

Statement on efficiency, effectiveness and economy 2022-23

The following statement sets out the steps that Historic Environment Scotland (HES) has taken in 2022-23 to improve efficiency, effectiveness and economy through the exercise of its functions. Further information on this is contained in our Annual Report and Financial Statements.

We are continually looking for opportunities to increase our commercial income and improve our margins, reducing the grant in aid requirement from the Scottish Government. In 2022-23 we generated commercial income of £49.7 million from admission to our sites and other commercial activities. This was an increase of £29 million on 2021-22 but is still almost £13 million down on 2019-20, in part due to ongoing recovery from the pandemic and closures at certain sites to allow for inspection of high-level masonry. In 2022-23 we achieved all of the commitments set out in our Annual Operating Plan, making good progress towards our longer-term Corporate Plan outcomes.

A number of initiatives are underway to improve efficiency, effectiveness and economy:

Organisation Structure - in 2022-23 we continued work to reshape our organisation to ensure we allocate our resources in the best way to achieve the outcomes in our Corporate Plan and ensure we contribute to Scottish Government priorities. The aim was to provide a national consistency to what we do and at the same time, ensure we are relevant, approachable, flexible and engaged with partners and communities across the country.

Business Model - A review of HES's business model with the overarching objective of adding more public value and improving outcomes (without automatic recourse to additional grant in aid) got underway in discussion with the Scottish Government. This review is looking to address the need for longer term investment planning, incentivise income generation and diversification and maximise the contribution to National Performance Framework outcomes/national priorities.

Infrastructure and alternative arrangements for properties in our care - We are committed to developing a strategy for the PICs that considers how we manage and operate these assets sustainably and innovatively to maximise their contribution to national priorities and the National Outcomes now and for the generations to come.

Workforce innovation – including Strategic Workforce Planning, Pay and Grading review, and piloting a 35-hour week to enable us to attract and retain the skilled workforce we need to deliver our outcomes and national priorities.

Digital Transformation - HES is transforming the way we work, moving towards a digital-first approach through our strategy HES Digital, which supports the Digital Strategy for Scotland. This strategy will increase the quality of digital services, offer

service users better online experiences and access to information and produce savings over time.