



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Affairs Committee

Thursday 3 September 2020

Session 5



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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
19th Meeting 2020, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

COMMITTEE MEMBERS

*Annabelle Ewing (Cowdenbeath) (SNP)

Kenneth Gibson (Cunninghame North) (SNP)

Ross Greer (West Scotland) (Green)

Dean Lockhart (Mid Scotland and Fife) (Con)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

*Oliver Mundell (Dumfriesshire) (Con)

*Beatrice Wishart (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Caroline Clark (National Lottery Heritage Fund in Scotland)

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con) (Committee Substitute)

Giles Ingram (Abbotsford Trust)

Philip Long (National Trust for Scotland)

Alex Paterson (Historic Environment Scotland)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

Virtual Meeting

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 3 September 2020

[The Convener opened the meeting at 09:35]

Interests

The Convener (Joan McAlpine): Good morning, everyone, and welcome to the 19th meeting in 2020 of the Culture, Tourism, Europe and External Affairs Committee. This is our 10th virtual meeting.

We have received apologies from Kenneth Gibson MSP, Ross Greer MSP and Dean Lockhart MSP. However, I am pleased to be able to welcome Rachael Hamilton MSP as a substitute for Dean Lockhart. I ask Rachael Hamilton to declare any interests that are relevant to the remit of the committee.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I draw members' attention to my entry in the register of interests. I have an interest in a small hospitality business in the Scottish Borders.

The Convener: For clarity, I draw attention to my declaration of interests. I am the chair of a small heritage charity that has received funding from the National Lottery Heritage Fund.

Heritage Sector

(Impact of Covid-19)

09:35

The Convener: Item 1 is evidence on the impact of Covid-19 on Scotland's heritage sector. I welcome to the meeting Philip Long, who is the chief executive of the National Trust for Scotland; Alex Paterson, who is the chief executive of Historic Environment Scotland; and Caroline Clark, who is director of the National Lottery Heritage Fund in Scotland.

We hope to be joined by Giles Ingram, who is the chief executive of the Abbotsford Trust, but there have been some technical difficulties with his connection. We hope that he will be able to join us at some time during the committee's meeting.

I remind everyone to give broadcasting staff a few seconds to operate your microphones before you begin your questions or answers. I would also be grateful if questions and answers could be kept as succinct as possible. Because our panel is larger than usual for the format of the meeting, I would be grateful if members could indicate at which witness their questions are directed.

I will open the questioning and then move to the deputy convener, Claire Baker, before I bring in other members. I thank all our witnesses for joining us this morning and for your detailed written submissions ahead of your appearance. I think that all committee members have found them to be very helpful.

The committee is particularly interested in looking ahead at possible permanent structural changes across the tourism and culture sectors, as a result of the pandemic. Your written submissions address that issue very well. In respect of heritage, in particular, a potential focus on making better use of green space and the challenges around that was addressed.

Submissions also talk about the fact that you are dependent on volunteers who tend to be older and the challenges of that, about how to attract more younger visitors, given that older visitors might be staying at home, and about how to make adjustments for older visitors.

I note that a number of submissions talked about identifying new sources of income and the challenges of domestic visitor income replacing that from international visitors, who tend to spend more.

You have clearly identified the need to restructure. Could you share with the committee how long that restructuring process will take and,

perhaps, drill down into some of the measures that you need to take to adjust to the new reality?

Who would like to go first?

Caroline Clark (National Lottery Heritage Fund in Scotland): As you will have seen from our written submission, we have done a survey of the sector and, more recently, deep-dive interviews, which highlighted issues such as depletion of reserves and the impact of Covid on older volunteers, who are the absolute bedrock of the heritage and cultural sector in this country.

We are going to have to look at how we can engage young people in the sector to replace those older people, by providing meaningful volunteering opportunities that result in qualifications that give them opportunities to carry on with employment in the sector as they move on in life.

We also look need to look hard at collaborative work among the various national organisations that operate across all the rural and urban areas of our country. For me, an aspect that is coming out strongly is the risk that is faced by rural areas that rely heavily on tourism. How can we support keeping young people in those areas in order to keep the heritage and cultural assets there alive and thriving? We project that things will not be back to pre-Covid levels of viability until 2023.

The Convener: Thank you. That is very useful. I believe that we have Giles Ingram back. Giles, can you hear me? There are still technical issues with Giles, so I will go to Alex Paterson.

HES has identified issues in its written submission. Do you recognise the challenges that the work by Caroline Clark's organisation has identified? How will you meet those challenges?

Alex Paterson (Historic Environment Scotland): Thank you, convener, and good morning.

A number of consistent themes have come through in all the research that has been done by Caroline Clark's organisation and my organisation. The obvious themes are delays to projects, increased costs, how to replace lost revenue, and threats to jobs and expertise. As we go forward, it is probably important to look at quite a number of things.

We should not forget that most organisations in the sector are still grappling with the here-and-now challenges of the Covid emergency and its impact on them. I will offer thoughts on the future in a second, but the realities of getting through the current crisis are still very much at the front of people's minds.

I will address one or two of the things that you mentioned. The issue about young people is really

interesting. Over the past couple of years, we have worked with Young Scot to provide youth access to our properties, which has been well received, but beyond that there are a number of things that we might do to engage more young people. For example, in recent years, we have been doing a lot of work in education and learning, using the historic environment to teach science, technology, engineering and mathematics subjects. That is now part of the national curriculum. Engaging through education is very important.

To tie this in with the programme for government that was announced this week, I note that opportunities relating to skills and employment in the sector for young people are really important. A year or so back, we published "Skills Investment Plan for Scotland's Historic Environment Sector", which was the first time that such a plan had been done. It set out a number of challenges and objectives. There will be a need for skills, including traditional skills, and there will be job opportunities based on those. The historic environment portfolio in Scotland—houses, castles and everything else—needs constant reinvestment and skills.

The sector is also at the leading edge of climate research, digital technologies and green agendas. There is a real opportunity for the sector to offer young people skills, education and training and, to use the First Minister's phrase, for

"new jobs, good jobs and green jobs".

The Convener: Thank you. That is a very upbeat assessment, which is good to hear. Do we have Giles Ingram now? No, we do not. I will move on to Philip Long.

We wrote to the National Trust for Scotland about redundancies when they were first threatened. We are very pleased to see that a number of properties are to open and that many jobs have been saved as a result of the Scottish Government's investment. How did you identify the properties that would be saved with that investment? Is there a remaining gap in funding and a risk to the trust in the short to medium term? If you want also to address concerns about long-term opportunities and sustainability, that would be welcome.

09:45

Philip Long (National Trust for Scotland): I am grateful that the Scottish Government supported the turnaround plan that we developed in consultation with Scottish Enterprise, and that a group was set up to consider that. The trust was facing a severe crisis, but I echo Alex Paterson's upbeat assessment and would like to focus on some of that today.

Early in the crisis, we identified that it might be possible to reopen about 27 properties, which we have been able to increase significantly to about 33 properties. We have looked across the portfolio of properties to see the effect of a property reopening on securing employment and the contribution that it can make to the local community, and we have considered the geographical spread of properties, which is important.

From an original position of there being 429 at-risk roles, we have been able—with the support that we have received from Government and from people across the country and internationally who have contributed to our fundraising campaign, and through the actions that we have taken—to reduce our redundancies to 226, of which about 188 are compulsory. Of course, we regret the loss of any of our staff, but that is the reality of the position, although it is more positive than it was previously.

I would like briefly to touch on some lessons that have been learned, then address some opportunities. I will pick up on what my colleagues from other organisations have said so far, which I very much agree with, although I hope that I will not repeat what they said.

The first thing to say is that we are not out of this crisis. We need to continue to be agile in our response; therefore, our planning will need to remain relatively short term, because a lot of uncertainty remains. The discussion with colleagues across the sector and with Government must be continuous and proactive, and it must lead to actions to ensure that we manage the situation.

One lesson that has been learned very clearly is that the pandemic has had a real human cost that goes far beyond the direct cost in health; it also has an effect on employment and many wider wellbeing issues. We have seen that particularly in relation to our responsibilities to our volunteers, who contribute an enormous amount to the National Trust for Scotland. Similarly, we support people who are able to take up voluntary positions and we contribute, through that, to a sense of purpose and wellbeing.

I echo the points that have been made about the demographic of volunteers. There are opportunities ahead to consider that further, and the sector has been working on that, particularly through the “Make your mark” strategy, with the aim of encouraging a much wider demographic of volunteers to be involved in the heritage sector.

On opportunities, it is becoming ever clearer that ours is a diverse sector, and we have come closer together. We understand our role and contribution better now. It is much more than that of custodian or carer. We contribute to the

economy, to our communities, to people's wellbeing, to employment and to how our nation is understood in this country and around the world. The finance that goes into our organisation goes back out to support the wider economy.

I echo what others have said in their submissions and in the discussions so far, that it is important to note that we will work more closely together to define what we bring to the country, and to define how we can work in an even broader partnership. I can see that the social benefit that we bring through provision of learning, skills development, environmental development and sustainability of communities has been accentuated to all of us. Although great uncertainty and concern remain, our planning will begin to look in earnest at the long term, as we get into next year, and at the lessons that we have learned from the crisis and the opportunities that it brings.

The Convener: Thank you. There is a lot to unpack in that, and I know that members are keen to do so.

Claire Baker (Mid Scotland and Fife) (Lab): Thank you, convener. Alex Paterson and Philip Long are probably best placed to respond to my question. It is about funding and the rescue packages that have been announced by the Scottish Government and any other funders that have come forward.

It has been a difficult time with closures, and you will have experienced losses in membership and in generated income. Are the funding packages that have been awarded enough? Until when will the funding packages see you through? Is there a funding gap? If there is a funding gap, do you anticipate that it will be in this financial year or the next one?

Philip Long: It is important to set out our current financial situation before I get to the specific questions. Our earned income is substantially down. However, as a consequence of the actions that we have taken—including redesignation of funds; sales of alienable property; the freeze on activities; our successful fundraising appeal; and utilisation of our reserves—and of Government support, whether through direct grant from the Scottish Government or wider Government schemes, we can demonstrate that we are a going concern and that we can continue to operate.

Regrettably, as I have said, that has required the loss of some staff. However, we can now look ahead with far greater confidence, albeit that there is continuing uncertainty.

That overall range of action and support enables us to demonstrate that we are a going concern, and it enables us to begin to invest in the activities

that will help us to make more of our properties accessible again. That investment will flow out into the wider economy. The action addresses the reality of the situation right now, but more investment would help us to do more work that would flow out further and would support the future sustainability of the organisation.

Our discussions with Government colleagues will continue, because we want to work with all our stakeholders—in particular, the Government—to ensure that we are planning for a sustainable future for the trust. Dealing with that is not just about cash; it is also about ways of working in partnership and about considering how we will operate on our properties in the future, in order to continue working towards making the organisation as sustainable as possible.

Alex Paterson: I will set out HES's funding position and where the recent Scottish Government announcements fit in and help us.

Many people's perception will be that my organisation looks after visitor attractions—Edinburgh castle, the Ring of Brodgar and other well-known attractions across Scotland. We operate them as visitor attractions and we are responsible for their care and for looking after them, so that not only we but future generations can enjoy them.

However, we also have a role in heritage management through designations, listings and consents. We are a regulator, we are part of the planning system and we look after fantastic archives—we have Scotland's national record of the historic environment. We have distributed over £14 million in grants per annum over recent years, and we do a lot of education and research work.

I outline all that simply to make the point that we have two main sources of income coming into the organisation; one is funding from the Scottish Government through grant in aid and the other is income that we generate ourselves, largely through visitors to our sites buying tickets and spending money in our shops, cafes and so on. We do not, however, have the ability to build and carry forward reserves, for example.

In the context of this year, the Scottish Government's grant in aid to us to fulfil a wide range of functions equates to 36 per cent to 38 per cent of our total budget averaged out over two or three years. The obvious implication is that more than 60 per cent of our annual budget is self-generated. Clearly, last year, when 5.2 million visitors were paying to access our sites, we had quite a substantial income. When you take those 5.2 million visitors out of the equation, that leaves quite a significant hole in our funding.

From comparing our opening budget for this year with where we are now, we estimate that 85

per cent of our non-Government funding has been adversely impacted by the coronavirus pandemic. That is largely related to the implications of the lower numbers of visitors to sites and of international visitors. That has created a hole of around £53 million in our budget for the year, which is quite significant and challenging.

We have done a number of things to try to address that. We parked our plans for the year, which we were developing in January and February, and we developed a six-month action plan and budget, which we have delivered successfully. We have had to reduce our costs, and we have been focusing on business-critical activities that we could do. We had to pause a lot of what we do. Sites were closed so that we did not have to operate them, and our conservation teams could not get on to sites to do what they would normally do. A lot of activity was paused.

We had to cut back some of our investment plans, and we accessed the United Kingdom Government's coronavirus job retention scheme, which was helpful. We are, of course, part of Government, so we are covered by the policy of making no compulsory redundancies. Therefore, there was never any threat to our staff.

Through a combination of focusing on critical activities and capitalising on, or making use of, the job retention scheme, we were able to save about £16 million. The funding that the Scottish Government has announced in recent days will be very helpful in enabling us to continue to fulfil our functions. I echo completely what Philip Long said. It is not just money to HES; it is money to allow us to do the work that we are asked to do, which, in turn, flows through into spend, with small businesses and suppliers contributing to jobs in the economy.

I return to the question whether the funding is enough. It is enough for this year, and the funding is for this year. Normally at this time of year, we are preparing for spending review discussions for the following year.

That is where we are at. We are comfortable and fine with the arrangements that we have in place for 2020-21, but we are already giving serious thought to how budgets and sources of income will look for 2021-22 and thereafter. An awful lot of that, of course, is predicated on how we think the visitor economy might recover in the next 12 months.

Claire Baker: I understand that Caroline Clark would like to say something. She can come in once I have asked my second question.

It is interesting that Alex Paterson talked about visitor numbers. I am interested in whether the guidance to which you are currently working presents any particular challenges. Would you like

to see any changes to it? What could the next stage of the guidance be to enable your organisations to function more easily?

I invite Caroline Clark to speak first. Perhaps Giles Ingram would like to comment, too.

Caroline Clark: On your previous question about the financial support that is available to the sector, we have a different perspective. We fund a huge number of small independent charitable organisations throughout the country, so ours is a different perspective from that of Historic Environment Scotland and the National Trust. We have had to turn our funding towards those small and fragile organisations as an emergency response.

As members will see from our written submission, we have spent more than £6 million on supporting the sector. That support for operational core costs has been in four-month tranches. Now that we have drawn our funding to an end—it closed on 31 July—I have a deep concern that, in four months or less, small, independent community heritage organisations across Scotland will have to face another cliff edge. That would be in the winter season, when their visitor numbers would already be low. A real, second cliff edge is approaching us, and we collectively need to think about how to solve that.

As I said, we have just come to the end of our heritage emergency fund, and we have got money out of the door and across the country as quickly as we could. We are now taking a moment to look around and see what is needed next.

Smaller independent heritage organisations throughout the country face very difficult times. The resource that we have been able to allocate will come to an end at a time when their visitor numbers would be at their lowest anyway. There are big challenges in the short term for the heritage and cultural sector.

10:00

Claire Baker: Would Giles Ingram like to comment on the funding situation, and possibly on guidance?

Giles Ingram (Abbotsford Trust): Caroline Clark's message, in common with some of the other comments, is a good one to follow on from.

The Abbotsford Trust is a completely independent charity. We are dependent on commercial revenue, predominantly as a visitor attraction, although we also offer self-catering. We are always fundraising as well. In any given year, we have very limited free reserves, which we draw on seasonally in order to see us through the winter period.

To go back to Caroline Clark's comments, we may well have stabilised Abbotsford as a going concern for the current financial year—which, in our case, runs through to December 2020—but our thoughts are now very much turning to 2021. Even in a normal year, when we are not affected by the coronavirus, things drop off a cliff from September and start to pick up again in March. That period is normally when we would tap into our free cash reserves in order to continue to meet our operating costs and pay our salaries.

Our position will depend on how 2021 transpires and whether international visits start to pick up again. We are expecting group travel visits to remain largely suppressed all the way through next year, no matter what happens. We have already had many cancellations from most of our large-group coach operators, which constitutes 30 per cent of our business in a normal year. It remains to be seen whether the UK market picks up sufficiently to begin to fill those gaps. We anticipate that there will be a very challenging year ahead in 2021.

However, I do not want to offer only doom and gloom. In our business recovery plan, we can see real opportunities that we will seek to realise. We are particularly fortunate in that we have the 250th anniversary of Sir Walter Scott's birth coming up in 2021, leading into 2022, which is the year of Scotland's stories. We will seek to make the most of that fantastic opportunity, in concert and in partnership with many other cultural and academic organisations and community groups, nationally and internationally. There is a real opportunity. Our challenge will lie in realising the limited amount of investment that is required to enable us to deliver a programme that can really make the most of those opportunities, as we will seek to do.

At Abbotsford, our attitude is to innovate, be creative and look for changes in our operating model that will allow us to adapt to the changing customer market and to changing trends and demands. There are opportunities if we can tap into them, especially in relation to the outdoors. There will be an increased demand for the work that we do with our community—in particular, with young people and people who have recently entered unemployment. We will aspire to deliver a lot of innovation and creativity, some of which will require limited investment in people or facilities.

Our attitude is to stay as positive as possible through this, to innovate where we can deliver innovation and to realise the long-term legacy from those innovations.

Claire Baker: I do not know whether there is time for Philip Long or Alex Paterson to respond on the issue of guidance, convener. Perhaps we can move on to questions from another member and come back to that issue later.

The Convener: I can bring them in if the answers are quick.

Philip Long: To be concise, the current guidance offers both support and challenges. It is supportive in that it gives us clarity on the visitor arrangements that we can make, so we can calculate our planning and finances on that basis and make decisions about reopening properties. It also gives our visitors confidence that they can visit safely, as we can be clear about the environment that they will be visiting.

The guidance also imposes restrictions—that is obviously completely understandable from a health control point of view, but inevitably it will suppress visitation and our ability to operate to our fullest capacity, especially in our commercial activities. As circumstances change, we look forward to the guidance changing and relaxing, but not at the expense of an increase in infection, which would have a far worse effect on the National Trust for Scotland and on its ability to operate, its relationship with visitors and its ability to contribute to the tourism economy of Scotland.

A wider concern, which I will not go into, is the changing circumstances of the wider tourism market—for example, the domestic versus the international. Last year, 20 per cent of the trust's visitors were from an international market. We feel that pain particularly at certain properties, which, because of the downturn in international tourism, are far harder to make viable.

Annabelle Ewing (Cowdenbeath) (SNP): I return to issues of funding. Will Historic Environment Scotland, in particular, provide more information about the plans for the £21.3 million of funding that was announced by the Cabinet Secretary for Economy, Fair Work and Culture—I think—last week? In addition to that, there is, of course, the sum of £5.9 million, which I understand is for heritage projects that are committed to and on the go, although the parameters are not entirely clear. It would be helpful if clarification could be provided on that point as well.

Alex Paterson: [*Inaudible.*]

The Convener: We are losing your sound, Alex. Could you start again, please.

Alex Paterson: Is that better?

The Convener: Yes.

Alex Paterson: I am sorry about that.

Last Friday's announcement had two components. This relates back to the high-level funding package or scenario that I outlined a few minutes ago. The £21.3 million is to help us to continue to function and fulfil our roles and our statutory responsibilities. The £5.9 million is

specifically to support our grants programmes—that is, commitments that we already have in our grants programme.

As I said earlier, through our grants programme, we have disbursed around £14.5 million a year over a number of years. The grants programme is not ring fenced; the funding is simply part of overall HES funding, and we have significant commitments to projects and organisations this year.

As part of addressing our own financial challenges, we spoke to the Scottish Government and were pleased to secure additional support to make sure not only that we can continue to offer support to existing commitments but that we can talk to grantees about the challenges that they are facing and see whether we can help address some of the issues, such as increased costs or delays to projects.

Those were the two components of last Friday's announcement: support for us, as an organisation, continuing to fund our activities and the benefits that flow through to the wider economy—including, but not exclusively linked or limited to, the reopening of our sites—and funding to support existing grant commitments.

Annabelle Ewing: It might be helpful if you could write to the committee, providing a bit more detail in response to both questions, as I appreciate that we probably do not have time to go into that—a lot of members want to cover a lot of issues.

It is, obviously, welcome news for Historic Environment Scotland that the Scottish Government has made that money available. However, to take up Caroline Clark's point, a number of smaller independent organisations are really struggling. Is there any role for Historic Environment Scotland in that regard?

Alex Paterson: There is. That is where our dual role is important. We have to function as Historic Environment Scotland, but we must also have in mind the wider sector, for which we are the lead body.

We have done, and are doing, a number of things. For example, we are providing flexibility in our grants programme to respond to the challenges that grant recipients are facing. We are also providing organisations with a lot of advice, particularly on how to reopen safely, which is helpful. We continue to have discussions with the Government on whether there is scope to provide additional financial support to organisations that are experiencing challenging times, and to do so in a way that does not duplicate or offset a number of the other support schemes that are already in place.

I chair a group of chief executives in a forum, and one of the fundamental things that we are doing is starting to think beyond the current and into the longer term, asking how we find a way forward that provides us with a more resilient sector. We do not have answers to that yet, as everybody is still, to a large extent, focusing on the challenges of the here and now, but there are opportunities.

I do not want to take too long, but I will touch on a couple of other matters. Returning to the convener's opening question, what does the longer term for our sector look like? At the moment, there are huge challenges, but there are also a number of opportunities, which, when the time is right, we need to try to exploit.

We need to change the narrative about heritage. Much of that is about the past, but we do not live in the past. It has to be about how we use the past to create a better today and a better tomorrow. An awful lot of what the heritage sector does and what we do contributes to the national performance indicators, and it is mainstreamed across a lot of Government policies. In viewing the heritage sector as a real, active contributor to economic growth, skills, placemaking and the wellbeing agenda, and as an important contributor to the green and the climate change agendas, we have an opportunity to recast the narrative and consider what we do as a sector. It is not just about the past; the sector is an important contributor to the future. Pre-Covid, the sector was contributing £4.3 billion a year to the Scottish economy and accounted for 6,000 to 8,000 jobs directly or indirectly. That makes it significant, and the opportunity now exists for it to be a bit more mainstream in a lot of our policy considerations.

Rachael Hamilton: I really admire the positivity of Alex Paterson, and I know that looking for solutions is the way forward. However, the decline in the number of tourists will be catastrophic and the recovery will take some time.

I direct this question to Philip Long. The trust had, I suppose, financial difficulties pre-Covid. Do you have enough funds in your reserves to meet your liabilities and outgoings? It sounded as though you were close to having to wind up the trust. If you are relying on dipping into reserves, how sustainable is that? That question applies to the other witnesses, too

Alex Paterson mentioned that there was a £53 million funding gap and that he made savings of £16 million. It is all very well making efficiencies, but if we are staring down the barrel of not having tourists, does that mean that there will be more redundancies?

I know that there were lots of questions in there.

Philip Long: I will deal first with the threat to the trust. At the outbreak of the pandemic, and as the executive committee began to address it, there was a degree of uncertainty and a serious concern that it could be an existential threat to the trust. Our income depends substantially on earned income through visited properties, membership and philanthropic activity. The closure of properties provided a substantial concern as to whether NTS could weather the storm. As a consequence, actions were taken quickly to address that.

10:15

The actions that I talked about earlier, which I will not rehearse, and the support of Government and of people across Scotland and internationally have brought the trust to a position that means that I am able to present accounts to our board meeting today that demonstrate that we can continue as a going concern. That is good news. However, the more that we can invest in our activities in the future, the better we can enable the trust to continue to work towards a more sustainable position. You are right to note that the trust has faced financial challenges in the past, but, in fact, in recent times, the corporate plan that the trust has put in place has enabled it to work towards a position of greater sustainability, which is why the circumstances that have hit the trust, the heritage sector and the rest of the world, particularly with regard to the tourism economy, are acutely painful. That will be a concern in the future.

As we know, international tourism is basically non-existent, and the proportion of it that is of particular commercial benefit is vital to our organisations. The return of our domestic visitors to our properties is wonderful to see but it does not have the same commercial benefit that comes from the international tourism audience.

Rachael Hamilton: Your answers do not include a reference to the possibility of a need to adjust what the National Trust for Scotland stands for. For example, will you continue with your essential conservation and the curation and protection of our national treasures? At the board meeting today, will there be a consideration of further asset sales?

I admire each and every one of you for getting your organisations through this pandemic. We all have to work out how to get through it and how we get out the other side. Caroline Clark mentioned a cliff edge. Do you really believe that there is medium and long-term sustainability? You have described the short-term stability as coming from Government intervention.

Philip Long: The Government intervention has been vital to enable the trust to demonstrate that it is a going concern. With the wider actions that we have taken, we have been able to think about what we can do in the immediate short term, which has involved the reopening of more properties and therefore the saving of more positions, and we will be able to begin to invest in activities and conservation projects that we have put on hold. We would like to do more of that in future, because that will contribute to building up the trust's resilience and sustainability.

You mention some areas that the trust might need to look at in future and the fact that it might need to rethink or reinvent itself. There is a short-term job to do to ensure stability and agility with regard to the continuing uncertain circumstances. We will put in place a short-term plan for next year that enables us to respond as best we can to the continuing uncertainty, and particularly to that unknown tourism economy.

As we move into next year, we will consult our employees, volunteers and members and, more widely, our stakeholders to find out their thoughts about a longer-term plan for the trust that can address some of those issues. For example, it would be wise for us to consider a review of our overall estate in order to explore how we can best use it in the future, taking forward some of the lessons that we have learned in these very difficult circumstances. That is all with the intention that we should continue to fulfil our fundamental conservation mission, make our estate as accessible as possible and inspire people. We also need to think more about the opportunities that present to the trust and to the wider sector.

Alex Paterson rightly said that the heritage sector has an opportunity to be thought of not simply as a custodian and as being involved in care but as a major player in the wider Scottish infrastructure. That includes the contribution that the sector can make to society, community, the economy—through employment, skills development and support for the development of employment for young people—tourism, sustainability and how we care for the environment.

We all understand that the organisations that are giving evidence today are responsible for a great deal more than the built historic fabric. For example, we are responsible for substantial parts of the landscape of Scotland, which is utilised in so many ways. We have a major role to play in thinking about how we take forward our function in response to the current situation and about the wider contribution that we can make to the country.

Rachael Hamilton: I extend that question to Alex Paterson from Historic Environment Scotland.

We have talked previously about mitigating the risk from climate change, which will obviously add to your costs. I cannot see how you have met the funding gap. Will you explain a bit more about that and about long-term sustainability?

Alex Paterson: You are absolutely right that climate change is impacting on the historic environment. We can see that in our sites and in historic properties across the country and, indeed, the world. The change in the climate is accelerating the decay of many historic properties and ever more of our time goes into trying to mitigate that. There are good examples across the country where we have done that, such as reinforcing the dunes at Skara Brae or energy efficiency measures at Edinburgh castle. Climate change is having a clear impact and it will be an important priority for us going forward.

I agree whole-heartedly with Philip Long. We have been pleased to secure additional funding from the Government for this year, but we are in no way complacent or suggesting that things will go back to normal, or that we do not need to revisit our business model and organisational priorities. We absolutely need to do that and, although we do not have a board meeting this morning, I assure the committee that my board is actively engaged in that conversation.

We call it re-imagining. How has Covid changed our operating environment and what do we need to do to respond to that? In considering that, we recognise that we have statutory functions and that there are unknowns in terms of how the pandemic might pan out and visitor return, which is a critical component of all our income streams. We are looking at how to respond and adapt our priorities.

As Rachael Hamilton said, climate change and other things only increase the challenge. Some of the challenges for us and the sector have been heightened by the impact of Covid and some of them were there beforehand. A big discussion was taking place through one of the sub-groups for the our place in time strategy to look at how we manage the built environment and prioritise investment, on the basis that there will never be enough money to do everything. Some of the questions existed before and they are probably in starker relief now as we collectively think forward, we hope, to beyond the current pandemic situation.

The Convener: I will bring in Oliver Mundell now because he has to leave early.

Oliver Mundell (Dumfriesshire) (Con): Thank you, convener; I appreciate it.

I know that things are hard and that your organisations have had to make difficult choices, but I ask Philip Long, primarily, what the rationale

was for removing some of the ranger roles from his sites. From a constituency point of view, I am interested in the Grey Mare's Tail site, which has proved popular with visitors since the lockdown restrictions were lifted. I know that many people, including the convener, have raised concerns with you about issues such as overcrowding and people behaving irresponsibly. How does getting rid of ranger roles tie in with your environmental commitments across the country?

Philip Long: Thank you for recognising the severity of the impact on the trust. It has meant that we have been required to look at staffing, which is one of our major costs. As I mentioned, we are pleased to have been able to reduce the number of staff losses across the organisation, but the severity of the pandemic has left no part of the organisation untouched. We have gone through a consultation process with our staff and our union, and we have come to the result to which I referred earlier.

We have been able to save significantly more ranger positions than were originally put at risk. I can assure the committee that a ranger service will continue at the Grey Mare's Tail, supported by our centralised staff. We do not have a dedicated full-time ranger service at a number of our wild landscape properties, and we are unable to continue with that type of service at the Grey Mare's Tail. Nonetheless, I assure the committee that a ranger service will continue at the site.

We will keep the matter under review. We have been fortunate in that people have valued being able to return to our landscape as lockdown restrictions have eased. That is a great opportunity for the trust and other organisations that are responsible for our landscape, whether it is our designed or wild landscape. The way in which some of that landscape has been treated has been a concern to us, to Government and to the country, and we want to ensure that we keep under review how we care for the landscape for which we are responsible and the resources that we can put into that.

Oliver Mundell: That is helpful. I just wonder how hard you pushed for those roles in your dialogue with the Government. I understand that some of your other sites bring in more revenue and add more opportunities for bringing in income, but sites such as the Grey Mare's Tail are so important to our landscape and environment, and they attract a large number of visitors. Did you ask specifically for additional funding to support that stream of your work?

Philip Long: The funding that we have received has supported the reopening of properties and jobs across the organisation. Since I joined the trust two months ago, my priority has been to secure as much support, reopen as many

properties and save as many jobs as possible. Although I am pleased with how many jobs we have been able to save, including a significant number of ranger posts compared to the number that was originally under threat, it has not been possible for us to save all the ranger positions, or to save all job categories across the organisation.

We have had to take hard decisions across all the resources at the trust. We would have preferred not to have had to take those decisions, but that is the reality of the financial impact. We will continue to review the position as we continue to understand what the financial circumstances will be in future, and we will need to balance how we care for our properties with any further pressure that comes.

The Convener: I cut off Annabelle Ewing before she had finished asking her questions, as there was a technical issue. Annabelle, do you want to come back in?

10:30

Annabelle Ewing: Yes. My computer just went down, notwithstanding that I am in the Parliament, where I would have thought that I would have the best service.

I have a few questions about funding. First, does Historic Environment Scotland wish the furlough scheme to be extended? In France and Germany, we see an extension of furlough for another 12 months. Secondly, Historic Environment Scotland argued in its written submission for a reduction in the VAT rate of 20 per cent on the refurbishment, repair and so on of non-new builds. What rate would HES seek and what assessment has it made of what I imagine it would argue would be the beneficial impact of such a VAT reduction?

Alex Paterson: On the furlough scheme, which we have been able to tap into, I would not advocate its extension just for HES, but the sector more generally would certainly welcome an extension of it on the basis that income recovery and securing and retaining jobs are hugely important issues. If an extension was possible, I think that the sector would welcome it.

The VAT issue came through one of the working group meetings for the our place in time strategy. It was the view across the entire sector that the VAT that is applied to the maintenance, repair and retrofit of historic properties, as opposed to the zero rating of VAT on new builds, is a potential disincentive to investment. At the last meeting of that group, we agreed that we would do exactly what you have suggested, which is to look at the issue in more detail. We mention that in our submission as one of the ideas that is worth

pursuing as a way to incentivise investment in the historic environment.

The Convener: I expect that the other heritage organisations would appreciate that VAT cut as well.

Stuart McMillan (Greenock and Inverclyde) (SNP): My question could be for any of the panellists, but it is probably more for Alex Paterson and Philip Long. You will, of course, be aware of the Black Lives Matter campaign and the announcement this week by the Scottish Government, in the programme for government, on looking at Scotland's role in slavery and the plan for a consultation on that. The work will be undertaken by Museums Galleries Scotland and not your organisations, but how will your organisations play a part in that? How will your organisations address the responsibilities that you have regarding Black Lives Matter?

Philip Long: We see that as vital work. I was pleased to see the announcement, and I want NTS and other organisations to be included in the work. I hope that the definition of those involved will include bodies such as ours. After all, we are responsible for the built heritage and for objects in their original locations, and we have been clear that a substantial amount of our properties have been brought into being through wealth that is part of those difficult histories that everybody in the world is increasingly facing up to.

We have been undertaking work on that and proposals are being put forward within the trust to address the issue even more. We think that that history is an absolutely vital part of how we interpret our properties. It helps visitors to our properties to understand that organisations such as the trust are thinking about those relevant issues, which in turn helps the properties to continue in their relevance to people today.

Black Lives Matter and the legacies of slavery are one aspect of that. In the trust and across the museums, galleries and heritage sector, I take part in, and am aware of, discussions about wider concerns surrounding legacy issues, including colonialism and a lack of equality. It is right that we in the heritage sector face up to such issues.

Stuart McMillan: Before Alex Paterson answers that question, I point out that I know that Historic Environment Scotland was planning to do some research on that specific area. I would be grateful if he could provide an update on that.

Alex Paterson: First, I echo Philip Long's point that legacy and equality issues are important matters for us. We are about to consult on our new equalities outcomes. We were going to do that anyway, but the Black Lives Matter movement is an important dimension in that. Equalities and inclusiveness have been key parts of all our work

for many years. For example, our British Sign Language strategy was produced last year.

It is our responsibility to make sure that the story that we tell is the story of all of Scotland, whether that is in our records or through interpretation. Stuart McMillan is right that we indicated that we would do some research. Last year, we did some work to scope that out and we are now in partnership with the Coalition for Racial Equality and Rights and the University of Edinburgh to look at the legacies of slavery and related matters on Scotland's built environment. That will be announced imminently.

In recent weeks, a number of heritage organisations across the UK, including Historic England, English Heritage, HES and others, have been discussing opportunities to collaborate so that we take a UK-wide approach. We want to ensure that our contribution to, and the benefits that we get from, that work are relevant to Scotland.

I assure you that the issue of legacy is on our agenda and that we are developing an internal action plan. Specifically, the research with CRER and the University of Edinburgh will kick off imminently.

Stuart McMillan: Has that work focused on Scotland's cities or does it look at areas across the country?

Alex Paterson: It might be best if I drop the committee a note on the detail of that work. I think that it has been more general rather than city focused, but I will speak to my colleague who is closer to the detail and drop you a note on the terms of reference for the work.

Stuart McMillan: That would be helpful. Sadly, the area that I represent has the wrong history in the triangular trade. That story needs to be told, because it is very much part of Scotland. I would like anything that happens to tell the story for all of Scotland rather than focus solely on the cities, although I understand why that might be.

Alex Paterson: I give you an undertaking to do that from HES's point of view. I noticed your proposals for Greenock in the media in the past few days. I agree entirely that those stories need to be told for the whole of Scotland and all its people. I assure you that that is our agenda and I will write to you on the details.

Stuart McMillan: I appreciate that, thank you.

I have one final question. The build back better approach has been spoken about by the Scottish and UK Governments and others. Some of what has already been touched on ties into that. Philip Long spoke about engaging with members and staff in the longer term and Alex Paterson spoke about reducing costs and indicated that some sites

had been paused in the short term. Where do you see the organisations that you represent being in the next five or 10 years? How effective do you see them being for the areas that they cover, particularly with regard to employment opportunities?

Giles Ingram: I will take us back to points that many of us made earlier in the meeting. Our sector as a whole—whether we are talking about the National Trust for Scotland, HES or the many independent organisations such as the Abbotsford Trust—has an enormous amount to contribute in a unique way across a range of agendas. It is about the economy and job creation, but it is more about our place in the community. With our charitable missions, we have a real opportunity to make a difference in our localities.

The stories that we have to tell and the deep history that we draw on mean that we enjoy a very special place in our communities. Passions run very deep—that has been amply demonstrated throughout this year by the intense feelings that have been engendered by the closures and reopenings of many of our sites. That passion allows us to work with our communities in unique and different ways.

The problem is clearly not a flash-in-the-pan one. The impact of the virus will be with us for quite some time, and we all know that the economic impact is only just beginning. However, the sector and individual organisations have an opportunity to play a really important role in our communities in helping those who have been made unemployed.

Many of us are already very active in volunteering, and we can build on that. It is incumbent on us to spread the age group and the demographic profiles of our volunteering. We can support our communities in ways that involve far more than just a harder let's-create-jobs-and-wealth approach. However, both agendas are important.

As we come through the pandemic, we have to plan for the short term—for the impact this year, next year and the year after that—and we have to build back better. There is a real opportunity for us to do that if we are given the opportunities to do so.

The Convener: I will bring in Caroline Clark next. As I said at the beginning of the meeting, we do not have time to go to every panellist. With respect, Stuart McMillan is on his third question. I am looking to get Beatrice Wishart in as well as some supplementaries. I think that Caroline Clark will be able to give an overview across the sector in response to Stuart McMillan's question.

Caroline Clark: I certainly have comments on the build back better approach. I entirely concur

with Giles Ingram's comments on the importance of our heritage assets as anchors in the community. We saw that in the way in which Dunoon burgh hall, for example, turned itself around from being an arts and heritage asset to being a community kitchen throughout the pandemic. Those assets hold communities together, and they have clearly become precious to the identity of places throughout the country. We need to build on that using the new value that has been placed on local green space and local heritage assets to create a sense of community that also translates into a new kind of tourism that we will need to see developing in which we look at the multiple holistic aspects of places that can draw local visitors to them.

I want to go back to Stuart McMillan's point about the Black Lives Matter movement. That is hugely significant for us at the National Lottery Heritage Fund. As members know, we work with culture and heritage across the spectrum—with natural heritage, land, buildings and museum collections. We have seen the impact that that movement has had on Scotland's heritage and we have been supporting it by working on a number of things, such as bringing a diversity of mentors on to some of the boards that we work with across Scotland. The magnitude and significance of that subject is so great that we need to recognise that a wider infrastructure will be needed to support the sector to deliver that well.

I also want to flag up that we have just awarded a specific solicited grant of £230,000 to Inverclyde Council to allow a re-examination of collections for the communities affected and to look at decolonising and how the collections could be reframed in the light of the work of the Black Lives Matter movement.

10:45

Stuart McMillan: Thank you. I appreciate that. Would you be prepared to talk to the working group that I have set up about what other activities we could undertake in Inverclyde?

Caroline Clark: Absolutely.

Beatrice Wishart (Shetland Islands) (LD): My first question is for Caroline Clark. We have touched on the issue of the cliff edge for many in the independent heritage sector. In your submission, you talk about

"Ensuring a robust and resourced local authority sector for the long term",

referencing

"Local authority museums, archives and heritage services."

Where in your conclusion have you considered organisations that are funded partly by local

authorities and partly by arm's-length organisations? Could you expand on that?

Caroline Clark: Yes, I am happy to do that. Looking back at the support that has been made available throughout the Covid crisis, a collection of ALEOs in particular have not been able to access as much support as some of the other heritage and culture bodies. We are now really concerned about how to support them as we move forward. They are the backbone of the culture and heritage sector in Scotland and they have not had the resources or emergency support that some other parts of the sector have had.

There is a lot of risk around those museums and heritage assets being closed and not reopening again. We need to be cognisant of that risk and keep an eye on it, because museums and heritage bodies around the country perform far more than just the function of protecting and maintaining our collections and assets. They have a strong community role as well and people keep their heritage organisations afloat with their expertise, and I think it will be well worth considering that further during the next stage of support.

Beatrice Wishart: Thank you for that, Caroline. It is helpful. I agree that such organisations are very much part of the community and are highly valued.

My second question is about something that Giles Ingram touched on earlier. It is about the volunteers who keep many organisations going in normal times but they obviously have not been able to contribute during the past six months. How have your organisations been able to maintain contact with the volunteers and what kind of feedback have you had from your volunteers about coming back to be part of the new revived built-back-better organisation? I address that question to Alex Paterson and Philip Long first.

Alex Paterson: We have a number of volunteers who work with us on a range of different activities, partly on our sites working with supporting the visitors who come there, and also in our archives, at the Engine Shed, and so on. The level of involvement from volunteers has clearly been considerably less in recent months than it would have been in a normal year, if you know what I mean.

We have kept in touch with them. We have a team that works across the organisation and keeps in regular touch with our volunteers through newsletters and other regular communications. We regard our volunteers in the same way as we do our staff, so we have sought to keep in touch regularly with some during the current situation. I am not sure that we will be asking many of them to come back this summer, but we will work hard over the winter to ensure that we stay engaged

with our volunteers and I hope that we will have a way to bring them back safely at the start of the next tourism season.

Philip Long: Before I answer the question about volunteers, I will pick up on the point that Caroline Clark made. One important wider concern for the committee to note is the potential failure of the organisations that are responsible for our heritage. It is hard to believe that all those organisations will survive. It is important to think about that. How will our heritage continue to be cared for if the organisations fail?

The National Trust was established as a voluntary organisation in 1931, and we now have about 2,500 volunteers who are an essential part of our operation. The trust is a community of professionally employed staff, volunteers, members and wider stakeholders, and our volunteers play a vital role in enabling the organisation to operate. For example, the Georgian house in Edinburgh has a rota of 250 volunteers who enable that property to be open to the public and to be cared for.

We have kept in touch throughout. I am sure that we could have done more to keep in touch, but 70 per cent of our staff were furloughed at the high point of that scheme, so we have not been able to operate as we would like to. We are now bringing back our volunteers. I have been meeting volunteers at properties and it is very clear that they play a vital role not only in enabling our properties to operate but also in the wider conservation and maintenance work that volunteers contribute to across the organisation.

The volunteers have made it clear to me that an organisation such as the trust has a role in enabling people to be involved in caring for our heritage and that that is something that they value individually and as a community. Volunteering brings people together, particularly in the countryside and in more remote areas.

We have talked about the diversity of volunteers, and that is important for the future. The majority of our volunteers are older, so we would like to broaden volunteer involvement.

Beatrice Wishart: That is a good point, although there is much that older volunteers can bring, and they have a wealth of experience that they can share with new volunteers.

The Convener: I have a supplementary question from Stuart McMillan who has made a comment in the chat box on that point. He wants to know what would happen to heritage assets if organisations failed. Alex Paterson, given your overarching responsibility, could you come in on that question?

Alex Paterson: Philip Long makes a good point. That is a real challenge. I hesitate to say that all assets would come to us, because I do not think that that is the case. We look after assets on behalf of ministers, and there are criteria for how assets come into or go out of care.

The conversation must be had. I agree with Philip that it will be challenging for every organisation and every asset to find a resilient and sustainable way forward. That brings us back to prioritisation and to the different models of how we work with trusts and organisations. We are exploring one or two models in which we might partner with local communities or with other organisations to look at how we can help properties move forward.

The challenge is real. Innovative thinking and, perhaps, non-traditional approaches are required to consider how some of the important properties or elements of cultural infrastructure can be sustained.

The Convener: I wrote to Philip Long about Broughton house, in the south-west of Scotland. I was pleased that that important cultural asset not only has been saved but will be open during the winter, which is fantastic. However, I have heard that Carlyle's house, in Ecclefechan, is under threat. That is an asset in a small community. Since the National Trust for Scotland began work on it, the community has been galvanised, with many people volunteering before the pandemic happened.

I am springing this on you, but is there anything that you can share with us about that? Carlyle might not be fashionable these days, but he is an important historical figure and the story of his house is important.

Philip Long: I understand your concern. Across the trust, we have a concern about not being able to reopen all the properties—that is the reality of the on-going financial situation.

Through the support that we receive from the Government and that we have received from our appeal, we have, as I have noted, been able to reopen more properties this year and bring forward the reopening of properties that we may not otherwise have reopened until next summer.

I understand why one might single out that property. I could talk passionately about all the properties from their heritage purpose to the value in having them open. At the moment, I can say that we are keeping the situation under review, and as the circumstances change, we will want to reopen as many properties as we can as soon as we are able to, according to the wider circumstances of the tourism season. If I may, I will keep in touch with you directly, particularly in

relation to the property that you have asked me about, convener.

The Convener: Okay—thank you very much. Rachael Hamilton has a separate question.

Rachael Hamilton: Have any of the witnesses had any involvement in the Scottish tourism emergency response group and its recovery plan?

Philip Long: I have had involvement with the group in my previous position at the V&A Dundee, where I worked at the beginning of the pandemic, and in my current position at the National Trust for Scotland. I also have colleagues in the trust who are keeping in close touch with VisitScotland.

I have found the group, which was set up early on, useful. It has responded with intelligence and insight to the changing tourism situation, and it has informed the sector about that. During my involvement, I have seen organisations that might not have been as close before coming together in the face of this enormous challenge. I am sure that all of us will want to continue to work closely and not lose the connections.

Alex Paterson: I echo Philip Long's comments. We are not formally part of the group, but we work hand in glove with VisitScotland and other parts of the tourism sector. One of my fellow directors chairs a heritage tourism group that involves VisitScotland and other partners. We are also part of the Association of Scottish Visitor Attractions and the Association of Leading Visitor Attractions. We are well tied into a lot of the tourism groups that are up and running across Scotland and further afield. Although we are not part of the group, we work daily with VisitScotland and other players in the tourism and hospitality sector.

The Convener: There are groups other than the Scottish tourism emergency response group that are looking forward. You said that you are not part of STERG, but do you happen to know whether the heritage sector has a position on the groups that have been set up? We know how important cultural tourism is—indeed, the associated spend is greater than that on tourism generally. Therefore, I think that it is important that you are represented on any national groups and involved in national action plans that are reshaping the sector.

11:00

Alex Paterson: I agree entirely with that. My organisation sits on the ministerial high-level tourism group. It has not met for a wee while, but we are part of that and therefore contribute to that forum, but I do not particularly have a view. I had a view a few months ago, which was that, partly from a tourism point of view, partly from a construction point of view and partly from a

whatever point of view—the heritage sector actually straddles many of those sectors—making sure that the guidance was coherent was really important.

In response to one of the previous questions, we take our steer from the guidance; we adapt and mould our activities and the preparation of our sites to meet the guidance that the Scottish Government issues. Doing that has been the right thing to do, because the feedback that we get from visitors is that they feel safe and appreciate the work that we have done to make the sites ready, although not all sites can be accessed, because of physical distancing requirements and capacity limitations. That concern has gone and we are in a good place now. We are part of the ministerial high-level tourism working group, and, beyond that, we have good connections to those other groups if we are not formally part of them.

Giles Ingram: I will mention the value of more localised partnerships in the sector, which often straddle tourism, culture and heritage. The new agency for the south of Scotland is stepping up to invest in a new destination partnership for the region and, as important as the national groups are, getting the word through to more local businesses and supporting them is equally important if we are going to make sure that the recovery is as widespread and deep as possible.

The Convener: That is a very good point.

Claire Baker: The submission that Caroline Clark provided says that, as the heritage emergency fund application process is now closed, there is an estimated

“funding gap of between £24m and £29m in the remainder of this financial year”

for the heritage sector. I know that there are plans to open another emergency fund, but are those figures still accurate and is that still the case given the recent announcements?

Caroline Clark: That is a good point about the recent announcements, but that gap is absolutely up to date and those are our latest figures. We would need to backfill against the latest Government announcement. As I touched on, we have been providing on-going emergency support for local independent heritage and cultural organisations across the country. Those community heritage centres, historic sites, assets, houses and buildings are not particularly catered for by the latest package of funding, and we are in conversation with partners across the heritage sector about how we can rise to meet their needs. Although we have not yet crunched the numbers on the announcement that came out on Friday, the built heritage sector and small independent sites that are not necessarily museums or cultural venues are, at the moment, potentially falling

between the gaps, so it is important that we cross-reference and see where need still lies. Winter is coming and there is a challenging outlook for some of the organisations that do not fit into existing schemes.

The Convener: I will follow up on that. You responded very effectively to the pandemic in that you suspended your funding programmes and brought in the emergency programme and then the restart programme. Given that your other funding programmes are still suspended, what are your plans for the future? I know that you will not be coming back in the same way, but what are your plans for the next stage, once we have the restart over with?

Caroline Clark: We, at the National Lottery Heritage Fund, are at a pivot point. We drew together all the cash that we could from national lottery players' ticket sales and we used that up as effectively as we could. We now have the rest of the financial year to deal with. At the moment, we are looking at our financial position and at how quickly and effectively we can get funding out, but we need to take a moment to consider where the needs lie.

All today's presentations have shown that there are new themes around, including the use of digital infrastructure and how to support volunteers safely. There is also the structural reliance of our sector on volunteering and other mechanisms that are perhaps not so robust. We need to have a really good look at those things, being careful to focus on our next set of funding and on precisely where it can be most effective.

We have just done some deep-dive research into organisations that we meet across the country and what they think are likely to be their biggest areas of risk. We will follow that up with further survey research, and we will then point our funding where it is most needed.

We have a real issue with projects that were in delivery on the ground when Covid hit. Builders literally had to down tools and leave fragile, precious heritage assets half restored. We are having a big focus on how to get that work restarted. Obviously, there will be additional costs around all those big capital projects. Some of them involve our most iconic heritage in the country, such as the Citizens theatre and the Burrell collection—big, important heritage assets that we, as a nation, need to be completed successfully but that, by sheer bad luck, were hit during the physical delivery programme. There are capital issues around those big builds, but there is also the matter of on-going revenue support over the winter period to ensure that the organisations are still standing and able to take advantage of whatever spring 2021 looks like for visitors and revenue generation.

The Convener: Thank you. That is very helpful. In England, the National Lottery Heritage Fund has been involved in advising the Government on distributing the funds. What is your relationship with the Scottish Government?

Caroline Clark: We have had a very strong and positive experience of working with the Scottish Government during the Covid situation. We are in regular discussions with the culture, tourism and major events directorate and, as we have a wider remit, we also work with colleagues in the environment and forestry directorate. We are trying to work out where best to align our funding with funding from other sources. In the course of that work, we have discussed shared priorities and aligning where possible. We are still in dialogue, and we are here to be as useful as we can be in helping the sector to recover, along with Scottish Government colleagues.

The Convener: That is great. Thank you. We do not have any more supplementary questions, and we have run out of time. I thank all our panel members for coming along today. This has been a really interesting evidence session, and I appreciate it. Apologies for the initial technical issues.

That concludes the public part of this morning's meeting, and the committee will now consider the evidence in private. I thank the panel again.

11:09

Meeting continued in private until 11:35.

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