

ANNUAL OPERATING PLAN 2024-25

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FOREWORD

This is our Annual Operating Plan for 2024-25.

The Annual Operating Plan outlines the activities we will undertake to make further progress in delivering our Corporate Plan *Heritage for All*. It will support the achievement of its five outcomes building on the progress made since *Heritage for All* was first published in 2019.

2024-25 is the final year of *Heritage for All* and we will work with colleagues and stakeholders to develop a new Corporate Plan for 2025-28 during this period.

For 2024-25, service delivery continues under challenging circumstances: from the economic situation and the cost-of-living crisis to the after effects of the COVID-19 pandemic, the climate emergency and geopolitical uncertainty.

We believe that the historic environment has a significant role to play in how we face these challenges head on. We have worked closely with colleagues, partners, stakeholders and communities to set out a strategy for releasing the potential of the historic environment. *Our Past, Our Future*, which was launched in summer 2023, builds on the achievements of its predecessor *Our Place in Time*, and sets out a mission which calls out to everyone to help harness the power of the historic environment for the benefit of our society.

In this Annual Operating Plan we set out deliverables related to our statutory functions and organisation-wide, transformation scale priorities for the coming year which underpin a fair, green and growing economy, support public bodies reform and deliver real public benefit.

Many of the plans, programmes and strategies already in train will be progressed further in 2024-25 as delivery continues. This is the work immediately ahead of us as we continue to reimagine how we lead, deliver our services and support the historic environment sector to forge a new future which benefits all of Scotland.

WHO WE ARE

The historic environment is Scotland's story.

It belongs to all of us. It's part of our everyday lives. It shapes our identity. It tells us about the past, the present – and even points the way to the future.

We are a charity and public body leading the way in protecting, understanding and sharing Scotland's historic environment, for today and for the future.

We want the historic environment to make a real difference to all our lives: to our health, to our economy, to our culture, to our environment. We want heritage to involve everyone so that all can benefit.

THE DIFFERENCE WE MAKE

Through our role as lead body for the historic environment in Scotland, we work with our partners and stakeholders to ensure that the historic environment thrives and delivers economic and social benefits for the people of Scotland. Here are some examples of our valuable contribution to Scotland.

- We are at the forefront of investigating and researching the historic environment and addressing the impacts of climate change on its future.
- We help develop the knowledge, skills and materials Scotland needs to look after our heritage, particularly to respond to the changes in our climate and the impact it has on our heritage.
- We can make a strong contribution to a green recovery and a fairer, more sustainable economy through promoting the benefits of traditional forms of construction.
- We award millions of pounds each year to local communities to repair, revitalise and reuse their historic environment to foster social cohesion and a strong sense of place. For every £1 invested in 2023-24, projects we funded attracted a further £3.92 in additional investment.
- We enable change to our most significant heritage assets while providing the protection they need through designations and consents, ensuring this resource is available for generations to come.
- We support the conservation and reuse of the historic environment in Scotland by providing advice and technical expertise.
- We seek to grow understanding of our historic assets, the benefits they bring and the diverse stories that make up our shared histories.
- We enhance wellbeing and learning by providing access to Scotland's history and heritage through site visits and digital experiences.
- We look after over 300 sites of national importance, over 45,000 objects in the collections and five million items in our archives on behalf of the people of Scotland.
- We run visitor attractions at the properties in our care to support Scottish tourism and generate income for our activities.
- In every aspect of our work we strive to follow our five organisational values – we are collaborative, professional, innovative, open, and respectful.

WHAT WE WANT TO ACHIEVE

Our vision is that:

“The historic environment is cherished, understood, shared and enjoyed with pride, by everyone.”

Our Corporate Plan was refreshed for 2022 and is scheduled for review in 2024-25. Our *Corporate Plan 2022 Onwards*, retains the five outcomes set out in *Heritage for All* that will help us work towards this vision:

- 1. The historic environment makes a real difference to people’s lives**
- 2. The historic environment is looked after, protected and managed for the generations to come**
- 3. The historic environment makes a broader contribution to the economy of Scotland and its people**
- 4. The historic environment inspires a creative and vibrant Scotland**
- 5. The historic environment is cared for and championed by a high-performing organisation**

These are long-term, aspirational outcomes, towards which we set annual indicators of progress, and it will take a number of years to make a difference.

The focus for the Annual Operating Plan is on the activity which will deliver significant shifts in terms of our outcome delivery. It builds on the progress we have made in previous years, working together across the organisation, the historic environment sector and beyond.

This plan is delivered through a Directorate structure, each bringing their specialisms and expertise to drive progress towards our common purpose:

- Cultural Assets – leads on the development of strategy and standards for the sustainable management of properties in our care, collections and archives, and supports others to do the same.
- External Relations and Partnerships – works to raise our profile and influence across Government and elsewhere, giving more prominence to the historic environment in the creation of policy at a national and local level.
- Finance and Corporate Services – responsible for many of the services that support the day-to-day running of the organisation.
- Heritage – leads the way in protecting, understanding and sharing information about Scotland’s historic environment.

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- Marketing and Engagement – promotes engagement with the properties in our care and the wider historic environment.
 - Operations – responsible for conserving and maintaining the properties in our care, connecting communities to the historic environment around them and sharing them with visitors from around the world.
 - People – responsible for delivering core people services in an environment where inclusion, health and wellbeing are part of everyday life.

The AOP is supported by a wide range of day-to-day operations undertaken by our Directorates which are reflected in Directorate, team and project plans, and our regional structure which brings us closer to the communities we serve.

Here we have set out organisation-wide, transformation-scale deliverables for 2024-25 as we start work on our next Corporate Plan for 2025-28. The plan is built on strong foundations and is flexible enough to respond to changes and challenges in the operating environment providing a cornerstone of organisational resilience.

How we measure success

Our Corporate Plan sets out ten Key Performance Indicators (KPIs), which we have retained from the first *Heritage for All*. We will use these KPIs to measure our success in achieving our outcomes.

Achievement of these KPIs will be measured against the success criteria of the deliverables set out in our Annual Operating Plans and also an analysis of contextual data and case studies.

Our progress so far

Good progress has been made towards our *Heritage for All* outcomes, particularly considering the challenges everyone is facing. KPI status has been used to help determine the priority deliverables for 2024-25 focusing in particular on KPIs 4 (Resilience) and 10 (Sustainability of HES).

Sharing our results

Progress towards delivery is reported to our Executive Leadership Team (ELT) and HES Board every quarter throughout the year and risks to delivery systematically identified and managed. Results are published in our *Annual Report and Financial Statements*.

Data relating to equalities, health and safety, sickness absence, staff training, supplier payment and greenhouse gas emissions are also reported in our *Annual Report and Financial Statements*.

We also publish a range of more detailed performance reports: *Our Past, Our Future Annual Performance Report*, *Properties in Care of Scottish Ministers Annual Report*, *Planning Performance Report* and *Annual Procurement Report*.

Our reports are supported by a strong framework of controls, including use of peer review, which helps to validate our performance and grow trust and confidence in our organisation.

CONTEXT AND PRIORITIES FOR 2024-25

As we head into the final year of *Heritage for All*, we are seeing signs of recovery.

The doors at more of the properties in our care are open and the number of people visiting our sites is returning to pre-COVID levels. Commercial income in 2023-24 exceeded 2019-20 and we anticipate this growth to continue in 2024-25.

However, visitor numbers, commercial income and the delivery of our core functions are sensitive to ongoing economic uncertainty and the geopolitical situation. The UK economy still faces a challenging outlook, though the severity of forecasts has lessened in recent months. The cost of borrowing is stabilising after 2 years of consecutive increases, but inflation is still above target, increasing materials, energy and labour costs across supply chains.

All of this continues to impact public sector funding and services, the operating costs of all organisations and money in people's pockets, with domestic consumers reducing expenditure on non-essentials. With these pressures impacting across the sector, including for asset owners, grant recipients and specialist suppliers, we are likely to see an increase in demand for additional support. In addition, the increasingly visible impacts of the changing climate continue to be felt across the country while UK elections and the work on public services reform lie ahead.

However, we know that the historic environment offers a way forward for some of our national challenges. The historic environment generated an estimated £5 billion for Scotland's economy in 2022, mainly in the heritage, tourism, and construction sectors, an increase of 54% from 2021. While final figures for 2023 are not available yet, the in-year trajectory has exceeded expectations and shows the strong recovery has continued.

Almost all (93%) of Scotland's people say it is important that Scotland's heritage is well looked after, while 86% report a physical or mental health wellbeing benefit from engaging with it. Traditional buildings account for a fifth of Scotland's total, and an estimated 10,000 new full-time equivalent jobs will be required to support their net zero transition.

Cross-sector collaboration enabled by *Our Past, Our Future*, the rapid pace of technological advancement and the transition to a new business model open up opportunities to think radically about our work and how we deliver our services. Above all, the time, energy and talent of our people and our partners is now, as it has ever been, instrumental in securing and advancing environmental, social and economic benefits for all of Scotland.

In the face of uncertainty, we strive to provide continuity of our services and promote the potential of the historic environment to help chart a course to a brighter future.

Supporting delivery of Scotland's priorities

Across all our work, the outcomes-based approach set out in this plan will channel our efforts, in partnership with others, to ensure we deliver the best possible results with the resources we have available, supporting the national outcomes and Scottish Government's purpose:

“To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing and sustainable and inclusive economic growth”

To 2026 the Scottish Government will be focusing resource on three particular missions:

- o Equality: Tackling poverty and protecting people from harm
- o Opportunity: A fair, green and growing economy
- o Community: Prioritising our public services

We make a strong contribution to the Scottish Government's priorities. The revitalisation of our towns and cities through the adaptation of historic properties will support job creation, skills development and the transition to net zero which in turn will support long-term structural shifts out of poverty. In addition we have long made a strong contribution to achieving sustainable public services, from our inception in 2015 simplifying the public bodies landscape, to revenue raising and digital transformation.

Our work is also guided by and makes a significant contribution to key national strategies such as *Delivering Economic Prosperity: Scotland's National Strategy for Economic Transformation* and *National Planning Framework 4*.

Our priorities

Based on the Scottish Government missions above and our current operating context the six priorities we set out in 2022-23 remain broadly relevant with the update of Priorities 4 and 5 from 'A Stronger, Fairer, Greener Economy' to 'A Fair, Green and Growing Economy' and 'Sector Recovery' to 'Sector Resilience':



Our people remain at the very heart of everything we do and while the priorities set out in this plan seek to drive progress, we do not underestimate the impact that ongoing crises have.

Over the coming years we will continue to invest in our people through our People Strategy, optimising our culture so people feel supported, included, and enabled within a safe environment where wellbeing is part of everyday conversation.

This plan is therefore based on pragmatic prioritisation with our people's mental, physical, and economic wellbeing at its core.

CHALLENGES AND OPPORTUNITIES

With each of these priorities there are challenges and opportunities to forge a new future.

Priorities	Challenges and Opportunities
Wellbeing, Inequality & Access	The pandemic and the cost-of-living crisis have highlighted disparity in outcomes and deepening inequality across society. Our historic environment is spread throughout Scotland and along with our partners, can play its part to address inequalities and support the wellbeing of local communities.
Managing Heritage Assets	Our key challenge and priority is addressing findings of the high-level inspection programme at Properties in our Care (PIC) and opening sites when it is safe to do so. Our PIC Strategy will enable us to prioritise investment in PICs, demonstrating good practice in making difficult choices. The archives and collections in our care also need attention to ensure they are cared for now and for the generations to come.
Net Zero	In 2023 the International Panel on Climate Change pressed the need to act now to limit global warming. Swift and drastic action is needed to mitigate and adapt to the effects of climate change. We believe Scotland's net zero targets cannot be met without strong historic environment infrastructure intervention and support, but skills gaps are a real risk to delivery.
A Fair Green, & Growing Economy	There is huge potential for our historic environment to underpin a fair, green and growing economy. From responsible tourism to the retrofit of historic buildings, the historic environment provides opportunities for the creation of high-quality green jobs and skills development. <i>National Planning Framework 4</i> sets out national planning policies, guides spatial development and highlights regional spatial priorities. However, above target inflation, ongoing supply chain disruption and difficulties in sourcing materials pose real challenges for the year ahead.
Sector Resilience	The care and maintenance of our historic environment depends on local materials, traditional skills and the work of many heritage organisations. Their source is often small businesses and voluntary groups, many of whom are adversely affected by the economic challenges facing the country. Supporting the resilience of our partners is a crucial element of <i>Our Past, Our Future</i> .
Building HES	Public sector funding and labour market conditions make the operating environment challenging. We are working hard to create a sustainable and resilient business model and an organisation where all our colleagues want to work, with opportunities to develop and progress. Wellbeing and support for our colleagues will continue to be at the forefront of our priorities.

The following sections provide more detail on how we will support the historic environment and work to achieve *Heritage for All* outcomes during 2024-25.

HERITAGE AND SOCIETY

1. THE HISTORIC ENVIRONMENT MAKES A REAL DIFFERENCE TO PEOPLE'S LIVES

WHY IT MATTERS

The historic environment has the power to change lives for the better – to help us live happier and healthier lives, to build the wealth and wellbeing of our communities, and to speak to the diversity of our nation. To maximise the benefits that the historic environment creates for people and places, we must widen opportunities for everyone to see it, connect with it, understand it and explore it. To shape what we mean by heritage, and to have an opportunity to help safeguard it for the future.

We also want to ensure that our historic environment is truly representative of Scotland. Not just where we've come from, but who we are as a nation today and where we want to be in the future. We recognise that not everyone is represented as they should be in our heritage, and we need to change this to ensure that the benefits it brings are there for all and felt by all.

OUR CORPORATE PLAN PRIORITIES

Create heritage without boundaries - widening opportunities for everyone to understand, enjoy and connect with the historic environment, making it a part of our everyday lives.	Use the historic environment to empower and enable Scotland's communities - demonstrating the crucial role that heritage can play in building the wealth of local places.	Use, champion and promote diverse and inclusive heritage - working together with communities so that everyone can see themselves in the historic environment and the stories we tell about it.	Promote the wellbeing benefits of the historic environment - harnessing its potential to offer spaces for living, recreation, reflection and entertainment.
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OUR PROGRESS SO FAR

Good progress has been made towards this outcome. With ongoing national challenges around mental, physical and economic wellbeing, focus must continue on KPI 1 (Wellbeing). We must continue to perform to maintain the high standards achieved for KPI 2 (Engagement) and KPI 3 (Placemaking).

OUR PRIORITIES FOR 2024-25

Our focus for 2024-25 will be:

Wellbeing - wellbeing continues to be a national priority. It is at the heart of Scotland's *National Performance Framework* and Building a Wellbeing Economy is one of the three priorities in *Our Past, Our Future*. The Office for National Statistics reports that rates of personal wellbeing were impacted by the pandemic but saw some improvement in 2021-22. Average ratings for all measures of personal wellbeing declined again in the year ending March 2023. Mental, physical, and economic wellbeing therefore continue to be a significant area of focus as local communities, families and individuals seek further support and guidance. With 86% of people reporting a wellbeing benefit from engagement, the historic environment provides opportunities to boost the wellbeing of communities and individuals. Visiting, for example, is good for physical health and provides opportunities to come together with friends and family while volunteering, outreach and learning provide opportunities for people to learn new skills, grow confidence and make a real difference. Our regional model means we are well positioned to listen to, enable and partner with communities all across Scotland, enabling them to use their local heritage to improve personal and community wellbeing.

In line with the current approach taken by the Scottish Government for measuring wellbeing, we acknowledge wellbeing to be holistic and is achieved through other social, environmental and economic deliverables. The following AOP deliverables are strongly associated with wellbeing: 1.2 Equalities, 1.4 Communities, 2.7 Emissions, 3.3 Economic Impact, 3.4 Visitor Experience, 3.7 Skills, 4.1 Outreach and Learning and 5.1 Our Past, Our Future. This is reflected in the design of the deliverable 1.1 Wellbeing and its success criteria.

Inequality and access - we are committed to improving access to, and widening participation in, Scotland's historic environment. Equality, diversity and inclusion are at the centre of our work. There are many examples of how we work with a range of partners to deliver activities that seek to reduce inequalities, including for children and young people who lost opportunities for learning and enjoyment in recent years. We plan to further strengthen our approach, putting the needs and expectations of diverse groups at the heart of our service delivery and shining a light on more hidden histories in order to widen participation, engagement, and involvement in the historic environment.

WHAT WE WILL DO IN 2024-25:

<p>KPI 1: Increase wellbeing from Scotland's historic environment</p> <p>What success will look like:</p> <ul style="list-style-type: none"> • Increased the percentage of people who self-report benefit from the historic environment • Evidence of increased impact on wellbeing such as health, happiness and satisfaction with life 	
<p>Priority 2024-25: Wellbeing, Inequality and Access</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>Wellbeing</p> <p>1.1 Shared established wellbeing benefits of the historic environment</p>	<p>Our success in sharing wellbeing benefits is a composite of the following AOP deliverables: 1.2 Equalities, 1.4 Communities, 2.7 Emissions, 3.3 Economic Impact, 3.4 Visitor Experience, 3.7 Skills, 4.1 Outreach and Learning and 5.1 <i>Our Past, Our Future</i></p> <ul style="list-style-type: none"> - Fully Achieved: 4 or more of the 8 deliverables above are Achieved and the remaining deliverables Partially Achieved by 31 March 2025. None are Not Achieved - Partially Achieved: 4 or more of the 8 deliverables above are Achieved or Partially Achieved by 31 March 2025. Fewer than 50% are Not Achieved - Not Achieved: 4 or more of the 8 deliverables above are Not Achieved by 31 March 2025
<p>KPI 2: Increase engagement with Scotland's historic environment</p> <p>What success will look like:</p> <ul style="list-style-type: none"> • Increased the numbers and diversity of people who engage with the historic environment • Increased the range and accessibility of channels for engaging with the historic environment 	
<p>Priority 2024-25: Wellbeing, Inequality and Access</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>Equalities</p> <p>1.2 Implemented our <i>Equality Outcomes Action Plan 2021-25</i>, which incorporates ambitions on our society, our services and our people</p>	<ul style="list-style-type: none"> - Fully Achieved: Delivered 80% or more of the 2024-25 high-level planned actions in the <i>Equality Outcomes Action Plan</i> by 31 March 2025 - Partially Achieved: Delivered between 60% and 79% of the 2024-25 high-level planned actions in the <i>Equality Outcomes Action Plan</i> by 31 March 2025 - Not Achieved: Delivered less than 60% of the 2024-25 high-level planned actions in the <i>Equality Outcomes Action Plan</i> by 31 March 2025
<p>trove.scot</p> <p>1.3 Improved digital access to information on the historic environment as part of our long-term strategy for our digital information, archives and collections</p>	<ul style="list-style-type: none"> - Fully Achieved: Created a baseline of use following trove.scot launch by 31 March 2025 - Partially Achieved: Baseline of use following trove.scot launch not created due to circumstances outwith our control by 31 March 2025 - Not Achieved: Baseline of use following trove.scot launch not created by 31 March 2025

KPI 3: Enhance communities' use of their heritage in placemaking

What success will look like:

- Evidence that more communities are using the historic environment in their placemaking activities
- The historic environment is increasingly integrated into local, city and regional placemaking

Priority 2024-25: Wellbeing, Inequality and Access

Deliverables for 2024-25	What Success Will Look Like
<p>Communities 1.4 Helped communities understand, promote and develop the benefits of their heritage through our Communities Framework</p>	<p>- Fully Achieved: Delivered 70% or more of actions planned for 2024-25 by 31 March 2025</p> <p>- Partially Achieved: Delivered between and including 50% and 69% of actions planned for 2024-25 by 31 March 2025</p> <p>- Not Achieved: Delivered 49% or less of actions planned for 2024-25 by 31 March 2025</p>

HERITAGE AND THE ENVIRONMENT

2. THE HISTORIC ENVIRONMENT IS LOOKED AFTER, PROTECTED AND MANAGED FOR THE GENERATIONS TO COME

WHY IT MATTERS

From buildings and archive collections to traditions, stories and even ways of life, the historic environment is always changing. Things will be lost – through decay, erosion, fire, neglect or, simply, just by slipping from memory. It is only by looking for ways to reuse and adapt our heritage that the historic environment will not just be conserved – but alive and thriving, for generations to come.

Climate change poses perhaps an even greater threat. Achieving Scotland’s goal of net zero carbon emissions by 2045 requires us to transform the way that we and the sector work. What we buy and sell, how visitors travel to our sites, and how we perform our everyday functions all need to evolve to make us more sustainable.

However, many of the buildings that make up our towns and cities have stood the test of time, by changing use and embracing new technologies and they stand ready to help us now. With the principles of sustainability at the heart of the historic environment and the skills and expertise of the sector, we believe that Scotland’s past can help us to build a greener future.

OUR CORPORATE PLAN PRIORITIES

Respond to the challenges of climate change	Drive research and innovation in caring for our heritage	Look after the historic environment assets in our care	Champion the maintenance and reuse of the historic environment
- working with the sector to put the historic environment at the forefront of Scotland’s transition to net zero.	- growing and championing the knowledge needed to protect and promote the historic environment, and sharing this through interpretation, engagement, and education.	- managing the long-term future of the properties, sites, collections and archives we look after to deliver real benefits for the people of Scotland.	- working with people, communities, government and developers to enable change that keeps this sustainable resource in use.

OUR PROGRESS SO FAR

We worked hard over the last few years and good progress was made towards KPI 5 (Climate change) goals. However, the COVID-19 pandemic, economic uncertainty, and disrupted supply chains have resulted in slower progress on KPI 4 (Strengthening resilience). More focus is therefore needed for KPI 4 for 2024-2025.

OUR PRIORITIES FOR 2024-25

Our focus for 2024-25 will be:

Managing heritage assets – a key challenge which continues to face the historic environment across the UK is deterioration of historic sites as a result of climate change and other factors. Over the last few years, our focus has been on addressing these challenges at the properties in our care and understanding and mitigating the impacts on surrounding communities, sharing our learning and benefiting from the experience of others.

As inspections at PICs have been completed we have re-opened or enhanced access for visitors when it was safe to do so and developed programmes of work where more significant repairs are needed. However, with the scale of investment likely to be required and the challenges presented by materials costs, availability of funding and skills and supply chain disruption, pragmatic choices are needed.

These decisions will be directed by our PIC strategy which balances national and community economic, social and cultural benefits. The strategy is complemented by a 4-year, cross-organisation programme of work for the PICs which incorporates conservation and maintenance, climate adaptation and services for visitors.

We will also embark on plans for the development of key sites starting with Edinburgh Castle, a core element of Scotland's heritage and identity, the commercial success of which contributes to the conservation of Scotland's wider historic environment.

In 2024-25 plans to improve storage conditions for our extensive records and archives, currently housed in John Sinclair House in Edinburgh and other locations across Scotland, will take a significant step forward. Work is underway to convert Archive House in Bonnyrigg to meet recognised standards for archive buildings. Designed implementing the Scottish Government's *Net Zero Public Sector Buildings Standard*, it will take account of carbon emissions of the development, use and maintenance of the building and be an exemplar of the retrofit and reuse of existing infrastructure to ensure our records and archives continue to give a unique insight into over 5,000 years of Scotland's history into the future.

More broadly, we will continue to enhance the care and management of collections associated with the PICs.

Net zero – Scotland is targeting net zero emissions by 2045 and a 68% reduction in greenhouse gas emissions from buildings by 2030, enabled by the Scottish Government's *Heat in Buildings Strategy*. With traditionally constructed buildings comprising a significant percentage of Scotland's housing stock, retail space, office space and space used by the public sector, Scotland's net zero target cannot be achieved without strong traditional infrastructure intervention and support.

Our analysis of Skills Development Scotland industry forecast data indicates that 10,000 new full-time equivalent jobs will be needed over the next decade to maintain and adapt Scotland's traditional residential building stock. UK-wide it is predicted that equipping the construction sector with the skills needed to retrofit historic buildings would lead to an extra £35 billion generated annually (Grosvenor for Historic England). To that end, delivering the transition to net zero is one of the three priorities set out in *Our Past, Our Future*. Emissions reduction and adaptation, maximising the useful life of our historic assets to be climate resilient, taking a fabric-first approach, are therefore at the forefront of our plans.

WHAT WE WILL DO IN 2024-25:

KPI 4: Strengthen the resilience of Scotland's historic environment What success will look like:	
<ul style="list-style-type: none"> Improved prioritisation of investment in the historic environment according to need Evidence that the historic environment is being appropriately managed to enable viable use or reuse 	
Priority 2024-25: Managing Heritage Assets	
Deliverables for 2024-25	What Success Will Look Like
Estate Management 2.1 Improved the planning and delivery of all work on or related to the properties in our care to ensure their sustainable management through the delivery of our Estate Plan, which is updated throughout the year to respond to changing priorities	<ul style="list-style-type: none"> - Fully Achieved: Delivered 90% or more of the live Estate Plan by 31 March 2025 - Partially Achieved: Delivered between 75% and 89% of the live Estate Plan by 31 March 2025 - Not Achieved: Delivered less than 75% of the live Estate Plan by 31 March 2025
PIC Strategy 2.2 Delivered our long-term strategy for the properties in our care (PIC) including plans for the sustainable management and operation of the assets supporting prioritisation for decision-making and investment, and delivery of benefits to people now and for generations to come	<ul style="list-style-type: none"> - Fully Achieved: Published and disseminated the PIC strategy by 31 March 2025 - Partially Achieved: Published and disseminated the PIC strategy after 31 March 2025 due to significant disruption outwith our control - Not Achieved: Published and disseminated the PIC strategy after 31 March 2025 but with no significant disruption outwith our control
Collections 2.3 Enhanced the care and management of collections associated with the properties in our care in line with the Scheme of Delegation	<ul style="list-style-type: none"> - Fully Achieved: Delivered 70% or more of Year 3 project targets for Government Indemnity Scheme project and Collections Inventory project by 31 March 2025 - Partially Achieved: Delivered between and including 50% and 69% of Year 3 project targets for Government Indemnity Scheme project and Collections Inventory project by 31 March 2025 - Not Achieved: Delivered less than 50% of Year 3 project targets for Government Indemnity Scheme project and Collections Inventory project by 31 March 2025
Archive House 2.4 Improved the storage conditions of the archives in our care	<ul style="list-style-type: none"> - Fully Achieved: Commenced RIBA Stage 5, Construction stage on site: Completed Construction Start, Site Mobilisation and Demolition and Down-takings of Existing Building by 31 March 2025 - Partially Achieved: Commenced RIBA Stage 5, Construction stage on site: Completed Construction Start and Site Mobilisation by 31 March 2025 - Not Achieved: Not commenced RIBA Stage 5, Construction stage on site by 31 March 2025

<p>Research 2.5 Implemented our multi-partner <i>Research Strategy 2023-28</i>, focusing on research to support our work around climate change, tackling inequality, and driving innovation</p>	<p>- Fully Achieved: Delivered, or on track to deliver, 40% or more of the multi-partner <i>Research Strategy 2023-28</i> actions by 31 March 2025 from 20% in 2023-24</p> <p>- Partially Achieved: Delivered or made progress in delivering more than 20% but less than 40% of multi-partner <i>Research Strategy 2023-28</i> actions by 31 March 2025 from 20% in 2023-24</p> <p>- Not Achieved: Delivery of Research Strategy not progressed from the 2023-24 result of 20% of multi-partner <i>Research Strategy 2023-28</i> actions delivered, or on track to deliver, by 31 March 2025</p>
<p>Edinburgh Castle 2.6 Developed a high-level masterplan for Edinburgh Castle, one of Scotland’s most internationally iconic sites, to ensure it delivers sustainable benefits for HES and Scotland into the future</p>	<p>- Fully Achieved: Developed and published Edinburgh Castle Masterplan by 31 March 2025</p> <p>- Partially Achieved: Developed but not yet published Edinburgh Castle Masterplan by 31 March 2025</p> <p>- Not Achieved: Edinburgh Castle Masterplan not developed by 31 March 2025</p>
<p>KPI 5: Increasingly lead the sector in climate change action What success will look like:</p> <ul style="list-style-type: none"> • Reduced our own greenhouse gas emissions and evidence of reducing emissions in the wider historic environment sector • Evidence that more of the historic environment sector is able to adapt to the effects of climate change 	
<p>Priority 2024-25: Net Zero</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>HES Emissions 2.7 Delivered greenhouse gas (GHG) emission reductions identified in our <i>Carbon Management Plan</i></p>	<p>- Fully Achieved: Responsible for no more than 4,203 tonnes of GHG emissions (tCO₂e) from sources within our organisational boundary by 31 March 2025</p> <p>- Partially Achieved: Achieved targeted GHG emissions plus 5% (4,413 tCO₂e) due to temporary changes in operating procedures or extreme weather by 31 March 2025</p> <p>- Not Achieved: GHG emissions are in excess of the targeted emissions with no temporary extenuating circumstances by 31 March 2025</p>
<p>Climate Change Adaptation 2.8 Continued to implement our ambitious <i>Climate Action Plan</i> (CAP) to support the green recovery and to promote the value and knowledge of the heritage sector in supporting a transition to a low carbon economy</p>	<p>- Fully Achieved: Progressed delivery of our <i>Climate Action Plan</i> to 100% of actions delivered or on track by 31 March 2025 (Year 5 of 5) from 80% in 2023-24</p> <p>- Partially Achieved: Progressed delivery of our <i>Climate Action Plan</i> between 81% and 99% of actions delivered or on track by 31 March 2025 (Year 5 of 5) from 80% in 2023-24</p> <p>- Not Achieved: Delivery of our <i>Climate Action Plan</i> not progressed from 2023-24 result of 80% of actions delivered or on track by 31 March 2025 (Year 5 of 5)</p>

HERITAGE AND THE ECONOMY

3. THE HISTORIC ENVIRONMENT MAKES A BROADER CONTRIBUTION TO THE ECONOMY OF SCOTLAND AND ITS PEOPLE

WHY IT MATTERS

Heritage is important to every part of our country. Our historic environment creates jobs and brings in hundreds of millions of pounds to our economy. It attracts millions of visitors to Scotland each year, to every part of our country. It is a valuable, long-lasting and sustainable resource that can contribute to renewal and regeneration.

The historic environment creates new careers using old skills and old materials. It limits waste and makes efficient use of Scotland's natural resources. It injects real money into villages, towns and cities across the country to protect, repair and revitalise our homes, offices, and shops.

We want to invest in, look after, and celebrate our heritage and the role it can play in building a fairer future. By encouraging enterprise, investment, and development in our historic environment we will make Scotland a more prosperous and equal nation.

OUR CORPORATE PLAN PRIORITIES

Promote responsible tourism - working to make our historic sites outstanding attractions that tell Scotland's story, while respecting the needs of local communities, visitors, the environment and our cultural heritage itself.	Encourage enterprise and investment in the historic environment - providing support through our own grant schemes and our role in the planning system, and working in partnership to enable more people and communities to benefit from local heritage.	Enable sustainable change to the historic environment - developing effective, evidence-led policy and guidance that protects our unique heritage while supporting the creation of new jobs and income-generating opportunities.	Increase the availability and demand for traditional skills and materials - showing how understanding, caring for and celebrating the historic environment adds value to the economy, providing attractive career opportunities, skilled employment and business growth.
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OUR PROGRESS SO FAR

We worked hard over the last few years to support local and national economies. However, the COVID-19 pandemic had a significant impact on the economy and the tourism, cultural and heritage sectors were disproportionately affected. Recovery in the tourism, cultural and heritage sectors continues and while domestic visitors are still cutting back on recreation spend, overall visitor performance remains strong.

The historic environment is one of the most important, valuable, and sustainable things Scotland has to offer. Built on principles of sustainability our heritage assets have a clear role to play in creating a fair, green and growing economy.

OUR PRIORITIES FOR 2024-25

Our focus for 2024-25 will be:

A fair, green and growing economy - there are stark challenges ahead. Most forecasters are expecting relatively low economic growth for Scotland until 2026, while inflation remains above target and real incomes and spending power are under continued pressure. Those who can afford it least will be impacted the most. However, the vast asset base represented by the historic built environment is integral to Scotland's fair, green and growing economy.

As we transition to a low carbon economy and as use of our town and city centres changes, the adaptation of historic buildings will provide high-quality green jobs and skills development opportunities. This is supported by our enabling role in the planning system, guided by *National Planning Framework 4*, and our strategic partnerships with economic development agencies and Growth Deals.

We are the largest operator of paid-for visitor attractions in the country and heritage, led by the properties in our care, is a main contributor to tourism: a priority in *Delivering Economic Prosperity: Scotland's National Strategy for Economic Transformation*. The sector provides jobs in remote and rural areas where few alternative opportunities exist. The shift to sustainable tourism, directed by our *Responsible Tourism Framework*, will create the new jobs of the future and develop thinking to reduce our carbon dependency and the resource intensity of our operations. We don't have all the answers but with a framework in place and working together with communities, partners, and colleagues, there is much we can do while continuing to provide exceptional visitor experiences.

Sector resilience - our grant programmes act as a catalyst for investment in local areas contributing to the development of vibrant and sustainable places across Scotland through community-led regeneration of the historic environment bringing a wide range of benefits. This investment promotes sector resilience through stimulating historic environment supply chains and increasing the quality and availability of historic environment skills.

Our *Sustainable Procurement Strategy* also contributes to jobs and growth, encouraging innovation, boosting training and apprenticeship opportunities, and helping small and medium enterprises, third sector organisations and supported businesses to compete effectively for contracts.

At the heart of sector resilience are the skills necessary to be fit for the future. We know we are facing an acute shortage of key skills such as stonemasonry, which are desperately needed to maintain traditional infrastructure and deliver at pace the transition to a low carbon economy. While we are the largest trainer of apprentices in Scotland and have been delivering Modern Apprenticeships in stonemasonry for over 20 years through our dedicated training centres in Elgin and Stirling, much more is needed. To ensure we are creating the skills system the sector needs, we are working with partners to deliver the refreshed *Skills Investment Plan for Scotland's Historic Environment Sector*. The Plan will set out pathways to deliver the traditional and professional skills, such as leadership and management, ICT and digital that are crucial to the recovery of the sector and to the development of the economy of the future.

WHAT WE WILL DO IN 2024-25

<p>KPI 6: Increase economic benefits from Scotland’s historic environment</p> <p>What success will look like:</p> <ul style="list-style-type: none"> Increased the amount generated for Scotland’s national and regional economies from the historic environment The historic environment provides a greater range of opportunities for local economic activity 	
<p>Priorities 2024-25: A Fair, Green & Growing Economy and Sector Resilience</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>Casework 3.1 Dealt with regulatory activities, consultations and decisions within stated timescales</p>	<p>- Achieved: Maintained delivery at 90% or more dealt with within stated timescales during 2024-25</p> <p>- Partially Achieved: Less than 90% delivered within stated timescales but a significant disruption out with our control affecting delivery by 31 March 2025</p> <p>- Not Achieved: Less than 90% delivered within stated timescales with no significant disruption out with our control affecting delivery by 31 March 2025</p>
<p>Growth Deals 3.2 Promoted the contribution of the historic environment and the sector in national and regional economic planning and investment strategies</p>	<p>- Fully Achieved: Further deepened engagement and identified opportunities of agreed mutual benefit in at least 5 existing Local Authorities and Economic Agency Growth Deal areas by 31 March 2025</p> <p>- Partially Achieved: Further deepened engagement and identified opportunities of agreed mutual benefit in between 2 and 4 existing Local Authorities and Economic Agency Growth Deal areas by 31 March 2025</p> <p>- Not Achieved: Further deepened engagement and identified opportunities of agreed mutual benefit in at most 1 existing Local Authority and Economic Agency Growth Deal area by 31 March 2025</p>
<p>Tourism Impact 3.3 Increased the number of visits to our sites, benefitting local tourism economies</p>	<p>Fully Achieved:</p> <ul style="list-style-type: none"> Increased the number of visits to our sites from 4.5 million in 2023-24 to over 4.8 million by 31 March 2025 Increased the direct and indirect contribution to local tourism economies from £887 million in 2023-24 to £946 million in 2024-25 by 31 March 2025 <p>Partially Achieved:</p> <ul style="list-style-type: none"> Increased number of visits to our sites from 4.5 million in 2023-24 to between 4.5 million and 4.8 million by 31 March 2025 Maintained the direct and indirect contribution to local tourism economies at £887 million by 31 March 2025

	<p>Not Achieved:</p> <ul style="list-style-type: none"> - Number of visits to our sites reduced from 4.5 million in 2023-24 by 31 March 2025 - Contribution to local tourism less than £887 million by 31 March 2025
<p>Visitor Experience</p> <p>3.4 Provided high quality visitor experiences at our sites as the largest operator of paid visitor attractions in Scotland</p>	<ul style="list-style-type: none"> - Fully Achieved: Maintained visitor overall enjoyment scores from our fully open sites at or better than 8.84 by 31 March 2025 - Partially Achieved: Achieved a visitor overall enjoyment score that is between and including 8.00 - 8.83 by 31 March 2025 - Not Achieved: Achieved a visitor overall enjoyment score less than 8.00 by 31 March 2025
<p>Grants</p> <p>3.5 Used our grant programmes to attract investment into local economies across Scotland</p>	<ul style="list-style-type: none"> - Fully Achieved: Invested at least £13.5 million in local economies through our grant schemes in 2024-25, taking the total invested since 2019 to £79.5 million - Partially Achieved: Invested at least 75% of the £13.5 million target (£10.1 million) - Not Achieved: Invested less than 75% of the £13.5 million target (£10.1 million)
<p>Procurement</p> <p>3.6 Delivered Year 3 of our <i>Sustainable Procurement Strategy 2022-26</i> to achieve value for money, benefits to HES, society and the economy of Scotland, whilst minimising damage to the environment</p>	<ul style="list-style-type: none"> - Fully Achieved: Maintained spend of £30 million with Scottish suppliers in 2024-25 with a cumulative total since 2019-20 of £167.9 million - Partially Achieved: Spent at least £25 million but less than £30 million with Scottish suppliers in 2024-2025 - Not Achieved: Spent less than £25 million with Scottish suppliers in 2024-25
<p>Skills</p> <p>3.7 Worked with our partners to grow provision, attract future talent and improve access, and foster innovation, including stonemasonry and other traditional skills, through the historic environment <i>Skills Investment Plan 2024-29</i></p>	<ul style="list-style-type: none"> - Fully Achieved: Delivery of the historic environment <i>Skills Investment Plan 2024-29</i> is underway by 31 March 2025 - Partially Achieved: Delivery of the historic environment <i>Skills Investment Plan 2024-29</i> has not started by 31 March 2025 due to significant disruption outwith our control - Not Achieved: Delivery of the historic environment <i>Skills Investment Plan 2024-29</i> has not started by 31 March 2025 but with no significant disruption outwith our control

HERITAGE AND CREATIVITY

4. THE HISTORIC ENVIRONMENT INSPIRES A CREATIVE AND VIBRANT SCOTLAND

WHY IT MATTERS

The historic environment is the story of Scotland. It is not just one story, it is everyone's stories put together. Every single one of us – every single one of our stories – is a living, vital part of this bigger story.

Celebrating and sharing these stories is just as important as maintaining the places they relate to. The traditions, songs, and customs that connect people to places bring the physical traces of the past to life. Whether new or old they, and the languages and the means through which they are told, provide meaning and enrichment to heritage in Scotland. Without them, our historic environment would be so much poorer.

We want people of all ages to have opportunities to engage with, and learn from, Scotland's heritage: whether that's a chance to pass on wisdom and stories based on a life's work in a local place, a chance to use the past to shape a child's future; or the opportunity to deliver innovative building design using traditional methods of construction. But engaging people of all backgrounds with the historic environment requires us to be creative in our practice. We need to constantly seek new, immersive, and engaging ways to help learners, visitors, and the casually curious to find, explore, and use their historic environment.

OUR CORPORATE PLAN PRIORITIES

Safeguard and celebrate the intangible elements of our historic environment – ensuring that its meanings, values, and traditions are recognised and shared as widely as possible.	Promote the historic environment as a key resource for creative inspiration – working with people to explore and celebrate heritage, and developing new partnerships between the historic environment and the creative economy.	Use the historic environment to enrich education and learning – promoting the value and importance of our heritage at all levels of learning, and finding new ways to engage our audiences.	Share our heritage with the world – developing innovative and creative international partnerships by opening up our historic environment to a global audience and exploring its worldwide impact and legacy.
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OUR PROGRESS SO FAR

We made good progress over the last few years and we aim to maintain that level of performance in 2024-25 across KPI 7 (Inspire creativity and innovation) and KPI 8 (International recognition).

OUR PRIORITIES FOR 2024-25

Our focus for 2024-25 will be:

Wellbeing, inequality and access – from our learning services to Gaelic language provision and intangible cultural heritage to internationally recognised world heritage, our regional structure sets us up for more meaningful cultural engagement at a local level where its impact matters most. We have seen over recent years the potential of the historic environment to support learning and creativity within a digital environment. We will use innovative, flexible, and inclusive approaches to increase participation and support positive destinations for our learners, reducing inequalities, increasing access, and improving wellbeing. We will continue the rediscovery of Scotland's stories, celebrating those of marginalised communities and people who shaped Scotland's history. The right to participate in cultural life is identified by the United Nations as a fundamental human right. With the UK Government's anticipated ratification of the 2003 UNESCO Convention on Safeguarding Intangible Cultural Heritage, we turn with enhanced focus to those aspects of living heritage that have shaped our understanding of ourselves throughout history and continue to do so, promoting respect for human creativity and cultural diversity. The upcoming introduction of a Human Rights Bill to the Scottish Parliament in 2024 aims to deliver legislation that enshrines a range of cultural, as well as economic and social, rights into Scots law, improving the lives of the most vulnerable in our society.

Managing heritage assets - our work on internationally significant sites across the world is extensive and longstanding. We oversee the management of Scotland's six World Heritage Sites and work with conservation specialists across the world to protect the outstanding universal value of all World Heritage Sites. We routinely exchange knowledge and lead research with international partners on conservation, heritage tourism, research, technical science, scanning and digitalising and climate change adaptation. In doing so, we grow understanding of the management of heritage assets and their value in supporting a fair, green and growing economy, around the world.

WHAT WE WILL DO IN 2024-25:

KPI 7: Increasingly inspire creativity and innovation What success will look like: <ul style="list-style-type: none"> Increased use of the historic environment for creative inspiration, events and activities Evidence that our work is safeguarding intangible cultural heritage in Scotland 	
Priority 2024-25: Wellbeing, Inequality and Access	
Deliverables for 2024-25	What Success Will Look Like
Learning 4.1 Engaged learners with heritage through a blended offer of site visits, partnership projects, digital content and participative activities; to include projects specifically targeted at priority audiences of schools, youth work and Community Learning and Development	- Fully Achieved: Engaged over 50,000 learners and delivered 5 projects targeting priority audiences by 31 March 2025 - Partially achieved: Engaged between 25,000 and 50,000 learners and delivered up to 5 projects targeting priority audiences by 31 March 2025 - Not Achieved: Engaged fewer than 25,000 learners and delivered less than 3 projects targeting priority audiences by 31 March 2025
Gaelic 4.2 Implemented our <i>Gaelic Language Plan 2023-2026</i> with a focus on integrating Gaelic into our grants and funding schemes	- Fully Achieved: Delivered 60% of actions planned for 2024-2025 by 31 March 2025 - Partially Achieved: Delivered between 50% and 59% of actions planned for 2024-2025 by 31 March 2025 - Not Achieved: Delivered 50% or less of actions planned for 2024-2025 by 31 March 2025
Intangible Cultural Heritage 4.3 Implemented Year 3 of our multi-partner <i>ICH Action Plan</i> , with a focus on supporting UK ratification and implementation of the 2003 UNESCO Convention on ICH, and working with partners to enhance and align safeguarding efforts across Scotland	- Fully Achieved: Delivered 60% of actions planned for 2024-25 by 31 March 2025 - Partially Achieved: Delivered between 50% and 59% of actions planned by 31 March 2025 - Not Achieved: Delivered 50% or less of actions planned by 31 March 2025
KPI 8: Increase international recognition of the quality of Scotland's historic environment What success will look like: <ul style="list-style-type: none"> Scotland's international reputation for being rich in historic buildings and sites remains strong Our expertise is increasingly sought after internationally 	
Priority 2024-25: Managing Heritage Assets	
Deliverables for 2024-25	What Success Will Look Like
International Strategy 4.4 Implemented our multi-partner <i>International Strategy 2019-29 Partnering Globally</i> , ensuring our international activities utilise our skills and expertise to support <i>Inspiring Connections: Scotland's International Culture Strategy</i> , maintain our relationships and partnerships across the globe and support our commercial operations	- Fully Achieved: Delivered 60% or more of actions planned for 2024-25 by 31 March 2025 - Partially Achieved: Delivered between and including 40% and 59% of actions planned for 2024-25 by 31 March 2025 - Not Achieved: Delivered 39% or less of actions planned for 2024-25 by 31 March 2025

HERITAGE AND US

5. THE HISTORIC ENVIRONMENT IS CARED FOR AND CHAMPIONED BY A HIGH PERFORMING ORGANISATION

WHY IT MATTERS

Scotland's historic environment is outstanding and it is our aim to be outstanding too. We want to be seen as a world-leading heritage organisation – with our expertise in demand nationally and internationally, and the ways we work recognised as examples of how to do it right. We will always aspire to be the best across all aspects of what we do – driving innovation and enterprise, but always in the service of value for money as a public body.

As the lead public body for the historic environment in Scotland how we act, how we communicate, how we build relationships and how we spend money impacts on how everyone sees and understands our national heritage.

We have a duty to Scotland to be an open, collaborative and effective organisation, and we need to promote diversity and tackle inequality within heritage, to ensure that all groups and communities are represented. The behaviours we exhibit – to our customers, stakeholders, communities, and to each other – will demonstrate our commitment to excellent service. By empowering our colleagues and providing them with the structures and tools to help them flourish, we will enable them to create real change and lasting outcomes.

OUR CORPORATE PLAN PRIORITIES

Lead and enable the historic environment sector	Invest in our people	Embrace new ways of working	Demonstrate sustainability in a changing environment
- working together, building productive new partnerships, and acting as a catalyst to address key challenges to meet the needs of people around the historic environment.	- nurturing the behaviours that will enable leadership and creativity at all levels, striving to be an 'employer of choice' and creating a safe and welcoming workplace that promotes equality and diversity.	- responding to emerging opportunities and challenges while making the best use of our people and resources.	- actively prioritising our resources to deliver our outcomes, seeking new ways to support our work in financially challenging times, and working to mitigate and adapt to climate change.

OUR PROGRESS SO FAR

We made good progress over the last few years and aim to maintain that level of performance in 2024-25. There are huge challenges facing our sector, and it is vital that we adapt to meet them. We therefore seek to maintain our performance for KPI 9 (Grow trust and confidence in HES) whilst focusing more on achieving KPI 10 (Enhance the sustainability of HES) in the coming year.

PRIORITIES FOR 2024-25

Our focus for 2024-25 will be:

Sector resilience - the resilience of both organisations and people has been tested over recent years through the pandemic to the cost-of-living crisis. By focusing on sustainability, wellbeing and empowerment and working across sectors to harness the value of the historic environment, we can support people and organisations through the immediate crisis and shape a better future. In June 2023 we published the new national strategy for the historic environment, *Our Past, Our Future*. The new strategy was borne of a year-long collaboration with organisations and people across the sector and beyond and builds on the achievements of its predecessor *Our Place in Time*. It sets out a mission, a call to action, to sustain and enhance the benefits of Scotland's historic environment for people and communities now and into the future. This mission is ambitious which both fosters and depends on a healthy, resilient sector and collaboration between policy domains and industries if it is to succeed.

Building HES - we need to continue to balance our ambitions with an understanding of the operating context which our people and our organisation continue to face: economic uncertainty, the cost of living crisis, disrupted supply chains, climate change and pandemic effects. We need to rebuild capacity, ensuring we have the right skills in the right place to deliver our services effectively and efficiently. We will continue to support our colleagues through our *People Strategy*, our Behaviours Framework and our work to prioritise the wellbeing of our people during these challenging times.

With the challenging context in which we continue to operate, Public Bodies Reform is one of the Scottish Government's priorities for 2024-25. We are now revisiting our business model to strengthen our fiscal sustainability and are working hard to grow and diversify our funding sources through our marketing, fundraising, and ongoing commercial activity. This is complemented by our regional structure, which is bringing us closer to the communities we serve, partnership working to deliver the sector strategy, smarter working and workforce projects such as strategic workforce planning, the pay and grading review and the 35-hour week, which was introduced in April 2024. During 2024-25 we will be reviewing and updating our Corporate Plan *Heritage for All* for the next three-year cycle with a focus on delivering the mission of *Our Past, Our Future*.

Digital transformation is also driving improvements in service delivery. We are already a digital-focused organisation, leading on many aspects of digital conservation, online engagement, education, events and interpretation. We look now to forge further ahead, capitalising on new digital capabilities and opportunities, moving at speed towards an approach which is digital-by-design.

WHAT WE WILL DO IN 2024-25:

<p>KPI 9: Grow trust and confidence in Historic Environment Scotland What success will look like:</p> <ul style="list-style-type: none"> Improved our corporate reputation with stakeholders and the public Increased the number and range of organisations seeking to partner with us 	
<p>Priority 2024-25: Sector Resilience</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>Our Past, Our Future 5.1 Worked with our partners to sustain and enhance the benefits of Scotland’s historic environment for people and communities now and into the future through the implementation of <i>Our Past, Our Future</i></p>	<ul style="list-style-type: none"> - Fully Achieved: Published and disseminated baseline and first year progress report for <i>Our Past, Our Future</i>, by 30 September 2024 - Partially Achieved: Published and disseminated baseline and first year progress report for <i>Our Past, Our Future</i> after 30 September 2024 due to significant disruption outwith our control - Not Achieved: Published and disseminated baseline and first year progress report for <i>Our Past, Our Future</i> after 30 September 2024 but with no significant disruption outwith our control
<p>KPI 10: Enhance the sustainability of Historic Environment Scotland What success will look like:</p> <ul style="list-style-type: none"> Increased the diversity of our income sources Our people have the skills to deliver our strategic priorities 	
<p>Priority 2024-25: Building HES</p>	
<p>Deliverables for 2024-25</p>	<p>What Success Will Look Like</p>
<p>Financial Sustainability 5.2 Improved our organisational resilience and financial sustainability</p>	<p>Fully Achieved:</p> <ul style="list-style-type: none"> - Transitioned to new business model by 31 March 2025 - New financial strategy approved by 31 March 2025 <p>Partially Achieved:</p> <ul style="list-style-type: none"> - Transition to new business model underway but not yet complete by 31 March 2025 - New financial strategy developed but not yet approved by 31 March 2025 <p>Not Achieved:</p> <ul style="list-style-type: none"> - Transition to new business model not started by 31 March 2025 - New financial strategy not developed by 31 March 2025
<p>Our People 5.3 Delivered and implemented Year 5 of our <i>People Strategy 2020-2025</i></p>	<ul style="list-style-type: none"> - Fully Achieved: Delivered 75% or more of Year 5 actions in our <i>People Strategy</i> by 31 March 2025 - Partially Achieved: Delivered 60% or more of Year 5 actions in our <i>People Strategy</i> by 31 March 2025 - Not Achieved: Delivered less than 60% of Year 5 actions in our <i>People Strategy</i> by 31 March 2025

WHAT WE WILL DO IN 2024-25:

<p>Transformation</p> <p>5.4 Continued to transform the way we work to ensure our operations deliver best value in line with the Public Bodies Reform agenda, including delivery of our <i>Digital Strategy</i> and HES-Digital function</p>	<ul style="list-style-type: none">- Achieved: Delivered 80% or more of the annually planned digital activities and the approved investment project milestones by 31 March 2025- Partially Achieved: Delivered between 60% and 79% of the annually planned digital activities and the approved investment project milestones by 31 March 2025- Not Achieved: Delivered less than 60% of the annually planned digital activities and the approved investment project milestones by 31 March 2025
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RESOURCES

We are committed to achieving best value with our resources. Our budget is approved by our Board in order to deliver the aspirations of our Corporate Plan, this Annual Operating Plan and to fulfil our statutory obligations. Our objective is to be transparent about how we allocate resources in pursuit of our outcomes.

Ongoing economic uncertainty, sustainable income generation and cost management are themes at the forefront of our budgetary planning. Visitor numbers continued to recover towards pre-COVID levels in 2023-24 with commercially generated income exceeding levels achieved in 2019-20. The income has surpassed the visitor recovery primarily as a result of increased price points and greater levels of secondary spend. Whilst the current economic challenges and political tensions do continue to impact visitor recovery, for 2024-25 we anticipate visitor numbers continuing to recover and commercial income continuing to grow. However any exacerbations of the economic or political challenges could negatively impact the picture for 2024-25. Our grant-in-aid settlement for 2024-25 is marginally ahead of 2023-24 and commercial income is forecast to grow further. However, the growth of our fixed cost base, particularly staffing, continues to outstrip the growth in income.

HES is in a unique position compared to that of other public bodies who are predominantly funded by grant-in-aid as we have what can be a volatile income stream, which brings with it uncertainty of funding, and a growing fixed cost base. This volatility of income is inextricably linked to the tourism industry which remains difficult to assess in the current economic climate. Our response to uncertainty is to set out plans which are flexible to respond to changing circumstances while continuing to deliver for and with communities, partners and stakeholders.

Our Income and Expenditure for 2024-25

Income	£m	Expenditure	£m
Grant in aid (Resource)	61.2	Staffing	76.0
Grant in aid (Capital)	8.0	Operational Expenditure	38.8
Capital charges	5.0	Cost of sales	8.1
Gross commercial income	73.5	Grants	14.5
Other income	2.2	Capital charges	5.0
Total income	149.9	Investment	9.5
Designated Fund Release	2.0	Total Expenditure	151.9

Our Expenditure for 2024-25 Invested in Each Corporate Plan Outcome

We have allocated funding, excluding capital charges and costs of sales, to each of the Corporate Plan outcomes. The table below illustrates the primary outcome to which each funding stream has been allocated. Note that the scale of investment in each outcome is not necessarily a reflection of its importance. For example, considerable impact can be made towards outcomes 1 and 4 for relatively little investment.

Outcome	£m
Outcome 1 - Heritage and Society	2.8
Outcome 2 - Heritage and the Environment	53.6
Outcome 3 - Heritage and the Economy	52.7
Outcome 4 - Heritage and Creativity	2.6
Outcome 5 - Heritage and Us	27.1
Total Expenditure	138.8

Our Carbon Budget for 2024-25

In support of our work towards net zero, we are publishing the latest version of our carbon budget. This recognises that the cost of operations and the resources required to deliver our outcomes are measured not just in financial terms but also in emissions.

Greenhouse Gas Emission Source	Greenhouse Gas Emissions (tCO ₂ e)
Energy	3,403
Waste	614
Water	126
Business Travel	60
Total	4,203

At this time, our carbon budget comprises emissions directly linked to our operations. We are working to expand this to include supply chain emissions and visitor travel once we have sufficient confidence in the data. We report our emissions at the end of each year in our Sustainability Report.

We also undertake strategic environmental assessments on every qualifying plan, programme and strategy, seeking to avoid adverse impacts and enhance positive environmental outcomes.

SUPPORTING GOVERNMENT OUTCOMES AND POLICIES

This Annual Operating Plan, our *Corporate Plan 2022 Onwards: Heritage for All* and policies and strategies within HES, are all informed by, and makes a contribution to, wider national strategies such as *Delivering Economic Prosperity: Scotland's National Strategy for Economic Transformation* and *National Planning Framework 4* amongst many others.

By working with our partners in the public, private and voluntary sectors to successfully achieve our five strategic outcomes, we enable the delivery of the Scottish Government's resource spending review priorities and contribute to the achievement of the following National Outcomes in the Scottish Government's *National Performance Framework*:

National Outcomes	The historic environment makes a real difference to people's lives	The historic environment is looked after, protected and managed for the generations to come	The historic environment makes a broader contribution to the economy of Scotland and its people	The historic environment inspires a creative and vibrant Scotland	The historic environment is cared for and championed by a high-performing organisation
We have a globally competitive, entrepreneurial, inclusive and sustainable economy		X	X	X	
We are open, connected and make a positive contribution internationally			X	X	X
We tackle poverty by sharing opportunities, wealth and power more equally	X		X		X
We live in communities that are inclusive, empowered, resilient and safe	X	X		X	
We grow up loved, safe and respected so that we realise our full potential	X				
We are well educated, skilled and able to contribute positively to society	X		X	X	
We have thriving and innovative businesses, with quality jobs and fair work for everyone		X	X	X	
We are healthy and active	X	X			X
We value, enjoy, protect and enhance our environment	X	X	X	X	
We are creative and our vibrant and diverse cultures are expressed and enjoyed widely	X			X	
We respect, protect and fulfil human rights and live free from discrimination				X	X

**We are the lead public body established
to investigate, care for and promote
Scotland's historic environment.**

**We want to make sure Scotland's heritage
is cherished, understood, shared and
enjoyed with pride by everyone.**



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