

FINANCE AND CONSTITUTION COMMITTEE

FUNDING OF EU STRUCTURAL FUND PRIORITIES IN SCOTLAND, POST-BREXIT

SUBMISSION FROM HISTORIC ENVIRONMENT SCOTLAND

Introduction

Historic Environment Scotland is a charity and public body leading the way in protecting, understanding and sharing Scotland's historic environment, for today and for the future.

We care for more than 300 sites of national importance all across the country and are the largest operator of paid visitor attractions in Scotland.

We look after internationally significant archives and artefacts.

We are at the forefront of investigating and researching the historic environment and addressing the impacts of climate change on its future.

We protect our historic places through designations and consents, promote their sustainable development, and provide millions of pounds each year to local communities to repair and revitalise their historic environment.

We provide advice and guidance about the historic environment and offer a wide range of training and learning opportunities.

We lead and enable delivery of *Our Place in Time*, Scotland's national strategy for the historic environment. It sets out a vision of how our historic environment can be understood, valued, cared for and enjoyed. We work in partnership with other organisations and individuals to deliver *Our Place in Time* and its benefits to Scotland's people.

At Historic Environment Scotland, we want the historic environment to make a real difference to people's lives. A difference to our health, to our economy, to our culture, to our environment. We want heritage to involve everyone so that we all benefit.

Our new Corporate Plan, *Heritage for all*, sets out this vision and the 5 outcomes we want to achieve to help realise it:

1. The historic environment makes a real difference to people's lives
2. The historic environment is looked after, protected and managed for the generations to come
3. The historic environment makes a broader contribution to the economy of Scotland and its people
4. The historic environment inspires a creative and vibrant Scotland
5. The historic environment is cared for and championed by a high-performing organisation

European Structural and Investment Funds and the historic environment

European structural and investment funding (ESIF) has enabled a lot of work and positive change to be made for our sector and Scotland's historic environment. We have been a funder alongside ESIF as well as being in receipt of it ourselves.

In May 2017, Historic Environment Scotland [published research](#) which assessed the European Union's contribution to the historic environment in Scotland since 2007.

This research found that over 280 projects had received a minimum of £36.8m in EU funding from both ESIF and trans-national funds in the period from 2007-2016. From this total, £27m was European Structural & Investment Funds with the majority (£23.85m) from the ERDF (European Regional Development Fund) which includes €4.76m for Interreg European territorial cooperation funding. There was £350,000 from the ESF (European Social Fund) and £2.78m from the EAFRD (European Agricultural Fund for Rural Development, including LEADER) for rural based projects.

Similar research was undertaken by Creative Scotland and Museum Galleries Scotland at this time.

Currently, Historic Environment Scotland is in receipt of ERDF through one ongoing Interreg Northern Periphery and Arctic Programme (NPA) project (Adapt Northern Heritage) where we are lead partner and we have another project currently in approval stage. We received a £1.9million grant from the ERDF for the build of The Engine Shed (Scotland's dedicated building conservation centre) which opened in Stirling in 2017.

Other examples of ESI funding in the historic environment sector include Rothesay Pavilion, Knockando Woolmill and Scapa Flow Wartime Trail.

As ERDF projects need to match funded, we have been a grant-aider for many projects, such as Rothesay Pavilion and Knockando Woolmill listed above. Most projects will have multiple funders and any changes to the current set-up should take into account this multi-contributor approach and note that its removal would have implications for funding partners in an already over-stretched arena. As such, Historic Environment Scotland would wish to see such consideration go into the planning of the prospective Shared Prosperity Fund and ensure there were no restrictions on its use for regeneration, reuse of existing buildings and culture heritage projects as well as skills development, community involvement, education and environmental protection.

ESIF has played a vital role in both safeguarding and promoting the historic environment. It has been particularly important to rural and island communities where we have seen over \$71m of EU funding to the Highlands & Islands making a dramatic impact to tourism, heritage and culture there. It has allowed award-winning tourism and heritage centres to be built, enhanced interpretation and research of archaeological sites and has provided infrastructure to support rapid growth of international visitors.

The current Natural and Cultural Heritage Fund being administered by Scottish Natural Heritage is another example where ESIF directly benefits our sector. Its priorities

acknowledge the cross-cutting themes the historic environment embodies across tourism, culture, sustainability and in helping communities grow economic activity and employment.

The historic environment enhances our quality of life and is a hugely valuable social, cultural, economic and environmental resource. It is finite and much of it can't be replaced. Planning of the Shared Prosperity Fund, its priorities and schemes, should remain cognisant of this detail. Our recently published Historic Environment Policy Statement confirms this approach with Historic Environment Policy 3 (HEP3) stating: Plans, programmes, policies and strategies and the allocation of resources, should be approached in a way that protects and promotes the historic environment.

Scottish Rural Development Funding and LEADER funding

As part of the Scottish Rural Development Funding, LEADER grants have been particularly important to our sector providing a conduit for local people to deliver preservation of historic environment features and enabling communities to contribute to local regeneration. Over 100 projects relating to the historic environment received LEADER funding during the 2007-2013 framework. These projects have seen wider benefits through education, improving accessibility and skills development, such as the Culloden Access and Interpretation Project and the Cumnock Traditional Skills Project.

Currently, the 'Rediscovering the Antonine Wall' project, which seeks to raise awareness of the World Heritage Site through a programme of 30 community projects, is in receipt of LEADER funding.

The bottom-up approach taken by LEADER and its focus on community-led local development is seen favourably by applicants. This is demonstrated by the large take-up of LEADER projects within our sector and evidences the importance of the historic environment and cultural heritage to communities of both place and interest.

Historic Environment Scotland also has a stake in the SDRP run Agri-Environmental Climate Scheme. Currently one of its funded priorities is 'preservation of the historic environment' which offers grants for management of scheduled monuments (designated, nationally important archaeological sites, burial mounds, standing stones, medieval ruins etc.) situated on in-use agricultural sites. We provide case-by-case advice on applications for it in line with our regulatory function. However, grants are dependent on there being a direct natural heritage benefit.

There has been a relatively low take-up for this priority and in 2017 it had made up £7.6m of the total scheme spend of £103.9m since 2015. Part of the issue is that currently only designated sites are eligible and whilst this amounts to approx. 8200 monuments, many historic assets are not covered, including landscape (which is a composite of both natural and cultural heritage contributions).

We are keen to ensure that SDRP's successor programme recognises the wider historic environment, including undesignated historic assets and landscape; and that its approach to positive and integrated land management incorporates the historic environment as a

benefit it its own right. Given the various synergies between agricultural practices, sustainable farm management and the outcomes for the historic environment, we feel that the rural development programme and any successor has a role to play in delivering these objectives and would support the National Performance Framework outcome: 'We value, enjoy and protect our environment'.

Post-EU Exit Structural Funds

Historic Environment Scotland believe that post-EU Exit structural funds and decisions on their delivery mechanisms and distribution should remain devolved to individual nations.

We consider that it would better allow for a tailored approach to focus upon 'reducing inequalities between communities' which has been set out in the prospective UK Shared Prosperity Fund. This should be tailored for social, economic, environmental and health and wellbeing needs along with different regional requirements across Scotland. There should be an entrenched commitment from government(s) to co-design and collaborate with all stakeholders, including communities. Key agencies and local government should remain as partners in this process through creation, delivery and evaluation.

The current 11 priorities of the ESIF remain relevant, and as described have benefitted the historic environment; however, a more cross-disciplinary approach would be welcomed. This would reflect the overlapping role the historic environment has across policy areas and would encourage further working together between them. We would ask any prospective fund(s) to remain outward looking and continue to reflect the positive, inclusive and sustainable direction of growth that other countries advance.

Greater emphasis could be placed on the fund's use in advancement of progressive legislation and certain monies could be ringfenced for this, including community empowerment and climate change legislation. A devolved model would allow Scotland to proactively consider ways to do this and incorporate all relevant frameworks and their outcomes including the National Performance Framework, the historic environment strategy *Our Place in Time* and the forthcoming national Culture Strategy. This would mean it is aligned to United Nations Sustainable Development goals and remains outward looking as mentioned above. It also allows in-built flexibility and to create categories and requirements that are not immovable or overlook the needs of regions, people and the environment for the sake of efficient administration.

Conclusion

Historic Environment Scotland recognises the significant value ESIF has brought to the historic environment and its overall success in regional development and social investment. Much like others, we strongly advocate that post EU-Exit structural funds match this current contribution and add to it in line with development and sustainability needs. Moving forward, we would like to see the prospective Shared Prosperity Fund adopt a collaborative and sustained approach to working with stakeholders and with more funding opportunities aligned to current frameworks and spanning all policy areas.

Future funding should recognise the historic environment and the impact it has on a finite resource. It should continue to offer opportunities to protect and promote it. However, it should equally recognise the enabling role the historic environment holds in development and sustainability, both economic and social, and work upon enhancing this to ensure its benefits are fully realised for current and future generations and for the environment.