

Official Response

Subject: Protecting Built Heritage inquiry
Requested by: The UK Parliament Culture, Media and Sport Committee
Date: 3 February 2025
Prepared on behalf of: The Church of Scotland General Trustees with the Church of Scotland Law Department

The main focus of this response is the built heritage as represented by places of worship owned by the Church of Scotland.

CONTEXT

The Church of Scotland (“the Church”) is the national church in Scotland, however the Church of Scotland Act 1921 recognises its complete independence in spiritual matters and unlike the Church of England it is therefore not the established church. It provides parochial ministry throughout Scotland and services to local communities including social care through the work of its Social Care Council.

It is Presbyterian in structure, governed by a system of courts at various levels: local (Kirk Sessions), regional (Presbyteries) and national (General Assembly). The work of the Church is carried out by bodies appointed by the General Assembly with full time staff based in a central office at 121 George Street Edinburgh.

The Church of Scotland General Trustees are a statutory corporation created by the Church of Scotland (General Trustees) Order Confirmation Act 1921 in anticipation of the proposed union of the Church of Scotland and the United Free Church of Scotland, initially to consolidate the ownership in one body of the properties and investments of the Church. They are the owners of the majority of Church buildings, although the care and management of these is managed locally.

The Church currently owns 1502 churches. Of these, the majority are listed buildings:

A listed (Grade I equivalent in England & Wales)	192
B listed (Grade II *equivalent)	732
C listed (Grade II equivalent)	212
Not listed	366

This means that the Church is the largest owner of heritage buildings, across the widest geographical reach, in Scotland. The management of the majority of graveyards and associated structures in Scotland is the responsibility of Local Authorities.

Control of works

Although Church of Scotland buildings are mostly owned centrally, maintenance, repair and refurbishment is the responsibility of the Kirk Session which is supported by Church Buildings

Officers (working at Presbytery level) and the General Trustees' Sanctuary Development Manager. The Church benefits from the Ecclesiastical Exemption, regulated under Section 54 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997. This means that works to churches in use for ecclesiastical purposes are exempt from the Listed Building Consent procedures applicable to any other listed building owner. However, works to buildings must obtain approvals from the General Trustees' Fabric Committee which has an internal procedure which assesses the impact on historic character. In order to qualify for the Ecclesiastical Exemption, this procedure has to be sufficiently rigorous to be equivalent to the usual process of applying to the local planning authority for listed building consent.

The Significance of the Church's Built Heritage

The built religious heritage of the Church is significant in terms of the proportion of significant heritage assets that it represents but also its geographical spread. It is especially significant because these are heritage assets that have been in public use for a very long time, often for centuries. These are buildings that feature in the lives of many of Scotland's citizens in terms of both religious observance but also life events like baptisms, marriages and funerals and national events bringing people together, for example the Service of Thanksgiving for the life of Her Majesty Queen Elizabeth II held at St Giles Cathedral in Edinburgh in September 2022.

These buildings tell the story of the people of Scotland. They often contain features of the highest quality reflecting the creative skills of both past and current craftsmanship. They sit in the heart of communities and increasingly provide the only public space, particularly in rural areas. They are places of community gathering and activity. In addition to regular worship and life events, they offer a space for regular social activities, together with more sensitive uses such as support for drug and alcohol abuse, and practical help such as foodbanks, many of which are set up and run by church volunteers. The National Churches Trust report *The House of Good* makes this impact clear: -

[House of Good - the social value of Church buildings — State of life](#)

We welcome this opportunity to submit evidence to the Culture, Media and Sport Committee on the matters affecting the built heritage of Scotland in the custody of the Church.

What are the most significant challenges facing owners and operators of built heritage assets, and how are they affecting what those sites can offer?

One of the most significant challenges facing places of worship is the constant need for repairs and maintenance. As most of our churches are 19th or 20th century in date, many are in need of significant works to their building fabric. These works are enormously costly, particularly in the case of "A" and "B" listed buildings which have to comply with stringent requirements for Listed Building Consent to be obtained.

The cost of heating historic buildings, when compared to modern buildings, is considerable.

The VAT rate of 20% for the refurbishment of existing buildings adds to the expense of works to ecclesiastical buildings compared to the VAT rate of 5% for new builds.

Lack of clarity regarding the long-term future of the Listed Places of Worship grant scheme is another challenge. The short-term extension to the scheme announced in January this year, while welcome, does not provide support for future projects which are critical to meeting net zero targets and also projects to adapt buildings to ensure that they are viable for use as modern places of worship suitable for supporting the local community.

Recent increases in construction costs and lack of skilled workforce for specialist trades, such as stone masons, lead workers and repairers of stained glass pose a challenge to maintaining and repairing our church buildings.

The availability of sufficient local volunteers to help keep the buildings open, maintained and safe for both the church and broader community, coupled with a loss of revenue in real terms because of the overall decline in the number of worshippers is another challenge. The Church is currently in the process of deciding which parish churches it will have to close, given its declining membership and the fact that the number of Sunday worshippers, post-COVID, has fallen significantly.

What interventions are needed to prevent the managed decline of heritage assets on publicly-owned land? What can the Government do to make it easier for communities or local businesses to take ownership of historic buildings?

An exemption from VAT for works to listed buildings and the reduction of VAT for refurbishment of existing buildings (in line with the rate for new build) would do much to enable existing buildings to be retained. This would have the added benefit of reducing carbon emissions.

One suggestion to prevent decline would be to make it easier to install carbon neutral energy sources (such as solar panels) on listed buildings possibly also removing the requirement for statutory approvals. Being able to do this would reduce energy costs and assist with achieving net zero. and ensure that more buildings remain viable assets.

As a minimum, an up to date and more flexible planning policy to enable the development of historic buildings is urgently required. This would also assist communities/local businesses to take ownership of historic buildings. It is recognised that some of these areas fall under powers devolved to the Scottish Government.

Scottish Government Land Reform has created several methods of community right to buy in Scotland. The General Trustees have engaged in meaningful dialogue with large numbers of community groups interested in acquiring buildings which the Church is closing, many resulting in successful acquisition. In our experience, the process can be time consuming and owners and community groups need considerable support. During that time the present owner must insure and maintain the building. These costs and the constraints within which the Church must operate as trustees, can on occasion mean that we sell buildings on the open market rather than work exclusively with local groups. A mechanism to support owners who engage with the process with the costs of retention of their buildings in the short term whilst ideas are explored would be very helpful.

How effective are the current funding and finance models for built heritage? What should long-term public funding for the sector look like?

The Listed Places of Worship Grant (LPWG) Scheme

The Listed Places of Worship Grant (LPWG) Scheme currently operates for from one to three financial years at a time. We welcome the recent announcement that it will continue for FY 2025-26, albeit with a cap of £25,000 on individual grants and an overall limit of £23million on the fund as a whole. Unfortunately, however, the fundraising, planning and execution of larger restoration or repair projects, especially, can easily extend over many years, with long-term contractual commitments relying on certainty of funding.

As an example, a congregation in Glasgow has an approved project with funds committed (including grants from the General Trustees) of around £2.3m, the majority raised from building disposal and fundraising. The business plan suggested around £300k of VAT reclaim over 2 years under the LPW scheme: that will now be capped at £50k.

Similarly, another congregation in Perth will now need to factor in an extra £200k in funding to take account of the VAT reclaim variation. They have a major repairing project coming up, including £500k on the tower alone. Also in Perth, another congregation will need to find an extra £40k or so for their ongoing project, which is a significant challenge.

There are other examples across the country where the story is the same but the overall devastating summary is that the General Trustees need to factor in an extra £1m in grant aid this year just to plug gaps brought on by the LPW scheme variation. This is simply not sustainable.

The LPWG scheme is invaluable as over 70% of our buildings are listed, however this scheme does not support separate church halls (which are listed but not used for worship) or churches and other buildings which are not listed.

We would urgently seek the renewal of the Listed Places of Worship scheme without an end date and without a cap on available funding, together with the expansion of the scheme to include all buildings owned by ecclesiastical charities. Churches cannot, for the most part, recover the VAT they pay on their inputs as they do not charge for the services they provide. This means that they are penalised by having to pay irrecoverable VAT. Given that the churches are custodians of the greatest numbers of nationally important buildings, which are held explicitly for public rather than private benefit, we believe that it is in the public interest to reduce rather than increase the tax burden which this involves.

Other public funding

Currently our access to public funding is limited to grants from heritage funders such as Historic Environment Scotland and the National Lottery Heritage Fund. We rely on direct funding from our own limited resources e.g. congregations can benefit from limited funding from the General Trustees or from smaller grants provided by other external charities, such as the National Churches Trust or the Benefact Trust. Given that many people involved with churches are not experienced fund raisers it would be helpful if the applications were made easier to understand.

There is currently no public grant funding available for refurbishment of manses, many of which are listed buildings. The VAT rate of 20% for refurbishment of existing residential

buildings results in many being sold and replaced with new build property as it is not economically viable to refurbish them to meet the habitable standards.

Grant funding is largely awarded on the basis of project outcomes to ensure a wider range of people engage with heritage and to address community and other societal needs. For the vast majority of churches especially in small communities, this is very challenging – there needs to be a greater acceptance among grant funders that retaining and repairing a nationally important heritage asset is, often, a significant benefit to society and communities. Retaining these community buildings in public use is a significant and valuable objective.

We would welcome the provision of more public funding for net zero projects. The Scottish Government's Community and Renewable Energy Scheme (CARES) is currently closed and has not been replaced. There is a lack of information about what future funding will be available and when it will be available. It is recognised that some of these areas fall under powers devolved to the Scottish Government.

As far as we are aware, there is no public funding to assist with running costs of heritage buildings. Assistance with running costs would help to ensure the viability of existing buildings, particularly those buildings which are historically significant and larger than most congregations can manage.

What should long-term public funding for the sector look like?

In addition to the measures suggested above, ideally, zero VAT for capital costs, running costs and professional fees associated with providing services in relation to existing listed buildings.

Provide funding to Historic Environment Scotland (or equivalent body) to enable them to take buildings of national historic significance into the care of the Government for the nation.

The current uncertainty around continued funding, for example in relation to the LPWG Scheme, is hugely unhelpful.

What role does built heritage play in the regeneration of local areas and in contributing to economic growth and community identity?

Built heritage is fundamental to a sense of place. Listed buildings are key landmarks within a community or landscape. The church is often foremost in that identity of local community even to those who are not regular church goers.

Listed places of worship contribute to economic growth through tourism, particularly in the cathedral towns and cities. Places like St Giles Cathedral on the Royal Mile in Edinburgh attract significant visitor numbers who contribute to the local economy. The Church of the Holy Rude in Stirling, where Mary Queen of Scots worshipped and James VI of Scotland was crowned, is partnered with Stirling District Tourism and is one of the top ten visitor attractions in Stirling, in addition to being a parish church.

Built heritage in good condition enhances local areas and engenders a sense of pride; conversely, built heritage that is dilapidated significantly reduces the appeal and character of an area.

The church and hall buildings are at the heart of the local community. Due to the reduction in the number of council owned community buildings, the church and hall are increasingly being used by the community and organisations such as NHS and charities to provide essential services to the local community (e.g. Vaccination centres and food banks). The National Churches Trust's *House of Good* report provides evidence to support this.

How can heritage buildings be supported to increase energy efficiency and contribute to the Government's net zero targets?

It is a challenge to adapt heritage buildings to increase energy efficiency. Amendments to planning legislation to relax some requirements in recognition of the climate emergency would be beneficial e.g. the removal or reduction of planning restrictions on carbon reduction measures such as solar panels. The encouragement of more alignment between the devolved administrations would be welcome, as would better training of planning officers to ensure more consistent decision-making in regards to renewable technologies.

Clarification of the future of CARES funding or a similar scheme and an increase in the amount of funding available would be beneficial. Make it easier to obtain funding.

Introducing Zero rate VAT for net zero interventions would support the introduction of energy saving measures.

To achieve the necessary, widespread take up of low-emissions heating, we consider that the UK Government will need to reform fossil-fuel subsidies. The rebalancing of the relative pricing of gas and electricity would enable financially struggling churches to seek low-carbon options without the fear of the ongoing increased running costs.

What are the financial, regulatory and practical barriers to preserving built heritage? What policy changes are needed to make restoring historic buildings easier and less expensive?

Financial barriers include the VAT rate of 20% on repairs to listed buildings, noted above and the irrecoverability of such VAT by churches.

Regulatory barriers include planning legislation with its lack of flexibility and lack of consistent approach by local planning officers when considering net zero interventions such as solar panels. There is a lack of up to date guidance from Historic Environment Scotland which recognises the climate emergency and the obligations, both legal and ethical, placed on the owners of buildings to take all reasonable steps to meet net zero targets. A more balanced approach is needed.

Practical barriers include the increased cost in heating historic buildings which makes buildings unviable and therefore owners need to be supported to move to net zero not only to reduce carbon but reduce energy bills to make them financially viable.

What policies would ensure the UK workforce has the right skills to maintain our heritage assets?

Some policies which would assist are:

- A clear, reliable and permanent funding regime to address significant building repair issues. This regime needs to be joined up between all funders to ensure maximum benefits and to support specialist skills required for historic building repairs;
- Specialist college training courses, more apprenticeships and support for businesses;
- Partnering between building owners, training providers and construction contractors;
- Programmes to explore feasibility and options appraisals for new uses of buildings; and
- Clear and accessible guidance and information.