

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 23 OCTOBER 2001

REVIEW OF HISTORIC SCOTLAND'S GRANTS SCHEME

Report by Director of Development Services

1. PURPOSE OF REPORT

- 1.1 To present for approval comments on the Consultation Paper "Grants for the Repair of Historic Buildings" prepared by Historic Scotland.

2. BACKGROUND

- 2.1 Grants to owners for the repair of historic buildings was introduced in 1953, and for the repair of buildings in Outstanding Conservation Areas in 1972. Both grant schemes remain in place but their administration was last reviewed in 1978.

The Scottish Executive, (although of the view that these schemes should remain the principal source of funding for the repair of historic buildings) wish to assess whether best use is being made of current resources.

3. GRANT ELIGIBILITY AND PROGRAMME ASSESSMENT

- 3.1 The main criteria applied by Historic Scotland in considering a building's eligibility for grant support are:-
- The architectural or historic merit of the property (or its contribution to an Outstanding Conservation Area);
 - Whether the need for assistance from public funds has been demonstrated (this requires the confidential disclosure of personal/commercial financial details);
 - The urgency of the proposed repairs;
 - The financial viability of the project (to establish that an unrealistic level of grant is not being sought)
- 3.2 Over the years, Historic Scotland's grant programme has been demand led, with applications being determined on a case-by-case basis. However, given the increasing demand for assistance in recent years, Historic Scotland has recognised the need for (i) a framework to provide strategic direction to guide how grants are disbursed, and (ii) a more pro-active approach to ensure that key objectives are met.

3.3 Accordingly, the Consultation Paper proposes to target future resources through a new framework reflecting discreet schemes based upon current conservation priorities.

4. POSSIBLE FRAMEWORK FOR FUTURE HISTORIC BUILDING REPAIR GRANTS

4.1 Historic Scotland are seeking comments on the proposed revised grants system. Proposed grant schemes which are relevant to properties or projects in East Ayrshire are summarised below, along with a suggested response.

4.2 Grants for properties in private ownership

4.2.1 Private owners have had, and will continue to have, an important role to play in the conservation of the built heritage. However, as the consultation paper acknowledges many have insufficient funds to meet the cost of repairs and as a result, substantial damage could be caused to buildings or conservation areas.

4.2.2 To assist property owners, Historic Scotland propose to introduce a basic rate of grant for private owners, with a higher rate being available where personal financial circumstances and market values combine to give financial hardship. In relation to providing grants towards large country houses, Historic Scotland propose that grant should only be offered if the house has been in the same family ownership for at least 30 years.

Comment

4.2.3 The basic and higher rate grant proposals should have a positive impact in East Ayrshire where property values and therefore the potential to release equity are relatively low. It could result in many private owners attracting a higher rate of grant.

4.2.4 The suggestion that country house properties need to be in the same family ownership for 30 years is not supported. This could prove a disincentive to the repair of listed country houses.

4.3 Grants for Commercial Developments

4.3.1 Projects involving commercial developments require careful assessment of often complex redevelopment proposals, as it is essential to establish the need for public funds, and if this need can be established, the level of grant to allow the developer an acceptable rate of return on the capital invested. Historic Scotland are considering therefore whether both grants, and/or loans, be made available for repair projects that are being undertaken as commercial ventures.

Comment

4.3.2 A strict assessment of the need for grant support is welcomed as well as the rate of return achievable on conservation projects. Within East Ayrshire, it is relatively rare for commercial developers to undertake major restoration/renovation projects due in the most part to “conservation deficit”. This arises when the resale price after renovation does not cover the full costs of the work, and provide a reasonable rate of return for the developer. Conservation deficit is very common in economically depressed areas. A closer examination of the issues surrounding the problem of conservation deficit and the role of funding agencies, including Historic Scotland, in developing solutions should be undertaken as a matter of urgency. The Council is of the view that greater resources are required from Historic Scotland to ensure that the conservation deficit can be more readily overcome in areas such as East Ayrshire and that priority should be given to areas or projects where a deficit exists.

4.4 Grants for Places of Worship

4.4.1 In recent years, an increasing numbers of landmark churches and places of worship have received historic building grants. If the level of increase continues as in the past, other types of outstanding buildings could be denied access to funds. Historic Scotland are therefore suggesting that the total amount of grant for churches should be capped, although they are aware of their importance to townscape in Scotland.

Historic Scotland propose to widen the assessment criteria for churches to include sustainability and the contribution made by the church to community life. Furthermore, they propose that as a condition of grant, the building should remain as a place of worship for a specified period.

Comment

4.4.2 Any capping of funds may have an unfortunate effect of creating a backlog of applications, but it is certainly realistic to seek a balance in the type of buildings given grant support.

4.5 Grants to Local Authorities

4.5.1 Historic Scotland propose to continue to make grants available to local authorities toward the cost of repairing listed buildings in their ownership (at 25% of eligible costs). Historic Scotland also propose to continue with current partnership funding arrangements via the Townscheme system. The Consultation Paper invites comments from local authorities generally on their capacity to take advantage of the Townscheme arrangements and on how best to develop partnership working with Historic Scotland.

Comment

4.5.2 Townschemes

In common with the majority of local authorities, East Ayrshire has had to reassess its priorities in the light of increasing responsibilities and commitments and tight financial allocations. With respect to Townschemes, the Council has managed to continue funding a townscheme in Newmilns but this has been linked to the Townscape Heritage Initiative, supported by the Heritage Lottery Fund. On their own, Townschemes are most appropriate where there is little evidence of long term, physical decay. Townschemes, with the low rate of grant offered, do not provide an effective solution for areas with a high concentration of listed buildings in poor states of repair. Grant rates within these areas require to be substantially increased to encourage greater take-up by local authorities and, for that matter, private owners of property requiring repair.

4.5.3 Conservation Areas

Investment in maintenance of the public realm of conservation areas is critical. The Council would encourage Historic Scotland to take a national approach to this issue to encourage greater investment in the public realm within conservation areas and to facilitate the integration of historic grant funds with, for example, traffic management and lighting enhancement schemes.

4.5.4 Acquisition Grants

The Council would encourage Historic Scotland to adopt a more flexible approach to acquisition grants for local authorities. At present the grant rate is based on a percentage of the valuation provided by the District Valuer. It is recommended that the assessment of acquisition grants relates to the full acquisition costs required to unlock ownership of a building. Such an approach may prevent lengthy and costly compulsory acquisition procedures and reduce overall repair costs in the longer term.

4.6 A Small Grants Scheme

- 4.6.1. Historic Scotland propose to introduce a fast-track scheme of small grants at a fixed rate of 50% or a maximum of £10,000 when limited repairs would be sufficient or where a “stitch in time” approach may be sufficient to prevent future rapid decay.

Comment

This is an excellent suggestion and would be useful for many householder applications, as well as for local authority structures requiring minimal levels of repair, eg, war memorials, monuments, statues and market crosses.

4.7 Grants for Conservation of Gravestones and Memorials

- 4.7.1 The care of churchyards, memorials and abandoned churches generally falls to local authorities. Historic Scotland are considering the possibility of making grants available to assist with their maintenance.

Comment

The introduction of such a scheme would be welcome, although the terms and conditions of grant would have to be carefully addressed.

5. Partnership

- 5.1 The Consultation Paper notes that partnership funding has proved to be very successful in maximising the benefit of Historic Scotland's grants. However, Historic Scotland are concerned at the change in priorities of various agencies and are seeking suggestions from local authorities on how effective partnerships in future might be developed.

Comment

The issue of partnership is undoubtedly at the crux of the debate on heritage matters. East Ayrshire Council has been successful in securing substantial funds for heritage projects through the partnership arrangements provided by The Townscape Heritage Initiative. Acknowledgement of the "in kind" contribution by officers of Councils to make partnerships function is required and should be viewed as a substitute for financial contributions. Historic Scotland should investigate the potential of utilising skilled project facilitators that can work within partnerships (for example, between Building Preservation Trusts, Enterprise Agencies, Scottish Homes and Local Authorities), and in so doing, provide the basis for best practice advice that can be communicated through publications, seminars and visits to successful projects.

- 5.3 East Ayrshire Council's experience is that with sufficient commitment, substantial funds for heritage projects can be allocated 'in principle' through a partnership approach. However, the actual achievement of funding packages for individual elements of the 'in principle' programme can be very difficult without careful short-to-medium term fund management by all of the partners involved. It is considered that the appointment of project facilitators by Historic Scotland would greatly assist in overcoming such problems.
- 5.4 In addition, the Council is of the view that there is a need to –

- Review Compulsory Purchase Legislation and procedures
- Examine the applicability in Scotland of schemes such as 'Over the Shop Initiative' and 'Conservation Area Partnerships' as utilised by English Heritage

6. GENERAL COMMENT

6.1 The Council welcomes the revised targeted approach to reflect current conservation priorities. This can only be successful however if appropriate funds are made available. It is clear from the current state of Scotland's Built Heritage resources that sufficient funds are not available at present, and thus a substantial increase in the allocation of capital is required.

7. RECOMMENDATIONS

7.1 It is recommended that Committee:

- a) agree that a copy of this report be forwarded to Historic Scotland in response to their Consultation Paper "Grants for the Repair of Historic Buildings".

Stephen Chorley
Director of Development Services

11 October 2001
(AG/MLS/SA)
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LIST OF BACKGROUND PAPERS

- 1. Historic Scotland Consultation Paper, Grants for the Repair of Historic Buildings, August 2001.**

Anyone wishing to inspect the above papers please contact Ailsa Graham on 01563 576755.

Implementation Officer: Alan Neish

AGENDA