



HISTORIC
ENVIRONMENT
SCOTLAND

ÀRAINNEACHD
EACHDRAIDHEIL
ALBA

MINUTES OF HES BOARD

MEETING HELD ON 22 MAY 2025

LONGMORE HOUSE, EDINBURGH

Present:

Hugh Hall, Chair
Gemma Butterfield
Ian Baxter
Andrew Davis
Joe Doogan
Emma Herd
Simon Hodge
Gary Jebb
Ann Leslie
Terry Levinthal
Nkosana Mafico
Anne-Marie O'Hara
David Richardson

Apologies:

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In attendance:

Stephen Duncan, Director of Marketing & Events
David Mitchell, Director of Cultural Assets
Lindsey Ross, Director of People
Craig Marshall, Interim Director of Finance & Corporate Services
Alison Turnbull, Director of External Relations & Partnerships
Elizabeth McCrone, Director of Heritage
LB, Deputy Director, Culture and Historic Environments, Scottish Government
CG, Team Leader, Sponsorship and Historic Environment, Scottish Government
JE, Head of the Chief Executive's Office
ZB, Manager, Chief Executive's Office
DM, Head of Corporate Analysis and Performance (part)
MC, Planning and Risk Business Partner (part)
DS, Head of Edinburgh Region (part)

Introduction, Apologies, and Minutes of the Last Meeting

1. The Chair welcomed everyone to the meeting, especially Lisa Baird and Callum Grigor from the Scottish Government.

2. The Chair noted that apologies were received from Katerina Brown, CEO. He wished her a speedy return.
3. Terry Levinthal declared interest in the items involving Holyrood Park and the Edinburgh region given his employers involvement in the area.
4. The minutes of the Board meeting held on 20 March 2025 were approved.
5. The Chair brought the discussion to the Action Tracker. A clarification was sought regarding the one item. Another item on the tracker concerned a proposed three-way discussion involving HES, HES Enterprises (HESe), and the Historic Scotland Foundation (HSF). It was noted that a meeting at Chair level will be required to progress this.

Action: Chief Executive's Office

Matters Arising

6. The Chair congratulated the team on the launch of the new Corporate Plan.

Occupational Health and Safety, Fire, Physical Security, and Asset Management Compliance

7. Chair of Audit, Risk and Assurance Committee (ARAC) provided an update on the improvement programme for health and safety, fire, physical security, and asset management. It was noted that this programme is ongoing.
8. The Board emphasised the need for an update on the current condition of these areas, not just the programme itself. This item will remain a standing agenda item. A regular progress report based on the previously presented roadmap would be appreciated. A detailed update will be presented in the August board meeting.

Action: ARAC Chair/ People Director

Chair's Update

9. The Chair provided an update on several activities, including a successful event at Lock 16, where he spent quality time with the Skills Team, wider HES colleagues, and colleagues from Scottish Canals. He also met with the Archives team in a productive and open session. In addition, he attended five directorate meetings and participated in the Senior Leadership Forum.
10. Board members were reminded to ensure their individual training records are up to date, following the recent note circulated to support this process. A session on Board self-assessment and Chair assessment is planned for later this year.

CEO Report

11. The CEO's report was presented by the Director of External Relations and Partnerships, who conveyed the CEO's disappointment and apology for her absence. The report, compiled with input from the Executive Leadership

Team, provided an overview of key organisational activity and strategic developments.

12. The Director highlighted the key updates including:

- a. A productive Holyrood Park stakeholder meeting.
- b. Ongoing efforts to address operational challenges related to Radical Road and Duddingston Low Road in Holyrood Park.
- c. A significant US fundraising trip is currently underway, with more details on its impact to be shared at the next meeting.

Action: Director of External Relations and Partnerships

13. A broader discussion followed, during which Directors responded to Board question on the Luing Quarry Development, broader shifts in international tourism, charging at Glasgow Cathedral and updates on HES' contribution to the Towards a National Collection project and updates to the NCAP systems.

14. Tourism trends were discussed in detail. Visitor numbers at Edinburgh Castle remain capped, limiting growth despite strong demand, while across the wider estate capacity is broadly aligned with demand.

15. All Fire Risk Assessment for 2024/25 have been completed and shared with the Operations Team. The Board emphasised that focus must now shift to delivering on their recommendations. A compliance improvement programme is in place, with a dedicated workstream supporting long-term readiness for Martyn's Law.

Financial Performance to 31 March 2025

16. The Board reviewed the financial performance for the year and noted a positive outcome. As of 23 April 2025, the year-end position was £1.4 million favourable against the budget. To achieve breakeven, only £0.55 million of the £2 million designated reserve was required to be drawn down.

Head of Corporate Analysis and Performance joined the meeting.

Corporate Performance to 31 March 2025

17. The Board reviewed the corporate performance for the year. Of the 27 AOP 2024-25 deliverables, 19 (70%) were Fully Achieved at end of year, 2 (7%) were Partially Achieved and 4 (15%) were Not Achieved. The Board noted this position following clarification of a few details regarding the items not achieved.

Planning and Risk Business Partner joined the meeting.

Risk Appetite Statement Review

18. The Board reviewed the suggested risk appetite statements and made several comments to shape the organisation's approach to risk moving forward. The Chair of ARAC highlighted that the committee has reviewed these statements

and commended the work, expressing comfort with the overarching statement.

19. A primary message from the Board's discussion is the commitment to clearly defining HES' willingness to accept "well-managed" risk.
20. A significant part of the Board's conversation, echoing ARAC's discussion, focused on the interplay between individual risk appetite statements and the need for practical clarity in their application. This is particularly vital in sensitive areas such as safety and statutory compliance. The Board stressed the importance of using language that realistically reflects HES' operational environment, especially given the inherent complexities of managing nationally significant heritage assets. The aim is to ensure these statements serve as clear, actionable guides for all the teams across the organisation, supporting informed decision making while rigorously upholding safety standards and regulatory obligations.
21. Ultimately, the Board underscored the strategic importance of transparent communication regarding the new risk approach. This commitment extends to fostering a deeper internal understanding across all teams and proactively sharing best practices externally. This dedication to openness aims to reinforce confidence among staff, partners, and the wider public, demonstrating a thoughtful and mature approach to risk management within the unique role as a leading public body in the heritage sector.

Head of Corporate Analysis and Performance and Planning and Risk Business Partner left the meeting. Head of Edinburgh Region joined the meeting.

Edinburgh Castle Masterplan

22. The Board received an update on the progress of the Edinburgh Castle Masterplan. It was noted that this initiative, having been a topic of discussion for some time, is now gaining sharp focus, particularly in the context of the organisation's new business model. The masterplan is envisioned as a framework to translate strategic objectives into actionable investment plans for the castle, aligning with the broader organisational strategy.
23. Board members expressed strong enthusiasm for the opportunities presented by the masterplan, emphasising the need for accelerated progress. While acknowledging the significant work involved and the ongoing operational commitments of the Edinburgh Castle team, there was a clear desire to expedite the planning process and move towards implementation. The discussion highlighted the importance of balancing comprehensive planning with timely delivery of tangible improvements, such as the ongoing toilet refurbishment project, which is already underway.
24. Key considerations raised included the complexities of undertaking large-scale work within a busy, historically significant site with limited access. The Board underscored the necessity of a clear resourcing plan for the project, acknowledging that dedicated resources would be crucial for success. The

long-term, multi-year nature of the project also necessitates a well-costed funding plan.

25. It was clarified that while the plan acknowledges the broader Edinburgh context, the masterplan focuses solely on Edinburgh Castle. The Board emphasised leveraging the significant existing knowledge and expertise within the organisation.

Head of Edinburgh Region left the meeting.

Properties in Care (PIC) Strategy Update

26. The Board received an update on the Properties in Care (PIC) strategy, following recent committee meetings. It was noted that the strategy is evolving, with feedback from the Board members leading to a sharper focus. The committee specifically discussed the prioritisation of long-term versus short-term initiatives, with an aim to present a clear strategy covering 5 to 10-year period.
27. The update emphasised that the document is still in a consultation phase and is not yet a fully formed final document. While there are recognised gaps, particularly around commercial and experiential aspects, they are actively working to address these in collaboration with relevant colleagues. The Heritage Assets Committee (HAC) expressed satisfaction with the progress, noting a significant shift in thinking about the collections and welcoming the proactive approach to acknowledging and addressing areas for further development.
28. During the discussion, the Board underscored the importance of thorough consideration and full engagement in the development of the PIC strategy. While acknowledging the ambition and tight timetable, the Board stressed the need for sufficient time for robust consultation and for all levels of the organisation to consider the strategy's implications. The Board also discussed the possibility of a dedicated board session before the consultation process.

Archives Update

29. The Director of Cultural Assets presented an update on the current status of the Archive House project, outlining recent developments and ongoing considerations. A recent meeting with the Archives team was described as both constructive and robust, and the Board acknowledged the team's strong commitment to achieving positive outcomes.
30. The Board expressed interest in commissioning an internal audit report to capture lessons learned from the Archive House experience. This report is intended to inform and support the planning of the new project. It was also noted that further examination may be required in relation to value for money and governance aspects associated with the project.

Action: ARAC Chair

31. A potential accreditation risk was raised, with concerns that the absence of a clear plan could impact the upcoming accreditation renewal later this year. The Board acknowledged the potential reputational and operational implications of such a risk.

32. While there is no immediate pressure to finalise a new solution, the Board emphasised the importance of maintaining momentum and expressed a preference for identifying a clear way forward by the end of the calendar year. The Board requested that regular updates on the Archive House project be provided between formal Board meetings to ensure continued oversight and progress monitoring.

Action: Director of Cultural Assets

Traditional Skills / Lock16 Update

33. The Board received an update on current programme activity related to traditional skills. It was noted that sector-wide challenges persist, and there may be opportunities to strengthen alignment between strategic priorities and delivery. The importance of clear long-term commitment, effective resourcing, and managing expectations was highlighted, alongside continued collaboration with external partners.

Pay and Grading Update

34. The Board noted the successful conclusion of the Pay and Grading project, recognising it as a significant organisational achievement. Remaining matters will be addressed in collaboration with unions, with line managers supporting the final steps to embed the new system. The appeals process will begin in June.

Committee Updates

35. The Chair of Audit and Risk Assurance Committee (ARAC) reported on the internal audit annual opinion. The Chief Executive has been asked to develop a proactive approach to audit recommendations.

Action: Chief Executive

36. The Chair of the Finance Committee provided an update on civil claims, noting there had been no major movements since the previous report. The Board also received an update on the Project Management Office, which highlighted good progress in several areas. Ongoing challenges related to the Archive House project were also noted.

37. The Chair of People Committee reported that the committee has discussed the 2025-30 strategy, focusing on Year 1 plans. The pay and grading project was also reviewed, with a closure report expected by end of August. The committee also received the joint pay claim from the trade unions.

38. The Chair of the Heritage Assets Committee reported on discussions relating to the protection and security of collections. The Committee also began early discussions regarding the potential appointment of a new co-opted member.

39. The Chair of the HESe Board reported a strong year, with performance exceeding budget and stretch targets, attributed to effective forecasting and cross-directorate collaboration. The HESe Board reviewed and accepted the draft business plan for the current year with minor adjustments. Governance arrangements were discussed, including the limitations of HESe's current company status and the importance of HES directorate-wide support in meeting future commercial income targets. The need for streamlined processes and alignment with HES leadership was also highlighted, along with a review of HESe Board meeting scheduling.

Forward Look

40. Future meeting dates were noted. The Board also agreed on the location for the next annual field engagement.

Meeting closed.