The Scottish Parliament
Pàrlamaid na h-Alba

Europe, External Affairs and Culture Committee

Stephen Gethins MSP
Minister for Europe, External Affairs and Energy
Scottish Government

2 November 2026

Dear Minister,

Pre-budget scrutiny 2027-28

Please find in annexe conclusions and recommendations from the Europe, External Affairs and Culture Committee following the work it has undertaken on external affairs as part of its scrutiny preceding the Scottish Government's Budget 2027-28.

Yours sincerely,



Patrick Harvie MSP

Convener

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Annexe: Europe, External Affairs and Culture Committee Pre-budget Scrutiny 2027-28 – External Affairs

1. The Europe, External Affairs and Culture Committee agreed that the main focus of its scrutiny preceding the Scottish Government's Budget 2027-28 would be on the culture aspect of its remit, on which it has held several evidence sessions.

2. The Committee also agreed to seek targeted written evidence from relevant organisations in relation to external affairs. The Committee sought input from these organisations on the relevant commitments from the Scottish Government's Programme for Government (PfG) and on current challenges and priorities for the 2027-28 Budget.

3. The PfG 2026-31 set out that "Strong international relations are vital to drive growth, attract investment, support our transition to net zero and enhance Scotland's resilience in this increasingly volatile world – and they underpin our moral obligations".

4. Two specific commitments relating to external affairs are included in the PFG—

    - Continue to strengthen Scotland's relationship with the European Union by influencing UK EU negotiations – seeking closer relations in areas including energy security and electricity, agrifood trade, youth experience, and EU programmes including Erasmus+.

    - To ensure the right coverage and relationships globally, to bolster our domestic and international ambitions, we will bring together Scottish Government and Scottish Development International offices into a more effective Scotland House network, expanding the number of Scotland Houses to more than 40 locations.

5. The 2026-27 Budget allocated £34.504 million to External Affairs. Of this, £34.389 million was allocated to International and European Relations, with the remaining £115,000 allocated to the British Irish Council.

6. The Committee received 4 written submissions in relation to this aspect of its pre-budget scrutiny—

    - Visit Scotland
    - South of Scotland Enterprise
    - Scottish Tourism Alliance
    - Scottish Enterprise

7. The Committee considered the written evidence received at its meeting on 6 October 2026.

Summary of key points arising from submissions received

Tourism and the visitor economy

8. VisitScotland set out that the visitor economy, tourism and events are essential tools for delivering Scotland's international strategy. As a “shop window” to Scotland, it stated that it helps deliver Scotland’s wider economic and international ambitions; and that—

> “As the Committee considers future investment in Scotland’s international footprint, we believe the visitor economy should remain a core delivery mechanism of Scotland’s external affairs agenda and as a key partner within the evolving Scotland House network.”

9. VisitScotland highlighted the contribution of tourism and events to the economy, business promotion and employment. VisitScotland operates across 17 overseas markets and connects tourism businesses with international buyers and partners.

10. To continue delivering impact and supporting Scotland’s international ambitions, VisitScotland’s submission identified four key priorities for the 2027-28 budget. While serving to support Scotland’s international activities, they relate particularly to tourism and economic development—

    - International Market Activity – continued investment in overseas marketing and promotion to remain competitive.
    - Connectivity and Route Development – support for international air routes and global accessibility.
    - Major Events and International Profile – funding to maximise economic, reputational and legacy benefits from major events.
    - Business Growth and Export Development – support for tourism businesses, trade engagement and destination development.

11. The submission from Scottish Tourism Alliance (STA), Scotland's largest tourism and hospitality trade body, highlighted the economic, social and cultural value of international tourism.

12. The STA sets out its main requests of the 2027-28 budget, which, it stated, would help strengthen Scotland’s ability to compete internationally and support Scotland’s International Strategy. Similar to the submission from VisitScotland, these mainly relate to tourism, hospitality and economic development—

    - Invest in greater international visitor marketing
    - Ensure Scotland House network and Brand Scotland have a strong,

consistent tourism focus
- Support for international connectivity and route development
- Continue to invest in major events offer
- Establish a Scottish Tourism and Hospitality Growth Plan

Economic development

13. Scottish Enterprise (SE) outlined in its submission the impact of its work, and noted its role in "supporting entrepreneurship, stimulating innovation, attracting investment, enabling international growth, driving capital investment." It stated that SE should be viewed as an investment in Scotland's economy.

14. SE explained that its international ambitions are driven by the National Strategy for Economic Transformation (NSET), and set out its core priorities of—

> "supporting trade growth in our core markets across Europe and North America whilst pursuing high value opportunities in priority growth markets globally and attracting inward investment from high potential markets in the USA, Asia, Europe and Rest of UK in line with Scottish Government's Trading Nation and Inward Investment Plans."

15. However, SE noted that, like other organisations across the public, private and third sectors, it continues to face inflationary and cost pressures which place additional pressure on the resources available to deliver its remit, especially in the face of "sustained real terms budget reductions." As such, it stated that it would welcome multi-year funding and increased budget flexibility in order to be able to plan effectively for the longer-term and to be able to respond promptly to opportunities as they arise.

16. Given the relevance for both, the South of Scotland Enterprise (SOSE) provided the same input to the EEAC Committee and the Economy, Tourism and Energy Committee. Its submission set out detail of the impact of its work for the South of Scotland and the detail of its operating plan for 2026-27.

Scotland House Network

17. Stakeholders' submissions also commented on the Scottish Government's commitment to expand the number of Scotland Houses. VisitScotland and SE emphasised that the new network should be adequately resourced, with VisitScotland stating—

> "The Scottish Government's plan to expand the Scotland House network to more than 40 locations is an opportunity to align Scotland's international objectives with the visitor economy. The network on its own is not enough; it requires a planned market investment and engagement programme that is properly resourced. Expanding the network also requires an integrated, joined up working and incremental market awareness activity in order to drive

impact. A cost-effective way to develop that is through partnerships with existing partners in markets, something that VisitScotland already has."

18. Referring to the fact that tourism and events often provide the first connection with international audience, leading to future trade, investment, education and cultural opportunities, VisitScotland considered that tourism expertise and destination marketing capability should be embedded in any future model for the expansion of the Scotland House network.

19. SE highlighted the existing partnership model, whereby SE works with the Scottish Government, the UK Department for Business and Trade, the Foreign, Commonwealth and Development Office, other public and private-sector partners and on behalf of Highlands and Islands Enterprise and South of Scotland Enterprise overseas. It stated that—

    "Co-location and close working with partners help Scotland present a more coordinated proposition while drawing on the specialist mandates, expertise, and each organisation's networks."

20. SE also described the integration of SE and SDI within a single organisation as being a "significant strength underpinning the Scotland House network" and suggested that the existing joined-up approach offers a strong foundation for the new network to build upon.

21. Aside from being adequately resourced, SE's submission sets out several suggestions surrounding the expansion of the Scotland House network—

    - A clear implementation approach is needed to ensure that expectations align with the available capacity for delivery

    - Decisions around Scotland's international presence should be informed by a strong evidence base to ensure that investment is directed where it can deliver the greatest value

    - There is an opportunity for coordination across Scotland's international activities to be strengthened while maintaining focus on delivery

    - A phased approach to implementation would allow operating models to be tested and adjusted before expansion occurs

22. The SOSE referred to the importance of making more of international opportunities to build resilience and tackle rural depopulation. Specifically in relation to the commitment to expand the Scotland House network, it stated—

    "As part of Team Scotland, SOSE works with Scottish Development International, Scottish Government and international partners to raise the region's profile and connect projects to opportunity. We want Scotland's

international networks, including Scotland House, to make rural opportunities more visible and more investable."

23. The STA welcomed the plans to expand the Scotland House network "as long as this is done in close partnership with VisitScotland and other key stakeholders." It went on to state that—

    - A better coordinated and strong, consistent tourism presence is needed to ensure that Scotland House and Brand Scotland can help grow the sector as a key export industry.

    - The expansion of the network must support the Brand Scotland proposition and that VisitScotland should be involved in the work to consider priority visitor markets when deciding the location of the expanded network.

    - The network must be properly resourced to ensure it supports targeted marketing opportunities and so that Scotland's visitor economy can benefit from the development of the network.

24. VisitScotland's submission concluded by referencing the role VisitScotland believes it can play to translate ambitions into measurable economic, reputational and international outcomes—

    "As the Scottish Government expands the Scotland House network and develops its international presence, tourism can make an increasingly significant contribution to achieving national economic and external affairs objectives."

25. SE concluded by stating—

    "An evidence-led, collaboratively developed and appropriately resourced approach will give Scotland the best opportunity to improve coherence, build on existing performance and direct resources towards the markets and activities where they can add the greatest value."

Conclusions and recommendations

26. The Committee acknowledges that its consideration of the external affairs remit also engages issues in relation to tourism, the visitor economy and economic development, given the international dimension of these activities. The evidence received by the Committee points to the role of the Scotland House network in this wider respect, and we have chosen to focus our comments on that aspect.

27. There are currently nine Scottish Government international offices. Scottish Development International separately operates from over 30 overseas locations in over 20 countries, many co-located with Scottish Government offices. The PfG commitment is to bring together Scottish Government and Scottish Development International offices into a more effective Scotland House network, expanding the number of Scotland Houses to more than 40 locations. The Committee asks the Scottish Government to confirm how many of the proposed locations would be new, as opposed to existing Scottish Government or SDI locations brought together under the Scotland House name

28. We note the conclusion of our predecessor Committee in Session 6 in relation to the international work of the Scottish Government and the role of international offices—

> "The Committee recommends that the Scottish Government provides a detailed justification for any new international offices, including why those locations were chosen and also how they fit with the international offices' own strategic objectives, and in turn the revised International Framework, the National Performance Framework, and Scotland's National Strategy for Economic Transformation."

29. Given that the indicative budget for External Affairs in the 2026 Spending Review is decreasing (from £34.1 million in 2026-27 to £31.9 million in 2027-28 and then £31.6 million in 2028-29), the Committee would like to better understand what the budgetary impact would be of the proposed expansion and how it would be funded within this context. We also note the views expressed by VisitScotland that the "network on its own is not enough; it requires a planned market investment and engagement programme that is properly resourced".

30. We would therefore request, for each of the current international offices—

(a) a detailed breakdown of the most recent figures for annual (i) budget and (ii) spend, including where this comes from budget lines other than external affairs, and

(b) further details of what the delivery model is, and, where they are run in partnership and/or co-located, what the current (i) budgetary and (ii) contractual arrangements are.

31. We agree with stakeholders that any expansion should be informed by a clear evidence base and give considerable thought to the approach to implementation, strategic objectives, the appropriate delivery model, and relevant partners.[1]

32. There are a range of partners, organisations and agencies with a presence internationally. Particularly in light of the current budgetary challenges and process of public sector reform, we would like to ask for greater detail on the process the Scottish Government plans to undertake in advance of any decisions on such an expansion of the Scotland House network, including whether it will hold a public consultation to ensure all relevant partners have the opportunity to express their views on the current network, the proposed expansion, what the priorities of an enlarged network should be and how to best ensure the most efficient use of current resource, and value for money.

[1] Senga Beresford MSP does not support the expansion of the Scotland House network.