be applied successfully, most notably in the "Ropewalks" area of the city centre which commenced in 1998. This is an area of merchant houses and warehouses that date from the city's 18th and 19th century heyday. Containing some 700 properties, about 100 of them listed (but many others important in the conservation area) it became possibly the most rundown area of the city centre during Liverpool's decline. Ropewalks is now re-inventing itself as a distinct historic "merchant's quarter" and is attracting creative industries, specialist retail uses, apartment-living and bars and restaurants in its mix of refurbished historic buildings and complementary contemporary development—including successful new public spaces such as Urban Splash's Concert Square. The City Council considers Ropewalks to be an exemplar project for the urban renaissance.

In Liverpool historic buildings have also contributed to the regeneration of residential areas. Success in historic area regeneration includes the Georgian residential district of Canning adjacent to the city centre. Initially it was regarded as an area of low demand, problem housing. In this respect, it was similar to many others around it that were being demolished in the house clearances of the 1960s and 1970s. Designated as a conservation area in 1971, English Heritage and the City Council commenced a sustained programme of public funding in 1978, which has only recently drawn to a close. Now, the area's housing market is self-sustaining and properties are highly-priced and are much sought after.

As an exemplar of a currently proposed comprehensive urban regeneration scheme, rooted in and enhancing the historic environment, the Council with its partner, Grosvenor Henderson, is pursuing a major retail development in the Paradise Street area of the city centre. This scheme will deliver some one million square feet of major retail floorspace, with leisure and open space facilities. It is based on existing and new open streets, with the refurbishment of both listed and unlisted buildings within the development area. The approach adopted, particularly the importance placed on street linkages, will through "migrating" land values encourage the refurbishment and regeneration of adjacent historic areas.

All this said, the City Council's approach to urban regeneration is as much about promoting the city's intangible qualities as it is about achieving hard economic outputs that can be more easily quantified. Hence, the city's character, history, culture, civic spirit and general ambience are part of a holistic approach that the City Council is promoting as "civic regeneration" in its broadest sense. The historic environment plays a vital contributory role in pursuing this broad definition of regeneration. This message, expressed in the joint DCMS and DTLR policy statement *The Historic Environment: A Force for Our Future* (2001), is one that the City Council very much supports.

Underlying the City Council's approach is a belief that the historic environment provides "depth" to the urban experience and is a shared and common bond for its citizens. Historic buildings, monuments and places are the tangible link with the Liverpool of history and are symbols of the city's past achievements. On one level they are being used for place-theming or place-marketing, or bringing the added value of prestige or status. However, at its most profound it manifests as an emotional link between people and place. The latter is certainly true of Liverpool. The grade I listed Liver Building is perhaps the most potent symbol of this. But, equally the Cavern Quarter and Mathew Street (included in a conservation area) hold a special place in the city's affections over and above the physical qualities of the regeneration scheme because of links with Merseybeat and the city's musical legacy. At a local level, the City Council regularly sees the same feelings expressed for historic schools, churches, public houses, cinemas, libraries and other buildings important in community life. For this reason the historic environment is considered to contribute as a key component in the city's regeneration in this holistic sense.

The City Council fully supports CABI in promoting a national urban design agenda to better design towns and cities as places for civic interaction, however, there is a complementary need to promote a way of managing change that applies this principle to the historic dimension—that continuity and a "dialogue" with the city's past is fostered.

In Liverpool, this is the basis of the Historic Environment in Liverpool Project (HELP), launched in March 2002 by the City Council and English Heritage as lead partners with widespread support from many agencies and organisations, including the key regeneration agencies. Anticipating a period of dramatic change for the city centre, and an internationally significant historic environment potentially at risk from ill-informed actions, HELP has sought to engage conservation and regeneration interests. It seeks to better define, better

manage and to promote and celebrate the historic environment. In essence, it integrates historic environment and conservation skills in to the regeneration process to avoid an adversarial culture. There is further reference to this in response to Question 2.

Particularly notable in Liverpool is the problem of large numbers of protected historic buildings in an extremely poor state of repair, suffering from decades with little or no maintenance or investment. Many are concentrated in the city centre, including significant concentrations in the Ropewalks area referred to above. But, this is not exclusively a city centre problem. This raises very difficult issues in terms of their potential contribution to the city's regeneration, and the means to overcome their very negative effect that can blight a wider area. This is an issue that the City Council with its partners is attempting to address and is discussed further in responses to Questions 2 and 3.

As an indication of the extent of this problem, for listed buildings, Liverpool has approximately 10% of its stock of about 2,500 identified as "at risk" (based on English Heritage criteria). This compares to a national average of about 4%. There are also many more unlisted buildings of merit in conservation areas that are at risk. The HELP initiative is providing assistance to define these.

The problem has been highlighted in a media campaign, *Stop the Rot*, which the Liverpool Echo newspaper commenced just over two years ago. The newspaper has set up a public forum, meeting regularly and chaired by the Bishop of Liverpool. It draws together building owners, the City Council and other public and voluntary organisations to encourage joint-working to find solutions. The campaign has had a great deal of success in raising the profile of the issue in the city but solutions remain difficult to achieve, despite putting owners "on the spot" in a public arena.

For reasons of a historically poor property market, a number of important historic buildings in the city have ended up in the ownership of those who, it appears, have neither the resources nor abilities to deliver the buildings' restoration and re-use. These seem common problems affecting the potential contribution of a significant number of historic buildings to urban regeneration. It raises issues of public funding and the use of statutory powers including compulsory acquisition.

The City Council and English Heritage have initiated a *Buildings at Risk* project to use statutory powers and public funding to try to remedy this problem. This is likely to include greater use of compulsory acquisition powers. It is recognised that for many such buildings there is a funding gap. Costs for restoration and re-use outweigh the financial values that can be achieved. English Heritage, and in more recent years the Heritage Lottery Fund (HLF), have been addressing this issue through public funding programmes based on blanket, fixed percentage grant regimes (Question 2 provides further information on this). Current thinking is to better define the financial needs of individual projects and consider the viable after-use. This more sophisticated approach requires closer working with regeneration organisations and the development industry.

In this way, the City Council is attempting to break out of a "grants culture" which is causing some distortion of the property and development markets. There is some anecdotal evidence that expectations of grant aid are factored in to prices at which derelict historic buildings change hands (for instance, derelict properties where prices have been on par with or higher than similar buildings in a good state of repair). This problem has been compounded recently by a speculative market adding further to the over-valuing of dilapidated historic buildings. Consequently, there is a combination of over ambitious and unrealistic redevelopment proposals, inflated prices and owners with poor-condition buildings they cannot afford to restore whose only options are to do nothing or perpetuate the cycle of speculative buying and selling. Hence, poor-condition historic buildings continue to be a problem for regeneration despite improving markets and public funding support.

It is this cycle that the *Buildings at Risk* project seeks to break. When realistic costs and values are applied, many buildings have a negative value—the "conservation deficit". In such circumstances, compulsory acquisition using minimum compensation provisions in the listed buildings Act may be the only way to "break the cycle". The City Council considers it important that this message is understood by the property and development industry—that they should not be paying "over the odds" for historic buildings in poor condition. This only perpetuates continued dilapidation and an inability for historic buildings to contribute to the city's regeneration.

To conclude, for historic buildings to contribute successfully to regeneration projects does require inventiveness, vision, specialist professional advice, political will and for many buildings, public funds. The process is more complex, requires more thought collaboration and an experienced lead. But, historic qualities bring an "added extra". For those unfamiliar with the route for such a project, the process is frustrating, confrontational and protracted. Having the right skills in both the regeneration and conservation sectors is a necessity (and the shortage of skilled professionals is a serious problem). Just as important is understanding between the conservation and regeneration approaches—that the longer, harder, more time-intensive delivery for conservation-led regeneration is accepted as a viable option. This much broader approach to regeneration is implicit in the city's recent successful bid to be European Capital of Culture. Unlocking the potential in the city's heritage is a key theme this landmark event in the city's regeneration.

2. THE ROLE AND EFFECTIVENESS OF THE PUBLIC AGENCIES RESPONSIBLE FOR THE BUILT AND HISTORIC ENVIRONMENT IN ENCOURAGING URBAN REGENERATION

The City Council's statement focuses on the two principal agencies, English Heritage and the Heritage Lottery Fund (HLF). However, the importance of a number of other organisations should not be under-emphasised. The Civic Trust, through its Regeneration Unit, has played an important role in demonstrating through practical application how conservation and regeneration can come together to mutual benefit. But, it has had no involvement in Liverpool. Building Preservation Trusts with support from the Architectural Heritage Fund have been equally as influential, however, there has been little activity in Liverpool until recently. The City Council is currently working with two of the region's trusts to develop projects in the city. The English Historic Towns Forum, which traditionally has concentrated its activities on pre-industrial shire towns and cities, has recently expanded its interests to include the historic quarters of industrial cities. It is bringing its expertise in reconciling conservation and regeneration in a series of six seminars to the North West over the next few months including a seminar based in Liverpool. The City Council looks forward to developing this relationship.

Finally, CABE has been providing guidance to promote good urban design as part of the "urban renaissance" which the City Council has fully embraced, notably with the publication and adoption as planning policy of its Liverpool Urban Design Guide. There is great support for the core CABE message, that good urban design is about working with an area's character, and its useful guidance as to how this can be achieved in its key publication *By Design—Urban Design in the planning system: towards better practice* (2000). However, CABE's approach appears to be to address what are essentially the spatial qualities of the city, and tends to be a-historical in emphasis. The City Council therefore has not submitted detailed comments about the agency in this submission examining the role of historic buildings in urban regeneration.

English Heritage

English Heritage has been and continues to be a long-term, committed and effective partner in the city's regeneration—a relationship that has strengthened notably since the reorganisation of English Heritage and the opening of its North West office in Manchester. As the principal historic environment agency it has a long history of sustained funding to support Liverpool's historic environment, since its inception in 1984. It has developed its role further with the launch in 2002 of the Historic Environment of Liverpool Project (HELP).

English Heritage has played an important role in funding projects in Liverpool. The following summarises the extent and impact of English Heritage funding in Liverpool in recent years. During a very difficult period when investment confidence in the city was poor, English Heritage's Town Scheme and Conservation Area Partnership Schemes (CAPS) were able to "hold the line" in historic areas of the city that were in decline. Its Heritage Economic Regeneration Scheme (HERS) and HLF's similar Townscape Heritage Initiative (THI) continue this commitment.

In 1994 English Heritage piloted its CAPS in Liverpool as one of the small number of local authorities invited to participate in this area-based grant scheme which replaced its earlier Town Scheme. From 1994 English Heritage funds, matched originally by City Challenge money, have contributed to some 60 historic building projects in the Canning Conservation Area and contributed to a total public/private investment of some £4.1 million. The area is a stable and successful residential area (as cited in response to Question 1).

Since this pilot scheme, the city centre has benefited from English Heritage area-based grant schemes in the Duke Street Conservation Area, initially with a CAPS from 1995 to 1998. Matched with ERDF funds, six projects have been supported, with a total public/private investment of £1.46 million. A further Duke Street HERS followed in 1999 to 2003. This supported a further £1.3 million total investment. At present the Castle Street HERS is supporting nine projects with an anticipated total investment of some £4.75 million when the project ends in 2005.

Funds for individual building repairs under English Heritage's "Section 77" grant programme between 1989 and 1993 contributed to a total public/private investment of some £2.4 million in to historic buildings in nine of the city's conservation areas.

English Heritage's role is characterised by long term commitment. Its publication *The Heritage Dividend* (1999) refers to a 30-year commitment for its programmes. This does have advantages in terms of effectiveness. Along with sustained financial support for historic buildings, the expertise and accumulated experience that English Heritage brings to bear from its long-term commitment in Liverpool is invaluable. English Heritage has been one of the earliest agencies to recognise that "turning around" an area is a long-term process that can take 20 years or more. In comparison, other mainstream regeneration initiatives have relatively short lives (City Challenge lasted some five years; the city's European Objective 1 programme lasted six years, although there is a second six-year programme currently in place; and SRB programmes generally last about five years).

The role and effectiveness of English Heritage as a funding agency in Liverpool is echoed by other examples in Merseyside. Beyond the city's boundary in the neighbouring district of Sefton, a similar commitment for more than 20 years in the seaside town of Southport has ensured the survival of the superlative mile-long line of 19th century cast iron canopies and supported the town's specialist retail role. Likewise, an equally lengthy English Heritage commitment to the Regency terraces in Waterloo, Crosby along the Mersey river frontage has ensured their survival. It is this sustained commitment that English Heritage, in partnership with HLF and

others, is applying in the Ropewalks area of Liverpool city centre, which commenced in 1998 (cited in response to Question 1). In all of these cases, English Heritage support has been the pivotal event in determining the fate of each area.

The effectiveness of English Heritage (and HLF) in funding conservation projects is dependent on drawing “match funds” from other public bodies. This role as “partner funding agency” does possibly hark back to the more simple arrangements in the days when a local authority’s commitment through its own capital expenditure was anticipated as the other match contribution. Like many other local authorities, Liverpool City Council has had to look beyond its own resources to find match-funding. Hence, funding arrangements have become much more complex.

This has had two significant consequences in terms of the role and effectiveness of English heritage (and HLF) and implications for their relationship with local authority conservation staff who work with them to develop joint-funding projects. The first is an increase in the length of the process for developing and approving schemes, and so getting projects “on the ground”. There are generally two or three stages to project approval and these have to be sought from each partner organisation (in summary, these are; approval in principle or “strategic fit”; approval of a detailed project profile; and approval of annual delivery plans). As it is not unusual for three or four organisations to be involved, there is a complex approval path. There is also the problem of an early commitment from one organisation having to await the later commitment of others. Even with the best project management, this creates tensions. There has been one particularly bad example in Liverpool where a major regeneration agency was unable to commit to an English Heritage area-based scheme at the final stages of project development. This set back the project some two years whilst it was re-developed with a revised funding profile.

The second consequence is the higher resource input needed to develop projects for approval from the various partners. Far more sophisticated project justification and modelling required. It also tends to have to be tailored differently to suit the different administrative set ups of partner organisations.

This said, there has been a generally good response from regeneration agencies in operating their generic regeneration programmes in Liverpool. European Objective 1, SRB and former City Challenge programmes have all identified sub-programmes that complement English Heritage and HLF funding. However, recently, post-SRB, now Exchequer funding is being channelled through the Regional Development Agencies, there have been problems with the Northwest Development Agency in identifying mechanisms to the support historic area projects run by English Heritage and HLF. Additionally, administrative arrangements have been daunting and are generally left to local authority staff to bear. They have not promoted the most time and resource effectiveness in supporting English Heritage project development and approval.

In Liverpool, English Heritage’s role has expanded. Its role traditionally has been for discrete, geographically defined historic area or listed building grant programmes (proactive) coupled with its regulatory function (reactive). Even when its activities began to be incorporated into the more holistic and co-ordinated SRB and Objective 1 programmes, the “silo” approach for projects remained. Historic environment projects were channelled in to discrete funding streams with narrowly defined historic building objectives.

With the launch of the Historic Environment of Liverpool Project (HELP) in 2002 the City Council and English Heritage as joint lead partners initiated a new way of working together and with other regeneration partners including Liverpool Vision (Urban Regeneration Company) and the Northwest Development Agency. Through HELP, English Heritage has redefined its role to better reflect the broad objectives for the historic environment it voiced in its own review *Power of Place: The future of the historic environment* (2000), and that is echoed in the policy statement response from DCMS and DTLR, *A Force for Our Future*. Experience to date is that the HELP approach has far greater effectiveness in promoting the historic environment in contributing to the city’s regeneration.

HELP is a wide-ranging programme of inter-linked projects designed to ensure that Liverpool’s historic buildings, streets and open spaces play a crucial role in its future. It provides a clearly defined structure that enables a number of historic environment and regeneration issues to be addressed in a single, coordinated push. At its heart is the partnership formed between:

- English Heritage
- Liverpool City Council
- Liverpool Culture Company
- Liverpool Vision
- National Museums Liverpool
- Northwest Development Agency

The programme structure provides an opportunity to combine information and resources and thereby secure a greater impact. HELP draws together a comprehensive range of individual projects addressing three key themes

Identification and Characterisation

Understanding the extent and value of Liverpool's historical assets through detailed survey and research.

Managing the Historic Environment

Improving the ways in which the historic resource is protected and utilised as part of the city's long-term regeneration. This applies not only to the iconic buildings of the Pierhead and Albert Dock but also the vast majority of buildings that form the backdrop of everyday life and give Liverpool its distinct identity.

Access and Celebration

Ensuring that the value of Liverpool's historic buildings and spaces is widely promoted and enriches the lives of those living, working in, or visiting the city.

Although promoted and coordinated by English Heritage, the project modules are being designed and delivered by a number of the partners.

HELP is an exciting regeneration project for the city and an important piece in the regeneration jigsaw, putting Liverpool's historic environment at the heart of the regeneration process. It is the culmination of many years of working with English Heritage. It seeks not only to better inform change, which the City Council very much welcomes, but has direct initiatives such as the Buildings at Risk project, educational and community projects such as Memory Blocks (working with 10 community groups to explore the meaning of the historic environment), and promotional publications and events. The City Council considers it to be a nationally significant, exemplar project for demonstrating joint-working between conservation and regeneration organisations. It is also an important component in the city's aim to make the most of the potential in its heritage as part of the Capital of Culture celebrations for 2008.

The Heritage Lottery Fund

The Heritage Lottery Fund (HLF) has become in recent years a principal agency for funding both area-based and historic building projects in Liverpool, complementing the activities of English Heritage. It plays a very significant role in this respect.

HLF's contribution to area-based schemes include:

- Castle Street Conservation Area Partnership Scheme (2000–03) supporting four building repair projects with a total public/private investment of £1.4 million.
- Lower Duke Street Townscape Heritage Initiative (THI) which from 1998–03 supported the Ropewalks initiative with £1.5 million, which helped secure some £110 million total public/private investment (see further details below).
- Liverpool Townscape Heritage Initiative (proposed start 2004) anticipating a public partnership fund of some £4.5 million, that will likely secure some £13 million as a direct output.

HLF has and continues to contribute to a number of high profile historic building repair projects. These include:

- St Georges Hall restoration project (2002—to date)—HLF is funding £12.6 million of the total project cost of £18 million.
- Palm House restoration, Sefton Park—HLF support for a project totalling some £3 million, completed in 2001. A project very much based in the local community with grant being made jointly to the City Council and the Sefton Park Palm House Preservation Trust.
- Liverpool Museum and Galleries—HLF contribution of £31 million to the project which will improve three of the Museum's eight sites, creating new opportunities for public access, enjoyment and lifelong learning. Five historic galleries are being restored for public use, and to create innovative displays and attractions providing as much as 70% more space, bringing thousands of treasures out of store; improving access and circulation and upgrading education and visitor services.
- Central Library restoration—£15 million HLF funding is being sought towards an anticipated £30 million project to restore and upgrade the city's central library and archive.
- The Bluecoat School—Liverpool city centre's oldest building and presently run by the Bluecoat Trust as an arts centre. HLF is contributing £1.5 million to a partnership funding package of £9.25 million that includes the Arts Council, Northwest Development Agency, the Trust and European ERDF funds.

In recent years, as its own funding programmes have expanded, the Heritage Lottery Fund has been encouraging the City Council to developing a strategic approach to defining, managing and funding historic environment projects in the city. This is welcomed as the most effective way to establish priorities and develop programmes for funding. The City Council is currently in the process of producing a draft Heritage Strategy that ties into the city's wider regeneration strategies.

Ropewalks is probably the most significant historic environment project in the city centre at present. HLF has been most effective in the role it has played in promoting and delivering the project. The HLF can genuinely claim to have led regeneration in the area through its £1.5 million THI programme. This funding appears to have helped secure some £110 million investment from other public and private sources. Projects have been delivered within the framework of an Integrated Action Plan, supported by a public/private sector Board, chaired by the City Council as Accountable Body for the public funding. Community involvement helped shape the Action Plan.

A comprehensive public realm project has been implemented, transforming the street environment with use of stone flags and setts, street furniture, innovative lighting, artwork and planting. This has made the area more attractive to investment and visitors, and as a residential area. A thriving night time economy is matched by day time uses based around creative industries (high-tech art, music and design). Refurbishment has been high quality and new build innovative and modern. Altogether, grant funding and the investment it has attracted has created some 80 new additional jobs and 900 apartments. Approximately 15,000 square metres of floorspace has been returned to use with a further 10,000 anticipated. The success has acted as a catalyst for the city's Grosvenor Henderson retail expansion of the city centre, whilst a substantial part of the Ropewalks area is within the nominated World Heritage Site.

3. WHETHER ORGANISATIONS CARRYING OUT REGENERATION PROJECTS GIVE SUFFICIENT REGARD TO HISTORIC BUILDINGS

There are in Liverpool a great many public, private and voluntary sector organisations (national, regional and local) carrying out regeneration projects. There are also the various public authorities with statutory responsibilities, contributing to the city's regeneration. Regeneration is a broad objective for a great many organisations not all of which are focussed on the built environment. It is a complex picture and the regard each has for historic buildings varies.

That regard does vary can in part be attributed to strategic direction. At present the City Council is developing direction at a strategic level to reflect the aspirations recently expressed in the joint DCMS and DTLR policy statement *The Historic Environment: A Force for Our Future* (2001) for using the historic environment, in its broadest sense, in an imaginative and inclusive manner to enrich civic life. It sees this as a key means to ensure that all organisations give the issue sufficient regard.

The arrangements introduced by the Local Government Act 2000 for strategic partnership and direction are being used relatively successfully in Liverpool to co-ordinate the various authorities and other organisations operating in the city. A Local Strategic Partnership (LSP), "Liverpool First", has been set up with representation from some 33 public, civic and voluntary organisations. The Partnership's Community Strategy, *Liverpool First: Our Community Strategy*, sets out key regeneration priorities and actions (complete with indicators and targets) that the constituent organisations and their various partnerships are to deliver. A monitoring regime has been developed to chart progress in achieving objectives.

However, at present, the historic environment is a developing issue in the Community Strategy. There is a key aim in the strategy to reduce the city's number of listed "buildings at risk" (from some 10% to the national average of 4%). This is a vital issue for the city (for reasons explained in response to Questions 1) but it is acknowledged that there does need to be expansion of the historic environment topic in the Community Strategy to encourage regeneration organisations to better account for historic buildings. However, that the LSP arrangements are in place is an advantage in achieving this.

The historic environment, however, is being developed as a cross-cutting theme in the city's regeneration—for example, through the *Historic Environment of Liverpool Project* (HELP). This will in time be reflected in the Community Strategy. That it is not at present may reflect some of the early difficulties in defining the relationship between the "holistic" Community Strategy and the city's spatial planning process through the Unitary Development Plan. There is now a better understanding of how the Development Plan works as the spatial expression of the Community Strategy. There is scope in the future review of the Community Strategy, to better reflect the role historic buildings can play at this strategic level, which should feed down in to project development and delivery.

In part, to provide a strategic dimension for the issue, the City Council has appointed a Heritage Champion as recommended in *A Force for Our Future*. This is a political appointment with the intention that the Champion becomes a "voice for the city" on historic environment and heritage issues. Links between the Champion and her agenda through HELP and the Community Strategy are being developed. In the city's cabinet-style of decision-making, the Champion has a potentially important cross-cutting role.

The principal regeneration agencies operating in Liverpool have taken account of the historic environment in formulating their programmes. They have assisted the refurbishment and re-use of historic buildings by including within their funding programmes discrete historic building streams that can be used to match-fund the programmes available from English Heritage and HLF (see response to Question 2). Currently, the agency responsible for delivery of the city's "round 6" Single Regeneration Budget (SRB) programme, Cityfocus, is contributing some £800,000 match-funding to two area-based historic buildings initiatives. The Northwest Development Agency has underwritten the city's World Heritage Site application and is contributing to the city's Buildings at Risk project (further details below).

“On the ground” there are five area-based, community partnership organisations covering 29 of the city’s 33 wards and responsible for co-ordinating regeneration plans. Additionally, the city centre is covered by Liverpool Vision, one of the country’s first Urban Regeneration Companies—an organisation representing the City Council, the Northwest Development Agency and English Partnerships. These area-based bodies have produced and continue to produce a plethora of spatial/physical regeneration frameworks and more-detailed area master plans. The regard each gives to historic buildings varies, although in all cases it is identified as an issue based on identifying statutory designations.

Not unexpectedly, in the city centre where about half the centre is covered by conservation area designations, the greatest concentration of listed buildings and now a proposed World Heritage Site (along with quite severe problems of under-use and dilapidation in the historic building stock) Liverpool Vision is paying high regard to the matter. Liverpool Vision’s core strategy document, *The City Centre Regeneration Framework*, recognises the vital role of historic buildings and public spaces, and this is reflected in its implementation strategies, such as the current *Ropewalks 2 Strategy*. It has been supportive of analysis to better define the issue and to explore the potential positive contribution historic buildings may play, along with understanding the particular problems they present for the development and property sectors. The means for this is the HELP initiative, in which Liverpool Vision is a partner. Liverpool Vision has supported projects, and whilst tensions around the preservation of particular historic buildings have occurred (particularly given the condition of some historic buildings in Liverpool), Liverpool Vision has signed up to, and is playing a central role in the HELP initiative.

The City Council and English Heritage are working closely with Liverpool Vision on major projects which impact on the historic environment, including the retail-led regeneration of the Paradise Street Development Area; proposals for the Kings Dock; proposals for a “Fourth Grace” on the Pier Head; and master planning for various parts of the historic city centre, including the Pier Head. With some healthy debate, Liverpool Vision is generally sympathetic to a sensitive approach to the historic environment and is paying it good regard in its strategies, plans and actions.

The Northwest Development Agency has recognised the historic environment as strategic issue in its economic development strategy for the region. This is being followed up by funding for projects. The Development Agency, for example, is assisting with some £300,000 funds for the city’s World Heritage Site bid (research, professional fees and printing and publicity costs) and is supporting the city’s Buildings at Risk project.

With regard to the latter, the city’s key regeneration agencies, Liverpool Vision and the Northwest Development Agency, have recognised the strategic nature of the “buildings at risk” problem; that it arises from decades of underinvestment in the city, and is causing blight and market blockages. Under the HELP banner, current projects and joint-working are being developed to support more proactive compulsory acquisition strategies; funding initiatives; and, links with development and property sector (and heritage organisations). Identifying the issue as a strategic concern is a pre-requisite for addressing it in a co-ordinated, priority-funded manner—rather than in an *ad hoc* and opportunistic manner. The Liverpool Buildings at Risk project is being supported by the Northwest Development Agency, contributing some £1 million to the first phase of the city’s Buildings at Risk project (statutory action) and is currently considering an application for the second stage (grants for refurbishment and re-use through HLF’s Townscape Heritage Initiative) for some £1.5 million.

There is a concerted objective by partners in the city’s regeneration to provide a degree of certainty for the development industry by defining the extent of the protections for historic buildings in the city centre. English Heritage, through HELP, is undertaking a review of listing designations, to avoid last minute “spot listings”. Similarly the City Council, through HLF funding for project-development, has undertaken work to define important non-listed historic buildings in its conservation areas. The Northwest Development Agency has also contributed funding for research to identify and promote the positive use of historic buildings in the World Heritage Site Management Plan. Feeding this information in to regeneration strategies at the earliest stages provides certainty and avoids confrontation. All partners support this approach.

The picture in Liverpool city centre is of a generally good working relationship between organisations and consequently a generally good regard for historic buildings in project support, development and delivery. Exemplar historic quarter projects are the outcome, such as Mathew Street/the Cavern Quarter, the Ropewalks Merchants Quarter and in time the proposed Paradise Street retail extension of the centre. The success can be attributed to a large degree to the dialogue and close-working relationship that English Heritage has promoted with regeneration agencies in the city, particularly in the past two years through the HELP initiative.

Outside the city centre, there is a varied regard for the contribution more modest historic buildings can make to regeneration projects. This is generally based on identifying the existing designations as constraints rather than any broader “character” analysis that attempts to draw out the potential positive contributions that can be “unlocked” in the historic environment. Historic buildings that have modest architectural interest are less obvious regeneration agency targets. The restoration of less prestigious historic buildings will almost always fail on the balance sheet. The market end-value for prestigious historic building projects will encourage public agency support but agencies do struggle to understand the value (in its broadest sense) of the more modest

historic fabric—the vernacular that often speaks volumes about the social, economic and cultural history and character of the city, and tends to be close to the heart of the public, perhaps in some ways more so than the city’s prestigious architecture.

In some areas of the city, where there are fewer designations, isolated historic buildings, notably where they are unused with no obvious future use, are regarded as problems with very little sympathy for ensuring their preservation. There is often popular support against their loss, un-listed former cinemas, schools, public houses and churches are notable. There are often calls for “local listing” protection from communities. Regeneration agencies have had less sympathy with historic environment where social and economic problems are most severe.

There is a good example in Granby and Toxteth, part of the South Central Liverpool Partnership, of this holistic approach to the historic environment in a regeneration strategy. The Partnership commissioned consultants Llewelyn-Davies to draw up a broad strategy for regeneration. The area’s built heritage has been identified as a core component with potential to underpin the area’s regeneration (along with the area’s more ephemeral cultural heritage). This includes not just listed buildings and conservation areas but the local historic interest in the neighbourhood centres and expressed in the diversity of housing types—this in an area with a particularly rich historic local character. There has been a great deal of support from the local community for this approach; an approach very much in the spirit of English Heritage’s *A Force for Our Future*. Its delivery is to a large extent tied to the Housing Market Renewal Initiative (see below) and is currently being developed.

The Housing Market Renewal Initiative (HMRI) has raised many of the issues about the extent the historic environment in its broadest sense (beyond statutory listings and conservation areas) can contribute to area regeneration. The prospect of the demolition of “failed” terraces of houses has caused a great deal of thinking about the value of local character and the regard to be paid to the historic environment in its broadest sense. The volume house building industry’s preference, as urban policy shifts its emphasis from greenfield to brownfield sites, is for cleared sites—a *tabula rasa* approach for reasons of cost and efficiency. The local population, not unexpectedly, seek to retain aspects of their community landscape. Liverpool with its neighbouring authorities Sefton and Wirral is one of the HMRI Pathfinder areas. It is seeking to mediate in the process by working with English Heritage to undertake character analysis and identify a tactical approach to balance refurbishment with demolition and rebuild. This has been incorporated in to the HELP initiative to develop joint working between regeneration and conservation interests and to avoid an adversarial culture similar to working practice in the city centre.

If the above provides an insight in to what is a quite complex picture of regeneration activity in Liverpool, the following draws out some of the issues the City Council feels are important in this debate.

Short termism versus “the long view”

Urban regeneration agencies, programmes and initiatives tend to have short-term lives compared to investment and development cycles. The regeneration project culture calls for relatively rapid, visible and measurable achievement, which historically has led to tensions with those persons and organisations taking a more measured approach. English Heritage, for instance refers to a 30-year commitment in *The Heritage Dividend* (1999). This raises the issue of impact and a potential conservation and regeneration agency difference in approach.

Project impact: incrementalism versus comprehensive schemes

Conservation philosophy often considers that a great deal has been achieved when little appears altered in the historic environment whereas short term regeneration initiatives tend to require high profile, “quick hit” and landmark projects.

Conservation-led regeneration is at its best a subtle, cumulative and highly sustainable process. It does work with large scale projects (the multi-million pound refurbishment of St George’s Hall, for example) but recognises the value of minor projects and a “bottom up” approach in dealing with the community and the encouragement and confidence this can bring—the city’s shopfront grants programme, for instance. In effect, a series of sensitive and appropriate interventions responsive to context is called for. It is an approach particularly suited to regeneration projects in existing built-up areas. The Ropewalks project is an example of this approach at work.

The contrast is the green field, business park approach to regeneration—cleared site, “development platforms” and access roads. This model transfers badly to complex, historic urban areas.

Financial values versus social and cultural values

The value of historic buildings cannot be determined by a simple economic calculation. Less prestigious historic buildings and places will tend to be less viable projects but may be of symbolic importance to local people.

However, once in a good state of repair, historic buildings do generally achieve an enhanced value from status. English Heritage argues this case for offices in its publication *The investment performance of listed office buildings* (2002), and for houses (a 20% enhancement) in its publication *Heritage Counts* (2003).

Output versus outcome

Accurately defining outputs is important for project justification and consequently a great deal of effort goes in to calculating, achieving and monitoring outputs as a tangible measure for project success. However, it is the less precise and far broader “outcomes” that have the long-term impact and it is these that have to be sustained.

The need for appropriate professional skills

To better integrate conservation-led regeneration in to the mainstream regeneration agenda requires awareness in the regeneration sector about the wider economic and social benefits conservation projects bring. It also calls for specialist conservation regeneration skills to be developed, and for conservation regeneration professionals to be employed by regeneration organisations. This is one of the findings from English Heritage’s review of conservation resources in *Local Authority Conservation Provision* (2003).

4. WHETHER THE PLANNING SYSTEM AND THE LISTING OF HISTORIC BUILDINGS AID OR HINDER URBAN REGENERATION

The City Council prefers to restrict its comments to the issue of listed buildings which was the basis of its earlier comments in May 2002. Opening the question to consider the planning system in its totality is much more complex and the Council would wish to reserve its comment. Since its original comments in 2002, there has been a major discussion of this issue through the national review and the City Council’s comments now reflect this up-to-date position.

The City Council has submitted comments to the recent DCMS review in *Protecting our historic environment: Making the system work better*. It is generally supportive of transparency in listing (both in the reasons for listing and in the procedures for listing), and openness in the process of listing, subject to appropriate safeguards. The suggested use of management agreements can also be useful for complex buildings, as considered further by the ODPM and English Heritage research report *Streamlining listed building consent: Lessons from the use of management agreements*. This may be an effective way of applying listed building controls for Liverpool’s dock complexes, such as the Albert Dock. Review to better design the listing building control system so that it is more efficient in its administration in balancing conservation and development needs is welcomed. The City Council awaits the outcome of the review.

There are a number of shortcomings in the current system that does not help the reconciliation of historic building protection with regeneration. The following is a summary.

Regeneration in Liverpool, especially in the city centre is a balance of rehabilitation and re-use of existing buildings and new development. Urban regeneration does not imply redevelopment at the cost of protected historic buildings. There is a balance and listing procedures have had many years of refinement and allow for challenge and measured assessment of historic interest through the planning system. Investment and development professionals should be fully conversant with listing and its implications when dealing with historic buildings. The advice in Planning Policy Guidance note 15 (PPG15) has been in place for ten years. In many cases delay is caused by developers failing to take account of the issue as it is by the system itself.

Undoubtedly, up-to-date listings based on up-to-date survey information provide certainty for investors and developers as a known factor in the formulation of development proposals. It is an objective of the HELP initiative to provide this certainty for developers in Liverpool (*see* response to Question 3). But, even in these circumstances it is inevitable that there will be some conflict between developer interests and public and public policy interests to protect our heritage.

Liverpool’s List dates from the mid-1980s and has been supplemented by over 80 “spot listing” entries since then. Without up-to-date listings based on comprehensive survey, historic buildings that are not listed but potentially list-able are assessed as spot listings. This usually occurs when development proposals are in an advanced stage and represent a threat to the building’s survival. This is far from ideal and has tended to be the case for many of the historic warehouses in Liverpool’s city centre that have been identified from comprehensive survey of historic interest but await formal listing. The HELP initiative recognises this and will set in place a programme of systematic listings to update the Liverpool list. The City Council and English Heritage will debate, and hopefully come to a consensus, on future listings in the city, thereby avoiding the criticisms which often come from spot listing.

From Liverpool experience, the system of spot listing requests to the Secretary of State and possible use of Building Preservation Notices (more often threatened rather than served because of the possibility of compensation against the Council) cause unforeseen delay, usually of months, at a critical stage and create animosity. Listing Inspectors are difficult to contact and much of the contention is left with the local authority to deal with. A much more rapid response is needed in these circumstances but Listing Inspectors appear not to have sufficient resources for a rapid response in every case.

Whilst spot listing may have saved many valuable historic buildings in the city, the very nature of the process and the time taken to resolve the issue can influence the investment and development market's perception of the historic environment, seeing it as a problem and failing to see the positive contribution it makes to the city's regeneration.

A "local list" prepared by the local authority (as advised in Planning Policy Guidance note 15) can help provide some certainty by acting as the "feed" for formal listing requests. However, with no statutory protection for locally listed buildings against pre-emptive demolition (except in conservation areas where all unlisted buildings are protected) there is little incentive for the City Council to undertake the survey work necessary to produce such a list. A local listing can be little more than an invitation for a developer to demolish a building before commencing discussions with the City Council, and this can cause a controversy and a very antagonistic relationship between all parties affected by the decision.

The contribution of locally listed buildings to the city's regeneration can be beneficial, along the lines argued in *A Force for Our Future*. The suggestion in the current designations review to allow some form of protection for local listings is welcomed. However, as with current statutory listings there has to be both a process and resources to keep the list up-to-date that ameliorates the concerns of the development industry. As the City Council has seen, without this, historic building protection does hinder the urban regeneration through uncertainty, delay and creating a culture of conflict with developers and investors. The delays caused by spot listing requests for historic buildings also do nothing to bring together conservation and development interests. Liverpool's response to this is the HELP initiative—for details see the response to Question 2.

5. WHETHER ALL GOVERNMENT DEPARTMENTS TAKE ADEQUATE ACCOUNT OF THE HISTORIC ENVIRONMENT

No observations.

6. WHETHER FISCAL AND LEGISLATIVE CHANGES SHOULD BE MADE

The City Council is encouraged by the Government's policy statement in *The Historic Environment: A Force for Our Future* and generally supports any legislative changes required to secure implementation of its principal recommendations as set out in the *Summary of Action Points*. It would like to think that its own contribution, with its partners, to delivering this agenda is helping to establish best practice. It looks forward to Government introducing measures to address, in particular, skills issues and social inclusion for the historic environment, and to better incorporate archaeology in to the legislative framework (through statutory footing for the Sites and Monument Record). The auditing approach for the historic environment that is recommended, and that has now been introduced in the first *State of the Historic Environment Reports* from English Heritage, is especially welcomed. The need to monitor, analyse and respond to pressures affecting the historic environment is vital in its stewardship. There may be advantages in enshrining this in legislation.

The City Council is also generally supportive of many of the suggestions to up-date and improve the historic environment legislative framework as set out in the DCMS consultation paper *Protecting our historic environment: Making the system work better* (July 2003). The City Council responded accordingly through the Merseyside Policy Unit and the Merseyside Conservation Officers' Group. Its principal concerns are about the workability of a single consent regime (and awaits further advice); the need for statutory protection for local listings (*see* further comment below); changes for Article 4 Directions and permitted development rights in conservation areas; and that resource implications are factored in to any changes.

The issue of large numbers of historic buildings in a poor condition and under-used is a particular concern for Liverpool. In October 2000, the City Council sent a submission with this issue uppermost to the Rt Hon Chris Smith MP, at the time Secretary of State for Culture, Media and Sport entitled *Protecting Liverpool's Heritage*. Many of the City Council's concerns and suggestions have been superseded by events in the city, especially since the HELP initiative has started to address the problem. However, the following points from the document are still pertinent.

- Powers that enable local authorities to step in at a much earlier stage to tackle poorly maintained historic buildings are needed. At present there are only "last resort" measures in the Planning (Listed Buildings and Conservation Areas) Act 1990. The City Council has attempted to use Notices under section 215 of the Town and Country Planning Act 1990 (that address untidy land) to tackle ill-maintained historic buildings that blight the city centre. A more rigorous definition of

the basis of the Notices—“adversely affecting the amenity of an area”—and fines that are a real deterrent, comparable to section 9 of the Planning (Listed Buildings and Conservation Areas) Act 1990, would assist this approach.

- Under section 215, default powers are needed that come into effect immediately when an owner fails to comply with a statutory notice, irrespective of whether the notice is appealed, enabling the necessary works to be carried out by the authority. The power to sue owners to recover costs incurred in carrying out works in default is also needed.
- Complementary to the powers above, a statutory duty of care on owners of listed buildings, with tough penalties for failure, to adequately maintain their building.
- Legislation allowing local authorities to better protect buildings in conservation areas that are not listed. The City Council has used Urgent Works Notice procedures for unlisted buildings in conservation areas, which require Secretary of State approval. However, this power is limited to minimum works to hold the situation. This can be little more than buttressing, scaffolding, tarpaulins and tin sheeting. The result stabilises the building but blights the area. The Council has no further powers to seek repairs or compulsory acquisition as it has with listed buildings and the eyesore can remain indefinitely.
- A local authority “fighting fund” is needed to enable the purchase and “mothballing” of buildings when an immediate new use cannot be found. The basis of this would come from a strategic approach to buildings at risk at regional level.
- VAT exemption on works of repair to listed buildings. It seems extremely odd that “alterations and additions” are in some cases exempt from VAT, whilst the more sensitive works of “repair” are not. The emphasis seems to encourage a less sensitive approach.
- Simplified procedures for compulsory acquisition.

Since then, and in the context of this wider debate about regeneration and the historic environment, other issues have arisen and the Council asks that the Select Committee also considers the following.

State Aid Rules

European legislation in respect of State Aid rules is causing confusion in terms of its interpretation and incorporation in to UK practice. The rules continue to cause confusion following the reported decision in January 2002 by Advantage West Midlands, the Midlands’ Regional Development Agency, to withhold funding to the Middleport Waterfront HLF project under its Townscape Heritage Initiative.

Some two years on, the rules seem particularly difficult to interpret with lack of clear advice from all organisations. In recent months English Heritage and the HLF have provided more definitive advice about their own programmes (The Council understands that certain of their national funding programmes have now been notified to the European Commission and have been approved). The Northwest Development Agency which is being sought as a significant match-funding source for heritage projects following the demise of the SRB programme has been unable to provide definitive advice about the impact on its own funds to be used to complement those from the heritage agencies.

The issue has delayed applications for funding for historic environment projects and looks likely to continue to do so unless there is more widespread and unambiguous advice as to how to deal with it.

Local listings

This issue has been raised by City Councillors and is welcomed that it has been considered in the recent consultation *Protecting our historic environment: Making the system work better*. Concerns have been expressed in a number of the City Council’s responses to other Questions, but the following expands on this.

Buildings included on local lists have no protection against pre-emptive demolition (other than where they are in conservation areas where all unlisted buildings are protected against demolition without consent). There is advice in Government planning policy notes (PPG15) that local lists can be a useful management tool for the historic environment. There is no incentive for the Council to produce a local list whilst there is no control over demolition.

The designations review *Protecting our historic environment: Making the system work better* suggests the existing grade II listings be reviewed to move some buildings on to a locally-maintained list. The City Council cautiously supports this, provided the local list has some statutory protection, that there are firm criteria for what to include on the list and that resource implications are accounted for.

The City Council sees three possible legislative paths for introducing control for local listings, any one of which it would welcome. The first two suggestions would be to use listed building legislation. One suggestion is that demolition of buildings included on a formal local list be controlled by an extension of the powers presently available for unlisted buildings in conservation areas. Alternatively, section 1 of the Planning (Listed Buildings and Conservation Areas) Act 1990 would not seem to preclude formal listing for locally important buildings—there is no reference in this primary legislation to “national interest” for listing, only

“special interest”. The third option there City Council considers would be workable is to amend the General Permitted Development Order to bring demolition of locally listed buildings under general planning control within the definition of “development”.

It would be anticipated that national and/or development plan policy would apply less stringent controls on alteration and extension than full listed building control, being similar to control over unlisted buildings that contribute positively to conservation areas.

Archaeology

The Sites and Monuments Record should be placed on a statutory basis. The City Council welcomes the suggestion for an options study, as suggested in *A Force for Our Future*, but supports the case put forward recommending incorporation in statute in the earlier review *Protecting Our Heritage* issued by the former Department of National Heritage in 1996.

Setting the standard for listed building applications

There is a need for greater control over the quality of listed building applications submitted to the local authority and control over the quality of the work implemented. The latter especially so, as unauthorised work to a listed building is potentially an offence under section 9 of the Planning (Listed Buildings and Conservation Areas) Act 1990, and poor or ill-informed work can prejudice the long-term preservation of a historic building. Monitoring site work for listed buildings places a heavy burden on already stretched conservation staff with the City Council.

It is suggested that higher standards could best be provided by a legal requirement for an accredited professional in building conservation to submit all listed building applications—possibly above a certain threshold that excludes minor work. And, for that professional to be required to supervise work. There has been some progress to this with the three principal building professions (RIBA, RICS and ICE/IStructE) introducing accreditation in historic building conservation.

English Heritage and HLF are about to introduce a requirement that all their grant-aided work is overseen by an accredited professional. Legislation should extend this to cover all major listed building work.

Introducing “conservation areas” in other legislation

Conservation legislation, aimed at preserving or enhancing the special character and appearance of historic areas, is almost set up to fail in respect of the public realm by the restriction of the duty solely to the planning system and the control of development. The definition of “development” which forms the basis for planning control excludes many activities that occur in the public realm, principally those under the Highway Act.

The most common subject in letters from residents concerned about changes in their local conservation area is public realm works—works that fall outside of planning control, which they erroneously assume is controlled by the conservation officer. The related issue of “street clutter” is also a concern for the City Council. It has been raised as a World Heritage Site management issue in the draft Management Plan.

It would assist conservation area management if a conservation area duty was included in other legislation, most notably highways legislation. The good practice guides by English Heritage and English Historic Towns Forum would cease to be voluntary codes and could be applied with more rigour. This would be similar to the introduction of “historic buildings” in the Building Act which appears to be working well to reduce conflict between new energy conservation requirements and the interests of historic buildings.

Public funding mechanisms for historic building repair

The means for public funding to support historic buildings in private ownership is very limited. Outside of English Heritage and HLF area-based grant schemes, the only significant public funding is for grade I and II* listings by English Heritage (representing about only 6% of all listings), or through HLF funding for buildings held by non-profit making organisations. Private owners of listed buildings regularly seek support from the City Council and there is no assistance that can be given. There is needed a national funding measure to support the private owners of listed buildings.

Supplementary memorandum by English Heritage (HIS 32(a))

ADDITIONAL INFORMATION PROVIDED BY ENGLISH HERITAGE IN RESPONSE TO ISSUES RAISED DURING THE INQUIRY

1. WHAT IS THE TOTAL LEVEL OF GRANT GIVEN BY ENGLISH HERITAGE AND HOW MUCH OF THIS IS REGENERATION?

In 2003 the total level of grants given by English Heritage was £39 million.

We do not specifically code all our grants in relation to regeneration so it is impossible to get a really accurate figure, although some of our area grant schemes and grants to individual buildings would have a regenerative element.

However between 1999 and 2002 our HERS schemes (Heritage Economic Regeneration Scheme) distributed on average £9 million. It is important to note that most of this funding went on schemes that the major regeneration agencies would not fund because they are too small scale or do not fall into their areas of priority. English Heritage is therefore filling an important gap and targeting our relatively small sum of money carefully and with good effect.

Our evaluation of HERS schemes show that they also lever in match funding:

£10,000 of heritage funding levers in £46,000 of funding from other public and private sector bodies, which together improves 41 square metres of commercial floorspace, 103 square metres of environmental improvements, creates one new job, safeguards one job and improves one home.

2. WHAT KIND OF WORK QUALIFIES FOR GRANT AID?

All our grant programmes are currently under review however we have a number of different grant schemes the details of which are:

Grants for individual Historic Buildings, Monuments and Sites

This scheme offers help to some of England's most significant historic buildings, sites and landscapes. Grants have covered everything from the repair of the greatest houses and their associated gardens, through ruined castles and abbeys, to nationally important public buildings and monuments of the Industrial Revolution such as collieries and railway viaducts.

Grants are offered to private owners, commercial organisations, public bodies not directly funded by the Treasury, local authorities, building preservation trusts and other charities.

Grants are primarily for major repair work urgently required within the next two years. We do not grant-aid routine maintenance and minor repairs. Eligible repairs can include conventional buildings repairs such as renewal of roof coverings etc as well as research and analysis to inform such work. The scheme is currently under review and revised guidance will be published at the beginning of April.

Repair Grants for Places of Worship in England 2002-05

This scheme is jointly funded by the Heritage Lottery Fund and English Heritage.

The scheme is for urgent repairs to the fabric of all listed places of worship in England (excluding cathedrals). All faith groups and denominations, Christian and non-Christian, are eligible to apply so long as they are a formally constituted religious organisation.

All grants are based on a two-stage process. We offer stage-one development funding for those projects that successfully meet our assessment tests and seem most likely to qualify for stage-two grant towards the main repairs.

The Cathedrals Repairs Grant Scheme

This scheme includes those cathedrals in the Church of England covered by the Care of Cathedrals Measure 1990, and Roman Catholic cathedrals within Historic Church Committee (HCC) control, that are eligible under English Heritage grant-giving powers by virtue of being declared "outstanding" or because they stand within conservation areas. Grants are offered primarily for priority major repairs to the historic fabric and not for alterations, additions or improvements nor for maintenance or minor repairs. In addition grants will be offered, where appropriate, for non-repair items commensurate with protecting the integrity and security of the historic fabric, such as survey, fire detection and passive control measures, safe access for maintenance, archive protection and conservation plans. The scheme is currently being reviewed and the round of offers for 2004-05 are the last to be made under the Scheme in its present format.

Grants for War Memorials

This scheme is jointly funded by The Wolfson Foundation and English Heritage and administered by Friends of War Memorials.

Grants are offered for the repair and conservation of free-standing war memorials. This may include urgent repairs, work to improve legibility of eroded inscriptions or the reinstatement of lost elements.

Heritage Economic Regeneration grants (HERS)

The Heritage Economic Regeneration Schemes (HERS) were launched in 1999 and replaced Conservation Area Partnership Scheme (CAPS) as English Heritage's primary area-based funding programme.

The focus of HERS is on commercial and mixed-use areas, in recognition that it is these areas which most overtly combine heritage importance, repair need and economic malaise.

The programme is targeted on conservation areas of demonstrable economic need, where the economic base of the area is fragile and where there is a regenerative benefit to heritage investment.

Schemes have been set up in run down inner-city districts as well as problem suburbs, redundant industrial or coalfield sites, fishing ports, decaying market or sea-side towns and declining rural settlements.

The first priority is the repair of buildings, but schemes may also include works of enhancement. There have been five rounds of the programme which is now drawing to a close and the final offers will be made in 2005–06. A scheme to replace it is currently under review.

Grants to Support Local Authority Posts

English Heritage can consider help to establish permanent specialist conservation posts in local authorities currently lacking them, or where provision is greatly inadequate in relation to heritage responsibilities.

Grants to Support Statutory Action

English Heritage offer grants to local authorities to support statutory action in two areas:

- Grants to local authorities to underwrite Urgent Works Notices.
- Acquisition grants to local authorities to Underwrite Repairs Notices

Both these schemes are designed to encourage and support local authorities in the use of their statutory powers to ensure that work urgently necessary for the preservation of a historic building is undertaken. In extreme cases English Heritage may offer grant to help acquire a building, if deemed necessary.

3. AVERAGE LEVELS OF GRANT GIVEN?

Again this depends on the scheme but in general the level of grant we give is quite small and often acts as a pump priming mechanism. We are often the first people to put money on the table and help to get a project off the ground.

It is our area based grant schemes that are most likely to produce a regenerative effect. These grants are generally very small. We usually allocate £50–100,000 to a Local Authority who then distribute the funding normally in small grants of between £5,000 and £10,000.

4. WHAT LEVEL OF STAFF TIME IS SPENT ON GRANT GIVING AND REGENERATION?

We do not formally record time in this way although we are considering introducing a new system that will capture this information.

However we estimate the following for regional staff who carry most of this work:

Admin staff in our regional offices:

- 50% on grant work (much of which would not be regeneration); and
- 5% on specific regeneration grants.

Historic Areas Advisors (these posts administer our area based grants):

- 30% on grants many of which would have a regenerative element; and
- 30% on advice regarding area based activity some of which will have a regenerative element.

Land Use Planners:

- Our planners spend some of their time commenting on strategic plans and masterplanning which would include some regeneration initiatives but which would account for perhaps 20% of their time.

The advice side of our work is very important and is where we can contribute most effectively to the quality of developments.

Supplementary Memorandum by the Church Heritage Forum (HIS 24(a))

The Dean of Chelmsford and I were very glad to have the opportunity of appearing before the Committee on 9 February and appreciated their interest in the contribution which church buildings can make to urban regeneration. The Committee may also wish to take account of this further update together with further reflections on one of the Committee's questions.

In the context of encouraging wider use of church buildings, we referred to the draft Measure about to go before the Church of England's General Synod which would give scope, for the first time, for churches in use to enter into leases with other bodies. Hitherto that has only been possible by making the part of the church which is to be leased formally redundant, with all the negative connotations that involves. The only alternative which has been available, for the new occupier to be granted a licence, has not provided sufficient certainty for potential users; and, significantly in context of regeneration, has not provided sufficient certainty to satisfy potential funders. During the debate at Synod several examples were quoted of the difficulties caused by the present situation, and the benefits which the proposals would bring to church and community alike. The draft Measure was strongly supported. This debate relates to the Measure's first consideration (equivalent to a Parliamentary "Second Reading"): it now has to pass through the rest of the legislative process, but the principle is clearly supported.

In this context we would also like to expand on our comments about your experience in Norwich, where you found many churches shut. As we pointed out at the time, Norwich includes large number of redundant churches no longer in the ownership of the Church of England but in the care of the Norwich Historic Churches Trust; it has to be acknowledged that the sheer number of redundant historic churches in Norwich does create a challenge for the Trustees in finding appropriate uses and keeping the churches open. The way forward has to depend upon resources as well as commitment. However, we understand that there are currently proposals to form a new Trust in Norwich to deal holistically with the historic buildings owned by the City Council, and to integrate their approach to education and access.

Churches still in use raise the same challenges. Ideally we would wish to see them all regularly open—and indeed the Ecclesiastical Insurance Group, who insure most Church of England churches, now advise that (after a parish has made sure that valuable items are securely locked away or security measures taken) a church which is open and in which people are active is much more secure than one which is locked.

But this advice has to be tempered by what is practical and comfortable for the parish. The sad fact is that in many urban areas an open church will be seen as an invitation to vandalism, and manning the building (with at least two people at a time, for personal security) may simply not be feasible for a small congregation who themselves are hanging on in a difficult environment. Nevertheless we understand that there is an increasing recognition among the congregations of Norwich churches still in use for worship of just how important it is to keep church buildings open, and an increasing wish to make them available for the community.

More generally the Open Churches Trust, and some local tourist bodies, now increasingly encourage initiatives to keep churches visited and open, and we warmly support these. But in many of the areas in which the Committee is most interested the community, and the local environment, may need to make strides in regeneration before an open churches policy even becomes possible to contemplate. This is another example of the importance of collaborative efforts to enable these buildings to come to life—and indeed where streams of funding from secular bodies specifically to help with the maintenance or running costs involved in keeping church buildings open could be extremely helpful in freeing up the energy of the congregation to use their building more for the wider community.

We hope that these further comments will be helpful.

Supplementary Memorandum by English Heritage (HIS 32(b))

EXAMPLES OF SPOT LISTING PROCEDURES DURING DEVELOPMENT PROCESS

The Secretary of State is bound by law to list any buildings that are of special interest when they are drawn to her attention, but cases where buildings are listed when detailed plans for their redevelopment have already been drawn up are nevertheless rare. One recent case, which might have caused problems had the decision gone the other way, was Birmingham Central Library, where, having been advised by EH that the building was of listable quality, the Secretary of State's decision was not to list; (that the building was not of special interest). Another recent case involved Drapers Gardens, a 1960s office block by Seifert and Partners in the City of London. Although recommended by English Heritage for listing in 1994, the then Secretary of State decided that it was not of sufficient interest to merit listing. Redevelopment proposals were drawn up with the support of English Heritage, and in 2002 the owners asked for confirmation that it was not listable. Since there had been no change in the historic significance of the building, English Heritage had no option but to repeat its earlier advice, although aware of the problems that might be caused. In the event, the Secretary of State reached the same decision as her predecessor.

ENGLISH HERITAGE'S AREA GRANT SCHEMES

English Heritage's Heritage Economic Regeneration Schemes (HERS) were introduced in 1999 as the successor to its Conservation Area Partnership Scheme (CAPS). In all, there have been five annual rounds, the final one starting in 2003–04. As each HERS round runs for three years, the final offers will be made in 2005–06. There will then be a further two-year run-on period to enable work to be completed and the grants claimed.

Following consultation, a new grants strategy was approved by English Heritage's Commission in March 2003. This will be implemented through a series of Regional Casework Delivery Strategies which are being developed in consultation with regional and local partners. These are due to be finalised in April. English Heritage's regions will have the freedom to continue to support partnerships with local authorities to encourage area regeneration, and will be able to determine within the available funding what the level of grants should be.

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Memorandum by HM Treasury (HIS 55)

INQUIRY INTO THE ROLE OF HISTORIC BUILDINGS IN URBAN REGENERATION

Thank you for your letter of 1 February. The Government welcomes the Urban Affairs Sub-Committee's inquiry into the role of historic buildings in urban regeneration. The Memorandum you have received from ODPM sets out the extent of Government support in this area more fully than I can in this letter.

In November 2002, the Chancellor of the Exchequer reaffirmed the commitment that Government and the Treasury have to urban regeneration in his speech to the Urban Summit. 50, 20 or even 10 years ago the idea that the Treasury would be interested in issues like public space, the design quality of public space, the design quality of public procurement in urban areas, devolution, regionalism and social exclusion would be almost unthinkable. But we know that not only are these questions vital to successful, economically vibrant cities but they are at the heart of the agenda for social and economic progress, and we are privileged to be associated with the challenge, led by the Deputy Prime Minister, of creating sustainable communities in our towns and cities.

VAT ON HISTORIC BUILDINGS, LISTED PLACES OF WORSHIP AND THE REDUCED RATES REVIEW

The current VAT treatment of work on Historic Buildings is partly the product of historical development, and it may be helpful in explaining the Government's approach if I set out the background. When VAT was introduced in 1973, zero-rating applied to the construction, extension and alteration of all buildings. In contrast, the repair or maintenance of existing buildings, including listed buildings, was and has remained standard-rated.

Because of difficulties in administering the borderline between "repairs" and "alterations", the relief for alterations was largely withdrawn in 1984 although, in response to concerns raised by heritage bodies, the zero rate for work "carried out in the course of an approved alteration" to a listed building was retained. In 1989, following infraction proceedings by the European Commission, the zero rate was restricted further to exclude works to commercial buildings.

The current position, inherited by this Government, is that zero-rating applies to the construction and sale of new dwellings and communal residential and charitable buildings. Zero-rating also applies to approved alterations to a listed building which is a dwelling or communal residential or charitable building. Long-standing formal agreements with our European partners allow us to keep our zero rates as they currently stand, but do not allow us to extend them or introduce new ones.

Although we cannot introduce new zero rates, in common with other EU Member States, we can introduce a number of reduced rates, but only on a prescribed list of goods and services set out in Annex H of the EC Sixth VAT Directive and at a rate of not less than 5%.

The current reduced rate list includes a category for the "supply, construction, renovation and alteration of housing provided as part of a social policy". In its current form, Annex H does not include repair and maintenance work.

The Commission has made proposals to amend Annex H to clarify the reduced rate provision by removing the distinction that housing should be "provided as part of a social policy" and by specifying the inclusion of the repair and maintenance of housing. If that proposal is agreed, the Government will examine the potential costs and benefits of applying a wider relief in the UK, focusing on those measures which offer the best-targeted and most efficient support for its key social objectives.

We have yet to see any detailed cost-benefit analysis in support of the case for a reduced VAT rate to be applied to repair and maintenance of historic buildings. We would need to see evidence that a blanket reduced rate for all repair and maintenance work would be an efficient and well-targeted use of resources. We would need to be reassured that the absence of a reduced VAT rate on repairs does hinder the maintenance of historic buildings and that most of the benefit would not just go to middle and higher income households making improvements to houses already in a good state of repair.

In your letter, you also mentioned the position on a reduced rate of VAT for repairs to churches. In his Pre-Budget Report in November 2000, the Chancellor made clear this Government's particular concern for listed buildings used as places of worship. We recognise the importance of these buildings within their communities, and that the need to use specialist craftsmen and costly materials means that their upkeep can be a heavy burden, particularly on small congregations. That is why then we asked the European Commission at that time to bring forward proposals to extend the categories of permitted reduced VAT rates in Annex H of the Directive to include the repair and maintenance of listed places of worship.

We have been negotiating hard with our European partners on a review of the EU rules governing reduced VAT rates, and we are grateful for the continuing support that churches and other faith groups are giving to our case by making their point of view known to the Commission. Although at this time the future of these negotiations is uncertain, it remains one of our objectives to achieve a reduced rate of VAT for repairs and maintenance to listed places of worship.

In the meantime, we continue to provide support through the Listed Places of Worship Grant Scheme, which has paid out grants of over £17 million to help support repairs to thousands of places of worship since it began in 2001. In December 2003 the Chancellor announced that funding for the grant scheme is in place for a further two years, until the end of March 2006, and in this year's Budget we extended the grants to cover the full cost of VAT.

TAX CREDITS

The US tax credit system provides an incentive for the owners of historic buildings that have a continuing commercial life to bring them back into use. Its impact seems to have been modest and to carry quite a high cost to the Treasury. The system also appears to be fairly complex and bureaucratic.

It is also worth noting that a US-style tax credit would not support the restoration of buildings owned by non-taxpayers, including religious and educational organisations, charities, the National Trust, Local Authorities and the Government. Nor would it help the numerous buildings that have no business use, including churches, ancient monuments, cemeteries, parks and ruins.

Before considering such a system for the UK, we would need to see evidence that there is a market failure in the UK handicapping the restoration and re-use of historic buildings that are commercially viable. A case would need to be made to demonstrate the benefits of tax relief over existing Government direct/grant support for the repair, restoration and conversion of historic buildings (including targeted schemes administered by, for example, English Heritage, Historic Scotland, Northern Ireland's Environment and Heritage Service, Cadw, the Countryside Agency, DEFRA, ODPM, Regional Development Agencies).

However, the Government has introduced measures that support the regeneration of deprived areas. These include flat conversion allowances; VAT reductions for residential conversions and renovations; enhanced tax relief for cleaning up contaminated land; stamp duty exemptions for all properties up to £150,000 in disadvantaged areas, abolition of stamp duty on all non-residential property transfers in disadvantaged areas; and introduced the Community Investment Tax Relief (to stimulate private investment in disadvantaged areas).

VACANT BUILDINGS AND THE PAYMENT OF BUSINESS RATES

Finally, you mention vacant buildings and the payment of business rates. In general there will be no business rates to pay for the first three months that a property is empty and unused. After that time, the owner will have to pay an empty property rate bill which is 50% of the normal bill.

However, for industrial buildings, listed buildings and small properties with rateable values of less than £1,900, the owner does not have to pay empty property rates even after the first three months have passed.

The rationale for this is based on the fact that rates are generally based on occupation. The 50% empty property rate is there to encourage owners to fill their properties with tenants. This should encourage them to think of innovative ways to improve, develop or adapt their property so that it would be attractive for a tenant. A listed building, however, cannot always be easily adapted for a different use and the listing may itself restrict the degree of development that can be undertaken. Similar considerations apply for industrial and small properties. On this basis, they are entitled to remain exempt from business rates when empty beyond the three-month restriction. I understand the intention to encourage redevelopment and regeneration but we think that a balance needs to be struck that takes into account the ability to adapt to a business use.

I hope this information is helpful to your Committee as it continues its inquiry.

John Healey MP

29 April 2004

Supplementary memorandum by the Office of the Deputy Prime Minister (HIS 50(a))

THE ROLE OF HISTORIC BUILDINGS IN URBAN REGENERATION

I am writing following my recent appearance before the Urban Affairs Sub-Committee conducting the inquiry into the role of historic buildings in urban regeneration. I promised to get back to the Committee on one or two issues that had arisen during the oral evidence session on Monday 9 February. Specifically, I undertook to send you some more information about the issue of appeals, the research on the impact of the Planning Delivery Grant, and the best value performance indicators and measurements of quality for the future.

The Committee was keen to explore the question of the increase in the number of planning appeals being made to the Planning Inspectorate (PINS). You will be interested to see the enclosed recently published report of a study by Arup into the reasons for the increasing volume of appeals, *Investigating the increasing volume of planning appeals in England*. The aim of the study was to quantify and qualify the reasons for the increase in planning appeals in order to inform this Office's End-to-End Review of PINS. The Report on that Review entitled *Review of the Planning Inspectorate* was published at the same time as the Arup research and I enclose a copy of that, too.

The Arup study concludes that appeal levels are being influenced by a range of factors working in different combinations in different locations. It acknowledges that the increase in refusal rates has in part been a consequence of the increasing emphasis on meeting Best Value Performance Indicator (BVPI) targets. But this is not the whole story, and the research indicates that there has not been any systematic tendency for planning authorities simply to refuse applications in order to meet BVPI standards. It suggests that BVPIs—and central Government policy more generally—are not solely responsible for the increase in appeals and that any effect is likely to be temporary, with appeal rates settling down over time.

BVPIs are an invaluable tool to assist local authorities in improving the efficiency, effectiveness and economy of their service delivery. The two key planning BVPIs which we are rolling forward into 2004–05 are those which underpin ODPM's PSA 6 and which also provide a basis for calculating Planning Delivery Grant allocations. BV109 measures the percentage of planning applications determined in line with development control targets. And BV200 measures local authority performance on plan-making. We are also rolling forward BV106, which measures the percentage of new homes built on previously developed land. This indicator underpins the PSA target to ensure by 2008, 60% of additional housing is provided on previously developed land and through conversions of existing buildings.

Planning BVPIs have often been criticised for being too focussed on timeliness and process measures and inadequately reflecting outcomes of the planning system. We have therefore recently consulted on the introduction of two BVPIs that are designed to measure the quality of service offered by local planning authorities. The first indicator, which comes into force on 1 April, will measure the percentage of planning appeals allowed in relation to the total number of planning appeals against refusals. By looking at the success of appeals against refusals, it is possible to assess appeals performance and, indirectly, the quality of planning policy and service provided by an authority. The second indicator is a Quality of Service Checklist. The purpose of the questions in the Checklist is to assess whether quality systems that will lead to quality outcomes are in place in local authorities.

The consultation period closed on 11 February and we wrote to local authorities on 20 February with the definitive list of questions for the Quality of Service Checklist that we are proposing to introduce as a new planning BVPI. I enclose a copy of the letter sent to Chief Executives. That letter also explains that details of all planning BVPIs will be set out in the BVPI 2004–05 guidance document which we are aiming to publish later this month.

There have been allegations that some authorities have been behaving perversely by refusing applications or putting pressure on applicants to withdraw in order to qualify for increased Planning Delivery Grant. Certainly there is evidence—albeit anecdotal—that as planning authorities are becoming more business-like in delivering their planning service within target, they are increasingly inclined to turn down incomplete or poorly submitted applications. This is of course an area where developers have a key role to play if we are to achieve a more responsive planning system that better serves the needs of all stakeholders. The proposals we have in the Planning Bill enabling the Secretary of State to prescribe forms for planning permission and other consents will help in this respect. Our proposed measures will ensure that a comprehensive standard of information is provided when applications are submitted to planning authorities and this will in turn lead to greater certainty and speed in handling.

In view of the concerns raised about authorities behaving perversely, we have carried out an extensive analysis of the factors related to improved performance—the level of withdrawals, the refusal rate and the rising number of applications—and have found no consistent statistical relationship between these indicators and improved performance. Nevertheless, we have decided to impose two new conditions on PDG payments for next year. These are designed to ensure that ODPM has the power to act appropriately to withhold payment in part, or recover part or all of grant paid, where there are concerns over the accuracy or proven inaccuracies in the information on which allocations were made. We will also be reducing grant allocations to those authorities that have a poor record of success in defending appeals. This will provide a measure of assurance that the grant is not rewarding poor quality decisions.

In addition, the allocations for PDG for the coming year are now based on performance against development control targets, plan making performance, housing delivery in areas of high housing need, location of Enterprise Areas and performance at appeal. This year's allocation criteria recognise that providing a quality planning service is not just about taking quick decisions—although that is important—and they reward a broad range of planning activity.

I mentioned that we had commissioned research into how the PDG has been spent and the way in which it is working. The initial findings of the research suggest that some PDG is being spent on conservation, although the research is still underway. The project is scheduled to finish later this month and the results will be published in due course. I will ensure that a copy of the research report is sent to the Committee at that time.

The Committee also wanted to know what effect the increase in planning appeals was having on PINS performance. The attached graph shows the number of planning appeals received over the last four years and PINS performance at determining them—split between the three procedure types: written representations, hearings and inquiries. It illustrates the recent sharp increase in appeal receipts—around 10% a year in each of the two years following 2000–01 and which has continued into 2003–04.

On top of this, the reduction in the time limit for submission of appeals from 6 months to 3 months, which came into force on 5 September 2003, has had the effect of bringing forward appeal receipts and is expected to result in up to 2,500 appeals being received early between October and May 2004.

PINS have been managing their resources to deal with rising workload and the bulge in brought forward appeals. There has been a 24% increase in Inspector productivity on appeals in the first three quarters of 2003 compared to 2002 resulting from the recruitment of salaried Inspectors, appointment of additional consultants, contracted productivity and fee per case initiatives. The increase in Inspector productivity has been made possible by a similar increase in output by the administrative staff. Figures on PINS performance for 2003–04 will be announced to Parliament in due course.

I hope this helps to clarify the specific points raised by the Committee. I look forward to receiving the Committee's report in due course.

Yvette Cooper

26 April 2004

Supplementary memorandum by English Heritage (HIS 34(b))

EXAMPLES OF SPOT LISTING PROCEDURES DURING DEVELOPMENT PROCESS

The Secretary of State is bound by law to list any buildings that are of special interest when they are drawn to her attention, but cases where buildings are listed when detailed plans for their redevelopment have already been drawn up are nevertheless rare. One recent case, which might have caused problems had the decision gone the other way, was Birmingham Central Library, where, having been advised by EH that the building was of listable quality, the Secretary of State's decision was not to list. (that the building was not of special interest). Another recent case involved Drapers Gardens, a 1960s office block by Seifert and Partners in the City of London. Although recommended by English Heritage for listing in 1994, the then Secretary of State decided that it was not of sufficient interest to merit listing. Redevelopment proposals were drawn up with the support of English Heritage, and in 2002 the owners asked for confirmation that it was not listable. Since there had been no change in the historic significance of the building, English Heritage had no option but to repeat its earlier advice, although aware of the problems that might be caused. In the event, the Secretary of State reached the same decision as her predecessor.

ENGLISH HERITAGE'S AREA GRANT SCHEMES

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