

HISTORIC SCOTLAND BOARD

Minutes of Meeting on 24 April 2006

Longmore House

Those attending:

John Graham, Chief Executive
Lucy Blackburn, Director, Heritage Policy
Peter Bromley, Director, Properties in Care
Louise Donnelly, Head of Casework, Inspectorate
Marc Ellington, Non-executive Director
Patricia Ferguson, Minister for Tourism, Culture and Sport (items 1-4)
Ingval Maxwell, Director, TCRE
David McGibbon, Non-executive Director
Brian O'Neil, Director, Human Resources
Laura Petrie, Director, Finance
Sheila Terry, Non-executive Director
Fiona Docherty, Head of Visitor Services and Business Development (items 1- 4)
Gordon Barclay, Policy Group (items 8 -11)
John Barber, Board Secretary

Introduction and Welcome

1. The chairman welcomed everyone to the April 2006 meeting of the Historic Scotland Board. A special welcome was extended to Patricia Ferguson, Minister for Tourism, Culture and Sport and Lucy Blackburn, the new head of Policy Group.

Minutes of previous meeting held on 28 February 2006 and matters arising

2. Sheila Terry raised the point in relation to the conservation regeneration scheme (paragraph 7 – penultimate bullet) that, rather than lack of experience in making the case for funding, the issue was more about the potential for relatively small sums of money for feasibility studies to be extremely helpful. This point would be pursued in a review of the scheme later in 2006. Subject to this, the minutes were agreed.

Key Performance Targets and Commercial Update

3. Items 3 and 4 of the agenda were taken together. The Board noted that, based on provisional outturn figures, almost all targets for 2005-06 would be met. The exception was earned income. In response, Peter Bromley and Fiona Docherty provided a brief summary of the factors involved, sought to put the 2005-06 results in

the 'industry context', outlined some of the lessons learned and provided the Board with a flavour of how 2006-07 was shaping up.

4. The 2005-06 visitor numbers and the knock on effect for income had been depressed by there being no Easter in the period; adverse weather during the free weekend and several high profile events; the G8 conference in July (which kept tourists away from particularly Edinburgh and Stirling); and the London bombings which had an impact on visitor numbers from overseas. It had not been possible to recover fully from these impacts.

5. Feedback from industry experts confirmed that the paid attraction sector has been universally affected by poor spring attendance levels and the impact of the G8 over the summer. There were also signs of an element of price resistance in the market and this could account for the success of free attractions over comparable periods. The good summer weather may also have encouraged visitors to head out to the coast and countryside properties, boosting free attraction figures.

6. In terms of lessons learned the Board noted the following points:

- It was vital to get off to a good start to the season;
- More energy was put into the free weekend for 2006. This had resulted in 100,000 visitors compared with 45,000 the previous year. Membership sales over the weekend had leapt from 200 to 1,400;
- There was a direct correlation between getting off to a good start to the season and meeting income targets;
- We needed to be more responsive – the "Kids Go Free" in October campaign in 2005 with its focus on Edinburgh Castle had shown that it was possible to turn around figures in-year;
- We needed to look carefully at price sensitivity, possibly with promotions and offers to drive up business at quiet times of day;
- We needed to get better at analysing business trends, to encourage more openness in the sharing of data and creating systems which facilitated such analysis and improved forecasting.

7. The signs were that 2006-07 had got off to a very encouraging start. There would be a summer campaign and a repeat of the "Kids Go Free" in October. Looking ahead, the branding project was focusing on how we might strengthen our identity and encourage more people to visit Historic Scotland sites.

8. Marc Ellington emphasised the uniqueness of the HS portfolio and the critical importance of branding. In response to a question from Sheila Terry about scope for joint membership arrangements and other joint promotions with the National Trust for Scotland, Peter Bromley indicated that discussions were being held with Scottish Enterprise, the NTS and others with a view to progressing a more 'national' solution to ticketing – possibly a Scottish version of the 'Great British Heritage Pass'. David McGibbon thought the 2005-06 performance was quite laudable against the backdrop of some very difficult circumstances. In response to a question about what seemed low retail spend per visitor (rspv), Peter Bromley reassured the Board that the Agency's spv stood up well against comparable organisations. Patricia Ferguson indicated that, notwithstanding some disruption at the time, experience from other

countries who had hosted G8 summits pointed to an upturn in visitors further down the line. It would be interesting to see if this materialised for Scotland. She also pointed to the need for more work to be directed to establish what tourists actually wanted. Current evidence suggested that an authentic experience was high on the list. Evidence also suggested that those who visit Scotland to play golf tend to be higher spenders. This was a possible line to explore.

9. Summing up discussion on earned income, Peter Bromley informed the Board that the Agency was on track to meet the three-year earned income target in the Corporate Plan.

10. In agreeing the proposed targets for 2006-07, the Board noted the following points:

- A new 'Policy' target was proposed – to issue four further Scottish Environmental Policy Papers (SHEPs) for consultation;
- Although we had appeared to 'lower the bar' for condition surveys, this was against the backdrop of having completed the first round of surveys as at 31 March 2006 and the need to provide space for DDA and health and safety audits. While consideration had been given to dropping this as a target, the consensus was that it should remain until such time as a more incisive target for condition emerged;
- The target for educational visits would be re-visited during 2006-07;
- The signs were that the turnaround times for casework would be met. This was particularly commendable against the Inspectorate re-structuring with a move to integrated area based teams.
- On balance the Antonine Wall would not be proposed as an Agency KPT although its importance and high level profile were fully recognised.

11. John Graham indicated that the next stage in the process was for the proposed targets to go to Secretary, SEED and thereafter to the Minister for approval.

Finance Report

12. Laura Petrie informed the Board that the Agency would:

- manage year end spend close to break even on cash related expenditure. The early forecast figures were in line with this at £67,000. However, as accruals would not be completed until 25 April, there could still be some changes;
- achieve outturn in line with both its revenue and capital budgets approved by the Scottish Parliament; and
- achieve full spend on grants.

13. Laura Petrie undertook to circulate final figures to Board members once they were finalised in May.

Risk

14. Laura Petrie updated the Board on risk. The task of reviewing the risk process had been completed. Group risk registers and action plans were now in place. These had been developed by directors who were now taking risk management deeper into their management structures. The final piece of the work was for HSB to review the draft high level risk register and in particular to consider if they were satisfied with the format of the risk register and the definition of risks contained within it.

15. After discussion, it was agreed that the register would be revised to reflect short, medium and long term risks; it would show a group identifier; and it would show only those risks which the Agency could influence and mitigate. Laura Petrie advised that the risk management process would be operating normally throughout 2006-07 and she would be reporting further in June as part of the normal reporting cycle.

Scottish Historic Environment Policies update

16. Gordon Barclay provided a brief update on progress with SHEPs. Three had been launched on 31 March 2006:

1. Scotland's Historic Environment - Overarching statement of Scottish Executive Policy.
2. Scheduling Scotland's Monuments - Definition and assessment of national importance.
3. Scotland's Inventory of Gardens and Designed Landscapes - what Scottish Ministers expect from the system.

17. SHEPS 1 and 3 were launched as consultative drafts. SHEP 2 was published in final form as it had been prepared some time ago and had previously been subject to consultation.

18. The SHEP programme for 2006-07 envisaged four further SHEPS for consultation:

4. Management of Change: Scheduled Monument Consent - Principles for management of conservation and change.
5. Listing of Scotland's Buildings - What we list and why; what listing means.
6. Management of Change: Listed Building Consent - What Scottish Ministers expect from the system.
7. Battlefields - Ministers' approach to the protection of Battlefields.

19. The Board noted that the key first step was to get the draft SHEPs out for consultation. The timing of publication thereafter was, of course, dependent on what emerged from the consultation. Looking further ahead, SHEPs were envisaged for:

- Properties in Care - Acquisition and Disposal Policy for the PIC estate
- Properties in Care - Access/admissions policy.
- Marine Historic Environment
- World Heritage Sites
- Conservation Areas
- Cultural Landscapes

Operational Policy on Volunteering

20. The Board welcomed the proposed operational policy on volunteering. Response to the public consultation had delivered very constructive responses from key players in the volunteering world.

Orkney

21. The Board noted the proposed arrangements for the Board visit to Orkney from 25 – 27 June. In response to feedback from earlier events, the dinner on the Monday evening with invited guests would involve some set piece discussion.

Any other business

22. On Mavisbank, John Graham reported that internal discussions were being held following a visit in March by a colleague from English Heritage aimed at helping us to better understand the market place. Marc Ellington reported that Elizabeth McCrone's visit to the north-east to talk to a group of students about the listing process had been hugely successful and that further presentations of this nature and quality would be extremely valuable. Louise Donnelly indicated that work was in hand for a pilot roadshow in May. This could possibly be extended to embrace developers, professional bodies etc. In connection with the annual accounts, Laura Petrie advised of requirements related to disclosure of salaries and pensions, related party transactions and areas of potential conflict. A letter seeking this would issue in due course.

23. The meeting concluded with John Graham thanking John Barber for his services as Board Secretary. The role would now pass to Gordon Barclay's Branch.

John Barber
Board Secretary
April 2006

Circulation: Those present
Rosalyn Marshall