

# Culture, Media and Sport Committee

## Oral evidence: Protecting built heritage, HC 594

Tuesday 6 January 2026

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Members present: Dame Caroline Dinenage (Chair); Mr Bayo Alaba; Vicky Foxcroft; Damian Hinds; Dr Rupa Huq; Natasha Irons; Anneliese Midgley; Jo Platt; Jeff Smith.

Questions 188 - 281

### Witnesses

I: Emma Squire CBE, Co-Chief Executive Officer, Historic England; and Ian Morrison OBE, Director of Policy and Evidence, Historic England.

II: Richard McSeveney, Chief Property Officer, Ministry of Justice; Major General Andy Sturrock, Director of Strategy and Plans, Defence Infrastructure Organisation, Ministry of Defence; and Mark Bourgeois, Chief Executive, Government Property Agency, Cabinet Office.

## Examination of witnesses

Witnesses: Emma Squire CBE and Ian Morrison OBE.

Q188 **Chair:** Welcome to this morning's meeting of the Culture, Media and Sport Select Committee and happy new year to everybody. Today is our fourth and penultimate session on protecting built heritage. We are joined for our first panel by two representatives from Historic England. We have Emma Squire CBE, who is the Co-Chief Executive Officer, and Ian Morrison OBE, Director of Policy and Evidence. Welcome to both of you. Thank you so much for joining us on this very chilly morning. Before I begin, I need to remind Members to declare any interests at the point that you ask your questions.

Emma, I will start with you. Welcome. It is lovely to see you. You have been in post for two months now. Previously, you were in the Department. What were the biggest challenges in your in-tray when you took the role?

**Emma Squire:** I think there were more opportunities than challenges. Historic England is a confident, high-performing organisation, full of committed colleagues who are experts and really understand the communities that they serve. Claudia and I, on taking on the co-CEO role, see huge opportunities for Historic England and the historic environment to play an even bigger role in solving some of society's challenges. We want to dial up the work that we do on heritage and growth, and we specifically see huge opportunities for converting historic buildings to help meet housing supply. We see huge opportunities with heritage skills. We have calculated that the economy could absorb an additional 105,000 roles per year every year to 2050 just to retrofit the fifth of housing that is traditional pre-1919.

We also see a huge opportunity around place and the role of heritage and making characterful places that people feel proud to live in, and helping with community cohesion and pride in place. Finally, we see an opportunity for Historic England to do even more in partnership with the wider heritage sector, sometimes leading, sometimes supporting, sometimes convening, to make sure that we have a seat at the table to boost the voice for heritage in policy at every tier of Government.

Q189 **Chair:** Previously, you had a role at the Department and heritage came under your area of responsibility. Now you are almost poacher turned gamekeeper or the other way around. Was there anything about moving into the new role that surprised you or that you are looking at from a different perspective since you have changed roles?

**Emma Squire:** At DCMS the focus was very much on heritage policy and, of course, Historic England also plays a huge role when it comes to planning. The areas that I needed to get up the learning curve on were planning, particularly given the Government's focus on planning reform, and the breadth of Historic England's input into other areas, whether it is



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environmental land management, net zero, our heritage science function and all the research partnerships we have with universities internationally. Those were all pleasant surprises for me on joining Historic England.

**Q190 Chair:** Is there a strong message that you will be sending back to your former colleagues in DCMS? Clearly, you understand the opportunities of heritage—you have just spoken very clearly about what the opportunities are—but do you think those opportunities are understood across Government? Do you think there is a stronger role for the Department to make that case?

**Emma Squire:** I do and I think that the heritage Minister, Baroness Twycross, can see it, too. I think most people agree that heritage matters, but they see it as a bit niche and “over there”. We would like heritage to be at the table, whether it is a discussion on skills, public sector asset disposals, net zero, housing, because we think that will benefit the historic environment but also help other Government Departments to achieve their policy priorities. Of course, we cannot do that without the support of the Department for Culture, Media and Sport.

**Q191 Chair:** Those conversations need to be happening Government-wide, don't they?

**Emma Squire:** Government-wide, yes.

**Q192 Chair:** When I asked you what the biggest challenges in your in-tray were, you very carefully, like a politician, diverted the question and talked to me about the opportunities. However, surely one of the biggest challenges facing the heritage sector is the huge backlog of repairs and maintenance. What is Historic England's role in addressing that?

**Emma Squire:** The biggest challenges for the sector are financial resilience, and that is cash flow but also the maintenance backlog and the skills challenge. We see our role as helping to build the evidence base, providing technical expertise and providing some small grants. We were lucky enough to receive £15 million last year for heritage at risk capital grants, but that fund was 10 times oversubscribed. We believe that the maintenance backlog for three in four heritage buildings open to the public is growing rather than reducing. We are trying to help the heritage sector with guidance on retrofit, for example, so that they can reduce their costs and make interventions that will also help with their sustainability. It is a role in guidance, advice, funding and advocacy to Government.

**Ian Morrison:** If I can come in there, in addition we have a very strong role in policy, working with the Ministry of Housing, Communities and Local Government to reform the planning system to make it easier for owners and stewards of historic buildings to get permission to change them to generate more income from them. We have been working hard on reforms to the national planning policy framework to encourage more positive decisions from local authorities, which make most of the



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decisions on changes of use and changes of design for historic buildings, to make it easier for them to approve applications that will bring these buildings back into productive use.

Q193 **Chair:** Do you think that Historic England can fulfil a greater role to provide more strategic leadership for the sector and more broadly?

**Ian Morrison:** Yes. We are already working closely with our partners across the heritage sector because we know we cannot do this by ourselves. That is very clear. We have been working with National Trust, the Heritage Fund, the Heritage Alliance and other key heritage organisations to develop a resilience plan for the sector, which we published last year. That is built on four cornerstones of development.

It is making sure that heritage is relevant. If people do not see the benefits of heritage it will be very hard to get the funding that we need to bring them back into good condition. It is making sure that the policy environment encourages productive re-use of historic buildings and historic places, so getting the policy environment right. One of the things I am sure we will come back to is making sure we have the skilled workforce that we need, which is a massive issue and an opportunity, as Emma said. Finally, it is looking at the financial resilience of organisations. How can we help them help each other by sharing services, for example, and finding new ways to bring in new sources of income to make them sustainable?

**Chair:** Thank you very much. Let's move on to Rupa, please.

Q194 **Dr Rupa Huq:** Welcome and congratulations. You are still in the honeymoon period, I guess, if it is the first few weeks.

First of all, thank you, Historic England. I often write to you when we have local planning applications in conservation areas. You are a statutory consultee so councils have to go to you. How would you say your relationship with local government is? Is it a bit patchy? Quite often what you are saying tends to be ignored.

**Emma Squire:** It is generally very good, but obviously it depends. Our relationship with local authorities is different in every part of England. We respond to 17,000 planning applications a year. We give substantive comments in 28% of cases. We object to one in 100. In three quarters of the cases where we give substantive feedback there are positive amendments made that better balance the commercial objectives of the developer and the historic environment.

Local authorities are hard pressed. There has been an over 35% decline in the number of heritage experts in local planning authorities over recent years, so conservation officers and archaeologists. That means that they are really up against it in many parts of the country, drinking from a fire hose in dealing with their casework. That can lead to delays, overreliance on consultants and less consistency in decisions. It can lead to local planning authorities being more risk averse than Historic England would



have been. We are glad to see the £46 million announced for additional resources into local planning authorities. We very much hope that some of that will go into heritage expertise so that local planning authorities are not just reactive but can also be proactive.

**Ian Morrison:** We also survey local authorities regularly every couple of years, to get an understanding of what they need from us. We tailor our guidance and training accordingly to make sure that we are providing the services that they need from us to help improve their own decision making within the local authorities. We have a good relationship with the Local Government Association—a maturing relationship as well. Over the next few years we will be working closely with it to develop new training resources to support officers and council members to make better decisions when faced with planning applications and other pressures.

Q195 **Dr Rupa Huq:** How satisfied are you with the level of central Government involvement in your work? If it is true that your objections can be overridden, and it sounds good that this money is coming, but it is true that conservation officers have gone out of fashion—actually, in our borough we have brought it back in. I think it went in 2018 and it came back in 2022. How has your relationship with central Government been?

**Emma Squire:** I will start and then I will hand over to Ian. We have a very good relationship with MHCLG and we, alongside DCMS, have been at the table as it has been considering the Planning and Infrastructure Bill, the revisions to the national planning policy framework and the review of statutory consultees. We were pleased to see the positive reference to Historic England in the review of statutory consultees. We feel that we have good, transparent, open and constructive dialogue with the policymakers in central Government setting the regime and that the revisions to the national planning policy framework, while streamlining the planning system, broadly maintain protections for the historic environment.

Where we object, where we call in or take part in a public inquiry is always a last resort. Almost always it is where the developers have not talked to us before they have spent a lot of time and money on their planning application. The message that we are trying to get out to developers is to talk to us early, because then they can come forward with a scheme that we will not object to and de-risk their scheme and ultimately save time and money.

**Ian Morrison:** I will just add to that. We have a very close relationship with the Ministry of Housing, Communities and Local Government. We meet weekly, together with our own Department officials, to discuss areas around planning policy, statutory consultee reform and planning skills, for example. We also have good relations with other Government Departments, particularly DESNZ and DEFRA. We have been advising DESNZ on the warm homes plan and the retrofit of existing historic properties. We have also been working with DEFRA very closely. We are a



DEFRA delivery body in producing support for the management of rural landscape, including monuments within it.

Q196 **Dr Rupa Huq:** What more do you think you would need from the Government to support your work? There is a danger in an era of build, build, build that this heritage stuff is seen as a bit of a luxury. There have been cases of maladministration found by the ombudsman where people did not take it seriously, and there were poor decisions taken.

**Ian Morrison:** I think it is a continuation of the journey that we are on with Government. We have worked particularly well with MHCLG over the recent years around reform of planning, and we want to see that continue. We know that heritage is important. We have seen perhaps a bit of a sea change in recognition of the value of heritage through the polling that was done for levelling up and so on, where heritage scored extremely highly in how people viewed it, how important it was to their sense of place, their pride in place.

That has translated into Government policies. We see, for example, the new pride in place programme that the Government are delivering. We saw it through the levelling up funds and through the town fund. Heritage was a key feature, a key criterion for those funding streams, and that is something we want to see continue. An area where we are particularly keen to develop further relations and to see better progress is skills. As we have said, that is an area we think has huge challenges but huge opportunities.

**Emma Squire:** One specific answer to your question is that every part of the country will be producing a new strategic plan, so a new spatial plan, at once. This is for strategic authorities and mayors, but also central Government, to make sure that local authorities and Historic England are resourced for that short burst of activity so that the historic environment is properly factored into spatial plans and the developments that come forward are more likely to be right first time.

**Dr Rupa Huq:** Brilliant. Thanks.

**Chair:** Let's move on to Natasha, please.

Q197 **Natasha Irons:** Happy new year. I am going to ask a little bit about funding. Obviously, when it comes to this Committee, whatever sector it is there is always something around funding. What changes are needed to the funding models to make heritage organisations more financially resilient?

**Emma Squire:** There are major funders. The heritage lottery fund is a key one. We play a small part in that too. More funding for maintenance would obviously be welcome. I think the sector itself would say that maintenance is one challenge but core operating expenditure is another. It has seen a decline in local authority grants, an increase in its costs and a reduction in visitor income. Most funding, our own funding, heritage lottery funding, is project based and more about capital. There is a



challenge around core funding to open the doors, switch on the lights and welcome people to heritage sites that we will be looking at. As Ian said, we fund the Historic Environment Forum, which has been working on a 10-year sector resilience strategy that is partly about self-help and how heritage organisations can diversify their own income streams and be more sustainable. Part of the challenge for us, as the Government's adviser on heritage, is to think about where there are market failures and how to advise Government on addressing those.

**Ian Morrison:** I will add two points to that. The first is that we have seen huge levels of investment into heritage through the funds that I mentioned—the pride in place, levelling-up and towns funds—and that has been hugely welcome. There has been an issue around it being fairly short term in nature and unpredictable, and that makes it very hard to plan for long-term investment in heritage sites and heritage organisations. That has been particularly acute on the skills side, but it has caused concerns for heritage organisations.

The other thing about heritage organisations—and I have worked in the heritage sector for 40-odd years so I am quite familiar with it—is that they tend to be very much hand to mouth and have been very entrepreneurial and responded to the various challenges they have had. However, the challenges over the last few years, particularly since the pandemic, the headwinds of rising costs, maintenance costs, changing climate, increased salary costs and so on, have come together to create a complex and challenging issue for heritage organisations. As Emma said, the lack of core funding is becoming a significant issue for many heritage organisations. Thinking about how we address that will probably be one of the greatest challenges we face over the next few years.

Q198 **Natasha Irons:** More of a focus on long-term stability rather than necessarily a massive—obviously we would want more money, but not just pumping more money into it, it is the long termism of it rather than the—

**Ian Morrison:** Exactly, because the other downside of the—I do not want to sound ungrateful for the huge amount of resources, it has been very welcome, but the short-term nature also creates inflationary pressures because there is not the skilled workforce to be able to use that funding effectively and that pushes up prices. Of course, that then compounds the issues that heritage organisations are facing.

Q199 **Natasha Irons:** What was the impact on the sector of the recent Budget?

**Emma Squire:** There were two measures in the most recent Budget that impact the sector. One was on agricultural property relief and business property relief. I know some changes were made to the thresholds just before Christmas, but at the time the Historic Houses association felt that would affect a significant proportion of operators of historic houses who rely on those reliefs for their business model.



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The other is the council tax surcharge. We will look at that and understand what implications that might have for the care and maintenance of historic buildings and respond to the consultation.

**Q200 Natasha Irons:** Going back to that point about making things more long term and a bit more stable, how could Government change their funding structures to encourage long-termism rather than the little projects that you are talking about?

**Emma Squire:** I think the multi-year spending review will be part of that. It is three years for resource and five years for capital, so that will give a bit of a planning horizon, particularly if local authorities can also give that multi-year certainty to the organisations that they support. Some programmes are even longer than that. The £5 billion for pride in place, which has heritage front and centre, is a 10-year programme for 200-odd communities. Yes, decisions by policymakers that are longer term will give that planning horizon. Fiscal incentives obviously are more long term too. I am sure you will have heard discussion around VAT for repair and reuse of historic buildings. Some of those fiscal incentives give the longer-term signalling that helps for planning.

**Q201 Chair:** Have you had conversations with the Government about the VAT issue? We know the Treasury is very reluctant to ever talk about any changes to VAT. It is one of the most commonly asked things from all sorts of different sectors. Have you had any inkling? This is a case where there is a good argument for it.

**Emma Squire:** I think there is a good argument for it because the Government have ambitious housing targets. At the moment repurposing existing historic buildings that are characterful and offer wider public value in regenerating neighbourhoods and capturing embodied carbon and contributing to net zero are disincentivised because of the 20% VAT that is payable compared to zero for new build.

Lots of other countries use VAT to incentivise repair and reuse of historic buildings: France, Germany, Portugal, Spain, Cyprus, Iceland. We know that the UK faces a particularly unique challenge in housing supply and tight public finances and that the Treasury does not think that the case has been made for a blanket exemption. However, we would like to work with and through DCMS on perhaps more targeted exemptions for certain asset classes or certain types of owners or certain types of building that can help the Government to achieve their wider housing targets and encourage buildings to be reused to the benefit of local communities.

**Q202 Chair:** In one of our evidence sessions someone said that it seems madness that you can pull down an old building and pay no VAT on a new build to replace it, yet you have to pay VAT on the refurb and maintenance of a historic building. Surely the Treasury sees the sense in that, doesn't it?

**Emma Squire:** Our medium to longer-term ambition would be to resolve that and to at least equalise, if not incentivise, repurposing old buildings.



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In the short term, we will look at something that might be more achievable and building the evidence base and the case that meets Treasury Green Book principles for a more targeted intervention, as well as publicising reliefs that already exist for housing that has been empty for more than two years, for example. I do not think it is widely understood that there are reliefs available.

**Q203 Chair:** When it comes to getting more money into the system, do you think that Historic England has a role in helping bring private investors into the heritage sector? To what extent is that part of your remit?

**Emma Squire:** I think we can put in some of the shoe leather and do some of the policy thinking on this. We will never be a major player because we are not a major funder, but we are keen to work with Homes England, the new National Housing Bank, developers and investors to try to be creative and come up with solutions. Where it works is where there is a blended finance model like Stockport Mayoral Development Corporation bringing forward Weir Mill for housing with a blend of the mayor's brownfield funding, some Homes England grants, some loan finance and then some private investment. We think that we could play a role in helping to come up with some models that could work in partnership with organisations like Homes England.

Then at a much smaller scale we can work with local areas on smaller numbers of units, so homes above the shop that will also drive footfall to high streets. We already offer to underwrite local authorities that want to use enforcement powers, like urgent works notices, to help them de-risk that. We are doing a pilot with the West Midlands combined authority and other partners in Dudley around stopping the rot, for example, to show how we could help to unlock the reclamation of empty historic buildings that are not being brought forward for development.

**Q204 Chair:** On that, after you we will be hearing from the MOJ, the MOD and others that have an enormous number of historic buildings under their remit but do not seem to have any responsibility to maintain or repair them. What more can Historic England do in that field?

**Emma Squire:** In 2017 we published a protocol on the care of the historic Government estate and we would love every part of Government to fully implement that protocol. It includes practical, straightforward things like having a heritage officer, regular condition surveys, and so on. We can provide advice on specific sites and on responsible asset disposal. It is always a real shame when the public sector disposes of an asset to a buyer for the best price, but a buyer who may not bring it forward, who may just sit on it to bank the land value or may have unrealistic expectations of the value.

I visited Western Heights, Dover, recently where there is a former MOJ prison that is at the heart of the local authority's master plan. It was sold to a developer who had unrealistic expectations and has not been able to bring it forward. The building continues to deteriorate. The viability gap



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increases. The local authority cannot achieve its master planning ambitions for housing growth. We have already opened discussions with the Office of Government Property on refreshing our guidance for responsible public asset disposals. With any part of the public sector that is managing historic assets we stand ready to provide advice on managing those assets and disposing of them.

**Q205 Chair:** It must be distressing for an organisation like yours that the whole ethos of what you do is protecting our built heritage, preserving it for future generations, to look around you and see that under the auspices of Government Departments there are bits of our national heritage that are rotting at public expense. That must be distressing.

**Emma Squire:** It is. I don't want to overegg it though. We do a biennial review in which 19 Government Departments and arm's length bodies participate. Between them they manage 6,000 heritage assets and 2% of those heritage assets were at risk according to our most recent published biennial review. It is a small proportion but, of course, any is a shame, particularly where regular maintenance could just at least maintain them at their current standard so that it is easier to bring them back into use in the future.

**Q206 Chair:** Not only bring them back into use in the future, but when they are disposed of and other organisations or companies end up buying them, it costs a huge amount to bring them back into just the legally minimum acceptable standard. In some cases, this is also public money. I think of my own constituency, which I know you have visited. There is a building that was allowed to rot by the MOD to such an extent that it took a huge grant from Historic England to bring it back into use. For the sake of maintaining, clearing gutters, repairing a roof tile, hundreds of thousands of pounds worth of Historic England money, which is public money or lottery money or whatever, is going to that. It just feels like a terrible false economy.

**Emma Squire:** I agree, and I think adherence to the 2017 protocol would make a real difference there as well. We understand that the primary focus of different Government Departments and arm's length bodies is their operational responsibilities. They happen to have heritage assets, some of which are operationally necessary, some of which are not. We understand that it is an afterthought, but adherence to those protocols would help to reduce waste and maximise public value, as would in some cases perhaps taking a step back and having a team that can take a strategic overview of all the historic assets and which ones might be good for disposal or which should be prioritised for maintenance. Again, we can help with that.

**Chair:** At the moment there does not seem to be any incentive to dispose of these things. The incentive is just to let them rot into the ground. Thank you.

**Q207 Jo Platt:** Good morning. Just to declare an interest, I used to manage a



grade II\* listed building—you have heard it all before—at Leigh Spinners Mill in my constituency of Leigh and Atherton so I know the process a little bit, particularly the listed building consent process, which can be very timely and costly. What reforms could improve that process without compromising heritage protection?

**Ian Morrison:** There are two principal issues to deal with. The first one is policy, making sure that we get that proportion right, the balance right in the amount of information that is required to be submitted to get listed building consent, finding mechanisms for removing the need to get listed building consent for the low hanging fruit works that are unlikely to affect the real significance of the building.

We are very keen on local listed building consent orders. We are working with a number of local authorities to bring that forward whereby works particularly for making energy efficiency improvements to historic buildings, for example, would not need to go through a formal consent process. That would speed up the system. We also continue to be in discussions with central Government about national listed building consent orders and bringing those forward to help streamline the system and make it easier for owners and developers to apply for listed building consent.

The other area, frankly, is skills and local authorities. We are investing a huge amount of resource into online training programmes to build the skills and capacity of local planning authorities particularly so that they can more quickly determine applications and give the right response. We know that 93% of listed building consent applications are approved, but the real issue is that 38% of them are only approved within the eight-week window. There is a real issue there about speeding up the process, giving confidence to local planning authorities to make the right decisions, to be very clear when consent is needed and when it is not, and to find other ways of streamlining the system.

Q208 **Jo Platt:** How receptive have Government been to your approach?

**Ian Morrison:** Very receptive. MHCLG recognises the skills deficit, particularly in conservation services and local planning authorities. The various proposals that are coming through to address it—the planning skills fund, for example—include heritage conservation skills to try to bring those forward. We are also working with the Local Government Association to take advantage of its new planning skills programmes to try to build that capacity.

Where we are struggling to make progress at the moment is around the national listed building consent order. At the moment you need parliamentary approval to get a national listed building consent order through and finding parliamentary time to get those through is quite challenging. We have had one on the books for the Canal & River Trust for several years and it still hasn't made it through.



Q209 **Chair:** What is the blockage on that?

**Ian Morrison:** It requires parliamentary approval at the moment.

**Emma Squire:** Affirmative resolution, so parliamentary time.

**Ian Morrison:** Yes. At the moment, trying to get parliamentary time is very difficult. [Click here to enter text.](#) We are seeking to change from an affirmative resolution to a negative resolution, and that is something that I know—

**Chair:** That is a statutory instrument, so it is not even primary legislation.

**Ian Morrison:** Not primary legislation, no.

**Chair:** We are on a one-line Whip today.

**Jo Platt:** That is a reform.

**Ian Morrison:** Absolutely.

Q210 **Jo Platt:** Are there any other reforms that you notably require?

**Ian Morrison:** I think just keeping the visibility of the skills deficit in local planning authorities, trying to address that significant decline. It has plateaued in recent years, but we are looking, as Emma said, at a 35% decline from the high point in 2006. We want to address that and build confidence back in local planning authorities. We know from speaking to developers that that is one of the biggest frustrations and, of course, you have experienced it yourself. Trying to resolve that and to get local planning authorities skilled up to be able to make better and quicker planning decisions is fundamental.

**Emma Squire:** To explain why that matters, 93% of the 400,000 listed buildings are listed at grade II, so the listed building consent is for the local planning authority. Historic England only gets involved for grade II\* and grade I. The vast majority of these decisions are for the local planning authority, which lacks the capacity.

Q211 **Jo Platt:** Absolutely. Okay. In your evidence, you also mentioned the effectiveness of community ownership. Again to declare that interest, we benefited from that at Leigh Spinners Mill. What additional measures could accompany asset transfer or community ownership? Is it financial support or guidance to make sure buildings remain viable and protected?

**Emma Squire:** I will say a couple of things and then hand over to Ian. The Government put an additional £5 million into the Architectural Heritage Fund last year to support building preservation trusts to look at the feasibility of and then to take on cherished local buildings. That model where there is support for feasibility work to know that your business model will work if you do manage to go through with the project is important. We have just published some guidance on community



ownership and community use. We also see a role for Historic England in guidance, how-to guides and toolkits. Both of those things are key.

**Ian Morrison:** To clarify, we have just launched a community hub on our website, which is providing those resources for local community groups. One of the key things is that there is a lot of passion for heritage in local communities, as you well know, and sometimes that passion can lead to a bit of blindness around some of the practical realities of what it means to take on a historic building. We know that in many cases communities are best placed to look after historic buildings, so finding ways in which we can support them is by providing advice and guidance so that they can go into the transfer process with open eyes and know what is involved, what they are taking on and how to manage that situation. We are updating our guidance. We produce something called "Pillars of the Community" with a range of organisations including the Heritage Fund and the Architectural Heritage Fund.

The other key thing is working in partnership with the Architectural Heritage Fund, the Heritage Fund, the National Trust and other organisations to provide an umbrella of support for those organisations because they will be critical for looking after our heritage.

Q212 **Jo Platt:** I always say I have a blueprint of what not to do if you ever need that. I will ask something else to add on to that, which I was not necessarily directly involved in but it happened in the constituency—the heritage action zones. I know that the Government and DCMS are looking at the benefits of what happened in that particular scheme. Is there anything that you want to contribute about that project?

**Emma Squire:** We are incredibly proud of the high streets heritage action zone programme that supported 67 high streets across England. The Tyldesley high street heritage action zone was one of the particularly special ones because it was community led, as was Hastings and one or two others, rather than local authority led. It is a huge success. Ian Tomlinson is a huge friend of Historic England now and a brilliant advocate for the power of small amounts of money convening local businesses and community groups to restore shopfronts and public realm, bring buildings back into use, put homes above the shop, drive through cultural programming and bring people back to their high street.

We published what we think is a best in class evaluation. It was a thorough evaluation of the high streets heritage action zone programme so that we could bottle and understand what worked and demonstrate what impact that programme had. Part of the learnings from that have fed into the community hub and other resources that we make available to people who want to replicate that. We are trying to keep going with that model in a smaller way now the programme is finished. There is a heritage action zone in Bradford as part of the legacy of its year as city of culture, for example.

Q213 **Jeff Smith:** On the wider benefits that you talked about, in your written



evidence you have mentioned the spillover benefits, things like tourism, regeneration, volunteering, skills and cultural identity. They are quite hard to quantify, aren't they? To make a case for sustained public investment you need to try to do that, so how can you demonstrate those benefits? Is it possible to demonstrate those benefits?

**Ian Morrison:** Yes. One of the big challenges is how you monetise the softer benefits of heritage and make the case for investment. Recognising that challenge, we are working very closely with the Department for Culture, Media and Sport to take forward the culture and heritage capital programme. That is precisely designed to try to quantify those softer benefits in harder monetary terms. It will be a long-term process. We are a contributor to that programme. We are bringing forward new pieces of evidence and research periodically. Last year we published some of the wellbeing benefits of living close to a heritage asset. By using Green Book-compliant methods, we estimated that to be worth £29 billion a year to the country. It is through bespoke bits of research but building the broader evidence base to replicate effectively what the natural world has been doing for some time through the natural capital accounting approach.

Q214 **Jeff Smith:** Are there any lessons from abroad that we can take? Is anybody else doing it?

**Ian Morrison:** Yes. We worked closely with our partners in Europe in looking at bringing together a whole raft of different research reports that have demonstrated the benefits more broadly in culture rather than specifically in heritage. There is a lot of work being done in places like the University of Milan, for example, working out what the benefits are of heritage-led regeneration. We continue to work closely with partners across Europe, but also in America, to understand what those benefits might be. Of course, places are very different, countries are very different and circumstances are very different. What might work and show up in America might not be the same in the UK.

**Emma Squire:** The work the UK is leading on culture and heritage capital is world leading and there is a lot of global interest, so we are showing real thought leadership globally. I remember at DCMS one of the early conferences on culture and heritage capital had 350 attendees dialling in from across the globe, wanting to understand how we can value the non-monetisable costs and benefits of culture and heritage.

Q215 **Jeff Smith:** What about more local partnerships? How can Historic England convene or encourage partnerships with local authorities and social investors to capture those benefits?

**Ian Morrison:** It is quite a complex answer to this. There are lots of different layers of engagement. We are particularly keen at the moment to engage with the new strategic authorities and the new mayors, given all their new powers and responsibilities for growth and for regeneration, for example. A lot of them are very interested in the value that heritage



can bring. Working with them to ensure that heritage is embedded in their local growth plans, for example, is important. That is the foundational requirement to set the path to see how heritage can help deliver some of the wider economic, social and environmental benefits to the region.

More locally, 80% of our staff are based out in the region, so they work locally with local authorities, with community organisations like Leigh Spinners Mill and others, to build those at an individual project level and sometimes more at a local authority level. We have invested quite a lot in local heritage strategies, for example, with local authorities. It is a multi-layered approach, but we are quite excited at the moment about working with the new mayors and the new strategic authorities to show how heritage can help them deliver some of those benefits for their communities.

**Q216 Vicky Foxcroft:** My questions are about adapting to climate change. Historic England advocates a whole building approach to energy efficiency in historic properties. How does this approach differ from the conventional retrofit strategies?

**Ian Morrison:** The Government are changing their approach on this. There used to be a fabric first approach, which is where you would take the assumption that you can reduce energy bills by putting in, for example, wall insulation. If you just put wall insulation on a traditionally built building without thinking about how that building performs more generally, so how the ventilation works, that can lead to unintended consequences such as increased damp and mould. Of course, we have seen huge examples of that now through all the early retrofit schemes that were brought forward by the Government because a whole building approach was not taken at that time. We are seeing some of the consequences of that playing out.

Buildings function as a whole and you need to be able to understand how the buildings function as a whole so that you make the right interventions in the right places. That requires a level of skill. We are doing a lot of work to build that skills base. There is a lot more work to do. We do not have enough skilled people in this country to address some of those challenges. Along with our partner agencies in Wales and Scotland, we have recently produced a handbook on retrofit targeted at level 3 apprenticeships to show how you would approach a sensible and appropriate retrofit of historic buildings and traditionally built buildings.

**Emma Squire:** Can I make three additional points? One of our asks of Skills England is for there to be a module in level 2 and level 3 construction training that is about traditional materials and traditional buildings. A significant proportion of the construction sector, when surveyed, said that they did not feel confident in looking at energy efficiency for traditionally built buildings, and a fifth of the housing stock and a third of commercial buildings are pre-1919.



There is something around energy performance certificates and the methodology by which those are looked at that overestimates heat loss for traditional buildings so they are not a fair reflection of performance. Then there is something around embodied carbon, coming back to the VAT discussion and things like that, where embodied carbon is not fully taken into account. New build is incentivised rather than reusing existing buildings and existing materials, and the new draft national planning policy framework talks about reuse of structures and materials because of the carbon benefits. That is a welcome development.

**Q217 Vicky Foxcroft:** What are the risks if this approach is not taken?

**Ian Morrison:** The risks if the approach is not taken are that we will see more of what has happened in the past, which is coming forward now, so more well-intended retrofit measures that are not creating the energy efficiency improvements that were anticipated and can lead to damage to historic fabric and pose a threat to the health of the occupants. We think it is vital that there is much more understanding of how buildings perform, particularly traditional buildings, which perform differently to modern constructed buildings. As Emma said, we have the largest historic building stock in Europe so this is very important. Some 40% of the amount of money that is spent on repairs and maintenance of our buildings is currently spent on traditional buildings that were built over 100 years ago, and we have about 6.5 million of them in England. It is vital that we have the skills and understanding about how to retrofit them appropriately.

**Q218 Vicky Foxcroft:** Particularly on that, what practical steps are being taken to make sure that we have those skills in contractors and so forth?

**Ian Morrison:** As I said, we are doing our bit in producing the advice and guidance. I think it is fair to say that we have still got some work to do with Government to get them to embed, as Emma just said, understanding of how traditional buildings perform and how you deal with them in mainstream construction courses.

There is another fairly bleak picture there. There are currently 79 heritage construction related training courses and 48 of them currently are not being offered by colleges or independent training providers. There is a real deficit at the moment in the availability of training to make sure that we have the skilled workforce that we need to do retrofit properly.

**Q219 Vicky Foxcroft:** What does "good" look like? Do we know what that is now?

**Ian Morrison:** Yes, we have a good understanding of what "good" looks like. We published last year a very detailed skills needs assessment of the heritage construction sector. It is fairly bleak reading actually; other than it says the opportunity is great, the current situation is really challenging.

The heritage construction sector is largely made up of small and medium enterprises that lack the resources to invest in long-term apprenticeships,



for example. We have seen some changes through the apprenticeship levy, but they don't yet meet the needs of the smaller organisations. We need to find a mechanism whereby we can offer more flexible opportunities for small and medium enterprises to bring in new recruits to their workforce, train them up and then make sure that we have that workforce for the future.

There are other really big opportunities, not least the restoration and renewal programme, which will need about 2,800 skilled craftsmen if it is taken forward in full. That creates a huge opportunity. We would love to see that used as a mechanism for bringing forward a new cohort of skilled practitioners.

**Q220 Vicky Foxcroft:** Then just one tiny little question: where you have got it and it looks good, do you know how much you can save in energy costs and so forth? Are there calculations for that?

**Ian Morrison:** Yes. It varies from building to building and we have a huge amount of technical advice and guidance on our website. It dispels the myths, for example. We know from our own research that heat pumps work really effectively in historic buildings, whereas the perception is that they do not. They really do as long as they are specified correctly, installed correctly and then used correctly. Those are three golden rules. It is surprising how often those three rules are not followed because of the lack of skills and lack of knowledge. We know that also by retrofitting a historic building, you will get far greater savings in carbon emissions than by demolishing and building new. It is much better for the planet.

**Chair:** Thank you very much. Last but not least, Damian.

**Q221 Damian Hinds:** A number of the things you have talked about on workforce issues for the heritage sector sound very like the workforce issues of the construction sector in general. What is different about your issues?

**Emma Squire:** It is absolutely brilliant that £600 million has been announced to support construction skills but it is very focused on new builds and it is very hard for heritage construction businesses to access. As Ian said, around three quarters are micro businesses with less than 10 employees so carving out the time to both people—

**Q222 Damian Hinds:** Sorry, the industry structure thing about contractors to contractors and SMEs is true for construction in general, as well as for heritage. I am trying to understand what is the additional issue that you have in your part of the sector.

**Emma Squire:** It is the ecosystem, the careers guidance to encourage people to take up places on courses so that those courses are sustainable. It is the provision of courses in the places where people live. There are only four stonemason apprenticeships available in England. There is only one post-excavation archaeology opportunity anywhere in England. Then it is the training placements and the career progression. It



is that whole ecosystem and understanding what is special, what is different about—then back to the point on longer-term certainty, the signal to heritage construction organisations that there is sufficient pipeline to be worth growing and take the risk of taking on trainees that we are trying to solve for the ecosystem challenge.

**Ian Morrison:** You are absolutely right, some of the challenges are very similar across the construction industry. Our issue, though, is that what is currently being done to address some of those challenges is not necessarily taking into account the skills that are needed for understanding how traditional buildings perform and how they need to be maintained. We want to see the knowledge of how traditional buildings perform embedded in new approaches to address the challenge that the construction sector faces as a whole.

**Q223 Damian Hinds:** Is the pipeline question that you mentioned really the fundamental point? The volume of places on apprenticeship courses match demand. They will be provided where employers want to take on apprentices and young people and others want to become apprentices, but the fundamental point is will the employment opportunities be there in those volumes? Is that the key point, the long-term visibility? Big projects like Houses of Parliament, restoration and renewal obviously is a huge thing, but for all these other projects do you need to know earlier about what will be coming down the line?

**Ian Morrison:** Pipeline is really important. That is a real challenge and that is where I come back to the issue of the short-term nature of capital funding. Without that certainty, SMEs are unlikely to invest in the time it takes to train an apprentice or indeed provide any training for a new workforce.

We know from our skills needs assessment—I will not go through all of it, it will take too long and I will send a copy of the executive summary to the Committee—that the heritage SMEs, construction SMEs are turning down work because they don't have the skilled workforce to do it. Where they are picking up work, they are charging a premium, because they can charge a premium, and that is putting costs up for lots of organisations. They are not incentivised to bring on young people.

The heritage construction workforce is particularly notable for its demographic age. It is very rare to have people younger than 35 working in the heritage construction businesses and that is a real issue that needs to be addressed.

**Emma Squire:** Just to give you the stats, 76% of heritage construction organisations cannot find people with relevant skills when they go out to market and one in six are turning down work due to skill shortages. We are not maintaining the current workforce and, conversely, as I said earlier, we think there is an additional 105,000 jobs in the economy every year between now and 2050, if we want to hit our net zero targets and give people warmer homes, to retrofit traditional buildings.



**Q224 Damian Hinds:** I will come back quickly to the VAT question. This VAT on new build versus conversion has been around in public policy for literally as long as I can remember and there will probably be a Committee sitting in this room in 30 years' time having the same conversation. By the way, we also have conversations with lots of other sectors about VAT, whether it is about comedy, live music, hospitality. There are lots and lots of good arguments for lots and lots of sectors to have exemptions from VAT and that is why Treasury Ministers never ever concede the point, because when you concede one there is a whole queue of others who also have a very good case to make.

Who is making the case for an alternative to cutting VAT on converting historic premises to level the playing field between conversion and new build?

**Emma Squire:** On an alternative?

**Damian Hinds:** Yes, so if you can't do it by cutting the VAT rates on conversion, what else could you do instead to level the field between the two?

**Emma Squire:** That is exactly the kind of thing that we are looking at in policy terms and in discussion with DCMS, Homes England and MHCLG. What are the barriers to converting; what is the full range of policy levers that could be used? VAT is one of them; EPCs is another; blended finance models could be another; grant funding from Homes England or the national lottery heritage fund to de-risk and cornerstone developments could be another. We are looking at the full range and we are also doing this work on culture and heritage capital because part of the challenge is that commercial developers do not benefit from the full public benefits of converting existing buildings. Those benefits derive to local communities and local areas. They are just looking at the commercial viability and they don't factor in the wider public benefits. How can we demonstrate what the wider public benefits are so that there is a public policy rationale for doing something whether that is VAT or another lever?

**Ian Morrison:** To pick up on that specific point, we have held many, many roundtables with developers from across the country to understand what their challenges are. They will quite often say that part of the challenge is capacity in local authorities, as we have already mentioned, but the other big challenge is viability. It is quite expensive to bring some historic buildings back into use and the economics do not always stack up.

That is partly a challenge of policy as much as fiscal reform. Through some of the changes to the national planning policy framework that we have been working on with MHCLG, we are seeking to make it easier, being more pragmatic to bring forward new uses for vacant historic buildings. That will help to a degree but it is not the only answer.

**Q225 Mr Bayo Alaba:** I want to touch on the skills element again and that gap, and about conservation societies. I work with a couple in my



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constituency of Southend East and Rochford. The Milton Society and the Rochford steering group have been quite active in reanimating some local community assets and working closely with the council.

Ian, you were talking about a layered approach and there is a capacity issue with a lot of local authorities. I suppose this is an observation and also a question. What part do conservation societies play in feeding into this ecosystem and supporting it? Obviously you have architects, builders, historians in these local micro groups. Do you see a way of that construct supporting the work that we need to do to get these assets back? If so, is there a way where we can support conservation groups and societies, be it funding by default, that they will then feed in and support their local authorities as well? It is an observation and a question and I am interested to hear what you both think about it.

**Ian Morrison:** Yes, absolutely, communities play a very important and increasing role in looking after heritage assets and it is how we support them to do that. There is a very well-established network of historic building preservation trusts across the country that have been doing some of this work for many years and it was being supported through organisations like the Architectural Heritage Fund, which can offer them on-the-ground advice and also some seed funding.

On looking at project viability and bringing forward project development plans, to make it realistic in how they might then access larger sums of funding that are needed—for example from the Heritage Fund—there is quite a complex ecosystem. Finding the right mechanisms and the right support, depending on local circumstances, is absolutely key.

The Architectural Heritage Fund—I should declare that I used to work for the Architectural Heritage Fund—has been providing that support for local communities for over 50 years. It has done a huge amount in helping communities bring forward those assets into community ownership and develop them for community use. We have been working hard with them to try to develop and continue that work. We hope that we can continue to support them going forward, working with DCMS.

We think that it is really important that we continue to provide advice and guidance for local groups so that they are aware, as I said earlier, of what they are taking on and go into it open-eyed. I think it is also beholden upon us to work with other funders to try to make it as simple as possible for them to access funding. I was struck when visiting Hastings Commons, which is a classic example of where a community group is taking on a number of historic buildings for beneficial community use, that they are applying to 100-plus different grant funders and having to fill in seven different grant forms and then provide lots of monitoring reports. That is really difficult for those communities. I think there is a role for funders to work together to make it as simple as possible for organisations to access the funding that they need to bring projects forward.



Q226 **Mr Bayo Alaba:** Emma, is there anything you would like to add to that?

**Emma Squire:** No. Just back to the earlier discussion on skills and building preservation trusts, there probably is a kernel of an idea around the heritage sector coming together to help place people into apprenticeships so that small organisations like building preservation trusts and micro heritage construction businesses can more easily access short-term apprentices and those apprentices can have a range of experiences. We are beginning to look at that.

Like the Architectural Heritage Fund, we do on occasion support local conservation groups. We have put some money recently into reform in Stoke to allow them to bring forward a project in a really special building, I think it is the Bethesda Methodist Chapel. We complement what the Architectural Heritage Fund do to try to provide seed funding for feasibility studies or for actual capital works for groups like the ones you described.

Q227 **Chair:** I have a couple of quick-fire questions for you before we let you escape. Christ Church Lancaster submitted some evidence that suggested that there be an early intervention system, which they call a pre-risk register, to identify heritage assets that are on the brink of deterioration before they get to the stage where they are on the heritage at risk register. Good idea, bad idea?

**Emma Squire:** Good idea.

**Ian Morrison:** Good idea.

Q228 **Chair:** Good idea. You would back that. Second thing, we are about to meet representatives MOJ, MOD and the public estates. What is the one thing that you want us to ask them that would change the playing field in their ability to maintain their public estate?

**Emma Squire:** I don't know if it is a question to ask them, I suppose it is more of a recommendation, which is strict adherence to the protocol and bring us in to help take a strategic overview of historic estates that might be ripe for asset disposal.

Q229 **Chair:** Final question. We are going to write a report on this that will go to the Government. What is the one game-changing recommendation you would have us ask the Government for that would really help Historic England to be able to deliver a better future for the historic estate?

**Emma Squire:** Well, I have three. The first is heritage having a seat at the table because heritage can help solve lots of societal challenges, public sector asset disposals, new homes, meaningful jobs for young people where they live, net zero, so really involving us. Where we are involved, like pride in place, it has made a big difference.

The second is sector resilience, so back to skills and financial resilience. Can we work together with the sector to help itself but also for Government policies to support that? I have forgotten the third.



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**Ian Morrison:** Well, I will add two. We have already covered these to an extent, but I think—

**Emma Squire:** Local authority custody.

**Ian Morrison:** Yes. For me the two, in addition to the three that Emma has mentioned, are addressing long-term capital funding so that it is stable and consistent, contiguous, not volatile. That will enable heritage organisations to plan more effectively moving forward. I think that is really vital.

The second one is skills. We absolutely have to address the skills challenge, because if we do not we are not going to have the workforce that we need to look after our heritage. That will see it continue to deteriorate and prices driving up.

**Chair:** Very good. Ian and Emma, thank you very much for your time today. Thank you for giving us all your expertise. We will take a very short break while we let you leave and we bring in our second panel.

### Examination of witnesses

Witnesses: Richard McSeveney, Major General Andy Sturrock and Mark Bourgeois.

Q230 **Chair:** Welcome to our second panel this morning. With this panel we are looking at the current condition of the Government estate and how it has been protected. To talk us through that we are joined by Mark Bourgeois, who is the Chief Executive of the Government Property Agency in the Cabinet Office, Richard McSeveney, who is the Chief Property Officer at the Ministry of Justice, and Major General Andy Sturrock, who is the Director of Strategy and Plans at the Defence Infrastructure Organisation in the Ministry of Defence. You are all very welcome.

I will start the questioning with Major General Sturrock. Several submissions you may have read in the evidence that we have received so far have identified the maintenance of heritage assets on our public land as being of significant concern. Historic England identified the MOJ—so I will be coming to you in a minute, Richard—and the MOD as being some of the worst culprits when it comes to the accountability and the enforcement of protecting their heritage assets. Major General Sturrock, how much of the MOD's estate is currently in this position of managed decline that we hear a lot about?

**Major General Sturrock:** I don't think we recognise the term of managed decline as a positive policy action. Certainly as far as our buildings are concerned and our heritage buildings, we are keen to look after them. The military is an institution that is founded on history, on ethos. The conceptual and moral components of fighting power are built on the foundation of a long history and historic buildings play a part in that—places like Sandhurst, our naval bases, RAF Digby, one of the first RAF bases. Lots of the RAF operate off second world war bases that were



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founded at the beginning of the RAF. That is all part of our need to deliver operational military output.

We want to look after all our buildings, whether they are new or historic, as best we can, but there is a reality that budgets do not stretch as far as we would wish and therefore there is a question of prioritisation. Where we can use historic buildings for operational purposes they are well looked after or as looked after as the rest of our estate. The trouble that we come across is where there is an inability to use a building or it is difficult to repurpose a building for operational use. Then it becomes harder to look after it because the prioritisation of funding for those assets will inevitably be lower.

There are some good examples of where things go well. The Royal School of Military Engineering in Chatham has some fantastic Georgian and Victorian barrack buildings where we train our Royal Engineers to do their trade training skills. They are in full use at the moment in brilliant condition. We look after places like Sandhurst very well, but there are examples of historic buildings that sit on training areas. Shoeburyness has some old farms and other buildings that are historic and listed but it is a live firing training area. You can't have people occupying and living in those buildings, and inevitably they become much harder to manage, so there is a spectrum across it. We have some 688 buildings that are listed and of those we assess that 47 are in poor condition, 26 of which are on the heritage list. Of those 26, 11 fall in training areas where it is almost impossible for us to be able to use them and that is where the problem arises.

Q231 **Chair:** I am quite surprised by that figure because I can think of a number of heritage sites within my own constituency alone that would fall into the category of some might say managed decline, others might say neglect. It is very difficult to tell the difference in many cases. For example, within HMS Sultan, which is a training establishment in my constituency, there are two forts, one of which is Fort Rowner, which has to my knowledge no financial investment in maintenance or otherwise at all. The only purpose it is being used for at the moment is to keep caravans. Does that fall in your list of 26 buildings that are at risk?

**Major General Sturrock:** It is one of the list that is on a heritage at risk site.

Q232 **Chair:** It has no investment at all in either maintenance or keeping it safe; it is literally crumbling into the ground. If you don't describe that as managed decline, how would you describe it?

**Major General Sturrock:** What I am saying is that it is not a policy of managed decline. We are not actively choosing to do that but when you look at Sultan as a base there is a limited budget to maintain all the facilities there. The heads of establishment and the Navy, which is the command that run that site, have to make prioritisation decisions about it. They will, I think understandably, focus on making sure there is



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heating and hot water for the trainees on the camp to work from, that the teaching facilities are workable. Therefore, it is difficult for us to spend a lot of money on an historic asset like Fort Rowner, for which we don't have an operational use.

Where we can we look to dispose of assets that we don't have a use for, but often those assets are within the curtilage of a camp and there are security issues and concerns about separating something off. Fort Rowner sits on the edge of that camp and you could look at rerouting a fence. That is a very expensive business to do and not something that we currently have the budget for.

- Q233 **Chair:** I completely understand what you are saying. HMS Sultan, which I use as an example because I think it exemplifies what we are talking about quite well, is a naval training establishment. Clearly the MOD's priority has to be spending the money on the training but also the accommodation of the people on the training establishment. Protecting heritage sites comes very low down on the list of priorities but the fact is that this is our nation's heritage. It is not really up to the Royal Navy or the Ministry of Defence to decide whether or not our nation's heritage should be allowed to rot at public expense. Are you happy with this approach? What are the barriers to changing it?

**Major General Sturrock:** The biggest barrier is the funding. If we have more funding available, the prioritisation decisions become easier to make and there is more money to flow down the list, inevitably. The second thing is then about trying to make it easier to do work on these buildings, and you talked to Historic England earlier about planning. We are able to gain planning permission to convert historic buildings for future use, but it is a long and slow process that inevitably adds cost and time. When we need to do things quickly our choice is not to use a historic building because we know that that will take too much time.

Finding a way in which gaining planning permission for repurposing historic buildings can be done quicker while balancing the needs to maintain the focus on the historic aspects would be helpful. Reducing the cost would be good. You talked earlier about VAT provision and again that would make a massive difference because it would allow our funding to go further.

- Q234 **Chair:** The National Trust has suggested a safe harbour scheme where surplus Government heritage assets are transferred to a caretaker organisation with local communities that could be used on a sustainable reuse project. For me, Fort Rowner and HMS Sultan are a great example of this, right on the edge of the estate, so could easily be hived off without in any way impacting the operation of the site or the security of the site. Obviously there is a small matter of the perimeter fence but, other than that, it would be a fairly easy thing to do. As things stand at the moment, there is no incentive for HMS Sultan to get rid of it. I know this because I have spoken to successive stewards of the site and they have had no interest whatsoever in disposing of it, because they have no



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obligation to maintain that heritage asset. What do you think about incentives for disposal?

**Major General Sturrock:** I think that would be helpful. We have no desire to keep hold of buildings and assets that we do not need and cannot make active use of for operational purposes. Clearly that is a liability that we hold and you are right in pointing out that we do not spend as much money on maintaining some of those assets as everyone would wish. If we could move that liability to somewhere else, that would be a good thing for us. There are ways of doing it.

The security implications are clearly important to us as well, understanding who will be occupying the assets. A lot of these historic assets are in the middle of Portsmouth naval base, for example. It would be very difficult for us to find an external organisation that will be able to access that. Fort Rowner is on the edge. Could you find a way of enclaving it off the site? Yes, possibly, we would have to look at that, but we would need to know that there was somebody who was able to take it on.

The other aspect of this—and you touched on this in the earlier evidence session—is that there is no guarantee that somebody taking it on will be able to look after these buildings in the same way. There are examples of Government buildings being handed over to developers, developers not actually developing them, and then they fall further into decay. We are not holding on to these assets because we want to hold on to them. If there was a way for us to be able to move them into other people's hands who could use them, and that was aligned with the needs of the military alongside, that would be really helpful for us.

Q235 **Chair:** You are in a very fortunate position in some senses because you don't have to abide by the same rules and regulations as any of the rest of us. If one of us was to take a heritage asset that is a listed building, there are regulations that ensure that we have to maintain it to a certain standard. The local authority would be down on us like a ton of bricks if we allowed our listed building to decay. Have you worked out what would be the cost to the MOD if you had to maintain the listed buildings within your curtilage to the same standards as the rest of the general public?

**Major General Sturrock:** We don't have a figure for that and it would be difficult for us to work it out because an awful lot of the historic buildings that we have are within establishments and are well looked after. We don't track the money we spend on that. We spend a lot of money on looking after historic buildings every year—hundreds of millions of pounds—but I can't give you an exact figure because they are part of a wider establishment number.

Q236 **Chair:** You don't have any record of what you spend on maintaining heritage assets?

**Major General Sturrock:** Not specifically, no.



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**Q237 Chair:** Okay. So that I am not just focusing my attention on the MOD, Richard, I will move to you. In Historic England's recent report on the care of the Government historic estate, the MOJ came out as the worst-evaluated department. What steps are you taking to improve them? You don't have the same excuse that you are behind the wire of an estate that is doing some sensitive military training. What is the MOJ doing to address this issue?

**Richard McSeveney:** I think prisons would definitely count as being behind the wire. I don't disagree with the position from Historic England. In wider context, the MOJ estate has just about a £3.1 billion maintenance backlog, but one of the things we have in flight at the moment is updating our condition survey information on the heritage estate, because I don't think we have that up-to-date position. It is only when we do have that that we will be able to develop a more strategic plan for bidding for funding, managing the risk and managing that element of the estate.

The justice system, I am sure colleagues will be aware, is one that is under strain and has been for some time, so very much the priority of every penny and pound that we invest in the estate is about keeping prisons and courts operational. I think the reality is that that has had an impact on other things like the heritage estate, and it would be wrong for me not to say that.

**Q238 Chair:** You are doing an evaluation at the moment. Is it your take that the biggest issues with your heritage buildings are in the prison estate or are they in the court system?

**Richard McSeveney:** Overall we have about 185 listed assets across the MOJ estate. About two thirds of those are in prisons and about 75% of that element is actually inside the prison wall. I think we need to really understand the up-to-date condition, what the risk is with that but also is there potential that we don't necessarily understand. That might sound weird—what would you do with something within a prison wall—but there may be value that we can drive there.

It is not that we are not spending any money on the heritage estate and we are engaged with Historic England on where we do that. To give you a specific example, this year we are spending £350 million on capital maintenance on the prisons and probation estate and probably about 1% of that is actually on the heritage estate. That gives you a flavour of the funding challenge, but also I think that has to be set against the wider context of a £3 billion backlog maintenance for the MOJ estate.

**Q239 Chair:** To what extent are you liaising with Historic England to try to find solutions to these issues?

**Richard McSeveney:** For one of my own personal reflections, I speak to the CEOs of big construction companies in the UK who are supporting us on building new prisons. I don't have a relationship as yet with the CEO of Historic England. That is something that I can and will change, but I



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say it because it is a reflection of where priorities have been at the minute. Providing vital prison capacity has been such a relentless focus for me and colleagues in MOJ and the unintended consequences are that perhaps you are not as consistently engaged with others.

We should have the condition information that I referred to later in 2026. I see us engaging with Historic England on that information and how collectively in partnership we could work through some of the challenges that we face.

**Chair:** That is a good idea. One of them was just here, we can introduce you.

**Richard McSeveney:** Yes, we have met

Q240 **Mr Bayo Alaba:** I want to come first to Andy. You mentioned the history of some of the sites and the operational use that is relevant, which has carried forward to now. I broke out in a bit of a cold sweat when you mentioned some of those sites, but that is from an earlier life. You spoke about Shoeburyness, which is in my constituency of Southend East and Rochford. We have the commandant's building on the boundary of the site, and there is a local community organisation that wants to work with the MOD to repurpose that.

If you go further into Foulness Island, which makes up the majority of the site, there is a number of farmers there and residents that are on site. I have been there a few times and spoken to people, and the challenge they have is that the population is dropping, houses are being vacated, they are not being re-let and they don't know why. Added to that, there is a number of historic buildings, old farmhouses and stuff like that.

You have buildings that are currently being used by farmers and local residents and then you also have some buildings that are in severe decline, or in decline, or have been vacated in the last few years, that are not being re-let, that are left empty and so there are people on site already living there. There is also additional accommodation that can actually take people. What do we do there? What is the plan for trying to support the community that is there but also there is a precedent of people living on that site, so why can't we carry on with that?

**Major General Sturrock:** I can't answer your question directly as to why buildings are not being re-let when tenants are moving out. We can certainly take that away. I can find out if there is a particular reason around Shoeburyness that there is an active policy for us not to do that and I will get back to you on that. In principle, we want buildings to be occupied if they can be because we are responsible as the landlords for their maintenance and a building that is occupied and in use is always easier to maintain. I am afraid I can't really answer that question more directly but I will take it away, if that is okay.

Q241 **Mr Bayo Alaba:** Thank you for that. On opportunities for the public sector working with private partners to reduce the burden—I fully



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understand the cost implications of some of these buildings that are not relevant for current operational use—are there any plans to work with the private sector to be very creative and try to bring some of these assets that are on the curtilage back into private use?

**Major General Sturrock:** We have examples where we have done that. Minley Manor near Camberley was the officers mess for the camp. We built a new officers mess inside the camp and were able to then sell that building off. We do that case by case as and when we can. We have a limited capacity with the numbers of staff who are able to deal with asset disposals and quite a lot of them are focused at the moment on trying to dispose of larger sites. We lack the capacity to deal with lots of individual buildings. I can understand the frustration of people saying, “Hey, here is a building, we can see an opportunity for it, why can’t the MOD get rid of that?” It may well be in individual circumstances it is just a question of we would love to but we do not have the staff capacity to move that forward.

Q242 **Mr Bayo Alaba:** There is obviously a financial gain for both parties, so there is a motivation for the MOD to, where possible, work with partners to dispose of sites as well.

**Major General Sturrock:** Yes, we recognise, and I think it is mentioned in the strategic defence review published last year, that our estate is too big, we have too many buildings for the size of the military that we need, and that means that the money we have is spread too thinly. We actively want to reduce the size of our built estate. If there are good ways of doing that and taking, in this case, historic buildings and passing those on to other users, that is to our advantage as well as to the preservation of the historic buildings. We are definitely keen to do it.

Q243 **Mr Bayo Alaba:** Brilliant. My final question: do you have any examples where you have worked with and partnered with private organisations to prevent deterioration to avoid neglect? Do you have any examples of that?

**Major General Sturrock:** There is one example in Gosport, the old police station at Haslar, which is not a completely commercial organisation but the Hornet Services Sailing Club and the Army Offshore Sailing Association have taken on the rent of a building from the MOD and that has been fully converted. It is a fantastic new facility. It was a building that was not in use and was falling into disrepair. There is a good, small example there. I can’t off the top of my head think of other bigger examples.

Q244 **Chair:** That is also a good example of where a little bit of maintenance would have saved a huge amount of public money. That was actually the instance I was referring to earlier, where for the sake of not clearing out the gutters and replacing the roof tiles, it required £400,000 worth of Historic England funding and then much funding from the Army Sailing Association to bring that building back into use. This is a big problem that



when the military come to dispose of their sites, they are almost giving them away, in some cases having to give them away with an endowment, because of the huge cost that comes with bringing these listed buildings back up to even a legally minimum standard.

**Major General Sturrock:** Absolutely, and your previous witnesses in the earlier hearing mentioned that getting the running costs of historic buildings is really important. It is very easy to focus on the capital costs of conversion, but if you don't spend enough money on running buildings—and that is true of any buildings in public ownership. The biggest problem we have in our estate is not having the capital to convert buildings and to make sure we are maintaining and sustaining them properly everywhere.

- Q245 **Vicky Foxcroft:** The old Royal Naval College is not in my constituency but it is in a neighbouring constituency. We all know the amount of attraction and so forth that it gets, but the grant-in-aid funding has now been removed, which is making its financial position really difficult. I believe the MOD is the freeholder of that. What plans are there to ensure there is sustainability for the Royal Naval College?

**Major General Sturrock:** My understanding is that the leaseholders are responsible for the maintenance of that building and there is not an MOD responsibility for that.

- Q246 **Vicky Foxcroft:** The responsibility has been put on to them. I think this is sometimes the wider question of the responsibilities as well when there is not grant funding for them to be able to survive any more. Is there collaboration of any sort to make sure that we don't end up losing a major historic building like that?

**Major General Sturrock:** As far as I am aware, the MOD is not planning to have an involvement in that at the moment.

- Q247 **Vicky Foxcroft:** If they are having plans to end up doing something else, like shutting down or whatever, that is just for them, not for the MOD as a freeholder?

**Major General Sturrock:** I am not aware of our responsibility for that. I think the Chair asked some PQs around this and the answers were, "Under the terms of the lease, the responsibility of the repair and maintenance of the Old Royal Naval College rests with the Greenwich Foundation for the Old Royal Naval College". That is the MOD's position at the moment. Clearly if things develop further we will have to see where that goes, but at the moment we don't have a responsibility for the maintenance of that building.

- Q248 **Natasha Irons:** I am going to ask a bit about how you are funding your Departments but also about future skills and training and things like that for young people. There is an opportunity for us to use these public buildings to train young people to fill skills gaps in this area. What steps are your Departments taking to secure adequate and sustainable funding



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for conservation and maintenance of heritage assets in your estate beyond essential work?

**Richard McSeveney:** To pick up from my earlier point, I don't think we quite know exactly what we need for the heritage estate at the minute, hence the work we have in flight to understand that condition and that will allow us to make much more informed future bids. On that funding point, for me it is not investing in the Government estate as a whole with the heritage estate a part of it. If you invest in one thing you risk it being at the expense of something else.

On the skills point, I mentioned earlier that I talk to the CEOs of construction firms who are active partners in what we are delivering. We talk about pipelines. The more clarity we can give on where Government Departments are going to invest in their estate is helpful and attractive to those companies and helps them with their own investment in skills. Plus, there is a broader point about how we invest in the construction industry in the UK. That is definitely the kind of active conversation that we have.

**Mark Bourgeois:** Perhaps it might be helpful, Chair, if I give some broader context to GPA and then I will address the skills question. The Government Property Agency is an executive agency of the Cabinet Office, formed in about 2018-19 with a mission to deliver a smaller, greener, better Government office estate. We oversee about 220 offices in the UK, of which 64 are freehold. The rest are leasehold, so they are not really part of this conversation. Of the freehold group, there are 20 that we regard as heritage assets, most of which are located within a stone's throw of here. About 16 of the heritage assets are in Whitehall. They are valued at about £700 million. Very much as part of our objective of the smaller, greener, better office estate, we are focused on ensuring that those Whitehall buildings, those heritage assets, provide brilliant working environments for civil servants. I will come to the question, but I think that is possibly helpful context.

Funding is always a challenge, but I think it is helpful with these buildings, in so far as there is a plan for London, that a wider business model enables us to close leasehold buildings, release the rents we pay to landlords and focus investment on the Whitehall buildings. We have some great examples of investment in those Whitehall buildings. That means that we do have funds to invest in the continued maintenance, the planned maintenance and also major projects on each of these buildings. About £75 million has been invested in Whitehall over the last five years, and we plan another £45 million as part of this spending review period.

Perhaps that is a little bit too much background, but the context is that there are a lot of people involved. There are about 500 people in the GPA. A team in London is building skills all the time as we refurbish certain buildings and we maintain buildings, so we are building skills in the Government Property Agency. We work with strategic partners who provide expertise and train people in these historic buildings and the specific nature of keeping them maintained. We also work closely with



local authorities and Historic England in making sure that we are complying with all the specifics of the buildings of this nature. There is a lot of people involved and that involves quite a pipeline of skills being built.

**Q249 Natasha Irons:** Are training and apprenticeships specifically focused on heritage and preservation part of the procurement process for those specialist projects?

**Mark Bourgeois:** I cannot answer that question specifically, but I can say that with the strategic partners that we work with—the construction partners that we work with that carry out some of these works—from a procurement perspective we need to assure and satisfy ourselves that the expertise to undertake the work is there.

**Q250 Natasha Irons:** Leveraging the opportunity to train up the next generation. You talk about the pipeline. It feels like a good opportunity to train up the craftspeople who could come up behind. We are keen to understand if that is part of the thinking when going out and tendering these contracts.

**Mark Bourgeois:** Yes, it very much is. I can come back specifically on our procurement policies, but in general we need the skills to be able to look after these important buildings.

**Q251 Natasha Irons:** Finally, do you feel there is a lack of craftspeople in the industry? Do you come up against it when you are trying to maintain your estate? Do you struggle to get projects delivered on time because of that sort of thing?

**Richard McSeveney:** Not specifically on the heritage estate, but that is because we are not investing at a significant level. You can see wider strain in the construction industry. There are particular peak moments. It sometimes feels as if Departments are fishing from the same pond. We had that with the RAAC—the concrete. Everyone diverted to manage that particular risk and that probably highlighted that there was resource strain in that level and that area. I think Government Departments have a key role to play in how we work with industry to ensure there is broader investment in the construction industry.

**Mark Bourgeois:** We are fortunate in that there is quite a demand for young ambitious people to work on buildings of this calibre. I probably cannot speak more broadly about the challenges you mention and that I know that this Committee is there to address.

**Major General Sturrock:** Generally we find that there is a shortage of skilled tradesmen across the board. Even in just standard construction where you have major construction projects going on, there is quite often competition. We find that there is a limited market particularly where you are looking for very specialist heritage skills. Inevitably these markets and skills develop because there is a demand. Maybe the Government might think about creating and driving a pipeline of this sort, heritage



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type activities that will require skills, and therefore build a supply chain and the trade skills.

- Q252 **Chair:** It seems to me, Richard, that you have an opportunity within your Department. Bear with me, but we have heard from Historic England about the major skills deficit in maintaining historic buildings. You have a lot of historic buildings. You also have a load of offenders in your prisons who need to be generating skills so that they can have a life in the outside world once they are released. Leave aside the obvious risks of equipping violent offenders with the tools to restore heritage buildings, it seems to me that there is an opportunity within the prison estate to develop the much-needed heritage maintenance skills that could be used in the outside world. Has anyone ever looked at that?

**Richard McSeveney:** With a bucketload of pride I can say that there are prison colleagues who have gone on to work for some of the very construction firms that have partnered with us and that is always something that we are keen to build on. We have people who are released on temporary licence who will go and work on some of our own projects and I think is quite a powerful thing, how we use that to fulfil and secure future employment. We just want to do more of that, full stop.

- Q253 **Chair:** But no one has ever looked specifically at the craft skills that we are talking about today and where we have heard that the need is so vast?

**Richard McSeveney:** Not that I am aware of. I think it would be under the umbrella of what the construction industry needs.

**Chair:** That might be worth looking at.

**Richard McSeveney:** Absolutely.

**Chair:** And worth having a chat with Historic England about it. Okay thanks. Let's move on.

- Q254 **Jeff Smith:** Andy and Richard, you both talked about your challenge in maintaining heritage assets while you have to maintain operational requirements, particularly security but other kinds of operational requirements as well. Would you like to add anything on that?

That leads to my second question, which is about collaboration. Historic England has said that because heritage covers so many different Government Departments it is quite a diverse set of responsibilities. Historic England has also said that there needs to be more collaboration. What opportunities are there in MOJ and MOD in particular? Mark Bourgeois may want to add to this as well. What opportunities are there for collaboration? How can you work together across the piece? What would the accountability and co-ordination for heritage assets look like?



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**Richard McSeveney:** I go back to my earlier points about the work we have in flight that will give us the better grip visibility and handle on our heritage estate. If our response to that is in isolation and we just look at it through a MOJ lens, I think the risk is that we will not take that forward as much as we could. I want to do it in partnership with Historic England. We have every intention of engaging and we will share.

There is a transparency element and sharing what that information tells us. I am also mindful that doing this work alone does not guarantee that we get the funding to carry out the things that we might want to do in response. There was a comment earlier about partnering with the private sector for example. If we have a stronger collaboration with Historic England, it may be able to point us in the right direction towards other opportunities to engage with the private sector that we are not aware of.

**Major General Sturrock:** MOD works closely with Historic England. We follow the protocol HE issued on the care of the Government historic estate. We have a very small team in my directorate, two archaeologists and three building historical building experts, who are our link with Historic England and we work closely with HE as much as we can.

If you are asking about our collaboration with other Departments, part of MOD's difficulty is that our estate tends to be geographically dislocated from lots of other things. A lot of our estate is in relatively rural locations and we do not have neighbours nearby. However, maybe we could collaborate to pull together a list of active works on the historic estate so we could start to produce a Government pipeline of projects in historic buildings that might lead into helping the industry to supply the trades and skills needed.

**Mark Bourgeois:** A brief point from me. From a collaboration perspective it is certainly helpful to mention the Office of Government Property and the Chief Government Property Office, who are the sponsors of the GPA. They provide a convening function across all property, across Government. Mark Chivers, who leads that team, is always very keen to bring us together on various topics and subjects and we liaise actively.

Specifically on the Whitehall estate, we are learning quite a lot in refurbishing some pretty challenging historic buildings. I have had a couple of sessions to swap notes with Russ MacMillan, the newly appointed chief executive of the Houses of Parliament Restoration and Renewal Delivery Authority. We are swapping notes and making sure that best practice is spread across the way we work.

Q255 **Jeff Smith:** Do you think that convening function is enough? Do you think that swapping notes is enough or do you think that there should be more oversight and control? I am getting the impression that MOD understandably is sort of managing its estate and all the challenges that comes with that but as a kind of separate entity from the rest of Government. Am I getting the wrong impression there?



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**Major General Sturrock:** We tend to manage our estate relatively separately from the rest of Government.

Q256 **Jeff Smith:** Is there an opportunity for more oversight and co-ordination? Mark?

**Mark Bourgeois:** Our remit is focused on the Government office estate. I fully embrace the principle of best practice, collaboration and working across Departments. I know that Mark Chivers, the Chief Government Property Officer, were he here, would absolutely endorse that cross-Government property collaboration. That is why that team is there in the Cabinet Office to drive just that.

Q257 **Chair:** To be clear, is there nobody in the Cabinet Office who oversees or works in partnership with organisations such as MOJ and the Ministry of Defence to keep an eye on what they are doing with their heritage estate? Is everyone just pretty much left to their own devices? Is that what you are saying?

**Mark Bourgeois:** We are all very clear about the need to maintain, plan maintenance and maintain buildings and some very clear guidance comes from OGP for all of us on maintenance protocols, how we deal with backward maintenance. Specifically on heritage, not that I am aware of.

Q258 **Chair:** I mean no offence to Richard or Andy but Historic England has said that their Departments are not maintaining their heritage assets otherwise Andy would not have 27 properties on the heritage at risk register. Is there no oversight from the Cabinet Office to make sure that these guys are doing what they are supposed to be doing when it comes to following Historic England guidance?

**Mark Bourgeois:** I cannot speak for the Office of Government Property. As an executive agency at the heart of the Cabinet Office delivering the strategic planning of the smaller, greener offices estate, I cannot comment on that question.

Q259 **Chair:** Who would we need to get in front of us to be able to answer a question like that then, the Minister?

**Mark Bourgeois:** The Chief Government Property Officer is Mark Chivers. I think he would have a view, for sure.

Q260 **Chair:** Why is he not here? Have we asked him? Why is he not here? You don't know?

**Mark Bourgeois:** We certainly thought that the work that GPA does as part of the Cabinet Office would be particularly interesting for the Committee in the context of the heritage work on the Whitehall estate. That is why I am here.

**Chair:** You should tell Mr Chivers that we might have to invite him to come in all by himself so that he can answer these questions directly. Let's move on to questions from Damian Hinds.



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Q261 **Damian Hinds:** Would it be right to say that “one public estate” is a phrase? Is it anything more than a phrase?

**Richard McSeveney:** Are you referring to the Cabinet Office programme?

**Damian Hinds:** I am not saying that this is a brand new thing. That phrase has been around Government for quite some time, including when I was at the MOJ for a while. People talk about “one public estate” and sometimes in relation to meeting Government housing priorities but also just securing best value for taxpayers’ money. It sounds from what you are saying that there is not really an active programme to treat the asset register of HM Government as one thing. Is that fair to say?

**Richard McSeveney:** No, I do not think that is fair to say. One public estate is a specific Cabinet Office-led programme. There is a regional focus to it. It is about trying to maximise the value of the Government estate in that particular region, particularly where it can contribute to economic growth and so on. I think there is a concerted effort now on the management of the Government estate. We have had the NAO report that talks about the backlog for the central Government estate being around £49 billion and that if that backlog is not addressed in a sustainable systematic way, the risk is that it will continue to grow. There is much more joining up in that space. That is not to say that there is not more that we can do there.

Going back to an earlier question, we are also property leaders in Government. There is not anything stopping me from engaging with MOD and forming those closer relationships and I take responsibility for that.

Q262 **Damian Hinds:** There is usually nothing stopping anybody in any Government Department from working with any other. That does not mean that they necessarily get out and do it.

**Richard McSeveney:** My point is there is no formal mechanism stopping it.

**Mark Bourgeois:** I will also add that a lot of investment has gone from colleagues in the Office of Government Property into forming a more robust database of Government assets. I think there is plenty of work being done to connect across Government. Whether it is specifically on heritage, given all the pressures on funding, is a fair question.

Q263 **Damian Hinds:** Another thing that comes up on property periodically and is perhaps particularly relevant to heritage sites is about offloading property, particularly to unlock housing development but it can be for other things as well. On the former REME site in Farnham and Borden, a constituency I used to represent, a substantial redevelopment had some marginal involvement with Reading prison and so on.

Could you be doing a lot more? You just happen to be the ones who are here and you both have big estates, but could Government Departments



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in general be doing more to offload sites and particularly the secure estates? It is wonderful to think about all these listed buildings but truth be told they are the hardest buildings to manage. They have the darkest corners and were designed for the Victorian era, not for now. They are expensive to heat and expensive to run. Is enough done to offload property when you could replace it with more modern property? Among individual Departments, who challenges you to say, "Why have you not got rid of that site? Why are you still spending a fortune maintaining that site?"

**Major General Sturrock:** From an MOD perspective, we are actively trying to reduce the size of the estate. We are investing a lot of money in doing so. The Defence Estate Optimisation Programme is a £4.5 billion programme to relocate military units on to a smaller, more concentrated estate so that we can dispose of land. That will reduce our running costs, give us new and better facilities. It will release land for housing development and, of course, the current Government are particularly keen that we accelerate that process. We are under a lot of pressure from the Government to actively release.

In doing that, considerations of historic assets on those sites sometimes become an active concern. We have a service level agreement with Historic England for the Defence Estate Optimisation Programme. We have HE's expert advice on how we handle the particular assets on those sites as we dispose of them. However, of course, there are all sorts of other things that are not related to historic assets that make it harder to sell land. There is planning law, local planning permission, planning reform. We have been actively engaged in the Government's approach to planning reform to try to make it easier to offload land and make it useful for other things and for other purposes across the communities.

**Mark Bourgeois:** Following up on that and answering the question, our colleagues at OGP have a specific objective and targets to co-ordinate the disposal of land across all Departments for all of us. Indeed, you heard from the chief executive that Historic England is working to ensure that where those heritage assets are disposed of they fall into the right hands and not the wrong hands as has been the case.

Q264 **Damian Hinds:** Mark, I want to press you on something related but different, which is hotel room stock. You own some of the most valuable real estate in Europe on roads adjoining us here. You have done projects in the past. The Treasury Building in particular became a fantastic concentration of working space. I do not know what the ratios are and how many more people you got into that space but my question is how much more opportunity is there in central London Government property to reduce the footprint of office space? In theory, many of the people in there do not need to be working in central London but we could do with an awful lot more hotel room stock in central London.

**Mark Bourgeois:** It is significant. We are currently in the middle of an issue called the plan for London. It will involve closing 11 principally



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leasehold buildings and notable among them is Petty France, which has been sold to a hotel developer.

To answer your question, the economics of that really stack up. There is a target of £94 million of annualised revenue savings by closing those buildings and then having a more focused core set of buildings in Whitehall and I have described the refurbishments of those. Handing back that leasehold property, the stuff that is the old offices that are not really fit for purpose in the context of Government, is a good example of reuse.

**Q265 Damian Hinds:** Finally, if I might be allowed one more question, wearing your broader public sector stewardship hat, do you think it is right that you are effectively obliged always to sell to the highest bidder? Do you remember when County Hall was being sold? Do you remember the big question about whether it should go to the London School of Economics or to a general commercial developer? I always felt in a funny sort of way that that was an opportunity missed to create something amazing in the centre of this city. I have come across projects in different Government Departments where you just do not have the ability to say, "It would be great to do X with this site" and you have to follow Government procurement rules of course, and so on, but do you think we sometimes lose something as a result? It is a leading question.

**Mark Bourgeois:** It really was. I think you ought to be really careful about who you sell to. I spent my career developing regeneration through retail and leisure in the centre of towns. I did a couple of years at Liverpool City Council and oversaw some of the consequences of moving buildings on to the wrong people. Yes, absolutely, it is really important to sell to the right people. It is easy not to take the social value associated with a sale into a sale. Your leading question is one that I think Historic England, OGP and we all are very aware of.

**Richard McSeveney:** There is something in not just looking at the Government estate through the lens of cost and more through the lens of value and its contribution to, in my case, for example, justice outcomes, as opposed to often the cost of the bricks and mortar and the running of it. We need to do more to demonstrate the economic value of the Government estate.

**Major General Sturrock:** There is a tendency when you are disposing of something to focus on the capital receipt you might get from it. In our case, what we are actually interested in is reducing our running costs over time and the liabilities. If we factor that in, it is a big financial bill. Taking a slightly lower capital receipt to get the asset into the hands of somebody who will look after it reduces our running costs. It is maximising value that we should be thinking about, not maximising the capital receipt.

**Q266 Chair:** When it comes to maximising value, do you think that Government Departments think in an agile way? Is it that we are either



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flogging this or we are keeping it? Is there ever a consideration of a hybrid model where you might work collaboratively with the private sector, sell a bit, keep a bit to maximise the potential value of something?

**Major General Sturrock:** It is not directly relevant to the historic estate, but the MOD completed the housing review last year and we are about to create an organisation to take on the running of our service families' accommodation. With that came the development of land released for disposal. Traditionally, we have tried to get surplus land into local planning applications and sell it to developers who would take it on. By putting it in and getting outline planning permission, we have increased its value. The current concept will take us a bit further. For the right sites, we will partner with a developer, maintain MOD ownership for longer and extract more value from it. That sort of model could be applied in other circumstances as well, potentially.

Q267 **Chair:** I do not want to give the impression that you cannot swing a cat in my constituency without knocking down half a dozen listed buildings on a military estate, but you cannot swing a cat in my constituency. Fort Blockhouse, as you know, is earmarked for disposal, and has been since 2016, I think. Everyone is still twiddling their thumbs, waiting to figure out how to dispose of it—a complex site, listed buildings, a sea wall, some elements of contamination, some planning constraints, and so on, as well as proximity to the naval base. One of the reasons that Fort Blockhouse has not been sold so far is that it is a huge estate. The approach has always been sell it, keep it, sell it, but it is still sitting there and we are waiting for an outcome for this site, which is doing nothing for the constituency, nothing for the MOD, nothing for the public purse. Could there be a slightly more sophisticated hybrid model in the approach to how you get rid of something like that?

**Major General Sturrock:** We are looking at that, you will be pleased to know. Some soft market testing was conducted a year or a year and a half ago, involving 29 firms and a mixture of housing development, housing associations, commercial and maritime development. Twenty-nine firms expressed an initial interest, three took it forward and two turned up to the face-to-face. Of those, one was not suitable, the other one we have had a conversation with and the judgment is that, as you have said, a straightforward sale will not work. It is not attractive enough. We are now looking at considering how we come up with some form of partnering model where the Department stays more involved but we are starting to think about how the development works. It is very early days and I do not know what success we will have, but we have recognised that a straightforward sale of that site is unlikely to be successful.

Q268 **Chair:** It is a shame. That has been earmarked for disposal for 10 years now. That is a lot of cost that could have been saved if that had been recognised 10 years ago, but there is an element of urgency about that now, is there?



**Major General Sturrock:** Yes.

**Chair:** Watch this space, in that case.

Q269 **Jo Platt:** My question is on planning application and listed building consent. During the evidence we heard from numerous organisations how slow and fragmented this process is. Does this process provide sufficient flexibility for publicly owned assets with operational requirements, or how do you get around it?

**Major General Sturrock:** From a military perspective we have no exemption, so although we have permitted development rights under some circumstances within the fenceline of our military bases, it excludes development of historic buildings and immediately we come back into the same planning rules and regulations. Where we are faced with an urgent estate requirement, an urgent operational requirement that requires infrastructure, we would avoid using a historic building to put that simply because we know that getting the planning application to put something in a historic building takes too long.

We generally do not have an approach of urgent requirements related to historic buildings because we have a big enough estate that there is somewhere else you could go. That may mean you have missed an opportunity to use a historic building for an alternative purpose that might have benefited that building, but I cannot say that is the case. I do not know of any specific examples where we could have used this but we did not, but that might be true.

Q270 **Jo Platt:** I will ask you as well, Richard. Are there any changes that you would like to see to improve the balance between heritage protection and functional adaptability in this process?

**Major General Sturrock:** It is difficult because of course I could sit here and go, "Well, we would like complete freedom to do the sensible and right things with these historic buildings to keep them purposeful," but understandably the system has to have a certain amount of control in it. Getting that balance between making sure that landlords and owners of buildings are looking after them properly, while that not then becoming a hindrance to developing is a fine balance.

Q271 **Jo Platt:** Are you in conversation with Government Departments regarding these limitations?

**Major General Sturrock:** We have been involved quite heavily in the new planning development but not specifically on the issue of historic buildings.

Q272 **Jo Platt:** Is that something you will look to do?

**Major General Sturrock:** I am not aware of our plans to do anything in that regard specifically. While planning permission for historic buildings is a slow process and it does slow us down when we are dealing with those,



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we have so much of our estate that is not historic buildings that it is not a priority for us.

Q273 **Jo Platt:** Same question, Richard. How do you manage situations where urgent operational needs require expedited consent?

**Richard McSeveney:** The big thing for us tends to be when we are trying to get planning for a new prison, and that is not without its challenges but we are doing okay. Listed building stuff tends to be more in the courts and tribunal space. I can double check but I think it is above 60 live consent applications. We recognise that you have to have a system and I think it is more about proportionality and response time.

One of the things that could potentially help—my earlier point, again without wanting to sound like a broken record—is the more we understand about the condition of our heritage estate and, therefore, are able to make more informed bids, and you have created clarity on funding, that allows you to plan your work better and the listed building element is part of that. In getting that information we can then be clearer and provide more clarity on our plans, which I think can help local authorities, for example.

Q274 **Jo Platt:** Understanding the process a little bit more so that you can do the challenge.

**Richard McSeveney:** Yes, recognising it is unhelpful if we provide a load of stuff at once because there is resource strain and pressure elsewhere.

Q275 **Jo Platt:** Mark?

**Mark Bourgeois:** Yes, in the context of an urgent health and safety repair requirement we have flexibility to operate within the guidelines to address an issue and then retrospectively apply for consent. It is rare for that to happen—one or two incidences across the Whitehall estate—but typically we would then work closely with Westminster council to ensure that we were complying. On involvement directly with any of the legislation, I am reflecting on the conversation and I will take that away as one to follow up.

Q276 **Mr Bayo Alaba:** In their evidence Historic England suggested that they are transferring publicly owned assets and their ownership into community use. Do you think this is a logical solution? Is this a way forward? I will start with Mark and then Richard.

**Mark Bourgeois:** To the extent of my role at the Government Property Agency it is not a question that would typically be relevant to the Whitehall estate, so I am stepping back and providing a broader view on this. Having been involved in community asset transfer type work and seeing that operate in cities, and particularly in Liverpool, I think understanding the community that is taking it on, the business model, the ability to effectively service the requirements of the building is an important part of that transfer.



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It is also important to understand the social value associated with a transfer like that, beyond the pure capital value, with the type of issues that I have historically seen. I do not speak with my GPA chief exec hat on in answering that question because it is not necessarily relevant, but hopefully helpful.

Q277 **Mr Bayo Alaba:** That is good, some context definitely. Richard?

**Richard McSeveney:** It is challenging as so much of our heritage estate is operational and located inside a secure prison perimeter, so there is a practical element to it. That is not to say that if there are future opportunities where we are looking to dispose of elements of the heritage estate—we need to be completely broad in our thinking. The engagement with Historic England and that partnership can help us. That is the relationship that we need to build on to help us do that.

Q278 **Mr Bayo Alaba:** Definitely. Andy, I know it is probably harder for you because of security issues, but is that something that you would consider and look at?

**Major General Sturrock:** Like the MOJ, it would not be appropriate for a lot of our estate and our historic buildings because of the security implications. But case by case where an asset could be taken outside the camp, or it is already outside the camp, it is certainly something we would look at. Will it be a significant shift for us? I do not think so. It would be case by case, but we would certainly be open to it.

Q279 **Mr Bayo Alaba:** Yes, and I suppose you have the issue that it is very location dependent as well. If you look at coastal communities and some rural communities where tourism is a piece, where that is quite important, if and when and how those assets can be put back into community use will be important. We have something similar in Rochford, a Victorian freight house that has gone back into community use. That is something as and when. How can we do that working with Historic England? Even case by case it is something that very much needs to be expedited.

**Major General Sturrock:** One of the things for us is identifying a community group that is able to take something on. If Historic England can do the matchmaking, we are happy to look case by case.

**Mr Bayo Alaba:** Absolutely, and even from a local authority point of view they are tuned in to what kind of groups are out there. I have set up some in my constituency, but local authorities will be able to, and I am sure colleagues around the table will be able to as well. I definitely commend tapping into local government.

Q280 **Chair:** As you will all be aware, our Committee is writing a report on this subject. If there is one recommendation that would significantly help you in your stewardship of the heritage estate in your own Department, what is the one thing you would ask us to include, Mark?



## HOUSE OF COMMONS

**Mark Bourgeois:** Supporting the consolidation, the smaller, greener, better Government office estate; disposing of leasehold assets to enable us to invest in the freehold assets for a core, better office estate.

Q281 **Chair:** That should be the Cabinet Office focus?

**Mark Bourgeois:** Yes, I give that relating to the office estate.

**Chair:** Richard?

**Richard McSeveney:** Recognising funding will always be a challenge but sustainable levels of funding that span review periods.

**Chair:** So certainty and predictability of future—

**Richard McSeveney:** It helps build pipelines.

**Major General Sturrock:** I agree with Richard that finance is at the core of it, but the removal of VAT on the refurbishment of historic assets would be helpful. It would also play into the sustainability agenda because the motivation to build new puts more embodied carbon out there, whereas reusing existing buildings from an embodied carbon perspective is a more sound policy. That would help us make our money go further.

**Chair:** Lovely. Thank you very much to all of you for giving evidence to us today.