

FOR APPROVAL

HISTORIC
ENVIRONMENT
SCOTLANDÀRAINNEACHD
EACHDRAIDHEIL
ALBA**HISTORIC ENVIRONMENT SCOTLAND****MINUTES OF HES BOARD MEETING HELD ON 22 OCTOBER 2020****VIA CONFERENCE CALL****Present:**

Jane Ryder, Chair
Ian Brennan (Joined for Reimagining session onwards due to technical issues)
Janet Brennan
Andrew Davis
Emma Herd
Terry Levinthal
Fiona McLean
Ian Robertson
Paul Stollard
Jane Williamson

In attendance:

Alex Paterson, Chief Executive
Barbara Cummins, Director of Heritage
Stephen Duncan, Director of Commercial and Tourism
Lisa McGraith, Director of Communications
Donella Steel, Director of Finance
Alison Turnbull, Director of Development and Partnership
Suzanne Casey, Head of the Chief Executive's Office
Jules Davidson-Welch, Board Secretariat

Introduction and Apologies

1. The Chair welcomed everyone to the meeting. Apologies were noted from Coinneach Maclean and Ken Thomson.

Minute of 13 August Board Meeting and Action Tracker

2. The Board approved the draft minute of the September Board meeting. Members considered the Action Tracker, noting progress.
3. Turning to the Minute of the Board discussion on Grants on 08 October, Members approved the note subject to the addition of an acknowledgment of the Board's concern about the risk involved given HES budget for 2021/22 is unknown and their consequent request that the ceiling for commitment be set at £12m and spend at £10m.

FOR APPROVAL**Chair's Update**

4. The Chair noted that HES had celebrated the five-year anniversary of its founding in 2015 since the Board last met. Among the communications activity to mark the occasion, the Chair had recorded a video, released via the website. This is a significant milestone and the Chair extended her congratulations to all.
5. The Annual Report and Accounts, having been very quickly turned around by Audit Scotland, has now been laid before Parliament and published alongside the PIC Annual report. The Chair acknowledged the importance of the external auditor's report in completing the accounts, particularly in reaching a conclusion on the issue of going concern.
6. Regarding formal reporting to OSCR, the Chair updated Members that enquires had been made and OSCR have indicated that they would appreciate information on HES position to assist them in building a picture of the situation across the charitable sector. The Chair is considering a draft return to be submitted shortly, now that Accounts are in the public domain.

Chief Executive's Report

7. The Chief Executive provided the Board with an update on a number of matters, including:
 - At the conclusion of the first six-month action plan for 2020/21, HES has performed remarkably well overall, from both a financial and corporate performance point of view.
 - While the recently tightened Covid restrictions do not have a direct impact on HES's operations, teams are monitoring the effect on visitor numbers.
 - The Historic Environment Recovery Fund, a new £2.6 million fund to support the recovery of the historic environment sector has launched, with a significant amount of interest and several applications so far.
 - Progress has been made on cyber security, with the successful renewal of the Cyber Essentials Plus accreditation and new upgrades to the organisation's firewalls.
 - The Kilmahew estate, which includes the St Peters building has been purchased by a newly formed Kilmahew Estate Trust. HES officials are assisting the Trust in an advisory role. The Chair requested that a record be kept of the time and resources involved in providing advice, as a good case study on what is involved in fulfilling this role.
 - Members noted the results of the pulse staff survey. The Director of People will provide an update in due course regarding what seemed to be a low response rate. A formal Staff Survey is then due in November. The Chair requested that the Board see the results of the Staff survey after consideration by the Staff Governance Committee, as part of the Board's overall employer responsibilities.
 - Turning to the update on the Heritage Hub project, the Board noted the status in developing the business case and the proposed Proof of Concept stage in assessing an appropriate IT solution. Members asked that a number of key strategic questions are explored in the business case, including the need to understand where HES fits as the lead body in this context and that opportunities for collaboration have been explored.

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8. The Director of Finance gave an overview of the Financial Statement, noting a year-to-date surplus position slightly ahead of budget, largely due to tight spending controls. The level of uncommitted expenditure, typical in a normal year, represents a minor area of risk, however teams are considering prudent measures to mitigate this. Members requested and received a range of clarifications on various elements of the financial information.
9. The Board financial working group summarised their discussion, noting further progress on determining the appropriate level of detail of financial information required by the Board. The group are due to meet with key Finance staff to begin the process of building a suitable template for the next budget. For future years, the Board stressed earlier requests for data to enable the differentiation between committed and available funds, both in 'in year' and for longer term investments.
10. Moving to the Corporate Performance Report, the Chief Executive reiterated his very positive assessment of HES' performance over the previous six months, emphasising that the list of achieved deliverables do not do justice to the huge effort and volume of work involved in securing many of them. The Chief Executive indicated that 98% of actions had been achieved or partially achieved. A number would continue into the second six-month Action Plan. The report also includes an annex which maps indicators across from the first to the second six-month plan, and how year-end reporting will be handled.
11. The Board considered the Programme for Success update, noting that the paper had been prepared and circulated ahead of the latest Corporate Programme Governance Board (CPGB). The Chief Executive, as Chair of the CPGB highlighted the significant progress across the projects which the CPBG oversee, with several now in live deployment. He noted that this had been achieved on time and within budget and during a period of considerable upheaval due to COVID-19. The Programme Dashboard also indicated progress across a number of indicators.
12. Board Members Emma Herd and Jane Williamson, who attend the Corporate Programme Governance Board endorsed the Chief Executive's assessment. They highlighted the potential transition of the various IT projects out of the Programme for Success and into 'Business as Usual' as they evolve or near completion.
13. Progress is being made on the business case for the HQ/ Archive House project, planned to come to the December board meeting. In the interim the Director of Heritage will give a briefing on the status of the project at the next Thursday evening Board call on 05 November. The Board paper will also reissue with a milestone timeline included.

ACTION: Director of Heritage

14. The Chair on behalf of the Board congratulated staff on what had been achieved. She particularly acknowledged, as the Chief Executive had highlighted, just how much detailed work underpinned apparently simple propositions such as the furloughing, and successful return of over 900 staff, and all the work which had gone into successful resumption of access to sites and the Archives, as well as maintaining all other activity as reported. Staff efforts, both visible and less visible, were greatly appreciated by the Board.

FOR APPROVAL**Fundraising**

15. The Director of Development and Partnership introduced the item, which includes an update on progress and emerging themes in developing a fundraising strategy, as well as the first iteration of a draft ethical donations policy. In discussing the papers, the Board raised a range of points, including:

- Members commended the principles outlined within the paper as a sound basis for an ethical donations policy, as well as for wider application.
- In developing the strategy it will be important to consider a number of reputational issues should HES undertake proactive fundraising, including purpose, scale, timing and communications. It is vital that the right approach for HES is developed.
- The Board would welcome a greater understanding of the proposals in relation to the relationship with members, as distinct from philanthropic donors, and on more creative approaches including possible collaborations.
- In responding to some of the issues raised, the Chief Executive outlined his thoughts on how fundraising might be positioned and used within HES. The Board agreed with the approach he outlined, which should inform the development of the fundraising strategy and the ethical policy.

The Director of Development and Partnership will reflect on the feedback detailed above and current thinking is that the draft Fundraising strategy, with an associated ethical policy will be brought to the December Board.

ACTION: Director of Development
and Partnership

There followed a closed session of the Board and Chief Executive.