

Layla Moran MP
Chair
APPG Inquiry: Conservation, People and Places

Dear Layla Moran,

AHF Response to the Conservation, People and Places APPG

About the AHF

The AHF is the leading social investor in the heritage sector. We have been investing in communities and historic buildings since 1976. In recent years, we have moved beyond funding purely heritage projects to investing in projects that achieve both heritage and social impact, often in economically deprived areas. We do this through the provision of loans, grants and other forms of social investment, such as community shares. We also provide ongoing advice and support to all our investees.

Heritage and 'left behind' places

Heritage gives places identity and helps build social capital. This is particularly true in communities that feel neglected and which in the past thirty years have often experienced mostly poor quality new development. We believe heritage assets play an essential role in strengthening civic pride and can be adapted to house the social infrastructure many places lack. We have some unease about the use of the term 'left behind' to describe a number of very different individual places, towns and cities. Many of these places do share the same post-industrial struggles or a legacy of recent public sector austerity has left them with people, neighbourhoods, high streets and town centres that are struggling to cope. The term can, however, mask the different opportunities available to places or the challenges they face. However, what is often common to all places, left behind or not, is a collection of historic assets or streets that the community take pride in and which are an important source of community identity: 76% of respondents to a 2018 YouGov poll of over 20,000 people said that history and heritage were important contributors to their sense of identity.

'There are some people who won't move and you need to make their lives honourable, manageable and pleasant where they are. That means in a sense preserving the environment, even if it happens to be a small town. Think about the small town as part of the environment. Preserving this environment is something we should just take as something we need to do, and we should find a way to do it.'

– Esther Duflo, Nobel Prize winning economist

This quote captures an important point for when discussing place and communities: that ‘left behind’ places are worthy of investment in themselves, even if their GDP contribution is lower than that of other places. Some of the policy aims and language around left behind places implies that the primary aim is for them to ‘catch up’. That should of course be the aim – particularly for health, access to housing and other basic services and key indicators of well-being and prosperity – but in purely economic terms this may take decades. ‘Catching up’ or convergence can certainly happen, as the regeneration of parts of Manchester or Liverpool can testify to. The regeneration of those cities still leaves large areas of very deprived communities, but in the 1980s and 1990s they were being written off as places in terminal decline unworthy of any significant investment and that a policy of ‘strategic abandonment’ should be enacted¹.

It will be vital to take a longer-term view of efforts to regenerate places than is often afforded by central government, but communities will need to understand and be bought into that long-term vision. Interim milestones and investments offer a means of providing shorter term successes and goals, such as a new piece of social infrastructure in a regenerated heritage asset or a high street improvement scheme (these may well come through existing programmes like the AHF’s Transforming Places through Heritage programme or Historic England’s High Street Heritage Action Zones). Both long and short term plans, set within an overall strategy, should be essential features of future regeneration programmes.

New social enterprise models for regenerating heritage assets

Although still relatively early in the development of the model, the AHF’s Heritage Development Trust² pilot grant programme is offering an example of how more community-driven and owned, heritage-led regeneration can support the revitalisation of a range of towns and cities, including those seen as ‘left-behind’. The Heritage Development Trust pilot was borne out of the AHF’s long-standing investment in Building Preservation Trusts, many of which have long served regeneration efforts involving historic buildings. The HDT model is looking to build bigger, more sustainable social enterprise developers, with the pilot programme in four locations across England: Bacup, Great Yarmouth, Sunderland and Coventry (a summary of the organisations and their approaches is provided in the appendix). Three more pilots are due to be announced shortly.

Of the four, the most deprived place on the Indices of Multiple Deprivation is Great Yarmouth. Great Yarmouth Preservation Trust has been regenerating listed, at risk historic assets within the town since the late 1970s. The Trust now owns nearly 30 individual properties, including a mix of housing, workspace, cultural and retail properties. It has led the ongoing regeneration of King Street in the town centre - 70% derelict 10 years ago and now moving towards the majority of the largely retail uses being occupied. A number of features of GYPT’s work in King Street are worth noting and offer lessons for other places:

¹ <https://blogs.lse.ac.uk/politicsandpolicy/the-leaving-of-liverpool/>

² <https://reviews.ahfund.org.uk/news/reviews/2020-21/heritage-trust-grants/>

- The regeneration of King Street has been delivered over a decade or so without the benefit of a long term 'programme'. This has meant finding different pots of largely small-scale funding, both loans and grants, to finance the work. The funding model has not enabled this work to be completed all at once, but it has meant being able to work with different end users, including many small and community businesses within the Portuguese community, and to develop the plan more organically over time.
- The relationship with the local authority has been essential, both in terms of funding and access to loan finance, to supporting compulsory purchase orders and in involving GYPT in the development of more strategic plans and bids, like the Future High Street and Towns Deal proposals.

Despite the huge impact of austerity on the Council's finances, it has continued to provide a revenue grant to GYPT and provide the organisation with long-term, cheap loan finance. The revenue grant is small but nonetheless vitally important to enabling the organisation do its work which brings in many times more investment as a result. Revenue funding is ever more difficult to find but is the essential life-blood that enables organisations like GYPT to deliver the work they do.

Heritage, well-being and community ownership of social infrastructure

As mentioned earlier, heritage plays a significant role in shaping people's identity and maintaining civic pride in local areas. An area's built heritage being in a poor state of repair or dereliction adversely effects this and feeds into people's anxiety about the direction of their neighbourhood and impacts on their well-being. Research by the National Trust in their 'Why places matter to people (2019)' report found 'a link between having a deep-rooted emotional connection to a place and having a better sense of wellbeing.'³

A poor-quality physical environment also affects investor confidence and contributes to a lack of investment from the private sector, which often avoids investment in left-behind areas, deeming it as too risky.

Local anxieties and a dearth of opportunities is made worse by a lack of or falling supply of social infrastructure such as youth clubs, libraries and generally 'things to do'; many of these assets and activities could be based in adapted historic buildings, thereby providing the social infrastructure while improving the physical infrastructure.

One role for our Heritage Development Trusts is to improve the quality of the local historic environments, bringing new uses and activities to important historic buildings and in turn increasing the attractiveness of an area for additional investment, including from the private sector. This process is already having positive results in places like Great Yarmouth⁴, Sunderland and Coventry. With partners, we hope to invest

³ https://www.theheritagealliance.org.uk/wp-content/uploads/2020/09/Heritage-Alliance-AnnualReport_2020_Online.pdf

⁴ <https://haphazard.business/2020/08/27/catch-the-tide/>

in additional Heritage Development Trusts in the coming years because we see their role as an essential part of regeneration efforts in the post-COVID recovery.

We have also seen and supported impressive campaigns to save single historic buildings and to bring them back into use and into community ownership. There are many examples, but Stretford Public Hall is one exemplar project. The Hall was taken into community ownership through an asset transfer from the local authority, raised significant investment from the local community in the form of community shares and is now operating the building as a multi-purpose community asset. The Hall has also supported the local COVID-19 response and contributed to wider regeneration efforts through engagement in the local authority's Future High Street Fund bid. Without the community intervention, the Hall would have been a boarded up asset playing only a negative role in the community's life.

Policy and funding interventions to support heritage led regeneration

We believe the following interventions could play a vital role in the heritage led regeneration of many towns, cities and neighbourhoods and will build on existing work and models:

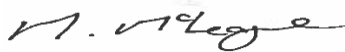
- **Access to capital for community asset projects involving historic buildings:** charities and social enterprises need access to a range of capital to help them develop and deliver projects. In terms of community and heritage assets, that means more funding being made available to help communities purchase, develop and sustain assets. Proposals for the [Community Ownership Fund](#) should place emphasis on supporting communities to take ownership of heritage assets (Historic England's Heritage Counts survey 2019 highlighted that 87% of adults agree that 'finding new uses for historic buildings rather than demolishing them' is important and that 80% of people stated local heritage makes their area a better place to live).
- **Access to advice and support for heritage and community asset projects:** as well as access to capital funding, organisations need access to support and advice in navigating their way through the often complex process of finding a sustainable use for a heritage and community asset. This is particularly true in economically deprived neighbourhoods where skills, time and money can be more limited. This should include access to advice on business planning, financial and project management and sustainability. AHF's specialist team provides such advice and we believe this is vital to the delivery of more capital projects; by the end of our Project Development Grants upwards of 75% of projects we support have taken on ownership/long-term lease of a historic building, a significant milestone in the development of community asset projects. More investment should be made in the advice and support that is provided to social enterprises and charities in developing capital projects, particularly in left behind neighbourhoods.
- **Access to revenue funding and investment in innovative place-based models:** we know that revenue finance is a vital part of the mix, alongside capital funding. Revenue funding is especially important in the early stages of projects, both in the capital phase and in the initial operational phase. There has been greater access to capital funding over the past few years, but we believe

this should be continued alongside access to increased levels of revenue funding for organisations seeking to deliver and sustain capital projects. We also see significant potential in further investment into our Heritage Development Trust (HDT) model; HDTs could provide significant support to the levelling up agenda in economically deprived towns and places across England.

- **Policy levers:** The Government should explore ways to expedite the transfer of local assets into community ownership, including through the Community Ownership Fund; this could expand on the Scottish Government's example with the 'Community Right to Buy' and Community Land Fund which supports the right to buy with funding. In addition, the Green Book appraisal should be reformed so it has a broader focus, different appraisal criteria and so that it places an emphasis on the delivery of social infrastructure.⁵
- **Tax and VAT:** against the 0% rate for new build, the current 20% rate of VAT on repairs and maintenance dis-incentives investment in heritage and historic building projects. This is despite building reuse being by far the most sustainable option. Either the rate should be equalised at 0% or the new build rate should be raised to 20%. This would aid the business case for many historic building projects, many of which also suffer from a conservation deficit.
- **Economic benefit of repairs and maintenance:** repairs and maintenance also suffer from a perception and accounting dis-advantage in not being fully recognised within GDP figures <https://www.economist.com/finance-and-economics/2018/10/20/repair-is-as-important-as-innovation>. This means that the economic value of maintenance and repair is under-valued and under accounted for in terms of overall economic output. Again, addressing this issue would be of significant benefit to creating a stronger business case for investing in heritage overall. It would also benefit sustainability and climate change efforts.

I would be happy to provide further input to the work of the APPG as it develops its evidence base and analysis.

Yours sincerely,



Matthew Mckeague

CEO

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https://www.bennettinstitute.cam.ac.uk/media/uploads/files/The_Imperial_Treasury_appraisal_methodology_and_regional_economic_performance_in_the_UK.pdf

Appendix 1

Through the Transforming Places through Heritage programme, the Architectural Heritage Fund has so far supported four pilot HDTs. They are:

Great Yarmouth Preservation Trust

Founded in 1979 to preserve, enhance and promote the historic environment of one of England's best-preserved seaside towns, the Trust has a strong record of success, having restored and adapted 23 buildings in and around Great Yarmouth. Additionally, GYPT is heavily engaged in training and outreach schemes, passing conservation and traditional building skills to the next generation and to people seeking new skills. The Heritage Development Trust grant will enable GYPT to hire additional specialist staff, thus increasing their activity and enabling the Trust to build a larger portfolio of assets and helping improve their sustainability.

In 2019, GYPT also received additional funding from the AHF in support of Grade II-listed 160 King Street, a 500-year-old timber-framed townhouse that has lain empty since 2001. A rare survival from Great Yarmouth's medieval past, the building will be restored to house a well as a much-needed social housing unit on the upper floors. The project, which is currently under construction, received both a Heritage Impact Fund loan and a Transformational Capital Grant of £350,000 through Transforming Places through Heritage.

Historic Coventry Trust

Launched in 2015 to serve as guardian of the city's built heritage, HCT is charged with restoring, adapting and reusing many of Coventry's historic buildings to support the city's economic, social and cultural enhancement. HCT already lists among its rapidly growing portfolio Charterhouse, a Grade I-listed Carthusian monastery dating from the fourteenth century; the Drapers' Hall, a set of remarkably intact Grade II*-listed Georgian function rooms; and Hales Street and The Burges, one of the best-preserved high streets in England and the first of Historic England's High Street Heritage Action Zones; as well as a series of former City Gates and chapels. With a key role to play in preparing Coventry for its 2021 City of Culture year,

HCT intends to use its Heritage Development Trust pilot grant to take on up to 22 sites around the city and repurpose these for a sustainable future.

Additionally, HCT was also awarded a Transformational Capital Grant of £350,000 to restore Grade II-listed Lychgate Cottages on Priory Row. Originally three separate lodgings attached to the medieval priory of St Mary's and with timber frames dateable to the fifteenth century, HCT plans to restore the Cottages as luxury holiday accommodation that will enable more visitors to experience the historic heart of Coventry.

Tyne and Wear Building Preservation Trust

TWBPT was established in 1979 to support the regeneration of the Tyne and Wear region through the conservation and reuse of its historic buildings and structures. TWBPT has worked across the region and on projects as disparate as the Grade II-listed landmark 1893 Dunston Coal Staiths on the River Tyne (believed to be the largest timber structure in Europe); Alderman

Fenwick's House (a Grade I-listed seventeenth-century merchant's house and one of the oldest residences in Newcastle); and the mid-nineteenth-century brick Bottle Kilns at Corbridge. Now, with the support of the Heritage Development Trust pilot grant, TWBPT has expanded its team and will begin building a larger portfolio of activity.

Through Transforming Places through Heritage, TWBPT have also been awarded a Transformational Capital Grant of £348,350 for a row of Grade II-listed houses at 170-175 High Street West in Sunderland. Iconic regional department store empire Binns was housed here at the start of the nineteenth century, but the streetscape has been derelict for decades. Partnering with local music shop, artspace and venue PopRecs, the terrace will soon be restored and once again bringing footfall into Sunderland's historic high street zone.

Valley Heritage

The Rossendale Valley lies nestled between the Pennines to the east and upland moors to the west. In the midst of this landscape formerly dominated by coal, a group of local volunteers formed Valley Heritage, one of England's newest building preservation trusts, in 2015. Valley Heritage is currently focused on progressing the organisation's first major project, the renovation and adaptation of the former Lancashire and Yorkshire Bank. With the funding provided by the Heritage Development Trust pilot grant, Valley Heritage are taking on their first formal member of staff and expanding their activity to include additional projects.

In 2019, Valley Heritage secured the purchase of the former Lancashire and Yorkshire Bank in Bacup, a Grade II-listed and turreted structure occupying a prominent site on the high street, through a Heritage Impact Fund loan of £195,000. The following June, the group was also awarded a £311,271 Transformational Project Grant for the capital redevelopment of this important local landmark. Working in partnership with coworking cooperative Indycube, Valley Heritage will transform the ground and lower-ground levels into work and meeting spaces for Bacup residents. Meanwhile, the upper floors will be transformed into four housing units for young people at risk of homelessness.