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## MINUTE OF HES BOARD MEETING HELD ON 25 AUGUST 2022

### LONGMORE HOUSE, EDINBURGH

#### Present:

Hugh Hall  
Ian Brennan  
Janet Brennan  
Andrew Davis  
Emma Herd  
Terry Levinthal  
Ian Robertson  
Fiona McLean  
Paul Stollard

#### In attendance:

Alex Paterson, Chief Executive  
Stephen Duncan, Director of Marketing and Engagement  
Gary Love, Projects Director  
Elly McCrone, Director of Heritage  
Craig Mearns, Director of Operations  
David Mitchell, Director of Cultural Assets  
Lindsey Ross, Director of People  
Donella Steel, Director of Finance and Corporate Services  
Alison Turnbull, Director of External Relations and Partnership  
Ewan Hyslop, Head of Research and Climate Change (part)  
Vanessa Glindmeier, Responsible Tourism Coordinator (part)  
Suzanne Casey, Head of the Chief Executive's Office  
Jules Davidson-Welch, Business Manager

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

1. The Chair welcomed everyone to the meeting. Apologies were noted from Jane Williamson.
2. The minute of the meeting held on 26 May was approved.

#### Matters Arising

3. The Chair expressed his appreciation for his recent visit to Orkney with members of the Operations Directorate and encouraged other Board members to join future itineraries. The Board agreed that the October session would be planned as a lunchtime-lunchtime visit programme if possible.
4. The Board formally homologated the Planning Performance Report and Kilmartin Cross papers, which had recently been approved via circulation.

5. The Chief Executive updated the Board on several items logged on the Action Tracker, particularly in relation to the Orkney Gateway Project, the final business case for which will be brought to the Board when ready.

### **Chief Executive's Report**

6. The Chief Executive outlined several highlights from his report, including:
  - Commercial performance for quarter one has been very positive, however given the wider economic picture, a close eye will be kept on this.
  - Several substantial pieces of work are due to take place lead by the People directorate, including a Pay and Grading review, 35-hour week pilot, workforce planning and the next staff survey due to launch shortly. The Chair emphasised the importance of the Pay and Grading review, and Board members noted that productivity should be considered as a key element of this work.
  - The Board noted some recent changes to key staff, which has precipitated a process of recruiting new talent to the organisation. In some areas, recruitment has been challenging, particularly in some technical roles.
  - Since the last meeting, the Scottish Government has released its resource spending review, providing an indicative budget for the next four years. This provides a basis for strategic planning.
  - The CEO briefed the Board on impacts of the wider economic factors felt by HES and noted that this is being monitored closely as part of our risk management processes.
  - Work is underway to further engage with the Scottish Parliament, including the aim to hold a parliamentary reception in due course.
7. Turning to the Financial Statement, Donella Steel, Director of Finance and Corporate Services, gave an overview of the position to the end of July
8. The Board noted that income was ahead of budget, that discussions had taken place with Scottish Government regarding retaining any funds in excess of budget, with agreement to review at the end of quarter two.
9. Emma Herd, in her capacity of Chair of the Finance Committee, confirmed that she had no concerns to raise.
10. The Chief Executive gave an overview of the first quarterly Corporate Performance Report of the 2022/23 year. At this stage, all actions are currently on track to be achieved by the end of the year. The Board agreed the change to the success criteria for indicator 2.1, with the wording of the indicator remaining unchanged.
11. The Board considered a potential funding partnership with a third party Foundation, to establish a nationwide traditional skills training programme, running from April 2023 to March 2028. Subject to the conclusion of due diligence and finalising the details, which will be agreed by SMT, , the Board welcomed and approved the proposal, commending the projected positive impact on HES and the wider sector and associated local economies.
- 12.
13. The Board discussed the proposals for the 2022/23 pay settlement, reflecting on the necessary considerations of affordability as well as the need to secure the wellbeing of staff against the current cost of living pressures. Acknowledging that negotiations

on several points of detail are yet to be completed, the Board approved the parameters of the pay proposal outlined in the paper and delegated to SMT to take forward negotiations.

## **Board Strategy Discussion**

*The Board then took part in a separate session to discuss a range of strategic topics*

### **OPiT refresh**

14. Following the Minister for Culture, Europe, and International Development's February 2022 letter commissioning HES to lead a review of Our Place in Time (OPiT), and subsequent approval of the review's terms of reference, the Board were invited to participate in an early engagement session.
15. This was designed to provide an opportunity for the Board to give their thoughts and insights on what the new OPiT strategy for 2023 onwards should look like, focusing on key drivers and trends, identifying challenges and opportunities, and potential priorities.
16. Outputs from the Board session will be distilled and considered alongside the feedback from the wider engagement and research activity and used to inform the first consultation draft.

*Ewan Hyslop and Vanessa Glindmeier joined the meeting*

### **Responsible Tourism Framework**

17. Ewan Hyslop, Head of Research and Climate Change, and Vanessa Glindmeier, Responsible Tourism Coordinator joined the Board in discussion of the developing Responsible Tourism strategy, created to fulfil commitments under our Climate Action Plan as well as HES' wider responsibilities as a Lead Body.
18. The Framework is designed to be dynamic and will be regularly updated to respond to the rapidly evolving nature of the topic, to reflect ongoing progress and our growing understanding in the field of responsible tourism, including highlighting best practice examples across the organisation.
19. The Board discussed and endorsed the framework, commending the adaptable nature of the strategy and achievement in distilling a broad and sometimes vague concept into a tangible document. The Framework will be finalised for consultation and thereafter implementation.

*Vanessa Glindmeier left the meeting*

### **Research Strategy**

20. Alison Turnbull, Director of External Relations and Partnership, invited the Board to approve the HES Research Strategy 2023-28. This is in fulfilment of an indicator in the current Annual Operating Plan, and builds upon the first Research Strategy, which has been in place since 2019.
21. The Board discussed and approved the draft strategy, commending the proposed approach to sharing research with the wider sector and other partners, and plans to enable members of HES staff to have the opportunity to undertake research.

*Ewan Hyslop left the meeting*

### **High Level Masonry Update**

22. David Mitchell, Director of Cultural Assets, updated the Board on the High-Level Masonry project. The programme has made progress in several areas including the inspection programme and project timeline, training and recruitment, site interpretation and events, communications and project management since the last formal update to the Board in May. He noted the plan to hold a peer review event in early November.
23. The Board noted plans to transition the project into business-as-usual operational activity, and efforts to reopen parts of sites where it is safe to do so. Members discussed the approach to risk monitoring and received assurance on the process from the Chair of ARAC.
24. The Chair praised the way in which the organisation has approached the entire programme and committed to issue a note of thanks to staff.

**ACTION:** Chair

*Ian Robertson left the meeting*

### **Committee Updates**

25. Fiona McLean, Chair of the People Committee, formerly the Staff Governance Committee, updated the Board on their 20 June meeting, particularly commending the update on wellbeing initiatives.
26. The Chief Executive provided an update of the meeting of 24 August on behalf of the group's Chair, Ian Robertson. HESe's performance in the first quarter of the current financial year has been strong, a position that will be monitored closely over the coming months and may enable HESe to start repayment of its loan from HES earlier than expected.
27. Emma Herd, Chair of the Finance Committee, presented the draft minute of the 03 August meeting. The committee heard updates from the Project Management Office, including discussion of the Archive House and PICAMS projects. The group also heard an update of progress on Fundraising, which is progressing well. Emma suggested that a full update on the topic is brought to the full Board later in the financial year.

**ACTION:** Director of ER&P

28. Ian Brennan, Chair of the Audit, Risk and Assurance Committee, updated the Board on their 16 August meeting. The Annual Report and Accounts is progressing well through the external audit process. A paper on strategic oversight of the Scheduled Monument Consent process as applied to PICs was well received by the committee, ahead of consideration of the regulatory strategy by the Board later in the year. The committee also considered the organisation's risk position, including a new economic risk covering the wider societal pressures.
29. The ARAC, People, and Finance committees have reviewed and updated their individual terms of reference, primarily to reflect logistical arrangement and membership. The Board was content to approve the changes outlined by the respective Chairs. Copies of the revised terms of reference will be circulated for information.

### **Any Other Business**

30. The Chair updated the Board on progress to recruit new Board members. Work is ongoing to prepare for the recruitment process and an independent panel member has been appointed. Possible delays to the process mean that three outgoing members may be required to extend their appointments for a short period of time. All have indicated their willingness to do this.
31. The Board welcomed plans to increase the overall number of members, ideally to 12 in total. Members agreed that increased diversity of membership, including age and geographical spread, is desirable.
32. At his last Board meeting, the Chair lead the Board in thanking Gary Love for his 12 years' service to HES and its predecessor body, and over 40 years in the Scottish public sector. Board members wished him well for his future endeavours.