



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 2 OCTOBER 2019

LONGMORE HOUSE, EDINBURGH

Present:

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

In attendance:

Alex Paterson, Chief Executive
Barbara Cummins, Director of Heritage
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Director of Corporate Services
David Mitchell, Director of Conservation
Lindsey Ross, Director of People
Kirsteen Rowlands, Director of Communications
Donella Steel, Director of Finance
Alison Turnbull, Director of Development and Partnerships
Ewan Hyslop, Head of Technical Education and Science (part)
Ricki McLaughlin, Head of Internal Audit and Business Improvement (part)
Gillian MacDonald, Head of Business Development and Enterprise (part)
Suzanne Casey, Head of the Chief Executive's Office
Jules Davidson-Welch, Board Secretariat

Introduction and Apologies

1. The Chair welcomed everyone to the meeting. Apologies were received from Coinneach Maclean.

Minutes of the 15 August Board Meeting and Action Tracker

2. The Board approved the minutes of the August meeting. The table of actions was reviewed and progress discussed, noting a number of items which will be closed. The Board asked for sight of the final proposals for the Dallas Dhu partnership, and will receive a paper on Archaeology, in follow up to their discussion earlier in the year.

ACTION: Director of Commercial and Tourism/
Director of Heritage

Chair's Update

3. The Chair noted the recent Board visit to Lewis on 25 and 26 September, recognising the successful programme and the well-attended and positive stakeholder event.
4. The Chair indicated that preparations for the recruitment of additional Board members were progressing with the Public Appointments Team.

Chief Executive's Report

5. The Chief Executive presented his update to the Board. A number of matters were discussed, including:
 - Performance to the end of quarter two remains strong on a number of fronts. Visitor numbers and income are above the levels projected; August saw over 929,800 visitors welcomed to our sites, our highest ever number of visits in a month. Visitor numbers are 3% up year-on-year;
 - This is in contrast with the quarter one statistics for the wider Scottish tourism industry, which are less positive. The Board held a discussion on the reasons for this, noting the impact of macro-economic trends, and the variations between different areas of Scotland. Predictability of visitor and income trends will become increasingly important as the organisation looks to plan future investments. The impact of visitor-facing investment in terms of increased visitor numbers and income will be examined in further detail at a future meeting.
 - Good progress is being made against Corporate Plan and Annual Operating Plan Key Performance Indicators, including those which are more developmental in nature such as the development of the Wellbeing Framework;
 - The Consultation on the future location of the Stone of Destiny has closed, with 1900 responses. The Commissioners of the Regalia will meet again in late October;
 - Significant progress has been made on the pay remit; Trades Unions are in the process of balloting their members;
 - The Scottish Government Spending Review is likely to be a one-year settlement, in contrast to the previously suggested multi-year agreement. The Chief Executive emphasised that future discussions with Scottish Government would focus on the overall funding framework as well as the Grant in Aid awarded;

- The Senior Management Team will take part in a Q&A panel session with staff at Longmore House as part of efforts to increase visibility and staff engagement. It is anticipated that these will take place three to four times a year in a variety of locations around the country;
- Adopting proposals by the Chair, the Board agreed a small working party consisting of Trudi Craggs, Paul Stollard and the Chair to review an outline draft of the Built Heritage Investment Working Group report on behalf of the Board for a clear line of sight and consideration of the implications for HES prior to full Board discussion at the November Strategy Day, and eventual submission to SHEF;
- The Director of Finance gave an overview of the Financial Statement to the end of August 2019 noting a favourable year to date surplus position, due mainly to strong commercial income. The forecast outturn at year end is an overcommitment, which will be addressed through active financial management across all budget areas;
- A briefing note outlining the organisation's responsibilities and approach to achieving Best Value will be prepared and circulated to the Board in due course and should be considered initially by ARAC.

ACTION: Director of Conservation
/Director of Finance

Climate Change and Environmental Action Plan

Ewan Hyslop, Head of Technical Research and Science, joined the meeting

6. The Head of Technical Research and Science gave the Board background to the Climate Change and Environmental Action Plan (CCEAP), which sets out what HES intends to do to fulfil our role as a leader and exemplar under the Climate Change (Scotland) Act 2009 and in response to the climate emergency, declared by the First Minister in April 2019.

In a presentation to the Board, the scale of the challenge was contextualised, with specific reference to issues faced by Properties in Care and the wider historic environment. The Head of Technical Research and Science emphasised the accelerating rate of pace of efforts to mitigate climate change, demonstrated by multiple new legislation and continually changing national emissions targets, set by Scottish Government.

7. Members welcomed and discussed the Action Plan, including the following points:
 - Members agreed that, in the context of its role as lead body, HES must be ambitious as it sets out its plan for responding to the challenges of Climate Change;
 - The carbon footprint of HES as an organisation is small compared to that of the visitors to HES sites, many of whom have travelled by air. The Board discussed current strategies for encouraging sustainable tourism, and HES' role as an operator of attractions, the lead body on the historic environment, and therefore a key contributor to the national discussion;

- There may be scope for more emphasis on the provision of advice on care of historic buildings, for example the 'Impacts Guide', recently produced by the Our Place in Time Climate Change Working Group;
- The Board discussed the challenge of predicting weather and sea level trends which will impact on the historic environment, particularly as 'average' levels do not take into account exceptional 'surge' events;
- Members emphasised the need for a degree of 'acceptance', as well as 'resistance' of the impacts of climate change, noting the necessity for management of loss in the historic environment;
- There is much potential within the Action Plan for community engagement and learning activity;
- Members noted the positive potential of funding by Transport Scotland to provide electric vehicle charging points at HES properties for the use of visitors;
- The wording of aspects of the Action Plan requires a bit of finessing, and should allow for periodic revision in light of changing climate priorities and targets;
- The Board highlighted the need for a strong Communications Plan to accompany roll-out of the Action Plan.

ACTION: Director of Conservation/
Director of Communication

8. The Board thanked the Head of Technical Research and Science for his presentation, approving the plan for publication subject to discussed amendments.

Ewan Hyslop left the meeting

Programme for Success

Ricki McLaughlin, Head of Internal Audit and Business Improvement joined the meeting

9. The Head of Internal Audit and Business Improvement gave the Board an overview of the paper, which sets out the Programme activity to date, the next actions for the Programme, proposed revisions to the existing governance structure of the Programme and the assurance framework for the Programme.
10. The current structure has been in place since May 2018. While working well, staff have identified a gap which can lead to decision-making being slowed down. To address this, it is proposed to establish a steering group comprising of Senior Responsible Officers (SROs) reporting to the Corporate Programme Governance Board. The Board queried whether creating an additional layer as presented would slow decisions down even further, and therefore agreed to the formation of the SRO steering group, to replace the current Joint Working Group. It was agreed that the HES Board will be updated by the Chief Executive in his reports to Board meetings following Programme Governance Board meetings. In addition, ARAC will review Assurance Reports and Programme risks will be

added as appropriate onto the Corporate Risk Register, which is in turn reviewed by both ARAC and the Board.

11. Turning to the update on Programme activity, members noted that the Archives and Collections project was in the process of procuring Design Consultants following approval to lease Archive House. The Board emphasised their preference and the desirability of withdrawing from John Sinclair House by the lease break, although noting that a short extension to this date could be available, if necessary, and also needs to be considered in the context of the overall Programme.

Digital Strategy Update

12. The Director of Communication gave a presentation on delivery of the Digital Strategy, which sets out how the delivery of heritage digital experiences, services and data to customers and staff will be transformed through more effective capabilities and technologies. The digital work is overseen by a Digital Board chaired by the Chief Executive. An audit of all digital activities across the business identified a wide range of innovative activity already underway and a shifting focus towards digital solutions. The Director of Communication gave a summary of progress in delivery of the strategy, outlined a number of projects, and updated the Board on future priorities, which evolve as technology and user expectations change. These include:

- Overseeing the delivery of digital portfolio priority projects;
- Continuing to encourage a 'digital first' approach across the organisation;
- Use of agile principles and methodology;
- Developing operational guidance for staff; and
- Establishing Digital Innovation Sessions as platforms for staff to showcase digital projects.

13. The Board welcomed the presentation. In discussion, the balance of in-house and external expertise was raised, noting that core expertise was represented by HES staff, while more specialist advice is provided externally. The idea of a Heritage Hub was welcomed, providing enhanced digital access to archives and HES services.

14. Digital delivery will be key to future interpretation approaches; a paper outlining HES' ambitions for interpretation will be brought to the Board for consideration in December.

ACTION: Board Secretariat/
Director of Commercial and Tourism

Archive Access

15. The Director of Heritage gave an overview of the varying ways HES currently enables access to the Archive and set out the vision for how access will be provided in the future. This is particularly relevant to plans for Longmore House and Archive House.

16. The focus for Archive House, Bonnyrigg, will be as a storage facility with specialist work areas for staff, although there may be occasions where staff will facilitate access for the public. In Longmore House there will be a small dedicated space where all aspects of HES work can be showcased, and access provided to the HES library, archive and digital resource. Members of the public and staff will be able to consult original material from Archive House with professional staff on hand to provide help and guidance. The Board discussed the proposals and received an assurance that the plans for this access will be not be unduly space intensive and can be accommodated within the developing plans for Longmore House
17. The Board approved the principles set out while encouraging other possibilities of access, Board members suggested that remote access facilities in selected locations around Scotland could be considered in time, where users could access the Archive and request access to original material. This could be delivered in conjunction with suitably accredited partner organisations.

ACTION: Director of Heritage

Year of Coast and Waters

Gillian MacDonald, Head of Business Development and Enterprise joined the meeting

18. The Head of Business Development and Enterprise outlined the HES contribution to the national 2020 themed year, designated as Year of Coasts & Waters (YoCW). Themed years have been running since 2010, designed to give Scottish tourism an edge, galvanise partners and create a strong collaborative platform.
19. The Board discussed the HES approach, noting the following feedback:
- Climate change should be a key theme, particularly given the challenges facing the historic environment in coastal regions, and the work undertaken by HES as part of the Climate Change and Environmental Action Plan;
 - Consideration should be given to use of the Grants Programmes; the Board were advised that a small themed grant programme will be launched in December 2019 to tie in with the year; and
 - Consideration should be given to ensuring a strong legacy from the themed year, as accomplished as part of the Year of Young People programme.

ACTION: Director of Commercial
and Tourism

20. The Board thanked the Head of Business Development and Enterprise and approved the outlined HES approach. An update on Links of Noltland, a key coastal site, will be prepared and circulated to the Board.

ACTION: Director of Commercial
and Tourism

The Head of Business Development and Enterprise left the meeting

Our Place in Time Annual Report

21. The Director of Development and Partnership invited the Board to note the draft 2019 Our Place in Time (OPiT) Performance Report, which shows the sector's progress in delivering OPiT for the period April 2018-March 2019. In December, members of SHEF (Strategic Historic Environment Forum) will be presented with the draft Annual Performance Report. This also marks the mid-point in the 10 year lifespan of OPiT, for which a separate Midterm Review was commissioned from DC Research, findings from which will also be incorporated into the report to SHEF.
22. 11 of the 13 Key Performance Indicators are currently on track, with two marked as amber. The second of these KPIs is directly linked to progress made to date by the Built Heritage Investment Group, which is chaired by HES.
23. The Mid Term Review highlights a number of successes and areas for consideration, including the challenge of ensuring engagement with local government, positive changes to governance arrangements, and coordination between Working Groups.
24. The Board discussed the draft reports, and in addition to some specific wording amendments, noted the following feedback:
 - The submission to SHEF must frame the reports in terms of a vision and plan for the future;
 - Members noted that most of the Working Groups have produced a plan which must now be implemented;
 - Many areas of thinking and policy have moved on since the publication of OPiT in 2014; it may be appropriate to reflect on this, particularly in terms of wellbeing and community engagement.

ACTION: Director of
Development and Partnership
25. The Board thanked the Director of Development and Partnership, approving the draft report subject to the feedback noted above.

HESe Update

26. Ian Robertson, Chair of Historic Environment Scotland Enterprises (HESe), gave an update to the Board following the 14 August HESe Board meeting, including:
 - Visitor numbers have increased year-on-year and growth in retail is outstripping growth in visitor numbers at the top three sites. Development of the gift shops at Edinburgh Castle and Doune Castle are contributing to this performance;

- NCAP and Publications continue to perform less well, and Corporate Events remain affected by a challenging economic climate;
- The catering contract has now been awarded, with legal contracts being finalised;
- A new Head of Commercial has not yet been appointed; recruitment remains ongoing;
- Next HESe Board will examine NCAP in a more holistic manner, focusing on its potential for success, examining how well it fits with the overall business model, and how robust is the current staffing model.

27. The Board noted the recent launch of Cloister House, Melrose, as a property now available for let.

28. The HES Chair formally thanked Coinneach Maclean for his time as HESe Chair as he was now handing over to Ian Robertson as Chair.

ARAC Update

29. Ian Brennan, Chair of the Audit, Risk and Assurance Committee (ARAC), gave the Board an update of the 14 August meetings. A number of matters had been considered, including:

- The Committee had considered a range of matters relating to the risks and possible opportunities posed by Brexit;
- ARAC considered changes to the HES Risk Management Policy and Strategy, and were content with the changes proposed;
- The Committee had considered an internal audit report on IT Governance, which had assessed the internal control as limited, and considered the agreed actions.

30. In the context of reports of severe fines for breaches of regulations, at a future meeting ARAC will look more closely at data protection compliance matters. The HES Chair will attend the 13 November meeting.

The Board agreed that the Annual Internal Audit Plan should come to the Board for approval in due course.

ACTION: Chief Executive

There followed a closed session of the Board and Chief Executive