OFFICIAL REPORT
AITHISG OIFIGEIL

Constitution, Europe, External Affairs and Culture Committee

Thursday 29 January 2026

Session 6

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CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
HISTORIC ENVIRONMENT SCOTLAND	2
BUDGET SCRUTINY 2026-27	37

CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
4th 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:

Councillor Ricky Bell (Convention of Scottish Local Authorities)
Lucy Casot (Museums Galleries Scotland)
Billy Garrett (Glasgow Life)
Kenneth Hogg (Scottish Government)
Angus Robertson (Cabinet Secretary for Constitution, External Affairs and Culture)
Steven Roth (Scottish Ballet)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 29 January 2026

[The Convener opened the meeting at 08:30]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning, and welcome to the fourth meeting of the Constitution, Europe, External Affairs and Culture Committee in 2026. Our first item is a decision on whether to take item 4 in private. Do we agree to take that item in private?

Members *indicated agreement*.

Historic Environment Scotland

08:30

The Convener: The next item is to take evidence on Historic Environment Scotland. We are joined in the room by Angus Robertson, Cabinet Secretary for Constitution, External Affairs and Culture, and Kenneth Hogg, director for culture and external affairs at the Scottish Government. We will go straight to questions.

Cabinet secretary, I thank you for your letter, which laid out the timeline for HES. Last week, the Auditor General gave evidence to us about what he called

"the complexity of the situation."

He said:

> "I believe that the Scottish Government should have appointed a substitute accountable officer to provide the continued necessary leadership and accountability during that period."—[*Official Report, Constitution, External Affairs and Culture Committee*, 22 January; c 36.]

How would you respond to those points?

The Cabinet Secretary for Constitution, External Affairs and Culture (Angus Robertson): I agree with the Auditor General about the complexity and sensitivity of the situation.

We are dealing, on the one hand, with an organisation that was created in statute by Parliament. I was reminded that a number of committee members, including you, convener, and Neil Bibby, were on the committee that considered the bill that created Historic Environment Scotland. George Adam was, too—my apologies, Mr Adam. Therefore, there will be good institutional memory in this committee about the fact that Historic Environment Scotland was created as a body independent of operational control from the Government.

That arrangement is fine if serious problems do not emerge in the arm's-length body. We are dealing with this matter here not just because of the Auditor General's report, but because there has been significant whistleblowing and media coverage of a whole range of issues within Historic Environment Scotland that have led to a particularly complex situation.

That has led to me making decisions where I have a direct locus in relation to leadership. There is now a new chairman of the board, a new chief operating officer and new board members, and an investigation carried out through an external investigator, David Martin, has begun.

On the point about an accountable officer, it is important to be aware that, at the heart of the

timeline, the chief executive officer—who is the accountable officer—of Historic Environment Scotland was prevented from returning to work by the HES board. That is important in terms of the hierarchy of priorities for understanding what happened during this particularly vexed period.

The legal position in all of this is also very important to bear in mind—quite apart from the ability to have a 360° view or 10/10 vision in hindsight—when it comes to whether people are off work, how long they are off work for, whether they are suspended and how long all of that takes.

Understanding the legal underpinning of the accountable officer role is also very important. The legislation requires that the accountable officer be a member of HES staff. That is point 1. Therefore, the first option in dealing with this issue of an accountable officer who is not in the office is to try and enable them to return to work when they are ready to do so. Between June and September last year, the chief executive officer and accountable officer made clear to the Scottish Government and to the board that she wished to return to work but she and the board informed the Scottish Government that the board was preventing her from returning to post and that that was the situation for the majority of the five and a half months of her absence.

From June onwards, the board's position was that if the chief executive officer and AO did not accept an extended period of leave, it would suspend her. That suspension finally happened on Friday 5 September. If people have looked closely at the timeline, they will have noticed that that is the last day in office of the former chairman of the board.

Given the impact of losing the services of the chief executive officer and AO, Scottish Government officials repeatedly asked for clarification from the HES board about the legal basis and reasons underpinning its decision that she should not return to work.

Members of this committee will be aware that the Advisory, Conciliation and Arbitration Service, the United Kingdom's independent public body providing authoritative guidance on fair workplace practice, makes clear that suspension should be used only as a last resort.

When it became clear in June of 2025 that, because of the board's continued stance and despite the chief executive officer's wish to return to work, a period of extended absence was possible, the Scottish Government considered other options. I am happy to go into that, because the Scottish Government did pursue options for a replacement of the accountable officer.

The Convener: Thank you, cabinet secretary. You mentioned the fact that HES is a relatively new organisation, dating from two parliamentary sessions ago. Has there been a problem at HES since the merger that created it? When do you think that the problems arose with the board and the board chair of HES?

Angus Robertson: I was not in office throughout that period, so I am not in a position to have enough information to hand about that. I am conscious of there being a number of issues being reported back to me—in particular, throughout last year. Some of the issues were reported through the Scottish Government sponsorship team or shared by whistleblowers and so on, and they often related to issues that go back to before last year. When all of this started is, no doubt, an issue that David Martin will be looking at as part of his review.

Stephen Kerr (Central Scotland) (Con): Audit Scotland told us last week that the leadership instability that you are describing dates back to 2023. Did you know about it in 2023, or not?

Angus Robertson: The Scottish Government's sponsorship team will have been aware of issues that would have been flagged. I cannot recall exactly when the first whistleblowing messages were sent out, but I know that they were shared with committee members, so I am assuming that Mr Kerr will have seen them. I think that it would be fair to say that there was a crescendo of information.

Stephen Kerr: When did you first understand that there was leadership instability? Was it in 2023 or not?

Angus Robertson: Well, what does one understand to be leadership instability? That things were serious enough in Historic Environment Scotland that the Scottish Government and I, as cabinet secretary, should be thinking about issues such as the leadership of the board is a matter that was under consideration last year.

Stephen Kerr: What about the culture within the organisation? Were you aware of the culture and the toxicity, as it has been described by Audit Scotland?

Angus Robertson: Not only were all those matters shared with us by whistleblowers; they were things that were, and have been, increasingly covered in the media, especially in the past year. I do not recall those issues being flagged publicly much before then.

Stephen Kerr: I am not talking about what was flagged publicly. I am asking about what you knew, really.

Angus Robertson: Indeed. I understand Mr Kerr's question. I will revert to Kenneth Hogg, who is sitting next to me, to tell you what might have crossed the desk of the sponsorship team, but I am just explaining from my point of view when the things that reached me were at a serious enough level that one had to consider options.

Kenneth Hogg (Scottish Government): In the appendix to the section 22 report, Audit Scotland helpfully lays out a number of the leadership changes that took place.

Stephen Kerr: Yes.

Kenneth Hogg: I think that the Auditor General's comments were specifically about that, including the fact that the current chief executive—

Stephen Kerr: No, no—I know all this. As you have said, that is in the appendix to the report. I want to know when the cabinet secretary knew, because he is directly responsible for this. What is the answer to that question? When did he know? When did you tell him that there was a problem with the leadership in HES? I presume that it was before it was in the press.

Angus Robertson: I am sorry, but speaking for myself, given that that was the question, I recall that, when the process around a new chief executive officer was under discussion, part of the conversation was that it would be a good thing for there to be a new chief executive officer who would be able to deal with reform questions in Historic Environment Scotland and that there was a requirement for reform. That, as a matter of record, was part of the consideration, when the process with regard to the chief executive was under way.

The Convener: Can I just confirm that that was when the chief executive officer was off on leave?

Angus Robertson: No, that was beforehand, convener—

Stephen Kerr: It was prior to September 2024.

Angus Robertson: In answer to Mr Kerr's question, I am trying to go back and share with the committee when things were first flagged to me—

Stephen Kerr: Yes. When was that?

Angus Robertson: I am explaining that, as part of the process of appointing a new chief executive officer, it was explained to me that it would be good to have a chief executive officer who would be able to deal with—

Stephen Kerr: Who explained that to you?

Angus Robertson: Shona Riach would have been my senior official at that stage.

Stephen Kerr: Right.

Angus Robertson: So that process was under way, but—

Stephen Kerr: And a change of CEO was a good thing, because of the leadership instability at HES, and because of the toxicity that employees were experiencing in the workplace.

Angus Robertson: It was felt that it would be a good thing to have a chief executive officer who could come in with a new perspective and would be able to look at this and a number of issues in relation to the leadership of Historic Environment Scotland.

Stephen Kerr: Yes—

Angus Robertson: If I can finish my answer, Mr Kerr. After she had taken up office, it then became increasingly clear—and it was reported back to me—that issues of concern within Historic Environment Scotland were beginning to be reflected in a disconnect between the board and the incoming chief executive.

I made a judgment in all of this, notwithstanding the fact that there might have been one or more strains of challenge—in other words, generic challenges. After all, as we know, all organisations have human resources issues.

But in terms of this accelerating into such a serious problem that the Scottish Government sponsorship team and I as the cabinet secretary became aware of it—bearing in mind the point I made previously that the organisation is operationally independent—it was the deterioration of the relationship between the board and the chief executive after she had taken up office and the beginnings of grievance procedures that meant that the issue became something of an altogether different order.

08:45

Stephen Kerr: The summary of what I am hearing is that you were aware that there were problems at HES from early in 2024, at least. You have a direct responsibility for this non-departmental public body. In fact, I just want to review this, because people who are watching or listening might be interested in how it all works. You are responsible for appointing the chair and board members of HES. Is that correct?

Angus Robertson: That is correct.

Stephen Kerr: To whom do the chair and the board account?

Angus Robertson: These are organisationally independent bodies.

Stephen Kerr: Yes, yes.

Angus Robertson: Ultimately they report to me. As an example of what my locus might be, if problems in an organisation were not being managed appropriately and if I was not confident that the leadership of the organisation—the chairman of the board—was dealing with those serious problems, one of the options that I have at my disposal is to decide whether that person should have an extended period in office.

Stephen Kerr: It is simple enough. If an organisation —

Angus Robertson: May I finish my answer to Mr Kerr, please?

Stephen Kerr: Yes, but I do want to get to the point.

The Convener: You will get a chance to come in, Mr Kerr. Let the cabinet secretary finish, please.

Angus Robertson: Mr Kerr asked me very politely what powers are at my disposal in terms of the answerability of the leadership of a non-departmental public body—

Stephen Kerr: No, I did not ask that.

Angus Robertson: A particular power that is at my disposal relates to the extension of periods of office for the likes of the chairman of a board. It is a matter of public record that I did not extend—

Stephen Kerr: I know that.

Angus Robertson: I did act and I decided that the chairman of the board of Historic Environment Scotland should not remain in office.

Stephen Kerr: The question that I asked was not the question that you think I asked. It was: to whom do the chair and the board account? The answer to that question is you.

In light of the information that was coming to you about instability and other issues, would it not have been simple logic to have called them in and said, "We need to speak. There are problems and we need to talk about these problems. I need to hear from you. You are accountable to me. I represent the Scottish Government and the people who pay for all this. I want to know what is going on"? Why did you not ever meet the chair and the board of HES? It sounds extraordinary, does it not?

Angus Robertson: The timeline is important, and I am sure that Mr Kerr will want to reflect on that. When the issue became as serious as it did and it was no longer the kind of human resources issue that might be common in organisations, but a profound breakdown, with grievances having been submitted in different directions of the organisation, it would have been totally improper for me to meet—

Stephen Kerr: No, it would not.

Angus Robertson: It would have been totally improper for me to have met senior representatives of the board, including the chairman of the board, who was subject to a grievance procedure.

Stephen Kerr: Hang on—that is not what the timeline says.

Angus Robertson: I, as the cabinet secretary, had ultimate responsibility for, among other things, whether the chairman of the board should continue in office. Because those processes were under way, the understanding within Government was that it would be inappropriate for me to meet directly with, especially, the chairman of the board in those circumstances.

I am satisfied that that would have been the correct response from me at the time. Now that we have moved beyond that chairman of the board being in office, we have moved rapidly to ensure that there is new leadership and that the issues that have caused concern to Mr Kerr and to me are not only being managed, going forward, to ensure that they are dealt with, but also being investigated by somebody of unimpeachable authority who has begun the investigation into the matter.

Stephen Kerr: All those concerns about what is happening in Historic Environment Scotland in relation to the workplace culture, leadership stability and so on long predate any issues relating to grievances. We will come on to the grievances if time permits. I hope that it does, because the public should get a full version of what is happening here.

The reality is that, from the moment the new chief executive took post, there were problems, as you have highlighted. Five times in a matter of weeks, the chairman of HES sought to brief the sponsorship team about issues relating to the CEO's performance. That is true, is it not? The chairman proactively informed you and your team that there were issues with the CEO, but even then, when the chairman reached out and asked for support and help, you personally refused to meet him and the board.

Angus Robertson: That is, no doubt, the view of the former chairman of the board—

Stephen Kerr: No—that is what the record shows. It is what the document shows.

Angus Robertson: It is, no doubt, the view of the former chairman of the board, but it would also be fair to point out—and this goes to the heart of the difficulty that the HES leadership had got itself into—

Stephen Kerr: But without you meeting them. That is my point.

Angus Robertson: Convener, if I may—

Stephen Kerr: Well, you are being cross-examined, cabinet secretary.

Angus Robertson: I am not even able to—

Stephen Kerr: You—

Keith Brown (Clackmannanshire and Dunblane) (SNP): Do you need an answer to the question?

The Convener: Mr Kerr—

Stephen Kerr: The cabinet secretary gets lots of time to answer the questions. I would like him to answer the questions that I ask, not the ones that he would like to answer.

The Convener: Mr Kerr, I stated before the meeting, in private, that we are really tight for time, so it would be good if we could get—

Stephen Kerr: Yes, and that is why I do not want him to give extended answers.

The Convener: We could do without the interruptions.

Stephen Kerr: So, he is allowed to take as much time as he likes. Is that how this works?

Keith Brown: The cabinet secretary is providing answers.

Stephen Kerr: And he can take as long as he likes, can he?

The Convener: Mr Brown, I do not need a commentary on this. I have made my view very clear. Mr Kerr, let the cabinet secretary speak and I will come back to you.

Angus Robertson: I note that it is important, when understanding the views of one side of the internal disputes in Historic Environment Scotland, to also understand that other things were happening at the same time. That goes to the heart of the complexity and the challenge of how I, as cabinet secretary, could use my powers in relation to an operationally independent public body, to try to help it to get itself out of the circumstances that it had found itself in.

The point that I am trying to make in relation to Mr Kerr's view, which reflects that of the former chairman of the board, is that, at the same time, there was a grievance against him. Where we had those countervailing grievances, it was not the place of the cabinet secretary to put himself—for me to put myself—in the middle of such a dispute. That is not the role of the cabinet secretary in the Scottish Government. The position is to try to make sure that one breaks the Gordian knot of where Historic Environment Scotland has found itself. That is why my responsibility—convener, I am happy to return at some point to the question that I think this session is about, in relation to the accountable officer and the Auditor General's report—was to make a serious intervention in the leadership of Historic Environment Scotland at the earliest opportunity when I could do that, and that is exactly what I did. I did not allow the chairman of the board to extend his period in office, and I moved as quickly as I could to ensure that there was a new senior leadership, so that the board could get itself out of the difficulties in which it found itself.

The issue of the accountable officer is really important. What I have not seen in much of the commentary—and there has been a lot of commentary out there—is that the accountable officer was not allowed to return to office to discharge her responsibility for most of the time of her absence. That is a material question that I think was reflected in the evidence to the committee on illness and absence from work. Although that is part of the equation, more significant, to my mind, is the fact that the board did not wish to permit the return of the chief executive officer and accountable officer.

Kenneth Hogg: I would like to add one other piece of context. You asked what we were aware of at the time. I came into my current role at the end of May last year, so the issue predates me, but I have checked the records. It is important that the committee knows that, before the chief executive and accountable officer's period of absence began, she was digging into some of the very issues that Audit Scotland has called out in the section 22 report. For example, she was investigating the extensive use of purchasing cards—the number of those cards and the controls around them. She was investigating unnecessary travel costs and failures in data protection procedures. She was querying the appropriateness of the organisation paying the bill for alcohol at an event. Some of the issues that she was investigating before things came to a head and her absence began have, rightly, ended up in the section 22 report.

The Convener: Mr Hogg, just for the record, what was the date on which the sponsorship team started attending the board?

Kenneth Hogg: The cabinet secretary required that from May onwards, I think. Our team will have attended 11 meetings over the period, including a meeting later today. I think that it is May, but I will double check and get back to you if that is not correct.

The Convener: Which May?

Kenneth Hogg: May 2025.

Stephen Kerr: To be absolutely clear, the cabinet secretary is trying to shade my questions on the basis of it being one person's account versus another person's account. I am trying to get

to the facts and hold up to examination his performance as cabinet secretary. I have the HES model framework document—or executive NDPB document, or whatever it is called—here. It says:

"The Chair and Board Members are accountable to the Scottish Ministers".

It goes on to say that the CEO

"is employed and appointed by the Board with the approval of the Scottish Ministers and is the principal adviser to the Board on the discharge of its functions and is accountable to the Board."

What I cannot get my head around, having done some executive work in my career, is how you, cabinet secretary, as the person to whom these people account, did not once challenge them in person, did not meet them and did not say, "Right. We're going to have a meeting. We've got to discuss this face to face." Your predecessors did, but you did not. You have not fulfilled your responsibilities as the cabinet secretary with a direct responsibility for what is happening in Historic Environment Scotland. People inside that organisation—many of whom have contacted me and, I am sure, other members of the committee—are making it clear that, regardless of the rights and wrongs of all the various leadership configurations in HES before and since 2023, you have not fulfilled your duty.

09:00

The timeline that you have given us begins on 23 April 2025, so there is no reference in there to the difficulties that the chair and the board were reporting to your team about the performance of the new chief executive officer. Whether or not that is because they were discomfited, as Kenneth Hogg says, by her inquiries, that was a point at which you could have said, "Right. What are the issues? Let's talk about it." What it does not include, as you have now highlighted, is the fact that the new CEO brought a grievance against the then chair. By the way, I understand that he learned about that a month after it was made and did not receive any of the details of what he was being accused of until July, which seems a very wrong state of affairs. Regardless of who is right or wrong, that does not seem to be appropriate at all.

One of the communications from your office to the chair, which we are all now privy to, shows that it was not standard practice for you to meet the people whom you appointed—that is, the chair and the board of these non-departmental public bodies. That is not right, is it, Kenneth?

Kenneth Hogg: The usual arrangement is that the cabinet secretary would meet the chief executive on an approximately quarterly basis.

Stephen Kerr: But the chief executive is not accountable to the cabinet secretary. I am reading from the model framework. They are accountable to the chair and the board.

Kenneth Hogg: That is quite—

Stephen Kerr: Who is accountable to the cabinet secretary? It is the chair and the board.

Kenneth Hogg: That is quite correct. The chief executive is held to account by the board and is appointed by the board.

Stephen Kerr: With the approval of ministers.

Kenneth Hogg: The cabinet secretary met the chair on appointment and regularly met the chief executive on a quarterly basis thereafter.

Stephen Kerr: But not the chair—why? Fiona Hyslop did.

The Convener: Mr Kerr, are you going to keep interrupting the witnesses? Mr Hogg has clearly said that the cabinet secretary did meet the chair, if I understand his answer correctly.

Stephen Kerr: No, he did not. He never met the chair.

Kenneth Hogg: The cabinet secretary met the chair on appointment, on 2 March 2022, at half past 1 in the afternoon.

Stephen Kerr: In 2022.

Kenneth Hogg: To come back to your question, convener, I have checked my notes, and the first meeting that my sponsor team attended was on 22 May. That was the first board meeting that you asked me about.

The Convener: Yes, in 2025.

Kenneth Hogg: And they have attended every board meeting since then, of which there have been 11.

The Convener: I am conscious of the time, Mr Kerr. Do you have a final question? Please get to the question as quickly as you can.

Stephen Kerr: Okay. I have loads of questions that I will write to the committee and to the cabinet secretary with, because they are important questions that we were never going have time to go through, given the way that we go on in this committee.

I will ask specifically about the evidence that was given to the committee by Audit Scotland last week. The Auditor General was dissatisfied—it would be more than fair to say—with the current arrangements in respect of the accountable officer. I could give you the extended quote if you want, but I am not sure that it would be helpful. It is in column 40 of the *Official Report* of the committee's meeting last week. He said that the

idea that you can separate out the accountable officer's responsibilities so that the person who is supposed to be the accountable officer does some of them and other people do the rest of them is just not right, not acceptable and not sustainable. Last Thursday, he questioned why nothing had happened on the part of the Scottish Government since 17 December, when the section 22 report was published.

I wish that we had time, because I would have liked to go through the extensive evidence that we received from the board of HES at a previous meeting of the committee, when it said that it has nothing to do with who the accountable officer is and that that is a Scottish Government issue. Bottom line: why have you done nothing since 17 December to appoint an accountable officer?

Kenneth Hogg: I would like to address that point. I listened to the Auditor General's evidence and I am aware of the issue that he discussed, which you are raising. It is not the case that the accountable officer has returned to only some of her accountable officer duties. That is not possible. She is the accountable officer for HES. The accountable officer role brings with it responsibilities for ensuring the regularity of public expenditure, propriety and value for money—the full gamut of responsibilities—and she bears all those responsibilities.

The Auditor General used the word "hybrid" in describing the current arrangement. That refers to the fact that, because of on-going internal processes, such as investigations, the accountable officer is discharging or executing her responsibilities through the chief operating officer in many respects, for a temporary period. Because of some of the restrictions that she is operating within, pending the conclusion of those processes, rather than having some direct conversations, she is having them through the chief operating officer, and he is the person who is then following up. It is not the case, however—I would be very concerned if it were—that she is carrying only some of her full range of accountable officer responsibilities.

Stephen Kerr: But it is the judgment of the Auditor General, based on his findings, that she is doing only part of the job of the accountable officer. You are saying that you do not agree with that, but that is what he has said. Are you not bound to observe the Auditor General's authority in respect of his findings, to some degree?

Kenneth Hogg: I have read what the Auditor General said at committee, and I think I agree with him. He used the word "hybrid", and there is a hybrid arrangement in place in respect of how the responsibilities are being discharged. However, it is not the case that the AO is carrying out only some of those responsibilities. It is true that, when she first returned to work, her first priority was—rightly—instructed to be the finalisation and signing of the annual accounts. It is also the case that she was subsequently asked to prioritise responding to the section 22 report findings. That is quite correct. However, that was within the context of the full range of accountable officer responsibilities.

Stephen Kerr: But the Auditor General does not believe that you are fully compliant with the Scottish public finance manual. That is what he said.

Noting all the boundaries and the dissemination and delegation of powers and so on, there is still an outstanding grievance from all seven directors at HES, as submitted by Prospect, their union, against the CEO. That cannot help the working environment at HES.

Kenneth Hogg: I am not sure that it is all seven of them any more. I return to the key point, which the Auditor General discussed last week: the appointment of somebody as an accountable officer cannot be delegated; it is an appointment that is personal to the individual.

Stephen Kerr: Yes, by you—by the Government.

Kenneth Hogg: By the Scottish Government—not by the cabinet secretary, but by the permanent secretary appointing the individual. The accountability is to this Parliament, not to the Scottish Government. It is a personal accountability to Parliament that cannot be delegated, and it has not been delegated. It rests with Katerina Brown, who is the accountable officer for Historic Environment Scotland, and how she is executing that accountability in the current but hopefully short remaining period is constrained by some of the arrangements that have been put in place.

Stephen Kerr: Because of the grievance.

Kenneth Hogg: Pending resolution of a number of on-going complaints and grievances—yes, that is quite correct.

Stephen Kerr: That grievance has been on-going since May last year.

In respect of the time, I will desist from my questions now, but I will commit them to a letter.

The Convener: Thank you, Mr Kerr.

Patrick Harvie (Glasgow) (Green): Good morning. I will try to focus on some specifics. In the period in which the chief executive officer was requesting to return to work, the board's view was that the chief executive officer should either take extended leave or otherwise be suspended. Does the decision about which of those three outcomes

should happen rest entirely with the board, or does the Scottish Government have any ability to instruct or direct the board in that respect?

Kenneth Hogg: That is a decision for the board, as the employer of the chief executive. The framework agreement requires that the chief executive be appointed as the accountable officer. However, first and foremost, that decision was for the board and we respected that. Although we asked for the rationale behind the stance that it was taking and the lawful basis for the action that it proposed to take, we respected the fact that it was for the board to decide whether to suspend the chief executive—as it ultimately did.

Patrick Harvie: You asked the board for its rationale. At any point, did the Scottish Government, either in the person of the cabinet secretary or through officials, express a view about which of those three outcomes—return to work, extended leave or suspension—should happen?

Kenneth Hogg: We were careful to observe the situation that the cabinet secretary set out at the start, that Historic Environment Scotland is a non-departmental public body, the operations of which we and the cabinet secretary cannot directly manage.

After a decision was taken to suspend, there was a meeting between the board members and Scottish Government officials, including me. At that meeting, we Scottish Government officials expressed the view that we were surprised at the decision to suspend, but that is as far as we went. We did not attempt to overrule it. That was a judgment to be made by the board, not least because it was in full possession of all the relevant information and we were not.

Patrick Harvie: That meeting was on 10 September.

Kenneth Hogg: Yes.

The Convener: The cabinet secretary wants to come in.

Angus Robertson: This may be helpful to Mr Harvie, because he is trying to understand where things were at that point and what that led to in terms of how we should act in such circumstances. Bearing in mind that the accountable officer has to be an employee of Historic Environment Scotland, after our first priority, which was the return to work of the chief executive officer after periods of illness, the second option was to consider whether any other senior staff member of HES—an employee of HES, because that was a requirement for being an accountable officer—could have been the acting accountable officer with those responsibilities. If a permanent finance director had been in post, or if a chief operating officer role had existed at the time, the Scottish Government could have considered that person as an acting accountable officer. However, that was not the case so it was not possible. That is a very important fact.

Neither were other senior staff members of Historic Environment Scotland available to be appointed as accountable officer, because of their own involvement in on-going internal processes. Ultimately, therefore, no suitable internal candidates were identified by either the HES board or the Scottish Government. That route, therefore, would not satisfy the wish of the Scottish Government, as identified by the Auditor General in his report. Efforts were undertaken to consider external candidates, and interviews also took place for a fourth external candidate, who was recommended by the HES board as an acting accountable officer.

My point in sharing this information is that there has been a suggestion or implication that efforts were not undertaken to find an accountable officer, given the then suspension of the chief executive; however, I assure Mr Harvie and the committee that the Scottish Government made such efforts.

Patrick Harvie: I ask you to hold that thought, because I am coming to it in a moment. First, I want to tie off the earlier point. Mr Hogg, in response to my first question about the meeting on 10 September, told us that the Scottish Government expressed surprise at the decision to suspend. I just want to be absolutely clear. Prior to that, was there at any point a moment when the Scottish Government expressed a view in advance about which decision—return to work, extended leave or suspension—was correct?

Kenneth Hogg: No, we did not express a view, because it was fundamentally a decision for the board to take as the employer of the chief executive. Any decision that it took could have significant consequences, including legal consequences for itself.

09:15

Patrick Harvie: Thank you for being clear about that. It is noted in the timeline that, before that point, the chief executive wrote to the Scottish Government at least a couple of times to notify it of her wish to return to work. Other than the pieces of correspondence that are noted in the timeline, was there any other contact about any of those matters between the chief executive officer and the Scottish Government?

Kenneth Hogg: Yes, there was. I met the chief executive once in person and we had one phone call. The meeting was in June, and the phone call was in July. Both times, she reiterated to me her desire to return to work.

Just to recap, her first day of absence was 2 May. For the duration of May and June, the absence was at her volition—it was at her request. When she met me on, I think, 20 June, she said that she wished to return to work as she was available and fit to do so. The first date that it was possible for her to return was 3 July. That was one option. She also noted that she had a period of pre-booked annual leave for later in July, so the second option was, rather than coming back for only a week and then going off, to have the leave and then come back on 28 July. She subsequently wrote to the permanent secretary on 1 July to reiterate all that and say that she intended to return to work on 28 July.

The cabinet secretary commented earlier that the board prevented her from returning for the majority of the five and a half months of her absence. The reason for three and a half months of absence was that the board required it. The reason for only two of the months was a decision taken by the chief executive herself not to be at work.

Patrick Harvie: That is helpful context. I am just looking to pin down the facts on the amount of contact. Other than the correspondence mentioned in the timeline and the communication that you have just referred to, was there no other contact or dialogue between the Government and the chief executive?

Kenneth Hogg: The sponsorship team might have also spoken with the chief executive in that period if she had contacted them, but I do not have details about that to hand.

Patrick Harvie: Okay. If there is further detail on that, perhaps it can be provided later.

The cabinet secretary came on to the separate issue about the appointment of an interim accountable officer being a Government decision and the appointment of the chief executive being a board decision, and the usual practice being that those positions are held by the same person. That seems to be where an already messy situation has been compounded. Those decisions—not only who to appoint but whether to appoint an interim for those two separate posts—are completely separate. Am I correct to say that those two decisions are entirely separate and that one sits with the board and the other with the Government?

Angus Robertson: Indeed.

Patrick Harvie: Is that adequate, or do the rules need to change for such situations? Historic Environment Scotland is not a private company that happens to carry out a contract for the Government to deliver services; it is a public body. We accept that, when it comes to interfering in day-to-day operations, a line in the sand needs to be drawn on independence, but surely on a matter such as this—it is about the fundamental viability of the organisation—this experience must make you reflect on whether the rules are correct for public bodies in such situations, and whether the Scottish Government ought to be able to decide, not necessarily to appoint the CEO or interim CEO or whether someone returns to work in that role, but to instruct a public body's board.

Angus Robertson: My first reflection is that I am unaware of a similarly complex situation that has thrown up significant issues in relation to HR and potential legal challenge. How does one help an operationally independent organisation to find its way through such difficulties? That will no doubt be a doctoral thesis at some time by someone, but, in the meantime, it is good that we have somebody of the experience of David Martin looking at it right now.

Regardless of the exact circumstances of what happened, beginning with the chief executive's absence and then the new phase with the board not allowing her to return to work, it caused the Scottish Government and the board of Historic Environment Scotland to act. It is very important for there to be an understanding that efforts were made to identify somebody who might be able to fulfil the responsibilities of chief executive officer and accountable officer.

Patrick Harvie: Yes, but, ultimately, the board was still free to say, "We're not going to bother."

Angus Robertson: That is exactly what happened. The chairman—

Patrick Harvie: I do not think that we should be trying to turn the situation into a political football or to score points about it. Our priority should be to ensure that, if, in future, any public body should encounter anything that is comparable with this situation, it is resolved more quickly and effectively. Should the rules change as a result of what has been learned through this unhappy experience to ensure that the gap between the appointment of a CEO and the appointment of an accountable officer is closed?

Angus Robertson: I will let Mr Hogg in in a second. If you are asking me whether the cabinet secretary with responsibility for this area—me—ultimately has powers to try to turn things around when things become as problematic and entrenched as they became, I note that that was the first thing that I reflected on, and I think that the answer is yes. We have new leadership and board members in place and investigations are under way—that has happened as quickly as possible.

However, if I reflect more broadly—this goes to the heart of Mr Kerr's question—at what point should the Government intervene on an

organisation that is operationally independent and that was created by a statute that was supported by every single political party in the Parliament and, indeed, this committee? It was created to be so. Should there ever be a case like this again, are changes required in the legislation on non-departmental public bodies? I am definitely reflecting on that.

I then pose a question to myself and to those who are considering the situation, the committee included. At what point could or should one have intervened with the powers currently at our disposal, and what new powers might be required to do so in the future? I am reflecting on the fact that we—I—have intervened and that things are, I believe, turning around in Historic Environment Scotland.

It is not obvious to me—perhaps the committee's findings and conclusion can help with this—whether there was a particular stage for intervening, given that there were very serious HR processes under way in Historic Environment Scotland. Is it for a Government minister to intervene materially while such processes are under way and nobody has yet been found to be in breach of anything? The balancing act is a difficult one, but I am unaware of any situation that comes remotely close to the leadership challenges that there have been in Historic Environment Scotland.

Patrick Harvie: I accept—

Angus Robertson: I am sorry—I indicated that Mr Hogg perhaps had something to add.

Patrick Harvie: Very briefly, I accept that you are saying that you are unaware of any such situation, but the point that I am making is that none of us wants to become aware of another one in the future. I worry that the rules that you and HES have worked under have allowed a bad situation to get worse.

Kenneth Hogg: Very briefly, I genuinely think that this is an exceptional case. In 35 years of working in Government, I have never seen a case in which so many things have come together at the same time. It is not simply a case of a long-term sickness absence that was compounded by the board issues. It was also the lack of availability of any other internal candidate for numerous reasons. Even though external candidates were approved, they were not subsequently appointed. It was all those things coming together.

Finally, I am struck by the Auditor General's comment about the importance of culture. That is currently being reviewed by David Martin. Underlying all of this are cultural issues within the organisation, which HES recognised in its annual report and wants to address as a major risk. This issue has been on my mind every day since I took up the job on 22 May and, practically, I do not think that there were any other options. We explored every possible practical option to find a resolution for the situation, and those were exhausted.

Patrick Harvie: I will end that line of questioning there, but it seems as though the provision of some kind of special measures protocol—to be used in extremis and, I would hope, very rarely—is something that the Government ought to reflect on.

Keith Brown: I endorse what Mr Harvie is saying. He is not without experience in this area. It may well be an exceptional case, but the Government should have in place provisions that allow it to deal with exceptional cases. I urge the Government to look at this very seriously. It may be more for Mr Hogg, given that it would be a cross-Government issue to be brought to ministers, but I would like to hear back from the Government on whether it intends to put in place any provisions that would allow it to take action, given the constraints that the cabinet secretary has rightly pointed out.

The detriment to the service and the public image of the organisation has been very costly. We have had a number of sessions on this matter. We had evidence from the Auditor General at the most recent session, and we have gone quite exhaustively over the things that have gone wrong.

I have only one question, so I will not take the half hour that Mr Kerr did because, if we all did that, we would be here for three and a half hours just for this panel. My concern is that, as well as the things that went wrong, there were underlying concerns beforehand. One of those concerns was a point that I have made a number of times. For a number of years, there was no sign of any kind of entrepreneurial initiative or spark to do things differently, for example, to maximise the monetisation of the assets that HES has. I am very comfortable with HES monetising its assets, and it should do much more of that. I am looking for an assurance that that push is not going to be lost in all of this. HES might have been good at using credit cards, having booze at all sorts of events or getting all those tickets for whatever reason, but was it good at looking at new opportunities to bring in more money? Given the budget, which we will discuss shortly, I know that bringing in more money is a fundamental aim for HES, but what assurances can the Government give us that the importance of monetisation will not be lost in all that is going on?

Angus Robertson: I think that Mr Brown is correct, and that is why the Scottish Government has changed the constraints under which Historic Environment Scotland previously operated, thereby freeing it up to find new income streams,

because the estate—and everything that it is responsible for—is very popular and has the potential to be even more popular. No doubt all of us who visit sites that are run by Historic Environment Scotland recognise that there is more potential that can be reached. The first thing is that the Government has already made that change.

09:30

In many respects, it is groundbreaking for Historic Environment Scotland, and other organisations have been knocking on my door asking for similar freedom to make income in more ways and have an entrepreneurial approach to their operations.

I reflect that we now have a chairman of the board and a chief executive officer who have come with such a background from the National Trust for Scotland. The freedom that they, together with new board members, have been granted by the Scottish Government is very much the direction in which the leadership of Historic Environment Scotland wants to go.

Keith Brown mentioned the detriment to an organisation because of what has been going on in the leadership. That has taken up a significant amount of my time as well as that of civil service colleagues. We should never lose sight of the fact that Historic Environment Scotland, and the many people who work for it throughout Scotland, do a tremendous job. As an organisation per se, it has, in many ways, been an early adopter of change in this space and others. I will be delighted when it emerges with an understanding of the difficulties in which it found itself, the lessons that have to be learned and any changes that the Government may need to make to ensure that such things cannot happen again in the future.

Keith Brown: Cabinet secretary, as we have heard—it is in the budget—you have taken action to lift the restrictions and to give a signal that HSE should do that. However, it is one thing to open the door and another to see others going through it. I will cite a couple of examples. This is the last point that I will make.

Back when I worked in the council, we took the Wallace sword across to New York. It had huge TV coverage and queues around the block. Because of the surrounding publicity, it substantially paid for the refurbishment of the Wallace monument centre.

There was a fantastic BBC Four programme about John Logie Baird. We have completely failed to exploit the fact that he was born in Scotland. The house where Alexander Graham Bell was born has never been used. There are two visitor centres in Canada and one in the States for him, but we have done nothing in this country.

I am currently trying to get the oldest football in the world taken to the world cup, to show that football was born in Scotland. I do not see, and have not seen for a long time, any such initiative from Historic Environment Scotland.

I do not doubt what you say, cabinet secretary. Very good people are working there. However, they, too, have to be imbued with that spirit of knowing that that can happen, to come up with ideas and to start monetising what is probably the biggest set of assets of the country. I want the assurance that, despite all that we—rightly—have to deal with, that fundamental point is not lost.

The Convener: We have moved away slightly from today's topic. Cabinet secretary, I ask you to be brief in your answer.

Angus Robertson: To go back to the topic, a chief executive officer—an accountable officer—would, no doubt, be keen to be able to consider expansively the opportunities to do new things and do things differently.

I also reflect on other things that Historic Environment Scotland has to deal with at the present time and the potential solutions that would never have been considered. I imagine that you may have brought up to Historic Environment Scotland—as other individual MSPs regularly have—issues of high-level masonry and the challenge of how older buildings, castles and other facilities can be protected. Because of climate change, that is becoming even more of a problem. Until now, the only solution has been to cap certain buildings—buildings without roofs. However, there may be potential in some of our national sites to think about much more than just protection from further decline. There may be ways in which we can think of some of our amazing historic sites, which are, in effect, ruins, and find new income streams to restore, protect and—who knows?—reroof them.

Those are all things that an organisation needs to think about, which it has immediate and direct responsibility for, but Mr Brown has articulated a challenge to it and to the rest of us to ask ourselves how we can work in partnership to make the most of Scotland's heritage. I agree with him, and I want the chairman of the board, the chief executive and the leadership team of Historic Environment Scotland to know that they have the support of the Government and other public bodies in ensuring that we are making the most of all those things.

Keith Brown: I will just add, convener, that it relates to this inquiry because there is every reason to suspect that HES might take a risk-averse approach when it gets through this and, if that is the case, it will be a continuing failure.

The Convener: I appreciate that, Mr Brown.

Jamie Halcro Johnston (Highlands and Islands) (Con): I will briefly set out the context to the question that I am going to ask.

When you appeared before the committee on Thursday 6 November, cabinet secretary, you made it very clear in response to Mr Kerr's questions that you had not attended a board meeting. You stated:

"I have not been invited to attend a board meeting."

I asked you the same question later on, and you said:

"Not only was I not invited … more importantly, I ensured that the appropriate officials did attend the board meetings."

You then said:

"I will answer it again. I have not been invited to a board meeting, but the board meetings have been attended by the appropriate officials".—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 6 November 2025; c 3, 15.]

Two days later, on 8 November, *The Herald* covered the story of an invite, which it had received leaked emails about, in which you had been invited to a board meeting. In your letter to us on 26 November, you said that there had been requests from Dr Hall. Those requests were made to officials during a meeting on 24 July and then subsequently by email on 12 and 29 August.

On 11 November, in Parliament, there was an urgent question from Stephen Kerr, in response to which you clarified the situation. Eventually, on 26 November, you wrote to the committee outlining the reasons for your responses, as I just highlighted. When were you first made aware that there had been invitations to attend board meetings?

Angus Robertson: Mr Hogg will be able to confirm that, because it was he who confirmed it to me.

Kenneth Hogg: It was the Monday after the press articles that you are referring to, which appeared at the weekend. I can find the date for you in a moment.

Jamie Halcro Johnston: So it was on that Monday that the cabinet secretary was made aware of it. How was he made aware of it, Mr Hogg?

Kenneth Hogg: He was made aware of it by me. It is quite correct that I had not previously told the cabinet secretary about the requests made by Dr Hall, both at a meeting with my predecessor on 24 July, where Dr Hall asked for a meeting with the cabinet secretary personally, which I knew about, and in his emails to me on 12 and 29 August. I did not tell the cabinet secretary because, in my judgment, there was no possibility of it being a meeting that any cabinet secretary could accept, given the on-going investigation into the conduct of Dr Hall.

Other board members were involved in overseeing various other complaints at the time. It was not just a question of Dr Hall's position; it was a question of the whole board's position. That is why I did not tell the cabinet secretary. With hindsight, I should have told him.

Jamie Halcro Johnston: I appreciate your candour on that. I was going to ask why it took the cabinet secretary so long to make clear that there was this issue but, if I could just go back to it, can I confirm that you were aware at that meeting on 6 November that there had been invitations?

Kenneth Hogg: That is correct. I was aware of what Dr Hall had said to me.

Jamie Halcro Johnston: Yet, in response to Keith Brown, you said:

"I am not aware of any board member requesting a meeting with the cabinet secretary."—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 6 November 2025; c 23.]

Kenneth Hogg: When Mr Brown asked the question, I interpreted it as meaning board members as distinct from the chair. That is why I answered it with reference to the meeting that took place with board members on 10 September. If I misunderstood that question, I apologise for that. My understanding at the time was that the question was about any requests from board members, as opposed to the previous questioning from Mr Kerr about requests from the chair himself.

Jamie Halcro Johnston: With hindsight, given that that response essentially led to the cabinet secretary—inadvertently and without that knowledge—misleading the committee, would you have answered more fully and advised of those meeting requests?

Kenneth Hogg: On 6 November, the questions that the cabinet secretary was being asked were about what he knew and his understanding of the situation, and his answers to those questions were correct. I was not asked a question about what I knew, but, with hindsight, I can say yes, I would have done so, if I had known that that was the underlying intent of the questions. I regret now not having butted in to that committee conversation and volunteered that additional information. There was nothing confidential about the fact that Dr Hall had asked for the meetings. The issue simply was that no cabinet secretary could have accepted the meeting, because of the on-going investigations and the risk of compromising them.

Jamie Halcro Johnston: The questions that were asked throughout that process had been about requests to meet the board. Whether or not you felt that the question that Mr Brown asked was

directly related to that, I would have thought that that would have been your opportunity.

My understanding is that contact with a ministerial office is essentially contact with the minister. Is that not the case?

Kenneth Hogg: These were not requests put to the cabinet secretary's office. Normally, if that were to happen with a public body board, the board chair would write a letter to the cabinet secretary saying, "Please will you come to the board to discuss X issue?" That did not happen—

Jamie Halcro Johnston: Can I just clarify something? Who were Dr Hall's emails of 12 and 29 August sent to?

Kenneth Hogg: They were sent to me.

Jamie Halcro Johnston: They were sent to you?

Kenneth Hogg: Yes. They were not sent to the cabinet secretary's private office or to the cabinet secretary himself. They were sent to me.

Jamie Halcro Johnston: So, an invitation that was sent to you—sorry, I want to get this right—as director for culture and external affairs at the Scottish Government, inviting the cabinet secretary to attend a board meeting with an organisation that he has responsibility for, is not a formal invitation, as far as the Government sees it, to the cabinet secretary to attend?

Kenneth Hogg: First, it was certainly a formal request, but, to answer your question, it was not put directly to the cabinet secretary's office—it was put to me. Secondly, I did not act on it by telling the cabinet secretary because of the on-going investigations.

I should say that the 29 August email was the email that Dr Hall sent notifying us of his intention to resign early from his post. It said that, rather than waiting until January, which would have been the end of his full term, he wanted to step down one week later, on Friday 5 September. That was an additional reason why it was not a good time for the cabinet secretary to be meeting the board.

Jamie Halcro Johnston: You informed the cabinet secretary on the following Monday—after, I imagine, you had seen the press reports. Did you not think to inform him after the meeting, when there had been that concern? You were aware that there were invitations. The cabinet secretary said that there were not invitations. Would it not have been sensible to advise the cabinet secretary as soon as possible that there had been those invitations?

Kenneth Hogg: Everything that the cabinet secretary said, to my knowledge, on 6 November was correct. I was not asked the question directly, to be fair. Questions were not asked about what requests officials had received. I told the cabinet secretary on the Monday afternoon, and he gave a statement to Parliament on the Tuesday, explaining just what I have set out now.

Jamie Halcro Johnston: Cabinet secretary, if you had been made aware of those invitations, would you have accepted them?

Angus Robertson: No, I would not have, for the reasons that Kenneth Hogg has explained. Because of the serious nature of the investigations that were on-going and the people whom I would have been meeting—at which time, no doubt, those types of issues would have been brought up—it would have been deeply compromising for me as cabinet secretary. So, no, it would not have been appropriate.

Jamie Halcro Johnston: Do you feel that Kenneth Hogg and other officials were right not to pass those invitations on to you?

Angus Robertson: Those are two different things, and I have said to Mr Hogg and to colleagues that I would wish to have been told and I wish to be told about these sorts of issues in future. It was a judgment call. I agree with Mr Hogg that, in the context, it would have been deeply compromising for me to attend a board meeting given the serious nature of the investigations that were under way, and I agreed with Mr Hogg and colleagues on what would have been the correct course of action.

It would have been better for me to have been aware. Before the committee, I would have been perfectly content to share that with the committee—absolutely. It is just how the issues developed.

09:45

Jamie Halcro Johnston: So you would have wanted officials to provide that information?

Angus Robertson: Yes.

Jamie Halcro Johnston: Are you concerned that there are other pieces of information that you have not been informed about, or are you aware of other pieces of information that you have been made aware of since then?

Angus Robertson: No, I am not.

Jamie Halcro Johnston: Do you have full confidence that you are now fully briefed and that you will continue to be fully briefed on the situation?

Angus Robertson: I have asked for it to be so, and I have no reason to doubt that it will be the case.

The Convener: Are you moving on to a different issue?

Jamie Halcro Johnston: Yes.

The Convener: I will bring in Mr Adam for a supplementary question and then we will move on.

George Adam (Paisley) (SNP): My question is for Mr Hogg and it is a follow-up to the question that Mr Halcro Johnston has been asking. I have some experience of being a Government minister and I find it bizarre that you did not at least send a note to the cabinet secretary say that he had been asked to go the meeting—it happens to officials all the time—and that, in your opinion as an official, he would be unable to attend, but he could make that decision. I cannot get my head around the fact that you did not do that, because that would be the norm.

Kenneth Hogg: For context, officials, myself included, were keeping the cabinet secretary appraised of the on-going situation and the complaints that had been made about the conduct of the chair. That was being handled carefully within the Scottish Government. That was very much on my mind and I knew the cabinet secretary's mind. To explain my judgment about that decision, it seemed obvious to me that there was little point in discussing a meeting that could not possibly have taken place.

George Adam: I get how delicate and difficult it is. The situation went from a leadership transition to a crisis in 2025. I understand all that, but surely it would have been for the cabinet secretary to make that decision, or to be given the option to make that decision.

Kenneth Hogg: The cabinet secretary has since asked me to make sure that he is fully informed of such requests. I accept full responsibility for the judgment that I made and for what I said to the committee on 6 November. To come back to Mr Halcro Johnston, if I misunderstood the questions on that day, I apologise for that. That is on me, not the cabinet secretary.

George Adam: That makes it a bit difficult when we have heard this information now, Mr Hogg, and your answer to the question on that day also seems quite convenient. My main point is that the cabinet secretary was put in a position where he answered what he believed to be the situation, but it was not. I would have been disappointed and upset if I had been put in that position. It is very unusual for a Government minister to end up in such a position.

The Convener: Mr Adam, I do not think that there was a question in that.

George Adam: I think that there was.

The Convener: I think that your point has been made. We will go back to Mr Halcro Johnston.

Jamie Halcro Johnston: That intervention from George Adam was very helpful. I would perhaps be less charitable to the cabinet secretary, because he should have been asking for and having a meeting anyway. I recognise his points, but I might come back to the idea that an organisation in crisis needs to be met and have those issues raised.

Angus Robertson: On that point—

Jamie Halcro Johnston: I will let you come back in shortly, Mr Robertson.

First, I ask Mr Hogg—further to the question that I asked the cabinet secretary about whether he is now confident that he is being kept fully informed—whether you are confident that the cabinet secretary is now fully informed of the situation at HES? Is there any other information that has not been passed on?

Kenneth Hogg: I am confident that the cabinet secretary is informed about all the most significant issues.

I have a sponsorship team that literally has daily contact with Historic Environment Scotland. By definition, there will be conversations the totality of which are not reported fully to me or to the cabinet secretary. I cannot sit here today and say that every single conversation between the Scottish Government civil servants and Historic Environment Scotland has been reported to the cabinet secretary.

However, it is my job to make sure that the important stuff is passed on. To the very best of my knowledge, the cabinet secretary is fully aware of the key issues around what has been going on in Historic Environment Scotland over the past several months.

Jamie Halcro Johnston: I appreciate that. I would just make the point that, if the issue is determined by what is significant or important, your definition of what was significant was not that the cabinet secretary had been invited to meet the board on three previous occasions.

Kenneth Hogg: The then chair asked for a meeting with the board that, by definition, could not take place. I do not believe that any Government minister would have agreed to take on that meeting. My judgment was that, out of all the things that were happening on that day, that was not the most important issue.

Jamie Halcro Johnston: Did you want to come back in, cabinet secretary?

Angus Robertson: The record will show that Mr Halcro Johnston said that I "should" have been

having a meeting with the board. I totally disagree—we can have a difference of view on that.

I have been forthcoming in explaining the serious nature of the investigations that were under way at that stage, involving the chairman of the board and other board members. Unequivocally, it would have been totally inappropriate for me to have met the board in that context. Had I been aware of invitations for me to attend a board meeting in that context, I would have declined, for those reasons.

I do not think that any minister, from any political party, in the situation that I found myself in, and find myself in now, would have acceded to that request. It would have been totally inappropriate.

Jamie Halcro Johnston: On a general point, is it therefore your understanding—either you, cabinet secretary, or Mr Hogg—that when an organisation is in crisis and facing huge challenges, the Government's position is that the people with oversight, scrutiny and responsibility do not meet the people involved in the organisation who are at the heart of that crisis?

Angus Robertson: It would be unfair to suggest that the Scottish Government was not involved—officials attended board meetings, among other things. That is a matter of record, and there is a full list. Again, I am happy to share that with the committee, so that it is aware that there was contact with officials.

Given the responsibilities that I had and have as cabinet secretary, it would be inappropriate for me to have attended a board meeting. Mr Halcro Johnston may wish to extrapolate from that that it would have been inappropriate for officials not to be engaged basis with HES. As Mr Hogg has pointed out, they were involved on a daily, if not almost daily, basis. That is the appropriate way in which the Scottish Government has been interacting.

On my role and responsibilities, and how I have acted since, I am not saying that this is uncomplicated or tremendously easy. It is a very difficult judgment call at all stages. With the benefit of hindsight, are there things that could or should have been done differently? All I know is that, as Mr Hogg has said, we literally exhausted our options in relation to a number of interventions, particularly in relation to the accountable officer. We fulfilled our responsibility to try to ensure that an accountable officer was in place, and we can be pleased that the accountable officer is at her post and doing her job.

Are there things that we will learn about when we reflect on the committee's findings and the external investigation that is under way with Historic Environment Scotland?

Yes. Maybe some people, when they are able to read about the nature of the investigations that have been taking place, will have greater sympathy for and understanding of the ethical issues and the issues of probity. In relation to whether a cabinet secretary should attend the likes of a board meeting with such investigations being under way, they may have a much clearer vision of why my decision was undisputedly the right one to take.

Jamie Halcro Johnston: Okay. This will be my last question, because I am conscious of time.

I recognise that it is a complex situation and I note your suggestion that there are some restrictions. Given what you have said, do you believe that you, your department and your officials have done all that you can? If the public were to ask that question, do you think that you could justify that you have done a good job, given the difficult situation?

Angus Robertson: We have acted appropriately throughout this challenging situation. Are there any additional powers, as Mr Harvie suggested, that should be part of the armoury for managing such circumstances? I am open to considering that, and if Mr Halcro Johnston has any suggestions about what they might be, I will listen to them.

Today, we have shared a timeline that explains at what stage I sought to intervene in a number of ways. The Government has acted in good faith to try to help an arm's-length organisation that was created under statute to find its way back to a leadership, a culture and a way of operating that we would all wish it to have.

Jamie Halcro Johnston: The concern that many people will have is that you are suggesting that your hands were tied. Others might suggest that you have been sitting on your hands and that that is why this has been allowed to escalate—

Angus Robertson: I am sorry, but I totally refute that, because it chooses to ignore the fact that we are operating in relation to an organisation that was created by statute. There are legal restrictions on what we can do.

The record will show that, at the earliest opportunity at which I was empowered to make decisions, I made decisions in relation to the leadership of Historic Environment Scotland. We can already see that those changes are having a significant impact on where HES is today compared with where it was last year.

The Convener: I am conscious that Mr Bibby has been waiting for some time to come in.

Neil Bibby (West Scotland) (Lab): Good morning. This is obviously a total mess and I do not think that anyone comes out of it well. The fact that we have had 171 days without an accountable officer in the organisation is astonishing.

Cabinet secretary, you stated earlier and you note in the timeline that the board suspended the chief executive officer on 5 September. On 2 October, the CEO emailed the Scottish Government and HES requesting a return to work. Thirteen days later, on 15 October, the chair and board approved the request for the CEO to return to HES. That seems quite a short turnaround. For clarity, what procedures were followed to lift that suspension? Had an internal investigation been concluded in that time?

Angus Robertson: The obvious difference in these circumstances is that there was a new chair of Historic Environment Scotland. No doubt, when he gives evidence to the committee, as he will, he will be able to answer that question.

The new leadership in HES is absolutely key. I agree with Mr Bibby. The fact that a new chair was able to do what was not possible under the old leadership speaks for itself, but it is not for me to speak for Sir Mark Jones.

Neil Bibby: You said that there was a new chair, but otherwise it was the same board that made a different decision in a short period of time.

Angus Robertson: Indeed. Leadership is key—I agree, Mr Bibby.

Neil Bibby: The chair changed, but the other board members remained the same, and there was a very quick turnaround in the decision made by the board.

Angus Robertson: Indeed, which is one of the reasons why I have a very, very high degree of trust in and respect for Sir Mark Jones.

Neil Bibby: You have high trust in and respect for Mark Jones as the chair of the board.

Angus Robertson: I do.

Neil Bibby: Do you have confidence in the rest of the board?

10:00

Angus Robertson: I am pleased that progress is being made in turning the situation around in Historic Environment Scotland. Under new leadership, the board is playing its part in doing that. There are also new members of the board, and there is a new chief operating officer.

Under its new leadership and following the reporting of internal investigations, I am confident that Historic Environment Scotland will be in a profoundly different place from where it was before. However, I will not generalise about the entire board, the entire senior leadership team or the chief executive.

Neil Bibby: You will not generalise about whether you have confidence in the board of Historic Environment Scotland.

Angus Robertson: I have confidence that the board is heading in the right direction under the chairmanship of Sir Mark Jones.

Neil Bibby: You are not saying you have confidence in the board, or that you have always had confidence in the board—is that correct?

Angus Robertson: I have chosen my words carefully. I have confidence in the leadership of Historic Environment Scotland under the chairmanship of Sir Mark Jones. I have already taken the earliest opportunities to strengthen the board by making sure that it has board members who have experience that the previous board members did not.

It is in the nature of these things that all such organisations have a rotation of board members and senior leadership teams. I imagine that everybody wants to make sure that Historic Environment Scotland, under new leadership, has the appropriate people in place. I will be advised by Sir Mark Jones on that point. I have not been presented with any suggestions about the board that he leads. I will leave it for Sir Mark Jones to speak for himself and for how the board is now operating.

Mr Bibby has identified how changed the circumstances were after the shortest possible period of time under the new leadership of a new chairman of the board. I credit that change to Sir Mark, and it is the reason why I have such a high degree of confidence in him.

Neil Bibby: Perhaps the reason why the cabinet secretary chose his words carefully about having confidence in the board is that it is difficult for a cabinet secretary or anyone to say that they have confidence in people if they have not actually met them. Of course, you have not—

Angus Robertson: No, it is about a more profoundly important point, which is that investigations are under way. The committee knows that. I will not prejudge any investigation or any conclusions that it may reach.

My words have been chosen very carefully. I await the report from David Martin, as I am sure do Mr Bibby and the committee. That will help me to reflect on the question that Mr Bibby has asked more generally about where Historic Environment Scotland and its leadership are today compared with where they were last year.

I say again that I will not generalise about every board member, every member of the senior leadership team or the chief executive. Given that we are dealing with an independent organisation that operates under statute at arm's length from the Scottish Government, it is important that the organisation should be able to get on with what it is supposed to be getting on with and that any lessons that emerge from the investigations should be acted on.

Neil Bibby: You said earlier that it would have been inappropriate for you to meet with board members while the previous chair was in post. Is it not inappropriate for you to meet the board now?

Angus Robertson: It is not inappropriate for me to meet the chairman of the board, who I have met twice; nor is it inappropriate for me to meet the chief executive, who I met in one social setting but not in a formal context. I will be advised by Sir Mark on that point. I have said to him that, if he wishes for me to meet the board and feels that that would be appropriate, I will consider doing so.

Neil Bibby: So it would not be inappropriate for you to meet the board.

Angus Robertson: I have said to Sir Mark that, if and when he wishes me to meet the board and judges it appropriate that I do so—given all the riders that I have just explained which I would have thought were obvious—I would be happy to do so.

Neil Bibby: At the last committee meeting on 6 November, I asked you to what extent you were reassured by Historic Environment Scotland on its financial planning. You replied

"No specific issues with financial management have been raised with me." —[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 6 November 2025; c 23.]

Since then, the Audit Scotland section 22 report has found

"weaknesses in financial management arrangements for electronic purchasing cards, expenses and hospitality."

Do you stand by what you said on 6 November?

Angus Robertson: Nothing has been raised with me that I should specifically act on beyond ensuring that the Scottish Government's sponsorship team is in contact with Historic Environment Scotland. Mr Hogg has a range of examples in which the team has intervened.

Given the nature of the investigations and complaints at a senior level in Historic Environment Scotland, my locus for intervention has been to ensure that I have acted to deal with questions that have been raised about the leadership. Mr Hogg may want to share with the committee a number of ways in which the Scottish Government has shown an interest in and concern about financial management issues at Historic Environment Scotland.

Kenneth Hogg: Briefly, the issues highlighted in the section 22 report are about financial governance, which the committee has already taken evidence on. The Scottish Government's sponsorship team has been engaging with the organisation about some of those very issues over the months. They include the rigour with which Historic Environment Scotland has been pursuing procurement process breaches; asking for fuller and faster information on ticketing for major public events; requesting the halting of an unnecessary rebranding exercise; and taking action on and asking for more information about board members signing up on the Scottish Government's register for mandatory training and undertaking that training, and board evaluations.

We have been taking action over a number of months about a number of concerns, all of which would come under the heading of financial governance. Some of those issues are reflected in Audit Scotland's section 22 report.

Neil Bibby: When were you first made aware of concerns about procurement issues in Historic Environment in Scotland?

Angus Robertson: Mr Hogg is looking for a note. I do not have a date to hand or in my mind, Mr Bibby; I would have to look back. You cannot see him doing it as you are joining the meeting remotely, so I will describe it for your benefit: Mr Hogg is looking at some email traffic to get some insight into that.

Kenneth Hogg: In June 2025, the Scottish Government's sponsorship team were aware of interim findings of an internal process that had been carried out within Historic Environment Scotland into the alleged breaches of procurement practice, specifically in respect of single source procurement. A review was done of the inappropriate use of sourcing services from a single supplier without competitive tendering.

I imagine that the process had been on-going in previous months but, certainly, by June last year, we were aware of it and were corresponding with the organisation about its handling of it.

Neil Bibby: I understand that the Scottish Government was informed that a senior member of staff—the director of marketing—was to be suspended on 30 September after earlier having being exonerated. The suspension did not come into effect until around two weeks later but, in the intervening period, the individual was advised by the director of HR to take sick leave. Did Mr Hogg or the cabinet secretary know about the suspension and were they aware of the delay?

Kenneth Hogg: We were not aware of the specifics of that. That is an internal matter for Historic Environment Scotland. I have been told by Sir Mark Jones that several of the directors are currently absent from the organisation, but those are internal HR matters for Historic Environment Scotland—and they are an example of the operational issues that we do not get involved with directly.

The Convener: I would caution everyone that those are on-going issues, as has been said. They are the subject of live proceedings, and I do not want the committee to prejudice those in any way. I would caution you on that, Mr Bibby.

Neil Bibby: Absolutely. I would not wish to do that, either. I totally understand that there will be HR issues in the organisation. However, some of those relate to governance issues—to how the organisation is being governed. I put that point to Mr Robertson and Mr Hogg.

Angus Robertson: That is an entirely fair point, and it could and should be raised with Sir Mark directly. He would have an insight and responsibility for that; it is in the operational ambit of the leadership of Historic Environment Scotland, which is independent of the Scottish Government.

Neil Bibby: Just for clarity, were you aware of that situation, cabinet secretary?

Angus Robertson: No.

Neil Bibby: Thank you.

You talked earlier about your confidence in Sir Mark Jones and about taking up the issues with Sir Mark. Last time he came before the committee, he was saying that he was working the equivalent of one day a week. Is that still sufficient?

Angus Robertson: He has two days a week, I believe.

Neil Bibby: Is that sufficient?

Angus Robertson: That has to be seen in the context of ensuring that there are new board members with specific skill sets who can work with and help him—in particular, that there is a new chief operating officer, who is able to pick things up.

I have said to Sir Mark in the conversations that I have had with him that, if he has any requirement—personally or more generally—for any strengthening of the change that he is currently having to make at Historic Environment Scotland, he will be supported by the Scottish Government.

Neil Bibby: I thank the cabinet secretary for that answer.

My last question relates to the culture of the organisation. There have been reports of a culture of fear among staff when it comes to coming forward and raising concerns. That point has been raised previously. You have talked about the independent review of culture that is to be carried out by David Martin. I am aware of a number of David Martins. I will be corrected if I am wrong, but you have not informed the committee of which David Martin it is. I will be corrected if I am wrong on this, too, but we have not been furnished with the terms of reference for the review either. If you could clarify which David Martin it is, I would welcome that.

Angus Robertson: I will hand over to Mr Hogg in a moment but, first, I am able to confirm to Mr Bibby that it is not the David Martin he and I would know—

Neil Bibby: I know many David Martins.

Angus Robertson: It is not the former Labour MEP for the Lothians, Vice-President of the European Parliament and one of Mr Bibby's Scottish Labour Party colleagues. We are talking about the former local authority chief executive. His review began on 19 January.

Kenneth Hogg: He was formerly CEO of Dundee City Council and of Renfrewshire Council. He is a former non-executive director of the Scottish Government and, I believe, also of a UK Government department—HM Revenue and Customs, I think.

The review is being undertaken at the request of the new chair of the organisation, and it covers organisational culture, organisational governance and organisational structure. Mr Martin began his work a week ago on Monday, and my understanding is that it is due to conclude in the late spring—around May.

I do not think that I have seen a copy of the terms of reference, but I would imagine that Sir Mark Jones and the board would be happy to share that with the committee.

Neil Bibby: Thank you.

The Convener: That concludes this evidence session. I am very conscious of the time, so I ask for a quick, five-minute turnaround for the change in panels. Thank you, cabinet secretary, and thank you, Mr Hogg.

10:14

Meeting suspended.

10:19

On resuming—

Budget Scrutiny 2026-27

The Convener: A warm welcome back to the meeting. First, I should let our visitors know that Mr Bibby is online.

The next item on the agenda is an evidence-taking session on the draft budget for 2026-27. I welcome to the meeting Lucy Casot, chief executive officer, Museums Galleries Scotland; Councillor Rick Bell, resource spokesperson, and Matthew Sweeney, chief officer, Convention of Scottish Local Authorities; Steven Roth, executive director, Scottish Ballet; and Billy Garrett, director of culture, tourism and events, Glasgow Life.

I will go straight to questions and put Mr Roth in the spotlight first. The budget, which was published earlier this month, provides a flat-cash settlement for Scotland's five national performing companies. Can you provide some detail on what engagement you had with the Scottish Government ahead of the budget and what the settlement will mean for Scottish Ballet? If you could speak for the other performing companies, that would be helpful.

Steven Roth (Scottish Ballet): Yes, I am very happy to do so, and thank you for inviting me.

We had many conversations with both the cabinet secretary and our department officers prior to the budget, and as I think Alex Reedijk, my counterpart at Scottish Opera, has mentioned, from our last meeting with finance and operations, we were of the understanding that the national companies would receive something from the next tranche of the £100 million funding.

I want to give some context to that, but before I do so, I want to clarify something that the cabinet secretary said yesterday in the chamber. There was a suggestion that the additional £1 million that the national performing companies received in last year's budget, which was 1.4 per cent of the £70 million that came from the £100 million, and the £700,000 that we received the previous year brought us to the highest point of funding since 2011-12. That might be partly true, but I should point out that the five national companies received a cut that year. For instance, Scottish Ballet's grant in 2010-11 was £4.6 million, and the following year, it was £4.5 million—it was cut by around £200,000. Therefore, if you compare the current year with 2010-11, you will see that we are actually £100,000 behind where we were then. Once depreciation through inflation and all the rest of it is factored in, our grant has about 36 per cent less value than it had in 2010-11.

Moreover, it is suggested in one of the committee papers that came out for the meeting that Scottish Ballet is seeing an increase from £4.7 million to £4.9 million. That is not entirely true either; our core grant is £4.6 million, but we have also received a little bit of money from the onward international touring fund. I am not sure whether you are aware of this, but there is a completely separate pot of money that the national companies bid for. It fluctuates between £400,000 and £450,000, and it is used to get the five national companies overseas; we put in, and won, a bid of £180,000 to the fund to take the company to Charleston and New York next year. That money gets put into our grant. However, it is a one-off payment, and our base grant is actually static.

As for your question about the consequences of the settlement, we have had 15 years of flat funding and now another two years, potentially, because we have been led to believe that the last £30 million of the £100 million will not be delivered until 2028-29. In light of that, I want to thank Mr Harvie for his question to the cabinet secretary in the chamber about whether there would be some sort of "concrete" guarantee to the national companies that they could expect some of that money. I am glad that he received that assurance from the cabinet secretary, because it gives us a bit of assurance, too.

A lot can happen in two years, though. The fact is that we have been losing good-quality people, because our salaries have been fairly flat, and we have had to manage decline. Indeed, I think that the five national companies have done so extremely well, but that is part of the problem. We have been very successful in managing decline and papering over the cracks, basically by cutting core business. For instance, Scottish Ballet does not tour to Inverness as much as we did in 2010-11, or certainly before the pandemic, because the costs of touring have gone through the roof.

While we have been cutting programmes in our core business, our community engagement and other aspects that the companies deliver have been increasing dramatically. Scottish Ballet announced that we would be a national centre for dance health at the Healing Arts Scotland festival here in the Parliament a couple of years ago, and our programmes, which are for people with multiple sclerosis, Parkinson's, dementia and so on, have extended right across the country, as far away as Orkney.

All five companies deliver those types of programmes into our communities, and we fund them separately through trusts and foundations and from private donations. However, those programmes would not exist without a solid core company and programme that is sustainable and financially viable.

We are now getting to the crux of the issue. The cost of touring has gone through the roof—it is now incredibly expensive. The cost of accommodation in particular is ridiculous. Scottish Ballet is now spending £200,000 a year on accommodation in Edinburgh alone. We are only 50 minutes from Edinburgh, and yet we are spending a huge amount of money on that. It is more than double what we were paying just after the pandemic, and almost triple what we were paying before then. We are carrying those additional costs, not to mention the 5 per cent bed tax that will be added to accommodation in Edinburgh come July. When we are faced with such ever-increasing costs, what more do we cut?

We have cut our orchestra back; we used to tour with 65 freelance musicians, who had sustained work throughout the year. We are now sometimes touring with only 20 players.

We have cut our company in half when we tour—we used to tour with the entire company of 40 dancers and rotate the cast so that everybody got a chance to be on stage. Now, more often than not, with the exception of this big, long winter season, we are touring 25 of those 40 dancers, so we have to find something else for the others to do while we are on the road.

There are consequences to static funding, which is really a cut. We are cutting the core programme, which we do not want to do. We are national companies and we are there to present works of scale in opera, ballet, the symphony orchestra, plays and theatre at the very highest world-class standard. I think that we achieve that, but we have now got to a point at which there is very little extra to cut. We have been making efficiencies for the past 15 years and now we are faced with another two years of having to make more efficiencies to get us through to what might come our way in 2028-29.

I hope that that gives you a bit of an insight.

The Convener: Thank you. I want to ask Lucy Casot quickly about the impact of the £8.5 million increase in capital in the budget. In your view, to what extent does that address some of the challenges in the museums and galleries sector? For example, we have heard about the situation with the upkeep of the galleries themselves.

Lucy Casot (Museums Galleries Scotland): Thank you, I am grateful to have the opportunity to appear before the committee. We broadly welcome the proposals that are relevant to the museums sector. In our pre-budget scrutiny response, we called for a commitment to multiyear support for the sector, in particular for the new museum futures programme, and for an assurance that museums and galleries will receive a

"proportionate share in any culture funding uplift",

including in relation to capital investment.

We in the sector welcome the continued support for museum futures, which is a new programme that has been developed in partnership with the Scottish Government and the National Lottery Heritage Fund. It seeks to deliver positive change in how the sector operates and collaborates and to create the conditions to test new ways of working. Early-impact research shows that the programme is beginning to meet the needs that we tailored it around, and it is creating conditions for growth and resilience that we anticipate will enable museums to innovate, adapt and thrive. However, continued investment is essential to continue the momentum and realise the potential of that approach. We welcome a second year of funding support for that, and our ambition is to secure a multiyear commitment to enable us, and museums, to plan with confidence.

To come to the question about capital, we also welcome the preservation of a capital budget for the museums that we directly support. The funding to which you referred—the big capital investment in museums—is going to the art works project, which is for the national collections. We very much welcome that and recognise the importance of securing appropriate facilities for the national collections, not just to store them appropriately but to make them accessible to the public. I would note that those same needs are replicated across the country, in the 450 museums outside the nationals. The sum that we have for distribution is £1.6 million. That is an increase from the £200,000 that we had to distribute across the 450 museums in the previous year, so it is certainly welcome, but it does not, in any way, meet the need in that regard.

MGS also has a core budget, which is flat, as is the case for the national collections. In our case, we have had a flat budget since 2020, and that clearly presents challenges in meeting the sector's needs, and the growing need that it has, given the crisis in the sector, for support from the national development body.

While there are positives in the budget, we know that we need to continue to make the case for a fair proportion of funding to the whole sector, not just to enhance our museums but to empower them to shape our future in ways that benefit everyone.

The Convener: We move to questions from the committee.

10:30

Jamie Halcro Johnston: Both Lucy Casot and Steven Roth talked about the regional aspects and

the importance of those. I ask you both to elaborate a little on that.

I am from Orkney—Steven, you mentioned Orkney. There are some absolutely important and vital museums there; I will not name them all, but I will highlight a few. There is Stromness museum, where you can visit and see my great-great-uncle's Scotland rugby cap from the late 19th century. You can go to the Orkney wireless museum or the Tankerness museum. The museums are an important part of our tourism trade. Some are supported by local government and some are private. Can you tell us a bit about the health of the sector outwith the central belt?

Lucy Casot: It is really challenging and pretty dire in some cases. We have a good understanding of the situation with the many different kinds of museums and the individual museums around the country.

One of the strengths of the sector is the whole ecology of it. We have the fantastic national museums, some wonderful local authority museums and many independent museums, which make up more than half of the sector; some of those are tiny, volunteer-run museums. It is the ecology that makes the sector really rich. For a visitor, how a museum is funded is not the issue. The local museums that are so important to place, identity and uniqueness across Scotland are as important, in different ways, as the bigger ones that host the nationally important collections.

We need to look at the whole ecology of the sector. I am concerned about civic museums in particular; we see the greatest concern in that area, and we are seeing museum closures there. I am sure that we will hear about that from colleagues on the panel today.

The museum futures programme is an ambition to work in a different way and to look at the ecology of the whole sector and how collaboration across the different kinds of organisations can improve the situation. We are hearing clearly that capacity in the sector has been so limited by cuts over so many years that the ability to innovate and take advantage of new opportunities is really constrained. The programme starts with a diagnostic to understand what the real issues are. Then we work from the situation in which museums find themselves to provide capacity and some investment. Museums do not have a lack of ideas or ambition for how they want to go forward, but there is a lack of investment and of capacity to take advantage of investment. We are excited about the museum futures programme, but we need a commitment to the programme over more years if it is going to deliver on its potential.

Jamie Halcro Johnston: There have been some positive examples. Again, I am not looking for free tickets here, but I recently visited the new museum at Lyness—

Lucy Casot: It is fabulous.

Jamie Halcro Johnston: It is fantastic, and it is important as a record, a promotion and a source of knowledge of that part of Orkney's wartime history. In the past, I have also dealt with the Falconer museum in Forres, which is another fantastic museum that has faced challenges because of funding cuts. This is the concern. The suggestion is that there are some wonderful, high-profile examples with a lot of money going into them, but are a lot of museums simply trying to keep the lights on and the doors open as far as possible? Do you see any real change in the situation?

Lucy Casot: If there is change, it has been going in the wrong direction and it is getting worse. When we reported to the committee on a previous survey that we did, we said that 10 per cent of those in the sector who had responded to the survey felt that they were at risk of closure in the next 12 months. A programme such as museum futures and the increased investment that we have is absolutely critical. The issue is a long-term lack of funding, so there are no quick fixes, but we need to work in a strategic way, looking at what the future could be. Looking forward to public sector finance predictions, there is probably not going to be a return to the situation with funding that there might have been in the past, so we need to think strategically about how we deploy the resource that is available and try to work that out.

I will give you one example of something that we are looking at through museum futures. Many small museums in the Highlands cannot afford to employ a finance officer. They will have a member of staff, probably a museum specialist, trying to carry out that function. We are looking at whether we could fund one person across, say, five museums to be able to provide that service. That would free up the time of the non-finance specialists to do the work that they should be doing and would meet a need that no one museum could afford on its own. We need to look at piloting ideas like that and sourcing ideas like it from the sector about what could be done differently with resource. We then need to evaluate those ideas and grow from there so that we can test different models of working.

Jamie Halcro Johnston: You only have to go into a small Highland community to see a museum about something—the local clan or a bit of its industrial heritage. Is there enough co-ordination across the sector, whether on the private or the public side? Is there an increasing reliance on volunteers who play their role simply because they want to do it? Has the level of confidence in the sector, which you talked about, moved? Is it

getting worse? Is confidence in the future for many of those museums increasing or decreasing?

Lucy Casot: That is a lot of questions.

Some of the small volunteer-run museums are absolutely thriving. It is a great model. Volunteering has always been part of how the sector has operated. Volunteers are absolutely critical, whether they work in front of house in museums; work online, supporting collections; or form the trustee bodies that enable the organisations to thrive. They are critical to the sector. There have been challenges with the drop in volunteers post-Covid for some museums. However, it is not a negative that volunteers are supporting the sector; it is a positive.

In terms of whether there is an attitude of "confidence", as you put it, programmes such as museum futures give hope. It is about whether we can embed that programme and get that longer-term, multiyear commitment to it. That is critical. The sector is good at mutual support. There is a network of regional museum forums. Sometimes, museums and other heritage organisations share resource, with professionals in one museum mentoring volunteers in another, and so on. The sector is well networked. Museums Galleries Scotland has a role to support that whole ecology and support network. Our ability to do that is itself constrained by more than five years of flat funding, so we are putting our hope to see change in this new way of working.

Jamie Halcro Johnston: Steven Roth, I will come to you because, as I say, you pressed the button by mentioning Orkney. I am always very interested to hear about the regional and local aspects and about bodies that sit within the central belt coming out to areas such as mine. How confident are you that you will be able to continue developing remote programmes in communities such as the one that I live in, given the constraints on funding?

Steven Roth: That is a good question. We want to continue doing that and do not want to cut back on it—I speak for all my counterparts across the national performing companies in saying that.

The Royal Scottish National Orchestra is delivering digital music lessons to schools across the UK. Orkney is as important to us as Dundee—we are in partnership with Ninewells hospital there—and any of the other regional communities where we are delivering those programmes.

The three programmes that I mentioned are dance health programmes, but we also have programmes for young people, through which we work in schools to support kids who, essentially, cannot be educated in mainstream schools for a whole lot of reasons—they might be personal, mental health or family reasons. We bring those into special schools, and they are transformational. One such programme is called "The Close". They are not only life changing for those young people; they are life saving. We have seen that over and over again in the feedback that we receive from their teachers. They are absolutely critical programmes that go way beyond our core business, which, at the moment, is presenting "The Snow Queen" on stage—as we speak, there is about to be a matinee on in Inverness.

We consider those programmes to be as important as our core business. However, if our core business starts to fail or fracture, it would be very difficult to continue them, even though there is a separate funding line for them.

Trusts and foundations have been incredibly supportive, and we have partnerships with universities across the world. For instance, the George Washington University is supporting us with the MS programme that we are running in Orkney with the national health service and the local MS Society.

It is an intricate web and everything is tied together. It is a fragile house of cards; if one part starts to decline, it will drag on everything. We do not want that to happen; we want there to be a robust organisation that can deliver programmes right across the nation.

Jamie Halcro Johnston: Given the constraints, some people may feel that ballet and other cultural offerings are not as accessible as they could be. My experience of ballet was being dragged along to watch my sister as a small girl try to do things that resembled ballet around a stage. It is a different experience when you see it done properly, as I did when I went to see the Kirov ballet. However, that experience is not cheap or accessible. Are you concerned that the accessibility of ballet in Scotland will be impacted if the funding constraints continue?

Steven Roth: The accessibility of the arts from the five national performing companies in Scotland is already being constrained, because we are all considering ways to cut our core programmes.

Essentially, it will be touring that gets cut. For instance, it would cost us about £80,000 to £85,000 to take the company to Inverness for a normal one-week programme of a story ballet. I am not talking about the whole company but the smaller, reduced company. We would achieve only about £20,000 to £25,000 in income from that programme, so the gap would need to be covered in some way. The programme would be covered and subsidised by the cash that we raise over the winter period, when a successful family ballet is produced throughout five or six weeks across the

four main theatres that we work with, together with the opera. As I said, we have already cut a whole tour from Inverness—to give one example—so there has already been a decline in accessibility there.

Jamie Halcro Johnston: Is it likely that in, say, five years' time, you will not be able to offer the same amount as you do now?

Steven Roth: If we are on static funding in five years' time and if nothing has changed, I guarantee that we will only be in the central belt. We may be able to take very small groups of people out of the central belt but that would not be the national performing companies; it would be something much less than that.

Jamie Halcro Johnston: Okay—thank you.

The Convener: I will bring in the other half of the panel for the next question. Throughout our scrutiny of budgets, the committee has considered the themes of wellbeing and the wellbeing society. We are keen to engage with COSLA on how we can deliver some of those ambitions. We are interested to hear about the impacts that budgets have had on local government in general and, specifically, about some of the challenges in Glasgow. I am also interested to hear whether you have seen our ask for a percentage of the visitor levy to go to the arts and how you feel about such funding. I will first bring in Councillor Bell. [*Interruption*.] It is okay—the microphone will be worked for you.

Councillor Ricky Bell (Convention of Scottish Local Authorities): Thank you, convener—I am not used to the system.

I have been called many things in my life, but this is the first time that I have ever been called "Rick"—never mind.

From our perspective, local authorities and local government are in a difficult place. The amount of funding has not been great, and COSLA leaders have taken the view that the budget is disappointing. We ran a campaign about the amount of funding that we feel is required for local government. It would be fair to say that we did not expect the Government to give us everything that we asked for, but the budget falls far short of what we had hoped for. That puts local authorities in a difficult position. I would encourage people to read an interesting report that was published today by the Accounts Commission, which nails the whole problem.

We are pleased that there is additional funding in the budget for local government and that the cabinet secretary has listened to COSLA's request for less of that budget to be ring fenced, so that local, democratically elected politicians can make the decisions on how money is spent in their communities. There is a bigger chunk of un-ring-fenced money in this year's budget, which we welcome.

Our problem is that, similar to what our colleagues from the sector were saying to you a few minutes ago, our costs are escalating and our demands are going through the roof. We are seeing very significant rises in the demands on local government and we do not have the funding to match that. Unless something changes in regard to that, we will be facing some pretty difficult budget decisions as we go through that process across all local authorities in the next few weeks.

10:45

We have to have a more grown-up and adult conversation about the longer-term future of local government that is not about whose fault it is but is about what the solutions are and how we can find better ways to fund local government.

You touched on the visitor levy in your question. From our perspective, that is a really positive development, because it is allowing local government to look at other ways of raising money. We accept that the Scottish and UK Governments are probably never going to be in the position where they fund local government to the extent that is needed for us to be able to deliver the required services. We therefore have to have a grown-up conversation about trusting councils to raise some of their own revenue, and the visitor levy is a welcome start to that. Certainly, in Glasgow City Council, where I have my day job as a councillor, we have already started on that. We have done the consultation and we are going through the process to introduce a visitor levy for Glasgow.

We need to look for other options as well. There are a variety of other things that we would like legislative consent for so that we can raise additional revenues. I do not need to tell anybody in this room, but local government services are the ones that touch people's lives the most and are the ones that are the most important to them. You will know that, because all of you will be out door-chapping just now for the upcoming Scottish Parliament election, and I am sure that it is council services and issues that are raised with you most often. That is simply because councils do not have the money to be able to deliver the services that we not only want to deliver but that our constituents both need and absolutely demand that we deliver. That is where we are at.

We do not think that this budget is particularly great for us. COSLA leaders have said specifically that it is a disappointing budget, given what the ask was. However, I hope that, once the election is out the way and some of the politicking maybe dies

down a wee bit, we can have a serious conversation about how we will fund local government and what the purpose of local government is.

The Convener: Thank you very much. Mr Brown has a supplementary on that.

Keith Brown: What is crucial to having that serious, grown-up conversation is an understanding of the general financial environment, and I do not get the sense of that, to be honest. Nobody—neither you nor the previous two speakers—has mentioned the impact of the increase in employer national insurance contributions, which I cannot imagine will have had no impact.

I cannot speak for the Greens, but no other party in the Scottish Parliament suggested an amendment to the budget that would have increased the local government settlement, so there seems to be tacit agreement in relation to that. Did COSLA have conversations with any Opposition parties on the budget?

Councillor Bell: Yes, we did, and we now have a series of meetings with Opposition parties in the diary to talk to them about what we would like them to ask the Scottish Government to do in the next stage—I get confused by your stages; I think that it is stage 2 next. We have a series of meetings booked where we hope to be able to convince some of the Opposition parties to take on board some of the points that COSLA is making. Those dates are already in the diary.

Keith Brown: I will just confirm that no Opposition party came to the Government, with the possible exception of the Greens, and asked for more money—or, in fact, asked for anything, which is quite astonishing.

Can you say something about the impact of the increase in employer national insurance contributions? I know that that was last year, but this will be the first full year that you are having to find that money. What kind of impact has that had?

Councillor Bell: It is having an impact. You pointed out that we have not mentioned employer national insurance contributions. That is a real problem for us, but it has probably not been highlighted because it is one of so many problems that we face at the moment.

I do not have a figure with me today that would tell you what the quantum of that impact is across local government in Scotland, but clearly it has had a big effect. I would contemplate that there is probably a bigger effect on some of the smaller authorities, whose budgets are relatively small scale. Certainly, it has had a significant impact on Glasgow.

We also find that more and more local authorities have to rely on our third sector colleagues to deliver essential services. Obviously, the increase has had a massive impact on our third sector partners, and that has been really damaging for many of them. They have come to the council to ask us to fill the gap that the increase in employer national insurance contributions has left, but we do not have the financial capacity to do that.

The Convener: I will bring in Mr Garrett to comment, and then Mr Harvie has a supplementary question.

Billy Garrett (Glasgow Life): Thank you very much for the invitation to come along to this session. This is a really interesting conversation, and I will echo some of Councillor Bell's comments and, indeed, the earlier comments from my colleagues.

There is an issue about understanding the role of local authority funding in the overall cultural space, because there is an underestimation—or maybe a lack of recognition—of the significant role that local authorities are playing in the funding of culture across the country. That is not in any way to diminish the role that Scottish Government cultural budgets play. Certainly, from a Glasgow Life point of view, we welcome the £20 million uplift in this year's budget, on top of the uplift last year, notwithstanding the legitimate caveats that we have heard. It depends how we count it, of course, and there are always different ways of counting figures, but I believe that, effectively, local authority funding for culture is equivalent to Scottish Government funding for culture in Scotland. That is really significant.

In Glasgow, there is something even more significant. Glasgow is a city that has always taken culture seriously, and we have been fortunate that the local authority in Glasgow has understood the power and significance of culture, whether that is with regard to regeneration or health and wellbeing—the point that the convener has just raised—or to how the city presents itself to the world, how the perception of the city can be changed and how a renaissance can take place through culture. That sophisticated understanding of the power of culture has always existed in Glasgow, and therefore Glasgow has, in a sophisticated and visionary way, invested heavily in culture, more so than most cities in the UK—although a number of them have used Glasgow as a template to develop their own strategies. I will come back to that strategy point in a moment.

That investment in infrastructure has been really significant, and we are fortunate in the city to have an internationally renowned cultural estate. However, it is not just that; in Glasgow, there is

also a significant ecosystem—I suppose that that is the word that I would use—around culture. Notwithstanding the challenges, Glasgow is still a place where artists, performers, makers, creators, creative industries and start-ups can succeed. It is a place where people can come and make things, create things, write things and start up. As I think Steven Roth said some years ago, Glasgow is the factory of culture and the factory of the arts. However, because of the reliance on local authority funding and the challenges that local authority funding has been facing over the past few years, that status is really vulnerable now. I have to make the point, because representatives from Glasgow have made that point in these chambers before.

I apologise for being a little provocative here. I will rephrase Mr Halcro Johnston's question about what the picture is like outside the central belt, by asking instead what the picture is like outside those organisations that receive revenue funding from the Scottish Government.

In Glasgow, we receive very little revenue funding from the Scottish Government. Our museums, for instance, receive not a single penny of revenue funding from the Scottish Government. Kelvingrove, Riverside and the Burrell—museums that attract just under 4 million visitors, the majority of whom are not from Glasgow—do not receive a single penny. They are not just nationally but internationally significant assets for this country, and our events and festivals are of a similar stature. There is no revenue funding from the Scottish Government. We have been very fortunate so far in the support from the council, but we are reliant on that support.

For all the reasons that we have heard, our position is really vulnerable. We work with Creative Scotland and our colleagues in the city, and we are proud to host four of the five national performing companies in Glasgow. That is significant. We work across the board and closely with Creative Scotland and all the other national agencies, but we are coming to a significant point where our position is increasingly vulnerable.

Although the additional capital for the museums sector is, of course, to be welcomed, I point to the fact that that is effectively for museums in Edinburgh. It is for the art works project and the King's theatre. To be honest, we were a bit disappointed that there was no funding for the People's Palace capital programme in Glasgow, about which we have had conversations with Government ministers.

There are some really interesting items to include in that grown-up conversation about an asymmetric pattern of cultural funding and about recognition for the role that local authorities are playing in that cultural space. Certainly, we would love to be part of that conversation.

The Convener: We will move to questions from other members.

Patrick Harvie: Good morning, everybody. I am conscious of time and I do not think that we will have time for everybody to explore every issue that we would like to explore. The main opportunity here is for the witnesses to put issues on the record, so that we can take them up with the Government in the rest of the process.

First of all, I was going to come to Billy Garrett and ask whether he could give us any further update about the People's Palace. As you are aware, we spoke about that recently on a visit, so I am grateful for the opportunity. You have been making the case for Scottish Government funding for the People's Palace not only so that you can fund it directly but to lever in additional investment that will come from other sources if the Scottish Government makes funding available. If there is anything further about the dialogue you have had with the Scottish Government that you could make us aware of, I would be grateful.

I will turn to Councillor Bell. I am not sure whether Councillor Rick Bell is speaking for COSLA and Councillor Ricky Bell is speaking for Glasgow, but I am conscious that you have these two hats on, although, formally, you are speaking on behalf of COSLA at the moment. We are a committee with one specific portfolio remit. We are not here as the Local Government, Housing and Planning Committee or the committee that deals with issues around homelessness, for example. If the Scottish Government were to make a more generous contribution to local government in general, it would no doubt relieve some of the pressures that you have talked about in relation to the impact on the council's ability to fund areas such as culture. However, that ability would not be universal or uniform across the country.

If you were here with your Glasgow City Council hat on, you would no doubt make the case that, unless the Government resolves some of the extraordinary pressures that are being felt in relation to homelessness—partly as a result of devolved homelessness legislation that most of us support because we feel that it is more progressive, but also as a result of UK changes in the asylum system—that will massively undermine Glasgow City Council's ability to provide discretionary funding not only in areas of culture but in statutory services. You are asking for a grown-up conversation about trusting councils to raise more of their revenue and about changing the way in which we fund local government. Are you saying to us that the level of culture funding that the Scottish Government makes available

within that portfolio will not be enough to enable councils to fund those aspects of culture that they want to? In that case, how does a subject committee with this portfolio intervene with the Government on that question, when it sits within local government or homelessness, and these things all fit together?

Councillor Bell: Thank you very much, Mr Harvie; that is a very detailed question. My COSLA role and my Glasgow role do not always align, but, on this matter, they absolutely do. Billy Garrett hit the nail on the head when he talked about how, for all of us, regardless of what issue we are trying to resolve in our community, culture plays an enormously important role. We in Glasgow have been very supportive of that role, and we are keen to continue to support it, but there is no doubt that, across the country, the difficult settlements that councils have received in this year's budget—although we welcome the increased moneys that are not ring fenced and the fact that some additional money is being provided—and the pressures on the rest of the budget mean that cultural venues will be on people's closure lists. Without a shadow of a doubt, we will have to look at the facilities that we currently provide. Given that, as Billy Garrett said, a significant number of facilities in the city of Glasgow get no funding from the Scottish Government, that poses an increasing problem.

11:00

That is not just the view of Glasgow City Council and COSLA. Councillors across the whole country recognise the very important role that culture can play in people's lives, especially in those of people who come from more challenging backgrounds. For them, culture can often be the route out of poverty. Everybody talks about education as offering the answer when it comes to getting out of poverty, but culture is sometimes part of the answer, too.

Many councils continue to support the culture in their authority areas because we can see, feel and touch the benefit that it brings to people's lives. However, as budgets continue to shrink, culture—along with all other services—will be on the chopping board for councils as they come to set their budgets in February and March this year.

Patrick Harvie: So COSLA recognises that councils are in very different circumstances and that even a general uplift in local government funding, were that to be made possible, would still not resolve the fact that there are certain councils that face extraordinary pressures on other parts of their budget, which will inevitably have an impact on areas such as culture.

Councillor Bell: Absolutely. COSLA has been very clear in sending a message to the Government that this year's settlement will not solve many of those problems. As you rightly say, different councils across the country face different issues. As an umbrella organisation, we must take account of, and try to speak on behalf of, all those organisations, but there are some councils that are not in as difficult a position as others. Thankfully, no councils in Scotland have had to declare bankruptcy, but you will be well aware that that has happened in England. That trajectory will come to Scotland if we do not change the current pattern.

Stephen Kerr: I will stay with Ricky Bell—I think that I got your name right. Could you confirm that the settlement for this year does not change the trajectory whereby there has been a lot of encroachment into the non-statutory spending areas such as culture? You do not anticipate that this year's settlement will allow councils to increase culture spending. I invite you to answer that with your COSLA hat on.

Councillor Bell: No, I do not anticipate that this year's settlement will allow that to happen. I think that we could probably put a full stop after the word "increase", because we do not believe that councils will be in a position to increase many things this year. For most local authorities—assuming that the settlement remains as it currently stands—it will be a question of cutting budgets. As I said in response to Mr Brown's question, we have lobbying meetings in the diary with all the Opposition parties in the hope that we can convince the Government that changes should be made to the budget, but, as it stands, it is a cuts budget.

Stephen Kerr: So there is no scope for increasing culture spending, unless bigger cuts are made in other areas.

Councillor Bell: Yes. Based on the quantum that we have in front of us, the only way of increasing culture spending would be to cut spending in other areas, but I think that there will be cuts in other areas anyway, as well as in culture. Obviously, I speak on behalf of councils, but I do not speak for them, if you follow what I mean. Each council makes its own democratic decisions. However, I would be surprised if any council was in a space in which it was going to increase its culture spend—I think that that is unlikely.

Stephen Kerr: You are relaying to us the vibe that culture is just one area that will not see any upside. In fact—reading between the lines of what you have said—it might see downsides.

Councillor Bell: I think that that is a fair summary of what I said.

The Convener: Ms Casot wants to come in.

Stephen Kerr: I have a different question for you, but I am quite happy for you to come in.

Lucy Casot: Scottish local authorities have historically been incredibly supportive of culture and the museum sector. We often look with some envy south of the border on this issue, because regional museums and local authority museums in England can receive core funding from the Department for Media, Culture and Sport through the Arts Council. They can also charge for entry, which is not an option for local authorities in Scotland. Museums need to be funded somehow, and those are some of the options that are not available.

Just before Christmas, there was a £20 million investment in rescue funding for local authority museums in England, and last week, there was a further announcement of £160 million of additional funding for capital for local authority museums and money for museums in England to look at more sustainable business models.

Mr Harvie asked about alternative models that could be advocated for.

Stephen Kerr: It sounds as though there is a plea there for a bit more flexibility in the funding model that you operate by in relation to the direct funding awards from the Scottish Government.

Lucy Casot: Yes, there is no equivalent for the museum sector of the regular funding that Creative Scotland distributes to arts organisations, so there is no way of applying for that.

Stephen Kerr: And nothing like the funding model that Historic Environment Scotland has. Are you familiar with that model?

Lucy Casot: That is different again.

Stephen Kerr: It is different again, but you seem to be implying that you would like a freer hand in the way in which you organise and run museums and galleries, including admission charges, possibly.

Lucy Casot: I think that we need to look at the future we want for the museum sector and how it is funded, because as we are hearing, the trajectory at the moment is not sustainable. Therefore, we need to have that wider conversation about alternatives.

Stephen Kerr: Yes, I think that that is right. That is in the spirit of what Councillor Bell said earlier about looking positively at what solutions look like. What does a realistic way of funding local services look like? That would, of course, include museums and galleries.

You have commented on the capital aspect of the settlement, but you basically have a flat cash settlement, which is a cut in real terms. Keith Brown never misses the chance, quite rightly, to invoke the employer national insurance contribution increase from the Labour Government. What does the flat cash award do to how you operate? Are you going to have to let people go? How will you deal with it?

Lucy Casot: We have had flat cash since 2020. One of the things that we have done to manage that so far is to reduce our offices. We moved from one office, which saved two thirds of that cost. We are paying a third of what we were paying, so we have managed to adapt.

Stephen Kerr: You cannot keep doing that, though, unless you end up in a phone box.

Lucy Casot: That was a post-Covid lease arrangement. Next year, we are looking at a 30 per cent-plus increase in our rent, so we have a challenge there. Programmes such as the museum futures grant funding that we bring in for projects have helped us so far to navigate that. A part of that funding is used to run the programme, so that has helped us so far.

Stephen Kerr: Do you have a plan to deal with what you have been awarded? For example, we have talked in the past at this committee about perhaps closing wings of galleries or museums, and closing or limiting access to spaces. Is that back on the agenda, or was it never off the agenda?

Lucy Casot: We do not operate any museums. Museums Galleries Scotland is the national development body, so for us it is—

Stephen Kerr: Yes, I know, but I am talking about the wider sector.

Lucy Casot: In the sector, absolutely.

Stephen Kerr: I thought that you were here representing the wider sector.

Lucy Casot: Absolutely; there have been some closures already, and some closures are definitely threatened, particularly in the civic museum space. A number of local authorities are consulting on closures, and there are museums that are currently closed, pending the ability to reopen them, and we do not see the ability to reopen them coming any time soon.

Stephen Kerr: Do you envisage more of that?

Lucy Casot: We absolutely envisage more of that, and reduced opening hours—

Stephen Kerr: Fewer heads.

Lucy Casot: Fewer heads, and seasonal opening.

Stephen Kerr: Not good.

Lucy Casot: The committee talked about health and wellbeing. Part of the challenge with that is that, in order to keep a venue open, you have to sustain the front-of-house staff, but the programming staff that are bringing those spaces to life with new exhibitions, wellbeing programmes, education work with under-fives and all the programmes that we know deliver all the social impact that is possible from cultural venues, are threatened because the proportion diminishes as basic running costs increase and have to be met.

Stephen Kerr: In the past, there has been discussion of flexibility around, for example, the fair work provisions that you are expected to uphold. That is obviously not on the agenda, but would you like it to be on the agenda?

Lucy Casot: We absolutely want to see fair work across the sector.

Stephen Kerr: In the past, some in the sector have discussed at committee the desire to have more flexibility in relation to the implementation of the Scottish Government's provisions on that.

Lucy Casot: I would absolutely support enabling the sector to deliver fair work.

Stephen Kerr: That is an interesting comment.

Because of time, I will turn to the national performing companies. When I heard that the award was basically no change, I was a little bit surprised, knowing some of the views that I have heard privately expressed by the national performing companies, to get to 29 January without receiving anything in my inbox from anyone in any of the national performing companies protesting or making a case, although you have made a case today.

I also picked up your mention of managed decline; you said that you have become very good at managing the decline. Is that not part of the problem? Have the national performing companies become content that this is the way that it is going to be? What would that imply for your operations and the national performing companies more generally going forward? I am not just talking about Scottish Ballet; we have heard about the reductions in the size of the companies and tours. When I say that, I am thinking specifically of commercial activities. Are you going to be able to become much more commercial organisations? Will that mean, as I have alluded to already in relation to Museums Galleries Scotland, that you will have to have more flexibility in the way that you operate as businesses?

Steven Roth: There are a few things in that. Are we content with managing decline? Absolutely not, but we have had to do it, because we want to maintain our success. We have been successful in doing exactly what you have described, which is being more commercial and driving more income from other sources, such as donations. When I started with Scottish Ballet, we were generating a very small amount of money from private donations, but that has increased sevenfold over the past seven or eight years to more than £2 million. There is a finite group of high-net-worth individuals who we can hit up for cash and all five companies are approaching the same people repeatedly. There is a small pool of those individuals in Scotland, but we keep trying to reach them in order to plug the gap.

On the question of managed decline, one of the things that my counterparts in COSLA, who are on my right, have been speaking about is the value of arts and culture to councils and their inability to fund those things. The five national performing companies used to receive funding from every local authority where we performed regularly. For instance, Scottish Ballet and Scottish Opera received funding from Edinburgh, Glasgow, Aberdeen and Inverness. We no longer receive any funding whatsoever, so we have been carrying that as well. We have not wanted to cut our community engagement, particularly for young people, when we are touring in those areas. We are still running programmes in schools across Scotland and all sorts of other programmes, such as the health programmes that I have mentioned, which are slightly different. At the moment, when we are performing in Inverness, we are running programmes in schools. That used to be funded by the local council, but it no longer is, so we carry it.

How do we make it work commercially? We perform a commercial ballet tour for 10 or 11 weeks over the winter and try to generate as much cash as possible in order to subsidise the rest of the year. We also have to create art. To be more commercial, you have to perform popular shows such as "The Nutcracker" and "Giselle" every year, over and over again. That does not satisfy anyone in the long term; certainly, it does not satisfy the artists or communities. We need to strike a balance between that and making new work that puts Scotland on the map.

Scottish Ballet is invited to tour internationally at least every second year. Last year, we were the headline act at the Auckland international festival in New Zealand and, this year, we will be the headline act at the Spoleto international arts festival in Charleston, before we go on to New York. We are receiving those kinds of invitations because we are producing new work that no one else in the world is producing. That focuses the spotlight and the attention on Scotland. If we are going to diminish that by becoming more commercial and performing only "The Nutcracker" and "Giselle", it will not satisfy brand Scotland and, certainly, it will not satisfy most of our audiences.

Stephen Kerr: But you are going to have to become more commercial, aren't you? All the national companies are going to have to.

Steven Roth: Possibly, yes, or take on the American model.

Stephen Kerr: But does that necessarily diminish the contribution that the national companies make to Scotland?

Steven Roth: Yes.

Stephen Kerr: It does?

Steven Roth: That was the point that I was making, yes.

Stephen Kerr: I see that that was the point that you were making, but I am not sure that I understand why that is.

Steven Roth: Sorry?

Stephen Kerr: I am not sure that I understand why that is.

Steven Roth: Because—

The Convener: Mr Kerr, I am really sorry, but I have another member who wants in.

Stephen Kerr: I will have to remain ignorant.

Steven Roth: I am happy to have a conversation with you on the side.

The Convener: Perhaps we can return to this again. I call Keith Brown.

11:15

Keith Brown: I want to ask about two issues, the first of which is the mature conversation that has been mentioned, and the other is the asymmetry that Mr Garrett referred to. I will make just a couple of comments, and I would be interested in hearing the panel's views on them.

First, I think that we do have a fair understanding of local government—it seemed to be implied that we did not. At least half of the committee has spent quite a considerable time in local government. I worked in it for 19 years: I was a councillor for 11 years and a council leader for four; and I also have served on the Parliament's local government committee. Our knowledge might not be up to date, but there is certainly a well of knowledge here.

As for Councillor Bell's points about the pressures on local government, I understand that some of those pressures are very different from those that we faced when I was in local government. You are saying that there should be a mature debate about this, given the extent of the underfunding that local government has experienced over a long period of time. I agree with you, and you will just have to take it on trust that many of us make the same argument on a regular basis.

However, I do not think that there is a mature understanding of the other side—that is, the pressures on the Scottish Government. If there were that understanding and that acknowledgement, it would help us to have that mature discussion as we go forward. For example, Mr Roth mentioned 2010-11—I wonder what could have changed in 2010 to account for the constrained budgets. We have had a financial crisis; we have had Brexit; we have had a pandemic; and we have had 15 years of austerity, which we have been told by the Office for Budget Responsibility is going to continue. These things have an impact on the Scottish Government, and I think that, just as you want it to understand the pressures that you are under, you have to acknowledge some of the pressures that it is under, too.

As for asymmetry, Mr Garrett talked about the situation in Glasgow, and I think that he was referring to the asymmetry between Glasgow and Edinburgh. Perhaps I can bring another perspective to this. My council does not have a museum at all; it has one council facility with some artefacts in it, and there is a very small part-time museum. I, and many other people in my constituency, go to Glasgow, and I have regularly spent money in all the museums that you have mentioned. They make that contribution. So, it is not just the asymmetry between Edinburgh and Glasgow that we should be concerned about, but the asymmetry across the country. You say that there is no support for facilities in Glasgow, but the same is true for the rest of the country, too.

Very often, when we in the committee have a discussion about the cultural sector, we end up talking about Edinburgh this or Glasgow that. As Mr Halcro Johnston was trying to point out, there are other big chunks of Scotland to think about. I know that two or three of the panel are from Glasgow and therefore have that perspective, but I think that it would be useful to compare yourself to others as well as Edinburgh. By the way, we get an awful lot of special pleading from Edinburgh, too, and I say that as somebody who was originally from the city.

When it comes to having a mature discussion, I have to say that I just find it hard. I think that the figure that we were looking for earlier is around £600 million; I do not know whether that is the cost of the increase in national insurance contributions to local government or to the whole of the public sector—I am not sure what that figure applies to—but is the response of COSLA or the arts organisations, when they get hit with something that must be a bolt from the blue and a bit of a

hammer blow to their budgets really just to turn to the Scottish Government and say, “Can you cover this?” without any acknowledgement of the huge impact on it, too? That is the impression that I am getting from COSLA, mainly, but from other organisations, too. Surely the mature discussion that we should be having should recognise those pressures—surely that has to be the foundation for a better discussion about local government and cultural organisations.

I realise that that was a wee bit contentious, but I am happy to hear any views that challenge that perception.

Councillor Bell: If I in any way implied that people on this committee did not understand local government, I have to say that that was not my intention.

Keith Brown: You did not.

Councillor Bell: My colleague at COSLA has been able to find the figure for me: the cost of the increase in national insurance contributions across local government is £265 million.

To be fair, Mr Brown, I do not think that it is fair to say that COSLA does not understand the pressures that the Scottish Government is under. In advance of the UK budget, we wrote to the UK Government to say that we were very concerned that the settlement for Scotland was not going to be sufficient to allow the Scottish Government to allocate money. We are very aware that the Scottish Government has a number of priorities and that local government is not the only place where you put your money—there is a whole series of services. Every week, we make the same decisions on a local basis about what our priorities are going to be. We absolutely accept that.

What I was saying is that it is not helpful for us in local government to have a constant debate over where the fault lies; we would much rather have a debate about what the solutions look like. If that means bringing the UK Government to the table, we would welcome that. Indeed, we have on several occasions called on the UK Government to be part of the discussions; it has to be part of the solution because, clearly, we are very aware of the significant proportion of Scottish Government funding that is provided from the UK and that, if that budget decreases, it is much more challenging for you to give local government a reasonable settlement.

Speaking as the umbrella organisation for local government, I think that you will understand that you are our main funder, and we are going to come to you with our concerns about what is happening in local government and the detriment to our services. It is not that we do not recognise the challenges that you are under; if we thought that it was a simple case of the Scottish Government having millions of pounds of money and not giving us any of it, we would be having a different conversation.

We understand entirely the context in which you operate, and I am conscious, too, that many elected members of the chamber understand local government, because, as you have pointed out, many of you come from a local government background. However, there are more challenges in the local government space now than there have been for a number of years, and that is where our difficulty lies. The demand for our services is growing in a way that we have never seen before. Some services have seen massive increases—indeed, 100 or even 200 per cent increases—in demand. In education, for example, there has been a huge growth in the number of young people presenting with various challenges and issues, and we have been required to spend a significant amount of additional money to help and support those young people through the system.

Earlier, my colleague Mr Roth made the interesting point that his company used to get funding for every city in which its ballet productions appeared. All councils have had to cut that sort of thing, and we will have to continue to look at the issue, but it is not from the perspective that we do not understand the challenges that you face. Perhaps I was not clear enough in my opening remarks, but that is why I said that we need to have a grown-up conversation that is not about the UK Government saying, “It’s all the Scottish Government’s fault,” and the Scottish Government saying, “It’s all the UK Government’s fault.” What are the solutions? How do we make this better for everybody? That is our plea.

Keith Brown: I agree. What is often not said is that councillors are not trusted, really, but they are trusted more than every other elected member. Indeed, studies will show that they are the most trusted elected representatives. Going back to your earlier point, I think that, during the pandemic, people really appreciated the vital nature of local government services to an extent that they never had before.

Do any of the other panel members want to come in on my substantive points?

Billy Garrett: I just want to come back on your very legitimate point about the phrase “asymmetric funding”. I am certainly not in any kind of adversarial relationship with anyone or anywhere. The point that I think I am trying to make—perhaps not particularly well—is from an asset-based perspective; there is a view, which is out there for challenge, that the very clear contribution that the cultural infrastructure in Glasgow makes to the national cultural strategy, the national

performance framework and the outcomes and objectives of the Scottish Government does not flow through into funding decisions. That is our view.

This is absolutely not about taking anything away from anywhere else. We would love to have a serious conversation about the alignment between strategies and funding decisions, because there is, it seems, a bit of a disconnect in that respect.

I suppose that that is the point that I am trying to make. Maybe I did not make it particularly well.

Keith Brown: Thanks.

The Convener: I am afraid that we have an item in private to deal with, and questions in the chamber start at 20 to 12, so I am sorry to have to end the session. It is just the fate of Thursday morning committees.

Thank you once again—and if you could leave the room quickly, that would be really helpful. That is Edinburgh hospitality for you.

On that note, we will now move into private session.

11:25

Meeting continued in private until 11:35.

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