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## **MINUTE OF HES BOARD MEETINGS HELD IN 2018**

13 December 2018

15 November 2018

25 October 2018

20 August 2018

25 June 2018

26 April 2018

22 February 2018



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## MINUTE OF HES BOARD MEETING HELD ON 13 DECEMBER 2018

### Conference Room, Longmore House

#### Present:

Jane Ryder, Chair  
Ian Brennan  
Janet Brennan  
Trudi Craggs  
Andrew Holmes  
Coinneach Maclean  
Fiona McLean  
Paul Stollard  
Ken Thomson

#### In attendance:

Alex Paterson, Chief Executive  
Barbara Cummins, Director of Heritage  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
David Mitchell, Director of Conservation  
Lisa McGraith, Director of Communications  
Donella Steel, Director of Finance  
Alison Turnbull, Director of Development and Partnerships  
Suzanne Casey, Head of the Chief Executive's Office  
Sofia Antonopoulou, Digital Systems & PICAMS Coordinator  
Sean Gallen, Head of Organisational Learning & Development  
Craig Fletcher, Senior Learning Manager  
Jules Davidson, Board Secretariat

#### Introduction and Apologies

1. The Chair welcomed everyone to the meeting. Apologies were noted from Ian Robertson.

#### Previous Minutes and Action Tracker

2. The Board approved the minute of the 25 October meeting, and the minute of business items discussed on 15 November. The table of actions was reviewed and progress noted.

## Matters Arising

3. Members asked for a short paper, which will be brought to the HES Board early in 2019, on the principles and how HES engage young people using pricing to influence.

**ACTION:** Director of Commercial and Tourism

4. The Chair confirmed the Board's agreement of the updated Acquisition and Release policy, indicating that it should now progress to Scottish Government for consideration.

**ACTION:** Chief Executive

5. The Archives Steering Group Terms of Reference is nearing completion and will be circulated to the Board.

**ACTION:** Director of Heritage

## Chair's Update

6. The Chair did not offer specific updates due to the short time since the last meeting.

## Chief Executive's Report

7. The Chief Executive presented his update to the Board. A number of matters were discussed, including;
  - The Chief Executive updated the Board on the internal review being undertaken in anticipation of Brexit, and on the work being undertaken by Scottish Government;
  - A brief update on the recent meetings of OPIT working groups, particularly the Built Heritage Investment Plan Group and Skills and Expertise Group;
  - The Board were invited to note that the HESe Board had endorsed the proposals to relocate the National Collection of Aerial Photography (NCAP) to new premises and the case is sitting with Scottish Government for approval;
  - Members noted that HES had been highly commended as runner-up at the Saltire Society Publisher of the Year Awards; and
  - An update on Perth and Kinross Council's request to relocate the Stone of Destiny.
8. The Chief Executive updated the Board on the recent rock fall incident near Edinburgh Castle, noting that the City of Edinburgh Council are likely to be lead investigators into the matter. The results of an initial independent investigation are due pre-Christmas. Paul Stollard will be given early sight of the report, with a subsequent update to the Board.

**Action:** Chief Executive/  
Director of Conservation

9. Members discussed Board appetite and approach to risk, particularly in terms of the relationship between the aims of ensuring access and managing risk. The matter should come back to the Board for further discussion in due course. The risk of rock fall should be considered by ARAC as the possible subject of a 'deep dive' discussion.

**ACTION:** Chief Executive

10. The Chief Executive outlined the anticipated outcomes of the Scottish Budget, noting the anticipated reduction in overall contribution from government. Members also discussed the impact of the pay policy, which was announced alongside the budget.

11. **Annex A** provided the Board with an updated timeline of major publications and supporting communications handling. Members noted the high number of publications, commending the spread of launches throughout the year. The Director of Communications will consider opportunities to streamline or consolidate reports.

**ACTION:** Director of Communications

12. **Annex B** outlined the Corporate Performance Report to 31 October 2018. The Board noted that good progress is being made towards delivery of HES' objectives.

13. **Annex C** outlined the HES Financial Position to the end of October 2018. This shows the year to date surplus position is under the budget position, largely due to higher spend against salaries and a shortfall against net commercial income offset by underspend against operational expenditure. The paper outlines a range of actions which taken together will deliver a break even position in line with the budget.

14. Members noted and endorsed measures in place to mitigate the current financial position, and the strategic approach to budget management being put in place for the next planning period.

**ACTION:** Director of Finance

## **Draft Corporate Plan 2019-22**

15. The Director of Development and Partnership introduced the item, inviting the Board to consider and approve the text of the draft 2019-22 Corporate Plan and associated impact assessments. The paper provides a summary of the key points arising during the consultation and where resulting changes have been made to the draft. The paper also provides a summary of next steps, including a timetable and the proposed Communications Plan for the publication and launch.

16. Members discussed the draft, offering the following feedback:

- A number of areas of wording and emphasis should be clarified;
- KPIs should be further reviewed to ensure that they reflect factors that HES can influence;
- It was noted the both the Corporate Plan and Annual Operating Plan will have implications for skills required and allocation of resources;
- Risk Register to be revised to align with new Corporate Plan;
- Ensure that consultation comments are adequately reflected; and
- HES values should be incorporated.

17. A revised text should be circulated to the Board by mid-January, and a final draft submitted for approval at the February meeting.

**ACTION:** Director of Development  
and Partnership

### **Draft Annual Operating Plan and Budget 2019/20**

18. The Chief Executive introduced the first draft of the Annual Operating Plan 2019-20 (AOP), noting that this should be considered an early draft indicative of emerging structure, content and priorities for the eventual document. He explained that the proposed structure presents a sharper profile of high-level key indicators, ensuring that the AOP remains succinct. Further detail on business areas and individual indicators will be covered within Directorate Plans.

19. The Board discussed the draft AOP, covering the following points:

- Consider the structure of the document, the narrative at the start and end may not be necessary given the strong line-of-sight with the Corporate Plan;
- Members noted elements of the plan need to be considered in context of Budget; and
- Consideration should be given to setting deliverables to ensure they are sufficiently action focused and ambitious. It was agreed that it may be appropriate to use ranges rather than specific figures in some cases.

20. The Board endorsed the proposed succinct approach. The final AOP will be submitted to the Board for approval in February 2019, and will be launched in April 2019 in parallel with the Corporate Plan.

**ACTION:** Chief Executive

### **HESPS - Post Consultation Update**

21. The paper provided the Board with an update on the project to replace the

Historic Environment Scotland Policy Statement (HESPS) with a new policy document, for which the formal public consultation ended on 03 December. This follows the presentation of a draft of the new policy to the Board in August and a further update prior to the consultation's launch.

22. The Board noted the update, and agreed that the working title of the policy should be the 'Historic Environment Policy for Scotland'. The policy will return to Board in February for intended approval.

**Action:** Director of Heritage

### **Update on Corporate Programme Governance Board**

23. The Chief Executive updated the Board on the recent meeting of the Corporate Programme Governance Board (CPGB). The group met on 07 November 2018 where it was presented with a report which identified the programme's status as 'amber'. The CPGB discussed the key risks presented in the report and agreed a number of actions to be taken before the next meeting of the CPGB in February 2019 to address those risks. The CPGB also noted the appointment of a Programme Manager.
24. The Chair welcomed the update and asked that the next report covers the use of champions and internal communications. A discussion followed which considered three of the major projects overseen by Corporate Governance Programme Board – HQ, EDRMS & CMIS.

### **HQ Project Update**

25. The Director of Corporate Services provided the Board with an update on the HQ Project. The project has progressed to RIBA Stage 2 (concept design), the delivery programme is phased to run from now until April 2021 and is currently on schedule.
26. Turner Townsend has been identified as the preferred service provider and will progress with a strong emphasis on organisational development. A Project Board has been appointed to oversee the project and it reports on going progress and performance to the Corporate Programme Governance Board.
27. The Board noted the update on the project and offered the following feedback:
  - The establishment of a user group and the user needs of the Board should be considered at this early stage ;
  - The input of the Equalities Officer should be considered in some capacity;
  - The full business case is due to be presented to the Board in April: it would be beneficial to bring this forward if possible;
  - Provision of meeting space within the finished HQ is vital; and
  - The objectives for the project should explicitly articulate the ambition for the working culture.

**ACTION:** Director of Corporate Services

### **Electronic Document and Records Management System (EDRMS) and Intranet Outline Business Case**

28. The Director of Finance invited the Board to discuss and approve the Outline Business Case (OBC), which lays out the case for change that will be brought about by the implementation of the Electronic Document and Records Management System (EDRMS) and Intranet.
- Members discussed the OBC, emphasising the importance of full training for end-users to be incorporated; and
  - The Board sought and received clarity that the EDRMS and PICAMS projects are not rival records system, but complementary systems with fundamentally different functions.
29. The Board approved the OBC and commencement of the discovery phase. The FBC will be submitted to the April 2019 meeting of the HES Board.

**Action:** Director of Finance

### **CMIS Implementation Plan**

30. The Director of Finance introduced the item, inviting the Board to note the progress on the Corporate Management Information System (CMIS). In May 2018, the Board approved the FBC to enable the project team to move forward with the delivery of the project. This was then approved by the Scottish Government in June 2018.
31. The project team has now carried out the procurement for the integrated cloud based solution. Procurement of the implementation partner, who will work with us to deliver the solution, is in its final stages, with full costs having been submitted. Following a compliant and robust procurement, Oracle has been selected as the Software as a Service (SaaS) provider, who will supply the range of modules required. Colleagues are currently in final clarifications with two shortlisted implementation partners and it is expected to complete selection by 21 December 2018.
32. Overall costs established during the procurement phase have been reviewed allowing confirmation that these are within the estimates contained in the FBC. The project scope and completion timescales as outlined within the FBC are also on track for delivery.
33. The Board noted the paper and were content for the project to proceed to implementation.

## **Properties in Care Asset Management System (PICAMS): Phase 1 Implementation**

*Sofia Antonopoulou joined the meeting*

34. Sofia Antonopoulou, Digital Systems & PICAMS Coordinator, gave a presentation to the Board on the Full Business Case (FBC) for the Phase 1 implementation of the Properties in Care Asset Management System (PICAMS). Currently, HES does not have a digital system to manage PIC asset information, which increases the risk of inaccuracies and inefficiencies. PICAMS will serve as a digital asset management system for all information associated with the Properties in the Care, delivering a web-based portal to access, link and manage digital asset information associated with the PICs. The PICAMS Programme will be phased over several years and use an Agile approach. Phase 1 will be delivered within 27 months.
35. Members discussed the parameters of the project, noting the ambitious timescale for implementation and the factors which contributed to the decision to undertake the project in-house, which the Board supported. The Board emphasised the importance of ensuring that HES has the intellectual property for the software.
36. Members commended Sofia for the excellent presentation and approved Phase 1 of the project's implementation.
37. PICAMs will be closely aligned with CMIS and EDRMS to ensure no duplication
38. It was confirmed that Governance will be via the Digital Strategy Board, and in turn to the Corporate Programme Governance Board.

*Sofia Antonopoulou left the meeting*

*Sean Gallen and Craig Fletcher joined the meeting*

### **Presentation on Year of Young People**

39. Sean Gallen, Head of Organisational Learning & Development and Craig Fletcher, Senior Learning Manager, gave a presentation on the Year of Young People, showcasing the internal and external engagement and summarising legacy outcomes of the themed year.
40. The Board discussed the challenge of encouraging engagement by children from a variety of diverse backgrounds, and the need to consider carefully which partnerships forged during the year may be suitable for further engagement in the future. The Chair thanked Sean and Craig for their



presentation and commended the work and outcomes arising from the themed year.

*Sean Gallen and Craig Fletcher left the meeting*

### **Corporate Approach towards Communities Work**

41. The Director of Development and Partnership introduced the paper, which provides an update on HES's corporate approach towards communities work and outlines initiatives in motion to make our community offers more strategic, coordinated and proactive. Members discussed the item, covering the following points:

- The decision to initially define communities as geographically-based may require further consideration;
- The prioritisation of communities with Properties in Care in the vicinity may disadvantage those which require the most engagement;
- It is important to understand what we already do and what works well, and to build on this;
- To this end, an audit of current activities and levels of engagement would be helpful. Staff confirmed this is in progress; and
- A web-based resource for self-service assistance is vital.

42. The Director of Development and Partnership will take comments on board as HES develops its community work.

**ACTION:** Director of Development & Partnerships

### **HES Estates Peer Review 2017-18 Annual Report**

43. Board member Paul Stollard introduced the report to the Board in his capacity as chair of the Estates Peer Review panel. HES is required under the Scheme of Delegation to put a peer review process in place to ensure that its conservation principles, policies and standards are being assessed by a group of independent professionals in similar fields. The process has now completed its first year, and this first annual report covers Peer Review activities between October 2017 and October 2018.

44. Over the year the full Peer Review Panel had met four times, with three rounds of site visits having taken place, reviewing a total of nine projects. Reviews found that Estates works were compliant with HES conservation standards and principles, and also identified potential improvement in a number of areas.

45. Paul clarified that members of the Panel are at liberty to select their own subjects for review, although it would be appropriate for the Board to make a request that the panel consider a particular site in future if there was a reason to do so.

46. The Chair expressed her gratitude to the Panel members for their time and expertise, and thanked Paul for his report. The time commitment of the Conservation Directorate was noted in facilitation of the Peer Review.

47. Future years peer reviews will be incorporated into the Annual PiC Report.

### **Audit, Risk and Assurance Committee (ARAC) – Update of 14 November Meeting**

48. Ian Brennan, Chair of ARAC, gave an overview of the 14 November meeting of ARAC, noting the following points:

- The Committee held a constructive discussion on risk, particularly on reputational risk, considering whether this should remain on the Corporate Risk Register despite the current risk score having been reduced below threshold for escalation;
- A review of whistleblowing, crisis management and business continuity plans had also been considered; and
- The Head of Internal Audit and Business Improvement had conducted a high level review of the People Strategy. This report will now be brought to the Staff Governance Committee.

*Ian Brennan left the meeting*

### **Historic Environment Scotland Enterprises (HESe) – Update of 17 August Meeting**

49. Coinneach Maclean, Chair of the HESe Board, gave an overview of the 17 November meeting of the HESe Board, noting the following points:

- The HESe Board had endorsed the proposed relocation of the National Collection of Aerial Photography (NCAP) to new premises, given the significant potential for growth and associated income generation;
- The trading position for quarters one and two has been challenging, but HESe is still on track to generate a contribution at year-end in line with the target;
- The HESe Board had considered a filming review, including a revision of the pricing structure in line with benchmarked industry levels; and
- The holiday let properties project continues to progress, with the first of an initial six properties due to be ready by Easter.

50. The Board thanked Coinneach for his update, and discussed the area of publishing in further detail. Members noted that while the quality of product is high, and not all work is income generating, there is a need to understand the internal governance arrangements and decision-making process. A paper will be brought to HESe at the next meeting.

**ACTION:** Director of Commercial  
and Tourism

**ANY OTHER BUSINESS**

51. The Board held a brief discussion on the importance of understanding and having assurance regarding the organisation's cyber security arrangements.
52. The Director of Corporate Services reminded the Board that HES have achieved Cyber Essentials Plus accreditation and rolled out an online learning module. Members will be invited to take part in an e-learning activity prepared by the Information Governance team.

**ACTION:** Director of  
Finance

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



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## **HISTORIC ENVIRONMENT SCOTLAND**

### **MINUTES OF HES BOARD BUSINESS DISCUSSED ON 15 NOVEMBER 2018**

#### **Conference Suite, Scotch Whisky Experience**

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Andrew Holmes  
Coinneach Maclean  
Fiona McLean  
Paul Stollard  
Ken Thomson  
Ian Robertson

#### **In attendance:**

Alex Paterson, Chief Executive  
Barbara Cummins, Director of Heritage  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
David Mitchell, Director of Conservation  
Lisa McGraith, Director of Communications  
Donella Steel, Director of Finance  
Alison Turnbull, Director of Development and Partnership  
Suzanne Casey, Head of the Chief Executive's Office  
Jules Davidson, Board Secretariat

#### **Introduction and Apologies**

1. The Chair welcomed everyone to the meeting. Apologies were noted from Trudi Craggs and Ian Brennan.

#### **Minutes of the 25 October Board Meeting**

2. The draft minutes were noted. To be formally approved subject to minor amendments at the next Board meeting.

## **Matters Arising**

3. Andrew Holmes confirmed that the Archives Project Group had been reconvened on Tuesday 13 November. The Terms of Reference for an Archives Steering Group will be circulated to the Board prior to the 13 December meeting.

**ACTION:** Director of Heritage

4. The Chair will approve the amended Scheme of Internal Delegation and Board Standing Orders, as per the discussion at the October 25 meeting, and final copies will be circulated to the Board prior to the 13 December meeting.

**ACTION:** Chief Executive

## **Chair's Report**

5. Annual meeting

The Chair reported on her annual meeting with the Cabinet Secretary. As well as reviewing HES positive performance over the year, the meeting also discussed issues of topical importance. The Chair had updated the Cabinet Secretary on the very positive process adopted for development of the Corporate Plan, which would be due for approval early in 2019.

The Board agreed it would be appropriate to invite the Cabinet Secretary to attend a meeting with the Board in the spring to coincide with the new Corporate Plan.

**ACTION:** Board Secretariat

6. HR Award

The Chair congratulated staff on success for Health and Wellbeing work at the recent HR awards. This was welcome recognition for the work of all involved. The Chair also particularly thanked the Staffing and Equalities committee who oversee development and roll out of the People Strategy. This award set a high bar for the implementation of other strands of the People Strategy, which are a priority for this year and next.

## **Citizens Theatre Grant**

7. The Board discussed the paper, which sought approval for a grant of £782,000 representing 40% of eligible project costs to The Citizen's Theatre Trust. The project is a high profile £19.4 million programme for the repair, conservation and refurbishment of one of Scotland's oldest working theatres, located in an area of high social and economic deprivation. The project will fully repair the deteriorating fabric and enhance the facilities, with outcomes of

protecting the physical asset, increasing public engagement and ensuring continued use of the theatre for the benefit of local, national and international audiences.

8. While the Board noted the commendable outcomes of the project, discussion focused on the level of grant, and the relative inexperience of the organisation carrying out the project, with resulting risk to the realisation of benefits.
9. The Board approved the grant with a condition that staff ensure significant project management and close monitoring is put in place.

**ACTION:** Donella Steel

## **International Strategy**

10. The Director of Development and Partnership gave an overview of the paper. The Strategy, the outcomes and the priority areas have been informed by primary research, engaging with key stakeholders and reviewing other International Strategies.

11. The Board discussed the paper, raising the following points:

- Further consideration of the scope, rationale and ambition of our international work is required;
- The term 'Cultural Diplomacy' may be misunderstood. A review of this term will be sent to the Chair for further consideration;
- The resource implications associated with implementation of the strategy should be outlined;
- The strategy should make clear the wider context of our international activity – e.g. work in relation to VisitScotland programmes;
- Greater priority should be placed on attracting and hosting international representatives to Scotland;
- Given climate change's significance to HES' activities and international nature, this should feature more prominently in international engagement; and
- Further work to simplify and sharpen the document should be considered.

**ACTION:** Director of Development  
and Partnership

12. The strategy should come back to February Board meeting for approval. Meanwhile the Board observed that internal governance would be important and that the internal implications are significant

**ACTION:** Director of Development  
and Partnership

## ANY OTHER BUSINESS

13. The Board discussed papers which had been circulated via correspondence on 07 November:

### World Heritage Annual Report

14. The Board noted the paper, which had been circulated for information. Board members had raised a small number of subsequent questions, which will be responded to via correspondence.

### Climate Change Action Plan

15. The Board briefly discussed the paper, which puts forward an ambitious draft Climate Change action plan. Due to the length and significance of the paper, members asked that the paper be returned for discussion at a future Board meeting.

**ACTION:** Director of Conservation

16. The Board noted the aim to publish the action plan in June 2019, and asked for an update of the rolling programme of major corporate publications to be brought to the December meeting.

**ACTION:** Director of  
Communications

### Acquisition and Release Policy

17. A paper on the Acquisition and Release Policy had also been circulated to the Board, amended by the Chief Executive to reflect the discussion at the 25 October meeting. The Policy sets out the framework for considering acquisitions and release of properties in state care and how this will be managed.

**The next meeting will be held on 13 December 2018 at Longmore House**



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## **HISTORIC ENVIRONMENT SCOTLAND**

### **MINUTES OF HES BOARD MEETING HELD ON 25 OCTOBER 2018**

**Conference Room, Longmore House**

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Ian Brennan  
Trudi Craggs  
Andrew Holmes  
Fiona McLean  
Paul Stollard  
Ken Thomson  
Ian Robertson

#### **In attendance:**

Alex Paterson, Chief Executive  
Barbara Cummins, Director of Heritage  
Stephen Duncan, Director of Commercial and Tourism  
Amanda Livingstone, Observer from the Scottish Government/Standard Life Programme  
Gary Love, Director of Corporate Services  
David Mitchell, Director of Conservation  
Lisa McGraith, Director of Communications  
Donella Steel, Director of Finance  
Alison Turnbull, Director of Development and Partnerships  
Suzanne Casey, Head of the Chief Executive's Office  
Andrew Nicoll, Deputy Head of Archives (Archives Item Only)  
Jules Davidson, Board Secretariat

#### **Introduction and Apologies**

1. The Chair welcomed everyone to the meeting. Apologies were noted from Coinneach Maclean.

#### **Minutes of the 20 August Board Meeting and Action Tracker**

2. The Board approved the minutes of the August meeting. The table of actions was reviewed and progress noted.



## **Chair's Update**

3. The Chair thanked the Board for their input into the draft of the St Peter's advice. The Board is content with the advice, which has now been submitted to the Cabinet Secretary. The importance of a suitable Communications plan was discussed.
4. The Chair extended her thanks to all staff involved in the recent Board visit to the Borders region. She noted the very positive stakeholder session and meeting with staff. The visit to Abbotsford House and meeting with their Chair offered good opportunities for future engagement.
5. The Historic Scotland Foundation will meet next month and again in the New Year. Following on from earlier internal discussions, the Chair requested a developed proposal in respect of SCRAN for submission to the Foundation in the New Year.

## **Chief Executive's Report**

6. The Chief Executive presented his update to the Board. A number of matters were discussed, including;
  - The Chief Executive informed the Board that a number of HES staff had been recognised at the recent Heritage Angels Awards. The Chair offered her congratulations to them and to the Procurement team, who had been nominated for an award at the Government Opportunities Awards;
  - HES' response to the consultation on the Scottish Government Culture Strategy had been submitted;
  - The Chief Executive drew the Board's attention to a very positive update on the Volunteering Programme; members expressed satisfaction at the progress;
  - Further information on Health and Safety reporting had been added, as requested at the previous meeting. The Chief Executive added that a fire assessment at John Sinclair House had been completed;
  - Turning to the update on the Corporate Plan, Fiona McLean updated members on recent progress, including two very positive stakeholder events with Board members in attendance. Feedback from the process has been overwhelmingly positive, with the outcomes-focused approach well received. Fiona explained that there has been general agreement that the issues identified by the process are the key matters affecting the sector. There have been minor points on clarity of message and language, which will be taken into account, as well as a need to manage unrealistic expectations of what might be possible;

- The Board noted the very high level of engagement with the consultation on the Historic Environment Policy, currently live; and
- The Board discussed the update on major corporate projects, noting the progress of the various projects, and in particular the Headquarters project. The Chief Executive updated members that recruitment for a Corporate Projects Programme Manager had concluded, with a very strong successful candidate selected. The Chair and Chief Executive will reflect on the best format for keeping the Board updated on progress in future, given the existence of the Corporate Programme Governance Board and its role in overseeing projects.
- **Annex A** outlined the Corporate Performance Report to 30 September 2018. This showed a strong year-to-date performance, with the vast majority of outcomes reporting 'on track' status. The Chief Executive noted that the Average Working Days Lost (AWDL) figure has been an issue for several years. When a small number of staff members with long-term serious illness are excluded from the calculation, the average number returns to within the target. Board members noted the adjusted figure, but also expressed concern over the high level of short term absence and raised questions regarding the validity of excluding the longer-term illnesses. The Staff Governance Committee will continue to monitor the position closely.
- **Annex B** outlined the HES Financial Position to the end of August 2018. This shows the year to date status is slightly behind the budget position, with an overcommitted position forecast for year end. Much of this relates to budgeted over-commitment that will be actively managed down over the remainder of the year. The Board endorsed the Chief Executive and Senior Management Team's measures to mitigate the cost pressures. At the Board's request, the impact of currency rates will be included as part of discussions at the November Strategy Day.

## Archives

*Andrew Nicoll, Deputy Head of Archives, joined the meeting*

7. The Director of Heritage introduced this item, which updates the Board on achievements and activities since the creation of HES and summarises the long terms plans for the archive in the face of the challenges faced. The paper also defines what constitutes the HES archive, including the legal and professional framework within which HES operates.
8. HES is currently managing millions of items/records relating to the historic environment meeting archive standards with challenging accommodation issues. The Director of Heritage explained that an interim arrangement in relation to storage had been identified, which could address some issues for

five to ten years. However implementation of this arrangement has been paused while new alternative solutions are considered.

9. The Chair thanked the Director of Heritage for the useful update. The Board agreed that the working group to look at interim arrangements should be swiftly reconvened, and that in addition a Steering Group, to be chaired by Andrew Holmes, is established to maintain a long-term strategic look at archives.

**ACTION:** Director of Heritage

*Andrew Nicoll left the meeting*

## **Grants Programme**

10. The Director of Finance presented the paper, which provides an overview of HES grants, administration of our grants scheme, summary findings of an internal audit of grants and the future direction of our grant giving.
11. The Board discussed the content of the paper, and HES' grants programme more widely, and offered a range of feedback, including:
  - The organisation should communicate the successes of the grants programmes more robustly, particularly as other sources of funding become more limited and more is expected of HES. There is particular scope to highlight the social and regeneration benefits of the schemes;
  - Consideration is required on guidance to providing grants to active places of worship;
  - The Board requested clarity on how the grant programmes relate to the Built Heritage Investment Plan; and
  - The Board requested a paper on the future shape of the grants programme, including a timeline for implementation and an overview of how they align with the new Corporate Plan, be prepared for March 2019. Janet Brennan will serve as a critical friend in this process.

**ACTION:** Director of Finance

## **Acquisitions and Disposals**

12. The Chief Executive gave an overview of the item, and invited the Board to consider the draft Policy. The Policy sets out the background to the properties in care and the process for acquiring and disposal of Ministers' properties which are based on the obligations under the 1979 Ancient Monuments Act for conservation and access, and has been informed by the Board's discussions in February and June, and by the recent live case.
13. The Board determined that the term 'release' is more appropriate than 'disposal'.

14. In considering the process set out in the covering paper, members recommended that 'Stage 1: Initial Assessment' should be strictly limited to a consideration of the purpose, with the complete criteria being considered under "Stage 2: Full Assessment".
15. As the process of acquisitions must consider the resource burden of care of the property in question on the rest of the estate, the process of release should similarly consider the resource implications of the loss of income on the rest of the estate.
16. In case of both acquisitions and release, there should be greater clarity that requests can come from Ministers and from HES itself
17. The Board confirmed that they were content with the policy, subject to minor amendments. The Chief Executive will make amendments to reflect the feedback given and circulate a further draft for Board approval.

**ACTION:** Chief Executive

### **Orkney: Major Project Briefing**

18. The Chief Executive presented the paper, which has been brought to the Board earlier than scheduled, as the Feasibility report is now due to be considered by the Local Authority in November .
19. HES, Orkney Islands Council and Highlands and Islands Enterprise have been working together since November 2017 to explore options to address the key challenges raised by increasing visitor numbers to the islands. The Recommendations and Initial Feasibility report before the Board has been prepared by Chris Blandford Associates, and the key findings can be grouped into five elements, two of which are most relevant to HES:
  - **Skara Brae:** Reconfiguration of existing space, construction of a trade extension, refreshed visitor offer; and
  - **Brodgar/Stenness/Maeshowe:** Landscape-led visitor offer, network of pathways with associated interpretation and improved traffic and other infrastructure, and a new enhanced orientation centre in the heart of the area.
20. The Board welcomed the report, noting the ambitious nature of the recommendations and commenting on the scale of commitment involved, both in terms of longer-term financial investment, and the considerable practical difficulties that the project would have to overcome. Next steps should focus on securing buy-in from key partners and developing a plan for implementation.

**ACTION:** Chief Executive

## Caerlaverock: Major Project Briefing

21. The Director of Commercial and Tourism invited the Board to note progress and discuss proposals for the Caerlaverock Castle project Plan, as outlined in the draft Monument Investment Plan (MIP). He explained that Caerlaverock Castle has been identified as a priority site for development in the HES Investment Plan.
22. The potential for development at the site has been recognised for many years, but barriers, including road and parking restrictions have precluded large-scale investment. The recent Visit Scotland Quality Assessment highlights the need for significant investment in toilet provision and in the interpretative offer.
23. The Board welcomed the paper, noting that the relatively contained scale made Caerlaverock a good candidate for a major project. Members discussed the importance of considering the project within the context of the wider area, and to consider a number of issues affecting the sector in the region including the availability of transport links. Engagement with external partners should be pursued, options should be further refined, with a full business case to be presented at the meeting in early 2019.

**ACTION:** Director of Commercial and Tourism

## Our Place in Time (OPiT)

### Built Heritage Investment Plan Working Group

24. Following the update of the OPiT Working groups within the Chief Executive's Report, the Director of Conservation gave an overview of the a draft discussion paper to be submitted to the Strategic Historic Environment Forum (SHEF) meeting in November. The draft focuses on progress of the group as well as emerging themes, and is intended to give the Forum an opportunity to discuss and sense-check the group's direction.
25. The objectives of the Group can be categorised into four distinct work streams: define Scotland's built heritage; resource Scotland's built heritage assets; tackle obstacles to success; and prioritise investment.
26. The Board thanked the Director of Conservation for the paper, and recognising the progress being made, expressed their support of the work. Following a discussion of content, it was agreed that a further section, covering the benefits to date, to be added to the paper before submission to SHEF.

**ACTION:** Director of Conservation

### Our Place in Time Annual Performance Report 2018 - Draft

27. The Director of Development and Partnerships introduced the draft OPiT report, which shows progress from April 2017-March 2018 with 11 of the 13 Key Performance Indicators currently on track. The Board noted contents and

progress, including valuable examples of collaborative working across the sector. The draft will be submitted to SHEF at their November meeting, and afterward be submitted to the Cabinet Secretary for final sign-off of the report prior to its online publication in December 2018-Jan 2019.

28. The Board commended the report and proposed an independent mid-term review of OPiT in 2019, and asked that a co-ordinated Communications plan is drawn up to maximise the opportunity associated with the publication of the annual report.

**ACTION:** Director of Development  
and Partnerships/  
Director of Communications

### **Audit, Risk and Assurance Committee (ARAC) – Update of 17 August Meeting**

29. Ian Brennan gave an overview of the 17 August meeting of ARAC, noting the following points:

- HES internal audit partner, BDO, has completed a review of HES Risk Management. A number of recommendations have been made and are being implemented. Successful delivery of the risk management strategy should place HES among the leaders in risk management in the public sector;
- An internal audit of the Grants programme had raised a number of items for consideration which were being addressed; and
- The Head of Internal Audit and Business Improvement had reported on how the Business Improvement programme was to be rolled out.

30. The Board discussed the forthcoming Risk Appetite item at the November Strategy Day, and suggested that a small number of operational areas should be selected as examples to be used in the exercise.

### **Historic Environment Scotland Enterprises (HESe) – Update of 17 August Meeting**

31. Ian Robertson gave an overview of the 17 August meeting of the HESe Board, noting the following points:

- The HESe Board have been pleased to note no adverse effects in performance following the departure of the previous lead officer;
- Preparations are well under way for the tendering process for the catering contract, which is scheduled for October 2019, with the contract finalised by April 2020;
- Progress has been made towards consideration of commercial lettings activity, the question of Ministerial permission having been resolved; and

- The HESe Strategy Day is currently scheduled for 16 November, and will examine a number of strategic themes, as well as considering of a range of short and longer-term opportunities.

32. Amanda Livingstone, who has worked with the HES Board for a year in her role as an observer from the Scottish Government/Standard Life Programme, will now work with the HESe Board, as well as retaining her position on the Projects Board. The Chair took this opportunity to thank Amanda for her excellent contribution to the Board over the last year.

### **Staff Governance Committee (SGC) – Update of 01 October Meeting**

33. Ken Thomson gave an overview of the 01 October meeting of the SGC, noting the following points:

- There had been a marked improvement in the quality of papers being submitted to the Committee;
- The committee had discussed the issue of working days lost, noting some issues sitting underneath this. In turn the Board briefly revisited their earlier discussion of average working days lost, noting that the SGC should revisit this issue in greater detail, particularly to determine whether the issue is typical, or whether there is an underlying reason; and
- The results of the Staff Survey will be reviewed in January 2019, with a view to examining progress towards Investors in People accreditation.

34. Ken commended a presentation given by Craig Fletcher, Senior Learning Manager, on Year of Young People activities. If business allows, Craig should also be invited to present to this to the Board.

*Members of the Senior Management Team left the meeting*

### **Revised Scheme of Internal Delegation and Board Standing Orders**

35. The Chair introduced the paper, which sets out a small number of proposed amendments to the Scheme of Internal Delegation and Board Standing Orders. In discussing the proposed amendments, members raised the following points:

- The Scheme of Internal Delegation should be reviewed to clarify the parameters of authority to approve external consultancy without competitive tender.
- A note on the exercise of delegation within HES' regulatory function should be prepared for the Board in due course.

**ACTION:** Chief Executive

- The Board's Terms of Reference should be amended to make reference to the Chair's Committee, and to clarify its status in terms of delegated powers.

**ACTION:** Chief Executive

- The HESe OA should be reviewed to ensure named references to the lead officer are removed.

**ACTION:** Director of  
Commercial and Tourism

36. The Chair outlined a number of amendments to the Board Standing Orders, all of which were approved by the Board. The documents will be amended as detailed in the paper and noted above, with final sign-off delegated to the Chair.

**There followed a closed session of the Board and the Chief Executive. This included discussion of recent events around the use of Holyrood Park.**





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## **HISTORIC ENVIRONMENT SCOTLAND**

### **MINUTES OF HES BOARD MEETING HELD ON 20 AUGUST 2018**

**Conference Room, Longmore House**

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Ian Brennan  
Trudi Craggs  
Andrew Holmes  
Coinneach Maclean  
Fiona McLean  
Paul Stollard  
Ken Thomson  
Ian Robertson

#### **In attendance:**

Alex Paterson, Chief Executive  
Barbara Cummins, Director of Heritage  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
David Mitchell, Director of Conservation  
Lisa McGraith, Director of Communications  
Donella Steel, Director of Finance  
Alison Turnbull, Director of Development and Partnerships  
Suzanne Casey, Head of the Chief Executive's Office  
Martin Ross, Corporate Plan Project Manager (Corporate Plan Item Only)  
Nick Thomas, Head of Commercial Performance and Systems (Visitor Strategy and Admissions Pricing items only)  
Jules Davidson, Board Secretariat

#### **Introduction and Apologies**

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

#### **Minutes of the 25 June Board Meeting and Action Tracker**

2. The Board approved the minutes of the June meeting with minor amendments. The table of actions was reviewed and progress noted.

## **Homologation of Papers Circulated by Correspondence**

3. Three papers were issued to the Board by circulation on 13 July 2018. The Board homologated their approval of the David Livingstone Centre and Penicuik CARS grants, and the annual Planning Performance Report. The Chair commended the method used to record approvals and Board comments on the papers.
4. An additional grant of £54,438 for work to the David Livingstone Centre was approved, which will increase the total HES commitment to £629,438 (10% of revised total project costs of £6,132,538). This additional grant is for work to conserve historic windows in the rear elevation of the property, and will come from the existing grants budget.
5. A Conservation Area Regeneration Scheme (CARS) Round 7 grant of up to £980,000 was approved for a new scheme in Penicuik to run from 2018 until 2023. This represents 26% of the total scheme cost of £3,727,929.
6. The Board also approved the Historic Environment Scotland Planning Performance Report for the year 2017/18 for publication in early August, and noted HES' ongoing role with the Key Agencies Group.

## **Chair's Update**

7. The Chair noted that the Cabinet Secretary has invited a number of Board members to extend their terms of appointment:
  - Trudi Craggs' and Paul Stollard's appointments have been renewed for a four year period;
  - Andrew Holmes' appointment has been extended for a further year; and
  - The Chair's appointment has been renewed for a further two year period.
8. The annual meeting of the Chair and the Cabinet Secretary will take place on 31 October
9. The Chair will attend the Edinburgh International Culture Summit and will host a visit by delegates to Trinity House on 24 August.

## **Digital Strategy**

10. The Director of Communications introduced the updated Digital Strategy, developed in conjunction with PA Consulting, and following Board discussion in April. The strategy has direct relevance to wider HES priorities, and has been expanded to include a prioritised portfolio of indicative projects which will be developed over the coming years, with specific focus on those in years one and two.

11. The Board discussed the paper and noted a number of points:

- Implementation will require a mix of in-house and external resources;
- The cultural change implications will be important to manage;
- Internal governance must be robust, and risks to delivery addressed;
- The language used might be reviewed in places to ensure accessibility;
- Indicators of success should be developed for each project;

12. The Board confirmed that they were comfortable with overall direction of the strategy, including the year one and two-focused approach. A report on year one will be brought to the Board. Board members agreed to offer their expertise on projects.

**ACTION:** Director of Communications

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

13. The Chief Executive presented his update to the Board. A number of matters were discussed, including;

- The Chief Executive reported on a positive meeting with the Cabinet Secretary, with a range of topics discussed. The Chief Executive also provided an update on the most recent meeting with HES' Scottish Government Sponsorship team.
- The inaugural meeting of the Corporate Programme Governance Board, which provides oversight of significant internal projects, took place on 13 August. Discussion at this initial meeting will help shape and inform the work of the group going forward.
- The Chief Executive noted the achievement of the 'Cyber Essentials Plus' accreditation, which represents significant progress in efforts to build resilience against cyber threats. The Chair extended her thanks to all involved in this achievement.
- An independent healthcheck of the CMIS business case had reported positively, giving an overall Delivery Confidence Assessment of amber/green.
- The Chief Executive's Report to future meetings will include a standing item on Health and Safety.

14. The Chief Executive and Director of Conservation provided an update on the Our Place in Time (OPIT) working groups. Discussion focussed on the Built Heritage Investment Group (BHIG), with the following points noted;

- The remit of the group has evolved to consider the wider management of the historic environment, with funding and its optimal use a component of this rather than being the sole focus;
- Identifying criteria for prioritising intervention will be important and challenging;
- It will be important that all with a role in managing the historic environment be engaged, with the involvement of local authorities particularly encouraged;
- An update on progress with the Built Heritage Investment Plan will be on the agenda for the HES Board meeting in October and subsequent SHEF meeting in November.

**ACTION:** Chief Executive/  
Director of Conservation

15. **Annex A** outlined the Corporate Performance Report to 31 July 2018. This showed a strong year-to-date performance, with the vast majority of outcomes reporting 'on track' status. The Chief Executive noted that the target of 200,000 members had been achieved in July. An internal working group has been established to look into the average staff working days lost figures.
16. **Annex B** outlined the HES Financial Position for the first quarter to 30 June 2018. This indicated that the year to date position is in line with budget. Variations related to grants and investment plan spend are timing issues and will adjust over the coming months. The forecast overcommitted is being actively managed in year to bring back in line with a balanced position.
17. **Annex C** provided the Board with an update on delivery of the Investment Plan. It included an update on the 2018/19 Investment Plan budget and the proposed development of the Investment Plan. The Board discussed governance arrangements and prioritisation methodology, major projects, and welcomed plans to develop Monument Investment Plans.

## **ARAC Chair's Report**

*Pat Kenny joined the meeting*

18. Ian Brennan, Chair of the Audit, Risk and Assurance Committee (ARAC), introduced the annual Report for the year to 31 March 2018. The report provided a summary of matters addressed by the Committee over the year, including the organisations approach to risk management, internal audits on key areas of control and reviews of a number of projects. The report noted

that substantial assurance had been provided that HES' controls were robust and well managed.

19. ARAC had also overseen the production of the Annual Report and Accounts for 2017/18 and recommended that they be approved by the Board.
20. Ian offered his thanks to fellow ARAC members, staff and external auditors for their contributions to the progress made over the year. The HES Chair thanked Ian for his report, commending the open and frank platform ARAC provides in which to discuss risk.

### **Annual Report and Accounts**

21. Pat Kenny, external auditor (Deloitte) spoke to the Annual Report and Accounts. He confirmed that he was content to sign-off an unmodified opinion, and noted that areas for improvement highlighted as part of the previous year's audit had been addressed. In response to questions from the Board, he confirmed that there was no concern regarding HES' 'going concern' status and commented on the improved quality of information.
22. The Board approved the Annual Report and Accounts, which were then signed by the Chair and Chief Executive.
23. The Director of Finance expressed her thanks to all who assisted with the report, noting that it had been prepared well in advance of deadline.

*Pat Kenny left the meeting*

### **Corporate Plan: Consultation Draft**

*Martin Ross joined the meeting*

24. Fiona McLean and the Director of Development and Partnerships introduced the draft Corporate Plan and proposed consultation programme. The Plan has been informed by the recent intensive engagement period as well as by evaluation of the current Corporate Plan. The new Corporate Plan draft aims to evolve from the current plan, provides a high level framework for all areas of HES' work and connects to other corporate documents. It also aligns with the new National Performance Framework.
25. The Board welcomed the 'outcome' approach, and were broadly supportive of the content. A number of comments were offered prior to formal consultation commencing, including;
  - More emphasis should be given to HES' core functions;
  - The fourth outcome could be reworded to provide greater clarity
  - The need to ensure education and skills is sufficiently represented;
  - HES' leadership role should be drawn out more clearly;

- The importance of intangible heritage should be more evident;
- While it is possible to change the vision statement, retaining the current vision is preferable;
- The Chair will provide specific comments on the wording of the introduction section.

26. The paper will be amended and recirculated to the Board for approval, with a planned consultation launch date of 31 August.

**ACTION:** Director of Development and Partnerships

*Martin Ross left the meeting*

### **Historic Environment Scotland Policy Statement Replacement – Draft Policy**

27. The Director of Heritage introduced the draft policy, the aim of which is to provide accessible, concise and clear high level principles and policies to be used by everyone with a role or interest in the management of the historic environment. The eventual document will be underpinned by a suite of supporting detailed operational and topic specific guidance. The Director of Heritage also gave an update on preparations for consultation on the policy and timescale for publication, as outlined in the covering paper.

28. In welcoming the draft policy, the Board noted a number of points:

- The purpose, intended application, and status of policy must be clear;
- Reference to intangible heritage could be enhanced;
- The document should carefully distinguish between HES' direct role as opposed to the wider context of the historic environment;
- The principles should be sufficiently distinct from each other.

29. The Board requested that the document be amended to reflect the above points and recirculated by correspondence, with consultation scheduled to commence 10 September. The draft policy will also be considered by the Strategic Historic Environment Forum (SHEF) in November, and will return to the HES Board in December 2018.

**ACTION:** Director of Heritage

### **Visitor Strategy**

*Nick Thomas joined the meeting*

30. The Director of Commercial and Tourism gave an overview of the document, which presents a plan to shape our visitor engagement over the next five years. The strategy seeks to recognise that HES is a successful operator of visitor attractions, but growth and changes in the visitor market, together with

challenges such as those associated with visitor volume, require a fresh perspective. The Director of Commercial and Tourism emphasised the Visitor Strategy's connections to the wider HES strategic landscape. He noted that since the last version was submitted to the Board, the narrative has been refined, objectives streamlined and KPIs related to each objective developed.

31. With minor comment that the Director will take on board, the Board welcomed and approved the strategy

### **Historic Environment Scotland Enterprise (HESe) Update**

32. Coinneach Maclean gave the Board an update of the 17 August meeting of the HESe Board, noting the following points:

- Susan Sneddon-Ferguson, HES recently appointed Head of Legal, had been appointed as the HESe Company Secretary;
- Kari Coghill has left the organisation, and Gillian MacDonald appointed on an interim basis. Recruitment to appoint a permanent replacement for Kari will be undertaken, with HESe Board member involvement;
- Quarter 1 results show a generally positive picture, though slightly short of the income target. This has been attributed to a number of possible factors, including the delayed reopening of the Crown gift shop at Edinburgh Castle and lower spend-per-visitor retail returns rates across the estate;
- Corporate Events performance is steady, and progress has been made on options relating to letting of vacant properties;
- The catering contract tender process is scheduled for October 2019, with the contract finalised by April 2020; and
- The Board discussed publications activity, noting that a paper will be presented to SMT shortly.

### **Principles and Framework for Admissions Pricing**

33. The Director of Commercial and Tourism introduced the paper, which sets out proposed admission price changes over a four-year period, and a new admission pricing framework within which management can operate.
34. It is hoped that this process will provide greater flexibility to enable the business to manage and develop HES' commercial offering particularly with trade clients and customers, and to adapt to changing market demands and trends within an appropriate timescale. It will also allow prices to vary to reflect investment in improved facilities and interpretation. The planned price increases also reflect the increasing costs associated with running the estate.
35. The Board recognised the need for more flexibility in admissions pricing and approved the admissions price increases and pricing framework, subject to clarification as to whether Scottish Government approval for price increases

was required. A four year admissions price plan will be brought to the Board every two years.

36. Given the price offer associated with the Year of Young People, the Board requested a paper on future pricing options to continue to engage young people.

**ACTION:** Director of Commercial and Tourism

*Nick Thomas left the meeting*

### **St Peter's, Cardross**

37. The Chair thanked the Board for their contributions to the recent telephone discussion regarding the draft advice to Ministers on St Peter's. The Board considered a revised draft paper, and discussed a number of issues including options for the site, its cultural significance, views of stakeholders and the cost and other practical considerations associated with intervening on the site. Members offered a number of specific observations.
38. It was acknowledged that there is no simple solution to St Peter's current situation, and that opinions on the site vary.
39. The Board noted additional steps outlined by the Chief Executive and will have a further discussion on the subject in due course.

### **Draft Approach to HES Benefit Measurement**

40. The Chair introduced the proposal to undertake an exercise to consider the benefits of the merger that formed HES and associated changes so that lessons learned can be used to inform forthcoming discussions, particularly with the Cabinet Secretary, and to inform forward planning.
41. The Board offered a number of points that should be considered for inclusion:
- It should be recognised that business carried on during the merger process, a considerable achievement in itself ;
  - While a new entity was successfully created, creating a new corporate identity from two well known "brands" had challenges;
  - The process successfully fulfilled the aim of ensuring that the functions of the two former bodies remain sustainable into the foreseeable future;
  - HES has become a thriving organisation and an employer of choice;
  - HES has become a more enterprising and innovative organisation; and
  - There has been a marked increase in commercial contribution.

The results of the exercise will be shared with the Board in October.



## **Board Engagement and Reports**

42. The Chief Executive introduced the paper, which outlined a number of options for enhancing external Board engagement.
43. The Board expressed a desire to continue with the annual regional programme, and also to participate in meetings with the Boards of other relevant organisations. Opportunities should also be given to Board members to participate in events as appropriate, such as those recently held as part of the Corporate Plan consultation. Members noted the challenge of accommodating additional engagements within the current level of time commitment.
44. The Board commended the format of the new fortnightly Board communications update, and discussed a range of matters relating to the security of Board papers and the need for a confidential and secure platform on which the Board can conduct discussion between members and with HES officers.
45. The Director of Finance will work with the Board secretariat to continue the ongoing review of IT options and report back to the Board in due course.

**ACTION:** Director of Finance/  
Board Secretariat

## **Date of Next Meeting**

46. A visit to the Borders region will take place on 26 and 27 September. The next business meeting is scheduled for 25 October 2018.

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



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## HISTORIC ENVIRONMENT SCOTLAND

### MINUTES OF HES BOARD MEETING HELD ON 25 JUNE 2018

#### Conference Room, Longmore House

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Ian Brennan  
Coinneach Maclean  
Fiona McLean  
Paul Stollard  
Ken Thomson  
Paul Stollard  
Trudi Craggs

#### **In attendance:**

Alex Paterson, Chief Executive  
Amanda Livingstone, Observer from the Scottish Government/Standard Life Programme  
David Mitchell, Director of Conservation  
Donella Steel, Director of Finance  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
Lisa McGraith, Director of Communications  
Alison Turnbull, Director of Development and Partnerships  
Elizabeth McCrone, Head of Designations  
Suzanne Casey, Head of the Chief Executive's Office  
Martin Ross Corporate Plan Project Manager (Corporate Plan Item Only)  
Hazel White, Open Change (Corporate Plan Item Only)  
Mike Press, Open Change (Corporate Plan Item Only)  
Jules Davidson, Board Secretariat

#### **Introduction and Apologies**

1. The Chair welcomed everyone to the meeting. Apologies were noted from Andrew Holmes, Ian Robertson and Barbara Cummins.

## **Minutes of the 26 April Board Meeting and Action Tracker**

2. The Board approved the minutes of the April meeting with no amendments. The table of actions was reviewed and progress noted. The Chair requested that future minutes be prepared for her review within ten days of the meeting, and to be circulated to the Board within three weeks.

## **Minutes of the 24 May Strategy Day**

3. The minutes of the May strategy discussion were approved. It was noted that the Board had considered two formal papers, approving the full business case for the Corporate Management Information System (CMIS) project and proposals for Corporate Projects Governance.

## **Corporate Plan: Consultation Findings to Date**

4. Fiona McLean introduced the item, and thanked Board members for their planned attendance at a stakeholder event scheduled for 26 June. *The Director of Development and Partnerships (AT)* updated the Board on progress of the consultation since April.

5. Mike Press and Hazel White from Open Change gave a presentation, outlining the service design approach adopted, the programme planned for the 26 June event, and an insight into some of the early observations from responses to the consultation. The Board discussed and identified key themes and priorities for the draft from the Board perspective

6. The Board noted that the service design approach had been well received by staff and stakeholders, and could be applied more widely in the organisation on an on-going basis.

7. It was noted that, as planned, a draft of the Corporate Plan would be considered for approval by the Board in August prior to formal consultation.

**ACTION:** *Director of Development and Partnerships*

## **Health, Fire and Safety Annual Report 2017-18**

8. Paul Stollard (PS) introduced the paper, which provided additional information and analysis requested by the Board following their consideration of the Annual Report on Health, Fire and Safety on 26 April.

9. The update gave further details in relation to Reports of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) incidents, visitor and staff accidents, and injury claims.

10. The Board welcomed the information provided, and it was noted that PS and *the Director of Corporate Services* would meet in September to agree an appropriate format for future reports.

11. The Board discussed the balance between personnel and material safety in fire management arrangements, in light of the recent fire at Glasgow School of Art. The Chief Executive noted that he had asked the *Director of Corporate Services* to review HES procedures, an update of which will be included in the Chief Executive's Report to the August Board meeting. The Board also requested that ARAC review HES insurance arrangements.

**ACTION:** *Director of Corporate services*

### **Any Other Business**

12. The *Chief Executive* updated the Board on the recent Glasgow School of Art fire, noting that the first definitive structural survey of the Mackintosh building is expected soon, and will inform subsequent action. HES staff have been providing support, liaising with partners, and our expertise made available.

13. The *Chief Executive* updated the Board on discussions regarding St Peter's Seminary, Cardross in response to the Cabinet Secretary's request. It is likely that this will require formal consideration by the Board prior to the 20 August meeting.

**ACTION:** *Chief Executive*

14. There followed a closed session with the Board and Chief Executive.

### **Date of next meeting**

15. The next meeting is scheduled to take place on **Monday 20 August 2018, Longmore House, Edinburgh**



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## **HISTORIC ENVIRONMENT SCOTLAND**

### **MINUTES OF HES BOARD MEETING HELD ON 26 APRIL 2018**

#### **Conference Room, Longmore House**

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Ian Brennan  
Andrew Holmes  
Coinneach Maclean  
Fiona McLean  
Ian Robertson  
Paul Stollard  
Ken Thomson

#### **In attendance:**

Alex Paterson, Chief Executive  
Amanda Livingstone, Observer from the Scottish Government/Standard Life Programme  
David Mitchell, Director of Conservation  
Donella Steel, Director of Finance  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
Barbara Cummins, Director of Heritage  
Lisa McGraith, Director of Communications  
Alison Turnbull, Director of Development and Partnerships  
Suzanne Casey, Head of the Chief Executive's Office  
Jules Davidson, Board Secretariat

**The main meeting was preceded by a closed session of the Board.**

#### **Introduction and Apologies**

1. The Chair welcomed everyone to the meeting. Apologies were noted from Trudi Craggs. Paul Stollard declared an interest; his son is now employed by Historic Environment Scotland at Stirling Castle.

## Minutes of the 22 February Board Meeting and Action Tracker (HES 015/18)

2. The Board approved the minutes of the February meeting subject to a minor amendment. The Action Tracker was reviewed and progress noted.

### Matters Arising

3. One item was highlighted under matters arising:
  - **Service Standards** – the Chief Executive noted that the Service Standards, discussed at the previous meeting, had now been finalised and published.

### Chair's report

4. The Chair noted the following recent engagements:
  - **07 March.** The Chair attended the graduation ceremony of Modern Apprentices, and reported on a very positive event. It was clear that the scheme had mutual benefits for the individuals and for their contribution to HES.
  - **13 March.** The Chair met with the Historic Scotland Foundation, where interesting discussions included consideration of funding for SCRAN where proposals are due to come to the HES Board. It was hoped that this and a number of other issues could be addressed to align with the HSF next meeting in October. It was agreed that the note of the meeting would be uploaded to Sharepoint.

**ACTION:** Jules Davidson

- **27 March.** The Chair spoke at the Edinburgh World Heritage Management Plan launch. The event and publication was well received.
- **29 March.** Board visit to Perth area. The Board members had enjoyed positive meetings with the Perth and Kinross Heritage Trust and Perth and Kinross Council.
- **18 April.** Strategic Historic Environment Forum (SHEF) meeting. The Chair reported in detail on a particularly interesting meeting of the Forum, which had included an update on the various working groups and presentations on other items of interest. She reported on likely items for the next Forum meeting, and noted the impact on proposed HES Board agendas

## **Draft Visitor Strategy (HES 016/18)**

5. Stephen Duncan presented the draft strategy which set out the rationale for the strategy, the current position and trends in the context of the UK and Scottish tourist market, and our key strengths, weaknesses, opportunities and threats. The paper also proposed a number of objectives, draft action plan and indicators of success.

6. Board members noted discussion of the draft by HESe Board and welcomed the progress which had been made noting the emphasis on local and regional approaches. In discussion, the Board also suggested a greater focus on encouraging domestic visitors and further emphasis of the successful volunteering programme. In addition, it was suggested that greater consideration be given to opportunities at unstaffed sites, and the quality of interpretation.

7. The Board noted the interdependency with the new National Tourism Strategy, due early 2019, the outcomes of which may necessitate revisions to the Visitor Strategy.

8. Stephen Duncan indicated that refinement of the draft strategy was planned, including further development of the measurement framework. The final version of the Visitor Strategy would be brought to the Board in August.

**ACTION:** Stephen Duncan

## **Draft Digital Strategy (HES 017/18)**

9. Lisa McGraith invited the Board to review the draft Digital Strategy, developed following discussion of the outline paper in December 2017. Lisa noted that since last discussed in December 2017, HES has continued to work with PA Consultancy to develop the next stage of the strategy.

10. The draft strategy describes the case for change, digital vision and themes for digital transformation. The paper makes recommendations on the structure of a new HES digital capability including the key capabilities and roles; prioritises the current and planned digital initiatives based on business value and implementation effort; and outlines the primary activities to deliver the recommendations.

11. The Board commended the draft strategy, and highlighted a number of areas for further attention, including the necessity for training and up-skilling staff and the need to consider the importance of data quality.

12. Lisa McGraith will present the final version to the Board in August.

**ACTION:** Lisa McGraith

### **CMIS Outline Business Case (HES 019/18)**

13. Donella Steel introduced the paper and invited the Board to discuss and approve the Outline Business Case, which sets out the rationale for the project, objectives, anticipated benefits, assessment of delivery options and outline costs.

14. The proposed system will support and enable strategic and operational decisions to be taken based on current and consistent information. The paper outlined the required 'building blocks' of the system, including the improvement of systems in HR and Finance, as well as the introduction of functionality and/or specific applications to deliver in the areas of corporate risk management, corporate performance management, project management, and corporate planning.

15. The Board welcomed the outline business case and recognised that the proposed project was a necessary step for HES. It was agreed that emphasis should be placed on the qualitative benefits of the project, such as the availability of real-time information. The Board stressed the need for staff training to be built into the project. The Chair requested the addition of a specific learning and development objective to the business case.

16. A full business case will be brought to the Board on 24 May.

**ACTION:** Donella Steel

### **Corporate Projects Governance (HES 018/18)**

17. The paper was withdrawn from the meeting and will be brought to the Board Strategy Day on 24 May.

### **Corporate Plan Project Update (HES 020/18)**

18. Alison Turnbull gave the Board an update on the work undertaken on the Corporate Plan project since the previous meeting. Following a tendering process, Open Change have been appointed as service design consultants on the initial consultation, and will hold training events with HES Staff and participating HES Board members over a number of dates and locations, which will prepare participants for the engagement phase of the project.

19. Alison will provide a further progress update at the 25 June Board meeting, where insights from the initial engagement activities will be shared, ahead of a stakeholder event in Edinburgh on 26 June, to which HES Board members are invited. The consultation analysis, draft Corporate Plan and impact assessments will be submitted to HES Board for approval on 20 August. The Board noted that their expectation was that the new plan would build upon the strengths of the current plan.



20. A 10-week formal consultation will take place between 24 August and 02 November, after which a period of analysis, options and feasibility testing will culminate in a new Corporate Plan document to cover a three year period. The Board will be invited to consider this at the December meeting, after which, approval will be sought from the Scottish Government in advance of a March 2019 launch date.

**ACTION:** Alison Turnbull

### **HESPS Replacement Policy Update (HES 021/18)**

21. Barbara Cummins introduced the paper, outlining progress to replace the Historic Environment Scotland Policy Statement (HESPS). Barbara explained that HESPS is the result of many changes over time, with the result being an adapted and amended document lacking a cohesive voice, and not readily understandable to many potential users.

22. The intention is that a new document will replace the existing policy, setting out a fit-for-purpose and ambitious policy framework for the management of the whole historic environment in Scotland based on clear principles for the stewardship of the historic environment. The policy is expected to have a six to ten year lifespan, with opportunities to review within this timescale. The high-level framework will be supplemented by operational guidance, which can be more flexible and targeted at specialist audiences.

23. Informal consultation on the principles of a new framework are ongoing, with the Board having an opportunity to discuss this at the June Board workshop. A draft Policy Framework is expected to come to the Board in August prior to formal consultation.

24. Barbara Cummins will consult with Trudi Craggs to shape the planned discussion at the June workshop.

**ACTION:** Barbara Cummins

### **Grant Approval: City Heritage Trust Funding 2018-21 (HES 022/18)**

[Thomas Knowles, Head of Grants, joined the meeting]

25. Donella Steel introduced a paper seeking Board approval of City Heritage Trust funding of £8,791,600 to seven City Heritage Trusts over the years 2018-21. Thomas Knowles explained that a new approach to funding applications was being implemented, which increases the focus on the outcomes of awards. Thomas answered a number of questions from the Board on the grants process, including

the contribution of Local Authorities which in some cases, is provided in-kind to City Heritage Trusts.

26. The Board approved the funding, subject to matched funding being confirmed and outcome frameworks being agreed with each Trust.

**ACTION:** Donella Steel

### **Grant Approval: National Trust for Scotland Grant 2018-21 (HES 023/18)**

27. Donella Steel introduced the paper, which invites the Board to consider and approve an Organisational Support Fund grant to the National Trust for Scotland (NTS) of £1,320,000 over the years 2018-21. This longstanding funding arrangement, the nature of which has evolved over time, is now being considered under the formal grant application framework.

28. In approving the grant, the Board noted the following points:

- It should be emphasised that the grant is being made in order to achieve specific measurable results;
- HES should discuss with NTS whether funding might be prioritised on non-income generating sites;
- Communications activities around the award should seek to recognise our contribution to NTS.

**ACTION:** Donella Steel

### **Grant Approval: Conservation Area Regeneration 2019-24 (HES 024/18)**

29. Donella Steel introduced the paper, which sought the Board's approval of the allocation of £10m grant funding to run a new Round (8) of Conservation Area Regeneration Scheme (CARS) between 2019 and 2024.

30. The CARS was introduced in 2007 as a funding programme providing financial support for conservation area based regeneration and initiatives to be delivered over a 5 year period. HES funding support is used to supplement financial resources and support in kind from the local or national park authorities, private owners, local community groups and other funding partners including the Heritage Lottery Fund.

31. Since 2007, there have been 7 CARS rounds awarding £41.8m of HES funding to 63 schemes within 59 Conservation Areas throughout Scotland. As of 1st April 2018 there will be 20 CARS schemes still in operation from Rounds 5-7.

32. The Board approved the funding allocation of £10m. Round 8 will be launched in early June, and approval of awards will come to the Board in February 2019.

[Thomas Knowles left the meeting]

### **Draft Major Publications Plan (HES 025/18)**

33. Lisa McGraith gave an overview of the paper, which set out a list of major corporate publications planned over the coming year including an associated outline communications handling plan. She invited the Board to comment on the proposed plan.

34. The Board noted the paper, including the helpful timeline graphic. It was agreed that the Visitor Strategy will not be published until after the publication of the new National Tourism Strategy and the Equalities report will be considered by the Staff Governance Committee.

### **Chief Executive's Update Report, including Corporate Performance Report (HES 026/18)**

35. The Chief Executive presented his update to the Board. A number of matters were discussed, including:

- It was noted that, at year end, HES had delivered an excellent outcome against the deliverables in the 2017/18 Annual Operating Plan, and a good financial outturn, subject to audit;
- The Annual Operating Plan 2018/19 had been launched;
- Progress had been made on the Headquarters project, including progress with new lease negotiations; and
- The Chief Executive highlighted a potential Asset Transfer Request for the visitor centre and car park at Urquhart Castle, and will update the Board if the matter progresses further;

36. Annex A gives a full account of the organisation's performance against Annual Operating Plan measures for 2017/18. 96% of the deliverables have been achieved or partially achieved. This comprises 66 deliverables which were achieved, 10 which were partially achieved, two which were not achieved and one for which data is not yet available. The Board commended the performance highlighted in the report.

### **Audit, Risk and Assurance Committee Update of Meeting Held on 25 April**

37. Ian Brennan gave a verbal update of the Audit, Risk and Assurance Committee (ARAC) meeting on 25 April. He informed members that two new risks had been added to the Risk Register, CMIS and Change Management, and noted that ARAC were content that the Senior Management Team were managing risk

appropriately. The full Board will be undertaking an Annual review of strategic risks at the strategy day in May

38. ARAC had considered and agreed the new Data Protection policy, as well as discussing HES' readiness for the new General Data Protection Regulations (GDPR), and found appropriate actions were underway to ensure the organisation's compliance.

### **Health, Fire & Safety, Wellbeing and Physical Security Annual Report (HES 027/18)**

39. Gary Love introduced the report, which summarised Historic Environment Scotland's performance on Health, Fire & Safety, Wellbeing and Physical Security over the previous year.

40. The Board discussed the findings of the report and asked for additional information, including:

- Further insight into the increase in staff and visitor accidents in the context of increased visitor numbers;
- A breakdown of visitor accidents by type of incident;
- A profile of personal injury claims over recent years;
- Clarity on the current insurance position with accidents; and
- Suggestion that HES may benchmark our Health and Safety approach with other organisations.

41. Paul Stollard will meet with Gary Love to further review the figures and will give an update at the June meeting.

**ACTION:** Gary Love/Paul Stollard

### **Historic Environment Scotland Enterprises Board – Minutes of 21 February and Update of Meeting Held on 25 April (HES 028/18)**

42. Coinneach Mclean presented the minutes of the HESe Board meeting on 21 February. The meeting had explored the potential for the publishing arm of HESe to handle a wider range of corporate publications. This matter will be discussed more fully by the Senior Management Team in due course.

43. Coinneach also gave a verbal update of the meeting of the HES Board on 25 April, and noted the following points:

- Kari Coghill has resigned to take up a new appointment and will be leaving in early July. The Board expressed their appreciation to Kari for her work at HES and HESe
- The HESe Board have approved the 2018/19 Business Plan, noting that the overall forecasted contribution for the year had been revised down, but that it was still in excess of the original three-year Business Plan's projections;
- The group discussed the HESe Risk Register, highlighting a particular reliance on the top three sites for income generation;
- The HESe Board had noted the business case for the National Collection of Aerial Photography's (NCAP) relocation, which has been submitted to Scottish Government;
- Natasha Troitino, Head of Retail, had presented plans for new product development, which had been received positively;
- A new team had been established to identify new business opportunities; and
- The HESe Board are considering the appointment of an additional Non-Executive Director, and are looking for a person with a suitable background in the use of new technology.

44. There followed a closed session with the Board and Chief Executive.

#### **Date of next meeting**

45. The next meeting, a strategy day, is scheduled to take place on **Thursday, 24 May April 2018, Vine Trust HQ, Leith.**

**HISTORIC ENVIRONMENT SCOTLAND BOARD  
LIVE ACTIONS**

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress
HES/271016 113	<b>HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report</b> Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Ricki Mclaughlin	27/10/17	The Head of Internal Audit and Business Improvement will bring a paper to ARAC in August clarifying our position on trading Crown Copyrighted images through HESe	In progress
HES/250517 139	<b>HQ, Archives and Collections (HES 039/17)</b> HES storage requirements to be included on July agenda	Barbara Cummins	Ongoing	Study of future archive storage requirements captured. Options to be considered.	In Progress
HES/071217 140	<b>World Heritage Management (HES 082/17)</b> Produce an annual report to the Board on HES World Heritage work	Barbara Cummins	Annual	Programmed to go to Board later in October by circulation	In Progress
HES/220218 148	<b>Corporate Plan (HES 004/18 para 16)</b> An update will be provided at the April Board meeting, a draft consultation brought to the Board in August, and a draft Plan submitted to the December meeting	Alison Turnbull	Various (First: April Board Meeting)	Update was discussed at 26 April meeting, update of consultation findings due at 25 June workshop, and Draft Consultation scheduled for August meeting	Closed
HES/220218 150	<b>Acquisition and Disposal Policy (HES 006/18 para 21)</b> Bring revised proposals to the Board at a future meeting in the context of a wider ranging strategic discussion	Chief Executive	In due course	Workshop scheduled for 25 June meeting, and will be revisited in October	In progress
HES/220218 151	<b>Outline International Strategy (HES 008/18 para 28)</b> A draft strategy should be brought back to the Board in August	Alison Turnbull	August Board Meeting	Now programmed to be brought to the November strategy Meeting	In progress
HES/260418 152	<b>Draft Digital Strategy (HES 017/18 para 12)</b> A final version will be brought to the Board in August	Lisa McGraith	August Board Meeting	Scheduled for August meeting	In progress

<b>HES/240518 156</b>	<b>Draft Financial Strategy (240518 para 6)</b> A number of questions should be explored further prior to paper returning to Board in November	Donella Steel	November Session	Programmed for November Strategy Session	In progress
<b>HES/240518 157</b>	<b>Vision 2030 (240518 para 10)</b> Further consideration will take place after Corporate Plan consultation finding emerge	Chief Executive	In due Course	Scheduled for February 2019 meeting	In progress



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## HISTORIC ENVIRONMENT SCOTLAND

### MINUTES OF HES BOARD MEETING HELD ON 22 FEBRUARY 2018

#### Conference Room, Longmore House

#### **Present:**

Jane Ryder, Chair  
Janet Brennan  
Ian Brennan  
Trudi Craggs  
Coinneach Maclean  
Fiona McLean  
Paul Stollard  
Ken Thomson

#### **In attendance:**

Alex Paterson, Chief Executive  
David Mitchell, Director of Conservation  
Donella Steel, Director of Finance  
Stephen Duncan, Director of Commercial and Tourism  
Gary Love, Director of Corporate Services  
Barbara Cummins, Director of Heritage  
Lisa McGraith, Director of Communications  
Alison Turnbull, Director of Development and Partnerships  
Jules Davidson, Board Secretariat

#### **Introduction and Apologies**

1. The Chair welcomed everyone to the meeting. Apologies were noted from Andrew Holmes, Ian Robertson and Amanda Livingstone. There were no new declarations of interests.

#### **Minutes of the 07 December Board Meeting and Action Tracker (HES 001/18)**

2. The Board approved the minutes of the December meeting, including the closed session minutes.
3. The Action Tracker was reviewed and progress noted.



## Matters Arising

4. Three items were highlighted under matters arising:
- **HES Budget** – the Chief Executive noted that the indicative budget outlined verbally at the December meeting had been confirmed in subsequent Scottish Government budget announcements. This was set out in a separate Board paper on the agenda.
  - **Year of Young People** – the proposed pricing incentive, enabling Young Scot card holders to access HES, NTS and selected Historic Housing Association properties for £1 during 2018 had been agreed. It took effect from 1 February at HES properties, and from 1 March at NTS properties.
  - **Edinburgh World Heritage Management Plan** – the Plan, approved by the Board in December, had also been approved by Edinburgh City Council. A formal launch event was anticipated in late March, date to be confirmed.

## Chair's report

5. The Chair noted the following items:
- **Duff House, 24 January.** The Chair hosted the unveiling of the Joshua Reynolds portrait.
  - **London, 01 February.** The Chair met with the Chair of Historic England and reported a positive and valuable first meeting.
  - **Stirling, 12 February.** The Chair delivered the opening speech at the launch of the Asset Management Plan and Investment Plan, and observed that the event had been very well received with good contributions from HES staff and guest speakers. Associated press coverage, particularly in terms of the Investment Plan, had been good.
6. Forthcoming engagements:
- The Chair will attend a meeting of the Historic Scotland Foundation on 13 March.
  - A meeting of the Chair's Committee will take place on 15 March.

## Annual Operating Plan (HES 002/18)

7. Donella Steel introduced the paper on the Annual Operating Plan for 2018-19. It was noted that this should be considered alongside the paper presenting the HES budget for 2018-19.

8. The Plan had sought to incorporate comments made on the initial draft considered at the December meeting. In welcoming the design and content of the Plan, the Board suggested a number of additional minor amendments and clarifications. In particular, the Board felt that the Plan should make more reference to both the People Strategy and Investment Plan, and that the definition of some KPIs could be clearer.

9. The Board noted the intention to publish the plan in early April. Any outstanding comments should be sent to Donella Steel by 02 March, following which a final version of the Plan will be circulated for approval.

**Action: Donella Steel**

### **Draft 2018-19 Budget and Investment Plan (HES 003/18)**

10. Donella Steel presented the 2018-19 budget for the Board's approval. The Board commended the clarity of the paper and presentation of financial information. The paper was considered in two parts – the overall HES budget, and secondly, the Investment Plan component.

11. The paper set out the agreed HES budget following the Spending Review, noting the reduced level of Grant in Aid and the significantly increased level of commercial income assumed. Overall, the budget represented a good settlement, which would allow HES to maintain activities, including the grants programme and year two of the Investment Plan.

12. The Board discussed some of the assumptions and risks associated with the budget, and plans for enhanced financial reporting. The Director of Finance indicated that she was working on this and would bring forward proposals.

13. An Annex to the paper provided a summary of the Investment Plan delivery during the current year and indicative plans and funding allocation for 2018-19. It was noted that the final profile of projects would be confirmed after the financial year end, once the status of current works was clear. An updated paper on the Investment Plan, including governance proposals for major projects, would be brought to the April meeting.

**Action: Donella Steel**

14. The Board approved the draft budget.

### **Corporate Plan (HES 004/18)**

15. Alison Turnbull and Fiona McLean introduced the paper, which presented the proposed approach to developing the next HES Corporate Plan. A key feature was the scheduled period of pre-consultation engagement with the sector prior to formal consultation on a draft document. It was agreed that effort should be made to ensure

that 'hard to reach' groups are included. It was noted that external consultants would be commissioned to work alongside staff and Board members.

16. The Board welcomed the proposed process. An update will be provided at the April meeting, with a draft consultation brought to the Board in August, and a draft Corporate Plan submitted to the December meeting.

**Action: Alison Turnbull**

### **Gaelic Plan (HES 005/18)**

17. Lisa McGraith introduced the paper, which set out the consultation response to the draft HES Gaelic language plan for 2018-23, and invited the Board to approve the final version of the document. The consultation had been very supportive of HES plans, with three amendments made to the plan as a result.

18. The Board welcomed the confirmation of a new staffing resource dedicated to the implementation of the Gaelic Plan, and the establishment of an internal group to oversee its delivery. An annual update would be provided to the Board.

19. The Board commended the paper and approved the final version of the plan. It would now be submitted to Bord na Gaidhlig, and a communications plan put in place to launch the document.

**Action: Lisa McGraith**

### **Acquisition and Disposal Policy (HES 006/18)**

20. David Mitchell introduced the paper, and the draft Policy which was intended to outline the process by which requests for acquisition and disposal of properties in care would be handled. The Board noted that the first substantive request has been made for a property to be taken into care.

21. Following lengthy discussion it was agreed that further consideration and clarification in a number of areas was required, including appropriate identification of the different interests involved. It was agreed the Board should consider revised proposals at a future meeting in the context of a wider ranging strategic discussion.

22. In terms of the outstanding case under consideration, the Board agreed that this could be considered under the draft policy, with lessons learned informing future discussion and policy.

**Action: Chief Executive**

### **Draft Volunteering Policy (HES 007/18)**

23. Alison Turnbull introduced the draft policy, which would update the Historic Scotland Volunteering Policy. It was noted that HES has a significant volunteer programme with over 300 volunteers across many aspects of our business.

24. In welcoming the Policy, a number of amendments were suggested, including greater clarity on safeguarding, and the addition of a section highlighting the importance of volunteering to HES and our ambitions to expand this work including opportunities linked to the year of young people. A cross-HES team has been established to take this forward.

25. The Board delegated final sign-off to the Chief Executive in consultation with Janet Brennan. The Policy would be reviewed annually initially.

### **Networking Globally – An Outline International Strategy for HES (HES 008/18)**

26. Alison Turnbull introduced the outline international strategy. The paper noted that HES is already active internationally, and that a new international strategy would provide greater focus to this work. The strategy would sit within a wider context, including the international plans of Scottish Government and a range of stakeholders, and take account of developments in the international arena, such as the UK leaving the EU. The outline strategy set out a vision and four themes which would provide the structure under which delivery plans would sit.

27. To assist the development of the strategy, the Board offered a number of comments, including the importance of aligning the strategy with the Corporate Plan and our five strategic themes, focussing on HES as opposed to the wider sector, and with cultural leadership rather than cultural diplomacy as one of the four themes.

28. With these comments, the Board indicated that they were broadly content with the outline approach and it was agreed that a draft strategy would be brought back to the Board in August.

**Action: Alison Turnbull**

### **HES Service Standards (HES 009/18)**

29. Donella Steel introduced the paper, which set out proposed customer service standards. The standards had been developed in conjunction with staff across the organisation, by reviewing standards of other organisations, and refined following a trial period.

30. The Board were content with the paper subject to clarification of the opening hours of the Archive Search Room at John Sinclair House and confirmation that the section on data was in line with GDPR requirements. It was delegated to the Chief Executive to approve the final version and implement.

**Action: Chief Executive**

### **Grant Approval – Edinburgh Printworks (HES 010/18)**

31. Donella Steel introduced the paper, which sought approval of a supplementary grant of £98,281 in addition to the current funding allocation of £500,000 under the Historic Environment Repair Grant scheme, to Edinburgh Printmakers to progress additional works identified at the former North British Rubber Company building.

32. It was noted that applications to other funders for increased levels of funding are pending, and if successful, the HES contribution could reduce. The likelihood of subsequent funding being requested was discussed, and thought unlikely. The Board approved the increased grant award.

### **Grant Approval - North Isles Orkney (HES 011/18)**

33. Donella Steel introduced an application for grant approval of up to £654,328 for a Conservation Area Regeneration Scheme (CARS) Round 7 grant to Orkney Islands Council towards the North Isles Landscape Partnership Scheme. The total funding package, across thirteen projects over a five year period, totalled £4.52m. The Board approved the grant.

34. In discussing grants, two additional points were agreed:

- The Chief Executive noted that the new programme of City Heritage Trust funding would come to the April Board meeting. As the current funding ends at the end of March, it was proposed to offer an extension of revenue funding to the existing Trusts for a period of six months to enable them to operate pending board consideration. The sum involved was £287,500 which would be offset against a new grant award. The Board agreed this course of action.
- A wider discussion on grants would be scheduled for the October meeting.

## Chief Executive's Report (HES 012/18)

35. The Chief Executive presented his update to the Board. A number of matters were discussed, including;

- The Chief Executive reported a positive and constructive meeting of the Trade Union Partnership Board
- The Chief Executive provided an update on HQ options and noted that a decision by Ministers was expected soon.
- **Annex A** outlined the HES Financial Position to 31 December 2017. This showed a year-to-date surplus based on continued strong commercial performance. Additionally, the level of over-commitment has reduced, and a balanced budget at year end was anticipated. The Board noted the financial statement.
- **Annex B** outlined the Corporate Performance report to 31 January 2018. This reflected good progress towards the delivery of our objectives, with 23 deliverables achieved out of 79 in total with the majority of the remainder being on track for delivery. The Chief Executive noted that a small number of deliverables will be partially achieved at the end the financial year and will continue into 2018-19.

## Audit, Risk and Assurance Committee Minutes (HES 013/18)

36. Ian Brennan gave an update on the meeting of the Audit, Risk and Assurance Committee (ARAC) held on 12 January. He noted that the Committee had discussed a range of issues including the CMIS project, a post-evaluation report on the Engine Shed, and procurement controls.

37. Ian gave an overview of the Internal Audit and Business Improvement Plan, included as an annex to the Committee minutes in the Board papers. This provided a clear programme of work aligned to the risk register. It was recognised that circumstances might affect the order in which individual pieces of work were progressed, and that wider Board input might be useful on some topics.

## Staff Governance Committee

38. Ken Thomson gave a verbal update of the meeting of the Staff Governance Committee held on 1 February. The formal minutes will be circulated in due course. He noted that the Committee had discussed progress with the implementation of the People Strategy, the HES leadership development programme, and mental health training and awareness programme, on which feedback had been positive.

39. It was noted that scope existed to highlight the positive outcomes of our work, in particular, the Modern Apprenticeship scheme, under which around 35 apprentices are currently in place, making HES a leader in providing apprenticeships in traditional and non-traditional roles.

### **Historic Environment Scotland Enterprise (HESe) Board**

40. Coinneach Mclean gave a verbal update of the meeting of the HESe Board held on 21 February. Now in its third year of operation, HESe is expected to deliver a £3m contribution, considerably exceeding the sum projected in the original five-year business plan. Coinneach noted that a slight reduction in contribution is anticipated next year due to a number of factors including an increase in overhead allocation, but the anticipated rate remains well above projection. Publishing is the only activity which is performing below expectation, and would be an area of focus.

41. The HESe Board had also considered the draft HESe Business Plan for 2018-19, and expected to agree this at the next meeting.

### **Board Planning (HES 014/18)**

42. The Chair introduced the paper which set out Board plans for 2018. In addition to business meetings, May and November would be strategy days, with visits in March and September. It was agreed that an additional meeting should be arranged for late June.

**Action: Board Secretariat**

43. There followed a closed session with the Board and Chief Executive.

### **Date of next meeting**

44. The next meeting is scheduled to take place on **Thursday, 26 April 2018, Conference Room, Longmore House.**

**HISTORIC ENVIRONMENT SCOTLAND BOARD  
LIVE ACTIONS**

Actions arising from Board Meetings					
Action Ref	Action/Decision	Lead	Due Date	Comment	Progress
HES/271016 113	<b>HES Audit and Risk Committee (HES 199-201/16) – Chair’s Annual report</b> Assurance that the Crown Copyright issue has been properly resolved. This may be for ARAC	Ricki Mclaughlin	27/10/17	This was included in the legal healthcheck undertaken by Harper Macleod. An interim Head of Legal is in place helping us address the copyright and IPR issues and a permanent Head of Legal with IP expertise has been recruited.	In progress
HES/250517 139	<b>HQ, Archives and Collections (HES 039/17)</b> HES storage requirements to be included on July agenda	Barbara Cummins		Study of future archive storage requirements captured. Options to be considered including a multi-agency partnership led by SG	In Progress
HES/071217 140	<b>World Heritage Management (HES 082/17)</b> Produce an annual report to the Board on HES World Heritage work	Barbara Cummins	Annual	To be scheduled into Board programme	In Progress
HES/220218 147	<b>Draft Budget and Investment Plan (HES 003/18 para 13)</b> An updated paper on the Investment Plan, including governance proposals for major projects will be brought to the April meeting.	Donella Steel	April Board Meeting	Paper on Governance Arrangements tabled at 26 April meeting	In progress
HES/220218 148	<b>Corporate Plan (HES 004/18 para 16)</b> An update will be provided at the April Board meeting, a draft consultation brought to the Board in August, and a draft Plan submitted to the December meeting	Alison Turnbull	Various (First: April Board Meeting)	Update tabled at 26 April meeting	In progress
HES/220218 150	<b>Acquisition and Disposal Policy (HES 006/18 para 21)</b> Bring revised proposals to the Board at a future meeting in the context of a wider ranging strategic discussion	Chief Executive	In due course	Due to be tabled at June meeting	In progress
HES/220218 151	<b>Outline International Strategy (HES 008/18 para 28)</b> A draft strategy should be brought back to the Board in August	Alison Turnbull	August Board Meeting	Due to be tabled at Aug meeting	In progress