



HISTORIC
ENVIRONMENT
SCOTLAND

ÀRAINNEACHD
EACHDRAIDHEIL
ALBA

HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 06 FEBRUARY 2020

LONGMORE HOUSE, EDINBURGH

Present:

Jane Ryder, Chair
Ian Brennan
Janet Brennan
Fiona McLean
Ian Robertson
Paul Stollard
Ken Thomson

In attendance:

Alex Paterson, Chief Executive
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
Denise Mattison, Head of Corporate Analysis and Performance (part)
Russell Whyte, Economic Advisor (part)
Suzanne Casey, Head of the Chief Executive's Office
Jules Davidson-Welch, Board Secretariat

The open session was preceded by a closed session of the Board and Chief Executive and Director of People.

Denise Mattison, Head of Corporate Analysis and Performance, joined the meeting

Introduction and Apologies

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

Minutes of the 12 December Board Meeting and Action Tracker

2. The Board approved the minutes of the December meeting. The table of actions was reviewed and progress discussed. Members asked for an update on work to

implement fire safety work at John Sinclair House to be included in the next Chief Executive's Report. In future, actions marked as requiring action 'In Due Course' will be given an indicative date for completion.

ACTON: Chief Executive,
Director of Corporate Services

Chair's Update

3. The Chair updated the Board on the completion of interviews for new Members, noting that the process was on track for the Cabinet Secretary to approve the new appointees by mid-March.
4. The Chair reported on the very positive recent annual meeting with the Cabinet Secretary.

Chief Executive's Report

5. The Chief Executive presented his update to the Board, including:
 - An update on a request noted at the previous Board meeting, to consider a property to be brought into state care. Scottish Government has formally asked HES to consider the request, progressing directly to Stage Two of the Acquisitions and Release Policy. The Chief Executive is adopting the process used for St Peters and initially convening a small group to take this forward;
 - Work is progressing to explore a joint project with the Landmark Trust for a particular property with a significant step being a presentation to the National Lottery Heritage Fund in February to gauge their interest;
 - Staff are analysing the possible impact of the coronavirus outbreak on visitor numbers, particularly at Edinburgh Castle. There are some early indications of a limited impact on advance bookings, and the situation will be kept under review;
 - The CEO updated the Board on discussions around the owners request to renegotiate the lease on Longmore House. The views of Scottish Government have now been sought, and the Board noted that no firm commitment was required at the present time. The CEO will provide further updates as this process progresses;
 - The Commissioners of the Regalia have not yet reached a decision regarding the future location of the Stone of Destiny. HES colleagues are due to meet with Perth and Kinross Council in February and the CEO will continue to update the Board as the situation progresses;
 - Following Board discussion at the 15 August 2019 meeting, due diligence has progressed on the Dallas Dhu project. Advisory firm EY were commissioned to assess the proposed partnership in further detail, and a number of points highlighted are now being addressed;
 - The Board welcomed the news that HES had been awarded a grant of £1.76 million by the Arts and Humanities Research Council (AHRC) to lead and co-ordinate the new five-year £19 million research programme 'Towards a

National Collection: Opening UK. Heritage to the World'. Further information on the project will be circulated to the Board; and

- The Board noted the forthcoming United Nations Climate Change Conference (COP26), which will be held in Glasgow, and the potential opportunity it presents for HES.

- **Financial Statement**

6. The Director of Finance gave an overview of the Financial Statement to 31 December 2019, which forecasts a break-even position at year end. It was noted that forecast expenditure levels in the the final quarter of the year are significant and Finance are actively managing this with Directorates. The Board noted the assurance that spending against Investment Plan projects is largely on track to be achieved.
7. Members discussed the wish for greater granularity of financial information, particularly with regard to major projects and programmes. Members asked for future reports to include analysis on any potential impacts on the ability to achieve Corporate Plan or Annual Operating Plan indicators. It was agreed that a Chairs Committee would be convened to examine current financials and requirements for future financial reporting.

ACTION: Chief Executive

- **Budget for 2020/21**

8. The Director of Finance issued a paper providing an interim budget update for 2020/21 following the Scottish Government budget announcement on 6 February. The draft budget settlement provides a £3m increase in Grant in Aid on the opening budget for 2019/20 and represents a £2.2m improvement on the projected overall budget position within the Financial Strategy. This outline will allow the outline draft HES budget for 2020/21 to be finalised and brought to the Board for approval in March 2020.
9. While the Scottish Government's Draft Budget for 2020-21 was published on 06 February, this will be contingent on the UK budget, due to be published on 11 March, the outcomes of which may necessitate a summer revision to the Scottish Budget. This will be factored into the budget setting process and should also be reflected in consideration of the Annual operation Plan.

- **Corporate Performance Update**

10. Reflecting on the Corporate Performance Update, the Board noted the good progress against the Corporate Plan and Annual Operating Plan indicators.
11. Members requested detail of progress against the Monument Investment Plans (MIPs). The Chief Executive assured there was progress with those detailed in the Annual Operating Plan, and Edinburgh Castle Masterplan currently delayed

pending recruitment of a Project Manager. Discussion included the following points:

- A detailed report of the status and progress of the MIPs will accompany the Investment Plan discussion at the April Board Meeting;
- Members noted that the Peer Review Panel had considered MIPs, and were interested in understanding the process for their development and delivery; and
- Further consideration is required on the timing of the Edinburgh Castle Masterplan.

ACTION: Director of Finance

- **Engine Shed**

12. The Chief Executive reported on Engine Shed annex, speaking to a summary of the fuller paper submitted to the December Board Meeting but not discussed due to time constraints.

13. Members suggested that it would be useful to reinstate the Engine Shed to a future meeting. They noted that the Engine Shed is a major success that should be celebrated, and a significant asset that should be carefully developed for the future with significant further thought required on how to best harness the undoubted potential.

ACTION: Chief Executive

- **Programme for Success Update**

14. The Chief Executive invited the Board to discuss an update on the Programme for Success, which included a R-A-G assessment of the various dimensions of the programme, update of the 16 January Corporate Programme Governance Board, and individual status updates of the individual projects.

15. The Chief Executive explained that the Programme is at a 'taking stock' stage at present, with individual projects making good progress but better Programme-level information required, with which the Board agreed. A recent Gateway Review identified two areas for further consideration that will be followed up, however the Chief Executive expressed concerns as to the review and feedback will be provided to the Scottish Government. The Programme Manager has left his position, and work is underway to find a suitable replacement. The Board concerns were reflected in the wish for greater granularity of financial information discussed earlier.

ACTION: Chief Executive

16. Turning to the role of Change Champions, Members reflected on the pros and cons of having recruited them at an early stage in the Programme, and commended the commitment and enthusiasm demonstrated by Champions from across the organisation. Further consideration should be given to how this model might be given a wider remit and assist with engagement in other activity, such as the People Strategy.

ACTION: Director of People

Draft Annual Operating Plan and Resourcing 2020/21

17. The Head of Corporate Analysis and Performance invited the Board to discuss the draft Annual Operating Plan (AOP) for 2020/21. The draft has been developed following feedback provided by the Board in December 2019 and subsequent consideration by the Senior Management Team.
18. The AOP is a core element of the HES planning framework and provides the 2020/21 delivery detail for the five outcomes set out in the Corporate Plan.
19. The Board welcomed the draft, providing the following feedback:
 - The Board discussed the risks associated with the AOP, noting that the plan potentially stretches the capacity of the organisation to deliver the KIPs;
 - Members suggested changes to the wording of three indicators in order to retain reference to key themes such as diversity and support for STEM subjects as part of HES learning activities; and
 - The Board asked how resources and approaches have been adjusted to reflect AOP priorities. Several examples were outlined by management and the Chair requested the revised AOP include information about these different approaches adopted
20. The annual budget setting process is usually aligned with the production of the AOP and a draft budget brought to the Board for consideration at the same time. Due to delays in the Scottish Government budget announcement it has not been possible to do this to the same extent this year. The Board expressed concerns about approving a an AOP without clarity of budget or indicative allocation of resources. However, the Board agreed to approve in principle a draft AOP, to include revisions discussed, as its delivery should be possible within the broad envelope of the indicative budget just announced by Scottish Government.
21. The Board thanked the Head of Corporate Analysis and Performance for the draft plan. Members will return further feedback to the Chief Executive's Office by Monday 10 February, so that a revised draft will be issued on Friday 14 February.

ACTION: Chief Executive
and Director of Finance

Wellbeing Measurement Framework

Russell Whyte, Economic Advisor, joined the meeting

The Head of Corporate Analysis and Performance and Economic Advisor gave an overview of the proposed headline wellbeing measure, baseline survey findings and framework as evidence that the relevant Annual Operating Plan and Corporate Plan outcomes have now been met.

The framework and associated documents have been developed in the context of a growing trend of countries shifting their success measure from purely GDP growth to also incorporate wellbeing, reflected in the Scottish Government's National Performance Framework.

22. The Board discussed the paper, highlighting the following:

- Members commended the quality of work in developing the Framework;
- Members noted that all the respondents involved in the baseline survey were engaged with the historic environment already;
- Members discussed the desirability of a survey of the wider population but noted the cost of such a commission and alternative national surveys that might be used for this purpose. The HES survey provides a picture of the different ways in which the historic environment improves wellbeing currently, enabling future work to be focussed and with the aim of engaging a wider range of people; and
- It is important to build sufficient flexibility into the framework, to enable adaptation in a rapidly evolving field, including the links with the Place Standard.

The Board approved the framework, noting that the work arguably positions HES as a leader in this field in Scotland.

The Head of Corporate Analysis and Performance and Economic Advisor left the meeting

HES Policy Statement on Intangible Cultural Heritage (ICH)

23. The Director of Development and Partnership introduced the draft policy statement, a high-level document developed to channel and support our engagement with ICH, and guide activity set out in Annual Operating Plans. The Policy Statement is designed to last until the end of Our Place in Time national strategy in 2024, when it will be subject to review.

24. In considering the Policy Statement, Board Members offered the following feedback:

- Members praised the clarity of the paper, noting that the case studies are very successful in demonstrating how a potentially abstract concept can be translated into practical application;
- Members encouraged staff to ensure there was nothing in the Policy Statement that might inadvertently date it;
- Board Members acknowledged that the development of the Policy Statement will fulfil the Annual Operating Plan indicator;
- The Board noted the successful use of an external peer review process, also used to good effect on the Research and International Strategies, and which has led to engagement with many new partners. Members identified a need

for guidance on how such groups can be used consistently and to be best effect; and

- The activity channelled via the Policy Statement has great potential to tie into the 2022 Year of Scotland's Stories.

25. The Board approved the Policy Statement.

Audit, Risk and Assurance Committee (ARAC)

26. The Chair of the Audit, Risk and Assurance Committee lead the Board in a brief discussion of 13 November Committee meeting. The HES Chair requested minor changes to the draft ARAC minute, agreed by the ARAC Chair.

Staff Governance Committee

27. The Chair of the Staff Governance Committee provided the Board with a verbal update of the 22 January meeting, highlighting a presentation given by the HES Equalities Manager and British Sign Language Intern, Manjeet Cross, who has been assisting with the development of a HES BSL action plan. It was noted that the Board had earlier had the opportunity to discuss the development of the new People Strategy.