



INVESTMENT PLAN

2018



HISTORIC
ENVIRONMENT
SCOTLAND

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EACHDRAIDHEIL
ALBA

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INTRODUCTION

Historic Environment Scotland (HES) is the lead public body for Scotland's historic environment, a charity dedicated to protecting Scotland's places and sustaining the historic environment and its benefits for future generations. We are at the forefront of researching and understanding the historic environment, and addressing the impact of climate change on its future. We investigate and record architectural and archaeological sites and landscapes across Scotland, look after internationally significant collections and archives, and protect our places and promote sustainable development through designation, consents and our role as part of the planning system. More than 300 properties of national importance are in our care, over 70 of which

we operate commercially, including many which are among Scotland's most popular visitor attractions.

HES has to identify and invest in the best project profile across owned and managed assets in order to deliver the Annual Operating Plan, Corporate Plan, Asset Management Plan and longer-term aspirations. This includes delivering the requirements of the Scheme of Delegation Conservation Report published in January 2017. This Investment Plan presents the framework we will use to guide investment decisions. Specific investments have been identified for the next three to five years, but the process will continue to evolve and is intended to inform decisions over a longer time horizon.



Architectural Technician & UAV Pilot,
Scott Hamilton, at Fort George

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CONTEXT AND OBJECTIVES

The investment plan approach is intended to inform decisions and identify priority projects which best meet the sector and organisation's needs, and enable HES to deliver our Corporate Plan. The Corporate Plan sets out our Vision, Mission and our five strategic themes.

Our **Vision** is that Scotland's historic environment is cherished, understood, shared and enjoyed with pride, by everyone.

Our **Mission** is to:

- Enhance knowledge and understanding of Scotland's historic environment;
- Protect, conserve and manage the historic environment for the enjoyment, enrichment and benefit of everyone – now, and in the future;
- Share and celebrate our cultural heritage with the world.

Our five **strategic themes** provide the framework for our work:



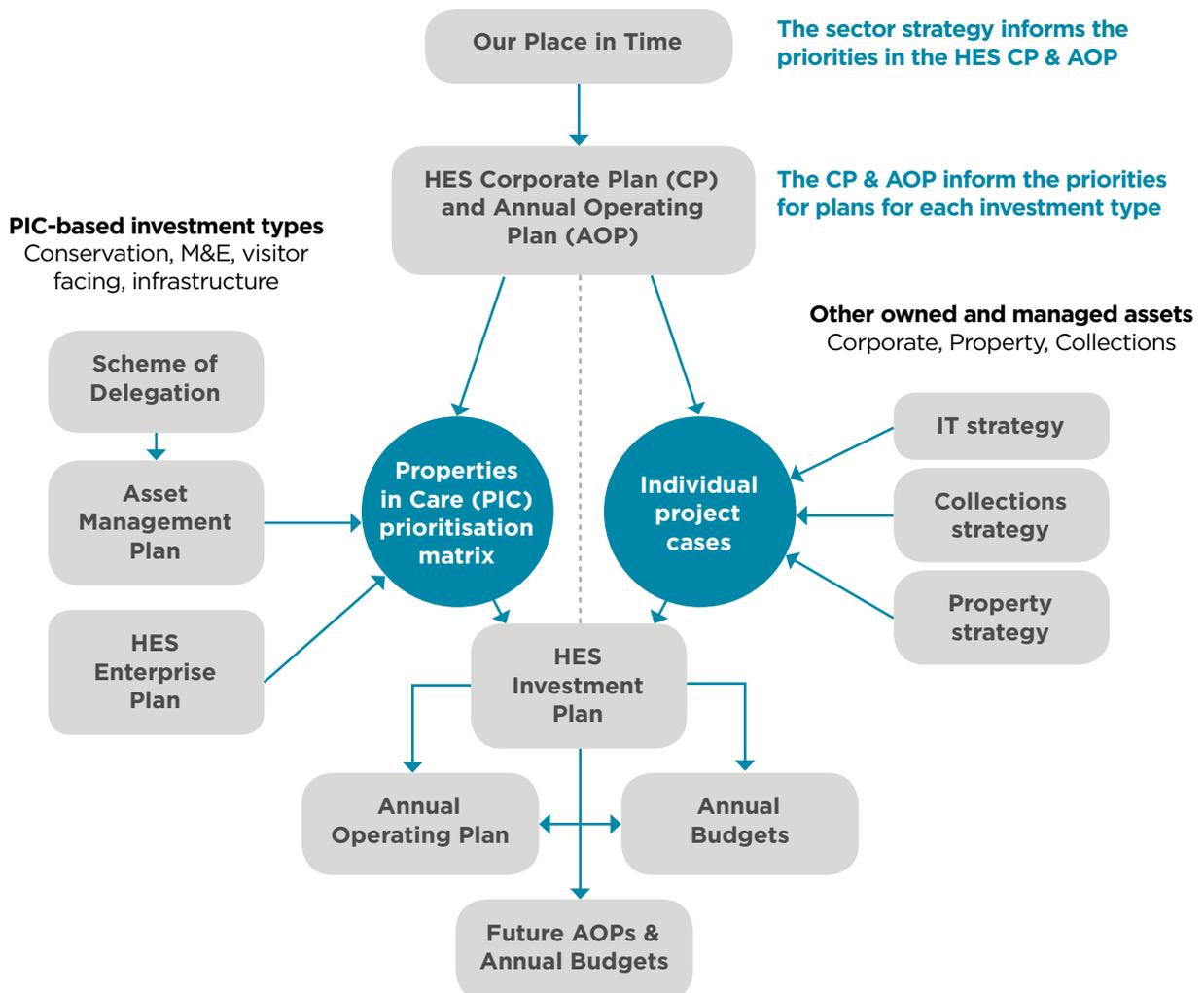
The diagram below summarises how the Investment Plan fits within the broader suite of HES planning and strategy documents. The specific objectives of our investment plan are to:

- Ensure sites are cared for, for the enjoyment of future and current generations;
- Provide world-leading visitor attractions with outstanding visitor experiences;
- Extend access and contribute to economic and social outcomes; and
- Ensure HES is a high-performing and financially sustainable organisation.

In the short term, HES’s commercial income is forecast to grow over the next three years due to the relative

weakness of the pound, increasing visitor numbers and through targeted increases in admission prices. The Scottish Government has also allocated HES additional capital funding in 2017/18 and 2018/19 to deliver critical conservation and to develop visitor facing projects. This presents an opportunity to plan additional investment more flexibly and with a greater degree of confidence than in recent years.

The HES Corporate Plan requires us to demonstrate the return against Our Place in Time (OPIT) priorities in a tangible manner, and emphasises the need for transparency in decision-making. This framework presents the necessary audit trail for prioritisation of our activities to best deliver the OPIT and Corporate Plan themes.



KEY ASSUMPTIONS

The investment plan makes the following assumptions:

- (a) Current income levels can be maintained over a number of years. Many factors will influence this, and clearly should income fall below anticipated levels, not all investments can be progressed. To that end, the investment plan is pragmatic, balancing investment needs with realistic income assumptions.
- (b) The prioritisation process and resultant investment schedule assumes that the current Properties In Care (PIC) portfolio will be carried forward into future years, albeit that some changes could result from the community empowerment agenda. Ministers also have the discretion to supplement and remove sites from the estate.
- (c) The investment planning process will evolve over time to build in new data sources and to better reflect the refined set of annual operating priorities as the evidence base continues to develop.
- (d) The investment programme presented is additional to HES's normal operating budget, so will be delivered over and above the current profile of HES activities. Longer-term, we will extend the principles identified in this plan to prioritise both baseline activities and new opportunities, determining a higher share of HES's overall expenditure. It is also assumed that the priorities within the current Corporate Plan will extend beyond the current planning period.
- (e) The process of prioritisation allied to finite resources inevitably means that investment choices need to be made, and not all proposals can be supported.



INVESTMENT FRAMEWORK

The Investment Framework combines priorities from six separate facets of HES work, giving an overall schedule for investment. These fall into two broad categories:

- Investment specific to properties in our care;
- Investment that is independent of sites, but relates to HES other functions and corporate requirements.

The investment needs are still being developed in many cases, and are at different stages in terms of the information available to determine the overall investment schedule. An outline of each separate strand within the framework is illustrated and described briefly below, with more detailed descriptions in annex 1.



- **CONSERVATION**
Conservation and maintenance of SM Properties in care and Collections under the SOD.
- **VISITOR FACING**
Retail, catering, admissions and interpretation - experience. Visitor toilets.
- **PROPERTY**
HES Archives and PIC Collections, JSH and LH. Houses, depots and stores.
- **CORPORATE**
Other investment requirements including ERDM.
- **PIC INFRASTRUCTURE**
Non-historic infrastructure - roads, piers, car parks, water courses and footpaths.
- **M&E**
Non-historic mechanical and electrical systems, gas, water, waste, BMS, renewables.

Conservation, Infrastructure and M&E Investment

The Conservation, Infrastructure and M&E investment strands are based on delivery of the Scheme of Delegation (SoD) and the requirements of the HES Asset Management Plan (AMP). Our asset management objective is to deliver economic, social and environmental benefits to the people of Scotland without compromising the cultural significance of the assets.

The Condition Report, published in January 2017, shows the volume and value of works required to achieve the long-term need for care of the properties. The AMP sets out the guiding principles in relation to asset management for HES.

All of the pure conservation works undertaken against the SoD reduce the total backlog, while PIC maintenance and M&E require recurring annual investment. The Conservation strand is therefore a combination of phasing the backlog of works over a number of years, balanced with a sustainable level of ongoing maintenance.

Visitor-Facing Investment

The visitor-facing investment strand covers visitor infrastructure and those aspects which contribute to maintaining and/or enhancing visitor experience, including collections, access, shops, catering, toilets, interpretation and admissions. It draws on the Interpretation Strategy (which demonstrates statutory elements and expected standards for visitor facing sites) and the HESe Plan which drives operational efficiency and increased income. Thus, it includes both projects which address current requirements and aspirational projects that take advantage of new opportunities.

Visitor experience projects often require multi-year delivery, with extensive research and planning before works can progress. The total cost of these projects is therefore often rear-loaded, with a higher proportion of the total costs occurring in later years of the Investment Plan. The final cost and timescale for large visitor-facing projects can be difficult to estimate until the initial design stage is complete, so there is a need for some flexibility around delivery and budgeting.

Property Investment

The Property strand covers the HES headquarters buildings, storage of and options for new public access to the archives and PIC collections, together with management of HES's works depots, stores and houses that fall within the footprint of the PICs. The investment plan draws from the Estate Strategy and the option appraisals around HQ location, storage and potential visitor facing locations for the collections.

The key deadlines for delivery are tied to the current office lease terms (2019 for Longmore House and 2026 for John Sinclair House, which also accommodates the main archive store). This schedule makes the HQ decision the most pressing property priority within the investment plan, with slightly more flexibility around the other elements given the longer remaining lease period. There are two key funding issues related to the property investment plan:

- The HQ location project may require up-front investment (pending selection of a preferred option).
- The archives storage project is at an early stage of development. Given this we will need to seek specific funding, potentially as part of a multi-agency collaborative project.

Corporate Investment

The Corporate Investment strategy includes delivery of key shared service projects from our emerging IT Strategy, including electronic records management, new systems and website functionality to ensure efficient operating of the organisation. This is supplemented with systems development works to improve efficiency of delivery of the conservation investment plan.

APPROACH TO PRIORITISATION

The evolving process for developing and prioritising investment options has been designed to recognise that joint corporate priorities supersede the priorities from individual strategies and have to be factored accordingly into the over-arching Investment Plan. The Plan therefore presents a balanced combination of projects from the corporate prioritisation process plus priorities from the individual themed strategies, structured to deliver the following investment categories:

- (a) **“Must do”** – including Health & Safety, Compliance and Regulatory projects;
- (b) **“Need to do”** – projects to ensure effective operation of sites and maintain/improve the quality of visitor experience; and
- (c) **“Want to do”** – development projects which typically are larger in scale, require more significant investment, and represent a step-change in delivery, thus generating substantial impacts.

The framework has been constructed to address immediate needs (the “must dos”) first, combined with targeted operational projects. This incorporates the top priorities identified in the January 2017 Conservation Report launched by the Cabinet Secretary.

Following the same process, the “wants” form the basis of future years’ investment, being phased accordingly. Due to the higher cost of these aspirational projects, such as the Edinburgh Castle masterplan, HES will plan to take the lead, but look to put together funding packages which lever support from appropriate partners and stakeholders. Given the evolving nature of the process, and level of uncertainty around the likely costs and funding models for these projects, investment estimates for years beyond 2019/20 are indicative and subject to change as we manage the budget flexibly to accommodate new information.



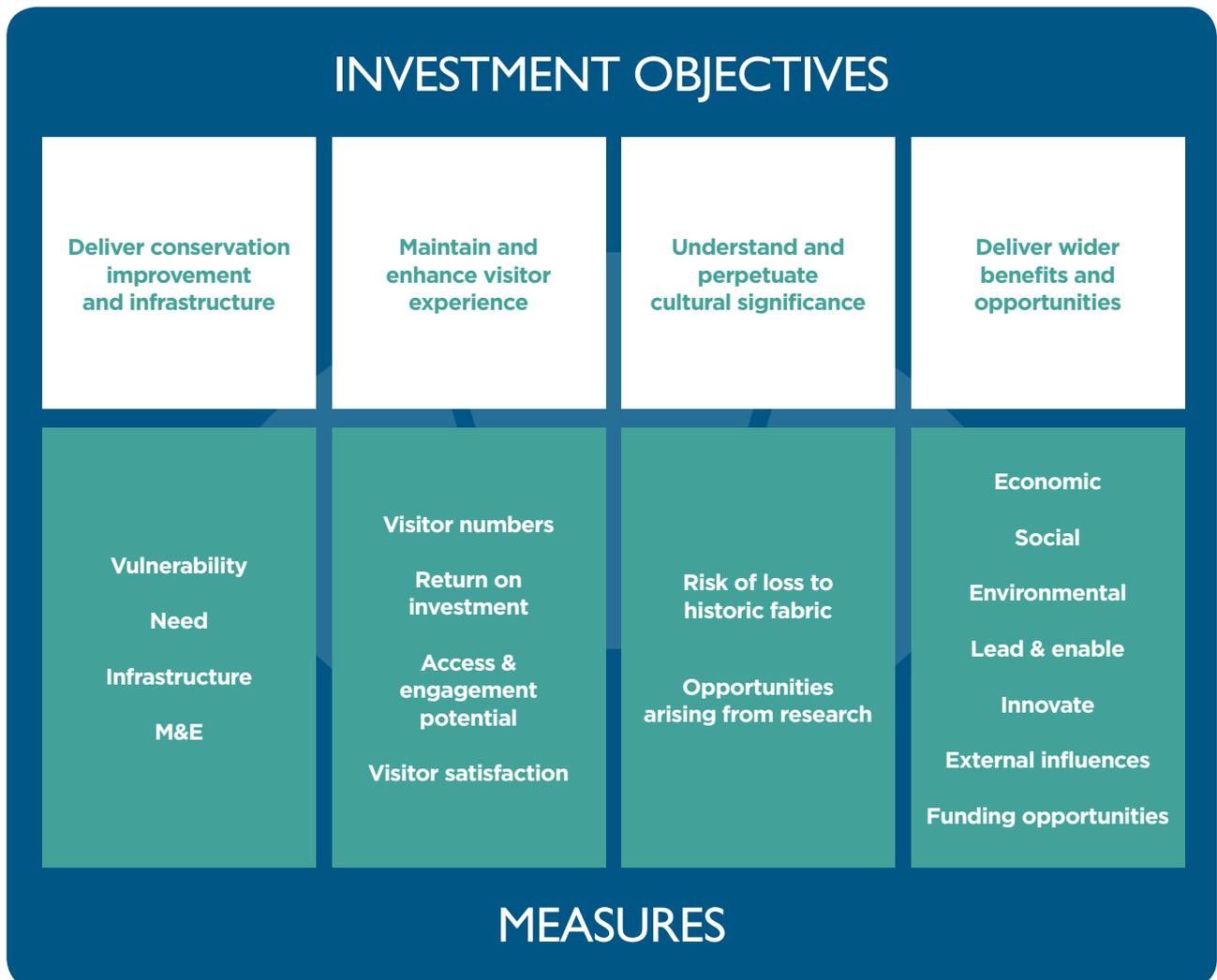
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Site Investment

The prioritisation of investment is complex given the wide range of variables and demands. With investment resources finite, we have developed a multi-criteria assessment tool that informs our decision-making process and is aligned to our asset management objectives. This approach considers a range of different indicators of monument status and performance.

The diagram below includes a list of the individual indicators which have been used to determine priority

sites within each of these criteria. Every Property in Care (PIC) is given a score (out of five or 10) for each indicator, depending on how strong the relative need for investment is, or how significant the contribution from new opportunities is expected to be. This generates an overall score for each PIC, inferring which sites offer the best overall fit with the full range of objectives. The results from this process are then reviewed by a multi-disciplinary panel of HES staff and adjusted where necessary to account for any new or bespoke information available.



While helpful, a number of caveats are required around the prioritisation process:

- Prioritisation will evolve over time as our evidence base improves;
- While data will underpin our investment choices, there will be a degree of subjectivity applied, based on expert knowledge and insight;
- Individual circumstances related to certain sites will inevitably arise that are not captured by the matrix, and will require attention. Our on-going survey programme and increasing community engagement when managing sites should help to identify these risks at the earliest possible stage;
- Opportunities which are not captured in the framework may emerge such as the chance to work in partnership with communities, local authorities, trusts and other organisations for the benefit of the historic environment;
- Given HES' national remit, we will want to consider the geographic spread of investment;
- The investment plan provides an approach which should be robust over an extended time frame. The level of detail will however vary, with short-term projects clearly defined, while those further out will become clearer as research and other work informs our thinking; and

- The initial plan is inevitably based on projects where needs and opportunities are largely known. For example, we know that continued investment will be required over many years to maintain and improve the physical condition of sites. However, it will be important to explore opportunities, and therefore subsequent iterations of the plan are likely to contain new projects.

Each of the criteria in the prioritisation plan is discussed in turn below.

Deliver conservation, improvement and infrastructure

Vulnerability/M&E: The Monument Condition Index (MCI) shows the existing condition of each site and the potential improvement that can be achieved if the programme of known works is delivered. The data for the number and type of works required is taken from the conservation audit, then scored according to the six-tier scale in the diagram below. The formal ratings awarded by external bodies for statutory compliance (including VSRA, fire and risk) are also scored. This prioritises sites with the most critical or necessary repairs.



A climate change risk assessment has also been developed to anticipate changing environmental conditions that will affect the PICs and escalate their works to higher priority levels. This draws on the best available public data on flooding, erosion and landslide risk for the areas around each monument, then the climate change team assesses their likely impacts on the fabric of the site. Sites with higher risks are prioritised.

Prioritisation for **infrastructure** follows the same process, isolating the infrastructure elements within the overall PIC conservation audit and scoring them according to the same six-tier scale. Supplementary survey and audit data is applied for discrete elements as required, such as on-site toilets or staff facilities. The most at-risk elements

are prioritised, then considered together with the commercial and interpretation scores (discussed below) to form the overall visitor facing investment proposition for the site.

Need: Budget estimates for each works element, staff resources required and project duration are also assessed to inform the overall value for money of the works.

Maintain and enhance visitor experience

Sites with higher baseline **visitor numbers** are prioritised, as they represent the best opportunity for new visitor investments to immediately reach a large number of people, and are also thought to be strongly correlated with growth potential (at least in terms



Technical Conservation Officer,
Alan Simpson, with a 3D scanner
at Blackness Castle

of achieving higher absolute numbers). They also represent the highest risk in terms of the number of people receiving a poor visitor experience if standards at the site are currently beneath the desired level.

Factual footfall data is taken from the Galaxy System for staffed sites, and best estimates are used for unstaffed sites based on a range of sources: electronic footfall counters, in-day surveys, key-keeper estimates and proxy estimates based on footfall at other local attractions. This volume measure is balanced with a series of quality measures.

Potential to resolve visitor satisfaction issues:

VisitScotland ratings and results from the mystery shopper programme are available for most staffed sites, and scored to prioritise those with current issues. Individual complaints and feedback from site staff is used to manually adjust the scores for some sites. Some issues can be solved without investment, while others are complex, so a discretionary judgement is

applied to the baseline data to assess this potential. Sites with issues which can be solved without investment are given a low priority and solved through other channels.

Access and engagement potential: Sites are scored based on their current range of facilities, and the quality of these facilities relative to the statutory and desirable standards set out in the Access and Interpretation strategies. Sites which are below the strategy's standards are prioritised. Education footfall is also counted, based on received bookings, with higher footfall sites prioritised. These baseline indicators are then reviewed and manually adjusted to capture bespoke opportunities at individual sites. The process is purposely designed to be flexible as opportunities can take a number of formats: potential partnerships, community engagement, specific events (such as filming), occasions or synergies with other policy initiatives which cannot be consistently captured across the full estate.

Return on investment: Sites which raise sufficient income (or reduce costs) to cover the initial investment are prioritised. The faster projects can recover their costs, the higher their priority. A high-level estimate is made based on whether, from our previous experience, intervention would justify an increased admission price at a site, or attract new visitors, cut costs or generate additional income sources via sales and catering. This initial estimate is then tested when the short-listed opportunity sites develop detailed business cases.

Understand and perpetuate cultural significance

Our consideration of cultural significance is designed to address both **risk to loss** of cultural significance without intervention, and opportunities to enhance cultural significance as a result of **new insights and understanding** of specific sites. Given the difficulty of comparing or ranking cultural significance between sites, this dimension of our prioritisation process is incorporated as part of our conservation assessment, becoming more prominent if either risk or opportunity are escalated. This is done on an exceptions reporting basis.



Deliver wider benefits and opportunities

HES contributes across a wide range of public policy objectives. PICs can contribute either directly to these areas through targeted investments, or indirectly as conservation improvement and visitor experience projects generate wider benefits and opportunities. These policy considerations are not a separate HES investment category in their own right, but should be built into all investment projects where feasible. The criteria are therefore given a baseline score during the prioritisation process, then re-visited and built into the design scope for all of our approved projects to ensure HES's contribution is maximised.

Economic contribution: Sites which support higher numbers of jobs are prioritised. Employment data is available for direct HES staff from our HR system, and estimates have been derived for the number of jobs supported via: HES's supply chain expenditure incurred in running the PICs; and the wider tourism expenditure by visitors attracted to the sites. The process for deriving these estimates has been developed and agreed together with Scottish Government economists and the member organisations of the Heritage Tourism Group. The process is also flexible enough to give higher priority to sites that generate jobs in deprived or remote areas, or target growth industries in line with the Scottish Government's economic strategy.

Social contribution: Projects and sites have their score and priority elevated if they have the potential for:

- Technical research to enhance HES's sector-wide support offer, or can be used to develop new guidance and techniques;
- Technical training and use of apprentices;
- Outreach delivery with specific vulnerable groups or the community in general; and/or
- Generating spend in areas of high deprivation as defined by the Scottish Index of Multiple Deprivation.

A discretionary judgement is made for each site, based on the nature of works to be undertaken there.

Environmental potential: Sites which can generate the biggest reduction in emissions are prioritised, or where they can support Scotland's renewables industry. Data is available on the PICs' current CO₂e footprints and a judgement is made by the climate change team as to whether the site has the potential for adaptation to reduce it. HES is currently developing a process which will demonstrate the reduction in CO₂e units resulting from adaptation investment.

Opportunities to **lead, enable and innovate**, or to work with **external influencers** and take advantage of **funding opportunities** are currently scored manually on an individual site basis. These measures are difficult to replicate consistently across all sites, so are designed to be flexible. Again, these opportunities will be explored across all prioritised projects resulting from the process.

Corporate and Property (non-site) Investment

The Corporate and Property strands of the investment plan are not currently covered by the prioritisation process. They are judged on the merits from individual business cases. Short-term, investment in these stands has been focused on projects where there is a critical trigger for intervention.

INVESTMENT PRIORITIES

Site Investment

Table 1 shows the priority sites identified through the process. This excludes “must do” investment, which is identified and a level of budget allocated ahead of the prioritisation process. The overall ranking demonstrates the sites with the best potential gains across all four prioritisation criteria combined. These prioritised sites are then matched to the appropriate investment strands. Some sites perform well across multiple criteria, so will be addressed with joint

solutions spanning multiple investment strands (for example, combining infrastructure and visitor facing investment). Other sites offer a strong potential improvement against a single indicator to justify their ranking and can be addressed through a single investment strand (e.g. conservation or M&E). This means that investment in priority sites is distributed across the full range of investment strands.

Overall ranking	Site	Site ranking for key criteria		
		Improve condition	Enhance visitor experience	Contribute wider benefits
1	Edinburgh Castle	1	1	1
2	Glasgow Cathedral	4	2	2
3	Urquhart Castle	8	8	6
4	Linlithgow Palace	5	4	14=
5	Holyrood Park	7	3	3
6	Doune Castle	9	9	4
7	St Andrews Cathedral	30	6	13
8	Fort George	3	21	20
9	Melrose Abbey	24	13	9
10	Caerlaverock Castle	57	7	14=
11	Stirling Castle	2	11	5
12	Dallas Dhu Distillery	16	19	16
13	Craigmillar Castle	103	14	29
14	Duff House	13	50	12
15	Iona Abbey	6	58	11
16	Tantallon Castle	50	12	23
17	Kilchurn Castle	94	28	19
18	Blackness Castle	124	18	21
19	Dumbarton Castle	78	37	16
20	Arbroath Abbey	97	20	7

Table 1 – List of Prioritised Sites

Fifteen of the top 20 priority sites present a strong opportunity for visitor-facing investment. Twelve of these also require infrastructure/facilities/services works to address critical issues and enhance the overall visitor experience at the site.

The combined prioritisation ranking alone does not fully capture the totality of visitor need. The 15 sites identified through the combined ranking have therefore been supplemented with five further sites which were ranked in the top 20 for the visitor experience criteria. These sites represent strong

visitor improvement opportunities, without requiring complementary conservation or infrastructure works, which would have lifted their overall combined ranking.

Similarly, critical infrastructure issues at non-priority sites have to be added, along with some cross-site projects such as a refurbishment programme for shops, toilets, catering provision and WiFi roll-out, without which there would be a risk of site closure, or a diminished visitor experience. This gives the total for site-based, visitor-facing investment (Table 2).

Site	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000s	£'000s	£'000s	£'000s	£'000s
Edinburgh Castle	2,600	3,300	3,400	5,000	5,000
Glasgow Cathedral					
Holyrood Park					
Linlithgow Palace					
Maeshowe / Orkney					
St Andrews Cathedral					
Caerlaverock Castle					
Urquhart Castle					
Doune Castle					
Skara Brae					
Stirling Castle					
Tantallon Castle					
Melrose Abbey					
Craigmillar Castle					
Lochleven Castle					
Castle Campbell					
Blackness Castle					
Dallas Dhu					
Arbroath Abbey					
Cross site initiatives and infrastructure					

Table 2 – Site-based visitor experience projects

Edinburgh Castle came top for every prioritisation criteria, and is by far the most expensive of the proposed development projects. As such, it has to be treated as a special case. We will develop a long-term Masterplan for the castle, but meantime a series of incremental projects can be completed which will complement the longer-term Masterplan.

Other site projects fall into three broad categories:

- Self-contained improvement projects which primarily address known issues at the sites, while also generating on-going improvements to the visitor offer.
- Incremental development projects where the final visitor offer will evolve, subject to research, and could either become a substantial “want to have” project, or be managed to deliver a series of smaller scale improvements (such as café and toilet upgrades) according to the available budget. The majority of the projects fall into this category. A multi-disciplinary panel of HES staff will review these site opportunities and develop the longer-term visions to best meet the public’s needs.
- “Want to do” projects, or Headline Projects, which address very specific opportunities and represent a significant step-change in the visitor offer at the site. These sites require significant multi-year funding, initially to undertake research and business case development.

Delivery of these projects is designed to be flexible enough to stop and restart according to budget availability, while still generating on-going improvements. It is critical to retain flexibility in future years to manage the budget between the project categories to accommodate research findings and allow for greater investment in projects which have escalated. We will seek to resource larger-scale projects which require a step-change in funding as necessary via bids and partnerships, but this does not preclude us from achieving elements of the overall vision within our own available funding.

While future years’ investment is difficult to predict at this stage, it is estimated that a further £10 million will be required beyond 2019/20, which can be managed across future years in line with the available budget as it emerges. A significant proportion of this is likely to be concentrated on the Edinburgh Castle Masterplan. At the same time, a new stream of research and projects will be coming on-line, drawing on the next tier from the prioritisation process.



Some of the top 20 priority sites only require conservation investment, with no current plans for significant further visitor-facing investment beyond the baseline, for example at Fort George, Duff House and Iona Abbey.

The remaining investment required through the conservation and M&E streams is in the “must do” elements identified in the Conservation Report published in January 2017, and programmed through the AMP. This covers all of the works across the estate which fall into the top three priority categories (health & safety, regulatory compliance and structural stability works), with an indicative annual budget of £6.5 million. Investment is expected to continue at this level (additional to baseline funding) until the full £65 million backlog identified in the Conservation Report has been addressed. At this investment rate, the backlog is projected to be cleared over the next decade.

Corporate and Property (non-site) Investment

Digitisation of our collections falls within the visitor-facing investment strand as it promotes access and customer experience, but it also aids preservation of the information. As such, it has been identified as a “must do” investment project starting in 2017/18. The multi-year digitisation project has been designed to prioritise the most immediately at risk and highest visitor appeal items in 2017/18 as part of the longer-term process. The project has been allocated

£210,000 in 2017/18, increasing to £250,000 per annum for the next three years (or until the project is completed). A minor investment (£19,000) is also required to develop our hyper-spectral data capacity to improve archaeology operations and understanding of Scotland’s historic landscape.

A separate outcomes-driven prioritisation process is being developed for the IT project portfolio, which forms the core of our corporate investment stream. Short-term, we have prioritised “must do” projects which relate to risk or loss, including disaster recovery, security and sustaining bandwidth in order to maintain current service provision. Longer-term, the prioritisation process will capture efficiency measures (cost savings, time savings, process reduction) and enhancement opportunities (improved delivery, increased income and other relevant factors driven by the needs of front-line services) which are more directly comparable with the site-based prioritisation process.

Investment in HQ accommodation and archives storage will be required within the next three years. The funding for the on-going appraisals to underpin these projects has been identified as a “must do” within the property investment stream. This also includes necessary welfare improvement works at HES depots, covering facilities and skills provision for staff.

COMBINED INVESTMENT PLAN

Table 3 summarises HES's combined investment expenditure to 2021/22, according to the plan's objectives and corresponding investment strands.

HES objective	Investment strand	2017/18	2018/19	2019/20	2020/21	2021/22
		£'000s	£'000s	£'000s	£'000s	£'000s
Ensure sites are cared for, for the enjoyment of future and current generations	Conservation	5,061	5,000	5,000	6,500	6,500
	M&E	1,124	1,000	1,000		
Provide world-leading visitor attractions with outstanding visitor experiences	Infrastructure	326	400	400	5,000	5,000
	Visitor facing	2,829	3,550	3,650		
Extend access						
Ensure HES is a high-performing and financially sustainable organisation	Property*	420	890	400	-	-
	Corporate	1,749	1,749	1,803	1,800	1,800
Total		11,509	12,589	12,253	13,300	13,300

* Investment required in the HQ offices and archive storage have been excluded as costs and the funding model are still to be determined.

Table 3 - HES Investment Summary

FUNDING, DELIVERY AND RISKS

The previous section has set out a five-year time frame for specific investments. The same principles will be applied to adjust the projects during that time frame, and followed to identify longer-term cycles of investment on the same outcome-driven basis. Once a current project is completed, the site should naturally drop down the prioritisation list and the next best site in terms of need or opportunity will rise to the top. The framework will be used to tailor investment according to the available level of funding.

Funding

This paper can be read in parallel with the HES annual budgets. Investment levels in future years will reflect the need to secure partner funding to deliver major step-change projects, in line with the Corporate Plan priority to lead and increasingly collaborate with the wider sector.

The investment framework will be used to provide the necessary evidence base to support future Scottish Government grant-in-aid bids and discretionary funding applications towards specific projects. Successful delivery of the initial years of the investment plan should also safeguard and grow our commercial income, giving greater long-term potential for future investment. We are increasingly looking to deliver major investments in partnership with suitable stakeholders to spread future funding exposure and, as a charity, HES will explore new fundraising opportunities.

Delivery

During the scoping process some of the projects will likely evolve in a different way to what has been initially envisaged. The delivery schedule presumes that, by starting a number of well-reasoned projects in the early years, some will come to fruition as expected within the three to five-year period, while others will change in nature. A degree of flexibility therefore has to be retained around the selection and prioritisation of projects over future years, allowing the team to react accordingly.

Staff resources required to deliver the priorities have been identified. We recognise that a balance needs to be achieved between growing in-house delivery capacity and growing the sector as a whole. We will therefore consider, where appropriate, resourcing additional and essential work programmes through procurement and out-sourcing where that might be necessary in order to achieve our planned programme. However, we also recognise that strong and substantial in-house expertise is essential to properly maintain and conserve our properties.

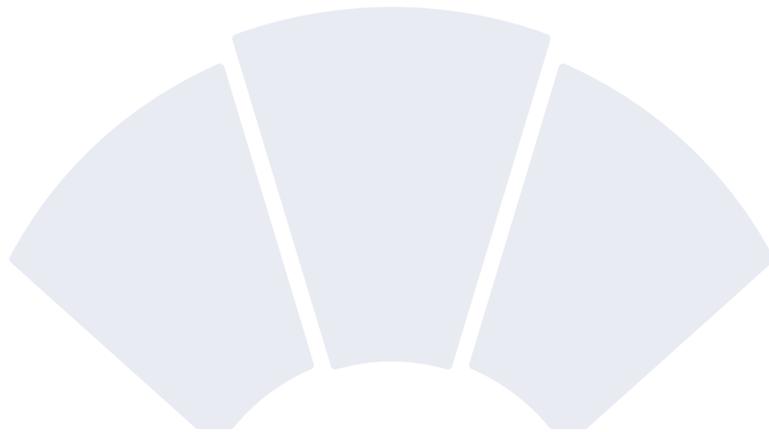
Risks

The single-year Scottish Government budget settlement introduces uncertainty around future years' grant-in-aid, while Brexit presents a number of potential risks to the strength of currency and Scotland's appeal to international visitors. The probability of these risks is not clear at this stage, but their impact on HES's future income, budget and ability to deliver the investment plan could be significant.

To minimise these risks, HES is looking to increasingly work in collaboration with other partners and funders to spread our investment exposure. In addition, our business planning process for all large-scale investment projects will include a series of milestones to ensure that benefits are phased as much as possible throughout the duration of the project.

ANNEX I – DETAILED COMPOSITION OF INVESTMENT PLAN STRANDS

HES Investment Plan element	Scope
Conservation	<p>Conservation and maintenance of PiCs to protect cultural significance and maintain access</p> <p>Conservation and maintenance of PiCs for H&S, statutory compliance and structural</p> <p>Visitor safety improvements to PiCs</p> <p>Focused on historic fabric</p> <p>Includes collections and associated items including display cases.</p>
Visitor	<p>Interpretation and infrastructure:</p> <p>Delivery, upgrades and maintenance of visitor experience interpretive content and infrastructure including site-wide interpretation, exhibitions, general displays, online/digital delivery, display and visitor-facing lighting, events, event infrastructure and education spaces with a public focus. Research to support understanding and development of the visitor/customer experience.</p> <p>Facilities:</p> <p>Delivery, upgrade and maintenance of visitor/customer-facing facilities including retail areas and fit-outs, admissions and orientation areas, catering spaces, learning and interpretation spaces, public-space and exhibition/display lighting, AV and control systems. Delivery and maintenance of public toilet provision, corporate and hospitality facilities.</p> <p>Improvements to access provision excl. paths.</p>
Property	<p>HQ buildings. Archive and Collections storage. Depots, stores, houses, ancillary 'corporate' buildings</p> <p>Maintenance of property directly associated with PiCs</p> <p>Depot improvements.</p>
Corporate	<p>ERDM, IT, Vehicles – fleet.</p>
Infrastructure	<p>Car parks: improvements and new access roads</p> <p>Paths for access: improvements and new bridges, piers</p> <p>Drainage systems improvements surface water and foul water</p> <p>Civil engineering projects</p> <p>Renewables studies and projects</p> <p>Works associated with water bodies</p> <p>Waste handling or management systems</p> <p>Staff welfare and toilets – changing.</p>
M&E	<p>M&E system upgrades</p> <p>Energy efficiency improvements</p> <p>Lighting improvements (excl. exhibition lighting)</p> <p>Building Management Systems</p> <p>Fire safety systems</p> <p>Security systems.</p>





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

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