The National Trust is a charity founded in 1895 by three people who saw the importance of our nation’s heritage and open spaces and wanted to preserve them for everyone to enjoy. More than 120 years later, these values are still at the heart of everything we do. We look after special places throughout England, Wales and Northern Ireland for ever, for everyone.

Introduction

1. It is estimated that by 2020 Local Councils will have lost nearly 60% of central government funding compared to 2010.1 Such a dramatic reduction in resource has inevitably had an impact on the services that local authorities are able to deliver, and on the numbers of staff available to deliver them. Unsurprisingly, the ability of local councils to deliver services that go beyond their statutory obligations has been seriously affected, and our experience suggests this is also starting to effect even statutory services such as local planning.

2. As an organisation committed to the conservation of the nation’s heritage and natural environment, the National Trust is concerned about the long-term impact of these cuts on the ability of local authorities to deliver on their responsibilities in these areas. This includes the ability to operate planning and environmental services effectively and get the best out of the heritage and green spaces that authorities look after on behalf of their local communities. Budget limitations also impact on the ability of local authorities to invest in activities and services that can support economic growth and sustainability, particularly for rural communities.

3. These challenges also come at a time when budgets for other public bodies with an interest in protecting natural and historic assets, such as Natural England and Historic England, have also been significantly reduced, and continue to be under pressure.

4. Where no additional funding appears to be forthcoming, alternative approaches may be necessary to ensure that these key assets and services continue to be delivered. It may be that consideration needs to be given to whether local authorities can continue to deliver all the functions that they’re currently expected to do with the money available – and whether alternative approaches might be more appropriate. The Trust is involved in partnership projects with local councils seeking to help find ways to support the long-term protection of green spaces and heritage assets in the context of the funding gap that currently exists. This response to the committee will both outline our concerns and discuss some of the innovative approaches that are being developed to help support local authorities in these areas.

5. The framework document for the 2010 spending review said that the Government at the time would assess spending against a number of criteria, including whether government should fund the activity at all or if local government or non-state actors should provide the service.2 It also

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suggested that departments should put in joint bids for cross-departmental activities. In practice, neither seem to have happened. The 2019 spending review should consider these again and what role central government can play to support the kind of initiatives we outline below.

**Urban Green Spaces**

6. Public parks have a very special place in the nation’s heart. They are the green lungs of our towns and cities: locally loved spaces that provide millions of people with opportunities to escape, explore, rest, relax and play. But with local councils’ budgets under pressure, and no statutory obligation to maintain green spaces, the ability of local authorities to look after these vital assets is under grave threat.

7. A 2016 report by the National Lottery Heritage Fund highlighted the growing crisis in terms of local authorities’ ability to manage public parks and green spaces.\(^3\) The report found that 92% of park managers reported cuts to their revenue budgets over the past three years, and that 95% expected their revenue to be cut further over the following three. Three quarters reported a reduction in staff, and a corresponding loss of key skills like horticulture, landscape design and ecological expertise.

8. However, the value of green spaces to the people who live nearby is also extremely clear. Between 2014 and 2016, the National Trust led one of 11 Big Lottery-funded Rethinking Parks projects. Our project, Endowing Parks in the 21st century, aimed to test the feasibility of an endowment to provide a sustainable financial model for a whole city’s parks portfolio. We used Sheffield as a sample city and worked with Vivid Economics to develop a set of Natural Capital Accounts (NCA), in an attempt to put a value on a city’s parks. We worked with Sheffield City Council as a partner for the duration of the research project. The NCA provided some striking results: they show that parks and green spaces are a great asset to Sheffield, worth nearly £1.2bn – not a liability of £16m as they appear in conventional public accounts. They also suggest that parks are excellent value for money: for every £1 spent on public parks in Sheffield, society receives £34 of services – 60% of which is to physical and mental health.

9. This work serves to highlight the public benefit which is lost when local authorities are unable to properly look after their green spaces. However, it also provides insight into potential solutions for the long-term care of green spaces, which could help support local authorities given the growing funding gap that exists. There is, for example, evidence that there is potential for generating income from parks. As well as providing a compelling argument for continued investment in Sheffield’s parks, the figures that the NCA demonstrated could also be used as a tool to help lever in endowment contributions from those who benefit from continued existence of high quality parks (e.g. health, utilities, etc.). However, in order to be able to accept endowments, and other more innovative revenue streams, the project revealed that structural changes were necessary to the existing parks model.

10. Our work in Sheffield led us to conclude that a city-wide independent charitable trust model for looking after the green spaces (with the land still owned by the local authority), has potential to open up new opportunities for finance not available to the council. While we recognise that there is no one-size-fits-all solution, this model would be able to make use of tools and

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approaches not currently possible for a local authority. For example, using its resources in ways the Council cannot, a Trust can recycle income back into the estate, purely for the benefit of the parks and allotments. At the same time, it should be able to maintain free access to quality parks, secure dedicated and long-term funding for parks, and grow the public benefits from parks and green spaces. We went on to work with Newcastle City Council to help them set up an independent charitable trust to manage 33 of the city’s parks and over 50 hectares of allotments. The project is the first time such a trust has been created on such a large scale, following the success of smaller projects, including Milton Keynes’ self-financing The Parks Trust. Newcastle City Council has now recruited the first Chair and Board of Trustees for the new charity. This Board will shape and steer the charity to ensure the parks and green spaces flourish, and the charity will take over running the parks by April 2019.

11. We’re now taking this work further to help more local authorities explore whether this model could help their work. The Future Parks Accelerator is a new national initiative that we’re delivering in partnership with the National Lottery Heritage Fund and supported by the Ministry for Housing, Communities and Local Government, which seeks to enable up to 8 places across the UK to develop these sorts of ambitious solutions to secure and enhance the future of public parks and green spaces and deliver long term public benefit. The places involved in this work will be announced later this year.

Protection of the Historic Environment

12. Local authorities have significant responsibilities when it comes to protecting the historic environment and heritage assets in their areas and ensuring that historic places and archaeological sites and remains are not damaged by development. Local planning authorities have responsibility under the National Planning Policy Framework (NPPF) for ensuring that Local Plans incorporate a “positive strategy” for the conservation and enjoyment of the historic environment, and for maintaining, or at least having access to, a historic environment record (HER), which can inform planning decisions. They also hold wider responsibilities over conservation area designations, monitoring heritage assets deemed to be at risk, and intervening to prevent deterioration and loss through urgent works notices, compulsory purchase powers and dangerous structure notices.

13. Local authorities need to have the right expertise and resource in order to fulfil these obligations. Figures collected by Historic England on local authority staff numbers supporting conservation and archaeology between 2006 and 2018 show both having fallen by 35%. The NAO also recently pointed out that the number of planning staff in local authorities had fallen by 15% between 2006 and 2016. However, the average number of Planning Applications and Listed Building Consents has broadly plateaued since 2009 (though there has been a slight fall since 2017). The same amount of work is therefore being done by far fewer individuals, which will inevitably be having an impact on the quality of work being done, as will the loss of expertise and experience within the remaining staff. In our experience across England we’ve seen less consistency in planning decisions over time and have seen both a relaxing of restrictions in planning consents granted in some cases, and in others an unnecessarily rigid approach which can prevent reasonable and beneficial changes or developments from

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5 Historic England Tenth Report on Local Authority Staff Resources https://historicengland.org.uk/images-books/publications/tenth-report-la-staff-resources/
occurring. The collective impact is that the ability of the planning system and other non-
planning protections (such as listing and scheduling of ancient monuments) to protect the 
historic environment is significantly eroded.

14. It’s also the case that cuts are affecting some places more significantly than others, with some 
local authorities cutting historic environment services to near zero for periods of time. As data 
gathering about the historic environment simply isn’t taking place in these authorities, it is 
impossible to know the impact these severe cuts to services have had or what damage was 
caused. There is therefore a serious danger that the nation’s special places, and 
archaeological remains significant to understanding our shared past, are being put at risk of 
loss or irreparable damage.

15. Nationally significant archaeological sites without designation are not subject to the protections 
offered by listing or scheduling, and rely on the effectiveness of the planning system to ensure 
that they are not impacted by development. As such they are particularly vulnerable to damage 
or loss, as are unlisted and Grade II listed historic buildings, as they do not feature on Historic 
England’s Heritage at Risk Register and tend to be given lower priority than Grade I or II* 
places. There is limited information on the number and condition of these buildings; while some 
local authorities collate their own lists, they are often inconsistent, and reduced funding and 
expertise means the monitoring and gathering of such data is not happening everywhere. 
Provision of local authority grants for listed buildings have largely vanished which, alongside 
the fact that building works to them are liable for VAT (while new builds are not), has increased 
the financial burdens on owners. Lack of enforcement has also led to unauthorised works 
commonly being carried out, to the detriment of the historic environment. However, research 
that we will shortly be publishing suggests there could be a large number of Grade II listed 
buildings at risk in England which hold potential to offer greater benefit to the public and the 
communities around them – for example through restoring buildings, providing greater public 
access to them, or making more effective use of the spaces and facilities they offer – and again 
potential to generate income in some cases. We will provide the Committee with the outcomes 
of this research once available.

16. The number of local authorities and other public sector organisations considering the transfer 
of assets in their care (land or buildings) to charities or other bodies in the private sector has 
grown over the last decade. There is nothing new in this – indeed, a number of the National 
Trust’s existing properties have been acquired through this route – and we have no in-principle 
objection to government seeking efficiencies in this way, provided the ongoing protection and 
maintenance of these historic properties is ensured. However, the volume and tempo of asset 
transfer discussions has stepped up in recent years, and the National Trust has seen a 
continuing increase in requests received to intervene or offer support to protect local authority 
owned properties that are important to communities or members of the public, and where there 
is a desire to keep these places available to the public. While we do not hold full information 
about the numbers of such approaches across England as a whole, the information we do hold 
in connection with at least two regions (the Midlands and the North) suggests that these 
approaches are increasing in number over time, and we’ve received more than 80 enquiries 
about places in those regions since January 2016. Unfortunately we are not able to intervene in 
the vast majority of these cases.

17. Our experience suggests that as well as transferring their own assets out of local authority 
hand, local authorities’ ability and willingness to intervene in respect to “at risk” places in
private or other ownership is also being affected by the reductions in funding. The use of urgent works notices or compulsory purchase powers can have the effect of forcing local authorities to take direct responsibility for carrying out work or taking over buildings entirely. Where resources are short local authorities are less likely to take this sort of direct action and risk increasing their own burden of responsibility.

18. At the same time that budgets have been shrinking, there has also been growing evidence about the value of the historic environment to society; both in economic terms, but also in terms of wider benefits to community and individual health and wellbeing. Heritage assets are shared public assets, and can provide benefit for people beyond their immediate owners or managers. The reductions in local authority funding leave local authorities not only less able to protect what they have, but unable to capitalise on the economic and social value of the heritage assets within their communities, or facilitate the changes needed to regenerate urban areas and to protect and sustain our Greenbelt and rural places. In addition, opportunities to bring communities together through shared heritage initiatives will be lost as local authorities not resourced sufficiently to run them.

19. Clearly there are real challenges for the historic environment, and it’s hard to see how local authorities can fully deliver on their responsibilities in this area – or capitalise on the opportunities and potential benefits that it can bring – without improved funding. However, there may be other approaches that could help with at least some elements of this challenge. As with our work on parks, the National Trust is actively considering ways that it might support local heritage in a more structured way and help to find sustainable approaches to managing heritage assets that are valued by their communities. We will be working with the Architectural Heritage Fund (AHF) to explore and pilot a new social enterprise, notionally called a ‘heritage development trust’, which could take ownership of and develop a whole portfolio of historic buildings in urban and town centres to deliver benefit to their communities. We want to explore how new sources of funding and investment can be attracted to protect the heritage assets that people really value and seek a model that will help protect and conserve heritage assets sustainably with the public in mind, without being reliant on short term project or grant funding. These sorts of solutions will need to compliment and work alongside local authority services.

Impacts of wider public sector funding cuts on local government activity

20. The reductions in local government funding budgets are impactful enough in their own right, but when placed in the context of wider public sector cuts the potential impact on the public realm becomes magnified. For example, Natural England has an important role as a champion for the natural environment, which it carries out in part through local planning processes as a statutory consultee for development plans, environmental impact assessments, strategic impact assessments, and where development is likely to impact on protected sites, landscapes or species. It also has an important role in relation to infrastructure planning and the NSIP process. However, as noted to the House of Lords NERC Committee in 2018, its budget for 2017/18 was £112 million, compared to £200 million in 2006/07, suggesting a budget cut of over 44% in an 11-year period. Further evidence given to that committee from a range of sources demonstrates the serious impacts of these cuts.

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7 See for example What Works Wellbeing scoping report on heritage and wellbeing, March 2019: https://whatworkswellbeing.org/blog/heritage-and-wellbeing/
8 Supplementary written evidence from Natural England (NER0092). Budget figure as at May 2017
organisations highlighted concerns over the ability of Natural England to perform its role as a statutory consultee in these cases.

21. Historic England is another statutory consultee and expert advisory body which has seen significant budget cuts in recent years, and will have seen a 49% real-terms cut in Grant in Aid funding between 2010/11 and 2019/20. This means that local authorities are not only losing access to their own in-house expertise, but also seeing reductions in the ability to gain expert input from other public bodies. Both Natural England and Historic England have seen reductions in staff – and both will also again be struggling with the loss of experience that goes with it. This clearly compounds the difficulties and further affects the ability of the planning system to protect our natural and historic environment from inappropriate or damaging development, and can also inadvertently prevent innovative or new approaches development or restoration which would have benefits to both conservation and communities, but which cannot be properly assessed due to a lack of expertise. Ultimately this all contributes to a deterioration in the quality of our built and natural environments, which has impact on wellbeing, opportunity and sustainability within communities affected.

Transport, tourism and local economy

22. Public transport is a vital service that supports local communities to prosper, and effective services support both our staff and our visitors to access our sites. It is a good example of an area where the impact of reductions to local government budgets have wider impacts on key services and local economies. For example, good local bus services are not only good for the environment, but they support the visitor economy and help those without cars or their own transport access our sites, who might otherwise be excluded. However, as noted by the Local Government Association (LGA), funding for bus networks outside of London fell by around half a billion pounds in real terms between 2010/11 and 2014/15. The LGA highlighted that the need for local authorities to meet statutory duties around the concessionary travel scheme in England can have knock-on impacts for other bus services when funding is diverted to support this scheme.

23. The tourism sector is a substantial contributor to the UK economy, and is particularly important for rural economies in England. The UK Government estimates that in 2016 Gross Value Added from tourism in Predominantly Rural areas was worth an estimated £11.5 billion, contributing 5 per cent of total GVA in Predominantly Rural areas, and accounting for 11% of all registered businesses in rural areas. However, cuts to local bus services acts as a barrier to tourism and the economic benefits it can bring. At present visitor access in rural areas is dominated by car and coach travel, providing accessibility for many people, but also contributing to traffic congestion, harming local environments and impacting on local communities. As well as issues of limited public transport, a lack of investment in local road networks results in poor road condition and potholes, limited local connections between key visitor sites, and lack of joined-up provision for cyclists and walkers also limits opportunities –

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not only for visitors, but also for those who live in rural areas to access employment, education and other services.

24. The loss of EU funding to support tourist businesses, particularly in rural areas, is a serious concern, and is again part of the wider context of reducing local authority budgets. Rural tourism, heritage and businesses have benefited from EU funding in the past LEADER and other EU funds have provided support to marketing activities and rural diversification (such as farm B&Bs) to support growth and job creation. The promised UK Shared Prosperity Fund may have some role in filling the gap – but we have some concern about the ability of LEPs, who are expected to administer this fund, to support SMEs and rural communities effectively. There may be a role more broadly for LEPs and local industrial strategies to support place-based interventions to support growth and productivity. In this way they could work to supplement or support local authorities' roles in protecting the historic environment through investment and growth strategies that make the most of heritage buildings and assets. However, this requires LEPs to take a significant step forward in their understanding of the role that the heritage and tourism sectors play in supporting local economies.

Business Rates

25. Relevant also to discussion about local economic growth is the business rates regime. The overall burden of business rates has risen significantly in recent years and is now markedly greater than any of the UK’s competitors, which cannot be an incentive to investment and economic activity. Obviously, given the pressure on local authority budgets there is a need to raise revenue through this type of taxation, but our experience is that the business rates system as is stands is overly complex and burdensome, creates uncertainty for businesses, and lacks transparency. Consideration should be given to how the make this system work more effectively to support both local businesses and local government.12

April 2019

12 For more detail on this subject please see our recent evidence to the Treasury Committee’s inquiry into Business Rates.