



HISTORIC
ENVIRONMENT
SCOTLAND

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ALBA

MINUTE OF HES BOARD MEETING HELD ON 14 DECEMBER 2021

VIA VIDEO CALL

Present:

Jane Ryder
Janet Brennan
Andrew Davis
Terry Levinthal
Emma Herd
Ian Robertson
Fiona McLean
Paul Stollard
Jane Williamson
Ian Brennan

In attendance:

Alex Paterson, Chief Executive
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Projects Director
Elly McCrone, Director of Heritage
David Mitchell, Director of Conservation
Lindsey Ross, Director of People
Donella Steel, Director of Finance and Corporate Services
Alison Turnbull, Director of Development and Partnership
Clare Torney, Head of Analytics, Reporting and Audit (part)
Suzanne Casey, Head of the Chief Executive's Office
Jules Davidson-Welch, Business Manager

Introduction and Apologies

1. The Chair welcomed everyone to the meeting. No apologies were noted. It was agreed that Jane Ryder would chair the first few items of the agenda, after which she would leave the meeting due to a prior engagement, and various Board members would chair the remaining items in turn.
2. Fiona McLean informed the Board of her recent appointment to the National Lottery Heritage Fund committee for Scotland. This will be recorded in the Register of Declared Interests.
3. Terry Levinthal noted that the Cockburn Association, his employer, had received a small grant from the COP26 Conversations Fund, mentioned in the CEO's Report. He also noted his conflict of interest relating to the matter of solar panels at Edinburgh Castle, due to the Cockburn Association's participation in the planning process.

Minute of the Previous Meeting

4. The Board approved the minute of the 21 October meeting. They also approved the note of a Board call on 23 November. The Action Tracker will be updated and circulated to the Board prior to Christmas.

Matters Arising

5. The Chief Executive updated the Board on a previous discussion on changes to admission pricing for children. Having considered the financial impact of the proposed change and the uncertain funding environment, he recommended delaying changes to child ticketing until 2023.
6. It was noted that since the last meeting, the Board has been updated on a number of items, including the high-level inspection programme. The Board has also requested an additional update on other items, including the application to install solar panels to the roof of a building within Edinburgh Castle.

Chair's update

The Chair gave an update on a number of topics, notably:

- The outcome of the Scottish budget published on 09 December was welcomed. The Chair had spoken with the Cabinet Secretary and recorded the organisation's thanks for his support in the spending review process. The Board thanked the Chief Executive, Director of Finance, and other staff involved for their work in securing this positive result.
- The Chair updated the Board on a meeting with Minister for Culture, Europe and International Development Jenny Gilruth, on 08 December to discuss the high-level masonry project. The Board noted that this is a time of change, both in terms of Ministers and senior officers within Scottish Government, presenting an important opportunity to engage with government on longer-term strategic matters.
- Liaison with Scottish Government regarding the appointment of a new Chair is ongoing, with the hope that the successful candidate will be announced shortly. Senior Scottish Government officials are aware that the outgoing Chair's appointment will expire on 18 January 2022.

In line with his declaration of possible conflict of interest earlier in the meeting, Terry Levinthal recused himself from the discussion on solar panels and left the call.

7. **Edinburgh Castle solar panels:** Board members aimed to avoid a full discussion of the merits of the application, rather seeking information as to timetables and outcomes. Staff advised the status of the application (to Edinburgh Council) for planning permission, in so far as known, and the application (to HES Heritage Division) for Scheduled Monument Consent. Outcomes are anticipated very shortly. Staff drew attention to the timelines in order to be able to draw down available grant support for the project offered by Scottish Government. In discussion the Chair's proposal to pause the application pending full information was not agreed. Staff

would advise the outcome of the application being processed. The Chair stressed the importance of all aspects of communication, whatever the outcomes

8. **Regulatory framework:** The Board noted earlier discussions, including the agreement to commission external support for the development of the Regulatory Framework. It was agreed there should first be a discussion between staff and the Chair of ARAC, followed by a staff briefing to the Board of the current operation of regulation. It was noted that the commitment to a Regulatory Framework by March was probably now optimistic.

Terry Levinthal re-joined the meeting.

Jane Ryder left the meeting

Paul Stollard chaired the following item

Chief Executive's Update

9. The Chief Executive offered an update on a number of matters in addition to those in his written report, including:
 - Following the accelerated spread of the new Omicron Covid variant, HES has followed Scottish Government advice and asked staff to work from home where possible. There have been a number of cancellation of events at sites by their organisers, and teams are reviewing budgets in light of the possible impact on commercial income.
 - The Board noted an update on the third sector survey on the impact of covid, a fuller analysis of which is in production.
 - The Board received an update on a recent worldwide cyber security incident, to which teams responded appropriately, and mitigating measures put in place.
10. Turning to the Financial Statement report for the period to 31 October 2021, the Board noted that the year to date position shows a £3.6m surplus against budget. This is mainly due to underspends against most expenditure categories offset in part by a lower drawdown in SG funding. The full year forecast indicates an underspend of £1.1m against budget mainly due to lower than budgeted salary costs.
11. The main risk remains the achievement of the commercial income target and whilst the year to date position and the full year forecast indicate the target will be met, achievement is dependent on the continued recovery of visitor numbers. A mid-year budget review has been undertaken; while there is a forecast underspend no reallocation of budget is recommended because of the ongoing risk surrounding commercial income.
12. The Chief Executive summarised the quarter two Corporate Performance Report. At the end of September 37 indicators were on-track, 7 at risk and two had been achieved. The Board commended performance to date, thanking staff involved. The proposed Partially Achieved and Not Achieved definitions for success criteria for 2021/22 indicators were agreed.

Jane Williamson chaired the following item

Clare Torney, Head of Analytics, Reporting and Audit, joined the meeting

High level Inspection Programme Update

13. The Director of Conservation outlined progress of the High-Level Inspection Programme since the last update to the Board. The sample inspections and assessment of findings is now complete, and emphasis has moved to considering broader implications and planning to deliver a national programme of high-level tactile surveys to all sites which have high level masonry.
14. Following the October Board meeting ten additional site closures or partial closures have been instructed as a precautionary measure as a result of characteristics that they share with properties recently surveyed.
15. The Director of Conservation outlined the methodology and future steps sections of the paper. Members commended the 'potential for risk' and 'data assurance' matrixes and agreed that the approach provided a strong rationale for decisions regarding sites. Based on this, it was highlighted to the Board that a number of additional sites may have restrictions or closures implemented and the Board supported this action based on the analysis.
16. Members praised the approach taken to the programme throughout and thanked the teams involved. The Board highlighted the importance of considering levels of staffing resource and the attendant impact on health and morale levels and asked for this element to be covered in future briefings.
17. The Short Life Oversight Group will now be stepped down on the basis that oversight of the programme is now being mainstreamed. In light of his interest in the topic, however, Paul Stollard should be kept regularly briefed on progress, and an update will be brought to each Board meeting.
18. Turning to questions around what HES' 2022 visitor offer will look like, the CEO advised that commercial teams hope to have a draft marketing programme early in the new year and the Board will be updated in due course.

The Head of Analytics, Reporting and Audit, left the meeting

Ian Robertson chaired the following item

Corporate Plan

19. The Board considered the draft Corporate Plan for 2022 onwards and a KPIs Progress report on progress in achieving our existing KPIs. The draft has been produced following Board agreement to conduct a light touch review of the 2019-22 plan, Heritage for All, to produce a revised version for the next planning period that reflects a changed context. The five outcomes remain unchanged, small-scale edits have been made to the narrative under each outcome, and some of the images have been changed to emphasise priority themes or the changed operating context. The KPIs have not been changed.

20. A more comprehensive review of Heritage for All and wider consultation and engagement is planned in the next three years to inform development of the 2025 Corporate Plan.
21. The Board commended the draft, offering a small number of comments and confirmed that they are content with the assessment of progress against KPIs. When the finalised version is presented to the Board in February, it will be accompanied with a short briefing on the data used to assess progress on the KPIs.

ACTION: Director of External
Relations and Partnership/
Director of Finance and Corporate Services

Risk Discussion

Andrew Davis chaired the following item

22. The Board noted the paper setting out Quarter three risk position, which will be reviewed in more detail by ARAC in due course. Given time constraints of the meeting it was agreed that ARAC would consider how the Board's strategic review of risk be undertaken in early 2022.
23. Turning to the risk appetite statements, which the Board have undertaken to review on an annual basis, the Board considered each in turn. Members suggested a small number of minor wording alternations to some of the statements. The Board also reflected on whether the development of additional statements may be appropriate on climate change and Health and Safety. A statement relating to climate change will be drafted for consideration, however it was agreed that Health and Safety is sufficiently reflected in the existing statements.

ACTION: Director of Finance
and Corporate Services

Ian Brennan chaired the following items

HESe Board – Update of the 19 November Meeting

24. Ian Robertson gave an update of the most recent meeting in his capacity as Chair of the HESe Board. Several strands of the enterprise company have made good progress, including the launch of the online retail store, Stór. The NCAP team are finalising their move to the Seven Hills business park in Sighthill, which is hoped will facilitate further progress.
25. The HESe Board will receive a further update on the Dallas Dhu business plan in February, which is now showing positive progress. A review of HESe governance arrangements is also under way.
26. The Board thanked Ian for his update, observing that the minutes of the meeting were not clear to those who had not been in attendance.

Finance Committee – Update of the 26 November Meeting

27. Emma Herd gave an update of the most recent Finance Committee meeting in her capacity as Chair of the committee.
28. The committee had discussed the designated fund, with the expectation that it will not be used in full this year but rolled over into following year. Finance teams are preparing a business case for this eventuality, which will come to the Board for approval in due course.
29. The Committee was also updated on progress of the Project Management Office, which is currently still being assembled, but is anticipated to transition over to business as usual working shortly. The committee are content that the PMO is developing in the correct direction and have asked the Director of Finance to focus on finalising the reporting arrangements for its governance.
30. In February, the committee will consider the development of the Financial Strategy, noting that the current circumstances represent an opportunity to reset the thinking behind it. They will also discuss preparations for the 2022/23 budget.

Staff Governance Committee – Update of the 08 November Meeting

31. Fiona McLean provided an overview of the 08 November meeting of the Staff Governance Committee in her capacity as its chair.
32. The committee had received a presentation from representatives of the Equity Forum and had commended the group in fulfilling this very valuable function. They had also considered an update on recent Covid measures.
33. Fiona updated the Board on the Leadership Development programmes, the various strands of which had been very well subscribed. The Board noted the importance of building leadership capacity in the organisation at the current time.
34. Progress is being made on a Strategic Workforce Plan, which will be considered by the committee at their next meeting.
35. The committee continues to receive updates on the progression of the Reshaping Project, which is progressing well.