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How are we spending our money?

Grants Funding Report 2025-26: Data Review



1 Executive Summary

Historic Environment Scotland (HES) is pleased to publish our third annual Grants Spending Report, focussing on the financial year 2025-26. In tandem with this presentation and analysis, all of our raw data is available for public access via [360giving.org](https://www.360giving.org), where users can draw their own comparison between how we fund the historic environment and the approach taken by others across the rest of the United Kingdom. Our previous reports can be found at <https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=1c20b93e-00ca-46ad-80fb-b2f700ab7f13>.

In this report, we have provided an update on all the key areas of statistical analysis identified in previous years. Where there is a notable change in pattern, we have provided further commentary. Otherwise we have kept our analysis on previous trends brief to focus on emerging themes within Scotland's historic environment sector.

AI is increasingly influencing how people interact with our grants system. We have published guidance on its use, and in this report, we provide a narrative on developing patterns.

Our first area of focus is on volunteering, and in particular, examining how we are supporting this to boost traditional skills.

Our Grants team is seeing an increasing number of applications from those interested in harbours. Harbours are complex and often ancient historic sites that are particularly impacted by climate change, and we are keen to help develop ways to support them better.

Climate change has also been a feature of our own investigations this year, as we have worked with the HES Climate Change team to develop ways of tracking climate change adaptation and mitigation in a consistent and meaningful way.

We believe we are the only historic environment funding organisation in the United Kingdom to have developed this approach, and look forward to interrogating our information further over the coming year to enable greater understanding of how we can fund better in this crucial area.

The City Heritage Trusts (CHTs) are our partners in leading on climate change and many other areas for the historic environment. From 2026, we are pleased to support in each of Scotland's cities, including Dunfermline for the first time. We have committed up to £19.57 million towards the CHTs for the next five years, and look forward to working with them more closely as they tackle complex historic environment issues at a local level.

- From 1st April 2026, the maximum grant available for new applications through the Historic Environment Grant Programme will increase from £500,000 to £750,000.
- A fully-funded scheme, through which projects up to £10,000 can be funded for up to 100% of their costs, will be launched in early 2027.
- We will introduce a clearer way for others to understand the benefits and impact brought to the Scottish Historic Environment through our grants.
- Legal and administrative requirements for grants under £100,000 will be reduced.

We will be releasing further detail on all of the above over the course of the year.

We will continue to publish a report on our funding each year, to provide transparency on our spending and to highlight trends we see emerging in the sector. If there are themes that you feel would benefit from our analysis in future years, please contact us: grants@hes.scot

2 Background

Historic Environment Scotland grant aids projects relating to Scotland's tangible and intangible heritage on behalf of the Scottish Government. As the second-largest funder of heritage in Scotland, we are pleased to publicly provide data on how we spend this funding, as well as insights into how we make our funding decisions.

3 Data Reference

The data used for this report is drawn from the HES Grants team's records. In some cases, we have only used data from 2023 onwards, as this correlates to the introduction of our new Historic Environment Grants programme and associated digital management system, which has given us greater access to accurate information. In each case, we have indicated the scope of data we are referencing.

We report on data on a financial year basis, rather than the calendar year. This is to present annual data as soon as it is normally collated for audit and financial control processes, and to align with those of our Funds that provide support on a multi-year basis.

4 Update on Our 2024/25 Commitments

In last year's report, we made a series of commitments based on our findings. Below is an update on actions taken:

Consider more broadly the structure of our grant funding, to ensure it remains fit for purpose: the Grants team took a range of recommendations – as reported above – to the HES Board for consideration in March 2026, which were approved and will be rolled out over the coming year.

Implement monitoring our contribution to delivering Net Zero: we have collaborated with the HES Climate Change team to develop a methodology for measuring how we work towards Net Zero and are reporting on this for the first time in this report.

Work with internal and external colleagues to improve our guidance and support in relation to EDI within the historic environment in Scotland: we have published guidance on EDI, which is available through our website.

Develop a policy in relation to the use of AI in grant applications, to guide our applicants on its proper use: this is now available through our website. We have given further information on the impact of AI in this document.



5 Our Funding

5.1 What, who and where are we funding?

We spent £10.82 million on Scotland's historic environment in 2025-26, leading to an overall grants expenditure following grant recoveries and savings of £10.77 million, entirely funded by the Scottish Government. We hope to increase our spend in the coming year through our new People and Places Fund. The overall budget available for grant-giving through HES has remained relatively consistent for the last ten years, with plus or minus fluctuations within 20% dependant on circumstances.

The Expressions of Interest we receive also provide us with data on what the overall financial ask is for our funding. Last year, we were asked for £17.8 million through applications and spent £12.4 million on live projects. This year, we were asked for £49.4 million through applications and spent £10.82 million on live projects. This particularly high figure correlates to multi-year asks from the City Heritage Trusts, the Heritage and Place programme and from our Partnership Fund organisations, however the demand continues to far outstrip the funding available, even taking into account that not all requests for funding will be grant-eligible.

In addition to our actual spend, we have committed a further £14.9 million in 2025-26 to projects from our pipeline, allowing our grantees to use our secured funding as a match for other funders and increasing its potential for leveraging in further support. As a funder, we are open to being the first confirmed funder of any project, and indeed, for large capital projects, this can be of benefit in allowing an extended timeframe to complete our award processes.

We ended 2024-25 with an overall grant commitment of £28.86 million to Scotland's historic environment sector. In 2025-26, this rose to a commitment of circa £33 million spend over the next five years.

In 2025-26, we made 35 awards through our main grant-giving programme – the Historic Environment Grant Fund – for a total of 76 since we opened the scheme in 2023. These awards are in addition to awards made through our Partnership, Heritage & Place and City Heritage Trust awards.

In 2025-26 we continue to spend more on place-based initiatives than any other theme, with 39% of our in year spend going towards projects focussing on area-based regeneration. This figure is less than last year's 48%, and reflects our focus in 2025-26 of committing funding to our Partnership applicants who are not typically involved in place-based initiatives. 39% remains a very high figure however, and continues an ongoing trend that matches with the historic environment sector's aspirations, as detailed in the sector strategy, Our Past, Our Future: <https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=79204155-9eb2-4d29-ab14-aff200ec2801>.

Our most-funded building typology for funding is churches – we provided funding for eight church projects in 2025-26. However, in 2025-26 we made more commitments for non-capital projects that are either delivering on national priorities or are pilot projects for wider roll-outs. We made 20 awards of this type.

In terms of money spent, theatres have received the most grant aid – for the second year running. We have a number of unusually large theatre projects currently on site, which is influencing this figure.

We continue to fund more charitable bodies than any other group working in Scotland's historic environment sector – 53.39% of our funding goes to organisations constituted as charities. Our other largest funding group is local authorities, who receive 43% of our funding. Local authorities tend to lead on our place-based regeneration schemes and very large capital projects, which may be driving this.

6 Geographic Spread of our Committed Funding

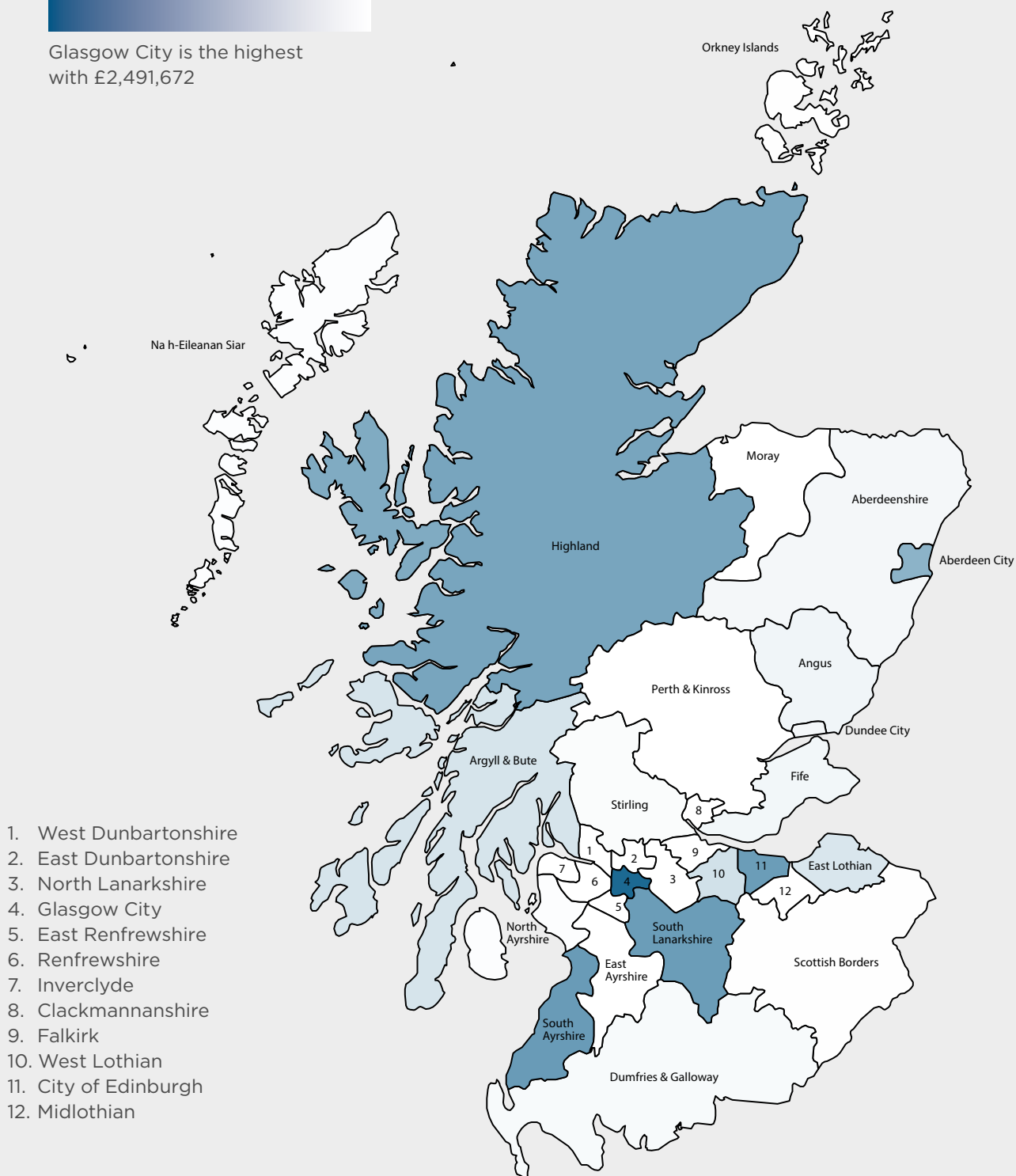
Grants Commitment by Local Authority 2025-2026

High

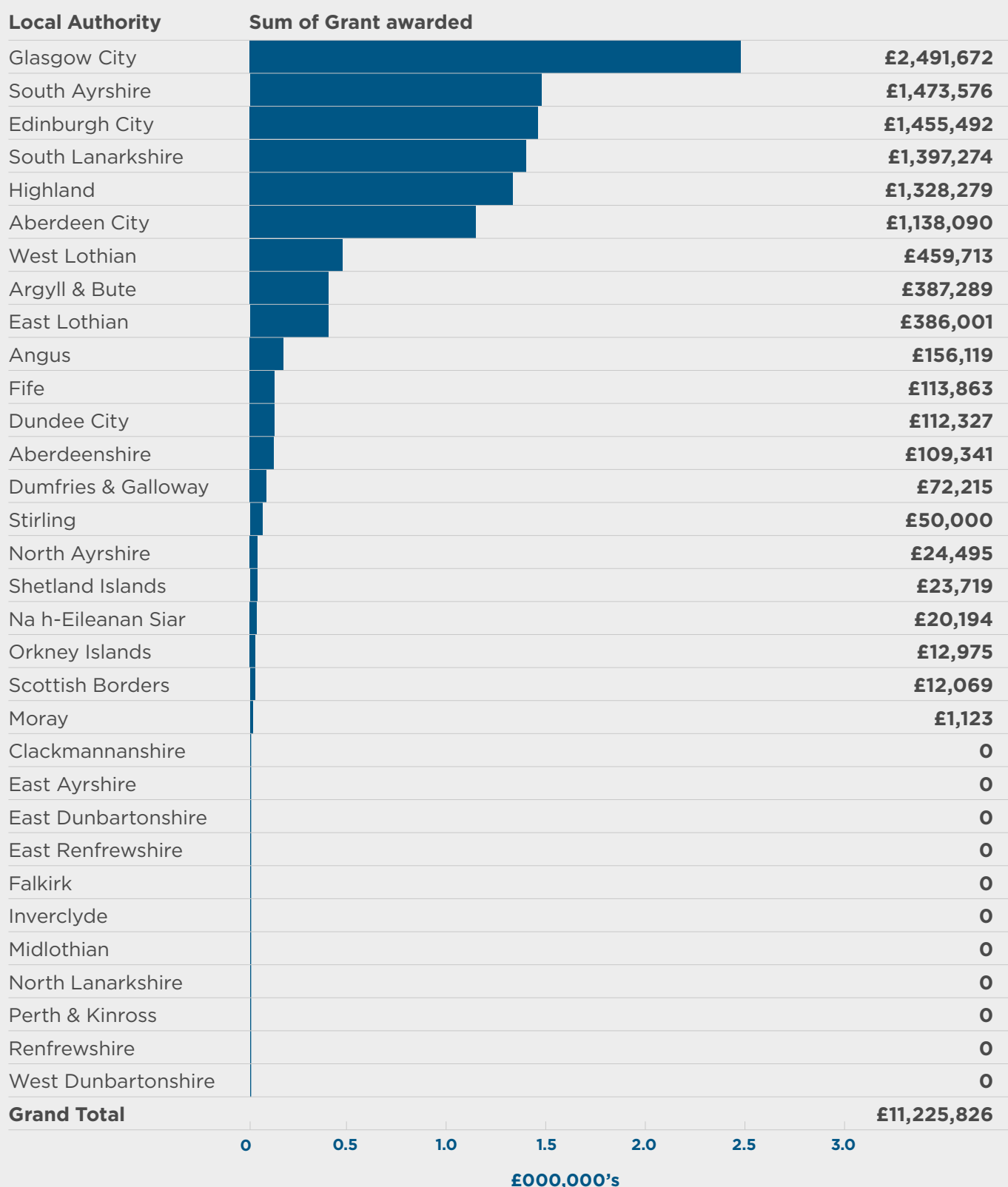
Low



Glasgow City is the highest with £2,491,672



Over the past five years, we note a trend of Glasgow City Council benefitting most from Historic Environment Scotland grant funding. In 2025-26, we note that by head of population, South Ayrshire has benefitted most from our support, at a rate of £13.13 per head of population. The table below demonstrates this year's rate of support per capita, expressed by local authority:



As can be seen from the graphic above, our committed funding in each of Scotland's local authority areas, and per head of population therein, is not equal. This is due to a range of factors relating to how well applications meet our Grants Priorities www.historicenvironment.scot/grants-and-funding/grants-priorities/.

We note that eleven local authorities in Scotland have received no funding from HES over the course of 2025-26. We look forward to supporting these local authorities to apply over the coming year.

Circa 40% of our projects are urban, 24% are rural and 10% are island-based, while the remainder have a national remit. Our projects in urban areas tend to be more expensive than others: 56% of our financial commitment is for urban-based projects, whereas by contrast our island projects are only 3% of our budget. This is because our island projects tend to be smaller Intangible Cultural Heritage projects or thatching, both of which have a lower economic value.

Overall, this year we have spent £1.95 on the historic environment for each person in Scotland, which is broadly consistent with our spending in recent years. This figure is lower than the £2.26 per head of population spent last year, and reflects our lower spend overall in 2025-26.

This compares very favourably with other regions of the United Kingdom and illustrates the Scottish Government's ongoing commitment to our shared heritage.

7 The Impact of our Funding

Over the course of the last six years, we have been able to support 256 organisations working in Scotland's historic environment. Our funding has considerable leverage power – for each pound of HES funding committed in 2025-6, our grantees' activities and projects have been able to attract a further £5.94 investment into the historic environment and sector. Our leverage figure for 2024-25 was £5.24 per pound of HES investment. This higher figure indicates that we have invested in a series of very high-value capital projects over the course of the last year, where the overall capital budget is very significantly higher than HES' contribution.

Our commitment to projects in the lowest Scottish Index of Multiple Deprivation has been an area of focus for us over the past few years, and we have been working to improve the percentage of our funding that goes to these groups. In the last year, we have committed to investing £3,339,746, or 22.36% of our total funding to projects in the most deprived quintile of the Scottish Index of Multiple Deprivation. We are pleased to note this is an increase from 20.9% last year. When we consider the regenerative influence funded projects also have on the immediately surrounding areas, this figure increases to £6,309,33, or 42.25% of our commitments are being made in areas influenced by high deprivation.



8 Alignment with Our Past, Our Future and Scotland's National Priorities

HES Grants are showing growing alignment with the ambitions of the national strategy for Scotland's historic environment, Our Past, Our Future (OPOF), with many projects now contributing to a wider range of its national outcomes. This is most evident in larger programmes and partnerships, such as the City Heritage Trusts and Partnership Fund, which combine conservation, climate action, skills and community engagement. Across the wider portfolio, most projects continue to make a strong contribution to caring for the historic environment and supporting climate resilience, in particular.

There are also increasing examples of projects going further, supporting skills through the delivery of Scotland's Skills Investment Plan for the Historic Environment www.historicenvironment.scot/learn/skills-and-training/skills-investment-plan-for-the-historic-environment/ involving communities, and creating wider local benefits. Initiatives such as *Make Your Mark*, alongside many

supported regeneration and community projects, show how HES Grants can support volunteering, develop skills, and widen access to heritage.

Analysis by the OPOF team on future needs to deliver the strategy's national outcomes by 2028 suggests a particular opportunity to focus on three areas in the coming year: strengthening and safeguarding skills, supporting communities to play a more active role in shaping projects, and ensuring clearer and evidenced local benefits, such as this historic environment's contribution to jobs, access and wellbeing.

The relevant HES teams will work closely to take this forward, exploring how funding can continue to evolve to support these priorities while building on the strong progress already being made, and on the actions set out in this report to strengthen how the impact of grants is understood and measured.

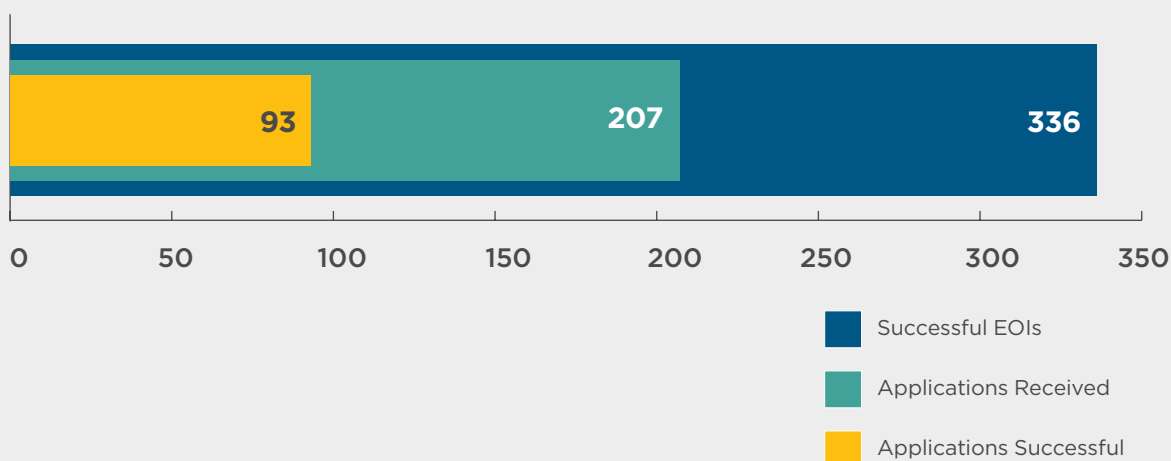


9 Our Processes

We ask all those interested in applying for our funding to complete an Expression of Interest (EOI) on our website in the first instance. This allows us to get an early sense of what the application may entail, and provide tailored advice that can support a better application. In some instances, projects will not be suitable for our funding, and the EOI process ensures that we can inform interested parties of this as early as possible.

Since the introduction of our online EOI process in 2023, we have received 614 Expressions of interest, 336 of which have been invited to make applications. To date, 207 of those successful EOIs have progressed to making applications and 93 of those have been awarded grants.

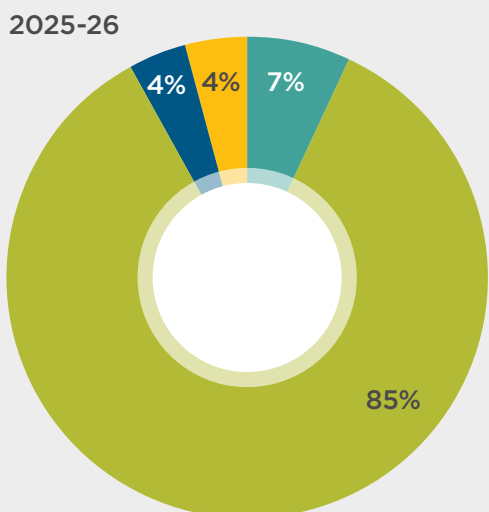
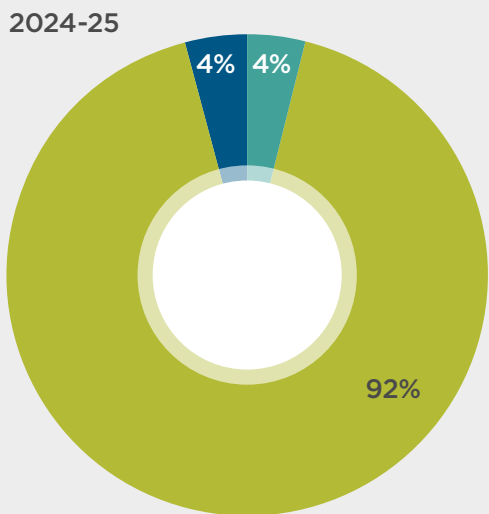
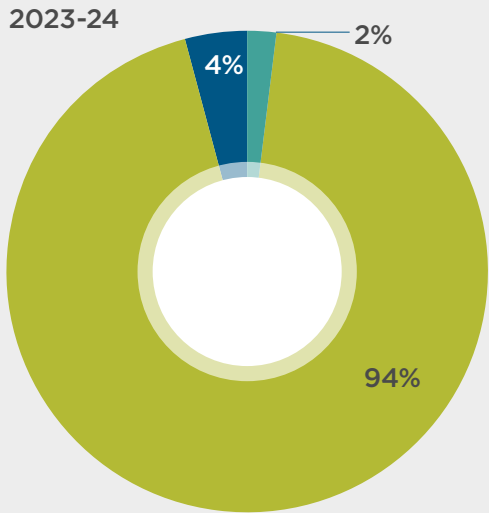
Successful Expressions of Interest since 2023



We would prefer to see a higher rate of award once applications have been submitted: we provide detailed advice at the EOI stage to try to support applicants to complete an application with the best chance of success. However, there can be contextual issues outwith our or the applicant's control that may make a successful application impossible. We will aim to improve the success rate of applications over the coming year.

By number of EOIs, the spread of interest in our different programmes has remained largely consistent in the third financial year of our refreshed grant funding programme, as follows:

Percentage of EOIs submitted per programme



Express Grants, our smallest grants at sums of up to £25,000, determined within 6-8 weeks of application, continue to attract the most interest from the sector: 31% of our applications are at this level.

Our site visits are some of the most important work we do: offering hands-on support and guidance, getting a firsthand perspective of projects and applicants, and being there to help unpick problems and celebrate success are rewarding and core aspects of our work. As a Grants team of 12, we have spent 91.5 days of 2026-26 on site visits, which is the equivalent of roughly four and a half months.

- Partnership Fund (PF)
- Historic Environment Grants Programme (HEG)
- Heritage & Place Programme (H&PP)
- City Heritage Trust programme (CHT)

10 Themes

10.1 Skills Funding

We awarded £1.25 million for skills funding in 2025-6, or 8.4% of our grants awarded overall. Examining the data at an administrative level, we note that we have funded skills in only 23 of Scotland's 32 local authority levels, meaning that there is no HES funding for skills in almost a third of areas. Given the extent of need for investment in skills outlined in the Skills Investment Plan www.historicenvironment.scot/archives-and-research/publications/, this is of concern.

Our largest proportion of grant-giving for skills is through our smaller grant of under £100,000. These types of grants are often for small-scale repair packages, where skills training is at a local level that impacts on a small area or community. Modest investment at this level helps support grassroots investment in skills, particularly in more remote communities. There is also a small amount of investment – £16,342 – by individuals in skills training, which we are pleased to encourage. We welcome applications from skilled practitioners looking to share their knowledge and experience, and who may need financial assistance to do so.

10.2 Supporting Volunteering

HES' report on volunteering www.historicenvironment.scot/archives-and-research/publications/publication/?publicationid=8899fae0-a8b7-44c3-ac08-b39c00a6ff3b, published in December 2025, noted that heritage volunteering improved participants' wellbeing (91%), supported skills development (82%) and helped them learn about new places (87%). However, the report also found that volunteering remains underfunded in Scotland: 35% of organisations with volunteers didn't have a dedicated volunteer manager, and there is limited support for volunteers with special access needs. Only 6% of organisations covered volunteers' travel costs, creating a barrier to access.

Through our Grants funds, we support volunteering through a number of ways. In March 2026, we made a grant of £233,128 to *Make Your Mark*; a Scotland-wide programme to encourage the number and diversity of volunteers in our historic environment sector. We also support volunteering through organisations such as the Scottish Civic Trust, the Society of Antiquaries of Scotland, and Keep Scotland Beautiful: through these partners, we have supported 7,781 volunteers to engage with and participate in the historic environment in 2025-26. The Scottish Civic Trust's Doors Open Days remains the single largest opportunity for volunteering in the historic environment in Scotland on annual basis.

We are also interested in supporting the intersection between traditional skills and volunteering: maintenance of vernacular buildings sits at the crossroads of these two themes and therefore provides double the benefits to the historic environment. In 2025-26, we introduced a new type of thatching grant, where residents of thatched buildings who carried out their own maintenance repairs to their thatch would be financially supported to train a volunteer, helping to ensure that the skills to carry out basic repairs are passed on. We look forward to reporting on the uptake of this in future years.

10.3 Climate Change Monitoring and Analysis

As part of our reporting responsibilities to the Scottish Government, the HES Grants team has begun collecting data on climate change mitigation and adaptation, and in 2025, we published guidance on how grantees should approach climate change.

In previous years, we have recorded the number of applications to reference climate change and Net Zero as part of their application: last financial year, we noted that 40% of projects funded through our HEG programme had climate change as a focus. We note this year that this figure has risen to 81%: climate change continues to be an increasing concern for applicants to our Grant funds.

We undertook more detailed monitoring in 2025-26 to better understand how we are supporting climate change adaptation and mitigation. We developed two strategies: one was to ask our partners funded through the Partnership Fund to track their carbon footprint, using a bespoke calculator created for us by HES' Climate Change team.

Our second strategy was to map which of our funded capital projects included adaptation measures. We created a bespoke spreadsheet to track measures, which was only completed by our Conservation Advisor, to ensure consistency of approach. However, our hypothesis that all our funded capital projects would include adaptation measures proved correct: 100% of our projects that have completed technical development since 2024 have involved elements that are specifically related to Scotland's changing climate.

While it is positive that our capital funding always involves adaptation measures, it would be useful to provide more detail on how we support it: the kinds of measures that are commonly used, the average cost of measures, and where we see trends of measures being implemented. In 2026-27, we will work to develop a more detailed methodology with this in mind.

10.4 Artificial Intelligence

HES Grants published guidance on our website www.historicenvironment.scot/media/cq0pnvf1/grant-applications-ai-guidance.pdf on the use of Artificial Intelligence (AI) in grant applications in 2025, advising on a number of potential issues around its use. These centred on language style, project planning, hallucinations, text summarising, and governance. It also noted the climate impact of the use of AI versus standard internet search functions: a ChatGPT query can use four times more carbon than a Google search.

Water consumption for AI use is also an issue. Most AI servers are water-cooled. Previously, data centres were cooled by air-conditioning units, and most still are for non-AI servers. However, AI uses either graphics card chips or specialised hardware that consume more electricity, creating much more heat that then needs to be removed via a combination of water towers and outside air. ChatGPT currently uses at least 500ml of water for every 10-50 queries, and it is likely that this consumption will increase as more powerful versions become available.

The Grants team is aware of an increasing use of AI in approaches to us for funding. We noted 28 enquiries sent to our general mailbox where we believe the message was almost entirely AI-generated. We believe 5 of 195 Expressions of Interest received had significant elements of AI, and 2 applications of 127 contained circa 30% AI content.

Our belief that the above approaches for funding were generated all or in part by AI is based on our own experience and the repeated use of known AI writing strategies: heavy use of bullet points, particular words highlighted or overused ('urgent' is frequently repeated), and in some cases, referencing funding programmes that no longer exist or indeed, have never existed.

The Grants team were asked for their subjective responses when assessing an approach they suspect is largely generated through AI. Their view was that project Expressions of Interest and applications where AI is suspected can come across as bland and uninspiring. The sense of the applicant's voice – crucial to gaining a detailed understanding of the project – is lost. For this reason, we do not recommend heavy use of AI in applications to us.

10.5 Marine Historic Environment Support

Scotland's extensive coastline means that there are estimated to be around 500 harbours, marinas and ports in Scotland, of which 60 are listed, and 43 are registered charities. These are owned by one of the relevant local authorities, the Crown Estate, commercial organisations and local charities. A small number constitute some of Scotland's most ancient above-ground historic environment: Aberdeen harbour was established in 1136 by King David I, while others were developed in the sixteenth and seventeenth century to serve trading routes to mainland Europe. The industries they developed and sustained form an important part of Scotland's tangible and intangible cultural heritage.

Increasingly, the marine historic environment is coming under challenge from climate change. As water levels increase, and extreme weather becomes more commonplace, increasingly against the prevailing wind pattern, these places are experiencing enhanced weathering at an unprecedented rate, with note to structures on the east coast, which we have seen several applications relating to in recent years.

These structures can be challenging to conserve, restore and protect. Substantial parts may be underwater, requiring specialist survey work – often by a diving team – to establish the extent of repairs before the design team can develop the scope and specification. This often requires additional support from grant funding and results in projects where much of the repair work is rarely seen, but it is fundamental to preserving these significant assets.

The HES Grants team are seeing an increasing number of enquiries and applications from those involved in caring for our marine historic environment, and has asked our partners, the Heritage Trust Network, to arrange a free online conference discussing its importance and the issues surrounding its longevity on 18th November 2026. To sign up, please visit Eventbrite and search for *In Over Heads: Heritage in the Water*.



10.6 City Heritage Trusts: The Next Five Years

In March 2026, the HES Board approved funding of up to £19.5 million to support the delivery of City Heritage Trusts (CHTs) until 2031. For the first time, the CHTs have guaranteed funding for the next five years, which has allowed them to develop more ambitious plans than before. Some planned – but not yet finally confirmed – highlights are:

Aberdeen:

- Aberdeen City Heritage Trust will be running a Traditional Building Health Check pilot study to test the viability and form of health checks that it may be possible to deliver in Aberdeen. In addition, the Trust intends exploring the parameters for introducing thermal improvements to granite-built Aberdeen tenements safely, from simple to more complex measures, making use of monitoring, thermography and modelling.
- The Trust is in discussion with education providers about delivering traditional skills training and will be exploring means to more effectively coordinate approaches to traditional skills training in the North East.

Edinburgh:

- Edinburgh World Heritage's Climate Emergency Grant Programme will tackle more complex challenges associated with energy retrofit and climate change adaptation in the historic environment through small to large-scale pilot projects, building on existing and developing new partnerships, defining and disseminating best practice at scale, providing and supporting training opportunities to residents and professionals, and working with the whole heritage sector to deliver Our Past, Our Future objectives.

- Under the heading of Historic Graveyards in Edinburgh's World Heritage Site, working in partnership with the City of Edinburgh Council and local community groups, Edinburgh World Heritage will deliver guidance, workshops and technical conservation projects to improve and conserve the five historic sites across the site, including Greyfriars with its multiple challenges, including significant pressure from tourist visits.

Glasgow:

- Glasgow City Heritage Trust (GCHT) will prioritise tenements, city centre commercial properties, buildings at-risk and community-led heritage projects, ensuring the programme supports not just buildings but also wider regeneration, sustainability and community wellbeing goals.
- GCHT will develop to become a 'Heritage Hub' – the place to go for heritage information in the city – with more in-person experiences, opportunities for income diversification and community-led programming.

Inverness:

- Inverness City Heritage Trust (ICHT), will work to establish a training academy for traditional skills in Inverness, which will promote the sector to school leavers, train the next generation of craftspeople and advocate for proper materials and maintenance to the general public.
- ICHT will focus on disused buildings with significance to the City of Inverness, but which are commercially unviable to repair. ICHT is looking to adopt a model of acquisition of these market failure buildings, overseeing their repair using partnership funding and using these assets to generate an income in order to maintain those buildings and invest into other projects.

Perth:

- Perth and Kinross Heritage Trust will be building on the success of their Traditional Building Skills courses, with a focus on support and new opportunities for young people and underserved communities. This will include a programme of high-impact engagement and development, including multi-day courses that offer individuals a more in-depth, hands-on learning experience, supporting them in their journey to becoming a traditional building skills professional. Alongside this, the Trust is developing major new proposals for creating and supporting pathways into these skills that are so vital for both opportunities for young people and our historic environment.
- Perth and Kinross Heritage Trust will build on the success of its grants programme – proactively developing the focus and impact of its grants, whilst developing innovative new ways to solve contextual problems through strategic partnerships. In 2026, it will complete a City Condition Survey, focussed on Perth City conservation area. The survey will provide the Trust with a robust, proportionate and practical evidence base to showcase the need for the proactive conservation required to forge new partnerships, as well as focus future heritage-grant-making in areas of greatest need. As a result, the heritage, social, environmental and economic impact of its City Heritage Fund grants will be maximised for the benefit of all.

Stirling:

- Stirling City Heritage Trust will continue delivery of the Traditional Buildings Health Check (TBHC) scheme and their complementary Retrofit and Energy Efficiency service for TBHC members. Health Checks are followed up with support through the Traditional Buildings Repair Grants. Their new Stirling Tenement Grant will include integrated training plans to enhance traditional skills training opportunities in the area.
- The Trust plans to work more closely with local high schools, delivering bespoke courses to pupils as well as continuing their Women in Construction events.

We are pleased to welcome Dunfermline into the City Heritage Trusts funding programme for the first time, and look forward to their achievements for Scotland’s newest city.



11 Our Actions

Reflecting on the findings of the report, we will take the following actions to improve our service:

- Carry out further analysis into where our funding for volunteers is going, and how it is supporting the issues identified in HES' report on volunteering.
- Develop and implement a more detailed methodology for assessing our contribution to funding climate change adaptation and mitigation.

In addition, we will be working to deliver on the Board decisions referenced in the Executive Summary section of this report.

As always, we remain committed to funding Scotland's historic environment sector as effectively and fairly as possible. If you have ideas about how we can improve our service, please get in touch via email: grants@hes.scot



Historic Environment Scotland is the lead public body established to investigate, care for and promote Scotland's historic environment.

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