



Constitution, Europe, External Affairs and Culture Committee

Thursday 22 January 2026

Session 6



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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

3rd Meeting 2026, Session 6

CONVENER

Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Jamie Halcro Johnston (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Neil Bibby (West Scotland) (Lab)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Patrick Harvie (Glasgow) (Green)

*Stephen Kerr (Central Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)

Rhona Burns (BBC)

Lisa Duthie (Audit Scotland)

Luke McCullough (BBC)

Louise Thornton (BBC Scotland)

Hayley Valentine (BBC Scotland)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 22 January 2026

[The Deputy Convener opened the meeting at 08:33]

Scottish Broadcasting, BBC Charter Renewal and BBC Annual Report

The Deputy Convener (Jamie Halcro Johnston): Good morning, and welcome to the third meeting of the Constitution, Europe, External Affairs and Culture Committee in 2026. We have received apologies from Clare Adamson.

The first item on our agenda is to take evidence on Scottish broadcasting, the BBC charter renewal and the BBC annual report. Today, we are joined by Hayley Valentine, director, BBC Scotland; Louise Thornton, head of multiplatform commissioning, BBC Scotland; Luke McCullough, corporate affairs director, BBC nations division, BBC; and Rhona Burns, finance director for financial planning and insight, BBC.

I invite Ms Valentine to make a short opening statement.

Hayley Valentine (BBC Scotland): Good morning. Thank you so much for having us. The media and broadcast sector is in the middle of a period of change that is more rapid and transformative than anything that I have seen in my career. It is being driven by technology, and the sector is completely changing. In the past decade, we have effectively moved from a live, linear schedule with limited choices to an on-demand world in which we can choose what, when and where we consume our content—essentially a whole world of choice.

In news in particular, people can find out what is going on locally or globally in many more ways, which are not all reliable. In this world, the BBC is more important than ever. We need to provide a distinctive, trustworthy, tailored service for the licence fee payer, reach audiences wherever they are and provide news that is relevant and local while explaining and analysing the bigger picture of world events.

We need to create more content that reflects people's lives by covering the culture, music, events and sports that matter to them, and compete on quality with international streamers that produce dramas that, in some cases, rival blockbuster films.

For the BBC, serving audiences wherever and whenever they want us to has brought about huge changes. Rather than being schedule or channel-driven, we commission and make content to deliver to all our platforms and many third-party ones. We make multiple versions of our news stories, which are tailored to many different audiences' needs. We make fewer, bigger, more ambitious dramas, comedies and factual programmes that serve audiences here, but we also take Scottish stories across the world.

We are seeing a huge amount of consolidation in the market—companies are under umbrella ownership and are forming more partnerships to meet the budget requirements of modern television in particular. As we see some in our industry reducing the number of commissions that they give to the Scottish sector or withdrawing coverage from all Scotland, we understand how vital our work is to support the sector, train for the future and serve audiences across the country.

All that is happening while we manage our own significant budget pressures and continue to serve many people who still rely on linear services. Despite the challenges, the health of the sector is really good, and the broader industry in Scotland can really capitalise on the changes and the opportunities that I have outlined.

To touch on the charter, our BBC audience survey told us that, in addition to independence from governments, people want high-quality entertainment, drama and comedy, as well as programmes that educate and inform. They want to see themselves and their lives reflected in the programmes that we make. We ask for the flexibility to respond and change as quickly as our commercial rivals and for the long-term sustainable funding that will enable us to do that. We really want those of you who are in this room, your colleagues in this building and all your constituents across Scotland to make your voices heard in the conversation about our future.

The Deputy Convener: Thank you very much. Before I bring in colleagues, I have a few questions. I have a broad opening question for you, Ms Valentine. You will be aware that, as well as considering the charter renewal and the annual report, we are conducting a wider inquiry, which started a couple of weeks ago. We have already heard from academics, news and journalism professionals, production and skills professionals and Ofcom, but how would you describe the current state of broadcasting in Scotland from a BBC perspective?

Hayley Valentine: The sector is in really good shape. The BBC is investing more and more money in Scotland. Our challenge is to keep that going and ensure that we serve audiences

wherever and whenever they want us to and that we cover the whole of Scotland and all our audiences. As I said, some audiences are very loyal to our linear services. Our television, radio and online services are all in good health, but we need to go further because audiences access content in lots of other places, too. It is important that we think about how we serve all our audiences.

As I said, the change in the market means that we make content that competes with very deep-pocketed streamers but is also distinct from them. We are all about serving Scotland and making it feel that the country is reflected, portrayed and respected in our content, which we produce in greater volumes than anybody else.

The Deputy Convener: On the point that you highlighted about ensuring that you cover all areas and demographics, one issue that has come up a number of times has been that, as we move towards new ways of delivering content, we must be careful not to remove more traditional ways that certain demographics—older people and people in some regions—are very reliant on. How do you ensure that you do not leave certain groups behind?

Hayley Valentine: On the geography point, I think that we have more bases in Scotland—14, of which 12 cover news—than any other broadcaster or media organisation. As you know, we have several opt-outs across the country, which means that we do specific content for those areas.

I point you to the coverage of the severe weather in the first week of the year. I have probably never been more proud of my journalists, particularly in the north-east, the Highlands, Orkney and Shetland, in the way that, while half the country looked out of their window and said, “My drive’s blocked and my kids have not got a school to go to,” they went out there and covered the story in really difficult conditions. They will continue to cover such stories.

The linear piece is a challenge, because we are riding two horses at the moment. We are pushing into the areas where younger audiences receive their news and general content while serving audiences that are still very loyal to our linear services. Louise Thornton might talk about this later, but we do not commission for a specific channel terribly often. The situation is slightly different for our continuous services, but we commission content and place it in lots of different places.

Whereas, at the beginning of my career, we worked in specific areas—I started in radio and moved into television—we are now asking our journalists and content makers to make pieces of content for a number of different outlets. That is

increasing, and it is about how we pivot in telling stories to slightly different audiences in different places, while maintaining television, radio and online services for people.

For example, as you may have seen, we recently started badging our content in Scotland with Verify—I think that that was done for the first time with the Scottish budget. We now have the Verify badge in Scotland. We delivered huge numbers for our live page that day with Verify content, and we made digital videos with Verify badging. Audiences got live coverage of the budget, with extensive coverage across our television services and radio that day and the following day. At the same time, we are moving into other areas to ensure that, if television and radio are not where people go, they still get the benefit of our coverage of big events.

Luke McCullough (BBC): On the part of your question about technologies and ensuring that all audiences can access public service content, the future of Freeview, for example, is a matter for the UK Government, not for the broadcasters, but the BBC would not envisage any scenario where people were left behind.

We already have a history of moving the audience in Scotland from analogue transmission to digital. Now, all of Freeview is via digital transmission. The whole ethos of that bit of work in Scotland, in 2010 and 2011, was to ensure that there was help for people and that no one was left behind. A universal public broadcaster needs everyone to have access to its services.

The Deputy Convener: That is an important point. You highlighted the situation with the bad weather recently, Ms Valentine. I was in Orkney, and when I looked out to the drive I could not see it. That highlights the importance of local radio, particularly to keep people updated on what is going on with school and road closures. The people who are listening are perhaps those who will always get up to listen to the morning’s broadcasting.

Hayley Valentine: We serve the whole of Scotland, and that story was obviously far more relevant in the north of Scotland. I think that that shows our commitment. Occasionally, the media in Scotland is accused of being central belt-centric, but we absolutely were not on that occasion. We achieved huge audience numbers. We know that such stories are of interest, whether you cannot see your drive or whether you are sitting in Glasgow thinking, “This feels very different.”

We did one thing that I thought was genius: instead of doing a “What’s On” piece on Orkney and Shetland, we did a “What’s off” piece. The services were absolutely committed to keep on doing that.

The Deputy Convener: Friends of mine in Glasgow were telling me how much they wished that they had the snow, while we were sitting in the snow wishing that we did not have it.

I will move on to a second question before I bring in colleagues. One of our academic witnesses told us:

"My view is that BBC Scotland could do more and be more ambitious, and that it should have a greater budget to do that. It should be a sector leader on skills and development, and it should be a catalyst for the whole media ecosystem. My worry is that, at the moment, BBC Scotland is in many ways too insular and does not have enough relationships and activities with other stakeholders in the media ecosystem."—[Official Report, *Constitution, Europe, External Affairs and Culture Committee*, 8 January 2026; c 6-7.]

My question to you, Ms Valentine—and perhaps your colleagues—is, what is your response to Professor Higgins's critique?

Hayley Valentine: The way in which the BBC has operated in Scotland has recently changed massively, as I mentioned at the beginning. We have never had more partnerships and we have never looked more broadly. We absolutely should be a catalyst for the things that you have talked about, and I would argue that we are. I am superambitious for our content, both in taking what you might call ambitious, risk-taking editorial decisions and in expanding what we do: expanding the number of dramas that we make, and expanding where we are in comedy and entertainment, factual programmes and our news.

I will get Louise Thornton to come in in a second, as she deals with a lot of different people, but we are constantly looking for external partners. Frankly, it is not easy to make the big pieces of content—the expensive drama that we are going into—without external partners, and we are constantly looking for external partnerships, across the country and across the world.

As you will have seen in the announcements that we made last year on our drama strategy, there is far more co-commissioning now, so that we can attract the bigger budgets from other parts of the BBC—from network BBC—and, much more broadly, from the industry as well.

You can look at some recent examples. Our Gaelic services have moved into high-impact drama, and they have been ambitious to develop the ability to attract a variety of different funding partners in order to do that. I will pass to Louise Thornton in a second, as she can give you more detail about the partners that we work with on those areas. We are very ambitious on skills and training and we take our responsibilities for that extremely seriously. We work with a range of partners, including Screen Scotland, on all the products that we make, and with our third-party

providers and production companies to make sure that training and skills are embedded.

08:45

In addition, as the committee probably knows, we now have 70-odd apprentices in the BBC. We have a relationship with every university in Scotland. We have some formal relationships with institutions such as the Royal Conservatoire of Scotland, for example, but we also have informal relationships. I looked into that after one of the committee's previous witnesses spoke about university relationships, and I could not find a university in Scotland that we do not have a relationship with.

Some of our senior editorial figures use what we call development days or their own time to go and work with students. The proof of that is seen when we hire—the lists of our recent first hires and apprentices show that they often come out of those courses.

At the school, university and further education level, we have relationships across Scotland that are beneficial to both sides. We do a lot of work on training and skills with our apprentices, and we also work with the sector when we commission something. Both because we want to and because we have to, we work with a huge range of partners. Louise, do you want to come in on that?

Louise Thornton (BBC Scotland): We have never been so outward looking, certainly in the time that I have been in commissioning. That is out of ambition, but also out of necessity. If you look at our "Scripted" slate, when we started the channel, we built on the success of "Guilt" and we are now looking at a raft of dramas and comedies that have international funding. For example, we are really excited about "Counsels", which is coming later in the year. It has a number of partners including us in the BBC network, but it is also in co-production with ZDFneo. Such structures need to be put together to get ambitious drama off the ground.

We are about to launch Richard Gadd's new drama, "Half Man", which is coming very soon. We are working on that with our partners in BBC content, but also with HBO. Our comedy, "Dinosaur", is coming back for a second series. We work in partnership with Hulu on that, so a brilliant Glasgow-based comedy is going out on the other side of the Atlantic.

We are building partnerships constantly. BBC Scotland is certainly out there having international meetings. Just before Christmas, we had a successful drama called "The Ridge". That was our own commission, so we did not work with the network on that drama, but we worked with Sky New Zealand—that was a new partnership for us that was built up through lots of collaboration. You

can imagine the conversations at 8 o'clock in the morning versus 8 o'clock at night to manage the time difference.

The Deputy Convener: I would like to come in on that. It is important to hear about those international relationships, but what about the landscape in Scotland? Are there enough opportunities in Scotland for more commissioning or more partnerships? Do you find that the Scottish broadcasting scene is too small? Have you already maxed out the relationships that you have in the sector?

Louise Thornton: The sector is ambitious. Certainly, when I go to international events, there is a lot of representation from Screen Scotland and Scottish production companies, which are doing work across the world. The opportunity and ambition are there and we have some brilliant production companies that know how to put together deals, and their number is increasing.

I feel positive about the direction of travel, certainly within drama and comedy. It is slightly harder to build international co-productions just because of cultural sensibilities around comedy and where it travels. That is why I am so excited about "Dinosaur", which has done so well and is coming back for a second series. We have a strong relationship with Hulu. We have made a lot of progress in the past five years, and we are in a good position.

Luke McCullough: We also have a number of Scotland-wide partnerships with other organisations. Those that have a Scotland-wide portfolio are the most obvious, such as MG Alba, with which we make BBC Alba. We have partnerships with the National Library of Scotland and, as Hayley Valentine mentioned, with the Royal Conservatoire of Scotland, because it is the only institution of its kind. We also have partnerships with the Scottish Graduate School for Arts and Humanities, which is a helpful umbrella body that brings Scotland's academic institutions together with people who want to do research in culture and the arts. We work with the National Film and Television School, the Scottish Library and Information Council and the Scottish Book Trust. We think that it is vital that we work with that range of Scotland-wide bodies, and those arrangements are not just ad hoc—we have formal partnerships with those bodies.

The Deputy Convener: Thank you. I will bring in colleagues.

Stephen Kerr (Central Scotland) (Con): I was interested in Hayley Valentine's comments about BBC Scotland's outreach to universities and colleges. You were right to pick up on some of the evidence that we have received about that. Forgive me for saying this but, from the way in

which you described it, it does not sound very structured. Is it as structured as it should be?

Hayley Valentine: It is ad hoc. We have relationships that are based on the skill sets that the universities are seeking and the skill sets of individuals in the BBC. If I am honest, I cannot imagine that the outreach would be better if it was more structured—if we mandated a certain number of days or whatever. We have different levels of expertise. For example, one of our excellent development producers spends time in a university working with people on pitches, and members of our "Disclosure" team go out to Stirling to talk to people about investigative journalism.

Because I heard the evidence that the committee took, I asked a question, and I was surprised by how much came back. If I had heard that the work was sketchy and that only a few universities were benefiting from it, I might be sitting here saying that we should set up something a bit more structured. However, I think that it is working brilliantly. We have people with development experience working with people on how to put a pitch together, we have senior figures in news going out to speak to people on news journalism courses, and we have had our head of politics out at universities, as well as our head of news and our head of sport.

Stephen Kerr: You said that they are doing that pretty much in their own time.

Hayley Valentine: At the BBC, we have something called development days. We offer people three days a year as part of that structure, and they can go out and do such outreach in that time. People do it while they are on shift; we are not asking them to do it at the weekends.

Stephen Kerr: It is great that those individuals do that, but I wonder whether the BBC ought to have a more up-front profile in the institutions. I accept what you say about what those people do when they go out on their development days, but should the BBC itself not plant a flag in the universities and colleges, given that the brand is under a bit of pressure with young people, to put it mildly?

Hayley Valentine: If I thought that there was a lack, I would be thinking about different ways of covering it. I knew about some of this work already. I think that one of your witnesses was from the University of the West of Scotland, and we have a huge relationship with that institution. A number of the people I have mentioned have been out to that university to talk to journalism students and sports students in particular. One of the regular output editors of our "Drivetime" programme on radio is a former student of UWS, who we brought in and worked with, and she is now in a senior position. We also have several apprentices who have come

from UWS. I think that the relationships are working.

I do not know whether you remember a journalist called Nick Sheridan, who sadly died very young a few years ago. I was part of the team that hired him into the BBC from STV when we launched the BBC Scotland channel. Alongside STV and UWS, we set up a bursary in Nick's name when he died.

I did not recognise the particular portrayal of a lack of relationship. As I said, if I thought that there was an issue, I would be trying to solve it. What I found is that we do even more than I expected. It is working very effectively and it is quite tailored. If anything fell off, we might think differently. If anyone is sitting in a university saying, "I'd like more contact with the BBC," they are free to ask and we will always say yes.

Stephen Kerr: That is positive.

You have obviously been well briefed on the evidence that we have taken over the past couple of weeks, in which the BBC has featured heavily. A few minutes ago, you said that the Scottish broadcast ecosystem is in good health. However, as I am sure you are aware, that is not what we heard from previous witnesses, specifically in relation to commissioning. When you were here last year, you told us:

"We have 14 commissioners based in Scotland; that is a combination of commissioners who work directly for me, commissioners who work for network looking for Scottish ideas that we can co-commission together, such as "Shetland", and commissioners who work for our Gaelic services."—[Official Report, *Constitution, Europe, External Affairs and Culture Committee*, 29 May 2025; c 44.]

However, in published research, Screen Scotland has said:

"The decrease in commissioning activity from the PSBs, particularly the BBC's reduction in originated hours and Channel 4's recent commissioning freeze, is coming together with a wider industry trend of polarisation in content spend, where content commissioners reprioritise spend to fewer high value originations plus lower budget content."

That squares with what you have said this morning. Every one of you who has spoken about commissioning has talked about ambition, which has become a codeword for "big"—one might be forgiven for talking of big and beautiful productions. However, according to the evidence that we have heard, that is having a really adverse effect on the small independent production or content creation sector.

Do you recognise that reality? It sits in juxtaposition to your comment about the ecosystem being in good health because, in some parts, the ecosystem is clearly not in good health.

Louise Thornton: There is no doubt that we are in a period of change. We can see that in audience

habits, and the sector is changing to reflect that. You are correct that, as an industry, we are commissioning fewer hours. There are inflationary and budgetary pressures. However, it is not just that; we need big hits to bring people together and, as the BBC—

Stephen Kerr: You are in competition with the streamers.

Louise Thornton: Yes, we are in competition with streamers. We are in competition with digital platforms and gaming. We all know what the picture is like—it is very competitive.

Stephen Kerr: The other point of view is that the BBC should not be in competition with any of those and that it has a distinctive role to play in the ecosystem. It should not see itself as being in competition with Netflix.

Louise Thornton: We are in competition because we want people to want to pay the licence fee. People need to see value in the BBC, so we need to make content that they value. It is great that "The Traitors" is the biggest show in the nation at the moment—that is fantastic. It is a great story that shows that, when we get it right, we can get broad audiences, underserved audiences and young audiences, and we can get them to watch on a schedule. It is doing quite an amazing job at that. In my job, I am looking for hits such as that from Scotland; I want to be commissioning our industry to make those big shows, too.

However, you are right that the big hits are not the only game in town. We have lots of shows that we commission because we think that they serve a particular purpose or will hit a particular audience. We will continue to do that. We are not commercial; we are a public service broadcaster.

Stephen Kerr: A few minutes ago, you said that, because of your role, you go around the world and you meet Scottish independent producers on big stages, but what the small independents say to us is, "Yeah, but our work doesn't get broadcast on the BBC."

Louise Thornton: I think that a lot of their work does.

Stephen Kerr: So you would contest what was said.

Louise Thornton: Nine out of 10 companies that I work with are in Scotland. There is no doubt that the market is changing, and I would say that the middle is being squeezed. We had quite a heritage in Scotland of making lots of unscripted middle-tariff shows, and there is no doubt that, to respond to audience taste, we are commissioning fewer of those, because we want to commission premium high-value shows.

I will take as an example “Highland Cops”, which is a brilliant factual show that gets a big audience on linear television as well as on iPlayer and does really well with a raft of audiences. That is the kind of show that we want to commission. Those shows absolutely get us around Scotland, and they are made in Scotland by Scottish producers. However, there are fewer of that kind of lower-cost unscripted show. We are not making so many of them now, because we need to invest in drama, comedy and premium factual shows.

Hayley Valentine: On what is different about the BBC’s role from that of the streamers, for me, it is two things. One is that we need to reflect the lives of people in Scotland, whereas the streamers might come in and make only one show a year that does that. For example, “Dept Q” was a big success last year, which I am delighted about, because I do not want to be the only person making content in and about Scotland. However, we have to be in the game of making a volume of shows in which people feel that their lives in Scotland are reflected. That is one of the things that we do.

The other thing is that we cannot be the broadcaster of market failure—we need to make big hits. We need to make successful shows to bring people to the BBC for all the stuff that we do. If big hits were the only thing that we did, we would not invest in “Disclosure” or “Debate Night”, which are high-investment shows that require a large amount of money and take a lot of time to make. For example, for “Disclosure”, months and months are spent on individual pieces of journalism that are very valuable to us. What I really want to do is bring people to the BBC for whatever programming it is that they come for; they might not come for the news and current affairs or for the religious programming, but they will stay for it.

This time last year, I was not able to talk to the committee in a huge amount of detail about the football, but we now have the internationals, and we have seen that a big chunk of the people who had not come to the BBC on iPlayer for three months, for example—we call them “lapsed”—and who came in for the football came back within a fortnight for something else. I think that it was about a quarter of them.

Part of my strategy is that we bring in people for big-hitting dramas—we hope that they would come for our new Richard Gadd drama or our new legal drama, for example—and then they will see what else is available on the BBC when they are there and realise that it is worth their time.

09:00

Stephen Kerr: It is interesting to hear you describe your strategy and I am grateful for your transparency on that.

You mentioned the TV licence. We have discussed this before and I do not want to go over old ground, but clearly there is a problem with a percentage of the population using BBC content but not paying the BBC licence fee. I am not aware of specific statistics for Scotland but, across the UK, there has been a fall-off in the number of people who are paying the licence fee. It would appear, from my anecdotal experience as well, that younger audiences do not seem to value the BBC sufficiently to wish to pay the BBC TV licence fee. What does your research tell you about younger people’s attitudes towards the whole idea of a universal TV tax to allow them to watch the BBC without fear of criminal prosecution?

Luke McCullough: We know that the vast majority of people in Scotland are licensed as they should be, and that is a fact. The vast bulk of people who require a licence have one.

Stephen Kerr: But there is a growing minority who do not—

Luke McCullough: You may remember that, a few years ago, it was entirely legal to watch the iPlayer without a TV licence, and then the UK Parliament changed the law. When you log into iPlayer, it says, “You need a TV licence. Do you have one?” At the point at which we put that message in, people clicked through and bought a licence, so most people—

Stephen Kerr: Did they?

Luke McCullough: Yes. There was a spike in licence fee sales at the point at which it became a legal requirement to watch the iPlayer with a licence.

Stephen Kerr: I do not think that I have ever heard that before.

Luke McCullough: People generally want to operate within the law.

Stephen Kerr: Yes, they absolutely do, but they also—

Luke McCullough: There is a cost of living crisis and we are completely aware of that. If people believe in public service broadcasting and if people believe that broadcasting is a public service, it is utterly vital to have reform of our funding. The BBC is really clear that we need reform of how we are funded.

Stephen Kerr: Including the model, potentially.

Luke McCullough: Potentially.

Stephen Kerr: Because the green paper suggests—

Luke McCullough: The green paper is from the United Kingdom Government. There is a range of options. It talks about reform of the licence fee, and there are ways to reform it. There are also other funding models, some of which we as a broadcaster have ruled out. We do not support advertising, partly because of the impact that it would have on the sector, which you have discussed.

Stephen Kerr: There is already sponsorship on the BBC. I love the new year's day concert from Vienna. It is sponsored by Rolex, and it is regularly mentioned in the bits between the music that the concert is sponsored by Rolex.

Luke McCullough: I am sure that the Vienna philharmonic benefits a lot from exactly that, but we do not support advertising on our services and we also do not believe in subscription.

I think that your question was about young people and their experiences—

Stephen Kerr: I want to know what the BBC's own research says about what under-35s think about the BBC TV licence.

Luke McCullough: We know that under-35s use the BBC a lot. I think that your question is, how do you get to a model?

Stephen Kerr: No, my question is, what research has the BBC done into the attitudes of young people?

Luke McCullough: I come back to the fact that the majority of people are legally licensed.

Stephen Kerr: That does not answer my question.

Luke McCullough: We recognise the need for reform, and that is for all audiences. We recognise that everyone—

Stephen Kerr: So you have not done any research. Is that it?

Luke McCullough: Of course we talk to our audience all the time, but there is an active consultation at the moment with people around Scotland.

Stephen Kerr: This is not a difficult question.

Luke McCullough: I am not going to lead the witness, but we do not think that subscription is the way ahead, precisely because it puts a barrier between us and young people, or us and the rest of our audiences, and the UK Government has said that direct taxation is not an option either.

Do not get me wrong—we absolutely recognise the need for reform. However, right now, I would

not say where that should go, because there is an active consultation.

Stephen Kerr: Yes, but ruling out different ways of funding the BBC at this stage might be—

Luke McCullough: One option potentially damages the sector, and the other puts your public content behind a wall. If you are a universal service, you should not be behind a wall.

Stephen Kerr: That is a subjective point of view. I would now like to ask Hayley Valentine what research the BBC has done on the attitudes of under-35s to the BBC TV licence.

The Deputy Convener: Mr Kerr, this will have to be your last question.

Stephen Kerr: Oh, will it?

The Deputy Convener: If there is time, I will try to bring you back in.

Stephen Kerr: Okay, let us forget that question. I am being guillotined here—

George Adam (Paisley) (SNP): Not for the first time.

Stephen Kerr: No, not for the first time. If this is my final question, let me ask Hayley Valentine about autonomy in decision making and trust, because that theme has come up, and I have no doubt that it will come up again later. In our evidence sessions, a number of witnesses have said that the BBC is constrained, in editorial terms, by controls from London. I would like you to comment on that.

Another issue is the deficit of trust in the BBC brand in Scotland. The allegation or statement is that there is a more pronounced or distinct trust deficit in Scotland because of our political environment. Will you comment on both those issues? I am sure that colleagues will wish to ask you more questions about that.

Hayley Valentine: I will be brief, if I can.

Stephen Kerr: No, please do not be brief, because that only feeds into the—

The Deputy Convener: Please give a full answer; Mr Kerr will let you answer.

Stephen Kerr: I will be brief.

Hayley Valentine: I do not recognise the idea that we are—I do not quite remember the words used—stymied by London.

Stephen Kerr: Controlled or constrained.

Hayley Valentine: I have no evidence of that at all. We run our own newsroom and I do not receive instructions from anyone on how to run it. As you know, we report without fear or favour. We cover exceptionally difficult stories and we take big

editorial risks. We run a lot of live output. We are the only nation that has a regular debate programme—"Debate Night". We hold those things dear. I cannot talk positively enough about our "Disclosure" brand and the work that we do there. It is not just about impactful television or journalism; it makes proper change in this country. The evidence is in what we do.

I apologise—what was the second half of the question about?

Stephen Kerr: It was about the trust deficit and the idea that there is a distinctly Scottish dimension to the fact that people do not trust the BBC because of the political environment in Scotland.

Hayley Valentine: I will start with the trust issue as a whole. Trust in mainstream media is declining overall. That is true across the world and we know, broadly speaking, why that is. However, the BBC remains highly trusted in comparison with other institutions in this country and abroad. Our news is the most trusted in the world. I am proud of things such as the World Service, which I used to work on. We can overplay the issue of trust.

Another thing to say is that people consume us in huge numbers. In Scotland, 83 per cent of the country consumes BBC content every week. That number goes up to 90-odd per cent every month. When people are asked which broadcaster they trust the most, we get almost 50 per cent of the total, and the next best gets something like 6 per cent. We can overplay the trust issue.

I am not going to pretend that we do not live in a polarised society where trust in mainstream media as a whole is on the decline. We have to work hard on that. I am pretty optimistic. I said this last year and, as we go into an election, I will say again that the trust scores for Scotland in particular went up between the two most recent general elections. According to Ofcom, the way in which the country views us is pretty stable in terms of reliability and trust scores. We are not on a massive decline; it is in the margins.

That is not to deny the culture that we live in. I live with a fairly hostile media all the time in Scotland. There are various divisive issues that we could all talk about at length but probably should not today, and I do not deny that Scotland has its particular issues. In that context, the BBC is holding up strongly on trust, and deservedly so.

Stephen Kerr: Thank you. I think that I have run out of time.

The Deputy Convener: You have. I have been very generous, given your excellent timekeeping, Mr Kerr. We will move on to Keith Brown.

Keith Brown (Clackmannanshire and Dunblane) (SNP): It is worth saying at the start that I am a big supporter of the BBC, which might come as a surprise to some people. I am also a supporter of the licence fee. However, whether it is through the charter process or in other ways, we do see interference from Government. Of course, broadcasting remains reserved. Tim Davie fairly recently told us that he had four or five visits every week, with people from each of the two main parties beating a path to his door to complain about something or other. Scotland does not really feature in that. There is sometimes a feeling that the BBC is impervious to demands from Scotland for more balanced reporting.

I should say that one of our previous witnesses said that they had heard—I forget what evidence they quoted—that there seems to be a move among younger people to go back to things such as the BBC, teachers or parents. Rightly or wrongly, younger people see those as more stable and reliable, because of the whirlpool and diversity of the media that they can consume. There is a chance for the BBC to build on that through the licence fee.

I want to come back to the point about current affairs. I apologise to committee members, because I have mentioned this before, but the BBC in Scotland seems to have a pathological objection to covering reserved issues that impact on Scotland. For example, you have done I do not know how many investigative programmes on the ferries situation. That is fair enough, as it is legitimate news, but I do not think that the BBC in Scotland has done anything on the aircraft carriers, which were massively over budget and over time. Those were built in Scotland and had a major impact on the Scottish taxpayer. However, there seems to be a news blackout that comes with things like that.

Similarly, in the past, I have challenged both Martin Geissler and, going back in time, Gordon Brewer as to why there was not much more scrutiny of what we are told are the two Governments in Scotland. Both told me that they could not get UK representatives to come on their shows, which is not a reason not to cover those issues. There is an issue of balance, and it seems to be part of a deferential approach that the BBC in Scotland has to the UK. It would be interesting to hear comments on that.

Also, to live in a counterfactual universe for a minute, how, if at all, would the BBC in Scotland be different had broadcasting been devolved back in 1999?

Hayley Valentine: That last question is an interesting one, but I will come to the first points first—let me think about that.

On Tim Davie and politicians, I have a couple of points. I do not want to speak for Tim Davie but, as far as I understand it, his door is open to all politicians all the time. We know that he has regular contact from Scottish politicians. I think that I have met all the party leaders at least once, if not more than once, and I have not turned down a meeting. If you want to talk to me about something, whether it is your perception or what other people are telling you about the BBC, my door is open. I have met a number of members one to one, and I am happy to do that whenever possible. I will absolutely make the time for it. It is very important to me, particularly at the moment, because we want your support as we head towards the charter renewal.

On the point about reserved issues, Gordon Brewer was around a while ago, and things are very different now. Since we launched our new “Radio Scotland Breakfast” programme, which Martin Geissler presents, we have had the secretary of state on a number of times, and we have had Rachel Reeves, Kirsty McNeill and Michael Shanks on the programme. It is different. There is not a pushback of politicians. We bid for politicians all the time, as you know. That is a big part of the programme’s remit.

Clearly, our remit is to cover the stories that have the biggest impact on our audience in Scotland, particularly with our radio services. The distinctiveness of Radio Scotland is absolutely about serving audiences in Scotland. I would have to look at the ferries issue and at specific stories on it, and at the aircraft carriers, but ferries are a massive story for our audience—they are literally a lifeline for our audience. We know that they use the ferries regularly. Some people use them for everything from getting to work to getting to the doctor or whatever, so that is really important to us. The aircraft carrier issue has been covered across network news, which is obviously available in Scotland as well.

I would have to look at the specifics of the issues, and I can come back to you on that. However, broadly speaking, our responsibility—particularly with programmes that are serving Scotland, and particularly with our news content—is to look at issues that we know that our audience wants us to cover. We are working in that area. For example, heading into the election, we will be using the your voice brand, which is a way for people in our audience to get in touch with us to ask us to cover the stories that they want us to cover that we might not know about. So far, we have covered issues from bus fares to a retiring ballet teacher in Edinburgh. We do a huge range of stories that we might not necessarily know about but that the audience brings to us. That is what we try to deliver on a daily basis.

Recently, we have had a lot of politicians who are part of the UK Government, not only the Scottish Government, on our programmes, so the situation has changed—if you asked him, I think that Martin Geissler would also tell you that it has changed.

09:15

In response to what the difference would be if broadcasting had been devolved, I do not know because it is a hypothetical question. I feel that we are doing a job for the people of Scotland. The industry has changed massively and we have tried to move with it. It is our job to keep up and ensure that we serve all our audiences. I regularly talk to the Cabinet Secretary for Constitution, External Affairs and Culture and to a number of people who are in this room. If broadcasting had been devolved, I do not think that my role or how I carry it out would be any different.

Luke McCullough: The audience has told us that it wants us to be independent of Governments—plural—which is important. In the survey that we did last year, that was actually seen as more important by respondents in Scotland than by those in other parts of the UK.

Whether broadcasting is reserved or devolved is a matter for Parliaments and Governments. The BBC operates in the broadcasting environment that it finds itself in, but we made agreements with this Parliament and with the Senedd in Wales about 10 years ago to lay our annual report and accounts at those Parliaments, despite broadcasting being reserved. As BBC witnesses, we come to be scrutinised by this committee, which is quite right. Indeed, we work with the committee across the wider culture brief, which we would do whether or not broadcasting was devolved or reserved.

Relations are on-going—in fact, the director general, who was here last year, as you mentioned, is giving evidence at the Senedd in Wales today. There are on-going levels of dialogue, and I am sure that that would continue on either side of the coin if broadcasting was devolved.

Rhona Burns (BBC): Just to come in on that point, it is worth reflecting on the economies of scale that come with the operating model as it stands, particularly in how we reach content audiences in Scotland through our technology, distribution and content, much of which might be produced for the whole of the UK but from which Scottish audiences also benefit.

Keith Brown: I have to say that I am less than convinced by the answer—I would not even say that it was an answer—that was given for why the BBC Scotland feels that it was not important to

cover the aircraft carriers situation. The carriers were built in Scotland and the cost overruns were huge. I would have thought that the fact that they did not actually work very well would also have been an issue. I suppose that we will have to differ, because I think that the BBC would be very different if broadcasting had been devolved.

It might be the case—I very much hope that it is—that we have another referendum on independence, depending on the outcome of elections and so on. If that is the case, how confident would you be that we would not see a rerun of what we saw in 2014, which was the importation of journalists en masse—not only by the BBC—including some Scottish journalists who for a long time had not been based in Scotland, to take over the coverage? Are you in a better place to resist that now? Would you want to resist it?

Hayley Valentine: As some of you know, I worked on the referendum campaign in Scotland with Scottish journalists and Scottish presenters who are based here and continue to work for the BBC. To say that people were helicoptered in—that is the phrase that we used to use—is not a fair representation of the whole campaign. However, bearing that in mind, there has been a huge amount of change since 2014. Some people who will vote in the upcoming election were in primary school at that stage, and life has moved on massively since then, not least in the way that the BBC operates.

For example, for the election coming up, we are working closely with our network colleagues; they are not working separately from us. We have steering groups that are led by teams in each nation—there is also the Welsh election—which network colleagues attend, and we make shared decisions about coverage and our ambitions and plans for those elections. However, network news is a large beast, and network news meetings are on-going that involve huge representation from nations and at a Scotland level, so it works in both directions.

The way that we operate has completely changed in the past 15 years, not necessarily because of the referendum, but for a number of reasons: we collaborate better, we have a better pool of resources and we better understand how the nations work within the network news framework.

You will also see that a number of things have changed in Scotland since 2014. We appointed James Cook—whom I worked with during the referendum, when he was based in Scotland, and who is based in Scotland now—to lead our coverage of the election, alongside our political colleagues who work in this building.

There has definitely been a shift in how we operate. We will lead things from here: the editorial will be absolutely led from Scotland by me and my head of news. The relationships that we have with the network are much closer than they were 11 years ago. The quality of journalists that we have here means that everyone is confident that that will be led from here.

Looking at how we covered the general election in 2024—I know that we are not quite into election campaigning mode for this year—we have a track record of increasingly using journalists who are based wherever they are in the whole of the UK. In the most recent election, I was working in local BBC in England. Network news programmes, including the 6 o'clock news and 10 o'clock news, used the local political reporters from the region that they were reporting from on a nightly basis, because they are absolutely the experts in their field. The level of detail that they can go into on a story that will presumably have been rumbling on for months and years, and which they will have been covering in their local area for that length of time, will be far superior to that of anybody who might come up on the train for the day to report on a story.

The forthcoming election and another referendum, should there be one, will be huge stories, and that does not just involve the BBC. We would expect international media of all descriptions to come to Scotland to cover that.

I know that you were specifically asking about a referendum, Mr Brown, but, for this election coming, we would of course expect journalists from across the UK to come to Scotland to cover what is a really big story. I do not think that you would argue against that. The editorial lead on the story will come from here.

Keith Brown: Our experiences of the referendum were probably quite different. I spent the last 10 hours of that campaign in the BBC studios and was interviewed a number of times by BBC journalists from outwith Scotland.

Leaving that aside, I will move to my last question. There was an excellent programme on BBC Four this week about John Logie Baird, which I learned a great deal from. One question that struck me was why that would come from BBC Four. Given the impact, both on the BBC and on society, of John Logie Baird's invention—one of his inventions still to come is 3D TV—and the work of Alexander Graham Bell, why is BBC Scotland not at the forefront of talking about how those two inventors have changed the face of society? Why does it have to be BBC Four that would cover that? Would it not have been a perfect opportunity for BBC Scotland to have covered something like that?

Louise Thornton: BBC Four obviously has a remit to cover the whole of the UK, and that includes Scotland, so it is absolutely within its rights—and it should be showing programmes like that. Our scheduling teams work closely together. When we have programmes that we think will work for Scotland, we sometimes do deals together to share broadcast packages. That is how we would work together. You may see that programme coming on to BBC Scotland, but we would work with our network partners to plan the outings of our programmes—such as our Burns programme, for example. We work very closely with BBC Four on what it is doing with its Burns output. We are all trying to get the best programmes in the right place.

Hayley Valentine: As I said earlier—Louise Thornton might have said it, too—we do not commission for channels any more; we commission for genres. We commission factual, entertainment, drama or news. We consider where those programmes will sit, and it will often be in multiple places.

Keith Brown: It just seems that you have a very rich opportunity to cover some of the stuff that is native and unique to Scotland, such as the invention of televisions and telephones, through factual programming.

I will leave it at that, convener, as I know that time is pressing.

Patrick Harvie (Glasgow) (Green): Good morning, everybody. I will address governance first. Some of the evidence that we have heard makes a strong case for a more decentralised model. To pick up on one of Hayley Valentine's earlier comments, I do not think that the people who have made that case are bringing us specific instances where they think that the BBC in London has picked up the phone and told you to make an editorial decision differently. I do not think that they suggest that there is that level or nature of control. However, they do make the case that BBC Scotland would be stronger and better able to serve its specific audience if it had a more decentralised structure.

I do not think that it is just individuals. Even Screen Scotland, which is hardly likely to indulge in a conspiracist mindset, has made a case for stronger, effective governance involving the nations and regions throughout the UK, particularly Scotland—a more decentralised approach. I do not imagine that BBC Scotland will sit here and advocate for one particular model to come out of the charter review, but have you looked at what the options might be if this committee or the UK Government was to decide that charter renewal would involve some degree of greater decentralisation? What would work and

what would not? Are there models that you have considered that would be more or less effective than others?

Hayley Valentine: I will speak briefly on that, and then I will hand over to Luke McCullough, because he looks at governance issues as part of his day job.

The BBC has gone through various governance structures, and the structure is absolutely up for debate and change. For me, it works really well. I have worked with two non-executive directors. As I say, I spent a year in BBC Local and now I lead BBC Scotland, and having a non-executive director in each of those instances has given me support when I needed it. They did not get involved editorially and they have not done anything that made me feel uncomfortable. We have our director of nations, who sits on the BBC executive committee, and we have strong representation through that. We work well as more than the sum of our parts. How it works at the moment means that I am not desperate for change, because what happens works well for me.

Luke, do you want to talk about the broader conversations that are going on?

Luke McCullough: As Patrick Harvie said, there is an active question about the governance of the BBC in the UK Government's green paper. The UK Government probably favours some models over others, and, as Patrick Harvie said in his question, I would be cautious about advocating for one over another. However, I recognise that it is a live discussion and that the BBC has experience of different governance models from having governors at one point and then the BBC Trust. We are now independently regulated by Ofcom and, in Scotland, we have a direct relationship with the regulator. We speak to Ofcom Scotland and Screen Scotland regularly.

A lot of the ways in which we operate are as the public broadcaster of Scotland, and I am not entirely sure what would change if the governance changed. I am not clear what people are seeing on a day-to-day basis not happening now that they would see happening in the future. It is a conversation worth having, but I am not sure that I see a pressing need for change.

Patrick Harvie: One of the issues that is being considered at the UK level is the politicisation of appointments, and I am quite open about the fact that I hope that politically appointed individuals are removed and that we do not have such a process in the future.

However, the point about decentralisation is slightly separate from that. If there was to be a move in the direction of some form of greater decentralisation, I would be a bit surprised if BBC

Scotland did not have a view on how that could be made to work and what would be a successful model of delivering that, as opposed to an unsuccessful one.

Luke McCullough: It is important that we hear the voice of the audience in Scotland, and we do a lot of that anyway. We hold a lot of virtual sessions at which we literally hear what people in Scotland think about our output, what they think we should be doing and what they think we should not be doing under the current model. I am not sure what bit of that is centralised that people would like to be decentralised. None of the three people here, who are based in Scotland, reports to anybody in London. There seems to be a view of what the model is versus the reality. Maybe we need to get better at explaining that.

Patrick Harvie: I do not want to devalue listening to the audience, but the audience will be focused on what they see and hear in the output rather than what they know about the structure.

To turn to quotas, the DCMS has said that it is open to some variation or change to quotas of production. Have you looked at what would serve the interests of the Scottish broadcasting and production sectors more effectively? There have been some long-standing criticisms and we have heard evidence that there is a general desire for change, but it does not necessarily alight on a single model of designating output as particularly Scottish or on how production can benefit the wider sector.

Hayley Valentine: There are a couple of things to say. Clearly—I hope that this comes across—I am incredibly ambitious for BBC Scotland. As Louise Thornton will tell you, production companies are not short of good ideas, which they bring to us, and we are not short of really good scripts. It is true that we could make more content than we do. However, I think that, within the BBC's financial constraints, we do pretty well, particularly through the model of attracting third-party finance, which is really going to front load things in the future.

09:30

We do not set the quotas; those are set by Ofcom, and it is a matter for Ofcom if it wishes to change them. However, in the past year, we have announced that we will work more within the spirit than to the letter of the quotas—I think that that was the phrase that was used. We will only by exception have programmes that are made in Scotland that qualify on only one criterion, and we are front loading the spend criteria so that more money is invested into the sector in Scotland. That is our ambition.

That is not to say that we will never do anything that hits only one of the criteria in the quotas as they currently stand. At present, around 90 per cent of our programme choices meet at least two of the criteria, so the new approach will not be a massive change for us. Nevertheless, we will now be looking at it through an "only by exception" lens. That is where we currently are.

There was a second part to your question on quotas, was there not? I forget what it was.

Patrick Harvie: I do not remember a second part either.

Essentially, the case is made that there is a degree of need for change, as there are long-standing criticisms, but there seems to be no consensus on a particular model or variation of change.

You would be open to working with a more ambitious set of quotas, if that is what was decided—

Hayley Valentine: Yes, absolutely. If someone decides that a bigger percentage of the BBC budget is to be spent in Scotland, I will not struggle to spend it. We beat all our quotas at the moment; we are not living in a world where we are doing just the minimum.

When we were before the committee last year, we talked a little bit about the floor versus the ceiling, and I do not have a ceiling. At present, the quota for—

Patrick Harvie: Is it fair to suggest that, if there was to be a more ambitious approach, BBC Scotland itself—to link back to the earlier question about decentralisation—would need a bigger budget in order to be able to achieve more? Would the BBC need to push spending out more?

Hayley Valentine: Yes. When we mentioned decentralisation previously, we were talking about governance at that stage—

Patrick Harvie: Yes, but there is a financial aspect to it.

Hayley Valentine: Yes. I would also welcome having more senior leaders and more commissioning power in Scotland.

As we have talked about with the committee both today and in our evidence session last year, we have a lot of successful models around the commissioning model. I think that we have a model that others can look to. That is the case with drama and comedy in particular, where we have Scotland-specific commissioners who work with Louise Thornton and network commissioners who work to network genres. Both sets of commissioners are based in Scotland, working closely together on some projects and separately

on other projects. That is a very effective model for the direction of travel. If we could replicate it further, I would be happy with that. Nevertheless, you are right that it would require more money.

Patrick Harvie: Can I ask you to contrast some of the comments that you have just made with the pushback that has been received around changes to Radio Scotland's late-night output? You will be well aware of some of the criticisms. The Scottish Music Industry Association has described the changes as

"a significant withdrawal of vital support for Scotland's artists"

and

"the erosion of a dedicated, culturally rooted space in the schedule where Scottish artists ... can be discovered, contextualised and championed."

The argument has been put to us that there is a shift to replace what is described as "discovery" music programming, which introduces audiences to something new and creative, with what is described as "easy listening". Can you respond to that and say how it relates to your comment about wanting to be ambitious and risk taking in your output?

Hayley Valentine: And distinctive—that is the thing here. I am sorry, but this answer will not be particularly quick.

Since I took over this job, I have been looking at all our services, and I am looking for growth. To go back to the question about the licence fee, we need to make sure that people in Scotland are finding content that they find valuable, interesting and worth spending their time with.

Radio, in particular, had not changed terribly much in quite a number of years, for very good reasons. We were in the middle of a digital revolution and we had launched a television channel, and the radio station had been in a bit of a decline. It is not that long ago that Radio Scotland—Scotland's national radio station—had a million listeners, but, when I took over, it was down to around 800,000: we had lost about a fifth of those listening.

I took the view, therefore, that we needed to do a number of things. It was not a crisis, but we do not wait for things to become a crisis before we change them. We looked at our breakfast output—as you will know, we have made some recent changes to that. We looked at areas where we thought that we could bring in new talent. That is a big part of our strategy: we need to develop people and bring in new talent, but that will not happen around our breakfast show, for example; it will happen at other points in the schedule. Finally, we looked at the areas where—to be frank—the audience decline needed to be stopped. We were

looking at really small numbers for a couple of shows, and the late-night schedule was not attracting the share of the audience that we would expect it to get at that time. I am talking about the share of the available audience; I understand that late-night audiences will be smaller.

In my view, we made a relatively small schedule change. Clearly, it has attracted a lot of noise, as every change that we make does. We put the programmes out to tender and announced new presentation and a new schedule across the week. I brought in a new head of audio and events to look after the radio station, because that was important to me alongside our events criteria and our events schedule. The other thing that is important in radio, as you will know, is that we have some kind of coherence across the week. We know that people listen for personality and for the warmth and energy of a particular presenter.

That is kind of it—we have not changed our music policy at all. I totally understand that we are always going to make a small number of people unhappy if we change the schedule, because we do not wait until we have zero listeners. We know that, unfortunately, some people are unhappy when we make all sorts of changes, such as the changes that we have talked about at committee in the past.

I do not know what the answer to this is, but there is always a gap between when something is announced and when it starts. We do not announce programmes on the day that we start them. In that gap, in this case, some misinformation grew around our support for the Scottish music sector—

Patrick Harvie: What was that misinformation?

Hayley Valentine: It was that we are pulling away from the Scottish music sector and not supporting Scottish artists and new artists, and that, somehow, we are moving to an automated playlist. There are actually only four hours of our schedule—during the day, from 10 to 12 and from half past 1 to half past 3 in the afternoon—when we have a playlist, and it is not made by a machine; it is made by an individual. Our playlist is three times as big as the playlists of our commercial rivals.

Patrick Harvie: I will ask you to focus on the specific point, because I know that we are tight for time. Are you telling us that, as a result of these changes, there will be at least the same number of, or more, hours of what would be called genuinely free-form, late-night music discovery?

I appreciate the point about protecting audience numbers and trying to drive them up, but that is not the only consideration here—

Hayley Valentine: No, absolutely not—

Patrick Harvie: It is about giving emerging artists a platform and the opportunity to be found and to be heard.

Hayley Valentine: Yes—I am telling you that there is no change. We have done a bit of research of our own, because it is important to us that we monitor new output. That research shows that, between the last week of the old schedule, in December, and the first two weeks of the new schedule, the number of Scottish artists and the number of new Scottish artists have remained broadly the same. We are looking across the piece for growth and for bigger numbers—to make more of our audience think that we are, to be frank, worth tuning into. I would argue that a new and emerging Scottish artist in that space would get a bigger audience. There is limited point in artists going on programmes that are in decline if they are not getting a big audience there.

In response to your specific question, I am absolutely telling you that. We are not playlisting and we are not reducing the number of Scottish artists. That would not make any sense to us. We support more specialist music programmes than any other network does, including “Travelling Folk”, “Take the Floor” and “Pipeline”. We support a lot of specific, specialist Scottish programmes.

Our daytime schedule is more mainstream, but, at that point in the day, 25 per cent of our music tracklist is still Scottish, and in the late-night schedule we will carry on supporting Scottish artists. What you have suggested is not the change that we have made.

Luke McCullough: I think that there is a slight mischaracterisation of what was on air before. I heard Natasha Raskin Sharp's last show, for example, while I was going about my business: there was Billie Holiday, Nina Simone, Crosby, Stills & Nash, the Ramones and a choir from New York. That is not new and emerging Scottish talent.

In our new schedule, we have Roddy Hart, who knows the music scene in Scotland like the back of his hand, presenting two new programmes. There is more Roddy Hart than there was; he is now on at the weekend, on Saturday and Sunday.

What may have caused some of the confusion is the procurement exercise. Some of the programmes are made for us by independent producers; they are not made by the BBC. It is quite right that we engage with the independent sector in Scotland. That procurement was for the weekday output, and we make the weekend content in-house. We, the BBC, are making Roddy Hart's content—the procurement exercise was for the new programme during the week. That is possibly where some of the confusion has come from.

Patrick Harvie: Is there time for one more question, deputy convener?

The Deputy Convener: Very quickly, with a very quick response.

Patrick Harvie: Okay. I was going to move on to something else substantive, so I will leave it there.

George Adam: Good morning. I want to follow up on Patrick Harvie's last question with regard to radio. Hayley Valentine, did you say that there is not a playlist? That has been one of the big issues out there: it has been said that you are moving to a playlist.

Hayley Valentine: For 70 per cent of our music programming, there is no playlist. The music is selected either by specialist producers who work on the programmes or—as in the case of Bryan Burnett's programme, which is my own favourite programme—by the audience. The rest is our more mainstream daytime output—we play roughly four tracks an hour between 10 and 12 and between half past 1 and half past 3.

I think that when people talk about a playlist, they mean that someone presses a button on an electronic jukebox, but that is not the case. We brought in a music scheduler to refine our playlist, which has something like 1,200 tracks. The tracks are chosen by an individual who understands our audience and by our new head of audio and events, in collaboration, and, in any given hour, you should hear at least one Scottish track.

I heard you talk earlier—I think that it was you—about mandating the playing of Scottish music. I do not think that we need to do that, because we are already playing masses of it. In the programmes across all our evening and weekend schedules in particular, there is no playlisting, but the playlisting in our other programming is not done by a machine.

George Adam: There is some confusion there. The minute that you talk about playlisting, people start thinking about some of the virtual broadcasters that record a show 24 hours before with the presenter, and it involves literally pressing a button and songs come out.

Hayley Valentine: Yes—that is not the case for us. We do not have that anywhere in our schedule.

George Adam: In broadcasting, and in radio in particular, there has been a concern over the years that there has been a pullback, not so much from the BBC but more from the commercial side. However, it is now hugely competitive for you all because, on the commercial side, Global Media & Entertainment, which left Scotland, has now come back with two radio stations, and STV Radio has just been launched.

Luckily for me, I seem to be part of the demographic that Radio Scotland and STV Radio are going for, so I am quite enjoying radio at the moment. However, it is quite competitive, and BBC Radio Scotland needs to remain competitive. I was going to ask about the reduction in listeners from 1 million to 800,000. That is quite a drop, and you had to do something to change that. If you took football away from Radio Scotland, that would take quite a lot of those 800,000 listeners away as well.

Hayley Valentine: I could talk about radio all day—as you know, I am passionate about radio.

We talk about linear television and the drop-off in numbers, and why we are concentrating on our digital services, but radio is not in decline. There is a fight to be won, and there is a market for radio overall. The number of listening hours is not going down.

You are absolutely right: the competition in Scotland is fierce, because we are competing against not only other Scottish services—many of which, as you said, are commercial—but services in the rest of the UK. A decent number of people in Scotland listen to the “Today” programme or to Radio 2, and that is quality content. We have to find a way for Radio Scotland, which is the only national radio station, to compete for and attract an audience.

We can talk about the importance of age demographics, but I do not adhere to that quite as much as some others in my industry. I think that it is about tone of voice: we attract people because we have a certain tone of voice, and they come to us for warmth and inclusivity. Yes, we were doing a lot of news on Greenland this morning, but people come to us because Radio Scotland is the place where they will hear a distinctively Scottish news output and conversation. It is the place where that conversation should happen. They will hear distinctively Scottish music and culture, and distinctively Scottish sport.

The trick in all that is not easy to pull off. It is to take all those different genres across a national radio station—which, by definition, includes all the opts that we have for the various parts of the country, looking after specific audiences—and bring it all together through something that feels like it is a warm, inclusive, distinctive, respectful identity-based tone of voice.

In our radio programming, we are not looking for 25-year-old listeners; we accept that they are probably going elsewhere. However, we think that, across a really broad age demographic, we can bring people back in, because we are now offering our service in a way that we had not previously been doing.

That can involve simple things. For example, our new head of audio and events has worked hard to get our presenters to talk to each other and about each other’s shows in a way that feels authentic and real. You can hear that—you can hear the difference. They are talking up each other’s shows in a way that makes you think that they have actually listened to them, because they have.

09:45

George Adam: I quite like the chattiness, because if I wanted just to listen to music, I would put on Spotify or some other streaming service. I enjoy the chat—I know that some people have complained about the chattiness on the flagship news show in the morning, but I personally prefer it.

I have a general question. You mentioned sport just now because I mentioned it, but you also mentioned it in your opening remarks. It is great that Scotland football games are now shown on the BBC. What are the long-term ideas for that? Into the future, there will be an opportunity to bid for other qualifying games. Are you going to look to keep those games?

There is disappointment at the Commonwealth games leaving the BBC for the first time and going to TNT Sports, behind a paywall. For me, watching athletics, the Commonwealth games is the only time that I have a team to support, so that move is disappointing. How did we end up in that position?

Hayley Valentine: I will start with the football. We have the football up until, and including, the world cup. We are currently working on our world cup plans, and we are very ambitious for those. We want to cover not only the games taking place in America but the bringing together of people around the world cup as a national event in this country. A lot of our reporting will be in Scotland—we treat these events as things that bring the nation together; they work like nothing else.

As you know, I worked pretty hard, and pushed very hard, for the Scotland rights. As I said earlier, that has paid off in the numbers of people, not only in Scotland but across the whole UK, watching the Scotland team, and the numbers of people who will come to us for something like a Scotland game and then stay for something else. As part of the wider strategy of bringing people into the BBC, it has really worked, and I am ambitious to carry on with that. We are not in those conversations yet, but I will be ambitious to keep the Scotland games on free-to-air television—

George Adam: But you told us previously that you had to get buy-in from the BBC centrally in order to do that.

Hayley Valentine: Yes, and that is part of the argument. We were arguing in theory previously that screening Scotland games would be a good thing for the whole of the UK, and we had match funding, with both Scotland money and network money going into the Scotland games. The evidence is that it has paid off in terms of raw numbers for the whole of the UK. Huge numbers of people have been watching the Scotland games. Recently, a friend who was up from London said to me that he got his kids out of bed and said, “This is the best football match I’ve ever watched—you need to get up and watch it.” He is a Londoner living in London.

I think that the argument on that is won, but there is also the financial aspect. Let us not pretend that the BBC is in a great financial position: everything that we do means that we stop doing something else in order to pay for it. We will have to find the money, so I am not guaranteeing anything, but you know where my ambitions lie.

On the Commonwealth games, I was very disappointed—I am a sport fan and I think that the games are great for our audiences. As you said, the Commonwealth games are one of the few events where people get to wear the Scotland jersey to represent their country. However, it is a competitive world and we were outbid—that is the straightforward nature of it. I hope that TNT makes a brilliant job of it for the audience, and I hope that you, and all the other sports fans in Scotland, get to see as much of the Commonwealth games as possible. I wish TNT all the luck in the world, but that does not mean that I am not disappointed, because I am.

We will still cover the Commonwealth games as much as we can. There is an open conversation: the Commonwealth games are listed as a category B event in Ofcom’s “Code on Sports and Other Listed and Designated Events”, so there is a conversation about highlights to be had, as the highlights have to be on free-to-air television. I do not know what TNT’s plans are in that regard, but the highlights will have to be somewhere on free-to-air. We do not yet know whether TNT is going to make them free to air or talk to another broadcaster. Across the piece, the conversations are not quite over, but we will make sure that we cover the Commonwealth games.

For a Scottish audience—away from the live events, which are obviously a big deal—that sort of coverage is often the place where they discover new talent and learn about new athletes coming through. We will cover the ones to watch as the Commonwealth games approach, and we will do nightly slots about the games on our news programmes with as much footage as we can have. The back story of the parents who have taken their kid to the swimming pool at 5 in the

morning for 20 years, or whatever it might be, is often what grabs the nation’s attention, and we will do as much of that as we can.

George Adam: Okay.

On television production, you previously told the committee that it was your ambition for every regional network production to qualify for a quota on at least two criteria; I think that you mentioned that earlier today as well. However, that has not been the case so far. Why is that?

The Deputy Convener: We are very tight for time, so can we have very succinct answers?

Hayley Valentine: I will try my best.

As I said, up to about 90 per cent of our quota is made up of programmes that qualify on at least two criteria, so those that do not are very much the minority. Is that right? I am not misquoting anything.

Rhona Burns: That is correct.

Hayley Valentine: We have made public announcements about the fact that it is only by exception that we will accept programmes that qualify on only one criteria.

George Adam: The previous time that you were before the committee, you mentioned the new dramas that you were commissioning. “Counsels” is produced by Balloon Entertainment in London and “Grams” is produced by World Productions in London. Will they hit at least two of the criteria to qualify in Scotland?

Hayley Valentine: Yes. I think that they have bases in Scotland—Balloon certainly has a base here—so they qualify on all three criteria.

Louise Thornton: They both have bases here. The originator of “Vigil” works for World Productions (Scotland) and lives and works in Scotland, and the executive producer of “Counsels” lives and works in Scotland.

George Adam: So they qualify on all three, then?

Hayley Valentine: Yes. “Counsels” is in production and we are very excited about it. It is employing hundreds of people and has a cast of 90. There was nervousness about whether we would support new talent, but the six leads in “Counsels” are young actors, so it is bringing through new talent. It is filming in lots of different locations, including in studios and out and about across Scotland.

George Adam: Is that the one that Mhairi Black is in?

Hayley Valentine: Yes.

George Adam: If I do not win in the election, can I bid for a place?

Hayley Valentine: You can audition in the same way that Mhairi did.

The Deputy Convener: That is probably the opportunity to move on.

Neil Bibby (West Scotland) (Lab): Good morning. On the changes to the Radio Scotland schedule, which I have raised previously in the committee and with the BBC, I welcome the assurances about the importance that Radio Scotland places on emerging Scottish artists and on maintaining the number of hours. On the issue of listening to the voice of the audience, it is fair to say—it has been raised with me—that the presenters and shows are much valued by their listeners. I know that the BBC will keep under review how the schedule changes develop and pan out.

I want to ask about the fact that the BBC funds local democracy reporters. We talked at the start about the importance that the BBC places on local news and the events in the north-east and the Highlands, for example in relation to the recent weather. Those reporters are funded by the BBC but employed by local or regional news organisations. The purpose of the scheme

“is to provide impartial coverage of the regular business and workings of local authorities in the UK, and other relevant democratic institutions”.

There are 165 reporters across the UK; I do not know how many of them are in Scotland. As you said at the start, the BBC is our most trusted news source. How can we ensure that BBC Scotland has enough locally based journalists to maintain that high standard of accuracy for Scottish audiences?

We recently had STV here talking about its cuts to regional news. It has specialist news programmes for STV North and regional variations. STV is looking to cut the number of journalists that it has and has claimed that it will provide more content with fewer journalists—I struggle to see how that will be the case. When it comes to the BBC’s journalist base and the local democracy reporters, how will you maintain the level of local news coverage?

Hayley Valentine: Luke McCullough is better at the numbers, but I think that we have 21 local democracy reporters in Scotland.

Luke McCullough: Generally speaking, there is one local democracy reporter for every two local authorities across the UK. However, in Scotland, partly because of the geography, we upped the investment from the average and there are about 21 for the 32 local authorities.

Hayley Valentine: It is one of the things that we are discussing in relation to the charter, because we know that audiences want more local news. In a world where there are lots of news providers, from Facebook groups up to national broadcasters, hyper-local news is becoming more and more of a thing, and we are absolutely committed to covering that.

We are looking at whether we should expand the number of local democracy reporters. It is an interesting conversation on which we have not come to firm conclusions. I heard John McClellan say that there was a risk in Scotland in moving them into, for example, court reporting, because we do not want to undermine our really active court agency service. We will look at where we think that it is useful to increase the number of local democracy reporters; for the sake of the next charter, we are certainly open to more of that sort of model.

As I have said, it is an on-going conversation. As you know, we have, I think, 60 or 70-odd apprentices at the moment, who spend their apprenticeships in different BBC departments. We are discussing the possibility that the apprentices spend some of their time with externals. Working with other organisations would benefit them, undoubtedly, as well as us, and support the broader sector in certain ways. There is obviously some risk to it—if you send your reporters to work in the *Daily Mail* and they start writing stories about you, for example, it is not perfect.

How we support the local sector is an important part of our responsibilities. That is where I am on that point, with some caution that we do not want to undermine an active sector such as the court sector in Scotland. We are absolutely talking about the matter and about having a more open approach to how we work with other organisations.

On STV, I previously said publicly that I take no pleasure in the cuts at STV at all. It is very good for us to have active competition across the whole of the country. Several of our best journalists are in our Aberdeen newsroom, for example, and they have come through the STV system. We work closely with them on things such as pooling, and we have all sorts of active relationships with STV in the north. I recognise and understand the dilemma of making more content with fewer journalists, and I feel STV’s pain. However, we are not about to replicate that. We are absolutely committed to being outside of the central belt in all of our regions. As I said at the beginning, we have 14 bases, 12 of which have journalists in them, which we are committed to keeping.

The Deputy Convener: Thank you very much. I think that that concludes the questions for today.

Patrick Harvie: I know that we do not have time to get another question answered, but may I flag one issue and ask whether BBC Scotland would write to us on it?

The Deputy Convener: Of course, very briefly.

Patrick Harvie: We did not have time to discuss the deal that was announced about providing BBC content on YouTube. I have two particular concerns. First, YouTube is taking more audience share than the BBC now, for the first time. Is there a danger that the deal would simply enrich the offer of a rival rather than benefit the BBC?

Secondly, BBC content would be presented alongside whatever YouTube's algorithm throws at people, including extremism, and far-right and conspiracy content. Presenting BBC content in that context could degrade trust in the BBC's output. I know that we do not have time to get into an answer, but I would be very grateful if you were willing to write to us on those issues.

The Deputy Convener: We really do not have time, because we have another panel, so your writing to us will be appreciated.

I thank everybody again for their contributions. We will take a short break before the other panel.

09:58

Meeting suspended.

10:03

On resuming—

Section 22 Report: “The 2024/25 audit of Historic Environment Scotland”

The Deputy Convener: The next item is to take evidence from the Auditor General for Scotland on his section 22 report on Historic Environment Scotland. We are joined by Stephen Boyle, Auditor General for Scotland, and Lisa Duthie, audit director for Audit Scotland. Welcome to you both. I understand that you will be giving a short opening statement, Auditor General.

Stephen Boyle (Auditor General for Scotland): Good morning to the committee. I am very grateful to join you and I thank you for the invitation to speak to you about “The 2024-25 audit of Historic Environment Scotland”, which is a report that I published last month under section 22 of the Public Finance and Accountability (Scotland) Act 2000.

The report brought to Parliament's attention unacceptable governance at Historic Environment Scotland, including weaknesses in procurement, personal data breaches and unclear processes for the distribution and use of complimentary tickets for events at its venues. It also identified arrangements that we considered unacceptable in respect of the archive house project. That project has continued to incur expenditure despite being cancelled in 2024 and the decision to end it was not supported by either appropriate governance or scrutiny in the organisation.

I note that Historic Environment Scotland is navigating a period of significant instability and challenge. During 2025, it operated without a chief executive or accountable officer for almost six months. Although I recognise the complexity of the situation, I believe that the Scottish Government should have appointed a substitute accountable officer to provide the continued necessary leadership and accountability during that period.

I appreciate that the committee knows many of the matters relating to Historic Environment Scotland well. It will have seen that a new chair is in place, together with a recently appointed interim chief operating officer. It is critical that strong controls are now put in place to prevent the risk of fraud and to demonstrate that value for money is being achieved. During the annual audit process, the appointed auditor, Lisa Duthie, who is with me this morning, will continue to monitor developments, including any progress towards the implementation of audit recommendations. As is usual following section 22 reports, I will give further

consideration to whether any follow-up reporting to the Parliament on progress is needed.

I am happy to be here, and I look forward to answering the committee's questions.

The Deputy Convener: Before I bring in colleagues, I will ask a simple question. How surprised were you with the extent of the failings that were uncovered by your report?

Stephen Boyle: They are unusual circumstances for a public body. As I regularly say to the Public Audit Committee when I produce a section 22 report, most public bodies in Scotland are well run. They receive clean audit opinions and, although recommendations are included in many of the annual audit reports that are produced by their auditors, they are certainly not of the scale or significance of those in the audit report on Historic Environment Scotland.

The report sets out that there are many matters to address in terms of Historic Environment Scotland's leadership, governance and internal control environment and that the organisation can put in place the necessary, proper and rigorous arrangements so that it can do what it is there to do and provide its vital services. What is particularly relevant in this context is that it is an organisation that generates more than £70 million of additional income for public services in Scotland. That is unusual in scale for a public body, and it perhaps illustrates the point that even more rigorous arrangements are necessary in such circumstances.

The unusual circumstances prompted me, particularly given the strength of the content of the auditor's report, to prepare this report for the Parliament.

The Deputy Convener: You say that it is unusual. Given your experience, how would you place the problems that you have uncovered at Historic Environment Scotland in the context of the wider picture of the problems of other public bodies that have been subject to a section 22 report in recent years?

Stephen Boyle: The problems at Historic Environment Scotland are towards the challenging end of the spectrum, if I can put it in those terms. I prepare statutory reports—section 22 reports—on an annual basis. Every year, I prepare a statutory report on the Scottish Government. Although a section 22 report is sometimes characterised as a "what went wrong" report, I prepare them to support parliamentary and public interest in the scale of the activities and spending of the Scottish Government. Other reports are more in that alternative category, setting out where events have gone wrong in a public body.

Many challenges are set out in today's report for the organisation to focus on, but the report's aim is particularly to guard against risk and to highlight the need for effective governance and scrutiny and for high-quality internal controls in the organisation, given the range of activities that it deals with. Historic Environment Scotland is not just a public body delivering services; it has large-scale commercial activity going on inside it—not in a subsidiary—and it needs to get those arrangements strengthened, monitored and improved.

The Deputy Convener: You suggested that it was at the worse end of the spectrum. Would you say that it is the worst case that you have dealt with?

Stephen Boyle: It is hard to pin that down when comparing with other section 22 reports. There are other reports—including some that I have produced in recent years—that show significant deficiencies in how a public body was run. They have parallels with the report before the committee today. Rather than saying that the report rests on a particular side of the spectrum, I will say that, as I hope is clearly set out in the report, there are many issues to be addressed.

We welcome the new chair of Historic Environment Scotland's response to the section 22 report and his intention to review the organisation's effectiveness and culture. When I gave evidence to the Public Audit Committee on the report around two weeks ago, culture was discussed, and I was pleased that the chair is including that, as part of the review process, that is being undertaken. Although resolving the issues is necessary, I do not underestimate their scale. They are complex issues of leadership and governance for the organisation, under the leadership of the chair, to address.

The Deputy Convener: I am conscious of time, but I think that there is interest in this issue, so I will move on to Stephen Kerr.

Stephen Kerr: How did this happen to Historic Environment Scotland? What is your assessment? Maybe that is a question for Lisa Duthie, because she has got into the forensic details of the organisation. How on earth did we get to this place?

Lisa Duthie (Audit Scotland): The starting point is to refer you to the appendix of our section 22 report, which sets out the extent of the instability in leadership over the period of time in question. A number of the matters that we refer to and have reported on today fall within that period. That starts with the interim appointments, when the previous director of finance and corporate services and chief executive left, and then the appointment of a permanent chief executive in

September. Subsequently, there is her absence and the lack of an appointment of a substitute accountable officer in that time.

Stephen Kerr: So the management of HES's affairs has been pretty unstable for a considerable period of time. We are talking about more than two years.

Lisa Duthie: Do you mean the leadership?

Stephen Kerr: Yes, the leadership.

Lisa Duthie: There has been instability in the leadership dating back to 2023.

Stephen Kerr: The Auditor General has highlighted the six-month period when Historic Environment Scotland did not have an accountable officer. This question is not directed solely at you, Lisa. In your professional judgment, at what point did the lack of an accountable officer go from being understandable to being unacceptable?

Stephen Boyle: The first thing that I would reference is the correspondence that the committee has received from the cabinet secretary and the evidence that the committee has taken from the cabinet secretary and his officials. As we have set out in our annual audit report and in the section 22 report, this was a fluid set of circumstances. An organisation will not necessarily know straight away how long a chief executive is going to be absent. We also understand, and it is set out in the correspondence, that there was something of a to and fro about prospective acting or interim arrangements, and they were also interrupted by the early resignation of the former chair of Historic Environment Scotland.

Those are all contextual points, but what we have before us is an organisation that was going through a challenging time and operating without an accountable officer. The Scottish Government should have appointed a substitute or acting accountable officer during that period. It should have acted sooner than it did.

We also disagree with the assertion that, when the accountable officer returned to work, they were able to discharge their duties solely in respect of the annual report and accounts. Since then, the accounts have been signed by discharging them in response to the section 22 report. We are quite clear—indeed, it is not just me; the Scottish public finance manual is quite clear—about what the duties of the accountable officer are. Those duties cannot be distilled down to a transaction here or there. They are all-encompassing personal responsibilities that are set out for that person by the permanent secretary of the Scottish Government.

What matters is that there should now be a period of response and stability, and clear lines of accountability through an accountable officer as quickly as possible, so that the organisation can move on and bring stability back.

Stephen Kerr: Just to update the committee and those who are watching the proceedings—there will be a few, because the issue has generated a lot of interest beyond the organisation—how would you describe the current arrangements for an accountable officer in HES? Who exactly is carrying out all the totality of those responsibilities as described in the Scottish public finance manual?

Stephen Boyle: I hope that the committee will know that the chief executive has returned to work with Historic Environment Scotland, but in a limited capacity. I will bring in Lisa Duthie to say a bit more about the specifics, but we understand that they were initially to discharge those responsibilities in respect of the annual report and accounts, and now they are working in response to the section 22 report and external engagement.

Alongside that, as I mentioned in my opening remarks, the chair of Historic Environment Scotland has also brought in a chief operating officer to provide leadership management for the executive leadership team. I would describe that as a hybrid, but I do not think that that hybrid is fully captured in the Scottish public finance manual. Ultimately, you cannot delegate the responsibility of being an accountable officer; it still resides with the individual who is appointed by the permanent secretary. At the moment, Mr Kerr, we have something of a hybrid-style arrangement, but I am not clear that it maps fully across to the requirements of the SPF.

10:15

Stephen Kerr: I do not want to put words in your mouth, and you would not let me anyway, because you are very accomplished, but HES does not appear to satisfy the requirement of the Scottish public finance manual in having an accountable officer as things stand, because there is no contingency for hybrids.

Stephen Boyle: It will be for the organisation to assert how it is meeting those requirements. Lisa Duthie might have a view—she has been around the organisation more regularly than I have—but I cannot quite reconcile the very specific duties of an accountable officer with the arrangements that HES currently has. It has senior, credible people in the organisation, but not necessarily in an arrangement that is consistent with those delegations.

Stephen Kerr: You cannot delegate that role; there has to be a named individual, according to the Scottish public finance manual.

Stephen Boyle: That named individual is the chief executive.

Stephen Kerr: But they are not fulfilling that role.

Stephen Boyle: My assertion would be that I am not clear how HES can discharge those responsibilities with the nature of the duties that it is currently able to fulfil. As the committee knows, there are on-going circumstances that we refer to in the report, including complex human resources matters in the organisation.

Stephen Kerr: Yes, we might come to those, but I know that time is restricted. Lisa, you have been referred to a few times—do you want to come in?

Lisa Duthie: The Auditor General has set out the current arrangements, including the fact that the chief executive is back at work in a somewhat limited capacity. Importantly, a chief operating officer has been appointed for a six-month period. That individual is leading the executive leadership team and the day-to-day operations, and is bridging the gap between the executive leadership team and the accountable officer.

Stephen Kerr: I appreciate that, but I am going to assert something, which is that, under the provisions of the Scottish public finance manual, there is not a clearly defined person who is fulfilling the role of accountable officer as per the manual and the requirement. You have used diplomatic language, but I am interpreting it that way. Please jump in and say that I have completely misinterpreted what you said, if that is not the case, but it sounds to me as though we are in an unsatisfactory position, where delegations that are not permitted are going on, and there is someone in a role who is not in a position to fulfil the full measure of the accountable officer role.

Stephen Boyle: It would be absolutely desirable for the organisation to move on from these arrangements as quickly as possible, so that it has a clear accountable officer who is discharging all the responsibilities that are set out in the SPFM. We are not in that position at the moment.

Stephen Kerr: The committee's role, obviously, is to scrutinise the Scottish Government, and in the case of this example, a non-departmental public body and the role of the cabinet secretary who is directly responsible for the body. I think that your section 22 report clearly states that the Scottish Government did not act in a timely way, or even in an urgent way, to deal with these issues.

In the report, there is talk about ratings going from green to amber to red. Is the situation still the same if HES does not have an accountable officer, by the definition of the Scottish public finance manual? Are we still at red?

Stephen Boyle: It is my understanding that it is. The traffic-light flow changed from green to amber in May 2025, and then from amber to red in August 2025.

Stephen Kerr: Are we still at red?

Stephen Boyle: That is my understanding. If there is an update, I can come back to the committee in writing.

Stephen Kerr: So we have still not had action from the Scottish Government or the office of the cabinet secretary to remedy the situation where a significant and very important body in Historic Environment Scotland is operating at a red status.

Stephen Boyle: I would not say that we have not seen action. There has been the appointment of a new chair and chief operating officer, which brings some stability to the organisation and allows it to respond not just to the events outlined in our reports but to concerns raised by others, for example about the internal audit function. Although I agree that the issue with the accountable officer needs to be resolved, there has been a response.

The traffic-light grading that the Scottish Government gives to its sponsored bodies is a decision for portfolio accountable officers to arrive at through their own assurance processes. It is unusual for an organisation to be red—that is a decision for the portfolio accountable officer—but, given the circumstances, I am not altogether surprised that it has remained red. We would hope to see evidence in 2026 of progress that would allow HES to de-escalate that situation.

Stephen Kerr: At the very least, though, the cabinet secretary should have acted to ensure that a substitute accountable officer was in place, but we still do not have that.

Stephen Boyle: As I mentioned, I have seen the correspondence that sets out some of the to and fro about why, in the Scottish Government's view, circumstances transpired that did not lead to a substitute accountable officer being appointed. As I have said this morning and have clearly set out in our report, we think that, at some point, a decision should just have been taken. During the audit and accounts process, but also just for day-to-day operations, there needed to be a level of clear lines of accountability and oversight that only an accountable officer discharging all of those responsibilities can satisfactorily attend to.

Stephen Kerr: You mentioned other issues, such as the toxicity of the workplace, which has been widely reported. We express our gratitude to those who have been courageous enough to whistleblow about the toxicity of the organisational culture in HES. Two positive things have happened: the appointment of Sir Mark Jones—who no doubt has his hands full, as he has a contract for only two days a week—and a brand-new chief operating officer. However, do you have any concerns that it will require something more than that to deal with the ingrained nature of the toxicity of the organisation and its culture? Do you have a view, for example, on whether there ought to have been, before now—or at least now—some form of external, independent review of the organisation and its workings and culture?

Stephen Boyle: I will turn to Lisa Duthie in a moment, because she has insight into the capacity of the organisation's leadership in these circumstances.

I welcome the fact that, in response to the audit findings and allegations made by whistleblowers, the organisation has initiated a review of its effectiveness and culture. We hope that that review, which we understand is due to run until this spring, concludes swiftly.

Stephen Kerr: Is that an internal review?

Stephen Boyle: Lisa Duthie can share some of the details that we have. We understand that HES is bringing in an experienced leader from outside the organisation to run the exercise. Again, that feels like a positive development in response to the need to tackle the issues.

My one caveat is that some of these issues are really complex. I appreciate that the committee has seen some of the correspondence—the allegations will require an in-depth process. There is always a balance to be struck. We want it done quickly, of course, but we also want it done properly and thoroughly. I will turn to Lisa for further insight on how that translates into the capacity of the leadership of the chair and chief operating officer.

Lisa Duthie: I understand that the review of the effectiveness and culture of Historic Environment Scotland has commenced. An external person has been appointed to carry out the review, which, if it progresses well, we expect to be concluded around May 2026.

As the Auditor General has mentioned, with the appointment of a new chair and chief operating officer, and two interim board members for 12 months, a number of actions have been taken to resolve the current situation. It is probably also worth pointing out the principal risks that Historic Environment Scotland recognises in its own

annual report and financial statements. One of those is people and culture. Specifically on the actions that are being taken to mitigate that risk, there is the wellbeing pulse survey that the organisation undertakes as well as on-going engagement with staff and a people strategy, so that we can see a recognition of the risks that exist, particularly around culture, and we can see action being taken to resolve that.

Stephen Kerr: Okay. I have one final question, which is a continuation of the discussion about the current state of the organisation. I have perhaps dwelt for too long—I do not know—on the accountable officer, but that seems like one of the crucial issues coming out of the section 22 report. There is also the issue of internal financial controls in relation to things such as the 400 purchasing cards, which seems an extraordinary number in an organisation with, if I remember correctly, 1,200 employees. What has changed in the past month in relation to the issues that you highlighted that relate directly to internal controls?

Lisa Duthie: As well as the work that we carried out on the electronic purchasing cards during the year, internal audit carried out a detailed review of the use of those cards. I refer in my annual audit report to its recommendations. That was a limited assurance report and there were nine recommendations in it that were accepted by the management of Historic Environment Scotland, so we expect to see progress against those. The report was issued in August and it went to the audit, risk and assurance committee in November time, I think. We will follow up on it as part of our 2025-26 audit.

Stephen Kerr: Do you have any idea whether any of the recommendations that were accepted have now been actioned? Will we see a reduction in the proliferation of purchase cards?

Lisa Duthie: We have not yet followed up on those recommendations, but we will do that as part of our 2025-26 audit. Also, there is a meeting with the audit, risk and assurance committee in February, at which we would expect to see a status update on all internal recommendations within the organisation.

Stephen Kerr: I appreciate that we are short of time and I have taken up a lot of time. I am grateful to my fellow committee members for allowing me that indulgence, but I should probably stop there. Thank you.

The Deputy Convener: Thank you, Mr Kerr. Neil Bibby is next.

Neil Bibby: To go back to the convener's opening questions, I think that similar issues were identified in the Water Industry Commission for Scotland, which led to a Government review and

changes. At the same time, there have obviously been serious issues at Historic Environment Scotland.

I asked the culture secretary when he was last here discussing it what assurances we have that such cultural and financial issues are not happening in other parts of the culture sector, and he said that there are no such issues in other parts of the sector. I appreciate that you have 200 public bodies to look at, but what confidence can we have that these issues are not replicated in other parts of the culture sector specifically?

Stephen Boyle: The assurance that I can give the committee this morning is that a section 22 report is rare. We do not just do an audit of the accounts in the public sector in Scotland. We also do what we call a wider scope audit—we look at financial management, financial sustainability, governance and leadership and value for money. An audit is not foolproof, but those warning signs are not being set out through our audit work on other public bodies.

It has been mentioned already this morning that some of the sponsorship arrangements within the Scottish Government are another indicator, or a temperature test, of how public bodies are performing. You mentioned the Water Industry Commission for Scotland, which is one of the most significant examples in recent years of a public body with challenges, but such examples are unusual.

We think that the arrangements through public audit and, for the most part, sponsorship, are working, although there is still work to do on sponsorship arrangements with public bodies.

As I set out in “The 2024/25 audit of the Scottish Government Consolidated Accounts”, which I referred to earlier, it is clear that the Scottish Government has made progress on sponsorship, but there are still aspects to be tackled around the sophistication of sponsorship and how that can work effectively. As you would expect, I am not in a position to give a blanket assurance that these issues are not being replicated. However, I will invite Lisa Duthie to come back in to speak about findings from previous parliamentary inquiries or audit reports and the extent to which they were used by Historic Environment Scotland, which might be of interest to the committee.

10:30

Lisa Duthie: Some of the issues that we raised in our report were brought to my attention through the risk assessment process of the audit early on, by both the previous appointed auditor and Historic Environment Scotland’s internal audit service—specifically, the issues with electronic purchasing cards that you can see. As auditors, we

would regularly carry out high-level risk assessments in this area. Quite often, that is not material to the audit, so, as you would expect, we do not carry out detailed testing, but I would expect that it would come up through the risk assessment if there were an issue.

Neil Bibby: Auditor General, you talked about “unacceptable weaknesses in ... governance” at HES. I think that sometimes when the word “unacceptable” is used—not by Audit Scotland but in the political sphere—it does not really mean anything. Governments will say that a situation is unacceptable, but then accept the situation. I am not criticising you here.

You have talked about unacceptable weaknesses and the desire for HES to move on from its current arrangements in relation to the accountable officer as soon as possible. We have had a situation, as you have said, with invoices for farewell dinners, non-compliance with foreign travel policy, poor monitoring of expenditure, and 400 credit cards being issued to staff, with almost £2 million spent on those credit cards.

What powers do you and the Scottish Government have to turn an unacceptable situation into an acceptable one? Obviously, the desire is for HES to get its own house in order, but ultimately, what powers do you and the Scottish Government have to ensure that we get those changes?

Stephen Boyle: Those powers are quite different. My powers are set out in the Public Finance and Accountability (Scotland) Act 2000. I have no powers of intervention. My responsibilities allow me to report publicly on matters arising under section 22 of the 2000 act, through an annual audit, which we have done in this case, or under section 23, whereby I undertake wider value-for-money studies on particular topics across public services.

I will return to the question about the Scottish Government in a moment, but you made a point about “unacceptable” governance and referred to a number of instances of that. For completeness, the substance of those are: the absence of policy arrangements, and of compliance where there are policies on hospitality, the allocation of complimentary tickets, procurement arrangements not always being followed, data breaches in the organisation, which are being investigated, and there not being a formal register of interests for senior leadership in the organisation. Those are all points on which we have made recommendations, and they can be fixed. They are not terribly unusual or complex issues that cannot be resolved. I think that, in many respects, it is not so much a case of my having powers; it is a case of following proper processes and having effective

policies in place and implementing them. That keeps the public body safe; it keeps people who work for the public body within parameters in which they can operate safely.

On the Scottish Government's powers, sponsorship has been mentioned a couple of times. Scottish Government officials provide sponsorship, engagement, support and challenge to the public bodies that they work with. Ultimately, ministers will also have powers to direct public bodies; there has been some discussion in recent years about that being done through written authority or ministerial direction. There is, therefore, a range of alternatives that the Scottish Government can deploy.

I think that there is probably a level of complexity well below that, too. Those are arrangements that can be fixed. It might take the independent review longer to conclude its investigation of some of the cultural factors, but I do not see in this report an insurmountable number of issues that should derail the organisation while it is addressing them.

Neil Bibby: You mentioned the reasons that the Scottish Government has given for not appointing a substitute accountable officer. Obviously, you will have had conversations and correspondence with the Scottish Government and HES on that issue. Mr Kerr asked Mr Robertson in a parliamentary question whether the Scottish Government

"will publish the correspondence it received from Audit Scotland regarding the reported governance failures of Historic Environment Scotland"

and Mr Robertson replied:

"The Scottish Government did not receive any direct correspondence from Audit Scotland".

I do not know whether that means that he has received indirect correspondence. He went on to say:

"Further correspondence from Audit Scotland on the Section 22 report may have been received directly by Historic Environment Scotland."—[Written Answers, 15 January 2026; S6W-42703.]

Are you able to publish the correspondence that you have had with the Scottish Government or HES, so that we can understand the reasons that you have just cited for their taking particular positions?

Stephen Boyle: Sure. I am very happy to set out how that operates for the committee, and Lisa Duthie might want to explain it from the perspective of the annual audit process, too.

When I received the auditor's annual audit report, a number of weeks before publication, I read it—as I do with all the annual audit reports that auditors produce—and decided that there were matters of significance that, in my view,

warranted the preparation of a statutory report. Lisa Duthie, together with Audit Scotland colleagues, supported the drafting of that report, and I then sent that draft document to Historic Environment Scotland—which makes it correspondence, in effect—as part of what we call a fact-checking process to allow HES to confirm the factual accuracy and offer any other thoughts and comments.

That process is set out, but the cabinet secretary is correct: we do not write to the Scottish Government in that regard. That is correspondence that we have with the individual public body.

What we do not do, proactively, is publish the drafts of our reports. We would consider and reflect appropriately on any request to do so, either from this committee or from a member of the public, through the freedom of information procedure. The point, though, is that the process does not happen with the Scottish Government; a statutory report is on an individual public body, and that is where the correspondence resides.

If you would be content, and if it would be helpful, I will invite Lisa Duthie to say a bit more about the clearance of the annual audit report.

Lisa Duthie: I can add a small amount of detail on the scope of the section 22 report. Once the Auditor General made the decision, the report's scope was issued to one of the directors of Historic Environment Scotland—obviously, the chief executive was absent at the time—and I requested in that email that it be shared with the full executive leadership team as well as the sponsor team for information. So, that team would have been notified at the same time.

In the context of our engagement with both Historic Environment Scotland and the Scottish Government throughout the chief executive's absence, my colleague Carole Grant, who is an audit director for Audit Scotland and engagement lead for the Scottish Government audit, engaged directly with the sponsor team on their understanding of the position and what action was being taken to identify a substitute accountable officer on the Historic Environment Scotland side. I had various engagements with the former chair of the board, members of the executive leadership team and the chair of the audit, risk and assurance committee. So, there was substantial engagement during that period.

Neil Bibby: Thank you.

The Deputy Convener: I call Mr Harvie, to be followed by Keith Brown.

Patrick Harvie: Good morning. I, too, was going to ask about the lack of the appointment of an interim accountable officer. I agree that there

seems to be a lack of clarity about what happened in that case, but I am also concerned about the lack of clarity about what is supposed to happen. Any public body might find that their accountable officer has to go on leave tomorrow for any number of reasons and, from what we have heard, what is supposed to happen then seems unclear to me.

You told the Public Audit Committee last week that it was your view that

“a clearer intervention ought to have happened at a far earlier date”.

You also said:

“It is the responsibility of the permanent secretary, as the principal accountable officer of the Scottish Administration, to appoint the accountable officers of public bodies”.— [Official Report, Public Audit Committee, 14 January 2026; c 9.]

The word “responsibility” might be open to interpretation. Obviously, the political responsibility rests with the cabinet secretary, but it is unclear to me where the decision is made.

Angus Robertson previously said:

“At various stages there have been interactions with the board to explore whether there should be an interim accountable officer in place, but given that it has not been clear ... exactly when the chief executive might return to office ... the progress of such a replacement has not been taken forward by the board of Historic Environment Scotland.”

Later in the same meeting, Kenneth Hogg told us that the board

“discussed the on-going situation with the chief executive’s absence”

and whether it

“could progress to appoint an interim chief executive, if that is what the board felt that it wanted to do.”

He said:

“I repeated that I had met with the candidate that they had put forward as a potential appointee for an interim or acting chief executive role. I confirmed that we had said that we were happy to appoint that person as the accountable officer, although the board subsequently did not appoint.”— [Official Report, Constitution, Europe, External Affairs and Culture Committee, 6 November 2025; c 7, 24.]

In the broad sweep of things, the political responsibility obviously rests with the cabinet secretary, but does the decision rest with Scottish Government officials or with the board of the public body? On the absence of a decision, is it simply the case that no decision was made rather than there having been a positive decision not to appoint?

Stephen Boyle: I will try to address all your points, Mr Harvie.

Patrick Harvie: I know that it is a bit multidimensional.

Stephen Boyle: I appreciate that, so please come back to me if I miss anything in relation to the points that you have raised.

We have seen examples of interim accountable officers being appointed in public bodies at periodic intervals. For every appointment of an accountable officer—the permanent secretary is the one who makes the appointment—a letter is sent to the individual, because it is a personal responsibility. In the Scottish public finance manual, the personal responsibility of accountable officers is very clear. As I mentioned, I see that correspondence at periodic intervals—for every single appointment of an accountable officer, whether permanent or interim, I am included in that correspondence, as is the Public Audit Committee.

That is part of the reason why I am surprised that, notwithstanding the fluid set of circumstances that were set out by the cabinet secretary and Mr Hogg and in the correspondence that the committee received, a view was not taken at some point that the situation with HES not having an interim or substitute arrangement to bring stability had been going on for too long. I recognise the fluidity that you referred to, which is described in the correspondence, in relation to sourcing potential candidates and the question of the board’s responsibilities relative to the Scottish Government’s. However, I do not think that the absence of a decision helped the circumstances that the organisation was facing.

Patrick Harvie: I appreciate that and agree with it, but I am still keen to understand where the decision rests. You clearly said that the permanent secretary makes the appointment, but at what level is the decision taken about whether an appointment is to be made? In that circumstance, is it taken by the board of a public body or by officials in the Scottish Government? Is it made by ministers, or by the permanent secretary?

Stephen Boyle: I do not believe that it is made by ministers. That is my understanding. I believe that it is made at official level. A couple of factors are relevant: the first is that it almost always—

Patrick Harvie: Do you mean Scottish Government officials?

Stephen Boyle: Yes. My apologies.

Patrick Harvie: The comments in the previous meeting suggest that the decision was made by the board.

10:45

Stephen Boyle: I will clarify. The chief executive is almost always the accountable officer for a public body, although that is not the case in a couple of rare examples. The chief executive is

also an employee of that organisation. You typically have a recruitment process, run by the board of the organisation, that appoints a chief executive. Once that process has been completed, it feeds through to the Scottish Government officials and sponsor team, who then make the necessary recommendation to the permanent secretary.

Therefore, I accept that there are dual interests at play. Perhaps there needed to be consensus, but if consensus could not be reached, it was ultimately for the Scottish Government to appoint a permanent secretary, who would have been an interim or acting employee of Historic Environment Scotland.

Patrick Harvie: I am still looking to make a distinction. Does the Scottish Government, through the permanent secretary, appoint somebody, and who first makes the decision that an appointment is to be made? Is it the responsibility of the board of a public body, in this situation, to determine whether it believes that an appointment is necessary?

Stephen Boyle: Ideally, you would have a consensus. This case is an extreme example that tests the mechanics and detail of the Scottish public finance manual, because not everything is written down. Typically, when an accountable officer is to be absent for a month or more, an interim is appointed, but it is not the board that appoints the accountable officer. Although you want the board to agree, in our view, where there is no consensus, that responsibility ultimately resides with the Scottish Government officials.

Patrick Harvie: The responsibility not only to make the appointment but to decide whether an appointment is to be made—is that right?

Stephen Boyle: Yes, that is a fair assessment.

Patrick Harvie: Thank you.

The Deputy Convener: I will suspend proceedings for a couple of minutes.

10:47

Meeting suspended.

10:49

On resuming—

The Deputy Convener: Welcome back. We continue our evidence session with Stephen Boyle, the Auditor General, and Lisa Duthie.

Keith Brown: I have two brief questions. I do not have the full report in front of me; I just have a précis of your section 22 report. At the beginning of your evidence, you mentioned that the archive house project had been abandoned but that

expenditure continued to be made on it. Have you found out the reasons why that was the case?

Stephen Boyle: Good morning, Mr Brown. In the report, we set out that we did not consider the scrutiny or governance around the cancellation of the archive house project to be good enough. Decisions were made without full papers being presented to the board to be considered or a full discussion being held with the executive leadership team.

That helped inform our overall conclusion about the quality and effectiveness of governance and leadership in the organisation, which needs to be addressed in the wider review of culture and effectiveness, as is set out in the audit recommendations. Lisa Duthie can set out some of the detail on that for the committee.

Lisa Duthie: As we know, in May 2024, a situation report was drafted by one of the directors of Historic Environment Scotland that set out some of the difficulties that the project faced at the time. Some of those difficulties, such as the increasing cost of the project—the cost had almost doubled to more than £20 million from the original estimate of £10 million—and the governance challenges, are set out in our report.

As we said in our report, from what we could see, the situation report was not shared with the board at the time, so we were not able to see what scrutiny and challenge had taken place in order to reach the decision. We know that the executive leadership team had sight of the report, but we know that the transparency around that decision did not follow because we were unable to see a record of the discussion or, ultimately, the decision that was made.

In my annual audit report, I recommended that the planned lessons learned review of the archive house project should be completed before any further funding commitments are made. I am pleased to say that that review has been undertaken by the internal audit service. It was issued on 29 December, and we expect to see action taken following it.

Keith Brown: To go back to my point, did you find out what the continuing expenditure was after the project had been cancelled?

Lisa Duthie: Yes. In our report, we set out that £2 million was written off when the decision was made—it was money that had been spent on archive house that could no longer be capitalised. We also identified another £900,000 that related to project closure, and part of that would have been termination fees. Additionally, there is the on-going lease of archive house, which does not break until 2029, and we understand that use of that accommodation is limited. Further to that, the

short-term solution is the lease of John Sinclair house, and Historic Environment Scotland is incurring costs in relation to that as a temporary solution.

Keith Brown: I have previously expressed this view in the Public Audit Committee, but the extent to which the Auditor General's role has changed since it was first conceived surprises me. The range of things that you now comment on is much greater than it used to be. This morning, I think that I heard you on the TV talking about how the police should best marshal its resources to fight crime.

Given that, I ask you to go a wee bit beyond what you would normally comment on. You said at the start that Historic Environment Scotland is pooling about £70 million of money from external sources. It is certainly my view—I think that it is also, to some extent, the committee's view—that the body could do an awful lot more with that. It has failed to properly exploit and capitalise on its resources, by which I mean its buildings and genealogical resources.

Did you come across anything in your report that pointed to such underresourcing and what the body could do about it, or do governance issues impact on its ability to properly exploit its resources? I wonder whether you have any views on that.

Stephen Boyle: I am happy to address the points that you raise, Mr Brown.

Lisa Duthie will have an insight into the commercial activities, but we have not done an audit. What is unusual is that commercial activities are becoming more prominent in public bodies. I have recently reported on some of Scotland's colleges, a topic that I appreciate that you are familiar with, and on some of the activities of organisations such as Historic Environment Scotland that are engaging in more commercial activities to generate revenue for their organisation or the wider public sector.

I will generalise here, but we are finding that public bodies are trying to do that under the public sector body structure and it is not always working to the best effect. They are not having the necessary safeguards in place around culture and some commercial activities. Public bodies need to consider carefully whether they have the right structure, processes and policies in place when they are engaging in commercial activity.

On the importance of making best use of resources—Mr Brown mentioned the audit that was published this morning—I did a joint report with His Majesty's Inspectorate of Constabulary in Scotland on best value in policing in Scotland. That report looks at resources in organisations in the round and at how policing in Scotland is using the

resources that are at its disposal. The powers are set out in the Police and Fire Reform (Scotland) Act 2012.

The wider scope audit that public auditors in Scotland use gives an opportunity to look more holistically at how public money is being used and what outcomes are being achieved. We set that out through our work programme. A section 22 report is based on an annual audit and the results from the annual auditor's report. As I mentioned earlier, section 23 of the Public Finance and Accountability (Scotland) Act 2000 gives an opportunity to look more broadly at how public money is being spent on a more thematic basis.

I am giving consideration to my work programme and, as I am required to do, I will engage with Parliament in the next session to consult on it. I am going through that process and will consider your helpful suggestion about commercial activities and making best use of resources, not just in policing, of course, but across the piece.

Keith Brown: That was my final question, but I have a quick comment on that.

We have different views on the extent to which your office ranges across public activities, but I would certainly welcome the routine examination of where public bodies can do an awful lot more through their entrepreneurial activities, especially when, like Historic Environment Scotland, they have remarkable and unique resources. I would be interested to see what that report says.

I think that I am right in saying that the Cabinet Secretary for Constitution, External Affairs and Culture has previously said words to the effect that he has taken the reins off Historic Environment Scotland to allow it to do that. Any suggestions about what kind of structure would be best able to facilitate that would be useful.

Stephen Boyle: I am always careful about boundaries. My role is not to advise public bodies on independence, but I recognise your point. Historic Environment Scotland agreed a new framework with the Scottish Government in 2024 and, as you rightly say, that gives HES more licence to make best use of its resource.

As I say, either on an individual basis but probably on a more thematic basis, I will give careful consideration to how resources are being used to best value, effectively, across the services that I am responsible for auditing.

The Deputy Convener: We have time for some brief follow-up questions. I know that Mr Kerr wants to come in.

Stephen Kerr: I agree with Keith Brown about the potential of Historic Environment Scotland. It is

a huge asset and my follow-up question is about those assets.

In your report, you describe
“a culture of non-compliance”.

Have you conducted any kind of formal review of the governance of health and safety and asset management compliance? I ask that because, earlier this week, whistleblowers disclosed that there had been some issues with legionella at Stirling castle.

Other people in the organisation have told me that they know that the asset management team at HES has raised, under the traffic-light system, red-rated concerns about health and safety on many occasions. I am told that there is a catalogue of concerns. I have not seen any of that, so I am raising it with you. Have you have looked at that? Is that part of what you describe as the “culture of non-compliance”?

I am told that the health and safety reports—those concerns about asset safety—have been regularly made over many years, but have been routinely set aside and ignored, with nothing done with them. Is that something that you have looked at, or is it something that you would look at?

11:00

Stephen Boyle: I will bring in Lisa Roberts shortly. There are a couple of important points to set out about our role. The first is on the organisation itself. We know that its investigations are on-going, and it is important that those are completed swiftly.

One key part of an audit is that it is based on compliance with the code of audit practice that the Accounts Commission and I set for public auditors in Scotland. The other key part of an audit is compliance with international standards on auditing. One of those standards requires auditors to make an assessment of whether a public body is complying with relevant laws and regulations. Clearly, health and safety will be prominent in that process for an organisation such as Historic Environment Scotland.

Lisa Duthie can set out some of the detail, but the issue is about those two parts. The organisation itself must evidence its compliance with health and safety. Of course, the Health and Safety Executive—the regulator—will have a very important role in that respect, too.

Timing is important here. Many of the issues—the concerns—have come to light during 2025. Audit is typically a retrospective affair, so many of the views in our report take us to the end of March, or when the audit was concluded last year. There are some live matters, as Lisa Duthie rightly

said, we will continue to follow those up and, as part of our audit on laws and regulations, take our view about the compliance of the public body with its own responsibilities. Again, if I—

Stephen Kerr: I perfectly understand that many different aspects of HES have come under your ever-watchful eye, hence the section 22 report. However, I have to confess this one specific issue—the culture of non-compliance—has come to me very late.

Lisa, do you want to come in?

Lisa Duthie: From my perspective, I am aware from attendance at Historic Environment Scotland’s audit, risk and assurance committee of the issue that you are describing. I would point you to HES’s “Annual Report and Financial Statements 2024-25”, which sets out the principal risks for the organisation, one of which is “Health, fire and safety.” The document states:

“A programme of work is underway to implement a centralised health, safety and compliance governance system by 31 March 2027.”

As part of the annual audit, we continue to review all the risks that the organisation is facing, but not all of them fall within the wider scope audit.

Stephen Kerr: Are you confirming that you are aware of the catalogue of issues and of the long-standing concerns about non-compliance in asset management?

Lisa Duthie: I am aware that the organisation has identified a risk, but it has not been an area of focus for the audit.

Stephen Kerr: Could it be? Would that be possible? Would you be able to do that?

Stephen Boyle: That is something that we can give consideration to together. I am also mindful of, as we mentioned once or twice this morning, the work of internal audit.

Most fundamentally, it is the responsibility of management to discharge and satisfy themselves that they are managing their resources effectively, and that, at an absolute minimum, they are meeting health and safety and fire regulations, too. It goes back to the point that we have spoken about in relation to leadership—executive and non-executive—and there being some aspects that are so fundamental that they require on-going close monitoring and attention. I agree that health and safety and management are at the very top of that list.

Stephen Kerr: I think that you have put your finger on the issue. It is about the integrity of the management structures and processes, and about the quality of the leadership itself—the personal qualities of leadership that are required. Clearly,

there has been a long-standing weakness in HES in those fundamental areas.

That is why I am raising the issue of Audit Scotland applying its forensic approach to these matters, because, as you say, they are central to the incredible asset base that HES has a stewardship of and responsibility for—what Keith Brown rightly highlights as Scotland's treasure, and something that we should be making the very most of for the good of our country. Is it worth me writing to you separately on that, or is this conversation sufficient?

Stephen Boyle: You are, of course, more than welcome to do so, as is any member, but I am very clear on your views.

As I mentioned to Mr Brown, we are giving consideration to our work programme, which can encompass the wider, more thematic review. There is also the option for Lisa Duthie, during her audit, to monitor and to reflect on progress against the recommendations. As Lisa has mentioned, the fact that the issue is identified as a risk means that it will, I am sure, be subject to further consideration by the audit and risk committee, by management and by the board, and we will reflect on what that means for future audit work.

Stephen Kerr: I very much appreciate that. One whistleblower told me—this individual is known to me and is genuine—that they were genuinely concerned that, one day, someone at work or a visitor would be injured or worse. Obviously, we do not want that to happen. That is why I am raising the issue at the end of this session, as well as the failures that result from the “culture of non-compliance”, which runs pretty deep in the organisation and has done for a while.

The Deputy Convener: I have one final question, Auditor General. You will be aware that we are taking evidence from the Cabinet Secretary for the Constitution, External Affairs and Culture and his officials next week. What would you wish to hear from the Scottish Government about the governance of HES and the findings in your report?

Stephen Boyle: Far be it for me to suggest to the committee how to discharge its work, but I would be interested to know about the arrangements for a substitute accountable officer. In respect of the role of the Scottish Government, that feels like the most pertinent topic.

As I mentioned, we will follow up, through our usual channels, on the progress of the implementation, primarily through the annual audit of HES. We also have on-going dialogue through our audit of the Scottish Government, and the sponsorship arrangements are in place as well. I am content that we have a range of opportunities to do this, and I hope that your session with the Scottish Government goes well.

The Deputy Convener: That is helpful. You still think that there is a lack of clarity over the process for a substitute accountable officer.

Stephen Boyle: Yes. I hope that we have been clear on that, convener.

The Deputy Convener: Thank you very much for your contributions, which have been extremely helpful.

Meeting closed at 11:08.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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