



HISTORIC  
ENVIRONMENT  
SCOTLAND

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## HISTORIC ENVIRONMENT SCOTLAND

### MINUTES OF HES BOARD MEETING HELD ON 11 FEBRUARY 2021

#### VIA CONFERENCE CALL

#### Present:

Jane Ryder, Chair  
Ian Brennan  
Janet Brennan  
Andrew Davis  
Emma Herd  
Terry Levinthal  
Fiona McLean  
Ian Robertson  
Paul Stollard  
Jane Williamson

#### In attendance:

Alex Paterson, Chief Executive  
Barbara Cummins, Director of Heritage  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
Lisa McGraith, Director of Communications  
David Mitchell, Director of Conservation  
Lindsey Ross, Director of People  
Donella Steel, Director of Finance  
Alison Turnbull, Director of Development and Partnership  
Suzanne Casey, Head of the Chief Executive's Office  
Phil Burnside, Corporate Projects Programme Manager (part)  
Susan Ferguson-Snedden, Head of Legal (part)  
Ricki McLaughlin, Head of Internal Audit and Business Improvement (part)  
Jules Davidson-Welch, Board Secretariat

#### Introduction and Apologies

1. The Chair welcomed everyone to the meeting. No apologies were noted.

#### Minute of 14 December Board Meeting and Action Tracker

2. The Board approved the draft minute of the December Board meeting and noted progress against a number of items on the Action Tracker, with the timescales of some revised to reflect covid-related delays. At the Board's request, the Chief Executive provided more detailed updates on entries regarding Dallas Dhu and Holyrood Park.

#### Chair's Update

3. The Chair updated the Board on her meeting with the Cabinet Secretary on 28 January following announcement of the Scottish Government budget for 2021/22. In addition to discussing the HES Grant in Aid the Cabinet Secretary offered her compliments and thanks for the work of HES, and had expressed interest in how the organisation can assist in meeting the Scottish Government's ambitions on climate change.
4. The Chair also briefed members on her recent meeting with Joanna Baker, Chair of the National Partnership for Culture. The Partnership is focused on a number of themes that align well with HES priorities, such as wellbeing and skills. It may be that the model will have relevance to discussions around the future of SHEF.

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

5. The Chief Executive gave an overview of the key items from his report, including:
  - The Chief Executive gave a brief summary of financial and corporate performance. While there will be areas which could not be achieved within the original timeframe due to the various impacts of the latest COVID lockdown he proposed that the organisation has performed remarkably well overall.
  - Work on developing the HES Behavioural Framework continues. Consultants, The Culture Builders are hosting staff workshops to gather comments which will help shape the framework.
  - The Chief Executive answered Board questions on the listing of eight blocks of flats in Aberdeen, on which there has been a degree of misinformation in the local press. The Chief Executive advised that an appeal may be made to the Scottish Government's Planning and Environmental Appeals Division, however he is confident in the decision made and process followed by HES staff. Members welcomed the way in which the matter has been handled, and in particular the clear and comprehensive communications issued around the decision. The Chair also welcomed such a report on regulatory issues and would commend this for future reporting to the Board
  - Members noted the positive degree of interest in and uptake of the Historic Environment Recovery Fund, the 41 recipients of which have now been announced.
  - The Chief Executive outlined discussions with SG around the Spending Review and noted the positive outcome achieved. The Board anticipated sight of a high-level budget outline at their next meeting.
  - In considering the latest health and safety statistics for the latest time period, the Director of Corporate Services confirmed there were no notifiable incidents.
6. Turning to the Financial Statement to 31 December 2020, the Director of Finance gave a summary of the report's headlines. Overall performance year to date is within budget, with GIA drawdown behind anticipated profile. The forecast outturn is a surplus due to the challenging operating environment in particular the ongoing lockdown restrictions. The overall position continues to be actively managed with particular focus on delivering activity and associated expenditure by the year end. In addition, discussions are ongoing with SG regarding options for any surplus that may be generated.
7. The Board noted the latest Corporate Performance Report, which shows that HES continues to perform well against the actions set out in the second six-month Action Plan

of the year. All actions are assessed as 'on track', however given the latest COVID lockdown restrictions announced by Scottish Government on 04 January, a number of these actions currently on track may be at risk in the next period. The Board observed that the reporting format on Corporate Performance was excellent and recognised that it was understandable if some actions may not be completed and hence carried forward into the next financial year given the operating environment.

## **Programme for Success Update**

*Phil Burnside, Corporate Projects Programme Manager, joined the meeting*

8. The Corporate Projects Programme Manager (the Programme Manager) briefed the Board on delivery of the Programme for Success. All indicators continue to progress, with all but one project on schedule. The Programme Manager explained the way in which the priorities and focus of the Programme had adapted to best support the organisation in the current circumstances, and what the priorities for the Programme would be to the end of the financial year.
  - While the programme is slightly behind on spend due to covid-related reasons, the spend-to-delivery balance is broadly aligned.
  - The Board noted more detailed updates on a range of specific projects within the Programme.
  - Members noted that in future, further choices will be required to be made as to how to prioritise projects, including any phase 2 of current projects, given the very high competition for resources.
  - The Board noted that the pressure of simultaneous project delivery features on on the Corporate Risk Register.
  - Emma Herd, as a member of the Corporate Programme Governance Board, commended the work overall; noting some areas to work on.
9. The Board thanked the Programme Manager for the very helpful update and clear reporting.

*The Programme Manager left the meeting*

## **Fundraising Strategy**

10. The Director of Development and Partnership introduced the Fundraising Strategy and Ethical Donations Policy, which has been submitted to the Board for approval following prior discussion at the August and October 2020 meetings. A strategic framework based around four pillars has been developed, from which objectives and a initial implementation plan can be drawn.
11. The Board welcomed the strategy. In discussion a number of points were noted:
  - Members suggested a small number of specific amendments or additions to the text of the draft strategy, including increased emphasis around the additionality of any funds, the possibility of giving more prominence to the opportunity for partnership

working and ensuring the need to be sensitive in fundraising given it will be a priority for many organisations in the sector.

- Members commended the information provided in the paper, particularly the level of detailed analysis and the inclusion of case studies.
- Members stressed the need for consideration of the resourcing, staffing and skills requirements of implementation, including that the Fundraising Coordinator post to be sufficiently pitched as to ensure strong leadership. The Director assured the Board this was already being considered.
- Noting that the strategy is not intended for external circulation, the document should be sense-checked on the basis that it could be made public in some form.
- In implementing the strategy it will be important to consider the relationship with the Historic Scotland Foundation, and with Scottish Government in terms of treatment of funds received.
- The forthcoming implementation and communications plans should explore how to measure and present the cost-benefit balance.

12. Concluding their discussion, the Chair commended the draft Strategy. The Board agreed that an amended version of the draft will be circulated to the Board via correspondence for final approval or presented to the March Board whichever is the sooner.

**ACTION:** Director of Development and Partnership

## **Corporate Governance**

*Susan Ferguson-Snedden, Head of Legal, joined the meeting*

13. The Chair outlined to members the work undertaken by the Chair's Committee to review a selection of key governance documents and invited the Board to approve the resulting proposed changes. The Chair gave overview of the changes, rationale and context of the changes for each of the documents:

- **Scheme of Internal Delegation**

14. The Chair's Committee considered the SOID in detail at their meeting of 29 January, agreeing significant improvements for authorities and for visibility. The changes also introduce a greater visibility of HES regulatory functions, and a requirement for the development of a new regulatory strategy, which will come to the Board for approval in due course. The Board noted the requirement to make a single minor amendment regarding asset management.

- **ARAC Terms of Reference**

15. Following discussion by the Chair's Committee and a self-assessment by ARAC at their 13 January meeting, suggested amendments clarify committee membership, better reflect the greater maturity of risk management and cover effectiveness and best value.

- **Finance Committee Terms of Reference**

16. Following the Board's decision to convert the Finance Working Group into a formal committee, a proposed ToR was produced. This has been finessed by the members of committee, and by the Director of Finance.

- **Staff Governance Committee Terms of Reference**

17. The Chair of the SGC confirmed that the proposed changes, which provide greater compatibility with the other committees and enhance the visibility of the committee's responsibilities towards equalities. A number of other amendments suggested by committee members will be added and submitted for final approval at the next Board meeting.

- **Standing Orders**

18. The Chair's Committee had reviewed the Standing Orders and recommended a very small number of amendments, primarily around remote attendance.

19. Emphasising that the governance arrangements were already on a very strong footing, the Board approved the proposed changes to the Scheme of Internal Delegation, ARAC Terms for Reference and Standing Orders. They also approved the Finance Committee Terms of Reference. The paper also recommended the Chief Executive develop a programme for raising awareness of the changes while next steps for the Chair's Committee will include a deeper look at the relationship between HES and HESe.

20. The Chair offered her thanks to all involved for their input.

## **Mavisbank**

21. The Board discussed the proposed application to the NHLF Heritage Fund for support for a project to develop Mavisbank House and Policies as a whole. The detailed discussion has been redacted due to commercial and policy sensitivity. The Board concluded their discussion by agreeing to progressing the project to the next stage, subject to revisions to reflect the main points made at the meeting.

*The Head of Legal left the meeting*

## **ARAC**

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

22. Ian Brennan, Chair of ARAC, gave the Board an update of the committee's meeting on 13 January. Among the topics covered were the external audit, a comprehensive update on Health and Safety and an examination of Best Value. The Board noted that following a procurement exercise it had been agreed that an alternative external auditor will undertake the HESe audit on a 3-year contract. Deloitte will continue to be the HES external auditor.

23. Members considered a briefing on Best Value. The paper considered HES performance against the seven principles of Best Value, noting good progress, supportive comments by Deloitte as part of the last external audit, and the continued business improvement focus on HES. The approach being adopted by HES was welcomed and the Board agreed that ARAC will keep Best Value in view as part of the Committee's remit.

24. Turning to the Internal Audit Plan, the Head of Internal Audit and Business Improvement gave an overview of the paper. The plan covers a six month period, which in current

circumstances the Board agreed was appropriate. The proposed areas for focus are supply chain, GDPR and grants. Members discussed and received assurance on the methodology for selecting the topics.

*The Head of Internal Audit and Business Improvement left the meeting*

### **Forward Look**

25. The Chair presented a simplified forward look of Board business for 2021 to the Board and Senior Management Team.

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