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MINUTE OF HES BOARD MEETING HELD ON 24 NOVEMBER 2022

RIDDLE'S COURT, EDINBURGH

Present:

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

In attendance:

Alex Paterson, Chief Executive
Stephen Duncan, Director of Marketing and Engagement
Elly McCrone, Director of Heritage
Craig Mearns, Director of Operations
David Mitchell, Director of Cultural Assets
Lindsey Ross, Director of People
Alison Turnbull, Director of External Relations and Partnership
Ben Thomas (part)
Nick Thomas (part)
Adam Jackson (part)
Karen Scrymgeour (part)
Ella MacColl, Chief Executive's Office
Susan Duthie, EA to Director Finance & Corporate Services (Secretariat)

Introduction, Apologies, and Minute of the Last Meeting

1. The Chair welcomed everyone to the meeting. Apologies were noted from Jane Williamson and Donella Steel.
2. The minutes of the Board meeting held on 25 August and strategy day held on 20 October were approved.

Matters Arising

3. The Chair noted that further to discussion and agreement at the August Board meeting to review the HES business model, work had progressed and the Chairs' Committee had met to inform the work.
4. It was agreed that an update on the Archive House project would be brought to the February Board meeting.

Chair's Update

5. The Chair noted that he had visited a number of sites in the South region with Lindsey Ross, Director of People and Craig Mearns, Director of Operations. He particularly enjoyed engaging with the site and works teams.
6. The Chair and Chief Executive visited Mavisbank with the Chair and Director of the Landmark Trust to discuss options for Mavisbank House. The Chair added that there was no change in the Board's position regarding Mavisbank.
7. The Chair updated that recruitment of Board members is under way, with interviews scheduled to take place in January.

Chief Executive's Update

8. The Chief Executive highlighted a number of matters which supplement the written report, including:
 - The Annual Report and Financial Statements for 2021/22 have been published this week. The PIC Report was published at the same time.
 - The final version of the draft Holyrood Park plan is due next week. Consultation will start with key stakeholders in February 2023.
 - Consultations on the draft Responsible Tourism Framework and the draft Regulatory Framework are both live.
 - Stephen Duncan, Director of Marketing and Engagement, has been appointed to the Tourism and Hospitality Industry Leadership Group (ILG).
 - The Cumbernauld listing decision was announced on 23 November.
 - HES will be participating in the National Fraud Initiative. This takes place every two years. There were no issues for HES in the previous survey.
 - The Chief Executive updated on developments with Knockando Woolmill Trust since the Board's previous involvement.
 - As noted in the Health & Safety Q2 Update, a visitor was involved in an accident at Stirling Castle. The Director of People undertook to review staff training involving bus movements.
 - The Chair and Chief Executive will be meeting with Neil Grey, Minister for Culture, Europe, and International Development in early January,
9. The Chief Executive gave an overview of the Financial Statement position to the end of September. Performance continues to be ahead of budget, while noting cost pressures from the pay award and in relation to HLM activity.
10. Positive discussions have taken place with Scottish Government regarding the use of additional in-year -year income and potential end-year surplus. Scottish Government has agreed that HES could retain and use £7.3m additional income generated in year. Agreement could not currently be given to carry forward year-end surplus, with the subject to be revisited at the end of Q3.
11. Emma Herd, Chair of the Finance Committee had nothing to add with regards to the Financial Statement.
12. Scottish Government will publish its 2023/24 budget on 15 December, at which point HES funding from SG will be known. A note will be circulated to the Board after the budget announcement.

ACTION: Chair

13. The Chief Executive gave the board an overview of the quarterly Corporate Performance Report at the half year point. Of the 28 indicators, 25 are on track, one is achieved and one at risk.
14. The Board approved the success criteria for indicator 2.4, Archive House and the proposed amendment to the success criteria for indicator 5.1, OPiT, the latter reflecting the amended timetable for publishing the refreshed strategy.
15. The Chief Executive updated the Board on the Pay Award 2022-23. He advised that the previously approved pay remit was paid in October. However, since then, there had been movement on Pay Policy guidance from SG which enabled the SG pay offer to be matched by other organisations. HES proposed to do this, the details of which were set out in the Board paper.
16. It was noted that the proposal had been considered and recommended by the People Committee, and funding had been confirmed. The Board approved the updated pay proposal.

Draft Annual Operating Plan

Denise Mattison joined the meeting

17. Denise Mattison, Head of Corporate, Analysis & Performance, presented an early draft of the Annual Operating Plan (AOP) for 2023/24. The draft final version will be brought back in February for approval.
18. The Board was invited to consider the direction of travel set out in the draft AOP and in particular the six priorities for 2023/24 and areas of focus represented by the AOP indicators all of which continue from 2023/23.
19. The Board endorsed the draft plan, offering a number of suggestions including increasing the prominence of climate change and digital, highlighting the six priorities more and building on our regional model.
20. The AOP will be further developed and affordability will be tested following the budget announcement on 15 December.

Denise Mattison left the meeting

Nick Thomas joined the meeting

Admissions Pricing 2023-25

21. Stephen Duncan, Director of Marketing and Engagement, introduced and invited the Board to approve the updated admissions price plan. The changes to admission prices are proposed due to the economic challenges and increased costs, and will take effect from 2023.
22. In approving the proposals, the Board recognised the increased costs facing HES and noted that many visitor attractions were also proposing increased prices.

However, and recognising the cost of living crisis, the Board welcomed plans to develop an off-season promotion and agreed that the child age (free entry) would rise from 5 years to 7 years as previously agreed but deferred till 2023.

23. It was also agreed that the financial impact of this age change would be recovered by further increasing adult prices at one or more of the largest three sites, the details delegated to the Chief Executive and Director of Marketing and Engagement to agree.
24. Separately from pricing, it was agreed that relevant Directors would consider whether more seasonal sites might stay open in October over the school holiday period.

ACTION: Stephen Duncan, Director of Marketing and Engagement, and Craig Mearns, Director of Operations

Nick Thomas left the meeting

Adam Jackson and Ben Thomas joined the meeting

OPiT Refresh Draft

25. Alison Turnbull, Director of External Relations and Partnerships, advised that the Minister signed off the draft on 21 November. It will go for consultation on Monday 28 November for 12 weeks. Alison invited the Board to comment and asked for their help to publicise the consultation. It was noted that as the Minister had asked HES to lead on the review, it would have been appropriate for the Board to provide comment on the draft prior to submission to the Minister.
26. The Board discussed the draft report, noting a number of points including the importance of data on which to base OPiT, that while HES will have a lead role to play it is important that it is seen as a sector strategy, and that the governance and delivery models will be key to its successful implementation. It is planned that the refreshed strategy will be published by end April 2023.

Adam Jackson and Ben Thomas left the meeting

Karen Scrymgeour joined the meeting

Draft Public Sector Information (PSI) Policy

27. Karen Scrymgeour, Acting Head of Legal introduced the paper, which set out how HES proposes to comply with the Re-use of Public Sector Information Regulations. The Board was invited to comment on the draft PSI Policy and revised Public Task Statement and to approve the proposed next steps.
28. The Board welcomed the papers and commended their clarity on a complex topic. In endorsing the Policy and the next steps, the Board suggested some clarification in relation to the definition of educational establishments and ensuring the Policy meets the requirements of HES legislation in relation to access.

Karen Scrimgeour left the meeting

High Level Masonry Update

29. David Mitchell, Director of Cultural Assets, presented the HLM update. The survey work is ahead of plan, and engagement with community groups and parliamentarians is ongoing. Craig Mearns, Director of Operations, outlined plans to roll out HLM inspection training and increased capacity which will turn move HLM into business as usual.
30. It was suggested that an engagement activity be held with professional organisations. In addition, the planned external peer review session is being rescheduled for early 2023

Updated Committee Terms of Reference (ToR)

31. The individual Committees had previously reviewed and approved their respective ToR. It was noted that as currently worded, it is possible that a scenario could arise in which Board representation on Committees could be in the minority. While unlikely and unintended, it was agreed that ToR of the People and Finance Committees be amended to ensure a Board majority. The wording proposed in the paper was agreed and Committee ToR will be updated accordingly. It was noted that the ARAC ToR do not need amended as membership is clearly specified and could not give rise to this situation.
32. Board members indicated they were content to approve the People and Finance Committee ToRs with this amendment.

ACTION: CEO's Office/
Committee secretariats

Committee Updates

ARAC Chair's Report

33. Ian Brennan, Chair of the Audit, Risk and Assurance Committee, presented his update on the meetings held on 16 August and 23 September and the meeting held on 23 November. He noted that there was a full discussion on policy and risk appetite which will be brought to the Board in February 2023.

People Committee

34. Fiona McLean, Chair of the People Committee, updated the Board on the significant activity on the three main projects: the Pay & Grading review; the 35hr week pilot and Strategic Workforce Planning.

HESe Board

35. Ian Robertson, chair of the HESe Board, updated on the Board meeting held on 23 November. At the six-month point, income was well ahead of budget with most of the main business strands are ahead of target. £1.5m of the loan from HES to HESe has been repaid to date.

Finance Committee

36. Emma Herd, Chair of Finance Committee, gave an update on the meeting held on 01 November. The budget and financial statement were discussed. A PMO update was provided including on the Benefits Realisation Framework.

AOB

37. The Chair acknowledged the resignation of Jane Williamson and wished to recognise her contribution to the HES Board and passed on his good wishes and thanks.

Meeting closed.