



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 27 MAY 2021

VIA TEAMS CONFERENCE CALL

Present:

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

In attendance:

Alex Paterson, Chief Executive
Elly McCrone, Director of Heritage
Stephen Duncan, Director of Commercial and Tourism
Gary Love, Director of Corporate Services
Lisa McGraith, Director of Communications
David Mitchell, Director of Conservation
Lindsey Ross, Director of People
Donella Steel, Director of Finance
Alison Turnbull, Director of Development and Partnership
Denise Mattison, Head of Corporate Analysis and Performance
Andrew Nicoll, Deputy Head of Archives
Prabhakar Kawale, Project Manager
Joann Russell, Head of Estates
Birgit Gaiser, PICAMS Project Manager
Amy Eastwood, Head of Grants
Suzanne Casey, Head of the Chief Executive's Office
Jules Davidson-Welch, Board Secretariat

The meeting was preceded by a closed session of the Board and Chief Executive

Introduction and Apologies

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

Minute of 22 April Board Meeting

2. The Board approved the Minute of the 22 April Board meeting, as well as the note of their Lead Body workshop discussion, held on the same date.
3. Members reviewed the Action Tracker, noting updates from the Chief Executive on a number of key items.

Chair's Update

4. The Chair noted the appointment of a new Cabinet Secretary for the Constitution, External Affairs and Culture, Angus Robertson, as well as the appointment of a Minister for Culture, Europe and International Development, Jenny Gilruth. On behalf of the Board and staff, the Chair expressed her thanks and appreciation for the outgoing Cabinet Secretary, Fiona Hyslop, who drove the formation of HES and has supported the organisation through its vital first years. The Chair will write to the new Ministers at the earliest opportunity.
5. The Chair also welcomed the reopening of many HES sites, some of which Board members have had the opportunity to visit. She offered her personal thanks to the staff who facilitated her recent visit to Bonawe Iron Furnace, which is currently preparing to open.
6. The Board also had an opportunity to meet at Edinburgh Castle on 17 May; the first such opportunity for many of the longer-serving Board members to meet those who were appointed in April 2020.
7. The Chair offered her thanks to the staff members who led the recent visit to Archive House and the current archive accommodation in John Sinclair House, noting that the visit provided an invaluable insight ahead of discussion of the Archives Business Case.
8. The Chair also noted that since the last formal Board meeting the Chief Executive had announced to staff the approach to restructuring the organisation. This has also been reflected in the most recent version of the Annual Operating Plan.

Denise Mattison, Head of Corporate Analysis and Performance, joined the meeting

Finance Committee

9. Emma Herd, in her capacity of Chair of the Finance Committee, gave the Board an overview of the committee's meeting of 05 May. The group had considered the Archives and PICAMS business cases in detail, requesting clarity in some areas and offering a number of suggestions for the final versions to be brought to the Board for approval.
10. Emma commended the final budget outturn for 2020/21, noting that that a £1.5m surplus would be brought forward into the current year for use for specific purposes.
11. The committee also examined financial figures relating to Properties in Care, including costs and income.
12. The HES Chair thanked Emma for her update, welcoming the input of the recently formed Finance Committee.

Annual Operating Plan

13. The Board approved the most recent iteration of the Annual Operating Plan. A draft of the plan had previously been considered at the April meeting, and a further version circulated afterwards for Board comments. The Chair thanked staff for incorporating Board feedback into the current draft, noting that the changes did not have a material impact on the budget.

PMO

14. The Director of Finance briefed the Board on the establishment of a Project Management Office (PMO); a 'Centre for Excellence' for projects within HES that will add value to the project lifecycle from initiation to benefits realisation and drive value from the portfolio as a whole. She outlined the vision, governance arrangements, underlying principles and approach to establishing the PMO.

15. The Board discussed the plans, covering the following areas:

- Members discussed how the governance of the PMO would work, noting the roles and responsibilities of the SRO, CEO, SMT and PMO Board. Further reflection will be required on how the HES Board will be kept sighted on the project pipeline.
- The Board welcomed the emphasis on upskilling staff in project management, noting a link to the People Strategy and importance of effective performance management arrangements.
- The Board stressed the importance of adopting a proportionate approach depending on the scale and complexity of individual projects.
- The PMO should support the provision of detailed analysis of capacity and resourcing prior to project initiation.
- Communication of the PMO to staff will be important, highlighting the benefits that it will bring.

16. Members commended and endorsed the plans for establishing a PMO and wish to be kept sighted of progress and impact.

The Head of Corporate Analysis and Performance left the meeting

Andrew Nicoll, Deputy Head of Archives, and Prabhakar Kawale, Project Manager, joined the meeting

Archive Business Case

17. The Director of Corporate Services introduced the full business case for the Archives project, which builds upon the outline business case considered in November 2020. The project includes the modification and preparation of Archive House, Bonnyrigg to make it suitable to store the archive in a climate and humidity-controlled environment, and to accommodate services and staff needed to maintain and manage the archive. In addition, the project also includes preparing the archive for moving to Archive House.

18. Members welcomed the updated business case. In discussion the following points were raised:

- Members discussed the proposal to 'decouple' the Knowledge Hub element of the project, which will be followed up on at a later stage, and received assurances that this did not mean that access to the archive would be diminished. Rather, the time allows for further consideration of options in light of future working practices and office utilisation. Opportunities to partner with other organisations would also be explored.
- Members noted the importance of appropriate fire safety engineers being involved in the design of the new accommodation.
- While recognising the importance of service accommodation for staff and associated equipment, it was emphasised that this should not just be based on replicating facilities at John Sinclair House, but on an assessment of need.
- The Board discussed the lease arrangements, noting that build and preparations will take up a significant proportion of the original lease period. Members felt that the terms of the lease might be revisited with the landlord.
- The Board considered the elements of the project which would necessitate approval from Scottish Government, agreeing that this process should begin as soon as possible.

19. The Board approved the business case to progress to the next stage, incorporating the feedback provided above. The Finance Committee will be briefed on potential renegotiation of lease options.

20. The Chief Executive will keep the Board regularly sighted on the project, with another full update to be scheduled for the October meeting.

The Deputy Head of Archives and Project Manager left the meeting

Joann Russell, Head of Estates, and Birgit Gaiser, PICAMS Project Manager joined the meeting

PICAMS

21. The Director of Conservation introduced the business case for phase two of the Properties in Care Asset Management System (PICAMS), the single portal within HES to access digital data sets, systems and tools to help us understand, care, operate, improve and transform our PICs. He invited the Board to approve a total investment of £1.407m over four years to deliver PICAMS phase two to mitigate existing levels of corporate risk; improve operations, assurance, equity and staff wellbeing.

22. Emma Herd advised the Board that the Finance Committee had reviewed the business case and were comfortable with the four-year term of funding. She noted that while the agile approach makes it challenging to forecast exactly what will be delivered in every six-month period of the four years, this could be mitigated by governance arrangements, namely regular updates and reviews by SMT. The Board noted that the Analytics and Reporting team are working on a mechanism to formally track benefits realisation and that a number of other organisations were interested in learning from our work on PICAMS.

23. The Board approved phase two of the project as outlined in the business case, commending the benefits already evident from phase one. Due to the overall budget for the project, approval will now be sought from Scottish Government.

The Head of Estates and PICAMS Project Manager left the meeting

Amy Eastwood, Head of Grants, joined the meeting

Grants Refresh

24. The Head of Grants outlined the Grants Refresh proposals that have been developed since the Board meeting in July 2020. She requested approval to proceed with implementation of the proposals as outlined in the HES Grants Framework, beginning with external consultation on the Grants Framework and redevelopment of the CARS programme.
25. The Board welcomed the paper and the work that had informed it. In discussion the Board highlighted a number of points, including the following:
- Members reflected on the varied nature of recipients of the current Organisational Support Fund, emphasising the need for clarity and careful communication and messaging around the proposed Partnership Fund which was proposed as a replacement.
 - The Board discussed a range of suggestions for how grants may be positioned to drive most value, including the opportunities for strategic partnerships with other funders (including how this related to the proposed Partnership Fund), requirements for branding and recognition, and further communications to highlight the grants that we are awarding.
 - Members noted the review of the CARS scheme, commending the quality of work and supporting the recommendations.
26. The Board approved the paper, agreeing to the next steps, specifically that discussions commence with Scottish Government on the proposals, and thereafter proceed to consultation.

The Head of Grants left the meeting

Chief Executive's Report

27. The Chief Executive updated the Board on a number of matters, including:
- The budget outturn for 2020/21 indicates a surplus of £1,5m, which will be held in a designated fund. This represents an excellent result, given the demands and circumstances of the year.
 - Similarly, HES has performed very well against the actions set out in the second six-month Action Plan of the year. From a total of 40 actions, 27 are achieved, 12 are partially achieved, and one is not achieved. The Board commended the results, noting that many of the partially achieved measures would be taken forward and completed in the current year.
 - Commercial teams have reported lower than anticipated visitor numbers for reopening, mirroring a trend observed elsewhere in the sector, however demand does appear to be rising for weekend tickets.
 - The Chief Executive briefed the Board on key heritage cases, including the appeal against listing high-rise flats in Aberdeen, which has been paused until July.

Elsewhere, HES officials are liaising with the developers of the Unst spaceport to find a solution that will mitigate the impact of their proposals on the historic environment.

- The Chief Executive briefed the Board on the closure of Melrose Abbey, which was necessary for safety reasons following an inspection of high-level masonry. Members noted that the HES website should provide an indicative list of dates on which we plan to reopen specific sites.
- The Board considered the update on HES proposals for COP26, noting that final details are still uncertain, but that much good work had been undertaken to date.
- Members noted the Programme for Success update, including the review by external auditors Azets, which provided much positive feedback and some recommendations to take forward.
- The Board reflected on an update on Mavisbank, noting that the National Lottery Heritage Fund announcement on funding was expected around 29 June.

28. Members noted the draft financial out-turn for 2020/21, which is subject to audit.

29. In addition, the Board approved the revised budget for 2021/22 outlined in the revised budget at Annex C to the CEO's report, which reflects a number of factors including proposals for how the £1.5 designated fund will be allocated, and taking into account the increased funding contribution from Scottish Government to cover the enhanced pay award.

Joann Russell, Head of Estates, joined the meeting

Properties in Care Strategy

30. The Chief Executive and Director of Conservation introduced the paper on a Properties in Care (PICs) Strategy, which aims to establish strategic, long term, holistic and sustainable management proposals for 336 PICs across the country. The paper provided an update on emerging issues.

31. The Board were invited to discuss the paper on the project and to provide guidance or feedback:

- Paul Stollard and Jane Williamson reported several productive discussions on the strategy with the Head of Estates over the last few months, with several strands providing the basis for a high-level framework.
- Members commended the approach of looking at a holistic strategy that will take in the entire estate, and all aspects of HES' interests at PICs. However, on that basis, members felt that the strategy needed to be more wide ranging, including visitor and commercial considerations, not only conservation, which was well developed.
- Members noted the complex choreography required in order to properly consult and receive approval from Scottish Government for various actions or recommendations that may result from the strategy. The Board noted the opportunity presented by the appointment of new ministers, particularly in seeking to put forward our vision to them as part of their early briefings.
- The issues being considered by HES will be mirrored in other heritage organisations, potentially providing a basis for a sector-wide approach.
- In framing the strategy while it will be important to highlight the challenges we and the wider sector face, it will be equally important to highlight positive aspects, benefits and the value to Scotland of the historic environment.

32. Members concluded that the work to date should be progressed with a strategic framework the next milestone. The Chief Executive will lead in developing this, which will be brought back to the Board by the end of the calendar year. Consideration will be required on how the Board can best support the work in the meantime.

ACTION: Chief Executive

The Head of Estates left the meeting

ARAC

33. Ian Brennan, as Chair of the Audit, Risk and Assurance Committee, gave an update of their meeting of 28 April. The committee had examined the Risk Register, highlighting the need to consider issues of capacity, particularly in relation to major projects. The Board noted that long-term existential threats may be another area that requires further thought.
34. ARAC had also noted the Internal Auditor's annual opinion, the detail on any recommendations will be considered by the committee. The group also reviewed a very positive report on HES' cybersecurity conducted by Azets.
35. ARAC also conducted their annual self-assessment, from which they had concluded that while they do not personally possess an exhaustive range of the skills required to provide scrutiny, they are able to bring in specific expertise where needed.
36. Ian Brennan also highlighted the committee's discussion on the desirability of a fourth member of ARAC with heritage expertise.