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## MINUTE OF HES BOARD MEETING HELD ON 18 MAY 2023

### ENGINE SHED, STIRLING

#### Present:

Hugh Hall  
Ian Brennan  
Janet Brennan  
Gemma Butterfield  
Andrew Davis  
Joe Doogan  
Emma Herd  
Simon Hodge  
Gary Jebb  
Ann Leslie  
Terry Levinthal  
Anne-Marie O'Hara  
Ian Robertson  
Fiona McLean

#### In attendance:

Alex Paterson, Chief Executive  
Stephen Duncan, Director of Marketing and Engagement  
Elly McCrone, Director of Heritage  
Craig Mearns, Director of Operations  
David Mitchell, Director of Cultural Assets  
Lindsey Ross, Director of People  
Donella Steel, Director of Finance and Corporate Services  
Alison Turnbull, Director of External Relations and Partnership  
Suzanne Casey, Head of CEO Office  
Jules Davidson-Welch, Manager, Chief Executive's Office  
Anila Mirza, Equalities Manager (part)  
John Campbell, Digital Transformation Manager (part)  
Rowan Berry, HES Equity Forum  
Siobhan Tasker, HES Wellbeing Forum

#### Introduction, Apologies, and Minute of the Last Meeting

1. The Chair welcomed everyone to the meeting, particularly the six new Board members: Gemma Butterfield, Joe Doogan, Simon Hodge, Gary Jebb, Ann Leslie, and Anne-Marie O'Hara. He paid tribute to the three departing Board Members: Janet Brennan, Fiona McLean, and Paul Stollard, thanking them for their long and dedicated service to HES. The Chair also welcomed representatives from the HES Staff Wellbeing and Equity Forums, who had been invited to observe the meeting.
2. Apologies were noted from Paul Stollard.
3. No new declarations of interest were noted.

4. The minutes of the Board meeting held on 16 February and 22 March were approved. Turning to the Action Tracker, the CEO clarified the timescale of the Holyrood Park Strategic Plan. The Chair requested that more specific estimated completion times are used in the tracker.

### **Chair's Update**

5. The Chair updated the Board on a number of matters, including:
  - Following the appointment of the new First Minister, the Chair was briefed by a senior civil servant on Mr Yousaf's priorities and direction, concluding that no substantive change is anticipated.
  - The Board noted the appointment of the new Minister for Culture, Europe and International Development. The Chair and CEO will meet with her in due course.
  - The lead civil servant in our SG Sponsor team, David Seers, will shortly retire. His presence will be greatly missed, however we do maintain a strong relationship with the rest of the team.
  - The Chair recently attended the team gatherings of the Cultural Assets, Operations and Marketing and Engagement directorates, as well as the cross-organisation Senior Leadership Forum. He commended the level of engagement at the events, and looks forward to attending other directorate meetings soon.
  - The Chair attended an event at Edinburgh Castle to thank the team and partners involved in the preparations for the Stone of Destiny's movement associated with the coronation, which was also attended by the Duke of Edinburgh.

### **Chief Executive's Update**

6. The Chief Executive highlighted a range of items, which supplemented the written report, including;
  - HES' year-end financial outturn position is very good, as is our performance against the 2022/23 Annual Operating Plan outcomes. Discussions with Scottish Government on potential retention of surplus income are ongoing.
  - April has seen a particularly strong start to the year with visitor numbers are higher than forecast.
  - Discussion on updating the HES Framework Document have started. The aim is to present the updated version to the Board in August.
  - Our Regulatory Framework, 2023/24 Annual Operating Plan and new sector strategy 'Our Past, Our Future' have been published since the last Board meeting. The sector strategy will be formally launched on 28 June.
  - The CEO reiterated his praise for all colleagues involved in the coronation preparations.
  - HES colleagues had the opportunity to meet the Cabinet Secretary for the Constitution, External Affairs and Culture at the recent launch of the Heritage and Place grants programme. The collaborative working with NLHF was commended.

## Financial Statement

7. The Board noted the draft financial outturn for 2022-23, which shows a surplus of £1.3m, subject to finalisation of accounts and audit. The level of surplus was created largely by higher-than-expected commercial income. Discussions are underway with the Scottish Government aimed at HES retaining the surplus.
8. Emma Herd confirmed that the Finance Committee had considered and commended the statement to the Board. Members praised the award of a grant from the Arts and Humanities Research Council for the procurement of digitisation equipment

## Corporate Performance Report

9. The Board considered and commended the year-end results of HES' performance against the 28 indicators of the Annual Operating Plan. Of these, 23 were achieved (82%), three were partially achieved (11%), and two await data to be available, but are forecast to achieve (7%). This represents a significant achievement, particularly in the context of the challenges experienced within the year.

## PIC Strategy

10. David Mitchell briefed the Board on progress towards the PIC Strategy since their discussion in March. Work is underway to scope out resourcing requirements, particularly with regards to the need to engage with internal and external partners.
11. A draft Terms of Reference and core membership for the advisory panel has been proposed, with a few members still to be identified. These will be circulated to the Chair for agreement.

**ACTION:** David Mitchell  
/Board Secretariat

12. The indicative timeline takes the project to summer 2024, subject to possible delays including the need to brief a new Minister. The process will now proceed to be considered by the Executive Leadership Team. The Chair acknowledged that this is a significant undertaking.

## Business Model

13. Donella Steel led the Board in discussion of the business case for a future business model, in continuation of discussion at the March strategy meeting at which there had been broad support for the direction of travel. Research has been conducted into the arrangements of other public bodies across the UK.
14. The Board reiterated their agreement around the broad type of business model they would favour and offered a few wording suggestions. Following confirmation that the Finance Committee were comfortable with the proposal, the Board agreed that this should be taken forward for discussion with Scottish Government.

## **OPiT**

15. The Board considered the draft of the final OPiT Annual Performance Report, which covers the last two years of the strategy. Members discussed a number of points of interest, including the lasting impact of Covid on the sector.
16. Members commended the draft, noting it had been considered by the OPiT Chief Executive Forum. It will now be submitted for approval by the Minister ahead of publication in late May/June.

## **Health and Safety**

17. Lindsey Ross introduced and invited the Board to comment on the Health, Fire, Safety and Wellbeing annual report for 2022-23. Lindsey answered a number of questions about how the results are benchmarked and the mechanisms, such as the Corporate Health and Safety Forum, by which incidents are considered in greater detail. Board members will be provided with further information on fire risk assessments at sites.
18. Consideration will be given to pursuing an international health and safety accreditation.

**ACTION:** Lindsey Ross/ Board Secretariat

## **Digital Strategy Update**

19. John Campbell, Digital Transformation Manager, presented an update on the Digital Strategy covering the scope, design, delivery, and measures of success.
20. The Board discussed a number of points from the presentation, particularly priorities and benchmarking. Further information on benchmarking, along with the 2019/23 Strategy will be circulated to the Board.

**ACTION:** Donella Steel/ Board Secretariat

## **Update on our Equalities Work**

21. Anila Mirza, Equalities Manager, gave a presentation on the progress that is being made in delivering our equality outcomes, the partnerships created and the impact that our work is having.
22. The Board commended the achievements made to date, particularly the sector-leading progress being made.

## Update on High Level Masonry Programme

23. Craig Mearns briefed the Board on progress of the high-level masonry (HLM) project following previous interim update on 05 April 2023.
24. The Board noted that over 100 sites still require assessment, in a programme that will last until 2025. Consequently, focus is now being given to mainstreaming the HLM programme into business-as-usual activity. Efforts to engage with local communities is ongoing, with an emphasis of open and honest dialogue around the issues and timescales
25. The latest position on the programme will be circulated to the Board for information. Further value for money consideration will be made around purchasing versus renting necessary equipment.

**ACTION:** Craig Mearns/  
Board Secretariat

26. Other custodians of historic buildings are becoming more aware of their own HLM risks, placing HES in a good position in being able to set a positive example. It was suggested that HES might develop a guidance note for other asset managers.

**ACTION:** Craig Mearns/  
David Mitchell

## Committee Updates

### 27. Finance Committee:

- As Chair of the Finance Committee, Emma Herd gave an update on their meeting of 02 May. This included a discussion on the significant project criteria for the Project Management Office.

### 28. HESe Board:

- Ian Robertson, Chair of the HESe Board, gave a summary of their meeting the previous day. Various categories of the company's activity have demonstrated strong performance. Further reflection is required on how best to assist NCAP to achieve its potential.
- HESe's net profit will be directed towards repayment of the intercompany loan.
- Very positive discussions have been held with our catering partner, Benugo, regarding plans for refurbishments at sites.
- Information on HES publishing and the HESe Business Plan will be circulated for interest.

**ACTION:** Stephen Duncan/  
Board Secretariat

### 29. ARAC

- The Chair of ARAC, Ian Brennan, updated the Board on the previous day's meeting:

- A recent internal audit report on Archive House had provided only "limited assurance". This was a concern to ARAC. However, the Head of Internal Audit had reported that the management response indicated a strong commitment to address the report's recommendations as a matter of urgency. The Head of Internal Audit will report progress on this to future meetings of ARAC.
- A review into the HLM programme offered a satisfactory level of assurance.
- The Internal Audit's Annual Assurance Opinion gave an assessment of the overall level assurance to be satisfactory.

30. The minutes of the HESe and ARAC meetings will be circulated when available.

### **Committee Membership**

31. The Board approved the proposed membership of the HES Board Committees, noting that the membership of the HESe Board is out of scope of this current exercise.
32. The Chair confirmed that Joe Doogan will take over from Paul Stollard as the Board member with particular focus on health and safety matters.
33. Members also approved the draft Terms of Reference of the new Heritage Assets Committee, which will be Chaired by Terry Levinthal.

### **ANY OTHER BUSINESS**

34. The Board will be briefed on the scope and functions of the Historic Scotland Foundation at a future meeting themed around the topic of fundraising.

**ACTION:** Alison Turnbull

35. The Chair asked for a staff awards programme and event to be considered

**ACTION:** Lindsey Ross

Meeting closed.