

Christine Chapman AM
Chair
Communities, Equality and Local Government
Committee
National Assembly for Wales

3 June 2015

Dear Chris

Financial Scrutiny of the Historic Environment (Wales) Bill

As you will be aware the Committee considered the financial implications of this Bill at our meeting on 21 May. We have decided not to undertake any further scrutiny of this Bill but thought it may be helpful to outline some of the financial considerations of the Bill for your Committees consideration whilst you undertake your scrutiny of the Bill.

Costs to local authorities

One of the Committee's main concerns relates to the impact this Bill will have on local authorities. Members were conscious that local government is currently preparing for substantial change in preparation for the Local Government (Wales) Bill, in addition local government has been subject to significant budget cuts over recent years.

We note that consultees to the Welsh Governments own [consultation Future of Our Past consultation in 2013](#) raised similar concerns that local authorities are already at capacity coping with their current core duties, and are faced with greater social, educational and job creation priorities.

It was also noted in the responses to the 2013 consultation that adequate financial provision needs to be made to provide local authorities and other interested bodies with the means to implement the Bill. Pembrokeshire County Council stated in their consultation response that:



PCC has concerns that a significant additional burden of delivery will fall to the Local Planning Authority, at a time of increasingly constrained budgets. Whilst streamlining mechanisms will introduce some efficiency savings, PCC has concerns that, overall, the financial implications to LPAs could be significant, but remain unquantified.

The RIA states that additional costs falling upon local authorities as a result of the Bill are very limited, at just under £40,000 between 2016–17 and 2020–21. However, the RIA has not calculated costs to local authorities resulting from parts of the Bill such as Heritage Partnership Agreements (HPAs) and extending the scope of urgent works to listed buildings. While any additional costs could be outweighed by the benefits of these policies, it has been argued by some stakeholders that there may be substantial start-up costs, particularly for HPAs.

Therefore, your Committee may wish to scrutinise the accuracy of the RIA's assertion that the additional costs to be imposed on local authorities are very limited.

The need for a Bill

In addition consultees said that problems with the current management of Welsh heritage were down to a shortage of funding rather than necessarily problems with the law. The National Trust stated in response to the Welsh Government's 2013 consultation that:

There was a general feeling that the existing arrangements do not work to their full potential where they are not properly resourced. The existing system would deliver greater real benefits if this resource was in place alongside good management, supplemented with good technical advice on the ground.

In this context, your Committee may wish to ask whether:

- a properly funded historic environment sector could potentially address issues facing the sector better than the Bill**
- the Bill may assist the sector to deliver more within existing resources.**

Heritage Partnership Agreements

An issue raised during the 2013 consultation by a number of local authorities and the Royal Commission on the Ancient Historical Monuments of Wales (RCAHMW) was the substantial start-up costs falling upon local authorities that are



associated with HPAs. HPAs are voluntary statutory agreements between owners and consenting authorities (such as local authorities and Cadw) to plan for the long-term management of historic assets by reducing the need for individual consent applications for planned changes to the asset.

No figure is provided for costs associated with these in the RIA, although a table showing the impact of 8 HPAs in England is provided. The range of costs for an individual HPA was between £4,000 and £70,000 in these case studies. In relation to the potential costs of HPAs, page 90 of the RIA notes that:

Although HPAs are time-consuming and costly to establish, there is evidence that the consequent reduction in the number of applications for consent over the lifetime of the agreement will lead to savings for both the owner and the consenting body.

Overall, however, the costs to local authorities of HPAs increased in the English case studies, while owners and English Heritage saw savings. However, in their response to the 2013 consultation, the RCAMHW expressed support in principle for HPAs, but noted that in practice:

In most situations it is not practical to prepare proposals far in advance and the up-front investment of time and resources needed for an HPA will not be repaid by the benefits of the agreement. This is therefore likely to be a proposal of negligible value in practice.

Given the voluntary status of HPAs, your Committee may find it useful to understand the level of indicative costs and savings to local authorities and other stakeholders that may arise should they be introduced.

I hope this information is helpful to your Committee's considerations and I look forward to the Bill's Stage 1 Plenary debate.

Yours sincerely,



Jocelyn Davies AM
Chair

cc Deputy Minister for Culture, Sport and Tourism

