

HISTORIC SCOTLAND BOARD MEETING

Minutes of Meeting 29 October 2007

Cairndale Hotel, Dumfries

Present:

John Graham	Chief Executive - Chairman
Peter Bromley	Director of Properties in Care
Donald Carmichael	Director of Policy
Malcolm Cooper	Chief Inspector
Marc Ellington	Non-Executive Director
John Lennon	Non-Executive Director
Ingval Maxwell	Director of TCRE
David McGibbon	Non-Executive Director
Brian O'Neil	Director Human Resources
Laura Petrie	Director of Finance
Ann-Marie Stannard	Non-Executive Director
Sheila Terry	Non-Executive Director

In Attendance:

Gordon Barclay	Head of National Policy
Linda Kosciwicz-Fleming	Policy Manager
Chris Watkins	Head of Major Projects, Properties in Care

1.0 Apologies

Raymond Young conveyed his apologies.

2.0 Minutes of previous meeting and matters arising

The minutes of the previous meeting on 30 August 2007 were approved. Sheila Terry referred to the item HS Risk Register in August minutes. She asked about HS's approach to the incident at Linlithgow Palace where a child had fallen down a well recently. Peter Bromley responded that PIC had a good health and safety record and that this incident was being investigated.

3.0 Benchmarking

Laura Petrie gave an oral update on Benchmarking in the Agency. This exercise would be complete by December 2007 and that the finance and HR review would be informed by it.

4.0 Stirling Castle Palace project business plan (HSB 29/07)

4.1 Introduction and background

The Board were invited to discuss the options, appraisals and recommendations set out in PIC's Business Plan, October 2007 for the conservation, presentation and interpretation of the Royal Palace, Stirling Castle. In addition to the business plan, a copy of the plans and visualisations for 4b was provided as this was the preferred option.

Peter Bromley introduced the discussion with a summary of the history of the project, now in its last major phase. This project would be the most significant HS investment

Deleted: 03/12/2007

over the next few years. Stirling Castle, one of HS's most important historic buildings, was a significant player in the tourist industry in Scotland and HS was aware that it had to stay at the forefront of tourism developments. It was hoped that there would be a significant increase in visitors following the refurbishment of the Palace. Marc Ellington commented that the traditional skills agenda should be part of the visitor product.

4.2 Options appraisal presentation

The options appraisal was presented by Chris Watkins who outlined some of the major issues. There were 6 options. Options 4a or 4b were recommended because they would provide a positive NPV and also attract social groups C2, D and E.

Option 0 was do nothing which would not be feasible since necessary maintenance and repair had to be carried out.

Option 1 consisted of repair works which needed to be done to ensure that the building was kept open to the public and included fire prevention and structural work.

Option 2 was the same as option 1 with a display for the Stirling Heads and tapestries. This was felt to be a confusing option since it used the historic apartments for a modern display. In addition there were potential problems with visitor flow in this option as the public area was not felt to be big enough.

Option 3 provided access to the upper floor and more space.

Options 4a and 4b were essentially the same with option 4b having the addition of costumed interpreters.

The interpreters would have a number of functions and benefits and would help to deal with the complex history of the apartments. They would be useful for promoting corporate functions and for the marketing of the castle as a whole. The marginal extra investment for them would be quite small.

4.3 Options appraisal report statistics

There was a discussion of the statistics used, benchmarking, marketing and awareness raising. Chris Watkins said that for visitor and income forecasts PIC had drawn on work by PLB consultants. David McGibbon asked if the consultants had benchmarked the options and where the verification was for the numbers in the Business Plan. The visitor numbers were key to the assumptions being made about income. Marc Ellington agreed and stated that benchmarking would be problematic if unrealistic figures were used. Chris Watkins said that PLB Consultants had benchmarked two sites, Hampton Court and the Tower of London, although neither provided a straightforward comparison.

Sheila Terry was concerned that HS should take account of other things happening in the area at the same time and whether they would be included in the planning. The project could be part of a bigger regeneration package.

4.4 Marketing

Marc Ellington stated that in order to deliver the projected income a strong programme of awareness raising and marketing was needed and the costumed interpreters could be used to build the HS brand. He also advocated using traditional craft skills as a visitor attraction. Chris Watkins replied that the budget included the largest marketing element in any recent HS project. He noted that the tapestries woven on site at Stirling had attracted large numbers of visitors.

John Lennon commented that it would be useful to see the PLB report and that HS needed to encourage a more diverse mix of visitors. Peter Bromley commented that PIC had to consider how to change the social mix of people coming to PIC's. The Kids Go Free campaign had been successful in this respect. Ann Marie Stannard asked if a sensitivity analysis could be done for this.

John Lennon noted that removing charges from museums had not led to a different mix of people coming to museums. HS had to move on as an organisation and the strategy of concentrating effort on 3 or 4 major sites made sense. More needed to be done to engage with C2, D and E social groups and strengthen retail. The recommended option appeared sound in this context. Stirling and Edinburgh required a different model from some of the smaller PIC's. David McGibbon agreed that there needed to be a solid retail and marketing plan. John Lennon felt that marketing was under resourced with a figure of £350,000. Marc Ellington agreed and added that marketing and awareness raising was important.

Ann Marie Stannard asked about the period the Business Plan covered and what the original estimates were. Chris Watkins responded that the original budget envisaged for the Stirling project as a whole had been £20 million. With allowance for inflation this phase was close to the original budget, the excess was mainly due to the additional money spent on research. Ann Marie Stannard asked what the impact of this project would be on other major projects and what other projects were happening over the next 4 years. Chris Watkins stated that Edinburgh Castle and Stanley Mills were close to completion. No other major projects were close to being ready to start. This project would be staged over 4 years. Peter Bromley stated that it could be funded in the 4 year programme outlined provided that the Extra resources sought in the Spending Review were secured.

Ann Marie Stannard asked if year 1 was the start of the project. Laura Petrie said that in the business plan the marketing would not start until the project was finished. Peter Bromley stated that marketing would need to be included in the build up. Sheila Terry suggested HS should seek support from others who were interested in achieving the same goal and Peter Bromley responded that HS was part of a Stirling Tourism initiative.

4.5 Fire risk

Ingval Maxwell argued that without a fire suppression system the Stirling Heads would be at significant risk. Chris Watkins responded that the decision had been taken not to use suppression because of the impact on the original fabric and because there would be insufficient space for the necessary services. The issue could be re-examined. Malcolm Cooper noted that any changes with impact on the fabric would require consent.

4.5 Conclusions

Summing up John Graham said that there was general support for Option 4b, and no-one had argued for any of the other options. There were some reservations about the economic case and the Board wanted to see more evidence to underpin the visitor numbers and financial forecasts, and to understand the sensitivities. It was agreed that the Board would be provided with a supplementary note and a chance to see the PLB report. The Board thought the marketing budget needed to be reconsidered, and that we needed to maximise opportunities to use skills involved in the project to attract people. Fire suppression also needed to be looked at again.

ACTIONS

Peter Bromley to supply supplementary information based on the discussion above and also the consultants report.

Peter Bromley to review the fire suppression and report back.

5.0 Business Case for eRDM

Laura Petrie provided an oral update and said that ISIS had made a start with OBJECTIVE. The business case for this will be presented in due course and that eRDM will not start until next summer.

6.0 Finance Report (HSB 31/07)

Laura Petrie presented the September 2007 Finance Report. She stated that an overspend at the year end of £290,000 was forecast, but this was not a major issue at this stage of the year. She was pleased with the income and visitor numbers both of which were ahead of budget. David McGibbon and John Lennon were encouraged by the visitor numbers. David McGibbon asked if there could be a breakdown of figures for the major sites at Edinburgh and Stirling. Peter Bromley said he would provide those.

There was a discussion of the efficiency saving that would have to be made as a result of the Spending Review. Laura Petrie said that the SMT had discussed possible areas for savings and a report would come to the Board early in the New Year.

ACTION:

Peter Bromley to provide a breakdown of figures for Edinburgh and Stirling Castles.

7.0 KPTs Quarter 2 Report: July – Sept (HSB 33/07)

At present all the KPT's were assessed as green. Ann Marie Stannard asked if there was any way of monitoring the projects and tasks during the year and if more information could be provided. Sheila Terry agreed and commented that if we exceeded a KPT there would be a case for a more challenging target. John Graham commented that some of the KPTs had recently been adjusted for that reason.

8.0 Current Issues/AOB

John Graham said that at present there was a substantial review going on of the delivery landscape for public bodies. The Minister would come to the Board meeting in December and would meet the non executive directors on their own to have a

Deleted: 03/12/2007

discussion about the performance of the Agency. Leslie Evans would also be there. The draft responses to the HEACS reports were due to go to the Minister around then. Ministers had decided to withdraw from the marine part of the Westminster Heritage Bill. He added that HS were becoming actively involved in the SG work on the Greener Scotland strategic objective. Marc Ellington said this was a great opportunity and that HS had a big contribution to make to sustainability and that there were huge economic development opportunities in the historic environment.

Donald Carmichael stated that the evaluator's visit in connection with the Antonine Wall World Heritage Site proposal had taken place and had gone well.

Malcolm Cooper said that the public inquiry for Rowallan was expected to take place in April or May 2008 and that the Inspectorate would be preparing for this. Relevant Inspectorate staff were being trained in dealing with public enquiries. The Reporter in the recent Abbotsford inquiry had supported the stance taken by HS. Responsibility for the HS Collections Unit had moved from the Inspectorate to PIC.

Ingval Maxwell drew attention to the Stone in Context conference in Stirling. The Minister would launch the NPA in Masonry in Glasgow on 13 November. The Interns training and education show would take place in December. The short guide to maintaining your home was being revamped. The web team had advised that over the past year or so downloads of the 12 free leaflets had totalled 369,000. The key leaflet was sash and case windows.

Brian O'Neil said that HS would be bringing in a new guide to absence management and that the project on alternative working patterns should have a beneficial effect on short term absence. HR was hoping to get a new partnership agreement with the trade unions in the next few months.

9.0 Forward Look

A range of possible visits in connection with 2008 Board meetings were discussed, including Edinburgh Castle, Stanley Mills, the Antonine Wall and Dumfries House.

John Lennon suggested there would be value in going further afield to a look at the way others carried out income generation. Ingval Maxwell said he had the offer of Schoenbrunn in Vienna.

ACTION

Policy Group to provide an outline of suggestions for Board visits for the next meeting.