

Department for Business, Energy and Industrial Strategy Services & Investment Survey

Response from the Historic Environment Forum and the Heritage Alliance

The Historic Environment Forum brings together senior members of staff from public and non-government bodies to work collaboratively on strategic matters for the historic environment sector in England. It is funded by Historic England and hosted by the Heritage Alliance. The Heritage Alliance unites over 160 independent heritage organisations in England as a powerful, effective and independent advocate for heritage. As England's biggest coalition of heritage interests, it brings together independent heritage organisations from the National Trust, English Heritage, Canal & River Trust and Historic Houses, to more specialist bodies representing visitors, owners, volunteers, professional practitioners, funders and educationalists. Its members – 7 million volunteers, trustees, members and staff – demonstrate the strength and commitment of the independent heritage movement.

Do you consent to participate in this research?

Can we share your organisation's identity

- a) across BEIS? **Yes**
- b) across all Government Departments, including the governments of the devolved nations? **Yes**
- c) across all Government Departments, including with ministers? **Yes**

If you would prefer us not to share your organisation's identity:

- d) Can we share your responses in anonymised form?

Overarching Services and Investment questions

1. What are the key challenges/barriers/disruptions to trade that businesses have encountered in relation to services and investment since EU Exit and what impact has that had (e.g. around work permits and work visas, business travel to the EU, getting professional qualifications recognised, opening a new branch or subsidiary, market access, data/data adequacy rules or barriers)?

Businesses in the heritage sector have encountered a number of challenges and disruptions following EU Exit – which will be summarized below, with an indication of their impact:

- VAT on professional services. VAT rules for selling services in the EU are complicated and unclear. It is not clear if VAT has to be charged on professional services delivered to/in EU countries (specific case reported: Ireland), at what rate, and how to account for the VAT charged in the VAT return to HMRC. This discouraged professionals (especially freelancers) from selling their services in the EU (e.g. Ireland), so to avoid the risk of incurring fines.
- Temporary movement of cultural artefacts for conservation purposes. The objects sent to conservators for restoration do not enter the UK for permanent import but are temporarily imported for restoration. Unless the business is registered EORI and

IPR (Inward Processing Relief), all objects will attract 5% VAT also when coming from the EEC area, however registering for IPR is quite tricky for conservators for different reasons (cap £500,000 import value, which can be too small for valuable artefacts and pieces of furniture, bureaucracy around IP system, impossibility to estimate the value of antiques which will be temporarily imported in the next 5 years, impossibility to establish a port of arrival valid for every antique). Many conservators have not been able to temporarily import antiques/works of art from the EU countries (the main market outside UK) after EU Exit for conservation purposes. As a result, the imports are declining rapidly, causing loss of jobs in the sector in conjunction with covid. This will result in loss of knowledge in the long term.

- Work visas. EU (non-Irish) nationals working in NI will no longer be able to work in the UK as they did not qualify for the EU Settlement Scheme. In the highly skilled heritage sector this is resulting in shortages. This is valid also in the UK: the archaeology sector has reported shortages of highly skilled project managers in England. This is caused partly by the fact that businesses are not always able to sponsor the best candidates for financial reasons, and partly by reputational damage internationally (getting a work visa is perceived by EU nationals as a complicated and expensive process). Other shortages are reported in the hospitality/tourism sector (cf. question 5).
 - Recognition of professional qualifications. It is not clear how the reciprocal recognition works in cases where there's no parallel professional body in the other country, and vice versa in the UK (e.g. for conservators).
 - International internships. The UK is leading in many aspects of heritage research and management and before EU Exit attracted several international interns from EU universities. This fostered cultural exchange, but also reinforced UK reputation in the EU and contributed to the work of many organisations in the sector. After EU Exit, internships are subject to a visa regime and most small heritage organisations cannot afford to be sponsors to host EU interns. The Turing Scheme allows UK organisations to send people abroad, but it is not possible for UK bodies to host interns and to reciprocate collaboratively. Therefore, EU universities and other organisations are sending interns into other countries, and this is weakening the position and reputation of the sector internationally.
2. What are the key opportunities for businesses as a result of EU Exit (e.g. opportunities to establish branches or subsidiaries in the EU, new trading and recruitment opportunities in Rest of the world markets)?
 3. What are businesses experiences of government guidance on permitted short-term business visitor activities, visas, work-permits, establishment rules, domestic regulations in EU member states, reservations, authorisation or licence, the existence of mutual recognition agreements relating to specific qualifications? Have they accessed any of this guidance on the gov.uk website? What is your experience of the gov.uk guidance?

Businesses in the heritage sector are aware of the gov.uk guidance. Both the Historic Environment Forum and the Heritage Alliance have created tools to help the sector to easily find the information they are looking for ([Brexit Hub](#) and [FAQs for the historic environment sector](#)). In particular, the sector welcomed the collection of guidance for DCMS sectors and the gov.uk 'Brexit checker' tool is useful to access general information. However, some sector-specific or detailed issues (see answer to question no. 1) are not included in the guidance and often is not clear who to ask for help. Some heritage professionals who asked us for help said that they asked the Government offices in the first place (e.g. Treasury, BEIS), but they were pointed back to the guidance which did not have the answers they were looking for.

4. What further support do businesses require from the government (or elsewhere)? (e.g. Improve government guidance, provide financial support, negotiations with members states, ensuring TCA is correctly implemented with MS)

Businesses are grateful for the support offered in terms of trade (e.g. the webinars offered on the gov.uk website). However, it would be helpful to provide financial support for small organisations and freelancers to get professional advice (e.g. for financial consultancy) to solve issues related to trade, movement of materials, visas and work permits.

Mobility/Mode IV specific questions

Freedom of movement between the UK and EU ended on 31 December 2020. Businesses that move employees/contractors between the UK and EU may now need to apply for visas and/or work permits. These questions are designed to explore the specific challenges related to the movement of staff, including understanding of new rules, and how business activities have changed and where these issues have been caused by the COVID-19 pandemic.

5. To what extent do businesses understand the new visa/work permit rules? How have the new visa/work permit arrangements affected businesses?

Before EU Exit, the heritage sector employed a small percentage of non-UK/EU people, so to many businesses the immigration system is new. Between 2018 and 2019, the Heritage Alliance carried out a survey which showed that nearly 83% of respondents employed less than 10% non-UK nationals from outside the EU (similar percentages are shown in the [2019 CEBR report for Historic England](#)). Umbrella bodies and professional associations have supported the understanding of the new visa/work permit rules, but the new Skilled Visa route is causing concern, related to:

- The bureaucracy of the visa process. Due to the nature of this process, the Chartered Institute for Archaeologists (member both of the Historic Environment Forum and of the Heritage Alliance) noted that companies are less able to quickly hire EU staff to enable them to expand their workforce and take on work, with it now taking weeks or months, rather than days from the point of receiving an application from a candidate (as it happened with freedom of movement). The sector needs to adapt, but it should be recognised that this makes the sector slower to react, potentially slowing down start times in building/infrastructure works.
- The tendency towards short-term contracts, especially in the archaeology sector, is a problem for visa recruits. The Chartered Institute for Archaeologists noted that many employers would usually offer 12, or even 6 month contracts and therefore going through all the effort of a visa application for a short term contract is not attractive to both applicants and employers. If applicants need to change employers, they may need to leave the country if they can't find work quickly enough, and any dependents would lose the right to work immediately. This creates insecurity and there are wider concerns about whether it will become harder to attract applicants, due to the additional costs (e.g. health surcharge, etc), vulnerability in the event that a contract comes to an end and they need to find a new job, etc.
- Not many employers have chosen to become sponsors, due to the cost and bureaucracy behind it. This has put increased pressure on the staff already employed, and some companies may choose not to expand. At present the sponsored visas are the most common routes in the sector, since there is no 'Global talent' visa route for the heritage sector (except for architects). Additionally, many of

the heritage-related organisations that have become sponsors have received few or no allocated visas. This created increased costs and risks discouraging other heritage organisations to become sponsors.

- The cost to the visa applicants and the eligibility criteria. The cost of the health surcharge to be paid at the forefront makes it harder to attract candidates in a sector characterised by short-term contracts and low salaries. A Heritage Alliance survey distributed across its members carried out in 2019 found out that the average salary for the main occupation in the surveyed organisations is £25,700; while this is above the £25,600 general minimum salary threshold, a significant number of employees earn below this level, excluding them from the possibility to apply for a visa. Even when earning the general minimum salary threshold, the cost to get a visa discourages EU applicants.
6. To what extent do businesses understand the restrictions on short term business visits activities to the EU and EEA-EFTA countries?
 7. To what extent do businesses currently move staff from the UK to EU/EEA-EFTA for business purposes and for what reasons? What are the key countries in the EU/EEA-EFTA where businesses send staff?
 8. To what extent do businesses currently move staff from the EU/EEA-EFTA to the UK for business purposes and for what reasons? What are the key countries in the EU/EEA-EFTA from which businesses receive staff?

CBTS, Investment, and Domestic Regulation specific questions

Freedom of establishment, people and capital rights, the ability to move freely within the EU and automatic rights to have qualifications recognised ended on 31 December 2020. Mode IV trade is subject to the Trade and Cooperation Agreement and the host nation's immigration system. Businesses only have the right to establish if they meet the host nations local rules. These questions are designed to explore the specific challenges related to cross border trade in services, investment, and domestic regulation. It also explores where new barriers have emerged, and how these have affected business decisions.

9. To what extent are businesses aware of the new rules/restrictions around nationality, residency of board make-up and ownership of companies?
10. What have been the experiences of businesses applying for any authorisation or licence to provide services and/or invest in an EU member state after the end of the transition period?
 - a. Which EU Member State/s did they apply for the authorisation or licence in?
 - b. What services was the authorisation/licence related to?
 - c. Were businesses able to complete all necessary processes and procedures online?
 - d. Were they able to pay the relevant fees for the authorisation or online licence?

Recognition of Professional Qualifications specific questions

Automatic recognition of qualifications ended on 31 December 2020. Professionals will have to seek recognition in the member state they wish to practise in via an existing third country route (until a new mutual recognition agreement can be established) or existing Mutual Recognition Agreements where these exist. These questions are designed to explore the specific challenges relating to recognition of professional qualifications, including those related to the hiring of staff, and the potential for labour shortages.

11. What changes have businesses experienced to the recognition processes for qualifications since the UK left the EU?

12. To what extent have businesses experienced labour shortages in key sectors? And to what extent is this due to the loss of automatic rights to recognition, the UK leaving the EU and restrictions and uncertainty around the COVID-19 pandemic and its impacts?

The unfortunate coincidence of EU Exit and Covid led many EU nationals to leave the country. This created or exacerbated staff and labour shortages in some parts of the sector, such as hospitality (linked to tourism and visitor attractions) and archaeology. In archaeology, in particular, there is a shortage of highly skilled staff (such as project managers), at a time of major Government investment in infrastructure, despite the (much welcomed) inclusion of 'archaeologist' in the Shortage Occupation List (please note that there was already evidence for a shortage of archaeologists pre-Brexit, with infrastructural projects planned and some teams made up of as much as 75% non-UK citizens). This is exacerbated by a decrease in the number of people starting a career in archaeology and students taking archaeology courses. This challenge is further compounded by threats to archaeology degree funding for university courses and threatened/actual departmental closures.

We recommend reading the Heritage Alliance briefings: [Heritage in the context of Britain's Future Relationship with the EU](#) and [Heritage and Immigration](#) which may provide further insights.