



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 14 FEBRUARY 2019

Conference Room, Longmore House

Present:

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

In attendance:

Alex Paterson, Chief Executive
Barbara Cummins, Director of Heritage
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Director of Corporate Services
David Mitchell, Director of Conservation
Lisa McGraith, Director of Communications
Donella Steel, Director of Finance
Alison Turnbull, Director of Development and Partnerships
Suzanne Casey, Head of the Chief Executive's Office
Rebecca Jones, Head of Archaeology and World Heritage (Archaeology and Climate Change sections only)
Ewan Hyslop, Head of Technical Research and Science (Climate Change section only)
Jules Davidson, Board Secretariat

Introduction and Apologies

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

Minutes of the 13 December Board Meeting and Action Tracker

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

Chair's Update

3. The Chair advised members that Board self-assessment and succession planning would feature on the agenda for the forthcoming strategy session in March. In addition, discussion would focus on risk, the Edinburgh Castle Masterplan and thoughts on the future of the Grants programme.

Chief Executive's Report

4. The Chief Executive presented his update to the Board. A number of matters were discussed, including:
 - An update to the Board on recent press interest in St Peter's, Cardross, noting that the Cabinet Secretary had received and was considering the advice prepared by HES last year.
 - An update on the Corporate Programme Governance Board, which met on 7 February. The Corporate Projects Manager has now taken up post and is making a positive start; his focus will be on programme-level management rather than on individual projects;
 - An update in relation to the rock fall incident at Edinburgh Castle in November 2018; and
 - Members noted the results of the recent TRIM survey, which demonstrates positive progress but more work still to do. Further investigation of the impact of the Corporate Plan process on stakeholder perceptions would be welcomed.

ACTION: Director of Communications

5. **Annex A** outlined the Corporate Performance Report to 31 January 2019. The Board noted that while a very small number of indicators are at risk of being missed, good overall progress is being made towards delivery of HES' objectives. The Board agreed a change to deliverable C2.1 in relation to the delivery of a Built Heritage Investment approach. This reflected a change to the remit of this work and associated timescale, as agreed at the Strategic Historic Environment Forum (SHEF).
6. **Annex B** outlined the HES Financial Position to the end of December 2018. This shows the year to date surplus position is under the budget position, largely due to higher spend against salaries and a shortfall against net commercial income offset by underspend against operational expenditure. It also forecasted a breakeven outturn with the budget at the year end. The Board went on to discuss a number of topics in relation to the anticipated forthcoming period of economic uncertainty surrounding the Brexit process.

HES Corporate Plan 2019-22: Final Copy and Design

7. The Board homologated their approval of the text of the Corporate Plan, which had been circulated by email on 05 February. Creative designers had

been appointed to take the brief forward, with the resulting indicative design treatment presented to Board.

8. Members discussed the design treatment and raised a number of points, including:
 - The Board noted that the images used in this version are not necessarily representative of the final selection;
 - The placement and format of the Gaelic used may require further consideration;
 - An updated Communications Handling Plan will be circulated to the Board; and
 - A number of elements of the design requires further consideration, including the Key Performance Indicators page.
9. The Chair commended work on the Corporate Plan and noted that it will be launched alongside the Annual Operating Plan and Historic Environment Policy for Scotland at an event on 5 April 2019.

ACTION: Director of Development
and Partnership / Director
of Communications

Draft Annual Operating Plan 2019/20

10. The Chief Executive introduced the draft Annual Operating Plan (AOP) 2019-20, which sets out the details of delivery, resources available and indicators for the first year of the new Corporate Plan.
11. Since the last Board meeting, where the outline shape of the plan was agreed, the AOP has continued to be developed. The final draft AOP takes account of Board comments on the first draft AOP as well as the budget settlement for 2019-20 from Scottish Government. The Chief Executive advised that the plan offers a line-of-sight from the Corporate Plan, as well as greater continuity of activity.
The Board discussed the draft AOP, offering a range of feedback, including:
 - The Board noted that the design and imagery used are subject to change prior to final publication;
 - Consideration may be required to ensure that possible 'hard choices' to be faced in future are sufficiently covered under Outcome Two;
 - It was clarified that the necessary Strategic Environmental Assessment (SEA) had been undertaken for the Corporate Plan, which in turn covers the AOP; and
 - Reference to growth deals might be expanded.
12. The Board commended the progress made on the Annual Operating Plan and approved the copy subject to amendments listed above.

Draft 2019/20 Budget

13. The Director of Finance introduced the proposed budget for the 2019-20 financial year. The covering paper outlines the process followed in developing the Budget, key assumptions, risks and the link between the budget and directorate plans.
14. The Director of Finance briefed the Board on recent news that the contribution rates for the Civil Servant pension scheme were due to rise significantly for the coming financial year. Work is ongoing by Scottish Government to find a solution to mitigate the cost to public bodies.
15. The Board commended the strong link to the Corporate Plan and the Annual Operating Plan, welcomed this step towards an outcomes-based budget and expressed comfort with the prudent approach. The Board approved the budget, noting concerns about the uncertainty around Brexit and the unresolved question of increased pension contributions. They also discussed the level of funding around future Grants programmes, which will be explored further at the strategy day in March. A mid-year review of the budget will take place in September 2019.

Conservation Area Regeneration Scheme (CARS) Round 8

16. The Director of Finance invited the Board to discuss and approve the funding decisions on the CARS Round 8 funding applications, following the Board's April 2018 approval of the allocation of £10m grant funding to run a new round of CARS between 2019 and 2025. The paper recommended four applications for approval, four to be deferred for further development, and two for rejection.
17. The Board approved the funding recommendations as set out in the paper, confirming funding of £4.412 million to the CARS scheme in Hawick, Mauchline, Lochgilphead and Inverkeithing. The Board discussion touched upon a number of wider themes about the Grants programme, which will be examined in greater detail at the March strategy meeting.

Historic Environment Policy for Scotland

18. The Director of Heritage invited the HES Board to approve the text of the new policy document now titled "Historic Environment Policy for Scotland" (HEPS), which will replace the Historic Environment Policy Statement (HESPS) and to note the accompanying reports on the consultation exercise and the associated impact assessments undertaken to support the policy. She clarified that the principal changes to this version had been in wording, in line with feedback from stakeholders. A copy of the text highlighting the changes will be circulated to the Board.

ACTION: Director of Heritage

19. The Board thanked the Director of Heritage and approved the policy, which will now go forward to designers and be published alongside the new Corporate Plan.

International Strategy

20. The Director of Development and Partnership gave an overview of the paper, inviting the Board to discuss and approve the draft HES International Strategy. She explained that the current version had been developed following Board feedback and engagement with other organisations.

21. The Board discussed the paper and offered a range of feedback:

- A number of changes were suggested to the wording in the strategy;
- An implementation plan is required; this will be covered in a future Chief Executive's Update paper; and
- The ten-year term of the strategy was debated, noting the challenge of linking the strategy to the three-year Corporate Plan.

22. The Board indicated their approval of the strategy, subject to the feedback provided above, noting that it was due to be published by 31 March 2019.

ACTION: Director of Development and Partnership

Research Strategy

23. The Director of Development and Partnership introduced the draft Research Strategy, designed to support a more joined-up and collaborative approach to research at HES, and ensure closer alignment between our research activity and the outcomes of the new Corporate Plan. The 2018-19 Annual Operating Plan and current Corporate Plan commit HES to publishing a Research Strategy by the end of this financial year.

24. The Board considered the draft strategy, suggesting the following points be incorporated:

- Additional information on how the findings of HES research is disseminated internally and externally;
- Research principles should include quality, originality and openness to scrutiny; and
- The 'Who Are We' section of the strategy should ensure consistency with the Corporate Plan and Annual Operating Plan.

25. The Chair commended the paper, and delegated authority to sign-off the final version to Fiona McLean and Paul Stollard. The final version will also be circulated to all Board members.

ACTION: Director of Development
and Partnership

Staff Governance Committee - Draft Minute of 30 January Meeting

26. Ken Thomson, Chair of the Staff Governance Committee, gave an update of the January meeting, noting the following points:

- There has been positive progress on the delivery of the People Strategy;
- The Committee had considered statistics relating to the workforce and absence levels, noting that the Average Working Days Lost figure had fallen slightly as a number of the longer-term absent members of staff had returned to work;
- The Committee had considered early results of the Staff Survey, the first conducted independently from the overall Civil Service survey; and
- Safeguarding has been reviewed across the organisation and progress made on implementing appropriate measures.

Fiona McLean left the meeting

There followed a closed session of the Board and Chief Executive during which all other officers left the meeting, returning once the open session resumed.

Ian Robertson left the meeting

Rebecca Jones, Head of Archaeology and World Heritage, joined the meeting

Archaeology

27. The Head of Archaeology and World Heritage introduced the item, which provides the Board with information on HES' role in relation to archaeology. It seeks to explain various archaeological roles within HES and how we relate to wider archaeology in Scotland and further afield.

28. The Board discussed the necessary levels of in-house capacity, as well as the priority given to coastal and island archaeological investigations. Members requested clarity on the status and anticipated timeframe of the archaeological activity at Links of Noltland, as well as future plans/proposals for the site.

29. The Board welcomed the paper, noting the positive positioning within the Scotland's Archaeology Strategy. The Head of Archaeology and World Heritage will provide with the Board with a breakdown of current/recent archaeological projects and an explanation of the process used to decide allocation of staffing and financial resources.

ACTION: Head of Archaeology
and World Heritage

Ewan Hyslop, Head of Technical Research and Science, joined the meeting

Climate Change & Environmental Action Plan

30. The Director of Conservation and Head of Technical Research and Science gave the Board a background to the Climate Change and Environmental Action Plan (CCEAP), which sets out what we intend to do to fulfil our role as a leader and exemplar under the Climate Change (Scotland) Act 2009, as well as comply with all relevant environmental legislation. The Director asked the Board to indicate their appetite for how ambitious the organisation should be as it carries out its climate change duties and activities.
31. The CCEAP seeks to establish HES as a leading public body in this area and will be issued to public consultation. The Board discussed the CCEAP, noting the following points:
- Higher costs as a result of the plan are not anticipated; the focus is instead on mainstreaming efforts;
 - HES has already experienced loss of income as a result of recent extreme adverse weather events. The plan focuses on adaptation of the business to become more resilient to increasing numbers of these events in the future;
 - HES is anticipated to have a significant role in raising awareness and setting a positive example for the wider heritage sector;
 - Further emphasis is required on how the grants programme can be used to encourage best practise; and
 - A policy or foresighting section might to be added setting out the long-term climate impacts.
32. The Board thanked the Head of Technical Research and Science for the paper, and in approving the plan for consultation, confirmed the HES should be ambitious in its Climate Change plan.

ACTION: Head of Technical
Research and Science

Ewan Hyslop and Rebecca Jones left the meeting

Audit, Risk and Assurance Committee (ARAC) – Update of the 13 February Meeting

33. Ian Brennan, Chair of ARAC, gave an update of the 13 February meeting, highlighting the following:
- The first draft of an assurance map had been considered by the Committee;
 - The Committee had reviewed draft risk appetite statements; and
 - Ian listed a number of other matters that had been covered by the Committee including changes to accounting policies, Brexit preparedness and a meeting with HES' External Auditor.

The Chair thanked Ian for his update.

Historic Environment Scotland Enterprises (HESe) Board – Draft Minute of the 14 November Meeting and Update of the 13 February Meeting

34. Coinneach Maclean, Chair of the HESe Board presented the minute of the 14 November meeting and gave an overview of the 13 February Meeting, highlighting the following:

- The HESe Board had considered a paper on HES' publishing activities, with a focus on the rationale for commercial activity. This matter will be considered further by SMT and the Board will be updated in due course;
- The HESe Board had been updated on the progress of the proposed relocation of National Collection of Aerial Photography (NCAP), and a review of NCAP pricing had taken place; and
- The HESe Board continues to monitor the trial residential lettings project, which is due to take place shortly.

35. The Chair thanked Coinneach for his update.

The next HES Board business meeting will take place on 25 April 2019.