

---

# **Stakeholder Engagement for RCAHMS and Historic Scotland transition**

**Final report**

**January 2013**



## Contents

1. Introduction .....	1
2. Methodology.....	3
3. Online survey analysis .....	6
4. Stakeholder consultation events .....	29
5. Telephone interviews .....	35
6. Key themes .....	48
7. Future stakeholder engagement .....	54

## Annexes

Annex 1 – Organisations attending stakeholder workshops

Annex 2 – Organisations taking part in telephone interviews

Annex 3 – The Welsh Experience



## 1. Introduction

---

### Consultation about Change

- 1.1 Historic Scotland and The Royal Commission on the Ancient and Historical Monuments of Scotland (RCAHMS) jointly commissioned this independent consultation with their stakeholders to gauge views about the advantages and disadvantages of a proposed merger of the two organisations. This report sets out the findings from the consultation which was undertaken in November and early December 2012.
- 1.2 This consultation exercise should be seen as part of a process which began in November 2011, when the Cabinet Secretary for Culture and External Affairs commissioned an options appraisal on the future of RCAHMS. This options appraisal gathered evidence from a number of sources, including from interested stakeholders.
- 1.3 Having considered the options appraisal, the Cabinet Secretary stated that she believed that a merger between RCAHMS and Historic Scotland to create a new organisation provided the best means of securing RCAHMS' functions by placing them on a statutory basis. This was intended to ensure that these functions would be sustained and nurtured for the future.
- 1.4 The Cabinet Secretary then asked RCAHMS and Historic Scotland to work together on the development of the business case for merger.
- 1.5 Although stakeholders with a relationship to RCAHMS had already been involved in previous consultation, this is the first time that the views of stakeholders of Historic Scotland have been sought as part of this process. The consultation took place at a time when no decisions had been taken about the future governance arrangements for the proposed merged organisation.

### Background to the Organisations

- 1.6 RCAHMS was established by Royal Warrant in 1908 and is a registered charity. Its remit, structure and activities have evolved substantially over the last 100 years. It has a staff of around 115, and core funding from the Scottish Government totalling about £4 million, with another £2 million of project or earned income.
- 1.7 Historic Scotland is an Executive Agency of the Scottish Government, responsible for protecting and promoting the built environment. It also has a number of statutory responsibilities, and acts as both a leader and enabler for

the historic environment in Scotland. Historic Scotland employs around 1,100 people, with a total annual budget of about £83 million. Since 2010 it has sponsored RCAHMS.

- 1.8 A number of future options for the governance of RCAHMS have been considered as part of wider policy and legislative reviews over the last 15 years. For example, in 2007 the Scottish Government committed to reforming the public sector and reducing the number of bodies. This included a proposed merger between RCAHMS and Historic Scotland. However, this proposal did not proceed.

## 2. Methodology

---

### Overview

2.1 There were three main elements to this stakeholder consultation:

- an online survey with individuals and organisations with an interest in RCAHMS and/or Historic Scotland;
- workshops with stakeholders (principally from key Scottish organisations) to discuss their views in more depth; and
- telephone interviews with policy makers in key organisations with a relationship to RCAHMS and/or Historic Scotland.

### Preparatory Work

2.2 An initial workshop was conducted with a group of senior staff from RCAHMS, Historic Scotland and BEFS (Built Environment Forum Scotland). This workshop discussed the information that it would be most useful to gather from stakeholders. This included a discussion about who should be involved in the different elements of the consultation, and the content of the online survey.

### Online Survey

2.3 We drafted a self completion questionnaire and agreed the content with RCAHMS and Historic Scotland. The questionnaire was designed to be completed online and was in two distinct sections. The first covered the basic relationship the respondent held with RCAHMS and Historic Scotland. The second section asked for more detail about the potential advantages and disadvantages of a merger. Respondents were given the option of ending the survey after completing the first section, or continuing to the more detailed second section.

2.4 The first section of the survey asked about respondents' knowledge, interest and relationship with each of RCAHMS and Historic Scotland. Respondents were then asked to rate how satisfied they were with these relationships. This section also asked about the most important features of the way that RCAHMS and Historic Scotland work and the services that they provide.

2.5 The second section of the survey sought views about a proposed merger; the potential advantages and disadvantages of this; and how any disadvantages could be mitigated. The survey also gauged what the potential impact of the merger would be on respondents' organisations.

- 2.6 A link to the survey was sent to contacts on the mailing lists of Historic Scotland, RCAHMS and BEFS for them to circulate to their members. In addition, Historic Scotland embedded the link to the survey in their emails; and the link was included on websites and in newsletters that were issued in late 2012. Stakeholders were also encouraged to forward the link to others who had an interest in the future of Historic Scotland and RCAHMS. This range of methods for disseminating the survey provided the opportunity for a very wide range of stakeholders to participate.
- 2.7 In total, 599 people responded to the online survey - 511 individuals and 88 organisations, although a substantial number of these (about 170 respondents) only answered a few initial questions. The findings from the online survey are included in Section 3.

### **Stakeholder Consultation Workshops**

- 2.8 To complement the breadth of comments from the online survey, we designed and delivered two consultation workshops to gather a depth of views. The two events were held in Glasgow and Edinburgh to ensure a good geographic spread. A third event was planned for Inverness. But, due to insufficient numbers, this had to be cancelled. We conducted a telephone interview with the only participant who had booked as an alternative.
- 2.9 The structure for the workshops allowed us to present the initial findings from the online survey. We used participative methods to ensure all those attending had the chance to have their say by breaking into smaller groups for discussion. Participants explored key issues identified in the survey but in a more discursive and deliberative way. The events lasted about two hours giving time for in depth discussion without being over demanding on the time of attendees.
- 2.10 We invited a wide range of organisations with an interest in the future of RCAHMS and Historic Scotland – including stakeholders who use the resources and functions of the existing organisations and key partners. We worked with RCAHMS, Historic Scotland and BEFS to encourage attendance from their members and supporters. All participants were asked to book into the events in advance. In total, eight people came to the Glasgow event and 14 attended in Edinburgh.
- 2.11 The findings from the stakeholder consultation workshops are included in Section 4. A list of the organisations that participated is included in Annex 1.

## Stakeholder Interviews

2.12 RCAHMS and Historic Scotland provided us with a list of 20 stakeholders who they felt it would be useful to interview. We were able to undertake interviews with 21 people in 19 organisations. Two of these interviews took place with organisations based in Wales - Cadw and RCAHMSW.

2.13 These interviews were an opportunity for senior people from these organisations to express their views on a one-to-one basis, allowing us explore and probe important issues.

2.14 A discussion guide was developed for the interviews and agreed in advance with RCAHMS and Historic Scotland. It focused on existing experience of working with the two organisations and views on the merger and associated issues.

2.15 A list of the organisations interviewed is included in Annex 2. Views from the stakeholder interviews are included in Section 5.

### 3. Online Survey Analysis

#### Introduction

- 3.1 This chapter explores the results of the online survey. In total, 599 people responded to the survey, which sought views on existing relationships with Historic Scotland and RCAHMS, and then asked for views on the potential advantages and disadvantages of a merger between these organisations. However, a significant number of respondents (about 170) appear only to have answered the initial question and then either not continued or only answered very few questions. We have made clear in each table how many responses were received to each question.
- 3.2 Respondents were asked to indicate whether they were responding on behalf of an organisation (88 respondents, 15%), or as an individual (511 respondents, 85%).

#### Interest and Relationship with RCAHMS

- 3.3 The vast majority of respondents (96%) indicated that they had knowledge of RCAHMS and an interest in its functions. Over a third of respondents to this question (36%) stated that this was a personal interest, while 26 per cent indicated their interest in RCAHMS was professional in nature. A significant number (21%) stated their interest in RCAHMS was academic.

**Table 1**

**What is your main relationship with RCAHMS? Select one of the options below:**

Answer Options	Response Percent	Response Count
Personal interest	36%	151
Professional	26%	109
Academic	21%	89
Public sector partner	6%	27
Volunteer	5%	22
Voluntary sector partner	4%	15
Commercial or private organisation	3%	14
Other (please specify)		29

*Answered question 427*

#### ***Relationship with RCAHMS***

- 3.4 Respondents to this question (n=433) indicated that their relationship with RCAHMS was a positive one, with 41 per cent describing their relationship as 'excellent' and a further 34 per cent indicating that their relationship was 'very



good'. Less than three per cent of respondents indicated their relationship with RCAHMS was 'poor', or 'very poor'. Table 2 shows the full breakdown of how respondents rated their relationship with RCAHMS.

<b>Table 2</b>		
<b>How would you rate your relationship with RCAHMS? Select one of the options below: My relationship with RCAHMS is...</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Excellent	41%	177
Very good	34%	145
Good	18%	78
Fair	5%	22
Poor	2%	8
Very poor	1%	3
<i>Answered question 433</i>		

3.5 Some respondents (84%, n=362) commented on their relationship rating. Some examples are listed here:

**Excellent....**

“I have found my relationship with the RCAHMS very positive and fruitful. In general I have worked with RCAHMS colleagues who have displayed a can-do attitude.”  
Organisation

“Very capable and willing partner resulting in mutually successful projects achieving significant public benefits. The partnership benefits our organisation in many ways both formal and informal and the positive attitude of RCAHMS staff and their ability to think 'outside the box' are invaluable assets.”  
Organisation

**Good....**

“I have had some really positive and useful interactions with RCAHMS but I know historically our organisation have had mixed experiences. My own experience is that different individuals represent different levels of helpfulness and usefulness.”  
Individual

**Poor....**

“I feel that as someone who pays for data and information regularly, I am not treated well as an individual or as a business when interacting with the RCAHMS staff with the exception of the aerial photographic section. There is a distinct feeling that as a customer you are frequently treated more as an irritant than as a paying customer.”  
Organisation

## Important Features of RCAHMS

3.6 Respondents were asked to rate the most important features of the way RCAHMS works, from a list that we provided. Respondents were asked to give a rating of one to the most important feature and seven the least important. By taking the number of responses rated '1<sup>st</sup>' and dividing these by the total number of respondents from each column, we can see that 35 per cent (144/413 total respondents) rated expertise as the most important feature of RCAHMS work, followed by accessibility to information (24%) and then the quality of information (20%). Culture and ethos of the organisation (5%), and its passion (2%) were rated as the least important features.

**Table 3**

**Which, for you, are the most important features of the way that RCAHMS works? Please rate the features in order of importance to you where 1 is most important and 7 is least important. You do not have to rate all 7 features.**

Answer Options	1st	2nd	3rd	4th	5th	6th	7th
Expertise	144	63	51	68	46	9	3
Accessibility to information	98	103	81	45	31	15	5
Quality of information	84	109	107	53	26	14	2
Online services	51	73	70	78	40	33	21
Culture and ethos	19	23	25	29	62	110	55
Passion	10	18	26	23	35	56	145
Range of services	7	15	37	70	95	62	54
<b>Total respondents</b>	<b>413</b>	<b>404</b>	<b>397</b>	<b>366</b>	<b>335</b>	<b>299</b>	<b>285</b>

*Answered question: 421*

3.7 Respondents were then asked if there were any other important features they wished to identify. Suggestions included the independence and impartiality of RCAHMS and its ability to work in partnership with a number of organisations.

“They are independent from Ministerial control. This is vitally important to ensuring the culture and ethos, as well as the ability to ensure accessibility.”

Individual

“Our experience with RCAHMS has tended to be by way of real partnership, where we both understand our roles, and each fulfils them to the best of our ability.”

Organisation



## Important Services Provided by RCAHMS

3.8 Respondents were also asked to indicate what they felt were the most important services that RCAHMS provided, this time from a list of eight possible services. Again, by taking the number of responses rated '1<sup>st</sup>' and dividing these by the total respondents, we can see that Canmore (35%) was rated as the most important service, followed by collections (26%), and then survey and research work (24%). Talks, publications and exhibitions' (2%) and SURE (1%) were rated as the least important services.

**Table 4**

**Which, for you, are the most important services provided by RCAHMS? Please rate the services in order of importance to you where 1 is most important and 8 least important. You do not have to rate all 8 services.**

Answer Options	1st	2nd	3rd	4th	5th	6th	7th	8th
Canmore	143	78	67	43	19	14	4	2
Collections	104	94	50	60	26	16	3	1
Survey and research work	96	87	68	41	50	12	11	9
Scran	21	45	43	64	37	41	36	13
National Collection of Aerial Photography	20	53	83	49	58	33	32	9
Outreach programmes	11	11	20	26	38	55	80	29
Talks, publications and exhibitions	8	17	36	53	61	67	42	26
SURE	4	9	7	9	16	26	24	119
<b>Total respondents</b>	<b>407</b>	<b>394</b>	<b>374</b>	<b>345</b>	<b>305</b>	<b>264</b>	<b>232</b>	<b>208</b>
	<i>Answered question 416</i>							

3.9 Respondents were asked if there were any other important aspects of RCAHMS work that had not been listed in the table. Other suggestions included:

- Access to archives
- Aerial photographic archives
- Their record of the built environment
- Their knowledge of the landscape
- Their electronic access to heritage information
- Their expertise in the interpretation and analysis of collections.

## Interest and Relationship with Historic Scotland

3.10 Ninety-three per cent of respondents indicated that they had knowledge of Historic Scotland and an interest in its functions. Around a third of respondents to this question (30%) stated that they were a member of Historic Scotland, while 17 per cent stated they were individuals seeking advice. A further 15 per cent of respondents stated their interest in Historic Scotland was as a public sector partner and 13 per cent were commercial or private organisations.

<b>Table 5</b>		
<b>What is your main relationship with Historic Scotland? Select one of the options below:</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Member	30%	93
Individual receiving advice	17%	53
Public sector partner	15%	45
Commercial or private organisation	13%	39
Owner or other interested in designated heritage assets	9%	29
Academic partner	7%	20
Voluntary sector partner	7%	20
Volunteer	3%	8

*Answered question 307*

### ***Relationship with Historic Scotland***

3.11 Respondents to this question (n=378) indicated that their relationship with Historic Scotland was positive, with 19 per cent of respondents describing their relationship as 'excellent' and a further 30 per cent indicating that their relationship as 'very good'. Four per cent of respondents suggested their relationship was either 'poor' or 'very poor'. Table 6 shows the full breakdown of how respondents rated their relationship with Historic Scotland.

<b>Table 6</b>		
<b>How would you rate your relationship with Historic Scotland? Select one of the options below: My relationship with Historic Scotland is...</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Excellent	19%	70
Very good	30%	113
Good	36%	136
Fair	11%	43
Poor	3%	13
Very poor	1%	3

*Answered question 378*

## Important Features of Historic Scotland

3.12 Respondents were asked to rate, using the seven point scale, the most important features of the way that Historic Scotland works. By taking the number of responses rated '1<sup>st</sup>' and dividing these by the total number of respondents, we can see that, by some distance, the most important feature was 'expertise' (54%), followed by 'accessibility to information' (23%) and 'culture and ethos' (9%).

**Table 7**

**Which, for you, are the most important features of the way that Historic Scotland works? Please rate the features in order of importance to you where 1 is most important and 7 is least important. You do not have to rate all 7 features.**

Answer Options	1st	2nd	3rd	4th	5th	6th	7th
Expertise	189	83	28	11	10	4	4
Accessibility to information	81	111	60	30	22	7	5
Culture and ethos	33	47	62	43	18	32	23
Range of services	15	41	71	60	41	31	7
Affordability of products	11	13	18	33	28	33	81
Passion	10	14	26	46	46	34	46
Range of products	9	18	29	36	50	54	21
<b>Total respondents</b>	<b>348</b>	<b>327</b>	<b>294</b>	<b>259</b>	<b>215</b>	<b>195</b>	<b>187</b>
<i>Answered question 356</i>							

3.13 Respondents were asked if there were any other important features they wished to identify. Responses included:

- Protecting and maintaining heritage
- Mediating between developers, archaeological contractors and others as well as general partnership working
- Providing grants for repairs to historic buildings
- Sharing its expertise through a learning programme of education
- Influencing Government policies which may impact on the historic environment
- Promoting historical research.

## Important Services Provided by Historic Scotland

3.14 The most important service provided by Historic Scotland, was seen to be 'stewardship of the historic environment' (37%). This was followed by 'access to properties' (30%) and 'regulation and statutory functions' (11%). 'Outreach programmes' (1%) were rated by those who responded as the least important from the list of services provided by Historic Scotland.

**Table 8**

**Which, for you, are the most important services provided by Historic Scotland? Please rate the services in order of importance to you where 1 is most important and 8 is least important. You do not have to rate all 8 services.**

Answer Options	1st	2nd	3rd	4th	5th	6th	7th	8th
Stewardship of the historic environment	136	87	56	25	13	10	7	5
Access to properties	112	64	28	26	29	23	13	25
Regulation and statutory functions	40	53	42	41	33	19	16	19
Advisory and casework services	27	41	38	48	33	28	26	18
Grants and funding	25	48	64	37	32	20	31	11
Learning resources and publications	21	39	74	39	36	42	25	11
Training and skills development	4	15	25	47	44	45	37	33
Outreach programmes	3	9	10	23	24	31	49	72
<b>Total respondents</b>	<b>368</b>	<b>356</b>	<b>337</b>	<b>286</b>	<b>244</b>	<b>218</b>	<b>204</b>	<b>194</b>

*Answered question 371*

3.15 Respondents also mentioned other aspects of Historic Scotland's work including:

- Partnership working
- Preservation of Scotland's built heritage
- Research.

## Future Aspirations

3.16 In this section of the survey respondents were asked to give their views on the potential advantages and disadvantages resulting from a merger between RCAHMS and Historic Scotland.

### *Advantages of a merger*

3.17 Respondents were asked to choose from a list of options the three most important advantages resulting from a merger. They were also able to give their views on 'other' advantages not listed.

3.18 Respondents rated 'lead organisation for the sector' (40 responses/213 respondents, equating to 19%) as the most important advantage, followed by 'shared services' (18%) and 'larger pool of expertise' (16%). The least important options selected were 'improved publications' (1%) and 'focus on digital technology' (3%).

<b>What do you perceive would be the potential advantages resulting from a merger between RCHAMS and Historic Scotland?</b>			
<b>Advantages</b>	<b>Ad1</b>	<b>Ad2</b>	<b>Ad3</b>
Lead organisation for the sector	40	30	16
Shared services	38	16	17
Larger pool of expertise	35	42	21
Sustainability of functions	20	18	24
Greater awareness of the historic environment	19	12	29
Less cluttered organisational landscape	17	29	20
Greater consistency of approach	13	19	17
Increased efficiency	12	13	15
Other (please specify)	9	6	12
Focus on digital technology	7	12	9
Improved publications	3	4	11
<b>Total responding</b>	<b>213</b>	<b>201</b>	<b>191</b>

3.19 Respondents who chose ‘other’ expressed a range of views including:

- Less duplication
- Partnership working
- Cost savings.

3.20 A number of respondents (18 respondents, 8% of respondents to this question) used this space to say that in their view, there were no advantages to a merger. Of these 18 respondents, 17 were individuals and one was responding for an organisation.

### ***Reasons for views***

3.21 Respondents were asked to explain their reasons for the advantages that they listed. A range of views were expressed. Here we look at the top three advantages in more detail.

### ***Lead organisation for the sector***

3.22 Respondents felt the key advantage of a merger between the two services was to have one lead organisation for the sector. It was suggested that this would result in a clearer vision for Scotland’s heritage and one in which Scotland can be proud.

“.... a single integrated body with an aspiration to be a National Collection that spans from the monuments, buildings and landscapes that make up the Historic Environment, to its records in digital or traditional formats, and covering every aspect of recording and conservation in between. It is the opportunity to create the Heritage Service that is 'the envy of the world'.

Individual

3.23 It was considered by respondents that having all functions delivered by one organisation would result in less confusion about who deals with the historic environment in Scotland – particularly for the public, who can be confused by

the existing structures. Having a single organisation was expected to improve awareness and understanding of the sector.

“Easier understanding by the general public of who is involved and what happens from whom.”

Individual

“Having one organisation as the marquee name in the sector will surely only improve awareness and understanding of the sector.”

Individual

3.24 Views were expressed that one organisation would consolidate the expertise of the sector and bring together a more ‘coherent’ body with a single voice for the heritage sector.

“This would bring the expertise of both organisations into the same 'house' and allow these two to become the most important heritage organisation in Scotland. The collections and research functions of RCAHMS would sit well with the statutory function of Historic Scotland.”

Individual

“The heritage sector is not a large one so consolidation and merger to provide a single coherent body has a lot to commend it.”

Individual

3.25 Similarly respondents felt that this would lead to having one single ‘knowledge leader’ for the historic environment and a single site for enquiries and research as well as one authoritative organisation whose role would be to liaise with agencies involved with the historic landscape in Scotland.

“The sector is a busy landscape and this can sometime seem cluttered and confusing. Having the expertise of the two together would provide a powerful, knowledgeable leader for the sector - valuable in the face of government cuts.”

Individual

“One organisation to present to and work with government and academia.”

Individual

### ***Shared services***

3.26 The second most significant advantage identified by respondents was that the merger could bring about shared services, resulting in less duplication and overlap and therefore greater efficiencies.



“At present some of the same work is carried out by both organisations. There are also resources in each organisation which are used by the other. At present there is a working agreement between the two organisations but exchanging information generates unnecessary bureaucracy.”

Individual

3.27 Respondents highlighted that this should include the sharing of functions such as accommodation, human resources and administration – which could be brought together to bring about efficiencies and reduce duplication.

“There are common low skilled support functions such as HR, Admin and management which are replicated in each organisation. There may be scope to merge these functions, as long as it did not impact on the internal cultures.”

Individual

3.28 Many respondents felt that sharing services could lead to a greater ability to develop and manage information and result in more innovation and creativity.

“Although the functions of each agency differ from the other, by their nature both attract staff with similar portfolios of interests and skills, and a merger would enhance constructive interaction (which, it may be said, already takes place in many areas). There would also be advantages of scale and shared resources.”

Individual

3.29 Others suggested that a shared service would improve the collections for the public to access.

“The organisations do different things but could make savings from sharing some of the common activities.”

Individual

“With shared services there will be a greater collection to access regarding Scotland's heritage.”

Individual

### ***Larger pool of expertise***

3.30 The third most significant advantage of a merger was seen to be the benefit of a larger pool of expertise - with the knowledge of staff from both organisations being brought together. It was suggested that a merger would create a ‘one stop shop’ for advice, training and support. It was felt that stakeholders and the public would find it easier to access information.

“A larger pool of expertise would allow a one stop shop for advice, training and support for local heritage services, academic institutions and the public.”

Individual

“The experts will be integrated into one organisation, allowing greater specialisation and reducing duplication, and providing an effect greater than the sum of the parts.”

Individual

3.31 It was also suggested that by pooling resources, this could increase productivity of the organisation.

“There'll be more people to help preserve monuments, all with slightly different skill sets.”

Individual

“A larger pool of expertise will mean that more publications of a high quality can be produced. In turn, this will promote the new Historic Scotland / RCAHMS body, increasing its academic reputation.”

Individual

3.32 Respondents hoped that having one pool of experts would create improved joined up working across the heritage sector and result in a greater range of skills, knowledge and information sharing.

“Assuming that all staff will remain in post following a merger, this can only improve each staff members' awareness of all aspects of the historic environment; they should be able to consult with each other and this can only be an advantage.”

Organisation

“I would hope that by combining intellectual resources there would be a larger pool of expertise to hand in cases of research, study, publication, survey, etc. These would hopefully lead to some interesting work and developments, particularly in understanding, for example, landscapes within which a property is situated, or locating sites which are in need of support, or wider publicity.”

Individual

### ***Disadvantages***

3.33 Respondents were asked to select from a list what they perceived to be the three most important disadvantages of a merger. They were also able to give their views on 'other' disadvantages not listed.

3.34 Respondents rated ‘changed priorities’ and ‘conflict of roles’ equally as the most important disadvantages to merger (14%), followed closely by ‘loss of expertise’ (13%). The least commonly selected disadvantages were ‘increased prices’ and ‘loss of local input’.

**Table 10**

**What do you perceive might be the potential disadvantages resulting from a merger between RCAHMS and Historic Scotland?**

Disadvantages	Disadvantage 1	Disadvantage 2	Disadvantage 3
Changed priorities	31	30	16
Conflict of roles	31	15	19
Loss of expertise	28	21	20
Impact on delivery because of focus of change	22	17	21
Loss of staff morale	21	31	38
Loss of identity	21	19	13
Focus on fewer services	17	19	18
Relationship with Government	14	13	12
Change in culture	12	17	18
Other	8	2	2
Reduced accessibility to information	5	16	9
Loss of local input	3	4	6
Increased prices	1	0	3
<b>Total responding</b>	<b>214</b>	<b>204</b>	<b>195</b>

3.35 Of those who selected ‘other’ they gave a range of reasons including:

- Dissipation of expertise
- Loss of jobs
- Loss of funding
- Disruption to organisational structures
- Weakening of the sector through reducing the number of voices representing these interests.

### ***Reasons for views***

3.36 Respondents were asked to explain their reasons for the disadvantages that they listed. A range of views were expressed. Here we look at the three most important disadvantages in more detail.

### ***Changed priorities***

3.37 The key concern of stakeholders was that there could be conflict within the new organisation in deciding what its priorities should be. This was seen to be a likely result of different cultures and priorities coming together through the merged organisation. There was also concern that objectives would change as would the focus of a new organisation.

“The uncertainty about what the priorities of the new body will be is worrying for the interested outsider as well as staff.”

Individual

“There is a danger that some of the functions of the two organisations are prioritised over other, equally important, functions. The organisation will have a much larger remit than Historic Scotland and RCAHMS individually.”

Individual

3.38 As well as a change to priorities, there were concerns expressed that a merger could lead to change in service delivery and become less flexible to the needs of the stakeholders.

“A change in priorities will alter the services available and how they are accessed, it will change how those working for the organisations are expected to work, and it will change the available outlooks. All of these could easily have a negative impact and disallow the progresses that might be made from closer collaboration.”

Individual

3.39 There were also concerns that a change in priorities could lead to the dilution of important functions, such as securing and recording the national built and archaeological heritage in Scotland.

“One would hope that the merger would not result in a loss or downgrading of some of the critical functions of both organisations.”

Individual

“RCAHMS has a specific remit that is focused on, but not exclusive to, archaeology. Historic Scotland does not have this focus and so it is likely that archaeology in Scotland will suffer as a result of a merger. Historic Scotland's remit is closely tied to the tourist industry and so, as any merger will likely see this continue, we can expect to see less of a focus on sites and monument.”

Individual

### ***Conflict of roles***

3.40 Conflict of roles was seen as a potential disadvantage as a result of bringing together two distinct organisations with separate ethos and functions.

“The current roles of the two organisations are distinctively different, as are their institutional and operational cultures as have evolved over the years. This has generated a (usually friendly) rivalry between them in a number of areas. If the two organisations were simply thrust together under the same roof and expected to work as each always had done in the past this might lead to inefficiencies and conflict.”

Individual

3.41 There was a particular concern that the focus of the organisation would change, and could lead to a dilution or removal of some specific functions.

“The current roles of Historic Scotland and RCAHMS are, in my mind, clearly differentiated; this may not be the case for all respondents. But I see potential for confusion when the new organisation takes on the roles currently delivered by the Commission - with much more potential for services to be neglected than for duplication.”

Individual

3.42 Some respondents were concerned that there could be internal conflict as the new organisation finds its feet and has to agree its responsibilities.

“Where RCAHMS and Historic Scotland have previously been involved in the same area, but distinct from each other, there may be conflicts surrounding who does what.”

Individual

3.43 Respondents also mentioned a concern about how a statutory body and an independent body could be brought together without some compromise of functions.

“Historic Scotland is a statutory body, closely related to government. RCAHMS is a neutral body providing information to all interested parties. The roles of Historic Scotland will always take precedence over the existing roles of RCAHMS, and it is therefore highly likely that they will be lost, no matter what assurances are given by ministers.”

Individual

### ***Loss of expertise***

3.44 Thirteen per cent of respondents indicated that a loss of expertise was an important consideration and potential disadvantage of a merger. The main concerns related to a loss of staff through budget reductions or a loss of staff morale as a result of uncertainty about the future shape of the new organisation.

“It seems the point of this merger is to make staff redundant to save on costs, so there will be an impact.”

Individual

“I fear that some of the best people will leave. My impression is that morale is not high at the moment and those who can see alternative futures for themselves will leave. The remaining pool of talent may be smaller and shallower.”

Individual

3.45 Respondents had serious concerns about the loss of specific staff skills and areas of expertise. The areas that were most often mentioned were:

- surveying and archaeological expertise; and
- research and collecting.

“When functions are rationalised some areas of expertise may disappear. This may be detrimental to the long term future of e.g. certain areas of recording, field survey and photographic services.”

Individual

“There is a danger that the research and collecting functions performed so well by RCAHMS will be lost to bureaucracy.”

Organisation

3.46 As a result of potential staff loses, there were concerns from respondents about the quality of the work which would be carried out by the new organisation, as much of the “expertise will be lost”. There were also concerns that the new organisation will find it difficult to attract new staff of the same calibre and expertise as those it could lose as a result of the merger.

### **Mitigating Disadvantages**

3.47 The survey asked for views on how disadvantages could be removed or reduced in the creation of a new organisation. A wide range of views were expressed in the responses to this question. Four respondents used this opportunity to reiterate their view that there should not be a merger.

3.48 Here we look at the top three disadvantages as indicated by the survey respondents and report on the mitigating actions suggested by respondents.

### ***Changed priorities***

3.49 Survey respondents commented that there would be an ‘inevitable’ change in priorities for the new organisation, but through clear and open consultation, priorities could be discussed and agreed with staff and stakeholders. This includes taking the ‘best bits’ from both organisations in the creation of a new organisation.

“A change in priorities is inevitable, because the existing priorities of the two organisations are not the same: the effect can be minimised through careful consultation.”

Individual

“There will only be disadvantages to a merger if the aims/objectives of both organisations are not discussed and taken on board from the onset - advantages should outweigh any disadvantages if the best from each body is included.”

Individual

3.50 One respondent suggested that there was no need for there to be a *change* in priorities, but to integrate only the functions of both organisations that work well.

“The purposes of both organisations are clear with little need to change priorities. If this is a true merger and not just a cost cutting exercise then it should be possible run the various parts of the organisation in parallel only integrating the functions which work well.”

Individual

### ***Conflict of roles***

3.51 In order to mitigate any conflict of roles created by the proposed merger of Historic Scotland and RCAHMS, respondents suggested the need for careful planning and consideration of staff roles.

“(There needs to be) clear designation of activities and of the staff roles to carry them out.”

Individual

3.52 There was also a suggestion, that the two organisations could still operate separate functions, with staff retaining their existing roles, with shared resources such as accommodation and human resource functions being the only joint services.

“Two separate organisations with shared premises and equal representation to an independent controlling body.”

Individual

“Keep them mainly separate for day to day management but have functions such as payroll, H.R etc combined.”

Individual

“Have a completely clear, discrete information service, and library available as RCAHMS one is now, but with the joint resources.”

Organisation

### ***Loss of expertise***

3.53 In order to guard against the loss of staff and expertise, respondents suggested that there should be an inventory of existing skills and expertise which should be continued within the new organisation.

“Have an audit of expertise and be clear on services to continue, ensure that there is a strategy for sustainability of this expertise within the new organisation.”

Individual

“An inventory of the skills and experience of the existing staff bodies and a commitment to maintain a similar capacity within the new organisation.”

Organisation

3.54 It was suggested that to retain key staff and levels of expertise, any savings required should be made in other areas, such as infrastructure, to keep as many staff in post as possible.

“The obvious answer is not to cut core staff numbers but focus on efficiency savings in infrastructure instead. There's no way that a reduction in staff can reasonably be accommodated in the heritage/archaeology sector as we're extremely understaffed for the work involved (right across the sector) as it is.”

Individual

3.55 Others suggested that senior managers should have a level of knowledge and experience about the historic environment.

“Limit the number of redundancies, and ensure that knowledge and experience of the historic environment is represented at management level.”

Organisation

### ***General Suggestions for Mitigating Actions***

3.56 In addition to the specific responses, there were suggestions about ways to mitigate disadvantages more generally.

### ***Manage the process effectively***

3.57 It was felt that the process of merging the two organisations had to be managed sensitively and in an inclusive way. This would help to make sure that the process is transparent. It was felt that staff views should be taken into account and staff kept fully informed of the process.



“Effective change management processes will ensure that staff are well informed and more comfortable about the changes that are going on around them. Communication about the change process needs to be a lot more intense and constant, even when there is not a great deal to communicate, staff will appreciate being told that the process is continuing. Intranet pages are not enough. Suggest a weekly e-mail newsletter.”

Individual

### ***Clear organisational structures***

3.58 In order to ensure the new organisation can function, and to mitigate any conflict of priorities, it was suggested there would be a need for a strong organisational structure. This would need to be communicated to both inside and outwith the organisation.

“Clear definition of the services of the current organisation and a concordance to the intended services of the new organisation - making transparent any shedding of functions.”

Organisation

“Establish new structures as soon as possible before the merger and communicate them to potential consumers.”

Individual

### ***Establish key priorities***

3.59 As well as having a clear organisational structure, it will be important for the new organisation to quickly establish its key priorities to mitigate against any conflict of roles and to ensure that the priorities are relevant.

“Work with all interested parties to get a clear idea of what their priorities are for the sector and help clarify those priorities.”

Individual

“A well considered approach to the merger with appropriate level of stakeholder consultation would ensure that priorities are relevant and appropriate to the spirit of both organisations i.e. statutory protection of the historic environment, recording of the historic environment and public education and outreach.”

Individual

### ***Strong Leadership***

3.60 Respondents felt that as well as having a strong organisational structure – the new organisation would require ‘strong, honest leadership’ which would help to rejuvenate staff morale and create a positive working environment. This included having senior management with a commitment to the present aims of both organisations and who would wish to protect “areas of vital expertise”.

“Strong leadership, transparency, consultation, and frank discussion within a culture of optimism and commitment to change where necessary will be needed to maintain staff morale at all levels. Everyone must feel involved in laying the foundations for the new organisation’s successful future, but senior management have a key role in creating the necessary climate of commitment and optimism.”

Individual

3.61 Some felt that an independent Board of Trustees should be established, as this could ensure public accountability. Others supported this approach as it may provide greater operational independence from the Scottish Government.

### ***New identity***

3.62 Many felt it would be important for the new organisation to establish itself by creating a strong, new identity as there will inevitably be the loss of identity of both RCAHMS and Historic Scotland. It was suggested that a good way to mitigate the impact of a merger is to “embrace it” and to create an entirely new organisation’s identity.

“It would indeed be catastrophic if there was no loss of identity in this process, because the key issue is the creation of a new shared identity.”

Individual

### ***Consultation***

3.63 Overall, survey respondents suggested the need for clear and regular consultation with both stakeholders and staff about the proposed changes and the new organisation’s priorities. It was important that these views inform the creation of the new organisation.

“Consultation with stakeholders to ensure that priorities for the merged organisation reflect the needs and expectations of stakeholders.”

Organisation

“Extensive and meaningful consultation with staff and their views taken on board.”

Organisation

## Challenges to Proposed Merger

3.64 Respondents were asked for their views on the biggest challenge of the proposed merger. Over a quarter (28%) of respondents answered this question (n=170).

### *Unified organisation*

3.65 The biggest challenge (mentioned by 21% of respondents) was how to create a unified organisation that would establish its position and have significance within the rest of the sector. Respondents felt that it would be difficult to take two organisations, with their different roles and functions and be able to ‘marry’ them. Many were concerned that this could be more of a ‘takeover’ than a ‘merger’.

“That it is not seen as a takeover. It must be clearly portrayed as a new organisation with exciting times ahead.”

Organisation

“...to come out of it with a credible organisation at national level (not just Edinburgh) which hasn't simply married the worst traits of the two existing organisations.”

Individual

### *Maintaining the service*

3.66 Another key challenge mentioned by 18 per cent of respondents was the need to maintain the core service and functions of both organisations post-merger. This included retaining the best aspects of both Historic Scotland and RCAHMS and making the new organisation more effective and efficient, rather than resulting in a reduction in quality.

“Ensuring that all services are maintained but made more efficient.”

Individual

“I perceive the biggest challenge to be maintaining services and output. I hope that the merger will provide collaboration and increased output of research, and ease of access to the full spectrum of services currently available, but I fear that the services will be reduced, or made less accessible and that such a collaboration will not be encouraged, and research and outreach will continue in the same compartmentalised way.”

Individual

### *Loss of staff and expertise*

3.67 Survey respondents (18%) raised the loss of staff and expertise as an important challenge for the new organisation. This often related to an assumption that staff may be lost through redundancies or as a result of de-motivation during

the change process. And this included retaining as much expertise as possible, without making “inevitable” redundancies.

“The biggest challenge is to keep the current level of expertise and service provision.”

Organisation

3.68 Making sure that the staff from Historic Scotland and RCAHMS worked together effectively was viewed by respondents as another challenge. It was felt that this could impact on the ongoing delivery of the service. This led to several comments about the need to maintain (and boost) staff morale.

### ***Good leadership***

3.69 Six per cent of survey respondents commented on the challenge of putting in place good leadership. They felt that this would be vital to ensuring a seamless merger process. They also felt that there would have to be a strong senior management team to ‘drive’ the success of the new organisation – but without creating a top-heavy structure.

“Senior management have to lead effectively: if they fail they'll be left with a demoralised rump of staff working less effectively than before.”

Individual

3.70 Respondents commented that the leader of this organisation would have to be able to stand up to scrutiny and be the ‘face’ of the heritage sector in Scotland.

3.71 Other key challenges mentioned by survey respondents included:

- Conflicting priorities
- Dilution of service
- Bureaucracy
- Funding
- Expectations of staff, Government and the public.

### **Impact of a Merger**

3.72 Respondents gave views on the difference a new merged organisation would make to them or their organisation. Some responded positively with views about improved partnership working; clearer, stronger strategy; improved access to information; and clearer channels of communication.

“A successful merger could result in the sort of sectoral leadership the historic environment in Scotland has been crying out for. The protection, conservation and promotion of our historic environment and cultural heritage would be reinvigorated and re-energised. Organisations like ours would be keen to engage with resulting national, regional and local (i.e. site based) projects and initiatives.”

Organisation

3.73 A number of respondents (n=28) liked the idea of a ‘one-stop-shop’. However, others provided more negative comments echoing views expressed elsewhere about loss of expertise; fear of loss of services and functions; and increased fees. Some worried that access to information (particularly that held by RCAHMS) would be lost and that research would be ‘stifled’.

3.74 A number of respondents (n=23) to this question commented that it would make no significant difference to them or their organisation.

### Measuring Success

3.75 The survey asked how success of the proposed new body should be measured and respondents were asked to select the three most important options to them. The table below shows the level of response for each option.

**Table 11**

**How best should the success of the proposed new body be measured?**

	Option 1	Option 2	Option 3
Sustainability of functions of RCHAMS and Historic Scotland	72	29	22
Improved management and stewardship of the historic environment	57	51	20
Improved public access, knowledge and engagement	28	25	30
Demonstrable leadership of the sector	18	19	10
Strong relationships with stakeholders	10	16	15
Improved partnerships with others in the sector	9	14	27
Improved education and outreach	6	8	13
Other	5	1	1
Improved level of knowledge, education and skills	4	22	30
Improved financial performance	3	10	4
Increased employee satisfaction	1	8	27
<b>Total responding</b>	<b>213</b>	<b>203</b>	<b>199</b>

3.76 The options with the greatest level of support were ‘sustainability of functions of RCAHMS and Historic Scotland’ (34%) and ‘improved management and stewardship of the historic environment’ (27%). Least important in measuring success were ‘improved financial performance’ (1%) and ‘increased employee satisfaction’ (<1%).

3.77 Those who chose 'other' gave the following views:

- Improved financial performance, efficiency and sustainability
- Improved customer satisfaction
- Improved knowledge, skills and engagement.

### Future Consultation

3.78 Finally the survey asked how best to ensure that stakeholders continue to be consulted on the future of RCAHMS and Historic Scotland. A total of 176 respondents answered this question.

3.79 Suggestions for ensuring the involvement of stakeholders included the need for ongoing consultation with a wide range of stakeholders. Respondents suggested methods such as online surveys, email updates and bulletins. Workshops and other face to face methods of engagement and continued updates in the press were also suggested.

3.80 There was also the suggestion that the public should be included in any consultation - most likely through public meetings.

“Hold public meetings so that the general public are aware of what is happening or going to happen.”

Individual

3.81 Some suggested the need for a steering group or advisory board to represent different groups of stakeholders for future consultation.

“Create a stakeholder panel for consultation representing different areas of use of the services.”

Individual

3.82 Above all, stakeholders raised the issue about their views being taken on board and that any consultation that took place would have to be 'listened to' and not be tokenistic.

“No point in consultation unless views expressed are actually taken into account. If decision has already been made, do not waste time on pointless consultation.”

Individual

## 4. Stakeholder Consultation Events

---

### Introduction

- 4.1 Two consultation events took place with key stakeholders. One was held in Glasgow with 8 participants and one in Edinburgh with 14 participants. In addition, a telephone interview was undertaken with one participant from Inverness as an alternative when the event there was cancelled. A list of the organisations participating is included as Annex 1.
- 4.2 Participants discussed the potential advantages and disadvantages of a merger as well as ways to mitigate the disadvantages. The findings from both consultation events are reported below.

### Advantages of a Merger

- 4.3 In small group discussions, participants were asked to think about what potential advantages could arise from a merger. Participants were asked to consider advantages for their own organisation and for the wider historic environment.
- 4.4 There was general consensus at both events on the advantages of a merger. It was felt that a merger could create **opportunities for efficiencies** - in areas such as accommodation - particularly storage and other back office services. Having a single point of contact was also seen as creating easier access - which in turn could lead to better public engagement.

“There is confusion about the two organisations and their distinct functions. In the minds of the public, there is no difference.”

Edinburgh participant

- 4.5 It was felt that **establishing shared services** and pooling resources could lead to a reduction in duplication of work and could result in a greater clarity of roles and functions. It could reduce any existing confusion for organisations within the cultural heritage sector about which body to approach for specific services or advice. Participants commented that one organisation could provide more integrated service delivery, which in turn could lead to the **sustainability of functions** (particularly for RCAHMS).

“Pooling resources is an advantage, and an opportunity to do more. This would bring research collections together, as storage is an issue.”

Edinburgh participant

- 4.6 Groups suggested that a merger could lead to ‘informed management change’. This would be allied to a review of the **role of Government** in the historic environment. It also could provide the chance to promote an advocacy role for the sector.

### Disadvantages of a Merger

- 4.7 Participants were also asked to consider what the potential disadvantages of a merger between Historic Scotland and RCAHMS might be. The suggestions from the group discussions covered both short term impacts and long term changes.
- 4.8 Both consultation events discussed the immediate impact of a merger and felt that this would lead to a **period of disruption**, with the inevitable **loss of staff and expertise**. It was noted that it had been suggested that there would be ‘no compulsory redundancies’. However, the perception of some stakeholders was that staff morale would be low and some expertise could be lost through resignations.

“No two roles are similar at Historic Scotland and RCAHMS, so there will be a loss of expertise and staff. Some organisations have a succession plan to try to capture all the years of knowledge people have built up and try to get that down on paper. There will be an inevitable loss of staff.”

Edinburgh participant

- 4.9 Some participants suggested there could also be an immediate **reduction in the quality of service** while the new body was ‘finding its feet’ and ‘looking inwards rather than outwards’.
- 4.10 The initial **costs of the merger** were highlighted as a concern, as historically public sector mergers have proved resource intensive, with cost efficiencies not necessarily being realised in the short or medium term. It was felt that this could drive a trend to move from a service culture and ethos towards one driven more by revenue generation.
- 4.11 Participants also discussed the disadvantages of a merger in the longer term. There were concerns that RCAHMS, as part of the new body, would be ‘pulled into Government’ and lose its **independent status**. This would in turn change its relationships and its neutrality.
- 4.12 The **loss of functions** – particularly of non-statutory RCAHMS functions – was discussed, for example RCAHMS’ existing strength in delivering community engagement programmes, which was seen to be a highly valued aspect of their service provision. Participants felt that some functions of each individual



organisation are not 'compatible' (particularly the research and regulatory roles) and questioned how these could be effectively housed together in one new body.

- 4.13 Bringing two organisations together created issues of **changing priorities** and focus. This was particularly true when thinking of the relationship between the regulatory role and research and advice role. Ultimately the concerns were that a merger could create a **dysfunctional organisation** with too many roles. There were concerns that management would be difficult.

“The priorities of both organisations are different – a merger will take away what is unique about both.”

Edinburgh participant

- 4.14 **Loss of identity** was raised as a concern, with questions around how the new body would be re-branded and the impact on each organisation in terms of a name change. **Public perception** of the new organisation would need to be considered carefully, and wider public consultation would be required in order to communicate the reasons behind and benefits of the merger, to avoid 'loss of faith' and lack of public buy-in.

### Mitigating the Disadvantages

- 4.15 Participants considered the steps that might be taken to mitigate the impact of a number of disadvantages that were identified.

### *Conflict of interest*

- 4.16 Participants stressed the importance of making clear the outcomes to be achieved by the new organisation. The priorities must not be based on the public profile of the functions – or the revenue generating opportunities. There is a feeling that Historic Scotland has prioritised properties in care over other functions because of its high public profile and the income stream it generates (particularly from Edinburgh and Stirling Castles and a small number of other venues).
- 4.17 Views were expressed that there may be a conflict between the regulation and advisory roles. The design of the new organisation would need to be carefully considered to 'ring fence' certain functions – or to set up 'Chinese walls' between different functions.
- 4.18 One particular conflict that was identified was the role that the new organisation might take on building developments that the Scottish Government might wish to undertake on properties that were listed.

### ***Loss of identity***

4.19 Participants felt strongly that careful consideration must be given to the re-branding of the new organisation, to avoid internal and external confusion and disillusionment. It was important that the merger does not appear as a take-over of RCAHMS. Renaming the new body should reflect a positive step forward for the cultural heritage sector.

### ***Loss of leadership status***

4.20 There was consensus among participants that a head of the new organisation should be put in place with immediate effect to prevent a perceived loss of leadership and direction. The development of a strategic vision and supporting objectives should be given priority. The benefits of restructuring should be made clear.

### ***Loss of functions***

4.21 Participants felt that it was important that stakeholders did not see the merger as a cost cutting exercise. It was noted that there have already been substantial cuts in the sector.

4.22 The workshops suggested that a baseline should be prepared setting out clearly the functions undertaken by each organisation at present. It was felt that this would provide a checklist to compare the functions of the new organisation. It would add transparency to any decisions made to remove functions. The baseline should make clear which functions were distinctive to each organisation (for example regulation was distinctive to Historic Scotland) and identify those that were joint – like education and outreach. The groups felt that it was in these joint areas that there are real possibilities of increasing effectiveness as a result of the organisations being brought together.

4.23 The groups noted that a merger might also act as a starting point to a process of identifying other opportunities for better alignment across the whole heritage sector (not restricted to these two organisations).

4.24 Some stakeholders suggested that not all functions would need to go into the new organisation. For example, consideration could be given to whether the national collection in RCAHMS should continue to be held by an organisation with charitable status. It was generally felt that the functions provided by RCAHMS were more likely to be at threat than those provided by Historic Scotland.

### ***Pulling in closer to government***

4.25 Some stakeholders commented that RCAHMS has had advantages (in terms of neutrality) by being arm's length from Government and that by pulling it into Historic Scotland it would come closer to Government. It was felt that this could

affect its decision making processes. The groups felt it was important to think through the advantages of a non-departmental public body (NDPB) rather than an executive agency for the new organisation.

### ***Disruption within heritage sector***

4.26 The speed of change is important. It was suggested that additional resources should be made available so that those delivering the service are also not delivering the change process. Participants agreed this would allow 'business as usual' to be delivered, while change was being delivered.

"If the pace is too quick, mistakes will be made. If it is too slow, the uncertainty created by the merger will have an adverse impact on the whole sector."

Glasgow participant

### ***Trend from service ethos towards revenue generation***

4.27 There was a feeling that this process was already underway. It was generally agreed that routine charging for access to information should not be considered in any circumstances.

### ***Dysfunctional organisation***

4.28 Participants suggested that a new organisation will have to make sure that it is able to improve access to all the information held, as some felt that RCAHMS is already struggling with data management.

4.29 Stakeholders identified that there need to be clear outcomes and a clear view of what the Minister wants at the outset because unless outcomes are clear and agreed from the start, there could be tensions and bad feeling in the new organisation.

4.30 Groups commented on the need to learn from the experience of other change processes – both good and bad.

### **Ways of Engaging Stakeholders in the Future**

4.31 The final discussion in the consultation events covered the best methods of continuing to engage with stakeholders in the process of a merger.

4.32 Some stakeholders remained unclear about the reasons for the merger and what the Government's vision for the new organisation is. They felt ongoing stakeholder consultation should clarify these issues and encourage buy-in to the merger process. A White Paper outlining the purpose of the merger and defining a vision for the new organisation and wider cultural heritage sector would be welcomed by stakeholders.

4.33 Stakeholders appreciated the efforts which had been made to engage them at this stage of the process. They welcomed the fact that Historic Scotland and RCAHMS had commissioned independent support. RCAHMS and Historic Scotland now needed to demonstrate that they had taken account of the views of stakeholders. There was a feeling that this had not been done previously.

“From now on the discussion should not be about a blank sheet of paper. There is a need to make clear proposals – and consult at a time when there is still an opportunity to influence decisions. Consulting on a *fait accompli* would be a waste of everybody’s time.”

Glasgow participant

4.34 It was noted that the debate would move from the general to the specific – and the Scottish Government were likely to undertake a formal consultation process on a draft set of proposals relating to the merger.

4.35 Participants commented that stakeholders generally had a limited capacity to attend discussions – so other methods like online surveys were welcomed.

4.36 In summary, participants felt that it was important to make sure that consultation was meaningful (with the prospect of it leading to change) and that those who do take the time to engage are rewarded with honest feedback on the decisions taken and the reasons for them.

## 5. Telephone Interviews

---

### Introduction

- 5.1 This section of the report details the findings from telephone interviews with stakeholders. We asked Historic Scotland and RCAHMS to provide a list of key organisations that should be included in the telephone survey. They provided a list of 20 organisations that it was felt would have a particular interest in the future arrangements for Historic Scotland and RCAHMS. We contacted senior representatives in each of these organisations to ask them to participate in a telephone interview. We were able to undertake telephone interviews with representatives from 19 organisations, involving a total of 21 people.
- 5.2 A full list of the organisations we have interviewed is included in Annex 2.
- 5.3 In writing this report, we have separated the responses from the two Welsh organisations involved (Cadw and the Royal Commission on the Ancient and Historic Monuments of Wales). They are also involved in a process of change and a number of options for their future are being considered, including the possibility of a merger. The interviews with the two Welsh organisations focused on the perceived advantages and disadvantages of the different options currently being considered in Wales – so that we could draw comparisons between the Welsh and Scottish contexts. The findings from these interviews are included as Annex 3.
- 5.4 We prepared a discussion guide which we agreed with Historic Scotland and RCAHMS. This provided the framework for semi-structured in-depth interviews. The discussion guide focused on:
- relationships with Historic Scotland and RCAHMS;
  - potential advantages of the proposed merger;
  - potential disadvantages of the proposed merger; and
  - how the disadvantages identified could be mitigated.
- 5.5 At the start of one of the interviews, one person raised a general concern about the fact that while RCAHMS has undergone a recent external review, Historic Scotland has not been subject to an external review for around 10 years. This interviewee felt that in light of this, it may not have been the best approach to ask the same set of questions about the two organisations in the course of the interviews.

## Stakeholder Relationships with Historic Scotland

5.6 We asked interviewees about the nature of their interaction with Historic Scotland. All but one of those interviewed worked with Historic Scotland in some way.

### *Types of interaction*

5.7 The main ways in which those interviewed were involved with Historic Scotland were:

- **Joint project working** with Historic Scotland was common. This included ScARF (the Scottish Archaeological Research Framework), the Defence of Britain project, Scotland's Rural Development Programme, Doors Open Days, the My Place photography competition and the Community Heritage Project.
- **Funding and grant aid** formed a large part of stakeholder relationships with Historic Scotland. This was for a range of purposes, including publications, projects, education and outreach work, fieldwork, building repairs, research and consultations. One organisation has a mutually reciprocal funding relationship with Historic Scotland, as they are both key sources of finance provision for the Scottish cultural heritage sector.
- **Advocacy** - many of those interviewed working with Historic Scotland in an advocacy context, undertaking joint campaign activities for the sector.
- **Advisory services** – use of the advisory services of Historic Scotland was common and some of those interviewed noted that they provided advice and consultation support to Historic Scotland.
- **Policy planning** - some organisations contributed to writing policy, assisted with and advised on casework, and reviewed development proposals (for example through the Design Forum).
- **Regulatory services and guidance** - the expertise provided by Historic Scotland is widely used. Additionally some organisations provided consultation support for Historic Scotland.
- **Publications** – jointly written with or for Historic Scotland – comprise a key part of some stakeholders' relationships with the organisation.

5.8 Many interviewees reflected on the fact that they had similar objectives to Historic Scotland in terms of the historic environment. Two interviewees particularly highlighted the similarity of their activities and interests to those of Historic Scotland, resulting in the sharing of many services, including planning and policy work and provision of advice.

5.9 There were a number of other important interactions mentioned by some of those interviewed. These included the building of cultural heritage and history into the Curriculum for Excellence; joint exhibitions; and shared staff training and development.

### ***Nature of stakeholder relationships with Historic Scotland***

5.10 The majority of stakeholders interviewed described their relationship with Historic Scotland as 'strong' or 'good'.

5.11 Some stakeholder organisations highlighted specific areas in which their relationship with Historic Scotland was not particularly strong, or could be improved including:

- a lack of formal structure to the relationship;
- overlap or duplication of work; and
- a need to work together at a more strategic level.

5.12 One organisation said that because Historic Scotland was an Executive Agency of the Scottish Government, they were perceived to be influenced by this in decision-making processes. This can create tensions when developments are approved which appear to conflict with the protection of the environment.

## **Stakeholder Perceptions of Historic Scotland**

### ***Historic Scotland strengths***

5.13 When asked for examples of the strengths of Historic Scotland, interviewees offered a wide range of responses including:

- strong planning and policy framework, including casework (particularly delivery of planning reform priorities through the Scottish Government's Key Agencies working group);
- their role is underpinned by statute – this gives them access to political intelligence;
- regulatory role – protection of the Scottish environment and its assets;
- strong sectoral leadership;
- strategic planning management guidance and advisory services;
- marketing; promotion and management of assets, historic sites and resources; and event management;
- engaging with partners on project work;
- staff knowledge, expertise and commitment;
- funding and financial support;
- publications (such as conservation and thematic publications);
- education, training and outreach work;
- research (particularly Technical Conservation, Research and Education - TCRE); and

- use of technology to make resources more widely accessible and usable.

### ***Historic Scotland weaknesses***

5.14 Stakeholders were asked to specify particular weaknesses of Historic Scotland and it was felt that the following are areas which could be strengthened or reviewed:

- concerns about the direct accountability to Scottish Government and Ministerial decision-making, which was seen to run the risk of being driven by politics rather than the needs of the sector;
- the priority that is given to properties in care, can limit the availability of resources for other functions;
- lack of external scrutiny and transparency – it was felt that Historic Scotland could benefit from a 'critical friend';
- more effective and genuine public engagement is required;
- a greater focus on education and outreach work is needed;
- requirement for clearer, and more transparent channels of two-way communication with all organisations in the sector;
- development of better links with the commercial archaeology sector, rather than relying only upon in-house expertise;
- perception by some organisations within the sector that Historic Scotland can be difficult to deal with and appear 'remote' and 'Edinburgh-centric';
- stronger leadership required of the cultural heritage sector by Historic Scotland which some organisations feel has become less effective over time, leading to a loss of organisational direction;
- shift towards tourism and building protection of Historic Scotland at the expense of involvement in the archaeological community;
- a deeper understanding is required by Historic Scotland of regional differences and rural areas – it suffers from a lack of regional offices;
- erosion of in-house expertise through the loss of key personnel and their replacement by new graduates - better succession planning is required; and
- lack of clarity over internal finances leads to limited understanding among Historic Scotland staff about the profitability of different functions.

## **Stakeholder Relationships with RCAHMS**

### ***Types of interaction***

5.15 All but one of the organisations interviewed interact with RCAHMS. This interaction can range from use of RCAHMS resources to strong and on-going partnership working.

5.16 The main ways in which those interviewed were involved with RCAHMS were:

- producing joint publications;



- joint project working (such as ScARF, Scotland's Rural Past);
- usage of resources (particularly SCRAN, Canmore, Heirnet);
- partnership working through a formal contract in relation to the dissemination of archaeological information;
- data exchange;
- joint research work;
- joint exhibitions and provision of exhibition materials;
- internships and staff training;
- policy advice;
- community work; and
- provision of heritage resources for use in schools.

## **Nature of Stakeholder Relationships with RCAHMS**

5.17 The majority of stakeholders interviewed described their working relationships with RCAHMS as 'strong' or 'good'. A number of reasons for this were given:

- sharing of expertise and joint project working;
- genuine, collaborative and long-standing partnership working characterised by openness and willingness to engage;
- effective working relationships with individual staff at national and local level;
- shared vision and similar working approach;
- familiarity with staff and shared organisational history.

5.18 A small number of those interviewed described their relationships with RCAHMS as relatively limited as they worked with them on ad hoc project work, but not on a routine basis. This related to the objectives and priorities of the organisations involved. One organisation has no operational relationship with RCAHMS.

## **Stakeholder Perceptions of RCAHMS**

### ***RCAHMS strengths***

5.19 When asked for examples of the strengths of RCAHMS, interviewees offered a wide range of responses including:

- comprehensive survey work – 'probably the best in the UK and beyond';
- aerial surveys and photographs;
- effective data management abilities including archiving, assets and high quality records of the built environment;
- knowledge dissemination and good public access to records through Canmore and SCRAN;
- digital work and communications;

- exhibitions and events;
- publications and literature;
- public and community engagement work including education and outreach;
- specific project work such as Scotland's Rural Past;
- promoting a positive image of heritage in Scotland;
- staff expertise and willingness to engage; and
- high quality independent decision-making.

### ***RCAHMS weaknesses***

5.20 Stakeholders were asked to specify particular weaknesses of RCAHMS. It was felt that the following are areas which could be strengthened or reviewed:

- occasionally prioritising non-core activities (like exhibitions) over core activities (like surveying and archiving);
- recent lack of efficiency due to being a small, resource-stretched organisation hit by funding cuts;
- lack of involvement with or links to national planning policy and process;
- lack of expertise in political engagement and poor management of their relationship with the Scottish Government;
- lack of visibility of a 'big strategy' in terms of which future projects may ensure organisational sustainability;
- lack of commercial focus – a need to incorporate lessons learned from the commercial sector to do with the opportunities to reduce the cost of survey work and speed up the publication of results;
- under-using partners in project working – not always involving all stakeholders who could contribute to project outcomes;
- lack of co-ordination of data sets with those of other organisations resulting in under-optimisation of national data in certain projects;
- public perception of being an 'old fashioned, academic' and insular organisation; and
- sometimes problematic accessibility of data by the wider public – technologies could be used better to improve this.

## **Stakeholder Perceptions on the Proposed Historic Scotland-RCAHMS Merger**

### ***General perceptions***

5.21 Stakeholders had mixed views on what the result of a merger between RCAHMS and Historic Scotland might be.

5.22 Some stakeholders believed that the effective management of a merger could be a positive step forward for the cultural heritage sector, as there is no justifiable reason for having two separate main organisations in the field. It was

stated by one stakeholder that the merger is 'not a surprising decision' as the position of RCAHMS is becoming increasingly unsustainable. Some stakeholders believed that there was confusion within the sector about the roles and remits of RCAHMS and Historic Scotland. A merger could be an opportunity to resolve this. This could lead to the simplification and coherence of leadership in the sector, and serve to eliminate duplication of functions and work.

- 5.23 Additionally, it was felt that there are some obvious synergies between the two organisations that should add value following a merger. Bringing together similar knowledge and different but complimentary skill sets could result in an effective new sector-leading organisation, and greater efficiencies could result through shared services and a shared vision. The strengths of RCAHMS were seen by some as having the potential to be very beneficial within the new organisation.
- 5.24 Some stakeholders felt that ultimately a stronger, more sustainable new body could emerge, if the functions of each are blended effectively. There is the potential for a merger to bring about a stronger policy focus.
- 5.25 Some stakeholders felt that the challenge of merging two very different cultures together will prove difficult. It was also stressed that this needed to be seen as a merger of equals – not a take-over of RCAHMS by Historic Scotland. Parallels were drawn between the Scottish and English mergers, and reference made to the fact that the English merger appeared to many interviewees to have been a take-over rather than a true merger.
- 5.26 It was highlighted by some interviewees that a loss of expertise may result, due to the initial stages of disruption and uncertainty caused by the merger. This could be through redundancies or 'natural fall out'. The loss or dilution of functions according to the majority of stakeholders could be a negative result of the merger – particularly of RCAHMS functions, such as survey and research; public access to records; and community engagement activities.
- 5.29 The governance structure of the new organisation was raised as a concern as this is not yet known. Some interviewees wondered whether it would be an NDPB, with some feeling that a move away from being a Government Agency may make the new organisation more susceptible to cost and financial uncertainty. It was felt that the creation of a new, much larger organisation may lead to increased competition with other key players within the cultural heritage sector, which could result in the deterioration of good existing partnership relations.

## Advantages of a Merger

5.30 Those interviewed communicated mixed feelings about a merger. However, there were a wide range of advantages highlighted that may result from the process:

- working with one rather than two (sometimes conflicting) bodies, as a partner and funder could simplify working relationships;
- the potential for partners to develop a strategic plan with one organisation rather than two;
- increases joint partnership working opportunities for partners due to the increased scope of the new organisation;
- advocacy of the sector may be easier due to having only one main body;
- the inclusion of RCAHMS information into the planning system;
- more effective sectoral leadership than ever before for the historic environment in Scotland;
- re-energising and re-invigoration of the protection, conservation and promotion of Scotland's cultural heritage;
- better alignment of functions, roles and responsibilities driving efficiencies and cost savings within the new body and across the sector as a whole;
- the opportunity of creating a new organisation with a regional structure – the current organisations are seen as being very Edinburgh-centric; and
- the combination of the expertise of both existing organisations resulting in a stronger, single leadership body.

## Disadvantages of a Merger

5.31 All those interviewed felt that there could be a range of potential disadvantages arising from a merger. Many believed that these may not be insurmountable, while others were unsure if these could be resolved.

5.32 A number of interviewees said that changes in personnel as a result of the merger may mean that they would **lose existing valuable staff** relationships. Initial disruption, confusion and uncertainty may lead to resignations or retirements from both organisations and the loss of valuable expertise. In addition, there was the possibility that some existing skill sets may not be appropriate for the new organisation.

5.33 Another major theme emerging from the interviews was concern over **the loss or dilution of functions** of both organisations – but particularly of RCAHMS' functions. There were particular concerns about the potential loss of RCAHMS' surveying and recording work; access to collections; and community engagement. Concern was also expressed about the potential loss of the casework and regulatory functions of Historic Scotland. In addition, it was felt

by some that a number of the functions of the two existing organisations are too distinctly different to be brought together.

- 5.34 The **loss of RCAHMS's current independent status** was a concern for the majority of interviewees, as they felt that this would result in the new body being much more closely tied to Government and Ministerial decision-making. As a result the impartiality of the advisory service of RCAHMS could be lost, including their ownership and management of an independent data set. If this happened, it would have a negative impact on the sector as a whole.
- 5.35 Some stakeholders believed there is a danger of **damaging the reputation** of both RCAHMS and Historic Scotland, which may affect public and stakeholder perception of the new organisation. There is already confusion within the sector and among the wider public of why the process is happening, and cost-cutting is now widely believed to be the driver behind it. Previous 'ineffective' consultation work is believed to have taken place and stakeholders generally feel that they have not been involved in meaningful discussions about the future arrangements.
- 5.36 Concern was expressed over the risk that the new organisation would be perceived as increasingly '**Edinburgh-centric**'. Some interviewees believed that the existing organisations are already seen to be too Edinburgh-focused, considering the remote locations of some of their sites, assets and partners.
- 5.37 Stakeholders were also concerned about possible **mismanagement of the merger process** itself, and felt that this could result in the loss of sectoral leadership, lack of buy-in to the merger process and an ineffective new organisation. In the longer term, some stakeholders felt that this could become unsustainable and cause lasting damage across the whole sector. Some respondents highlighted the risk of each organisation losing momentum during the merger process. They may become more introspective and process-focused at the expense of operational activities.

## Mitigation of Disadvantages

### *Changes in personnel*

- 5.38 Interviewees felt that in-house expertise may be eroded during the merger process – whether due to redundancies or 'natural fall out'. Therefore, effective change and succession management strategies will be essential to counter these risks. Most felt that there will need to be clear forward planning to cause the least disruption possible, and clear communication of the objectives of the new organisation to all staff and stakeholders from the outset.

### ***Loss of functions***

5.39 It was suggested that a 'Memorandum of Agreement' or similar should be put in place to provide a baseline and protect the existing functions of both organisations, until the finer operational details of the merger are worked out. This would give reassurance to staff and stakeholders. If some functions are deemed not to fit within the remit of the new organisation the potential of moving these to related organisations within the sector should be explored.

### ***Loss of independence***

5.40 Stakeholders felt that for the perception of loss of independence to be mitigated, the new body must be seen to retain some independence from Government and Ministerial decision-making. Some suggested this might involve the creation of appropriate 'Chinese walls' between activities or the establishment of an independent Board of Trustees or an independent Advisory Board. If this cannot be achieved then it could require certain functions to be located in an organisation which was separate from the new merged organisation.

### ***Grants and funding***

5.41 Comments were made that partner organisations funded by Historic Scotland or, (to a lesser extent) RCAHMS need to be communicated with clearly and openly, in terms of how the merger will affect ongoing grant aid activity and funding relationships. If the main driver behind the merger is to achieve cost efficiency, then recipients of grants should be made aware of how this will impact them.

### ***Organisational identity and reputation***

5.42 Interviewees noted that stakeholder and public perception of the new organisation would need to be carefully managed to avoid a 'loss of faith' in or poor perception of the new lead sector organisation. They felt that re-branding of the new organisation must be supported by a robust PR and communications campaign, involving all stakeholders and the wider public in decision-making as the merger progresses. Some interviewees felt that there was a need for Historic Scotland and RCAHMS to demonstrate that they have listened to the different views within the sector expressed in this (and future) consultations. There was a view that this was not the case in earlier consultation.

5.43 Some interviewees believed that the new organisation should be re-named to avoid the merger appearing as a take-over, while others felt that a name change would only lead to further confusion (and high costs). More importantly, a clear vision, roles and responsibilities of the new body must be clarified from the outset.

5.44 Establishing regional hubs was a suggestion offered by some respondents, to combat the perception of a large new cultural heritage sector leader operating primarily from the capital. These hubs would allow for the dissemination of information and project activities in a more co-ordinated and dispersed manner.

### ***Mismanagement of the merger process***

5.45 Most interviewees agreed that leadership of the new organisation must be established from the outset, in the form of a 'figurehead' for the body, a clear vision, missions and objectives. The functions of both organisations must be seen to be transferred openly and transparently to the new organisation, in order to achieve engagement and buy-in to the merger. The structure of the new organisation will need careful consideration not only to achieve public and stakeholder respect, but also to avoid any negativity that may result from the fear of increased in-sector competition.

5.46 Some stakeholders believed that lessons should be learned from the recent Audit Scotland report on Scottish mergers<sup>1</sup>, which recommends that leadership is established at the start of the process. Interviewees also encouraged those involved to examine and incorporate lessons learned from the English merger which some believe fragmented the English cultural heritage sector, and made data accessibility very difficult.

5.47 Interviewees also felt that the merger process must be adequately resourced. Insufficient resources invested at the beginning of the project would lead in the long term to an inefficient, unsustainable organisation. The provision of sufficient resources would allow each organisation to manage organisational change during the merger process itself, while continuing to deliver operational plans. Some stakeholders believed that clearly communicating the reasons for the merger – whether economically or service-driven – must be achieved at the outset. Clear forward planning for both organisations is required in the early stages of the process and both internal and external stakeholders genuinely consulted on an ongoing basis. It was felt that if people believed that they had been consulted and listened this would help mitigate poor public and stakeholder perception of the new organisation.

### **Measuring the Success of a Merger**

5.48 All interviewees were asked how they thought the success of the new body could effectively be measured. Suggested measures generally fell into the following categories:

---

<sup>1</sup> *Learning the lessons of public body mergers: Review of recent mergers*, Audit Scotland, 2012



- the ability to deliver value for money by sustaining or enhancing core services at a time of pressure on public funding;
- levels of usage of resources and assets of the new organisation;
- before and after audits of all service areas allowing the positive and negative impacts of a merger to be determined over time;
- strength of perception of the new body – of both stakeholders and the public;
- internal staff satisfaction levels;
- before and after surveys of public satisfaction;
- quality of decision-making;
- quality and number of functions;
- quality and numbers of projects;
- effectiveness of partnership working.

5.49 The majority of interviewees felt that whichever measures are to be used, they should be housed within a robust evaluation framework in order to continually monitor progress. Some stakeholders thought that it would be useful to retain the measures currently used by each organisation in the short term, while the operational details of the new body are still being defined. It was also felt that a quality assurance system, which the sector currently lacks, should be built into the new body in order to guarantee a consistent high level of service.

5.50 Some interviewees felt that they could not answer this question, as they were still unclear about Ministerial reasons behind the merger. They felt that only once these become clear, could the appropriate measures be designed.

### Key Success Factors for Merger

5.51 All stakeholders were asked to list their top three essential success factors that would enable the merger to work. There was a wide range of responses, including:

- **Transparency of the merger process**  
Open and honest communication of what decisions are being made and why is essential – transparency of decision-making at all levels. Honest analysis of the current position of each organisation is also required, to determine existing areas of strengths and weaknesses that should be addressed by a merger.
- **Establishing leadership early**  
It is necessary to put a leadership structure in place at the beginning of the merger process, to prevent a lack of vision, direction and disillusionment. A robust project management structure is essential to



facilitate the merger process, drive forward effective external stakeholder engagement and manage external awareness and perception.

- **Maintaining a positive attitude**  
Focusing on the opportunities that the merger can offer is key to success, throughout the merger process and beyond – the merger must be undertaken 'in the spirit of partnership and opportunity'.
- **Employee engagement**  
On-going open and honest consultation with staff is vital to the success of the merger, communicating clearly the purpose and objectives of the merger and of the new body.
- **Investment of Resources**  
The appropriate level of resources must be invested in the change process and merger itself, as 'cutting corners' will only lead in the long term to an ineffective, unsustainable organisation.
- **Stakeholder and wider public consultation**  
There must be a strong awareness-raising campaign to communicate the right messages to the right audiences, and a commitment to genuine stakeholder and wider public consultation to achieve buy-in to and support for the merger.
- **Creation of regional hubs**  
In order to combat the existing view of the remote 'Edinburgh-centric' culture of both Historic Scotland and RCAHMS, there is the opportunity to establish regional offices to undertake a range of service delivery options. Decisions must also be taken on the location of the Edinburgh head office and consideration taken of the implications of this decision.
- **Using external expertise and best practice**  
Working with external stakeholders to design the structure of the new organisation is essential to success, as is listening to and respecting the different views within Scotland's cultural heritage sector.
- **Clarity and purpose**  
From the start there needs to be a clear vision, mission statement and objectives for the new organisation, which are publicly available and measurable. There is currently confusion among some stakeholders about the roles and responsibilities within both RCAHMS and Historic Scotland and a newly merged body is an opportunity to resolve this.
- **Retaining independence**  
It is essential that the independence of decision-making that RCAHMS currently has is retained within the new organisation otherwise it will be viewed as Government-driven and tied to Ministerial decision-making which may not always be in the best interests of the sector. This could be aided by the establishment of an independent Advisory Board.

## 6. Key Themes

---

### Introduction

- 6.1 This section draws together and summarises the key themes arising from this stakeholder consultation exercise.
- 6.2 The online survey received a high level of response from stakeholders. Individuals accounted for 85 per cent of responses and organisations for 15 per cent of responses. Although 599 responses were received, a number of respondents answered very few questions. This meant that about 430 respondents answered the questions on their current relationships with Historic Scotland and RCAHMS and about 215 respondents answered the more detailed questions about the impact of a potential merger.
- 6.3 The regional consultation workshops attracted 23 attendees (mostly from organisations) and in-depth interviews were held with 19 key organisations. These discussions and interviews added depth to the breadth of views received through the online survey.

### Potential Advantages of a Merger

- 6.4 There were 213 responses to our question in the online survey about the potential advantages resulting from a merger of RCAHMS and Historic Scotland. Of these, 195 (92%) identified at least one potential advantage and 18 (8%) were unable to identify any potential advantage. Almost 90 per cent of respondents identified three potential advantages of a merger.
- 6.5 The potential advantages that were most often identified in the online survey were:
- a merged organisation would have a larger pool of expertise (44% of respondents);
  - the creation of a lead organisation for the sector (40% of respondents); and
  - the ability to share services (33% of respondents).
- 6.6 These potential advantages were also identified in the regional consultation workshops and in the telephone interviews. Other potential advantages identified in the workshops and interviews included:
- increased clarity of roles and functions;
  - the sustainability of functions (particularly for RCAHMS);

- the opportunity to review the role of Government in managing the historic environment; and
- the opportunity to create a stronger regional focus for the merged organisation (to combat views that the current organisations were ‘Edinburgh-centric’).

## Potential Disadvantages of a Merger

- 6.7 There were 214 responses to our question in the online survey about the potential disadvantages resulting from a merger of RCAHMS and Historic Scotland. Over 90 per cent of respondents identified three potential disadvantages of a merger.
- 6.8 The potential disadvantages fell into two main groups. The first group related to ‘transitional’ concerns directly related to the impact of the process of change. The second group related to longer term impacts – broadly related to a merged organisations ability to deliver the desired outcomes.
- 6.9 The potential disadvantages related to the transition process that were most often identified in the online survey were:
- loss of staff morale (37% of respondents);
  - loss of expertise (32% of respondents); and
  - impact on delivery because of the focus on change (28% of respondents).
- 6.10 These potential disadvantages related to the transition process were also identified in the regional consultation workshops and in the telephone interviews. One other potential disadvantage identified in the workshops and interviews was a concern that costs would increase – at least in the short and medium term.
- 6.11 The potential disadvantages related to the longer term that were most often identified in the online survey were:
- changed priorities for the merged organisation (36% of respondents);
  - a conflict between of the roles that the merged organisation would deliver (35% of respondents); and
  - a focus on fewer services (25% of respondents).
- 6.12 These potential disadvantages related to the longer term were also identified in the regional consultation workshops and in the telephone interviews. Other potential disadvantages identified in the workshops and interviews included:
- a change in the level of independence for RCAHMS a result of a ‘pulling in to Government’;
  - a loss of valuable aspects of the culture of the existing organisations;

- a loss of services – possibly with a greater focus on revenue generating services rather than the most important services; and
- the possibility that the merged organisation would be dysfunctional – trying to deliver too many roles.

### **Mitigating the Potential Disadvantages of a Merger**

6.13 A total of 163 respondents to the on-line survey (76% of those who had identified potential disadvantages) provided suggestions about how these disadvantages might be mitigated. In addition the regional consultation workshops and the interviews with organisations identified ways that disadvantages might be mitigated.

6.14 In relation to the transition process, the following mitigating actions were suggested:

- strong leadership – with the new governance and senior management structures identified as far as possible in advance of the ‘vesting date’ for the new organisation;
- transparency in dealing with staff – keep people informed and involved in laying the foundations for the new organisation;
- clear communication with stakeholders – the development of a strategic vision for the new organisation should indicate a positive way forward;
- gauging the speed of change – if the process runs too quickly, mistakes will be made: but if it is too slow then the uncertainty would have an adverse impact on the whole sector;
- minimising the level of redundancies or departures – focus efficiency savings on removing administrative duplication;
- resource the merger process adequately – so that organisational change can be well managed while still continuing to deliver operational plans; and
- learn from the experience of other change processes.

6.15 In relation to the longer term, the following mitigating actions were suggested:

- the outcomes to be achieved by the new organisation should be made crystal clear – along with clear roles and responsibilities;
- consideration should be given to any potential ‘conflicts of interest’ between roles – and this should be reflected in the design of the new organisation and its governance arrangements (for example the establishment of an independent Board of Trustees or Advisory Board);
- careful consideration should be given to the re-branding of the new organisation – it should not be seen as a takeover by Historic Scotland;
- a baseline of current services should be prepared – to provide a checklist and give transparency to any decisions to remove existing functions; and

- use this exercise as a starting point of identifying better alignment across the whole heritage sector.

## Conclusion

6.16 There is a substantial level of interest in the future for Historic Scotland and RCAHMS. A small number of stakeholders (mainly individuals) who responded in this research see no advantages of a merger. However, the large majority of respondents can see potential advantages – but also potential disadvantages. Many respondents gave views on how these potential disadvantages could be mitigated.

6.17 It is important that the balance of views expressed in this stakeholder consultation is reflected in the business case which is currently being prepared by Historic Scotland and RCAHMS.

## 7. Future Stakeholder Engagement

---

- 7.1 This short final section of the report sets out a number of suggestions from us about follow-up awareness raising and engagement with stakeholders as the plans for the creation of a new organisation move forward.
- 7.2 There are four main considerations in making these suggestions:
- **Feedback** to stakeholders on the findings from consultation commissioned by Historic Scotland and RCAHMS is an essential part of the process. This should set out clearly the main points that stakeholders have made and how Historic Scotland and RCAHMS plan to take these points into account in their further work.
  - **Awareness-raising** is an important element of the work. Routinely keeping people informed of developments and (where necessary) explaining some of the more complex issues should be built into the communication strategies of Historic Scotland and RCAHMS.
  - Further consultation should have a **clear purpose** – and take place at a time that the views gathered from consultations can impact on and assist the decision making process.
  - If the Scottish Government decides to proceed with the merger following consideration of the business case, there will be a **formal consultation** exercise carried out by the Government. It is important that any ongoing stakeholder awareness-raising by Historic Scotland and RCAHMS helps inform this process. And that Historic Scotland and RCAHMS should avoid undertaking their own consultation exercises during this formal consultation period, which, at the moment, is expected to take place from May until August 2013.
- 7.3 It is therefore proposed that this report should be published in February 2013 so that stakeholders (and others) can read the findings of this stakeholder consultation. In addition, it is suggested that a short newsletter style version is produced for circulation at the same time as the full report is published. This would summarise the method used for the consultation; set out the main findings; and indicate how Historic Scotland and RCAHMS proposed to take account of the main points raised.
- 7.4 Also during February 2013, it is proposed that Historic Scotland and RCAHMS should undertake a short stakeholder mapping exercise. This would improve both organisations understanding of the range of stakeholders, their level of interest and their level of influence. This exercise would (among other things) inform the future targeting of both awareness raising and consultation with stakeholders.

- 7.5 There should be an ongoing programme of information provision and awareness-raising for stakeholders during the merger process. This would use the Historic Scotland and RCAHMS websites. But it would also be beneficial to consider other methods including other websites (such as BEFS) and occasional electronic newsletters for stakeholders.
- 7.6 While consultation by Historic Scotland and RCAHMS should not take place during any formal Scottish Government consultation period, it would be important that plans are in place to pick up consultation on specific issues relating to the decisions of the Scottish Government following their consultation. This could be done through a combination of short electronic surveys and focused thematic or regional discussions with stakeholders.

## **Annex 1 Organisations Attending Stakeholder Workshops**

---

### **Glasgow Event**

Glasgow Building Preservation Trust  
BEFS  
Architectural Heritage Society of Scotland – Strathclyde Group  
IHBC Scotland (Private Individual)  
National Trust for Scotland  
FAME/SLR Consultants  
Glasgow Archaeology Society  
North Lanarkshire Council

### **Edinburgh Event**

Society of Antiquaries of Scotland  
Scottish Centre for Conservation Studies, Edinburgh University  
RSA Fellows  
Berwickshire Civic Society  
Northern Lighthouse Board  
Architecture and Design Scotland  
The Cockburn Association  
Museums Galleries Scotland  
CFA Archaeology Ltd  
Archaeology Scotland (2 representatives)  
Forestry Commission Scotland  
GUARD Archaeology Ltd  
East Lothian Council Archaeology Service

### **Inverness**

North of Scotland Archaeological Society (by telephone)



## **Annex 2 Organisations Taking Part in Telephone Interviews**

---

AOC Archaeology

Archaeology Scotland

Architectural Heritage Society of Scotland

Architecture and Design Scotland

Association of Local Government Archaeological Officers Scotland

Cadw

Council for British Archaeology

Education Scotland

The Forestry Commission

Heritage Lottery Fund Scotland

Institute of Archaeologists

Institute of Historic Building Conservation

Morlaggen Rural Settlement Group

National Trust for Scotland

Royal Commission on the Ancient and Historical Monuments of Wales

Society of Antiquaries of Scotland

Scottish Natural Heritage

Scottish Civic Trust

University of Edinburgh, School of History, Classics and Archaeology

## Annex 3 The Welsh Experience

---

### The Experience in Wales

1. On 3 May 2012 the Welsh Government Minister for Housing, Regeneration and Heritage issued a written statement to Assembly Members announcing a 'working group to create a process whereby the core functions of the Royal Commission of the Ancient and Historical Monuments of Wales (RCAHMW) could be merged with other organisations, including Cadw'.
2. We conducted telephone interviews with both RCAHMW and Cadw, to explore the approach to a similar merger elsewhere. The relationships of each stakeholder with Historic Scotland and RCAHMS were also discussed, to gain a more external perspective on the Scottish merger.

### *Relationships with Historic Scotland*

3. RCAHMW has no significant interaction with Historic Scotland. Cadw and Historic Scotland interact in a variety of ways:
  - high level information sharing to compare policy direction;
  - operational discussions around thematic issues including skills development and tourism;
  - provision of mutual organisational support; and
  - shared organisational interests.
4. Cadw's working relations with Historic Scotland are described by Cadw as 'very good at all levels'.

### *Historic Scotland strengths and weaknesses*

5. The Welsh stakeholders interviewed highlighted several strengths of Historic Scotland:
  - tourism management;
  - conservation expertise;
  - asset management;
  - provision of technical information, guidance and advice;
  - development of heritage skills - active employer and trainer of craftspeople;
  - accessible publications and literature; and
  - track record in innovative public engagement techniques.
6. In terms of weaknesses evident within Historic Scotland, stakeholders both stated that a significant change in personnel – particularly at senior level – has

resulted in the loss of expertise and fewer members of the management team with a broad range of experience in the heritage sector.

### ***Relationships with RCAHMS***

7. RCAHMS and RCAHMS have a formal partnership through SWISH (Shared Web Information System for Heritage) which was described as 'indispensable' having led to less formal collaborative work. Cadw has limited links with RCAHMS.

### ***RCAHMS strengths and weaknesses***

8. Stakeholders highlighted several key strengths of RCAHMS including:
  - IT management and digital records;
  - high quality standards of archiving;
  - ease of accessibility to archives for stakeholders and the public
  - fundraising and entrepreneurship;
  - publications; and
  - community and outreach work.

### ***Stakeholder perspectives on a Scottish merger***

9. Neither stakeholder specified particular advantages that may result from a merger between RCAHMS and Historic Scotland. The potential disadvantages identified included:
  - changed priorities;
  - increased costs of merger;
  - reduction of research output;
  - loss of external funding;
  - lack of expert governance;
  - damage to the credibility of RCAHMS' archives and records collections;
  - loss of curatorial independence; and
  - lack of impartial advice.
10. Stakeholders felt that retaining independence to some degree within the new organisation was the key to mitigating the above challenges. This may involve keeping some functions of the new body, apart from policy, advice and regulatory services, outside of government and therefore not subject to Government and Ministerial decision-making.

### ***Stakeholder perspectives on a Welsh merger***

11. Stakeholders saw the main drivers for a merger between Cadw and RCAHMS as:
  - a reduction in funding due the current economic situation;
  - minimising redundancies due to budget cuts and thereby retaining existing skills and expertise;

- the need to create a more resilient organisation;
- maximising the existing synergies between the two organisations.

### ***Advantages and disadvantages of a merger in Wales***

12. Some advantages of a merger included:

- integration of resources;
- creation of single delivery mechanisms;
- improvement of online services; and
- reduced organisational landscape clutter.

13. Stakeholders felt that the following potential disadvantages could result from a merger:

- the risk of the merger becoming a take-over of RCAHMW;
- reduction in services currently provided, particularly research and investigation;
- attempting to house conflicting functions 'under the same roof' such as the provision of regulatory and advice services;
- loss of charitable status for the National Monuments Record;
- loss of RCAHMW independence from Government resulting in lack of independent advice, diminished curatorial independence, the compromise of independent research and the loss of voluntary sector partners;
- loss of charitable funding and donations;
- reduction in the number of specialist publications;
- initial costs of the merger including the integration of back-of-house services such as IT.

14. Suggestions from stakeholders around the mitigation of risks included safeguarding core functions by having them underpinned in the Heritage Bill, and relocating the National Monuments Record to another charitable body.

### **Measuring Success**

15. Stakeholders felt that the success of a merger could be gauged in a number of ways:

- a continued focus on national Government priorities;
- demonstration of increased progress against outcomes, including not only the delivery of core objectives but also increased job opportunities, improved life chances and raised levels of civic pride; and
- creating a resilient organisation for the future.

## **Current Status of the Merger**

16. A decision about the future structure was expected shortly after we conducted these interviews in December 2012. There have been three main options discussed:

- the merger of RCAHMS and Cadw;
- the creation of a new charitable heritage body outwith government, covering functions other than policy advice and regulation; or
- splitting the Commission, with the National Monument Record transferring to the National Library of Wales.