



HISTORIC
ENVIRONMENT
SCOTLAND

ÀRAINNEACHD
EACHDRAIDHEIL
ALBA

MINUTES OF HES BOARD MEETING

HELD ON 21 NOVEMBER 2024

LONGMORE HOUSE, EDINBURGH

Present:

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

Apologies:

Joe Doogan

In Attendance:

Katerina Brown, Chief Executive
Stephen Duncan, Director Marketing and Engagement
Craig Marshall, Director of Finance and Corporate Services
Elizabeth McCrone, Director of Heritage
Craig Mearns, Director of Operations
David Mitchell, Director of Cultural Assets
Lindsey Ross, People Director
Alison Turnbull, Director of External Relations and Partnerships
ZB, Manager, Chief Executive's Office
CS, Head of Chief Executive's Office
LF, Head of Archives (part)
DR, Head of Health, Safety and Security (part)
RA, Head of Asset Management, Factoring & Compliance (part)
ET, Head of Policy, Strategy and Systems (part)
SO, Head of Grants (part)
NT, Head of Strategy and Planning (part)

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Introduction, Apologies and Minutes of the Last Meeting

1. The Chair welcomed everyone to the meeting. Apologies were received from Joe Doogan. There were no declarations of interest.
2. The Chair extended a warm welcome to the new Board Members and the CEO.
3. The minutes of both the August and October meetings were approved, and the action tracker was noted.

Matters Arising

4. The Board expressed an interest in seeing the Strategic Workforce Plan. It was explained that this had been considered by the People Committee and that the plan would be incorporated into the People Strategy which will come before the Board for approval in February.
5. In the interim, it was agreed it would be helpful if the Strategic Workforce Plan could be sent to the Board via correspondence.
6. It was agreed, given the recent changes to the Financial Strategy and Framework, that consideration should be given to a joint meeting of the HESe and HSF Boards when the CEO considered it appropriate to do so.

ACTION: Chief Executive

7. The Board discussed the outstanding action regarding the sharing of the HLM closure report. It was agreed that lessons learned from this project should be communicated internally and shared externally across the sector.

ACTION: Director of Cultural Assets

Chair's Update

8. The Chair met with the Scottish Government Director of the HES Sponsor Division to participate in discussions around changes to the business model and framework agreement.
9. The Chair attended the recent Skills Experience - Celebrating Success event at the Engine Shed. It was a very positive and uplifting occasion, showcasing the achievements of our apprentices and trainees at HES.
10. Additionally, the Chair attended the Senior Leadership Forum in Stirling which provided a valuable opportunity to engage with colleagues from across the organisation.
11. The Chair also attended online the *Conserve Ourselves* event held at Fort George. This was an inspiring event dedicated to wellbeing, inclusion and the power of connection across all staff in HES. It underscored the organisation's commitment to an inclusive workplace.

12. The Chair encouraged Board Members to participate in events whenever possible and urged the ELT to keep Board Members informed of such opportunities.

Chief Executive's Report

13. In addition to inviting the Board to note her report, the Chief Executive took the opportunity to outline and highlight some of her initial thoughts and observations based on her first 50 days in her new role. She grouped these into broad categories, including inherited issues; and early observations around culture; financial issues; and operational systems and procedures.
14. The CEO reported she had taken the time to engage with staff across the organisation. This engagement ranged from senior level Directorate meetings, visits to several Properties in Care, increased all staff communications, and the launch of the first of her open-door sessions. The session had been extremely popular, with strong participation from a diverse mix of areas and grades. The Chief Executive found the session very encouraging and plans to continue with these on a quarterly basis.
15. The CEO reported attending several external meetings ranging from the NDPB Forum of CEOs, individual sector wide CEO's, members of the British Army, and heads of the 4 nations cultural bodies in England, Wales, and Northern Ireland.
16. The CEO had several meetings with Scottish Government (SG) including with the Cabinet Secretary, the Director General, Director and Sponsor Team. These included obtaining SG approval for:
- a. A new business model framework agreement (see below).
 - b. Pay and Grading review, via the Remuneration Group. Negotiations with Trade Unions are now taking place.
17. The CEO attended the Scottish Parliament 25th Anniversary, escorting the Scottish Honours from Edinburgh Castle with the First Minister John Swinney to Holyrood for the event, which was attended by His Majesty the King, Her Majesty the Queen, MSPs, and other stakeholders.
18. Some Board Members expressed an interest in providing their views on the consultation draft of the Corporate Plan ahead of the February Board Meeting. It was agreed that an engagement session would be organised for Board Members in December. It was also agreed that Simon Hodge and David Richardson would join Ann Leslie as Board Sponsors
- ACTION:** Director of External Relations and Partnerships
19. Interest was also raised in respect of Rock Risk Policy, particularly around the continuing closure of the Radical Road. The Board was informed that this

would be included in the wider statutory compliance work underway and that the full policy would be brought to the next Board Meeting in February. It was also reported that ARAC noted the need to review rock risk appetite as part of their deliberations.

ACTION: Director of Cultural Assets

20. The Board were keen to hear more on the proposed strategic plans for Edinburgh Castle. It was agreed that this should come before the Board in February and, if feasible, be combined with a site visit to Edinburgh Castle.

ACTION: Chief Executive

Head of Archives joined the meeting.

Archive House

21. The Board were appraised of potential options for caring for the archive following the decision to stop the current Archive House project in the summer. Members were informed on the technical and practical requirements involved.
22. The Board recognised the timescales and the need for an agreed solution to be identified as quickly as possible. Going forward it was agreed that any proposed solution should be underpinned by a strong business case which clearly set out reason for change, budget, timescale and benefit.
23. It was noted that while the challenges of the Archives House project had been documented variously over the past couple of years, it would be helpful for the record and for good governance to produce a single record of all circumstances leading to the decision by the Board to terminate the project as originally envisaged. It was recognised however, that any alternative option would be required to address any outstanding legal commitments in respect of the original Archive House project.
24. Having discussed the range of options before them, the Board agreed on the preferred option, noting that further work will be required in fairly short order to finalise a robust and credible business case that effectively captures risks and liabilities.

ACTION: Chief Executive

25. The Board queried why Iron Mountain had been excluded as an option as on the surface it appeared to have good potential to be part of any solution. The Board requested that in longer-term proposals retain the option of shared storage facilities.
26. Board Members commented that given the cost of the recommended solution, they were agreed that this had to be a longer-term rather than an interim solution. It was agreed to establish the long-term potential of this solution.
27. It was noted that the Board will receive regular updates on progress. It was suggested that new Board Members take the opportunity to visit John Sinclair House to get an understanding of the archive and the work being done there

by the Team in preserving, conserving and storing our invaluable national archives.

ACTION: Chief Executive

Head of Archives left, and Head of Strategy and Planning joined the meeting.

Admission Pricing

28. The Board were in agreement with the recommendations and approved the paper. The Board also recognised the potential to increase yield through the introduction of additional premier products.
29. The Board noted the position in respect of Glasgow Cathedral and endorsed the direction of travel. The CEO was due to meet the Minister of Glasgow Cathedral the following week. It was also noted that Scottish Ministers' approval would be required in due course.

Head of Strategy and Planning left, and Head of Grants joined the meeting.

City Heritage Trust Review

30. The Board acknowledged the amount of work undertaken so far and the evidence-based approach adopted by the Team. While the recommendations were broadly welcomed, concerns were raised about the impact of the potential increase in grants to CHTs on the rest of the grants budget, which is already under pressure. Members were keen to get a better understanding of the dynamics of this and the HES grant offering in its totality, especially in terms of overall impact.
31. It was explained that a 'deep dive' session on the grants process had been planned but was postponed until the new CEO and new Board Members assumed their roles. It was agreed that such a session would be valuable and should be arranged.

ACTION: Director of External Relations and Partnerships

32. It was noted that time was of the essence and that the Team will continue to progress the changes but a final decision on the financials would be deferred until the February Board meeting.

Head of Grants left the meeting.

Revised Framework Agreement

33. The Chief Executive introduced the paper, outlining the purpose and benefits of the revised framework agreement. The changes were highlighted, which represented a significant and unique milestone for a public body, the first of its kind.
34. The Board welcomed the updates and approved the paper, noting the potential significant impacts of the changes on future prospects and how HES does its business in the new regime.

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35. The Board noted the potential for further change down the line, including a possible change in ONS classification. These are matters that will be kept in view, but in the meantime the CEO will give consideration to how the approved changes will be managed internally, communicated to HES staff, and the wider cultural sector.

ACTION: Chief Executive

Corporate Governance Update

36. The Chief Executive outlined the purpose and timing of presenting these items. The Board requested that these be held back and represented and considered alongside the revised Scheme of Internal Delegation at the February Board Meeting.

ACTION: Chief Executive

Corporate Performance

37. The Board noted the paper and the current position.

Finance Statement to 30 September 2024

38. The Board noted the paper and the current position.

Operating Plan 2025-28

39. The Board noted the paper and welcomed the move towards a 3-year rolling plan and recognised the benefits this would bring to long-term planning.

Head of Policy, Strategy and Systems joined the meeting.

Properties in Care Strategy

40. The Board acknowledged the progress made in developing the strategy so far and welcomed the opportunity to be involved in the proposed workshop in January. It was noted that a draft strategy will be circulated in advance to serve as the basis for discussion.

ACTION: Director of Cultural Assets

Head of Policy, Strategy and Systems left the meeting.

Risk Update

41. The Chief Executive acknowledged that, typically, risk would be reviewed by ARAC and reported back to the Board through Committee updates. However, the Chief Executive emphasised the importance of ensuring the Board had full visibility of risks and would include regular updates, especially for the benefit of new Board Members.
42. It was agreed that, in addition to the quarterly ARAC updates, the Chief Executive would provide interim updates to the Board on any significant changes.

Head of Health, Safety and Security and Head of Asset Management, Factoring & Compliance joined the meeting.

Health and Safety Compliance

Statutory Compliance

43. Given the interdependency, these items were considered together.
44. The Board recognised the progress made so far and were reassured by the improvements identified.
45. In respect of Health and Safety Compliance, the Board requested that deadlines be included and tracked. The Board also asked to see a combined action plan for both Statutory Compliance and Health and Safety Compliance, which should be reviewed by ARAC in the first instance.

ACTION: Chief Executive

Head of Health, Safety and Security and Head of Asset Management, Factoring & Compliance, Craig Mearns and Stephen Duncan left the meeting.

Proposed Committee Changes

46. The Chair will continue his discussions on Committee Membership with Board Members and will present proposed changes in due course.

Committee Updates

47. ARAC
- Emma Herd, updated the Board on her first meeting as Chair of ARAC, noting changes in membership and the need to settle into the new dynamic. The Committee had deliberated on some of the substantive issues considered at this Board meeting and would keep these in view going forward.
48. Finance Committee
- Simon Hodge, who sat in for the Chair of the Finance Committee at its latest meeting informed the Board about the discussions held during the meeting. These included reviewing the targets and KPIs of the finance strategy, exploring ways to implement the new business model in practice, and discussing the appropriate measures to be used for HESe financial and management information.
49. People Committee
- Anne-Marie O'Hara, the new Chair of the People Committee updated the Board on the discussions at the most recent committee meeting, which included reviewing the results of the latest staff survey. The People Director also mentioned the new performance review system, currently in the pilot phase, and highlighted ongoing work to finalise the new People Strategy.

- Pay and Grading was approved by Scottish Government on 23 October and staff are now in discussions with the TUA's. In order to seek TUA's recommendation to staff there may need to be some minor changes to the proposal which was approved by Board. It is anticipated that these will be minor and contained within the overall approved financial envelope. If the changes are minor and non-material it is proposed, they will be approved by the People Committee and reported to Board. If however any of the changes are material or have a financial impact they will be brought back to Board.

50. Heritage Assets Committee

- Terry Levinthal, Chair of Heritage Assets Committee highlighted the discussions on collections that took place during the most recent committee meeting. Many other updates discussed at HAC had been covered in earlier Board updates, such as Archives and Properties in Care.

51. HESe Board

- Ann Leslie, the new Chair of the HESe Board reported that the HESe budget is in a strong position, with a promising forecast. During the most recent meeting, the HESe Board compared HES' hospitality and event offerings to those of other organisations. Additionally, discussions were held regarding the HESe Board's Terms of Reference and Articles of Association.

A.O.B.

52. The Chief Executive updated the Board on an application made by Scottish Canals to the Heritage Lottery Fund in respect of the Lock 16 project. HES was supportive of the bid and had assisted in its drafting.

53. A draft MoU between HES and Scottish Canals had been drawn up as part of the formal bid and was with the Chief Executive for sign-off. Although there were no direct implications for HES at the moment, it was noted that the proposed MoU did not include the resource commitment that had been indicated when this proposal was previously considered by the Board.

Meeting closed.