



HISTORIC
ENVIRONMENT
SCOTLAND

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MINUTE OF HES BOARD MEETINGS HELD IN 2017

7 December 2017

26 October 2017

27 July 2017

25 May 2017

29 March 2017

8 February 2017



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 7 December 2017

Conference Room, Longmore House

Present:

Jane Ryder, Chair
Janet Brennan
Fiona McLean
Trudi Craggs
Ian Brennan
Ian Robertson
Andrew Holmes
Coinneach Maclean

In attendance:

Alex Paterson, Chief Executive
David Mitchell, Director of Conservation
Donella Steel, Director of Finance
Barbara Cummins, Director of Heritage
Gary Love, Director of Corporate Services
Lisa McGraith, Director of Communications
Alison Turnbull, Director of Development and Partnership
Wendy Ferguson, ARAC
Amanda Livingstone, Observer from the Scottish Government/Standard Life Programme
Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. Apologies were noted from: Ken Thomson and Paul Stollard, Board Members and Stephen Duncan, Director of Commercial and Tourism. There were no declarations of interest.

Minutes of 26 October Board Meeting and Action Tracker (HES 081/17)

2. The Board approved the minutes of the October meeting, with one minor alteration.
3. The Action Tracker was reviewed and progress noted

Matters Arising

4. Three items were discussed under matters arising.
 - **HQ options appraisal.** The Board considered HQ options at its meeting in October and at the Board strategy session on 30 November, with a preferred option agreed. The updated business case would be considered by the Project Board on 12 December, following which the Chief Executive would ensure submission to Scottish Government before Christmas, with an appropriate cover letter from the Chair.
 - **Admissions pricing.** At the October meeting the Board agreed admissions pricing proposals for 2018/19. A subsequent paper which had been circulated considered the option of introducing pricing flexibility at Stirling and Urquhart Castles. It was agreed that this would not be taken forward at these sites in 2018/19. See also CEO report below. The Chief Executive reported that the Annual Report and Accounts had been laid in Parliament on 6 December and that the agreed communications plan would be implemented. In addition, 12 February had been agreed as the date for the launch of the Asset Management Plan.

Chair's Report

5. The Chair had no additional matters to report on since her update at the strategy meeting on 30 November.

Edinburgh World Heritage Management Plan – Update and future management Plan governance arrangements (HES 082/17)

6. Barbara Cummins introduced this paper which sets out the draft of the next five year Management Plan for the Old and New Towns of Edinburgh World Heritage Site. The Plan has sought to address comments from the Board on the draft Plan and the results of a public consultation exercise. It also set out HES role in delivery of the Plan. The Plan will also be considered for approval by Edinburgh World Heritage and the City of Edinburgh Council.

A number of points were discussed including, opportunities to link the Plan to wider HES activities such as climate change and visitor strategy, HES resource implications particularly staff time, the importance of a true partnership approach to delivery, and the need for robust monitoring arrangements.

The Board approved the Edinburgh World Heritage Management Plan.

Edinburgh is one of six world heritage site plans in which HES is a partner. The relevant Management Plans have different timescales and considerations. It was agreed that Plans for Edinburgh, Orkney and the Antonine Wall (a designation of international scope) would be brought to the Board as they are being renewed, with the Plans for the others reported via the Chief Executive's update unless significant issues emerged in negotiation. Progress on all should be reported via the CEO report

It was agreed that an annual report on HES World Heritage work would be a useful addition to the Board programme and meanwhile the Board requested a note of dates when the various current agreements are due for renewal

ACTION: Barbara Cummins

Community Asset Transfer Policy and Guidance (HES 083/17)

7. Alison Turnbull introduced this item, and thanked Alisdair McKenzie for his work on developing HES Community Asset Transfer Policy. An interim Policy was published for consultation in Spring 2017. The consultation had indicated broad support for both the Policy and the accompanying guidance, with feedback incorporated into the revised Policy where considered appropriate. The Policy would apply to HES owned assets, and set out the arrangements covering Properties in Care, on which HES would lead, making recommendation to Scottish Ministers.

With minor changes around the proposed communication plans, the Board approved the Policy and guidance, with an agreement to review it after 3 years. It would now be submitted to Scottish Government for approval given the inclusion of Properties in Care in the scope of the Policy.

ACTION: Alison Turnbull

Planning Performance Framework Report – (HES 084/17)

8. Barbara Cummins introduced this Report, which set out our performance within the Scottish planning system in 2016/17. The report highlighted the very high level of service provided on a number of indicators, and provide examples to illustrate the nature and impact of HES work in this area.

The Board welcomed the Report and commended the quality of its content. It was noted that HES work in this area can be challenging, with not everyone agreeing with our decisions or advice and there is an opportunity for promoting greater understanding of the role and the constraints and opportunities, opportunities. Subject to compliance with agreed policy regarding the personalisation of the document, the Board approved the Report for publication in line with the previously agreed communications handling plan.

9. The paper also highlighted the work of the “Key Agencies Group”, a forum for sharing good practice and fostering collaborative working on matters related to the planning system, which might provide a model for other areas of activity.

Approach to Corporate Planning – (HES 085/17)

10. Donella Steel introduced this paper which set out our proposed approach to planning. The paper highlighted the requirement for planning, the planning context, planning horizon and proposals for how HES develops and publishes plans. Of particular relevance was the development of HES new Corporate Plan

and its link with the Annual Operating Plan. Having considered a number of options, the Board agreed that (subject to the agreement of Cabinet Secretary who must approve the Plan) the new Corporate Plan should cover a five year period. It should be high level and set the direction of travel over that time, complemented with more detailed Annual Operating Plans.

The importance of consultation and engagement in developing the corporate plan was noted. It was agreed that Fiona McLean would provide Board oversight of the process and there should be an opportunity for active Board participation throughout. An initial meeting to project plan would take place in January 2018.

Draft Operating Plan 2018/19 – (HES 086/17)

11. The Annual Operating Plan sets out HES priorities for the year ahead along with resources for delivery and measures of success. Donella Steel informed the Board that the draft Plan presented followed and sought to build on the well-received format of the current plan. Board members offered a number of comments and any further comments were invited by correspondence to Denise Mattison or herself. The final version of the plan to be presented to the Board meeting in February 2018 for approval.

ACTION: Board members to feedback comments

Draft Budgets 2018-19 (HES 087/17)

12. This agenda item was given as a verbal update. The Chief Executive outlined discussions with Scottish Government and potential budget scenarios. The Scottish Government draft budget will be published on 14 December, at which point the HES budget for 2018/19 will be confirmed, and the Board informed. Draft budgets for 2018/19 will be presented to the Board in February.

Outline Digital Strategy – (HES 088/17)

13. Lisa McGraith presented an outline digital strategy for HES. It was highlighted that there had been significant engagement across the organisation on how we currently engage with digital services, our aspirations for the future and in the development of the outline strategy.

The Board welcomed the paper, and its ambition. It was noted that further work was proposed to develop a more detailed strategy, and a number of points were raised in discussion. Conclusions included:

- the need to ensure the strategy covers the breadth of HES functions and activity
- The importance of a collaborative approach, internally and externally
- the importance of the user perspective, including internal and external users
- potential connectivity challenges in parts of the country
- the resources, including the nature and extent of skills development which adopting a strategy would entail
- the project management requirements to deliver the strategy.

The Board thanked Lisa for an interesting discussion, and endorsed the proposed next steps.

Chief Executive's Report (HES 089/17)

14. The Chief Executive Report provided the Board with an update on a number of strategic issues, including OPiT, the development of a culture strategy, the Engine Shed, the most recent Sponsorship Meeting, and the evidence session with the Scottish Parliament's Culture, Tourism, Europe and External Relations Committee. He gave a verbal update to supplement the Board paper. Key points, and matters arising from discussion included:

- The CE and Stephen Duncan had attended a meeting with the organisers of the Highland Military Tattoo, who unfortunately have decided that it is not possible for the Tattoo to continue.
- HES have been fortunate to pick up three recent awards: Living Wage Accreditation, Membership Magazine of the Year Award, and Apprenticeship Awards
- Year of Young People Pricing Options – The CE informed the Board of a pricing proposal for young people to complement other activity in the themed year. This had been explored with partners, the National Trust for Scotland (NTS), Historic Houses Association (HHA) and Young Scot, and would represent a collaborative heritage sector initiative. The Board welcomed the proposal, and noted the ongoing discussions on the implementation arrangements.
- **Annex A** outlined HES financial position to 31 October 2017. This showed a continued strong commercial income associated with increased visitor numbers, with a resulting surplus compared to budget. The forecast outturn for the full year is currently predicting an overcommitment against budget, as expected. Active budget management will reduce the over commitment back in line with budget.

The Board noted the financial statement.

- **Annex B** outlined the Corporate Performance Report to 30 November. It was noted that 11 of the deliverables in the Annual Operating Plan had been achieved, with most of the others on track. Two were noted as being at risk, with mitigation actions identified.

Risk Management – Policy, Strategy and Implementation Plan (HES 090+091/17)

15. Donella Steel introduced this agenda item. It was noted that the HES Audit, Risk and Assurance Committee (ARAC) had reviewed the documents, and with a small number of changes incorporated, Ian Brennan, chair of ARAC, recommended approval to the Board.

The Board approved the documents, and commended the quality of the work involved in their preparation.

Audit, Risk and Assurance Committee (ARAC) (HES 092/17)

16. Ian Brennan, Chair of ARAC, updated the Board on the last ARAC meeting. Ian reported discussions had taken place on topics including pension liabilities, risk management, legal health check, the Engine Shed and procurement. It was noted that the new Internal Audit and Business Improvement Team was established, and initial workplan in place. This included the preparation of a three year internal audit plan, which would be considered by ARAC at their January meeting. It was agreed that this would be circulated to all board members for information after the ARAC meeting.

ACTION: Ricki McLaughlin

HESe – Draft Minutes of 27 October – (Verbal Update)

17. Coinneach McLean provided a verbal update on the last HESe Board meeting. Matters discussed included the commercial opportunities from the Engine Shed, filming opportunities at properties, retail product development, and publishing. An initial discussion had also taken place regarding the appointment of additional non-executive directors, and a revised business plan was in development.

A.O.B

18. A) Rothesay Pavilion Repair Grant Approval - Homologation

- On 23 November 2017 a paper was circulated to the Board seeking approval of an increased grant award to the above project. Overall project costs had increased, and multiple funding partners had agreed to increase their contributions. The HES grant would increase from £500,000 to £750,000, with overall project costs increasing from £2,640,276 to £3,299,926. Board approval was given on 27 November. For the purposes of a formal record, the Board homologated the decision to approve the grant.

The Board requested an update on the grants approvals anticipated in the coming months.

ACTION: Donella Steel

B) Culture Strategy – HES Response to consultation

- Alison Turnbull introduced the draft HES response to the Scottish Government consultation on the new culture strategy, which was circulated to the Board on 4 December. The Board welcomed the paper, and comments offered will be incorporated into the final submission. HES will continue to engage as the strategy is taken forward. There was a discussion on the role of Intangible Cultural Heritage in the strategy. Alison informed the Board that her Directorate would be exploring this and it was suggested that Joanne Orr, Chief Executive of Museums Galleries Scotland, be invited to a future Board meeting to discuss this topic.

ACTION: Alison Turnbull

Members of the Senior Management Team left the meeting.

There followed a Closed session with the Board and Chief Executive

Date of Next Meeting: 22 February 2018, Conference Room, Longmore House


 HISTORIC ENVIRONMENT SCOTLAND
LIVE ACTIONS

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– Dec 17
HES/271016/ 113	HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Ricki Mclaughlin	27/10/17	This was included in the legal healthcheck undertaken by Harper Macleod. An interim Head of Legal is in place helping us address the copyright and IPR issues and a permanent Head of Legal with IP expertise is being recruited.	In progress
HES/250517 136	Capacity Issues at Edinburgh Castle (HES 036/17) Managing capacity issues at Edinburgh Castle over the summer season	Stephen Duncan		To be reviewed as part of Edinburgh Castle investment/Masterplan. Include in a future Board agenda	On going
HES/250517 139	HQ, Archives and Collections (HES 039/17) HES storage requirements to be included on July agenda	Barbara Cummins		Study of future archive storage requirements underway and multi-agency partnership led by SG resumed	In Progress
HES/071217 140	World Heritage Management (HES 082/17) Produce an annual report to the Board on HES World Heritage work	Barbara Cummins	Annual	To be scheduled into Board programme	In Progress
HES/071217 141	Community Asset Transfer Policy and Guidance (HES 083/17) Having received approval from the Board, submit policy and guidance to SG	Alison Turnbull	In due course	Submitted to SG prior to Christmas '17 – yet to hear back about formal approval	In Progress
HES/071217 145	HES Response to SG Culture Strategy Consultation (HES 094/17 18(b)) To invite Joanna Orr (MGS) to future Board meeting to discuss role of intangible heritage	Alison Turnbull	In due course	To be arranged	In Progress



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MINUTES OF HES BOARD MEETING HELD ON 26 October 2017

Conference Room, John Sinclair House

Present:

Jane Ryder, Chair
Janet Brennan
Paul Stollard
Fiona McLean
Trudi Craggs
Ian Brennan
Ian Robertson
Andrew Holmes
Coinneach Maclean

In attendance:

Alex Paterson, Chief Executive
David Mitchell, Director of Conservation
Donella Steel, Director of Finance
Stephen Duncan, Director of Commercial and Tourism
Barbara Cummins, Director of Heritage
Lisa McGraith, Director of Communications
Amanda Livingstone, Observer from the Scottish Government/Standard Life Programme
Karlyn Watt, Deloitte
Pat Kenny, Deloitte
Ewan Hyslop, Head of Technical Research
Mairi Davies, Climate Change Manager
Clare Torney, Head of Analytics, reporting and Audit
Jane Rahil, Head of Conservation South
Nick Thomas, Head of Commercial Performance
Craig Fletcher, Senior Learning Manager
Adam Jackson, Head of Policy
Denise Mattison, Head of Corporate Analysis and Performance
Kari Coghill, Head of Business Development

Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. Apologies were noted from: Gary Love, Director of Corporate Services, Ken Thomson, Board Member and Wendy Ferguson, Co-optee of ARAC. There were no declarations of interest.

The Chair welcomed Amanda and Donella to their first Board meeting.

Minutes of 27 July Board Meeting and Action Tracker (HES 062/17)

2. The Board approved the minutes of the July meeting.
3. The Action Tracker was reviewed and progress noted. Further updates were provided in relation to:
 - HES/290317-124 –Assurance around HES role in the planning system. An internal audit report on this matter would be considered at the ARAC meeting on 27 October.
 - HES/250517-135 – EU Staff employed by Benugo. This action is on-going.
 - HES/270717-145 – Visitor Strategy. To be included as part of the Strategy meeting on 30 November.

Matters Arising

4. An updated paper, “Personalisation of HES documents” was presented to the Board. All comments received on the previous draft were now incorporated and it is intended that the principles set out will apply to future documents. The Board approved the paper.

Chair’s Report

5. The Chair reported on engagement activity since the previous meeting.
 - The Chair, along with the Chief Executive had a productive meeting with the Chair and CEO of Museums Galleries Scotland (MGS). It was agreed that MGS would join the OPiT Skills and Expertise working group. It was also agreed that MGS and HES would look to organise a joint consultation event on the proposed Culture Strategy.
 - The Chair also met with Donna Stewart and Leonie Bell from the Scottish Government Culture team in connection with the Culture Strategy and reported on themes emerging
 - The Chair, on behalf of the Board thanked all HES staff involved in the Board’s visit to Orkney. All Board members who attended agreed that it had been a fascinating and worthwhile visit, noting the staff event had been particularly good. The Chair reported her individual site visits after the official group visit were equally interesting, and she had met more exceptional site staff.

Approval of Annual Report and Accounts (HES 064/17)

6. Karlyn Watt and Pat Kenny from Deloitte, HES External Auditors, were welcomed to the meeting.

The Chief Executive introduced this agenda item which sought the Board's approval for the signing of the Annual Accounts for 2016/17. He also introduced the Letter of Representation, highlighting two changes to the version previously distributed:

- Paragraph 3 – Now begins '*As Accountable Office and on behalf of the Trustees*', to reflect the Chief Executive's role in signing the letter while not a being a Trustee
- Points 8 and 9 were late additions made by Deloitte.

It was noted that an unqualified audit opinion had been provided, with substantial assurance taken from HES internal audit work. In discussion on the accounts questions were asked regarding pension liabilities (addressed by the Director of Finance) and around the estimated dilapidation figure. Deloitte confirmed they were content with the figure as presented.

The Board welcomed the strength of the position of HES at the year-end and thanked HES Finance staff for their work in preparing the accounts. It was agreed the handling of 2017/18 accounts should be discussed at ARAC with a view to sign off earlier in the year. The Director of Finance commented that she too would like to see an earlier sign off.

The Board approved the drafts and authorized the Chair and Chief Executive to sign the Accounts for 2016-17.

Climate Change Risk Assessment Report (HES 065/17)

7. Mairi Davies and Ewan Hyslop were welcomed to the meeting.

Mairi informed members that this forthcoming publication, which presents the results of an initial baseline assessment of natural hazard risk to inform a Climate Change Risk Assessment of Historic Environment Scotland's Properties in Care, was a major milestone for HES. It fulfilled our obligations under the Scottish Government Climate Change Adaptation Programme and HES Climate Change Action Plan, and represents the best understanding to date of the climate change challenge. The study is the first step in a comprehensive and ongoing exercise to understand, monitor and manage environmental risk to the HES estate.

The Board noted the significant milestone which the report represented, and the quality of the document itself. Discussion focused on the next steps – how the information presented would be used and how the report would be communicated.

Ewan Hyslop indicated that the baseline study would be followed by more detailed investigations at sites identified as being "at risk", resulting in more

refined assessments. This information would inform investment prioritisation, work programmes and be closely aligned with the Asset Management Plan.

In terms of communications, the report should be seen in the context of the handling of a number of significant documents due to be published in the coming weeks (item 8 below). In so doing it will be important to explain how the information will be used and its link to our Asset management and Investment Plans.

ACTION: Mairi Davies / Lisa McGraith

Annual Report on Properties in Care 2016/17 (HES 066/17)

8. The Chair welcomed Clare Torney to the meeting. Clare informed the Board that the report, the first of its kind, is a requirement under the Scheme of Delegation. The report structure is aligned to our five corporate themes and highlights the substantial progress made in the management of Properties in Care since the creation of Historic Environment Scotland.

The Board welcomed the report. A number of points were raised in discussion, including, clarification required on some statistics, length of the document, opportunity to reference volunteer engagement, the need for an accurate Executive Summary and consideration as to how the conservation challenges are presented. In addition, and while noting the report covered the year to 31 March 2017, it would be good if appropriate reference was made to other significant developments such as achievement of museum accreditation, development of the Asset Management Plan, the Climate Change Risk Assessment and the developing Visitor Strategy.

It was agreed that revisions would be made to the report and circulated to the Board. Publication of the report would be aligned with other documents (item 8 below).

ACTION: Clare Torney

Communications Plan for Corporate Reporting (HES 071/17)

9. Lisa Mc Graith introduced a draft communications handling plan for significant publications over the next few weeks - Annual Report and Accounts, Annual Report on Properties in Care, Climate Change Risk Assessment Report and Asset Management Plan and Investment Plan. Rather than consider the detail of the handling of individual publications, the Board considered the timing and sequencing of publication to maximize the impact and coverage achieved. It was noted that the Asset Management Plan had been submitted to Scottish Government, and that approval by the Cabinet Secretary represented a dependency that would influence the timing of its publication.

It was agreed that as the Annual Report and Accounts and the Annual Report on Properties in Care related to the last financial year, that these be published, ideally together, in November. The Climate Change Risk Assessment and Asset Management and Investment Plans would be held over until early 2018, with appropriate handling to reflect the significance of the documents.

The Chair thanked the Board and Lisa for a very good discussion. A revised handling plan would be prepared and circulated to reflect the agreed sequencing of publication.

ACTION: Lisa McGraith

HQ Options Appraisal (HES 068/17) Part 1

10. The Chair welcomed Jane Rahil to the meeting.

The Chief Executive introduced this paper, inviting the Board to consider options for HQ accommodation.

Before discussion, the Chair made some preliminary observations, highlighting that this was one of the most significant issues the Board has faced since appointment in January 2015. The final outcome will determine the future of the organisation on many levels – by no means simply location.

The Chair noted the terms of the Framework Document, requiring Scottish Government's prior approval before HES enters into any property or accommodation lease arrangement. On a personal level, Board members have duties as NDPB members. The Chair also drew attention to Board members' duties as charity trustees, as set out in section 66 of the 2005 Act. This and related commentary was also useful in expanding on the standard of care required.

Following extended discussion, the Board concluded:

- As Board members and as charity trustees the Board did not feel able to make a recommendation on the basis of the information presented.
- However, the Board provided guidance on a number of options which had been considered. The effect of this guidance was to confirm the narrow range of options realistically available.
- The Board identified the areas where further information for a more detailed and structured presentation was required.
- The Board agreed a timetable including identified action which should allow the Board to make a recommendation.

ACTION 1: Chair and Chief Executive to meet senior Culture Department officials for strategic discussion prior to the next Board meeting.

ACTION 2: Chief Executive to present a new paper to the next Board meeting.

Further detail is currently redacted while policy is being developed and negotiations, which are inherently commercially sensitive, proceed.

Admissions Pricing (HES 069/17)

11. The Chair welcomed Nick Thomas to the meeting. Nick informed the Board that following price increases introduced for 2017/18, it was proposed to hold baseline admission prices at current levels across the estate for 2018/19. However it was proposed to introduce price flexibility at Edinburgh castle to help manage growing visitor numbers. It was proposed to incentivise a move to online ticket purchase

by increasing “on the day walk up” prices by £1.50 to £18.50 while keeping the online price at the current level of £17. Such price differentials between sales channels was noted as being increasingly common practice at major visitor attractions across the UK.

Following discussions, the Board agreed to hold prices at current levels for smaller sites for 2018/19 and to the introduction of the proposed admissions pricing flexibility at Edinburgh Castle. The Board asked for proposals for introducing pricing flexibility at Stirling and Urquhart castles to be circulated for consideration.

ACTION: Nick Thomas

Plan for Year of Young People (HES 070/17)

12. The Chair welcomed Craig Fletcher who introduced the paper which provided the Board with an update on HES plans and proposals for Year of Young People (YOYP).

The Board welcomed the paper and the initiatives HES is taking for YOYP, particularly the co-design with young people, the long term legacy opportunities and scope to work with partners. In approving the paper, the Board asked that consideration be given to developing the measures of success and a pricing initiative for young people during the year.

ACTION: Craig Fletcher

Our Place in Time (HES 067/17)

13. The Chair welcomed Adam Jackson to the meeting. HES is responsible for leading and enabling delivery of OPiT and reports on progress to the Strategic Historic Environment Forum (SHEF). Adam informed the Board that the Progress Report highlighted the work of the Chief Executive’s Forum and the Working Groups. It was noted that HES input was significant, and that wider sector engagement was important. Meantime, HES was allocating additional resource to ensure progress was maintained. The Performance Report, the first to be produced for OPiT set out progress against the agreed KPIs and will be discussed at the next SHEF meeting, scheduled for 22 November. SHEF members will be invited to submit information to further populate the Performance Report.

The Board were pleased to see the progress made under the new OPiT delivery structure and recognised the need for additional resources. In future years, the Performance Report and the Annual Report would be produced at the same time.

Chief Executive’s Report (HES 072/17)

14. The Chief Executive gave a verbal update to supplement the Board paper. Key points, and matters arising from discussion included:

- A meeting with Skills Development Scotland was held at the Engine Shed to discuss joint working, and to explore the development of a Skills Investment Plan for the sector under the auspices of the OPiT Skills working group.
- The Chief Executive reported that John Swinney, Deputy First Minister, had visited the Engine Shed and was very impressed with the development.
- The Chief Executive had met with the Director of Royal Collections Trust to discuss the revision/update of the Memorandum of Understanding (MOU) for Holyrood Palace. A revised draft MOU would come to the Board in February 2018.
- The Chief Executive had also arranged a meeting with the Chief Executive and Director of Research of the Scottish Funding Council to explore opportunities for collaboration.
- PA Consultancy have been commissioned to help with the development of HES Digital Strategy, and work had started to explore models for Wi-Fi roll out across key sites.

Financial Statement to 30 September 2017 (HES 073/17)

15. Donella Steel presented the financial position to the end of September, noting that most aspects of the budget were on track at mid year. Active budget monitoring was taking place to identify potential slippage and additional requirements that might emerge. Investment Plan projects were well under way, though spend is heavily weighted to the second half of the year. The main point highlighted was the higher than expected income generated and the arrangements currently in place, which would mean that 60% of income above opening income levels would revert to SG with the balance retained by HES. The report outlined possible options which could be used for deployment of any surplus.

The Board noted the financial statement, and endorsed the options, particularly options b and c.

Corporate Performance Report (HES 074/17)

16. The Chair welcomed Denise Mattison to the meeting. Denise reported that at the half way point of the year, all deliverables were on track, 9 have been achieved and none are at risk at this stage.

There was good discussion around how and who we benchmark against, and whether some targets had been set too low. It was noted that the overarching KPIs were set in the Corporate Plan, but that specific targets could be reviewed for next year and reflected in the Annual Operating Plan.

HESe Board – Half Year Report (HES 075/17)

17. Coinneach Maclean introduced Kari Coghill to the meeting. Kari is Head of Business Development and Enterprise but also leads on HESe activities.

Kari informed the Board that HESe is in a strong position with net profits at 30 September of £3.7m, a 10.8% increase against the year to date budget.

Kari also reported that a new hospitality events team was in place and making excellent progress towards budget targets. The NCAP team was being restructuring, with increased focus on business development. A new book had

been launched by the publishing team, retail sales remained strong, and a number of new ideas were being explored.

The Board welcomed the performance of HESe and thanked Kari for an interesting update.

Audit, Risk and Assurance Committee (ARAC) (HES 076/17 and HES 077/17)

18. Ian Brennan, as Chair of ARAC, introduced the Annual Report on the work of the Audit, Risk and Assurance Committee and the Minutes of the ARAC meeting held on 10 August. He drew particular attention to the unqualified audit opinion on the annual accounts and the work of HES staff, both in the preparation of the accounts and internal audit.

The Chair of ARAC also commented on the change in committee membership over the past year. Ian highlighted that ARAC plans to make sure major risks are captured and understood, and will be working with HES new Head of Internal Audit and Business Improvement to develop a programme for the next 12-18 months.

Paul Stollard noted that the Peer Review group agreed to be established as part of the assurance around the Asset Management Plan, the remit of which had been discussed at ARAC on 10 August, would hold its first meeting on 31 October.

Staff Governance Committee (HES 078/17)

19. In Ken Thomson's absence, Fiona McLean reported on the last meeting of the Staff Governance Committee held on 2 October. Fiona highlighted key points from this meeting which included:

- The committee welcomed the recruitment for an Equalities Manager.
- Senior Management Team (SMT) have commenced their engagement programme across the organisation and the committee looked forward to the implementation of actions arising from these sessions.
- It was noted that there were plans to reshape the existing management and leadership training.
- The Board endorsed support for a dedicated Equalities Manager. The Board also made some specific suggestions for learning and development

A.O.B

20. Dates for 2018 Board meetings/visits/Strategy Days to be updated.

ACTION: Denise Lauder

Members of the Senior Management Team left the meeting.

Date of Next Meeting: 30 November (Strategy Day), Conference Room, Longmore House


 HISTORIC ENVIRONMENT SCOTLAND
LIVE ACTIONS

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– Dec 17
HES/271016/ 113	HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Stephen Duncan	27/10/17	Work is on-going to address any residual issues as part of a legal health check. This was considered by ARAC on 27 October 2017 and action plan agreed	In progress
HES/151216/ 114	Chief Executive’s Report (HES 210/16) Presentation on international relations and opportunities to a future meeting.	CE	TBC	Board agenda early 2018	In progress
HES/250517 135	EU staff employed by Benugo (HES 036/17) Report to be made available to the Staff Governance Committee	Gary Love	Oct 17	On-going. To be considered at Staff Governance Committee	In Progress
HES/250517 136	Capacity Issues at Edinburgh Castle (HES 036/17) Managing capacity issues at Edinburgh Castle over the summer season	Stephen Duncan		To be reviewed as part of Edinburgh Castle investment. Include in a future Board agenda	On going
HES/250517 139	HQ, Archives and Collections (HES 039/17) Look into other options for commercial leasing HES storage requirements to be included on July agenda HQ update to be included on October agenda	CEO Denise Lauder		Completed Study of future archive storage requirements underway Following October Board discussions, options progressed for discussion in Nov/Dec	In progress



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MINUTES OF HES BOARD MEETING HELD ON 27 July 2017

Conference Room, Longmore House

Present:

Jane Ryder, Chair
Janet Brennan
Paul Stollard
Fiona McLean
Trudi Craggs
Ken Thomson
Ian Brennan
Ian Robertson
Andrew Holmes
Coinneach Maclean

In attendance:

Alex Paterson, Chief Executive
Jennie Smith, Acting Director of Finance
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Director of Corporate Services
Barbara Cummins, Director of Heritage
Lisa McGraith, Director of Communications
Adam Jackson, Head of Policy
Ruairidh Graham, Gaelic Language and Policy Officer
Gillian MacDonald, Head of Sales and Marketing
Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. Apologies were noted from David Mitchell. There was one declaration of interest.

Minutes of 25 May Board Meeting and Action Tracker (HES 049/17)

2. The minutes of the May meeting were approved subject to minor amendment. The Chair noted that for consistence and clarity, an accurate record of meetings was essential and asked members if, at any time, guidance on an agenda item

was unclear, to intervene. The Board agreed it would be helpful to have page numbering included on the minutes paper.

3. The Action Tracker was reviewed and progress noted. Further updates were provided in relation to:
 - HES/150916/111 – Admissions Pricing will be an agenda item at the October Board meeting
 - HES/271016/113 – The legal health-check will be available for the ARAC meeting in October
 - HES/250517/137 – The annual pay remit had been agreed by Scottish Government, enabling consultation with Trade Unions to commence
 - HES/250517/138 – The final version of Asset Management Plan will be forwarded to the Chair by 8 August.
 - HES/250517/140 – A paper on the internal analysis of ‘What’s Your Heritage’ results will be circulated by end August
 - HES/250517/141 – Community Planning will be included in the December Board agenda

Matters Arising

3. All matters arising will be covered by items on the agenda.

Chair’s Report

4. The Chair reported on engagement activity since the previous meeting.
 - The Chair with other Board members had attended the official opening of the Engine Shed by the Cabinet Secretary. The opening attracted positive media coverage and was well received.
 - The Chair and the Chief Executive met with the Cabinet Secretary on 3 July for the annual meeting between the Cabinet Secretary and Historic Environment Scotland. The Cabinet Secretary noted positive progress. The meeting discussed arrangements for ensuring she was fully sighted on HES activity.
 - The Chair commented on the Board strategy meeting held in June. There had been a good discussion around charging policy, and on the development of the risk strategy.
 - The Chair informed members of positive discussions and actions by HES archaeology staff following publication of a recent report by the British Academy.
 - The Chair congratulated HES staff on successfully gaining Archive Service Accreditation and full accreditation status under the Museum Accreditation Scheme, a key milestone for the organisation.

Chief Executive's Report (HES 050/17)

5. The Chief Executive gave a verbal update to supplement the Board paper. Key points, and matters arising from discussion included:

- The Chief Executive provided an overview of the performance to the end of June, informing members that visitor numbers were up 30% year on year, and membership numbers had also increased significantly.
- The Chief Executive informed members that Edinburgh Castle had been re-assessed as 5 star through the VisitScotland grading scheme. He also gave an update on the trial bag search at the site, which had worked well.
- Five preview events had taken place at the Engine Shed around the opening on 26 June. 2,700 visitors had been received since the opening, many of who were families with young children.
- In response to a question regarding progress with the Visitor Strategy, the CEO confirmed that Stephen Duncan was leading on this, with work underway. It was agreed that an outline of the strategy would be shared with the Board by the end of August, with a detailed progress paper brought to the Board in December.

Action: Stephen Duncan

- Other matters in the Chief Executive's report included:
 - Holyroodhouse Palace. A request from Andy Wightman, MSP for sight of the Memorandum of Understanding (MOU) which sets out the management arrangements at the Palace had highlighted the opportunity to undertake a review. Proposed future arrangements would be shared with the Board before being agreed.

Action: Chief Executive

- Four of the OPiT working groups had now met; Heritage Tourism, Volunteering, Built Heritage and Climate Change. The draft report for year two is in the final stages of design and will be published on the HES website. It was agreed that detailed updates on OPiT would be provided to the Board twice per year, the timing to fit as closely as possible to SHEF meetings.
- A number of key posts within the organisation had now been filled. It was agreed that brief details would be forwarded to the board.

Action: Denise Lauder

Draft Gaelic Language Plan (HES 052/17)

6. Ruairidh Graham introduced this paper which sought the Board's agreement to commence the consultation on the draft plan. Beginning his comments in Gaelic, Ruairidh gave an overview of the process followed in developing the plan, and set out the positive vision we have for Gaelic. The Gaelic Language Plan describes how HES will support and promote Gaelic language and culture over the course of five years. The plan is supported by a project team consisting of representatives from across the organisation.

The Board thanked Ruairidh for his interesting presentation and a clear and concise paper, and approved the plan for consultation, subject to minor points raised. The Board reflected that the resources available seemed very limited, and recommended that consideration be given to the allocation of additional resources to support the implementation. It was agreed that an annual update on progress in implementing the plan would be provided to the Board.

Action: Lisa McGraith

Draft Research Framework (HES 051/17)

7. Adam Jackson introduced this paper, which outlined a proposed three year research programme, to be undertaken by HES and in partnership with others in the sector. It was also proposed to form a Research Forum.

While recognising the importance of research to the work of HES, the Board did not consider that the paper met expectations of a Strategy, and did not provide sufficient clarity on a number of points. Specifically, it was agreed to address

- A strategic perspective which set out why research is important to HES, our current research activity and position and our future aspirations.
- The means by which research priorities are established, and the associated resource requirements and risks
- The role and remit of any Forum

It was agreed that further development would take place and a Research Strategy be considered by the Board in early 2018, providing time for the new Director of Development and Partnerships to input to its development.

The Chair also suggested that this was an opportune moment to explore and understand how HES can make best and most effective use of a range of Forums, Advisory groups and user groups, being clear about the purpose and the responsibilities of these different groups, which offer a variety of approaches and will involve different level of engagement and support from HES. Developing a considered corporate approach would be part of the remit of the new Director of Development and Partnerships.

City Heritage Trust Funding (HES 053/17)

8. Gary Love introduced this paper which sought the Board's approval for the launch of an application round for City Heritage Trust (CHT) Funding. A review of CHT had been undertaken in 2016, and a number of recommendations made to improve several aspects of the programme.

The Board approved the proposal on the basis that the recommendations set out in the paper be adopted. In particular the Board highlighted the need for submission of good business cases with clear outcomes, evidence of local authority commitment, maximising links with City Deals, and the need to ensure robust evaluation and reporting. The Board also asked that staff reflect on whether the proposed timescales outlined in the paper were unrealistically tight. It was agreed that the Audit, Risk and Assurance Committee would consider CHT as part of its forward programme.

Action: Thomas Knowles

David Livingstone Centre Grant (HES 054/17)

9. Gary Love introduced this paper which sought Board approval of a Historic Environment Repair Grant of £575k for the delivery of the David Livingstone Centre development project. HES funding would contribute to a total project cost of just over £6m.

The level of funding exceeded the normal threshold for this grant scheme, however HES, and other funders, had considered the business case for the project and agreed that the capital funding shortfall of £300k should be addressed prior the project commencing. It had been confirmed that Scottish Government and HLF would also increase their contributions to address the funding gap.

The Board approved this request and asked that the joint working opportunities created by the project be explored.

Mavisbank House – Project Brief (HES 055/17)

10. Barbara Cummins introduced this paper which outlined discussions between HES and a third party on the possible restoration of Mavisbank House in Midlothian. Following a fire in the 1970s which caused significant damage, and despite several proposals for its restoration over subsequent years, Mavisbank remains in a ruinous state. The historic landscaped grounds surrounding Mavisbank House are a property in care, though HES does not actively promote the site given the condition of the house.

The paper noted the very early stage of discussions and project development, with many issues to be explored in detail should the project progress. The proposed next step was the submission of a pre application form by HES and the

third party and discussions with the Heritage Lottery Fund (HLF) to gauge potential support for the project.

In discussion the Board raised a number of questions relating to; the ownership of the property, health and safety, resource implications in developing the project should it progress and potential funding implications.

The Board were content that the exploration of the project progress as set out in the paper, with an update provided once the outcome of the pre application discussions with HLF had taken place.

Action: Barbara Cummins

Health, Safety and Fire Safety Annual Report (HES 056/17)

11. In introducing the Health and Safety and Fire Safety Annual Report for 2016/17, Gary Love informed the Board that HES had been awarded the Bronze Accreditation for Healthy Working Lives.

Over the past year there had been a small increase in reported visitor accidents. Staff accidents had reduced and the number of personal injury claims had fallen to the lowest number in seven years. The Report also set out HES Visitor Safety Risk Assessment and Fire Risk Assessment work for the year, and training provided to staff.

The Board welcomed the Report and the good performance of the organisation on health and safety and fire safety.

It was agreed that the Staff Governance Committee would have oversight of this area of activity, with an annual report to the HES Board. Any matters which are required by exception to be brought to the Board's attention during the year, would be via the Chief Executive's update. It was agreed that the Audit, Risk and Assurance Committee would include HES approach to health and safety and fire safety in the forward work programme for 2018/19.

Action: Gary Love

Year of History, Heritage and Archaeology (YHHA) – Update (HES 057/17)

12. Gillian McDonald gave a presentation on activities to capitalise on the Year of History, Heritage and Archaeology in the first six months of 2017. Good progress had been made with many initiatives including the expanded events programme, membership promotional campaign, themed months, insights and archaeology tours, Longmore House lectures etc. Plans were also in place for two new initiatives, the first national heritage festival, History Live on 30 September/1 October, and the first heritage awareness day on 6 October.

Gillian reported that staff are already working on the development of a wide ranging programme for the Year of Young People in 2018, which will build on the work of YHHA. This will be presented to the Board in October.

The Board welcomed the update and congratulated Gillian on the significant progress with the themed year. Gillian's presentation will be uploaded to Sharepoint.

Action: Denise Lauder

Corporate Performance Report (HES 058/17)

13. The CEO introduced this paper which covered the period to 31 May. He noted that at this early stage of the year, good progress was being made towards delivery of the KPIs set out in the Corporate Plan and Annual Operating Plan. Six have been achieved, with all others on track and none at risk at this stage.

Financial Statement to 30 June 2017 (HES 059/17)

14. Jennie Smith presented the financial position to the end of June. The main point highlighted was the higher than expected income associated with increased visitor numbers to sites in the first quarter. In light of this it was noted that the CEO and Senior Management Team intended to conduct a review of budgets in early August.

Action: Jennie Smith/CEO

HESe Board – Update from 13 July 2017 (Verbal)

15. Coinneach Maclean and Ian Robertson gave a verbal update from the HESe Board meeting held on 13 July. Two key points from this meeting were highlighted:

- Draft Accounts – a successful first year of trading with a draft pre-tax profit of around £3.5m
- Product development – HESe is keen to promote local products. A review of product sourcing revealed that 68% were sourced or finished in Scotland, 98% in the UK. Opportunities existed to develop this further, including enhancing the story-telling associated with the products. A constraint identified was the need for an additional staff resources, and the HESe Board was supportive of the submission of a business case for this resource. The CEO confirmed that the business case had since been approved.

Care and Access to Collections and Archives (HES 060/17)

16. This paper was withdrawn.

A.O.B.

17. There was no other business to discuss.

Members of the Senior Management Team left the meeting.

Date of Next Meeting: 26 October 2017, venue and exact timings tbc


 HISTORIC ENVIRONMENT SCOTLAND
LIVE ACTIONS

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– Oct 17
HES/150916/ 111	Admissions Pricing (HES 183/16) Paper to Board re benchmarking	Stephen Duncan		Board agenda October 2017	In progress
HES/271016/ 113	HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Stephen Duncan	27/10/17	Work is on-going to address any residual issues as part of a legal health check to be considered by ARAC on 27 October 2017	In progress
HES/151216/ 114	Chief Executive’s Report (HES 210/16) Presentation on international relations and opportunities to a future meeting.	CE	TBC	Board agenda December 2017	In progress
HES/290317 124	Scheme of Internal Delegation a) Assurance around HES role in the planning system to be considered by ARAC	Chair of ARAC		In hand as part of Internal Audit Programme of 2017/18	In progress
HES/290317 131	Corporate Performance Report (HES 027/17) Confirmation requested around date of expected migration of all staff onto to new infrastructure	Gary Love		Need to be completed by 31 October 2017	In progress
HES/290317 133	Year of Young People (HES 019/17) To be included in October agenda	Denise Lauder		Board agenda October 2017	In Progress
HES/250517 135	EU staff employed by Benugo (HES 036/17) Report to be made available to the Staff Governance Committee	Gary Love	Oct 17		In Progress

Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– Oct 17
HES/250517 136	Capacity Issues at Edinburgh Castle (HES 036/17) Managing capacity issues at Edinburgh Castle over the summer season	Stephen Duncan		To be reviewed as part of Edinburgh Castle investment. Include in Board agenda February 2018	On going
HES/250517 139	HQ, Archives and Collections (HES 039/17) Look into other options for commercial leasing HES storage requirements to be included on July agenda HQ update to be included on October agenda	CEO Denise Lauder		Board agenda October 2017	In progress
HES/250517 141	Community Planning (HES 043/17)	CEO		Board agenda February 2018	
HES/270717 145	Visitor Strategy (HES 050/17) Outline paper on the strategy	Stephen Duncan		Issued 31 August 2017	



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HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 25 MAY 2017

Meeting Room, Perle Oban Hotel

Present:

Jane Ryder, Chair
Janet Brennan
Paul Stollard
Fiona McLean
Trudi Craggs
Ken Thomson
Ian Brennan
Ian Robertson
Andrew Holmes

In attendance:

Alex Paterson, Chief Executive
David Mitchell, Director of Conservation
Jennie Smith, Acting Director of Finance
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Director of Corporate Services
Barbara Cummins, Director of Heritage
Denise Mattison, Corporate Analysis and Performance Manager
Gillian Rodger, Acting Policy Executive
Elly McCrone, Head of Designations
Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. Apologies were noted from Coinneach Maclean and Lisa McGraith. There were no declarations of interest.

Minutes of 29 March Board Meeting and Action Tracker (HES 035/17)

2. The minutes of the March meeting were approved subject to minor amendment. The Action Tracker was reviewed and progress noted. Further updates were provided in relation to:

- HES/271016/113 HES Audit, Risk and Assurance Committee – Crown Copyright issue has been properly resolved – the draft report on the legal healthcheck, which will encompass this matter, is expected by 9 June.
- HES/151216/115 Engine Shed – ahead of Board strategy day in June, Ken Thomson to discuss with CEO the role of the Project Board as the project moves into the benefits realisation stage.
- HES/080217/120 HESe – Report on NARA – Action to be closed.

Matters Arising

3. All matters arising will be covered by items on the agenda.

Chair's Report

4. The Chair reported on engagement activity since the previous meeting.
 - The Chair, along with the Chief Executive, attended the Strategic Historic Environment Forum (SHEF) on 17 May, which is chaired by the Cabinet Secretary. She reported it had been an excellent meeting, with discussions covering a range of topics including Brexit and the implications this could have on the sector. The Chief Executive had reported good progress on OPIt through the new working groups, and a measurement framework. There has been a good, wide ranging discussion on community engagement, the outcome of which was agreement that HES would prepare a scoping paper to inform further discussion.
 - The Chair also reported on a presentation she attended on “Scotland’s budget explained” at the David Hume Institute and encouraged Board members to read the blogs on the website.
 - The Chair informed members that we have a potential HES Placement as part of the Scottish Government and Standard Life Board experience pilot programme. This will run from September, with full details to be confirmed.
 - The annual letter setting out Strategic Guidance for HES had been received from the Cabinet Secretary: the Board noted and welcomed the letter.

Chief Executive's Report (HES 036/17)

5. The Chief Executive gave a verbal update to supplement the Board paper. Key points, and matters arising from discussion included:
 - The Chief Executive provided an outline of work associated with the potential implications of Brexit. HES had commissioned Euclid to undertake research into the extent of European funding invested in the historic environment sector. The report identified that around £37m of funding was contributed to the sector since 2007. Members questioned the figure as they felt this was rather low. The Chief Executive agreed to confirm the scope of the study and circulate the report to the Board. In addition, as discussed at SHEF, work was underway to determine the significance of EU regulations and standards as they affect the sector. The Chief Executive confirmed the possibility of a follow-up Brexit event later in the year to consider emerging information and issues.

Action: Chief Executive

- Recognising the importance of EU nationals to Scotland's workforce, the Chair recommended that the potential implications of more restricted movement of people on HES and contractors be considered by the Staff Governance Committee at their next meeting. The Chair also suggested that this topic might arise as part of a wider discussion on strategic risks at the HES Board workshop on 20 June 2017.

Action: Gary Love

- The Chief Executive reported that good progress had been made in implementing changes to the OPIT delivery model. The CEOs Forum met for the first time in April and the meeting was positive. The Chief Executive also informed the Board he had met with Damian Yates, CEO of Skills Development Scotland, at which they agreed to the development of a sectoral skills investment plan. This will be the basis of the Skills and Expertise working group.
- The Chief Executive informed members HES was participating in a Scottish Government initiative, CivTech, which aims to facilitate technology solutions to public sector challenges. The HES project seeks to identify a solution to the accurate collection of visitor number data at non-staffed sites.
- The Chief Executive noted that April visitor numbers were 60% up year on year. Some of this could be attributed to Easter falling within the month, but the numbers still represented strong growth. Such numbers has necessitated consideration of methods to manage large volumes of visitors, especially to Edinburgh Castle. It was agreed that a brief paper on the subject would be developed for the Board.

Action: Stephen Duncan

- Other matters in the Chief Executive's report included:
 - The recent launch of the Annual Operating Plan and 'Our People Strategy' had been well received.
 - The membership marketing campaign, which had a target of achieving 3308 new memberships, actually achieved 38% above the target.
 - The opening of the Engine Shed would take place on 26th June
 - The 'Healthy Working Lives' bronze accreditation had been gained.
 - Action taken in response to recent cyber threats and the heightened security level following the Manchester bombing.
 - The Head of Physical Security had now been appointed.
 - Draft programme for the first national heritage festival, "History Live" which will take place in Stirling on 30 September / 1 October 2017

- The Board asked for sight of the Health and Safety Report for 2016/17, which would be made available on Sharepoint.

Payroll Provider Contract Extension (HES 037/17)

6. Gary Love introduced this paper which asked the Board to approve a proposed two year contract extension for provision of HR and payroll services with a value of £61,000 per annum. This would require the agreement of Scottish Government prior to the next stages in the process. The original contract with Historic Scotland was for a period up to 2015, with an option to extend for a further 2 years, which HES utilised. With the introduction of a new Corporate Management Information System planned, it was considered beneficial to continue with the current provider rather than introduce a new supplier.

The Board sought assurance that the contract extension represented value for money and had been appropriately benchmarked. The Director of Corporate Services provided positive assurance, and on that basis the Board approved the contract extension. The proposal would be forwarded to Scottish Government.

Action: Gary Love

Staff Governance Committee Update (Verbal Update)

7. Ken Thomson gave the Board a verbal update on the Staff Governance Committee held on 8 May. Highlights from the meeting included:
 - The Committee considered and endorsed the People Strategy and 2017/18 Action Plan
 - The programme of increased awareness of mental health was welcomed
 - Discussion on the process of SMT performance review
 - Members also noted that Trade Union relations continue to be strong.
 - Discussions around the pay award and Scottish living wage accreditation.

In response to questions from the Board, Gary Love reported that meetings would take place across HES to engage staff with the People Strategy. The process around the annual pay remit to be discussed with Ken Thomson.

Action: Gary Love

Draft Asset Management Plan for PIC (HES 038/17)

8. The Chief Executive introduced this paper, which had been developed following Board consideration of the draft Plan at a previous meeting. He informed the Board that the document was set out in three parts, each serving a different purpose. The Chief Executive then handed over to David Mitchell to discuss the Plan in more detail and to take comments from the Board.

The Board welcomed the Plan, its development since the last meeting and the clear link to the Investment Plan. A number of points were raised, in addition to some wording changes, including

- The three parts, while clearly linked, should be regarded as separate documents as they are likely to address different audiences
- Recognising that gaps still exist, the Plan will develop over time, and work on visitor services strategy and thinking around cultural significance will be incorporated in due course
- Consistency of terminology should be used throughout e.g. customer, visitor, and sense checking of structure and numbering undertaken
- The reporting, assurance and peer review arrangements will be considered by ARAC, ideally before the next scheduled Committee meeting in July

The Board commented that this was an excellent piece of work and approved the Plans in principle, with the final versions, incorporating amendments shared via Sharepoint by the end of June.

Action: David Mitchell

HES Investment Plan (HES 039/17)

9. The Chief Executive introduced this paper, a draft of which had been presented to the Board in March 2017. It sought to outline a realistic investment programme across HES activities, a methodology for prioritising investment, a five year indicative investment profile, and the set of assumptions on which the plan was based. The plan reads directly across to the Asset Management Plan, ensuring we meet the terms of the Scheme of Delegation.

In discussion it was agreed that due to its significance, Edinburgh Castle needed to be considered separately and that a masterplan be developed with key partners. It was also agreed that creative opportunities should be explored at sites, particularly less high profile sites. With these comments, the Board approved the Plan.

HQ, Archives and Collections Update (HES 040/17)

10. The Chief Executive gave the Board an update on this paper. With regard to HQ arrangements, the main objective was to consider options to bring together HES HQ staff under one roof in advance of lease end dates. A range of activities had been undertaken, including an assessment of property options, and most recently the commissioning of a workplace strategy which would assess space needs alongside new ways of working. Based on this, a decision on HQ options would be required later in the year. Paul Stollard advised that he believed other property options might be available, and the Board agreed this should be looked into further.

Action: Chief Executive

11. In relation to the Archives and Collections, the Chief Executive indicated that two options were available; a solution bespoke to HES needs or work with other partners on a collaborative solution. The Chief Executive reported that a meeting of a group set up by SG which includes HES, National Libraries and National

Records had recently taken place, while separate discussions with National Galleries were planned.

It was agreed that a short paper be prepared for the July Board meeting which set out HES storage requirements. The Chief Executive suggested that an update on HQ should be added to the HES Board September meeting agenda.

Action: Chief Executive

[Elly McCrone, Gillian Rodger and Denise Mattison joined the meeting]

HES Regulatory Role (HES 041/17)

12. Barbara Cummins made a presentation which supplemented the Board paper. She noted that HES' role as a regulator is split into three areas; decision making, advice giving and reporting and sits within a legislative framework and shaped by the Historic Environment Scotland Policy Statement. Barbara noted that the consent process applied to all applications received, including internal applications in respect of Properties in Care. All results were published on the HES Portal.

A number of issues were raised and explored in discussion, including:

- The importance of ensuring ongoing transparency of process when handling HES applications for consents. Meantime the delegated levels of decision making authority should be clearly specified.

Action: Barbara Cummins

- A number of legal issues were raised, also relevant to the following item
- Making effective use of resources/staff
- Pre-application triage, advice and options for the future delivery of this service.

It was agreed that assurance on the processes around HES regulatory function would be part of the internal audit work plan for 2017/18. with legal advice obtained meanwhile

What's Your Heritage (HES 042/17)

13. Elly McCrone introduced this paper and gave a presentation of the results so far from the *What's Your Heritage* project.

Working with a communications consultancy, HES ran an online survey which received 1,952 responses. This was supplemented by a series of workshops. The next stage of the project would be to publish the results of the survey, undertake analysis of the findings, followed by workshops and discussions with the sector. The outcomes would inform potential amendments to the Historic Environment Scotland Policy Statement, which would be considered by the Board at a future meeting.

The need for research such as this had been highlighted in recent discussions within the sector, and the Board welcomed the project which demonstrated HES was leading thinking on this topic. It should be regarded as a catalyst for change and it was also noted that the project had implications across HES, and was not confined to Heritage Directorate. Indeed it had relevance to organisations outwith HES, and therefore required good dissemination, as well as careful management of expectations. The Board requested that a paper on the outcomes of the analysis of survey responses be added to the July Board meeting agenda.

The Board thanked Elly for a very interesting presentation.

Action: Barbara Cummins

Community Planning (HES 043/17)

14. Gillian Rodger introduced this paper, which gave the Board a brief overview of the progress HES has made on a number of fronts relating to communities. She informed members that under the Community Empowerment Act, there are four parts specifically relevant to HES: Community Planning, Partnership Requests, Right to Buy and Asset Transfer. HES has taken steps to prepare for our obligations under each, and was considering the resourcing requirements of this growing agenda. Beyond the requirements of the Act, HES had identified communities as an important aspect of the Operating Plan. In spring 2017 HES undertook a baseline survey of our community engagement activity which would help inform our future work in this area.

The Board welcomed the update, and thanked Gillian for this excellent summary.

The Board discussed wider communication of our approach, particularly regarding Community planning and this will be considered by Chief Executive with the new Director of Development and Partnerships

Action: Chief Executive

Corporate Performance Report to 31 March 2017 (HES 044/17)

15. Denise Mattison introduced a paper and presentation detailing the results and achievements for 2016-17. Denise informed members that good progress was made towards delivery of the objectives set out in the Corporate Plan and Annual Business Plan, with 96% of KPIs and Business Plan Success measures achieved or partially achieved. Subject to external audit verification, the results presented were final results.

The Board thanked Denise for an excellent presentation, and welcomed the year end performance report.

Financial Statement to 31 March 2017 (HES 045/17)

16. Jennie Smith gave the Board a brief overview of HES' financial position for 2016-17. This showed a balanced outturn for the financial year on a budget of over £90m. Commercial income performance had exceeded expectations, reflecting increased visitor numbers. The financial statement is subject to audit.

The Board welcomed the year end position.

HESe Board – Minutes of 20 April 2017 (HES 046/17)

17. In Coinneach Maclean's absence, Ian Robertson introduced this agenda item. Ian highlighted some of the items discussed, including HESe trading performance, HES relationship with NARA and options around the commercial letting of vacant properties.

Audit, Risk and Assurance Committee – Minutes of 20 April 2017 (HES 047/17)

18. Ian Brennan reported that his second meeting as Chair of ARAC on 20 April had been very constructive. Ian informed the Board that it had been agreed SG internal auditors would provide HES internal audit services for 2017/18. Going forward, this service would be managed by HES new Head of Internal Audit and Business Improvement. Ian confirmed the audit plan for 2017-18 was under development and would be agreed at the July meeting of ARAC.

Board Planning – Forward Look (HES 048/17)

19. The Board discussed planning around their forthcoming visit to Orkney in September. The following key points emerged from this discussion:
- It was suggested the format for this visit could be a two day/one night visit. The Board meeting that normally takes place during these visits should be scheduled for another date to help make the most of the time available in Orkney to visit sites and engage with stakeholders.
 - A Doodle Poll to be sent out to Board members to identify best suited date for a rearranged Board meeting.

Action: Denise Lauder

It was agreed that Health and Safety should be added to the agenda for the Board July meeting.

Action: Denise Lauder

There then followed feedback on visits some Board members had made in the area prior to the meeting. Janet Brennan, Fiona McLean, Ian Robertson and Paul Stollard had visited Iona on the Wednesday. The highlights from this visit included:

- The BBC were filming a live archaeology excavation. Members were introduced to Richard Strachan, HES Senior Archaeologist and felt this added real value to visitors to Iona.

- Members saw at first hand the complexity around staffing/managing isolated sites, and the excellent relationship local staff have in the community.

In discussions with site staff, the following issues arose:

- Staff accommodation.
- Management of the flow of visitors.
- The need for an orientation map of the site.

Action: Stephen Duncan and Alex Paterson to discuss.

The Chair gave members an overview of her visit to Kilmartin Glen. The Chair had met with the Chair and Director of Kilmartin Museum who expressed their keen interest about the potential for World Heritage status, and were appreciative of HES assistance to date.

Members of the Senior Management Team left the meeting.

**Date of Next Meeting: HES Board Workshop, Tuesday 20 June, Engine Shed,
10:00 – 16:30**


 HISTORIC ENVIRONMENT SCOTLAND
LIVE ACTIONS

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– June 17
HES/180316/ 110	Research and Dissemination (HES 168/16) Development of a Research Strategy.	David Mitchell	27/07/17	Board agenda July 2017	Propose Close
HES/150916/ 111	Admissions Pricing (HES 183/16) Paper to Board re benchmarking	Stephen Duncan	Deferred till later in year	Benchmarking to be added to Forward look 2017-18	In progress
HES/271016/ 113	HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Stephen Duncan	09/06/16	Work is on-going to address any residual issues as part of a legal health check	In progress
HES/151216/ 114	Chief Executive’s Report (HES 210/16) Presentation on international relations and opportunities to a future meeting.	CE	TBC	Board agenda September 2017	In progress
HES/151216/ 115	Engine Shed – Programme of Activity Ken Thomson to update CEO on advisory group for engine shed.	David Mitchell	20/06/17	Board workshop agenda June 2017	Propose Close
HES/080217 119	Draft Investment Plan (HES 006/17) The Draft Plan to be developed	CEO	25 May 17	Completed	Propose close

HES/290317 124	Scheme of Internal Delegation a) Assurance around HES role in the planning system to be considered by ARAC b) Consider wording related to subsidiaries	Chair of ARAC CEO		ARAC to consider Completed	In progress Closed
HES/290317 125	Draft Asset Management Plan Plan to be developed in light of Board comments	CEO		Board agenda 25/05/17	In progress
HES/290317 131	Corporate Performance Report (HES 027/17) Confirmation requested around date of expected migration of all staff onto to new infrastructure	Gary Love		Need to be completed by 31 October 2017	Propose close
HES/290317 133	Year of Young People (HES 019/17) To be included in September agenda	Denise Lauder		Paper on Year of Young People to be included in Board agenda 28/09/17	In Progress
HES/250517 134	Euclid Report (HES 036/17) The report on research into EU funding to be circulated to Board	CEO			
HES/250517 135	EU staff employed by Benugo (HES 036/17) Report to be made available to the Staff Governance Committee	Gary Love	Oct 17		In Progress
HES/250517 136	Capacity Issues at Edinburgh Castle (HES 036/17) Managing capacity issues at Edinburgh Castle over the summer season	Stephen Duncan		To be reviewed as part of Edinburgh Castle investment	On going
HES/250517 137	Staff Governance The process around the annual pay remit to be discussed further	Gary Love		Complete	Propose Close
HES/250517 138	Draft Asset Management Plan for PIC (HES 038/17) Final versions, incorporating amendments to be shared via Sharepoint by the end of June.	David Mitchell			

Action Ref	Action/Decision	Lead	Due Date	Comment	Progress– June 17
HES/250517 139	HQ, Archives and Collections (HES 039/17) Look into other options for commercial leasing HES storage requirements to be included on July agenda HQ update to be included on September agenda	CEO Denise Lauder			In progress
HES/250517 140	What's Your Heritage (HES 042/17) To be included in July agenda				In progress
HES/250517 141	Community Planning (HES 043/17) To consider whether this subject should be included in the July agenda	CEO		Not to be included	Propose Close
HES/250517 142	Board Planning (HES 048/17) Doodle Poll for most suitable date for September meeting	Denise Lauder		October 26 identified	Propose Close
HES/250517 143	Board Planning (HES 048/17) Health & Safety to be included on the July agenda	Denise Lauder		Complete	Propose Close
HES/250517 144	Board Planning (HES 048/17) To discuss issues raised by site staff at Iona	Stephen Duncan CEO			In progress



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HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 29 March 2017

Conference Room, Longmore House

Present:

Jane Ryder, Chair
Janet Brennan
Paul Stollard
Coinneach Maclean
Fiona McLean
Trudi Craggs
Ken Thomson
Ian Brennan
Ian Robertson
Andrew Holmes

In attendance:

Alex Paterson, Chief Executive
David Mitchell, Director of Conservation
Jennie Smith, Acting Director of Finance
Stephen Duncan, Director of Commercial and Tourism
Lisa McGraith, Director of Communications
Gary Love, Director of Corporate Services
Barbara Cummins, Director of Heritage
Denise Mattison, Corporate Analysis and Performance Manager
Karen Robertson, Senior Research Manager
Ewan Hyslop, Head of Technical Research and Science
Richard Welander, Head of Collections
Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. There were no apologies. Two declarations of interest were noted.

Minutes of 8 February Board Meeting and Action Tracker (HES 017/17)

2. The minutes of the February meeting were approved subject to minor amendment. The Action Tracker was reviewed and progress noted. Further updates were provided in relation to:
 - HES/180316/110 Research Strategy – this requires further development and will come to the Board at a later date
 - HES/271016/113 HES Environmental Sustainability report 2015-16 report will be uploaded to Sharepoint

Action: Denise Lauder

- Edinburgh World Heritage Management Plan – Director of Heritage to circulate update on progress, highlighting any significant changes to the version considered by the Board

Action: Barbara Cummins

Matters Arising

3. All matters arising will be covered by items on the agenda.

Chair's Report

4. The Chair reported on engagement activity since the previous meeting.
 - The Chair had contributed to an event organised by Scottish Government for public sector Chairs and Chief Executives on Board skills and diversity with some interesting ideas to follow up. She had also participated in discussions regarding “ Smarter Sponsorship” for sponsor teams within Scottish Government, collaborative leadership had emerged as a very relevant theme
 - The Chair also reported that she had two important strategic discussions internally. The first with Coinneach Maclean, Ian Robertson and the Chief Executive agreed on the need for development of a comprehensive visitor strategy for HES/ HESe with a planned April workshop as the starting point. The second with Audit and Risk Committee members discussed HES approach to risk and assurance and would inform HES approach to internal audit and other available forms of assurance. Meanwhile it was recommended that ‘the title of the committee be expanded to Audit, Risk and Assurance, more accurately reflecting the remit of the committee. The Board approved the change
 - The Chair noted and welcomed the outcome of the first designations appeal under the new system and commended Alan Rutherford on his ‘blog’ on the HES web site

Chief Executive's Report (HES 018/17)

5. The Chief Executive gave a verbal update. Key points, and matters arising from discussion included:
 - Constructive meetings had taken place with Local Authorities in connection with Duff House, the Stone of Destiny and Dumbarton Castle.

- There had been considerable media coverage since the last Board meeting. With specific reference to HES' response to proposed housing developments surrounding the Glasgow School of Art which had featured in Private Eye, the Chief Executive reported that HES had not been contacted for comment prior to publication. The article had therefore not accurately conveyed HES' formal submission which had highlighted a number of points for consideration by the local authority.
- The Chief Executive also reported that working groups had been formed to take forward Our Place in Time (OPiT), the first meeting of the Chief Executives Group was scheduled for April 12th, and the next Strategic Historic Environment Forum (SHEF) would take place on May 17th. A second Annual Report for OPiT was also in development.
- The Chief Executive reported on a successful visit to Orkney. The note of meetings chaired by the Chief Executive in Orkney with various stakeholders would be made available to the Board on Sharepoint.

Action: Denise Lauder

- Meanwhile The Stennes Visitor Centre, which will serve visitors to Maeshowe, will open week commencing 3rd April. The Chief Executive acknowledged the remarkable effort by staff to deliver this project. The Chair also offered congratulations to all concerned in this.
- The Engine Shed construction phase was now complete, with keys due to be handed over to HES first week in April and staff on site by the end of April. Cost negotiations with the contractor had also successfully concluded. It is anticipated the Engine Shed will be open to the public from early July 2017. A lessons learned exercise would be undertaken on the project and reported to the Audit, Risk and Assurance committee. The Board welcomed the progress made.
- The Chief Executive outlined the continuing work around Community Empowerment. The approach HES was taking was welcomed by the Board, and the Board recommended this should be a substantive agenda item for the May meeting.
- Finally, as part of the HES membership marketing campaign, STV and social media channels would be running adverts through April.

[Denise Mattison joined the meeting]

[Karen Robertson joined the meeting]

Draft Annual Operating Plan 2017-18 (HES 019/17)

6. Denise Mattison introduced the Operating Plan which had been updated to reflect comments at the February Board meeting, and received subsequently. With minor amendments, to reflect the opportunities of future themed years, HES' contribution to environmental targets, and our Gaelic plan, the Board approved the plan and commended Denise and Karen for production of an excellent document.

The Board asked for sight of the handling plan for the launch of the Operating Plan.

Action: Lisa McGraith

A paper on HES plans for the Year of Young People will be added to the agenda for the September board meeting.

Action: Denise Lauder

[Denise Mattison and Karen Robertson left the meeting]

Scheme of Internal Delegation (HES 020/17)

7. The Chief Executive introduced the revised Scheme of Internal Delegation for financial and non-financial matters. The Scheme was in line with the current Framework Document and incorporated comments received on the first draft. It had been supplemented by a section clearly setting out matters reserved to Scottish Government and the Board, General Principles for use of the Scheme, and arrangements for delegation to the Chief Executive and by the Chief Executive to appropriate staff.
8. Specific provision had been added to address HES statutory functions in relation to regulation. The Audit, Risk and Assurance Committee would consider whether appropriate detailed arrangements are in place including the need to ensure there was no conflict of interest, whether actual or perceived, in HES delivery of its remit as part of the planning system.

Action: Chair of ARAC

9. Subject to consideration by the Chief Executive of the wording related to subsidiaries, the Board approved the Scheme.

Action: Chief Executive

Draft Asset Management Plan for PIC (HES 021/17)

10. The Chair provided a brief chronology leading to this first draft of the Asset Management Plan to be considered by the whole Board:
 - *October 2015 Scheme of Delegation*
 - *June 2016 Board and staff workshop*
 - *January 2017 Conservation report published*
 - *Throughout the period and especially since June workshop, discussions PS and TC with David Mitchell*
 - *Chair discussions with Chief Executive*
 - *8 February 2017 Board saw outline structure of AMP and discussed*
10. Board members discussed the draft Asset Management Plan. It was agreed this is a keystone document for HES and it is critically important to get it right to meet

the needs of the organisation. That said, it should be clear this is a baseline for HES and the approach will evolve over time.

11. While appreciating the detail of conservation tools and techniques, a number of which HS/HES has developed and pioneered, the Board felt that the current draft was too heavily weighted in favour of conservation. The Asset Management Plan needs to demonstrate integration of other aspects of Asset management, particularly visitor access.
12. Other important comments included:
 - The Plan should be explicit that HES is in process of developing a more comprehensive visitor strategy for HES/HESe, and the next iteration of the Asset Management Plan should include more detail of plans for developing visitor access.
 - Meanwhile the current draft needs to strike a more positive note in respect of visitor access.
 - There should not be such detail of staffing and line management arrangements.
 - The section on Assurance should be reviewed by the Audit, Risk and Assurance committee
 - The document should be reduced in length and should be structured as a core text, demonstrating the management approach, with appendices providing more technical information.
 - Once edited, there should be an Executive summary.
 - The next, hopefully final drafts, to be considered by the Board in May together with the Investment Plan.
 - Early revisions should be seen for comment by PS and TC for content and by the Chair for an overview.

Action: Chief Executive

HES Investment Plan (Verbal Update)

13. The Chief Executive gave a brief verbal update on the Plan, explaining that although progress was being made, it required further refining. The Plan would be included on the agenda for the May Board meeting.

People Strategy (HES 022/17)

14. The Director of Corporate Services introduced the paper, the first People Strategy for HES. The strategy set out objectives linked to HES five themes, with outcomes and measures of success for each. The document also set out a delivery plan for the strategy, and it was noted that a number of actions were already underway, particularly around mental health and wellbeing. The Strategy had also been discussed with trade unions.

In approving the Strategy, the Board recognised the time and effort spent on its development, and looked forward to seeing the action plan. As a dispersed organisation, its communication would be vital.

Action: Gary Love

[Adam Jackson joined the meeting]

**Equalities Mainstreaming Report
Draft Operating Plan 2017 – 18 (HES 023/17)**

15. Adam Jackson introduced HES' first Equalities and Mainstreaming report. In order to meet our statutory duties, the plan must be published by 30 April 2017. The report set out progress being made with regard to our equality duty and proposed four equality outcomes for the period to 2021.
16. The Board welcomed the document, particularly the outcomes, and noted that it had benefitted from earlier input by the Staff Governance Committee. In discussion it was agreed to amend the definition of Outcome 2, and consideration would be given to resourcing equalities work.
17. Subject to the above amendment, the Board approved the report.

Action: Adam Jackson

[Richard Welander joined the meeting]

[Ewan Hyslop joined the meeting]

**Museums Accreditation and Archives and Collections Policy Statements
(HES 024/17)**

18. Richard Welander gave the Board a brief insight into the work undertaken to produce a new suite of policies covering both Archives and Collections. Five policy statements had been developed, and benefited from external consultation. In discussion, the Board asked that the text of relevant documents be amended to clarify aspects of disposal policy, and proposed that, while formal review of the policies was not anticipated until 2020, interim review could take place if feedback suggested this be necessary. An introductory section should be added to link the policy statement to the Board discussion on archives and collections in October 2016, and to set out the basis on which HES undertakes archives and collections activities, including in relation to ownership of items.

Subject to these amendments, which would be agreed by the Chief Executive, the Board approved the policy statements.

Action: Richard Welander

The policy statements would form part of HES application for museum accreditation. It was noted that this accreditation, for HES as an organisation, and subsequently for selected sites, was increasingly a requirement for lending and borrowing activity.

In line with the recommendations in the paper, the Board agreed that HES register as a fully accredited independent museum authority, and approved submission of the organisational accreditation application to Museums Galleries Scotland. Future site specific applications would be approved by the Chief Executive and Director of Conservation.

[Richard Welander left the meeting]

Carbon Management Plan (HES 025/17)

19. HES is defined as a major player under Scottish Government Public Bodies Climate Change Duties, and as such is required to have a carbon management programme. Ewan Hyslop informed members of HS / HES activities and performance in recent years, which have had a significant impact on carbon reduction. The new Plan, for the period to 2020, sought to build on lessons learned and from an external review undertaken by Resource Efficient Scotland. The Plan proposed an innovative approach, based on a cumulative carbon reduction target over a 5 year period rather than annually.
20. Members commented on the high quality of the document, and welcomed the proposed governance arrangements with the Chief Executive chairing a Carbon Management Board and regular reporting to SMT. These arrangements would help promote the importance of climate change throughout HES. Opportunities for carbon offsetting might also be explored. An annual update on progress would be brought to the Board.

The Board approved the Plan.

Action: Ewan Hyslop

[Ewan Hyslop left the meeting]

Consultation on the future of the Scottish Planning System (HES 026/17)

21. The Director of Heritage provided members with an overview of the current consultation on the Scottish planning system. She noted that HES was largely supportive of the proposed changes and was working with other Key Agencies within the planning system to ensure a coordinated approach. Issues discussed included HES proposed highlighting of the need for greater consideration of town centres, the enhanced role of communities in place making and the nature and volume of work the changes, if implemented, will have for HES.
22. The Board asked for the response from HES to the consultation, due with Scottish Government by 4 April 2017, to be uploaded to Sharepoint.

Action: Barbara Cummins

[Denise Mattison joined the meeting]

Corporate Performance Report (HES 027/17)

23. Denise Mattison summarised the Corporate Report for the period to 28 February. She noted continued good progress on most KPIs, with 8 out of 11 KPI's on track to be delivered. 95% of the Annual Business Plan success measures were also on track. Two of the KPI's will not be met, staff engagement and the opening of the Engine Shed. The Board also discussed plans to migrate all staff based in John Sinclair House on to SWAN IT infrastructure, and requested/ directed that this be completed by 31 October 2017. The Board congratulated the Communications team on winning an award for the HES website.

Action: Gary Love

[Denise Mattison left the meeting]

Financial Statement to 28 February (HES 028/17)

24. The Acting Director of Finance presented the position to 28 February. This continued to show a healthy financial position, and informed the Board that, with only days till the end of the financial year, expenditure across all directorates was still on track and a balanced budget envisaged.

A significant change from the last Board meeting was the removal of the need to make a provision in relation to unsettled prolongation and disruption costs associated with the Engine Shed. As noted earlier agreement had been reached with the contractor on outstanding costs

HES Enterprises

HESe Business Plan (HES 029/17)

25. The Chair of HESe introduced the Business Plan. He noted that the plan set out a realistic view for 2017/18, building on excellent performance in 2016/17. Growth opportunities had been identified in events and NCAP, while the higher cost base reflected additional resources to deliver anticipated growth and revised accounting treatment. He commented on the excellent quality of branded goods available through retail outlets, and the opportunity to source more Scottish products.
26. The Board approved the Plan and thanked Kari Coghill for her work on HESe. The opportunities from greater use of data analytics were highlighted, and would be explored. Significant issues on the HESe Risk Register would be escalated to the HES risk register, and would be considered by the Audit, Risk and Assurance Committee.

Action: Kari Coghill

HESe Operating Agreement (HES 030/17)

27. The Operating Agreement between HES and HESe had been considered previously by the Board, and the version presented had been reviewed by HES legal advisors. Minor clarifications were proposed to clauses referring to loan financing, the duration of appointment of HESe directors and the time frame for

review of delegated authorities as applied to and within HES to bring into line with HES. The Chief Executive confirmed that the loan agreement, previously drafted and thought necessary was no longer required.

28. Subject to the above changes, the Board approved the Agreement.

Action: Chief Executive

Staff Governance Committee

Terms of Reference (HES 031/17)

29. The Chair of the Staff Governance Committee informed members the committee had reviewed and updated the Terms of Reference. The Board approved the proposed changes.

Minutes from 1 February meeting (HES 032/17)

30. The Chair of the Staff Governance Committee reported they had a very good meeting in February and thanked Nikki Ritchie for her comprehensive minutes. It was noted that significant staff related issues arising would be added to the Risk Register as appropriate.

33. Going forward, the Staff Governance Committee would track progress on the People Strategy and on the Equalities Outcomes.

Board Planning – Forward Look (HES 033/17)

34. The Board agreed the following should form part of the agenda for the meeting on 25 May 2107:

- Our role in the planning system, including a discussion of What's your Heritage
- Community planning
- Update on HQ and archives and collections accommodation options

35. The Board were asked to consider the draft invitation and invitee list for the Stakeholder Event scheduled for Oban on Thursday 25th May and feedback to Denise Lauder any additional invitees or amendments.

Members of the Senior Management Team left the meeting.

Date of Next Meeting: 25 May 2017, Argyll Region



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 8 FEBRUARY 2017

Conference Room, Longmore House

Present:

Jane Ryder, Chair
 Janet Brennan
 Paul Stollard
 David Gaimster
 Coinneach Maclean
 Fiona McLean
 Trudi Craggs
 Ken Thomson
 Ian Brennan
 Ian Robertson

In attendance:

Alex Paterson, Chief Executive
 David Mitchell, Director of Conservation
 Jennie Smith, Acting Director of Finance
 Stephen Duncan, Director of Commercial and Tourism
 Lisa McGraith, Director of Communications
 Gary Love, Director of Corporate Services
 Barbara Cummins, Director of Heritage
 Denise Mattison, Corporate Analysis and Performance Manager
 Karen Robertson, Senior Research Manager
 Thomas Knowles, Head of Grants
 Gillian MacDonald, Head of Sales and Marketing
 Denise Lauder, Board Secretary

Introduction and Apologies:

1. The Chair welcomed everyone to the meeting. Apologies were noted from Andrew Holmes. There were no declarations of interest.

Minutes of 15 December Board Meeting and Action Tracker (HES 001/17)

2. The minutes of the December meeting were approved subject to minor amendment. The Action Tracker was reviewed and progress noted. Further updates were provided in relation to:
 - HES/150916/139 Admission Pricing – the results of a benchmarking exercise will be scheduled to inform pricing decisions for 2018/19.
 - Edinburgh World Heritage report – Director of Heritage will circulate an update to Board
Action: Barbara Cummins
 - HES/151216/158 HES Enterprises Operating agreement – this will be presented at the Board meeting in March to allow final review by HES legal advisors.
Action: Denise Lauder
 - The updated Terms of Reference for the Staff Governance Committee will come to the March board meeting.
Action: Gary Love

Matters Arising

3. All matters arising will be covered by items on the agenda.

Chair's Report

4. The Chair reported that unfortunately she had been unable to attend the Cabinet Secretary's event on Brexit but had a good discussion around this issue with Board members and the Chief Executive prior to the event. She noted receipt of an invitation

from the British Council which had to be declined, but should encourage further discussion. She also reported on her participation in events focused on developing thinking with Scottish Government in relation to Smarter Sponsorship

Chief Executive's Report (HES 002/17)

5. The CEO gave a verbal update. Key points, and matters arising from discussion included:
- Organisational performance continued to be good. Visitor numbers in particular continued to increase year on year, and HES was ready to welcome its 4 millionth paying visitor for the first time in a financial year.
 - Three HES sites participated in a benchmarking exercise, organised by the Association of Leading Visitor Attractions (ALVA), where 68 visitor attractions share data on a range of indicators. Edinburgh, Stirling and Urquhart Castles were included in this exercise and came out very well on almost all measures. This report would be posted on the Board's Sharepoint site.
 - Following comments from Board, the terms of reference and membership of the OPiT working groups had been finalised. The Cabinet Secretary had accepted the proposals, which HES would now take forward. A copy of the final document would be circulated to Board members.

Action: Denise Lauder

- The Chief Executive and Director of Commercial and Tourism would be hosting a series of meetings in Orkney on 9-10 February, with a focus on Maeshowe and long-term opportunities around Neolithic Orkney.
- The Cabinet Secretary hosted a stakeholder event which provided opportunities for a discussion on the key issues affecting the sector in relation to Brexit. The Board discussed and gave guidance on what might be the appropriate action for HES as the lead body,
- The draft independent report on the Engine Shed had been received. Recommendations made would be taken forward as the project moves to completion of the construction phase of the project.
- Discussions had taken place with Ministers regarding plans for St Andrews Day celebrations.
- The annual planning report should be shared with the Board before submission to Scottish Government.

Action: Barbara Cummins

- Good media coverage had been received following publication of the Conservation Report in January and the Cabinet Secretary's visit to Dunkeld Cathedral in early February. Coverage around the listing of Cables Wynd House was also extensive, if mixed in content. HES would be announcing its events programme for the summer on 22 February as part of the Year of History, Heritage and Archaeology (YHHA). The events programme would be copied to the Board.

Action: Denise lauder

- The Board discussed "What's Your Heritage", the on-line survey and the proposed series of workshops. The Board emphasised the importance of seeking views from a wide range of audiences and expressed interest in hearing more about the overall process, including analysis of the results. This will come to the Board in May as a substantive item, which will include consideration of the Board's role in further developments
- The Chair circulated a paper, which had been agreed by Board members on arrangements for communications and briefing of the Board. This included existing protocols for Board meetings, which were reconfirmed, and a minor amendment to Standing Orders which was agreed

Action: Chief Executive

[Denise Mattison joined the meeting]

Draft Annual Operating Plan 2017-18 (HES 003/17)

6. Denise Mattison introduced the draft Operating Plan. She advised the Board that this was the second Annual Operating Plan under the three year Corporate Plan. The priorities are set out under the five themes of the Corporate Plan. The Board welcomed the Plan, and in discussion, offered some comments that will be incorporated in the next draft.

Action: Denise Mattison

Draft Budget – 2017-18 (HES 004/17)

7. Jennie Smith introduced this paper by proposing to the Board that the budget presented would be for one year and would be used as an indicative basis for planning over a three year period. As a result of the outcome from the Spending Review, additional capital allocation and commercial income forecast to be significantly higher than in recent years, HES has an opportunity to invest in activities this year. These were set out in the budget paper, and in the separate Investment Plan paper.
8. In discussion it was agreed that vacancy levels and efficiencies need careful management, and that in the coming year, baseline budgets will be reviewed. Noting the importance of starting preparations immediately to ensure a prompt start to the investment programme, the Board approved the draft budget.

Draft Asset Management Plan for PIC (HES 005/17)

9. Before discussion of the papers, the Chair referred to HES overall: responsibilities and the Board confirmed that as an organisation, HES is responsible for a number of asset classes, not only the Properties in Care. This is already reflected in the draft Investment Framework. With this in mind the Board agreed that a single overarching Asset Management Plan or

statement was required, accepting that policies and plans in some areas are more highly developed than in others. This will create the necessary link with detailed policies and plans in different areas, and planned investment

10.

11. David Mitchell then introduced the papers related specifically to the Properties in Care, and sought Board approval of the Asset Management Policy and comments on the proposed structure of the Asset Management Plan.

12. In introducing the paper David Mitchell noted that the Scheme of Delegation requires HES to publish an Asset management Plan, and that the approach was based on the international standard for asset management. The approach taken by other heritage organisations had also been reviewed.

13. The Board suggested changes/ additions to the draft Policy :

- Access should be clearly stated in policy objectives to reflect visitor focus.
- Reference to the legislation should be added to Policy Principles
- The last sentence in the first paragraph should be removed
- The final sentence "is not required"

The Board also commented:

The Asset management Plan should focus on approach rather than operational detail

- A separate Collections Management Plan is required

Subject to the above alterations, the Board approved the Asset Management Policy. The Asset Management Plan will come to the March board meeting.

Action: David Mitchell

Draft HES Investment Framework (HES 006/17)

14. The Chief Executive introduced this paper, highlighting that it was work in progress. Although currently focussed on the short term, it was intended it would inform the investment programme for the foreseeable future. He noted that it sought to cover all HES investment areas, and set out an approach to investment prioritisation.

15. The general approach outlined was welcomed by the Board. Specific comments including timeframe, future thinking and the consequences of making investment choices would be reflected in a revised paper presented to the Board in March.

Action: Chief Executive

[Thomas Knowles joined the meeting]

Draft Scheme of Internal Delegation – HES 007/17

16. The Chief Executive introduced a draft scheme of internal delegation for financial and non-financial matters. He noted that it sought to identify the appropriate level for decisions in the organisation, in a simple and useable format. The Board made a number of comments, including in relation to regulation, annual pay remit, reputational matters, submissions to Ministers, write-offs and whether the Scheme applied to HES Enterprises. There also appeared to be some inconsistencies within the Procurement table. These will be reflected in the next iteration of the Scheme.

Action: Chief Executive

Community Empowerment Act/Interim Policy HES 008/17

17. The Chief Executive introduced this paper, informing the Board that HES had an interim policy in place by 23 January 2017 which was a legislative requirement. An eight week long public consultation on the interim Asset Transfer Policy had commenced.

18. The Board welcomed the policy and commented on the quality and clarity of the document. The Board recognised the importance of resourcing this work appropriately, and recommended two amendments to the Asset Transfer Guidance document, firstly in relation to the description of properties, and secondly, the support available from HES to applicants. The Policy will be updated following the consultation period.

Conservation Area Regeneration Scheme (CARS) – HES 009/17

19. Thomas Knowles introduced this paper, asking the Board to approve the proposal for accepting 7 CARS grant awards, with total funding of just over £6 million. He also noted the intention to contact 6 other projects, which though initially rejected, should be encouraged to resubmit an application following feedback.

20. In approving the awards to the 7 projects, the Board emphasised the importance of ensuring the anticipated benefits from projects are realised, and that monitoring and evaluation should be an integral part of the grant process. Suitable publicity should be sought for announcement of the awards.

[Thomas Knowles left the meeting]

[Gillian MacDonald joined the meeting]

[Paul Stollard took over as Chair]

2017-18 Marketing Campaign – Presentation

21. The Board welcomed Gillian MacDonald to the meeting. Gillian gave a presentation on the marketing campaign for 2017-18, focussed on HES sites. A range of marketing channels will be used, including traditional literature, and increasing use of digital and social media. Opportunities for partnership working would also be pursued.
22. Paul thanked Gillian for attending.

[Gillian MacDonald left the meeting]

HES Enterprises Board – HES 010/17 + HES 011/17

23. Coinneach Maclean reported on the HES Enterprises (HESe) Board meeting held on 25 January. Trading performance to end December continued to be strong and ahead of forecast.
24. He informed the Board that two interesting sessions were held at the meeting, one with Gary Love around recruitment, which was progressing well for the summer season, and the other, a presentation from Alan Williams, National Collections of Aerial Photography (NCAP) Operational Manager. The HESe Business Plan for 2017/18 had also been developed, and considered by the HESe board and SMT.
25. The Board questioned whether National Archives and Registration Administration (NARA) should be included on the HESe Risk Register. It was agreed that a report on NARA should be submitted to SMT and the HESe Board.

Action: Stephen Duncan

26. The next HESe meeting in April would be followed by a workshop led by ALVA, to which HES Board and SMT members would be invited.

Staff Governance Committee – Verbal Update

27. Ken Thomson gave an update on the meeting held on 1 February, which considered the draft People Strategy and Equalities Mainstreaming report and the action plan in response to the recent staff survey. He noted that good progress had been made on all three, with the People strategy and Equalities report due to be considered by the board in March. The staff survey would be undertaken every two years in future to allow the effect of actions to be evidenced.
28. The committee had a long discussion around sick absence particularly stress related absences. An action plan had been launched, and close attention would be given to this matter on an on-going basis.

[Denise Mattison and Karen Robertson joined the meeting]

Corporate Performance Report – HES 012/17 and presentation

29. Denise Mattison introduced the Corporate Report for the period to end December. She noted good progress on most KPIs, with a number achieved and actions in hand to address priorities at risk.
30. Karen Robertson presented the new dashboard reporting for Key Performance Indicators, in particular, the evidence base used to report on KPI progress. The Board welcomed the presentation and the visual means by which performance was presented.

[Karen Robertson left the meeting]

Financial Statement to 31 December 2016 – HES 013/17

31. Jennie Smith informed members that HES is still expecting a healthy position at the end of the financial year. Commercial income continues to be strong, and directorate expenditure is on track.
32. Due to delays and a degree of uncertainty regarding the final outturn for the Engine Shed a provision of £1.7 million needs to be made. Discussion with Scottish Government and external auditors are in hand to discuss the technical issues.

Audit and Risk Committee HES 014/17

33. The new Chair of the ARC, Ian Brennan, informed the Board that it had been a very interesting first meeting and thanked other HES Board members, Jennie Smith and Carol Dowsett for their help.
34. The Committee had considered a number of matters including progress with internal audit reports, plans for the 2016/17 external audit and the corporate risk register. The Committee also considered and revised the ARC 'Terms of Reference'. The Board approved these, with minor changes.

Corporate Risk Register HES 015/17

35. Denise Mattison introduced this paper by informing the Board that SMT have reviewed the risk register twice since the Board last saw it. She informed the board that controls were holding many risks steady, with actions in hand on a number likely to see improvement in risk score in the coming weeks.
36. In addition, and while two risks, relating to reputation and compliance had fallen below the threshold for escalation to the corporate risk register, SMT had agreed to retain these to ensure senior level review.
37. The Board asked that risk associated with HES' role as a regulator remain on the register, and that a new risk be defined in relation to longer term, external factors that might impinge on HES and our financial position.

Action: Denise Mattison

38. The Board agreed that Risk Appetite should be included in the June Workshop, with consideration to be given to external facilitation.

Action: Denise Mattison

Board Planning – Forward Planning HES 016/17

39. The following amendments are to be made to the forward plan:
- Scheme of Internal Delegation and Equalities to be included in March
 - Focus on regulation and planning in May
 - Risk Appetite to be included in June workshop

Action: Denise Lauder

40. On behalf of the board, the Chair recorded their thanks and appreciation to David Gaimster on his appointment as Director of Auckland Museum and departure for New Zealand. , The Board wished him well for the future. David responded that it had been a privilege and a pleasure to be part of HES.

Date of Next Meeting: 29 March 2017, Room G9, Longmore House