

## Appendix A

### Strategic Spending Review 2007 (SSR07): Historic Scotland Progress

1. The Scottish Executive have identified the following areas of work on which they will base much of their work for SSR07. This paper sets out where Historic Scotland has been involved and what our response has been.

#### Strategic Outcomes

2. This exercise sought to make a clear link between the resources employed and the outcomes achieved. There are 7 draft outcomes identified:

- a growing and dynamic economy;
- greater opportunity for all;
- a sustainable approach to our natural resources;
- a learning nation;
- a healthier nation;
- stronger, safer communities; and
- a confident, democratic Scotland.

3. We have taken part in this exercise and demonstrated that how we contribute to the achievement of three of these outcomes:

- a growing and dynamic economy – 1c: Scotland as one of the world’s foremost destinations to live, work, do business and visit;
- a sustainable approach to our natural resources – 3b: built and natural environments which support economic, physical and social well-being; and
- a learning nation – 4a: a highly skilled, adaptable workforce with the knowledge and attitudes required for a growing economy.

#### Budget Review

4. This exercise took place over a year ago and sought to examine departmental and agency budgets to identify scope for savings and efficiency. The final findings of the review have not been issued. Historic Scotland was subject to the review and has responded robustly on both the scope for income generation and efficiency savings.

#### Spending Pressures Exercise

5. Historic Scotland has submitted details of pressures. These are classified by reference to the strategic outcomes. Additionally we have highlighted the need to cover the effects of pay and inflation. These are as shown below:

	2008-09	2009-010	2010-11
<b>1c Investment in properties</b>	£1,000,000	£1,500,000	£1,500,000
<b>3b Grants /Climate change</b>	£500,000	£1,000,000	£1,000,000
<b>4a Traditional skills</b>	£500,000	£500,000	£500,000

6. At this stage we have not been asked to submit bids. However within the Tourism, Culture and Sport (TCS) portfolio the SSR07 working group is collating details of bids. We are represented on this group and have submitted bids on:

	<b>2008-09</b>	<b>2009-010</b>	<b>2010-11</b>
<b>1c Developing tourism skills</b>	£600,000	£600,000	£600,000
<b>4a Education</b>	£500,000	£750,000	£750,000
<b>Antonine Wall</b>	£500,000	£500,000	£500,000

7. At this stage only the amount of the bids is held by TCS. The supporting business cases have not been required.

### **Capital Expenditure Requirements**

8. The funding for capital expenditure will be treated separately in the SSR07. Funding will be limited for both capital and revenue budgets but capital may be slightly less restricted. Historic Scotland has a submitted capital bids for the investment in properties. This was identified above as part of the pressures and is not an additional bid.

	<b>2008-09</b>	<b>2009-010</b>	<b>2010-11</b>
<b>1c Investment in properties</b>	£1,000,000	£1,500,000	£1,500,000

9. At present we are analysing our capital requirements for Stirling, the only HS project which exceeds £2 million, and the balance of the capital programme. I will be meeting with Finance colleagues to discuss the handling of our Heritage and Operational capital requirements. It should be noted that the bulk of our spend is treated as Heritage Capital and scores as revenue. This is because we do not value the majority of our properties on the balance sheet and expenditure cannot not be treated as a fixed asset additions.

10. I am happy to discuss this further at the Board meeting on Thursday 26 April 2007

Laura Petrie  
Director of Finance

18 April 2007