

Introduction

Our heritage is all around us. It permeates daily life, enriching its quality and helping to define who we are. Local heritage matters to most people every bit as much as nationally or internationally famous buildings. The upsurge of interest in buildings, gardens, interiors and design issues helps to show that people value quality of life considerations alongside economic and social well-being. People enjoy living in a well-maintained environment, and can take enormous delight from learning more about the history of their surroundings. But the historic environment can all too easily be neglected. As a nation we still need to apply the resources to manage properly the potentially damaging changes our historic faces. The pressure of countless alterations is eroding the quality of some of the country's most valuable assets.

Last year's *State of the Historic Environment Report 2002* was the first ever attempt to quantify comprehensively the extent of England's historic features, the pressures facing them, and the contribution they make to quality of life. *Heritage Counts 2003* builds on the successes of that report. It updates the core data series identified last year, and reports on new research initiated as a result of the findings in the *State of the Historic Environment 2002*.

Heritage Counts 2003 also highlights the achievements made towards meeting the challenges identified in last year's report. There has been a very positive response to the Government's Heritage Protection Review, which represents a major opportunity to ensure the best protection for heritage assets while maximising their economic and social impact. Much effort is being made to ensure that the historic environment is taken fully into account in planning new developments across the country and to encourage conservation-led restoration. And there is a real drive and commitment to promoting access for all to the educational, training and leisure opportunities that heritage can offer. By assessing the emerging trends as they affect the historic environment, *Heritage Counts 2003* sets out the challenges that lie ahead for the sector in the coming years.

SIR NEIL COSSONS

On behalf of the Historic Environment Review Steering Group

The economic value of the historic environment

The historic environment is a highly valued resource. It brings wonder and beauty to people's lives, and is enjoyable in all sorts of ways. The history of old and new communities alike can be read from the landscapes in which they live. We all benefit from an environment that is cared for, in which older traditions of design and building are respected and integrated alongside the modern. The pleasures of discovering about the past and about each other can produce the sense of identity that brings communities together. None of this represents an argument against the new, as long as it is inclusive, intelligent, and well designed.

- A MORI poll in 2003 showed that 91% of people in Cornwall, 85% of people in Bradford and 82% of people in London agreed with the statement that 'the heritage in my local area is worth saving'
- Nine out of ten people in agreed that their local area counted as much as 'heritage' as castles and stately homes. 82% thought that heritage could be 'fun'
- More than half (52%) of people in a nationwide poll in 2003 had visited a historic park or garden in the last twelve months, and 46% had visited a historic building. According to the same poll more people had watched a TV programme about history or archaeology over the same period (66%) than had visited the cinema (51%)

The delight that the historic environment offers to people in their daily lives provides the basis for understanding its enormous economic power. This cannot be measured solely in terms of the economic importance of the domestic tourism industry, much of which nevertheless depends on the quality of the historic environment and the landmark historic sites and attractions open to the public.

- Looking after the historic environment improves the quality of public space, and promotes economic growth and quality of life
- 92% of people in one survey thought that it was important to keep historic features whenever possible when improving villages, towns and cities
- Historic buildings provide attractive settings and premises in which businesses can flourish

The full economic value of heritage is at present incalculable. Well-maintained historic streets and town centres help to attract people to shops, restaurants and other local businesses. Trips to the countryside to visit historic landscapes and monuments or to admire churches and market towns lead to indirect benefits to the rural economy through spending in cafes, markets and shops. Better analysis of the economic benefits of looking after the historic environment is needed.

- Domestic tourism alone generates £61 billion of expenditure and provides employment for 7.4% of people in Britain. At least 63 million visits (out of an estimated total of 224 million visits) were made to historic visitor attractions in 2002. These included country houses and parks, castles, cathedrals and ancient monuments
- These attractions generated an estimated minimum total income of between £320 and £340 million in 2002 from ticket sales, retail and catering, or an average of £333,000 each

- Tourism is estimated to be worth £200 million in the area of the Hadrian's Wall World Heritage Site. The Hadrian's Wall Tourism Partnership is working to promote the benefits that the site can bring to local businesses and to attract new visitors
- Historic sites promote employment, provide venues for concerts, weddings and corporate functions, and are the settings for film and television productions. The Historic Houses Association estimates that the full economic contribution made by its member properties alone is in the region of £1.2 billion per year

An appreciation of the heritage around us draws attention to the economic benefits to be derived from caring for the historic assets on our doorsteps. Heritage-led regeneration of streets and landscapes can bring considerable benefits to local economies. The historic environment is often a catalyst for the revitalisation of deprived areas and the promotion of community cohesion.

- In the East of England, £10,000 of heritage investment has levered an average of £45,000 match funding from the private sector and public sources. This generated, on average 55 square metres of commercial floorspace, one improved building, one improved dwelling, created one new job, and helped to safeguard a further two jobs
- The Heritage Lottery Fund Townscape Heritage Initiative invests around £18 million each year in urban conservation in areas of greatest need of regeneration and improvement. A £1.5 million grant in Liverpool helped attract £20.5 million in additional expenditure on conservation work

- Since 1993, the private-sector developer Urban Splash has invested over £100 million in regeneration schemes in Manchester and Liverpool, creating over one million square feet of residential and commercial space. Projects have included the turn-of-the-century Smithfield Buildings (Manchester) that now house apartments and retail outlets, and the residential conversion of the Tea Factory (part of the RopeWalks, Liverpool)
- English Heritage's Heritage Economic Regeneration Schemes have ensured the survival of the Bengali community in Brick Lane, East London. The restoration of run-down shops and premises has ensured that not one business has been lost in the last six years, and that 20 new businesses have been set up

An inclusive heritage

The historic environment has an enduring and universal appeal. Everyone can enjoy a beautiful place or view, and can be inspired by the achievements of figures from history. Collectively we shape the environment around us, and thereby give it character and distinctiveness. But the historic environment in turn helps to shape our lives and give us our identity. There is much more to 'heritage' than grand buildings and sites, important as these are to our sense of history and our tourism industry.

- 72% of those surveyed in 2003 said that more should be done to recognise the contribution made by different communities to our heritage
- The same survey highlighted the potential for engagement with the historic environment. 41% of respondents said that they would be interested in taking their family to a museum or historic site. Over a third (36%) said that they would like to find out more about the local history of their area, while 32% said that they were interested in tracing their family tree
- 95% overall thought that it was important to educate children about heritage

The wonders of our most historic buildings and most treasured landscapes can be shared by everyone, and engagement in the historic environment can help each of us to learn more about the history of our community. Sadly, the historic environment can still be perceived as an 'elitist' preoccupation, which speaks only to a privileged few. It needn't be this way. There are barriers that still prevent some sections of the community from participating in the historic environment – despite the obvious interest and pride taken in the heritage of different communities. This represents a significant challenge to the heritage sector, and a high priority for action.

- Heritage organisations need to communicate better to a diverse range of audiences. Young people and people from ethnic minorities are less likely to be able to give a spontaneous response to the question 'what do you understand by the term heritage?'

- Cost is frequently a key barrier to participation. Around 43% of all respondents to the survey said that cheaper entry would encourage them to visit historic sites more often, while 29% said that more special events would encourage them to go
- Transport, better information and parking were mentioned by more than one in three participants. Adults on lower incomes would be more encouraged by better transport (40%), a warmer welcome (27%) and better facilities for disabled people (29%). Many of the poorest households do not own a car, pointing to the need for better public transport links.

A more inclusive definition of heritage, which includes but goes beyond traditional tourism to embrace the heritage that is all around us, will help to engage a wider and more diverse range of people in the historic environment. The Government has set a target for heritage organisations to attract 100,000 new users to the historic environment by 2005/06. Positive steps are being taken to achieve this target.

- The Historic Houses Association (HHA) has devised an innovative new project with the Black Environment Network (BEN) to link together historic houses and their local ethnic communities. In a series of eight pilot schemes, local minority ethnic community groups have been partnered with historic houses, in order to demonstrate the potential appeal of such places and to find out why minority groups feel excluded from them
- English Heritage is working with the Maharajah Duleep Singh Centenary Trust to fund the Sikh Heritage Trail project highlighting 150 years of Anglo-Sikh history
- The National Trust's Untold Story project, funded jointly with the Heritage Lottery Fund, is rolling out in Ennerdale, West Cumbria. Young people from five local schools, none of whom had any previous experience of visiting National Trust properties, worked with the community to produce their own play *The Spirit of Ennerdale* which explored the history and heritage of the local area
- In association with the Black and Asian Studies Association and Black British Heritage Group, English Heritage's distinctive Blue Plaques scheme has celebrated the lives of a number of historically significant black and ethnic minority figures including Paul Robeson, Mahatma Gandhi and Jimi Hendrix

Much of the value of the historic environment is intangible and immeasurable – the impact of a breathtaking view, or the educational value to a child of discovering a place or object associated with a famous historical character. Experiencing the historic environment can encourage an imaginative understanding of the past and develop creativity as well as an appreciation of the historic assets that survive today.

- There were an estimated three million school visits to historic visitor attractions in 2002. More could be achieved with better transport facilities and opportunities for schools
- The historic environment can be used to teach children about the history around them, as well as contribute to other curriculum subjects
- The National Trust's Guardianships Scheme involves 105 primary and secondary schools at 92 National Trust properties in England. The scheme links schools and sites and offers pupils hands-on experience of environmental and conservation work.
- The Heritage Lottery Fund is helping to appoint education officers in two regions, the South East and the North West, to develop the educational resources at HHA member houses. These posts will enable private owners of historic

houses and landscapes to develop educational services for a wide range of audiences, and to provide access to those communities who have traditionally been under-represented

The historic environment offers a wide range of opportunities for lifelong learning and the development of new skills. These include the chance to acquire new skills through participation. The Heritage Lottery Fund's Young Roots grants programme, run in partnership with the National Youth Agency, has awarded over £600,000 to 34 projects designed to engage young people aged 13 to 20 in their local heritage. Some of those participating have developed new social skills and have gone on to get jobs for the first time. Volunteers, participants in working holidays, and those taking part in specialist skills training all benefit from the value that the historic environment brings to lifelong learning.

- A Young Roots project at the Waterways Museum in Goole was targeted at young people aged 16 to 17, many of whom had no skills or qualifications and little chance of finding work. As a result of participating in the scheme, some of the young people gained the confidence and skills to get work outside the area, and took the initiative to discover more about their local history using the internet

Threats to the historic environment

Our heritage encompasses not just buildings and streets but also gardens, parks, monuments, industrial complexes, maritime sites, historic towns and villages, historic battlefields, archaeological sites, and open landscapes. It is estimated that only 5% of this resource is protected by statutory legislation. Our heritage also includes languages, stories, traditions and foods.

- There are 19,446 scheduled monuments, 371,591 entries on the list of buildings of architectural or historic significance, 1,563 registered historic parks and gardens, 9,080 conservation areas and 39 designated wreck sites and in England
- 1,373 Grade I and Grade II* listed buildings and monuments are recorded as being 'at risk' according to English Heritage's Buildings at Risk register
- Over a third (35%) of all archaeological sites and scheduled monuments in the East Midlands have been identified as being 'at risk', whether from natural processes such as scrub growth or animal burrowing (37%), from agriculture or soil erosion (25%), from vehicles, visitors or vandals (12%) or from development, mineral extraction or forestry (4%)

Legislation affords some measure of protection against insensitive and destructive development. The Government is currently consulting on new methods of protecting the nation's historic assets, that will replace the current system of planning protections with a more easily understood approach. But care needs to be taken not to destroy further the distinctive appeal of England's historic and cultural landscapes through unthinking developments on sites which fall outside of statutory planning controls.

- 18% of Yorkshire's historic parks and gardens, which include some of the nation's finest landscapes, have suffered from 'significant land use change'. Nearly half of all Grade I parks in Yorkshire were subject to planning applications according to a survey undertaken in 2003

- 15% of all registered historic parks and gardens designed by or having an association with Lancelot 'Capability' Brown now feature golf courses
- Road traffic levels have risen dramatically over the last few decades and moreover are forecast to rise by 17% between 2000 and 2010. This level of traffic, and the new roads that will need to be built to accommodate it, have the potential to damage historic sites and have an adverse impact on the wider historic environment and quality of life, for instance through the addition of significant levels of noise pollution, congestion in public spaces and the proliferation of additional roadside signage

The pleasures of a beautiful piece of scenery or a fine street of historic buildings can be enjoyed freely by all members of the community. They are a classic public good. Their value is enormous, and yet there is no way of internalising that benefit, of setting it against the costs of maintenance. Change is an essential part of life, but without taking the character of a place into account, new developments can destroy the special meaning and distinctiveness of a landscape. This does not mean that new development is inappropriate – far from it. In a modern and thriving society we should encourage innovation and creativity in the design, use, re-use and siting of new buildings, parks and other public spaces. Where new development impacts on historically significant buildings, areas or vistas the quality of this design must be high enough not to damage the existing asset.

- **Nearly two-thirds of all adults (62%) are estimated to visit green spaces every year. Historic parks and gardens often suffer from cut backs in service provision. 75% of green spaces have lost historic features and a quarter have suffered a loss of basic facilities**
- **It is estimated that it would cost £3.5 billion to repair and replace features and facilities in need of attention in England's parks**

- **Intensive agricultural practices, encouraged by the systems of subsidy that have been in operation since the Second World War, have eroded rural landscapes and caused 30% of the damage done to England's archaeological sites over the last 50 years**

People care about the historic aspects of their local environment. Of those questioned in a poll in Bradford, 53% named 'caring for neglected and derelict buildings' as the biggest issue facing their local area, closely followed by 'too many boarded-up, unused buildings' (52%) and 'the condition of gardens and parks' (40%). Further research highlighted people's concerns over the conversion of a historic hospital into executive homes, the demolition of an old cinema, the modernisation of traditional pubs, the closure of small independent local shops (often forced out of business by out-of-town stores), and the dereliction of buildings that could be used as community facilities.

New approaches to protecting the historic environment recognise that our heritage is all around us. Protecting individual buildings and sites by statutory means is not always the most appropriate means of ensuring the integration of old and new. New methods of characterisation may provide a positive means of evaluating the historical significance of local areas. Only by understanding the historic character of an area, will it be possible to take it into account in the earliest stages of planning decisions.

- **The erosion of historic character and distinctiveness through poor planning decisions and unthinking development is a real threat to our quality of life**
- **Historic landscape characterisation can help to make the historic environment a real priority when making decisions about the future of our cities, towns and countryside. Characterisation is currently being developed to assist new housing plans in the housing growth areas of the South and East**
- **Effective consultation is an important element in developing public understanding of the challenges and potential problems that communities face and the role that the historic environment can play in promoting regeneration**

Historic neighbourhoods

The historic environment is all around us. Our streets and houses give character and appeal to places where we live and work, and are often the most familiar and most cherished of our historic assets. People in most areas appreciate the value of older homes, and on the whole enjoy living in houses with character.

- One in five households (4.2 million) live in homes that were built before 1919
- A house dating from before 1919 is worth, on average, some 20% more than an equivalent house from a more recent era. This premium rises to 34% for a seventeenth-century period house
- A survey by MORI of London residents suggested that the most popular choice of home was a 'pre-war semi-detached house with garden' for which 70% of respondents expressed a preference, followed closely by a 'period terraced house' and a 'modern semi-detached house with garden' (69% each).

Our stock of historic housing represents a substantial investment of money and energy. Older houses are often built to better standards and with better quality materials than more modern homes. It can be expensive to adapt older homes to modern standards of energy efficiency, but taking a longer-term view research has shown that older houses can in fact be more cost-effective and sustainable to maintain.

- According to one model, a Victorian terraced house is cheaper to maintain over a 100-year period (at an average of £2,648 per 100 m² of floorspace per year) than a house built in the 1980s (which would cost £3,686 for the same area). This is because of the greater quality and durability of the materials used in the construction of older houses, and the higher standards of their design and construction compared to some modern homes

Re-use of older dwellings where possible can contribute to the Government's sustainability policies. Although some demolition will be necessary in low-demand areas the imaginative re-use of older stock has an important part to play in building sustainable communities.

- Demolition and construction account for 24% of the total annual waste produced in the UK
- The cost of keeping a Victorian terraced house in Nelson West, Lancashire, in a habitable quality for a 30-year period has been estimated at £24,600, compared to the £64,000 that it would cost to demolish that house, replace it with a new house and then maintain that modern home over the same period
- The total energy that has already been used in the construction of a typical Victorian terrace is equivalent to the amount of energy (in fuel terms) that could drive a car five times round the earth, or half the distance from the earth to the moon. Retaining and reusing the existing building stock prevents that energy from being wasted and increases resource productivity

It is estimated that the number of households in England is growing at the rate of 155,000 each year. The pressure for housing is especially high in the South and East, while the housing market in some older industrial areas of the North and Midlands has virtually collapsed. The Government's *Sustainable Communities* plan is a strategy for promoting new house building in high-demand areas while introducing special measures to tackle the low-demand areas of the north.

- Around 3.4% of the total stock of houses in England was classified as 'empty' in 2001. Around half of these vacant dwellings are considered to be 'problematic' and require repair work to bring them back into use
- Older dwellings are more likely to be vacant than newer dwellings. Some 5% of pre-1919 dwellings currently lay vacant compared with less than 3% of properties built since then. Concentrations of vacant older dwellings are most likely to be found in the North

- Not all empty houses can realistically be brought back into use. But there are 40,000 privately owned long-term vacant properties in London and 30,000 in the South East – areas where there is a shortage of homes for key workers

Older homes are more likely to suffer from neglect and decay, but imaginative approaches are possible that would retain the character of older homes while making them fit for modern living. Re-use of older housing where this is possible represents a more sustainable approach to our housing problems.

- New houses were built at an average rate of 140,000 per year between 1996 and 2001. This fell to 130,000 in 2002. Between 1996 and 2001 only 20,000 new houses per year resulted from the re-use or conversion of the existing housing stock

- In its latest plans for promoting sustainable communities, Government has recognised that the existing housing stock is part of the solution, not part of the problem. £22 billion will be invested over the next three years in tackling housing supply problems and improving public spaces, including £5 billion to regenerate deprived areas, £600 million for areas of acknowledged housing shortages in the South and East, and £210 million to improve parks and public spaces
- Manchester and Salford pathfinder area has been awarded £125 million to refurbish, repair or upgrade over 13,000 homes, build 1,000 new homes and clear 1,700 redundant homes. Highlights of the scheme include the remodelling of the traditional terraced houses of Seedley Village, Salford, and the continued regeneration of Moss Side, Manchester

Caring for the historic environment

Historic buildings and streets, rural landscapes and urban spaces provide the context in which we live, work and play. They are a record of the lives of the generations that have come before us, and they are the foundations that we will bequeath to the generations to come. Knowledge and understanding of the significance of the historic environment is critical to caring for it successfully. In our search to appreciate and understand the history that surrounds us, we must take into account the value of the everyday historic environment as much as we value formally protected historic assets.

- The success of the TV series *Restoration* demonstrated the passion and interest that ordinary people have for looking after the historic environment. But more buildings on the 'at risk' register than ever before depend on public subsidy for any chance of being rescued and restored. It would cost £400 million – some 115 times the prize money awarded on *Restoration* – to meet the funding deficit faced by our most important buildings at risk
- Owners from both the public and private sectors must be able to pay for the upkeep of historic assets in their care

A survey of local authorities highlighted the resources available for the historic environment on the ground, where many of the most important decisions regarding its future are made.

- Funding for local authority conservation provision has declined in real terms over the last five years. In 2001 the amount spent by local authorities on looking after parks and gardens was £126 million less in real terms than they spent in 1979
- Local authorities have, on average, fewer than two conservation officers each, to deal with an average of 1,200 listed buildings and 28 conservation areas per authority

- Nearly a third of local authorities do not keep registers of listed buildings at risk and three-quarters of conservation areas do not have character appraisals

The lack of resources within local authorities is having a direct effect on the historic environment. Piecemeal, unchecked and unsympathetic changes to historically significant streetscapes in conservation areas has in some places caused the erosion of what made those areas distinctive in the first place.

- The preservation of the distinctive historic character of these areas depends on the enforcement of planning regulations by hard-pressed conservation officers
- A pilot sample of properties in conservation areas in London demonstrated the level of unchecked detrimental change that could occur even to designated assets. Of the houses surveyed, many featured windows (59% of sample) and doors (54% of sample) constructed to a different style to that which the designation was intended to preserve and enhance

People with specialist skills are essential to the continued maintenance and repair of the historic environment, be they qualified town planners with historic landscape expertise, buildings conservation experts, thatchers or dry stone wallers. More work is needed to quantify the level of skills needed and to attract new trainees into keeping traditional skills alive. This will be essential to capitalising on the sustainability of our historic resources.

- 80% of a recent sample of employers in the construction industry expressed difficulties with recruitment of workers with key skills
- Initial research suggests that the construction industry will continue to experience difficulties in meeting its skill requirements for the next five years
- In the heritage sector, specialist building conservation and restoration skills are in even shorter supply, although the full extent of this shortage is simply not known

Resources available on a national scale are insufficient to meet all the needs of the historic environment, despite the magnificent contribution that has been made through the Heritage Lottery Fund. By demonstrating the widespread benefits that our historic assets can bring to our economy, society and the environment, it has been possible to attract some new resources to protect our heritage, such as the £13 million allocated through agri-environment schemes this year to be spent directly on aspects of the historic environment such as monuments and parks and gardens.

Nevertheless, the historic environment continues to be sustained in large part by private owners and depends on the unpaid work of passionate volunteers for its continued protection.

- A conservative estimate suggests that volunteers contribute the equivalent of at least £25 million a year to the heritage as a result of their unpaid work. Volunteers make up 64% of the workforce in historic houses open to the public
- Heritage bodies raise an estimated £100 million each year through membership fees and voluntary contributions

- England has an active heritage volunteer workforce of at least 157,000 individuals, who give their time and energy to over 107 national voluntary bodies and associations

Volunteering provides further evidence of how working to protect the historic environment for everyone can bring direct benefits and improvements to the lives of individuals.

- At Eltham Palace, English Heritage has given ex-offenders, long-term unemployed people and New Deal clients the chance to take Royal Horticultural Society training courses to develop horticultural skills. Participants have gone on to gain their first proper jobs as a result of this scheme
- The National Trust is working in partnership with BTCV, RSPB, Wildlife Trust, and YHA to develop employee volunteering projects for groups and individuals. The Employee Volunteering Programme was established in 2001 and is backed and funded for three years by the Home Office's Active Community Unit

Challenges

The *State of the Historic Environment Report 2002* highlighted a number of challenges for the sector to address. Since the publication of that first report, the sector has made progress on a number of key fronts. *Heritage Counts 2003* is an opportunity to highlight the achievements made over the last year, and to look to the tasks that lie ahead.

A key challenge identified in last year's report was **to identify and understand the significance of the historic environment, and to communicate this to the wider world**. An important step towards this is the Government's **Heritage Protection Review**, which considers the entire legislative framework for the historic environment. This review is fundamental to the Government's ambitions to find new ways to unlock the full potential of England's historic assets for the benefit of our communities, for the economy and for quality of life, education and regeneration. The proposals would provide the flexibility to match the right sort of management to the particular needs of the assets, while retaining strong protection for our historic resources.

Heritage Counts 2003 is a further contribution to the challenge **to assess whether valuable and significant assets are being sustained effectively for the future**. Over time, *Heritage Counts* will build up a picture of those projects that are in hand to address these fundamental challenges. The roll-out by English Heritage of historic area characterisation, and methodologies for assessing parks and gardens at risk, monuments at risk and farm buildings at risk will generate information about the condition of our historic assets that can feature in future years' reports.

Last year's report identified a specific challenge as being to **develop a land-use planning system that can respond intelligently to the management of change**. Since then, the Planning and Compulsory Purchase Bill, consultations on a number of new Planning Policy Statements, and associated consultations and reviews are setting the framework for a clearer and more responsive planning system.

The challenge **to determine how to quantify the consequences of loss of historic character, and the effect of this on quality of life** is of direct relevance to work now underway in the Government's growth areas for new housing and pathfinder areas for housing market renewal, as set out in the *Sustainable Communities* plan. The use of characterisation techniques in these areas, in partnership with local authorities, is one step to ensuring that the historic environment is taken fully into account in the renewal of neighbourhoods.

Appreciating the impact of the preservation of the historic environment on our quality of life, and **identifying the long-term social, economic and environmental costs of poor quality design** are areas that require further research. A particular challenge will be to ensure that the historic environment features more strongly in the Government's review of quality of life indicators in 2006.

Since last year work continues on monitoring **the effects of climate change on the historic environment**. English Heritage has funded a number of coastal zone surveys to learn more about the impact of coastal erosion on the historic environment, and has been involved in funding local recording and excavation projects. Work is also underway with Defra to develop strategies to improve soil conservation and reduce the impacts of erosion, flooding and rain damage on the historic environment.

Although we know something about the amount of educational work underway within the historic environment, a particular challenge identified last year was to **develop an indicator to measure the quality and effectiveness of educational provision in the historic environment**. This year saw the launch of a joint DCMS/DfES Advisory Committee to advise ministers from both departments on how best to promote the contemporary and historic environment as an educational resource.

There is a clear challenge to ensure that there is a **ready skills base available for the work needed within the historic environment**, particularly in specialisms with current shortages. 2003 saw the establishment within the Construction Industry Training Board of a specialist sector skills development group, the National Heritage Training Group, to address the skills shortage within the conservation sector. English Heritage is developing a project in 2004 to increase skill levels among local authority staff in relation to the historic environment.

A particular feature highlighted by this report is the lack of resources available to those who own and look after the historic environment. Some two-thirds of our historic assets are in the hands of private owners, and last year's report identified a key challenge as being to **help owners pay for maintenance and improvements**. In the absence of extra financial resources, the Joint Committee of the National Amenity Societies, English Heritage and the Historic Houses Association, as the Power of Place Tax Group, have continued to put pressure on Government to introduce extra fiscal support including changes to European laws on VAT which would remove the anomalous incentive for developers to favour new build over the repair and re-use of existing buildings

Responding to the challenge in last year's report to **identify how loss and damage to archaeological sites on agricultural land can be minimised**, English Heritage and key partners launched the *Ripping Up History* campaign in July 2003. This urged Government, farmers and archaeologists to work together to ensure that intensive farming methods stop destroying the evidence for thousands of years of human activity. Close collaboration between Defra and the heritage sector has already ensured that the historic environment is well placed to benefit from Defra's new agri-environment schemes when they are launched in 2005 and further protection may be achieved as a result of the Government's review of heritage designation.

Future results from the Scheduled Monuments At Risk project will enable us to see how successfully this challenge is being met.

A particular challenge identified by this report has been the need to **promote social inclusion through the historic environment**. More evidence of the impact that heritage can have on the lives of those currently excluded from participation in a number of ways will help to promote the case for Government support for heritage more generally. A key challenge for next year's *Heritage Counts* will be to identify a means of assessing progress towards the DCMS's PSA target of attracting 100,000 new visitors to the historic environment by 2005/06, using this year's report as a baseline.

Some progress has therefore been made towards meeting the challenges that were laid down in last year's *State of the Historic Environment Report*. But there is much more to be done. We need to develop new ways of measuring the pressures on the historic environment and of assessing the benefits that it brings to a range of social and economic measures. One way to do this is by adopting a suite of indicator measures. A suggested framework for future indicators is set out in the main *Heritage Counts* document. Future editions of *Heritage Counts* will report on the significant trends that these indicators reveal about the historic environment.

We welcome comments on any aspect of *Heritage Counts 2003*. Please email any comments to ben.cowell@english-heritage.org.uk or send them in writing to *Heritage Counts 2003*, English Heritage 23 Savile Row, London W1S 2ET by 27 February 2004

This document is based on the main *Heritage Counts 2003* report. Nine regional *Heritage Counts* documents are also available. *Heritage Counts* documents can be downloaded from www.heritagecounts.org.uk. Printed copies can be ordered from 0870 333 1181.

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