HISTORIC ENVIRONMENT SCOTLAND | ÀRAINNEACHD EACHDRAIDHEIL ALBA

DRAFT MINUTES OF HES BOARD MEETING

HELD ON 28 MAY 2026

LONGMORE HOUSE, EDINBURGH

Present:

Sir Mark Jones, Chair
Ian Baxter
Emma Herd
Andrew Davis
Susan Deighan
Simon Hodge
Gary Jebb
Ann Leslie
Ray Macfarlane
Nkosana Mafico
David Richardson
Stephen Uphill
Katerina Brown

Apologies:

Gemma Butterfield
Joe Doogan

In attendance:

Scottish Government
Chief Executive
Interim Finance Director
Audit Scotland
Cultural & Organisational Review Author
Heritage Directorate Speakers
Marketing & Engagement Speaker

1. Welcome, Apologies and Declarations of Interest

The Chair welcomed all attendees and noted apologies from Gemma Butterfield and Joe Doogan.

No new declarations of interest were recorded.

2. Draft Minutes of Previous Meeting and Action Tracker

The Board reviewed the previous minutes and noted required updates.
The Action Tracker was highlighted as outdated, with entries dating back to 2021.

- CE Office will update tracker
- CE Office will distribute minutes to the HES Board via Correspondence prior to the next Board Meeting for approval to enable more efficient public publication

3. Matters Arising

The Board discussed Archive House lessons learned and requested a paper on future archive strategy.

4. Chair's Update

Postponed to closed session.

5. Executive Update

The CEO reported a positive return to role, noting progress in leadership alignment and organisational integration. Mediation with the Executive Leadership Team (ELT) has been constructive, supported by renewed in-person engagement and the introduction of external mentoring. A forward-looking and optimistic tone was set, with a commitment to strengthen relationships across the Board.

Good progress has been made in responding to Section 22 requirements, alongside positive movement in internal and external audit actions. However, Board members emphasised the need for more detailed and structured reporting, including a fuller Section 22 update and clearer tracking of actions, potentially via a standing annex in future CEO reports.

Key operational risks were highlighted, particularly around resource constraints within the Operating Plan, where reliance on temporary contracts may impact delivery if not renewed. Concerns were also raised regarding the condition of Stirling Castle (notably Marketing & Engagement (M&E) and health and safety risks), which the Executive confirmed is a top priority within current funding constraints. A fuller understanding of capital requirements is still being developed.

The Board considered broader governance and strategic issues, including:

- The need to strengthen governance arrangements beyond internal audit, ensuring clear assurance mechanisms and accountability.
- Alignment of ongoing work with the Cultural and Organisational Review, recognising that some activity has paused and will now be incorporated into the wider organisational reset.
- Parallel work on Board effectiveness, including governance training and capability development.
- There was also discussion on external positioning and stakeholder engagement, particularly in relation to the new Cabinet Secretary. The Board highlighted the importance of clearly articulating HES's strategic narrative and the potential role of members in supporting this.

Additional themes included:

- The need for a clearer and more strategic capital investment plan beyond annual rollovers.
- Improved visibility of organisational priorities through better reporting of actions, timelines, and outcomes.
- Clarification of roles and responsibilities (e.g. Safety and Compliance Improvement Programme (SCIP) oversight) and assurance on health and safety risks.
- A requirement to define and deliver a structured Board training programme aligned to expected governance standards.

Overall, the Board acknowledged positive progress but highlighted the need for greater clarity, structure, and strategic alignment across reporting, governance, and resource planning to support delivery of organisational priorities.

6. Committee Updates

ARAC: The ARAC Chair confirmed that the Risk Management Policy had been reviewed and ARAC recommended these to the Board for review, as per the terms of the ARAC TOR. It was agreed that updated policies should be brought to the Board through formal papers.

Discussion highlighted the need to revisit and clearly define HES's risk appetite post Organisational and Culture Review, ARAC will undertake a more in-depth review and bring forward recommendations.

The policy framework is still evolving, with further recalibration required to ensure alignment with the outcomes of the Cultural and Organisational Review.

People Committee: The People Committee reported positive progress on key people policies, with further papers expected to come through the Committee. Monitoring of organisational culture is being strengthened through the People Strategy and Equalities Audit, with assurance given that appropriate measurement and oversight mechanisms are in place.

Approval was given to extend Gemma Butterfield's term on the Committee.

Finance Committee: The Finance Committee reported positive progress on the investment programme, with assurance that delivery is on track. Operational management was recognised as strong, and performance in managing legal risk was noted, with a low level of civil claims and a high success rate in defending cases.

Heritage Assets Committee: The Committee discussed a range of strategic and operational risks relating to the estate, including lessons from the Fort George fire and broader risks across Properties in Care (PIC) and archives. Ongoing funding pressures across the estate were highlighted, alongside a review of the role of Properties in Care Asset Management System (PICAMS) and wider funding constraints.

An update on the developing Properties & Collections Strategy was provided, with five red risks identified for closer scrutiny at the next meeting. The Board noted the need for further strategic discussion, including potential inclusion at Strategy or Planning sessions.

There was detailed discussion on the process for accepting assets into State care, with recognition that such decisions carry significant long-term financial risk. The Board emphasised the importance of understanding and shaping a clear strategic approach to portfolio management, including engagement with Scottish Government, where there is increasing pressure to take on additional assets.

The Committee agreed that the emerging P&C Strategy and wider portfolio review should clarify future direction, funding implications, and support more informed dialogue with Ministers.

HESe Board: The HESe Board reflected on its current operation and growing role, noting its potential to play a more significant part in driving commercial opportunities across HES.

HES Board members were encouraged to attend HESe Board meetings to support stronger alignment and engagement.

CLOSED SESSION

7. Cultural and Organisational Review – Decision

The Board unanimously agreed to accept and implement the review.

Decision: APPROVED

8. AOB Closed Session

Sir Mark Jones and Emma Herd Left Meeting
Ray Macfarlane chaired the remainder of the Board Meeting

9. Collections & Applied Conservation Policies and Procedures – Decision

Kathy Richmond presented the Collections & Applied Conservation Policy for Board approval, noting that it had been reviewed and supported by both the Heritage Assets Committee (HAC) and the Executive Leadership Team (ELT).

The Board welcomed the clarity of the governance framework, particularly the delegation matrix, while requesting greater definition of what constitutes “novel and contentious” decisions. It was noted that current activity is largely focused on baseline collection management, with future phases, such as rationalisation and significance assessment, likely to raise more complex decisions requiring escalation.

Discussion highlighted the need to ensure alignment with existing standards (e.g. Museums Association requirements), simplify processes where possible, and confirm consistency with related policies and strategies.

Decision: APPROVED The Board approved the policy, with follow-up clarifications to be provided on definitions and policy alignment.

10. Talking About Heritage - Discussion

Tess Grimmond and James Bruhn provided an early update on the development of the Historic Environment Policy for Scotland (HEPS), outlining timelines and seeking Board input on future engagement. Board approval is scheduled for January 2027, with publication planned for March 2027.

The Board welcomed early engagement and highlighted several key areas for development:

- The need for clearer positioning of HEPS within the wider policy landscape, including its relationship with the National Planning Framework 4 (NPF4) and other strategies.
- A stronger evidence base, including case studies demonstrating impact and informing future policy direction.
- Improved monitoring and evaluation mechanisms, addressing gaps identified in the 2019 policy.
- Greater emphasis on economic value, recognising heritage as a driver of economic activity.
- Clarification of key themes such as climate resilience and sustainable reuse.

Members also emphasised the importance of simplifying the overall strategy landscape and clearly articulating the purpose and role of HEPS.

The Board supported the proposed approach and ongoing engagement, requesting further opportunities for involvement ahead of the next formal update.

11. Admissions Pricing Paper - Decision

Nick Thomas presented an overview of the Admissions Pricing Paper, outlining early-stage proposals ahead of further review. Stephen Uphill emphasised this as a starting point, with a clear focus on maximising benefits, improving data-driven insights, and becoming more proactive and responsive in pricing and product management.

Discussion highlighted the need for a more flexible approach to admissions, better alignment across directorates, and stronger focus on revenue generation. There was support for analysing demand trends, refining product tiers, and enhancing the overall visitor experience, including added value such as audio guides.

Board members noted the importance of reinvesting revenue, particularly into key properties like Edinburgh Castle and Stirling, and suggested ringfencing income from pricing changes. Consideration was also given to capacity constraints, partnership opportunities, and revisiting specific sites such as Glasgow Cathedral.

Concerns were raised around external context, including the cost-of-living crisis and reduced international visitors, with a strong emphasis on improving messaging to justify value and attract visitors.

Members also called for a broader review of the HES membership offer and its relationship to admissions pricing, ensuring a more cohesive, organisation-wide approach.

Overall, there was general support for the direction of travel, with further detailed analysis and development required ahead of implementation (notably for 2027/28 pricing).

12. Corporate Performance Report

Craig Marshall presented the year-end financial and corporate performance report. Of 30 performance indicators, 27 were achieved or partially achieved, with 3 not met (Edinburgh Castle Masterplan, Archive Solution, and Branding).

On the Edinburgh Castle Masterplan, work is ongoing with a renewed focus on conservation, though progress has been constrained by prioritisation and lack of longer-term capital planning. Board discussion highlighted the need for a clearer multi-year (e.g. three-year) capital plan, with stronger emphasis on essential fabric works over programming.

The Archive Solution remains unresolved, with short-term options (e.g. lease extension at John Sinclair House) under negotiation and longer-term sector-wide collaboration being explored, though no firm timeline is available.

Board members acknowledged that external factors, including the Cultural and Organisational Review and potential borrowing, may influence progress on these areas.

The Board confirmed they are content with the current format of financial reporting.

Looking ahead to the three-year Corporate Plan (to March 2028):

5 KPIs are on target

- 1 has no available data
- 1 is no longer relevant

3 are not on target, including:

- Increasing training participation (action agreed by ELT)
- Grants spend target (£13.5m), which may need revision due to reliance on external partners
- Colleague engagement scores, which were low in the latest survey

There was discussion about refining the grants KPI, with recognition of HES's role in enabling heritage benefits and challenges in meeting commitments. Changes to the grants process are expected, and their impact is being monitored.

Overall, the report reflects generally strong performance, with key challenges centred on capital planning, grant delivery, and workforce engagement.

13. Board Strategy Day Discussion

Provisional dates of 18-19 August were identified for upcoming Board discussions, with the option of an earlier meeting focused on the Cultural and Organisational Review.

It was noted that an interim Chair is expected to be in place by August. The Board also flagged the need to cover Public Service Reform and operational issues, although it was advised that PSR is still at an early stage and not an immediate concern.

There was recognition that the Cultural and Organisational Review contains a number of actions for the Board, reinforcing the need for focused discussion. To support this, a dedicated session facilitated by David Martin will be arranged for the Board, alongside a separate session involving the Executive. The preferred approach is to hold a joint day with a morning Board session and afternoon Executive session.

Further details, including dates for Executive engagement and planning, will be confirmed following the next week.

14. Future Dates

- Strategy Day (TBD)
- 27 August 2026
- 8 October 2026
- 3 December 2026

15. AOB

Meeting closed: 14:59
