

HISTORIC SCOTLAND BOARD MEETING

Minutes of Meeting 29 June 2007

Apex Hotel, Dundee 09.00 – 13.00

Those Present:

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

In Attendance:

Richard Fawcett	
Ann MacSween	
Chris Watkins	
Gordon J Barclay	Board Secretary

1. Apologies and Introductory matter

1.1 Apologies were received from Marc Ellington; Raymond Young.

1.2 John Graham thanked the HS staff who had been responsible for the successful arrangements for the Board field-trip, dinner and meeting.

2. Minutes of Previous Meeting

2.1 The minutes of the meeting of 26 April were accepted as a true record.

Matters Arising

2.2 *Rowallan Castle*. It was recorded that the applicant had exercised his right for a hearing, and that this was likely to take place towards the end of 2007.

2.3 *Spending Review 2007*. It seemed likely that discussions involving Historic Scotland would start in July. It was noted that the Historic Scotland budget was now separated from Tourism and Sport.

2.4 *PiC Business Plan*. No further comments had been received but any could still be accommodated.

2.5 *Pay*. A ballot had rejected the proposal but in the current climate, where an improved offer could not be made, it had been decided to implement the offer. Arrears would be in June pay-packets. Year 2 of the current deal would be implemented in August 2007. Negotiations for the next round would begin in March 2008.

2.6 *Dumfries House*. John Graham briefed the Board on the process that had led to the purchase of Dumfries House.

2.7 *Key Performance Targets*. The Chief Inspector noted that at the last Board meeting only a provisional figure for the time taken for Scheduled Monuments Consent to be processed could be provided. The target is that 80% of cases are resolved within 9 weeks. The final figure was 92.08%.

3. Mavisbank

3.1 Donald Carmichael provided some background to the case for the new Non-Executive Directors. The consultants' report would be circulated to directors and put on the Historic Scotland website once it was signed off. There was a wide range of options from consolidation as a ruin to full restoration. The report was to be used as the basis of discussion with various interested parties. The matter would probably return to the Board at the December meeting.

ACTION: Secretariat: Copies of the past minutes and documents on Mavisbank to be provided to new NEDs.

Secretariat: Arrange visit to site for new NEDs later in the year before further Board discussion.

4. Stirling Castle

4.1 John Graham set out the context for this item. Formally Historic Scotland did not require a consent, as this aspect of the operation of the Properties in Care is covered by Crown Immunity. The Agency's policy, however, was that proposals for works on monuments in the care of Scottish Ministers should go through a process as close as possible to that applying to a private owner, which we term 'Scheduled Monument Clearance'. The Board was not being asked to take a formal decision.

The discussion was intended to provide advice to John Graham. Comment was not being sought on technical detail. The Board was being asked to test the process, comment on the reasoning underlying the recommendations and consider the wider implications of those recommendations. The Board would not be required to reach a final view if it felt the need for further consideration. It was noted that the more rigorous clearance process now in place post-dated the beginning of the Stirling Castle project. The project already had clearance under the previous, less rigorous, process, but was being reconsidered because the main work had not started.

4.2 Richard Fawcett was invited to present a summary of the Inspectorate's view of the PiC proposals. He used a PowerPoint presentation to expand upon paper HSB 13/07 (June). Stirling Castle was the best-preserved late medieval/Renaissance royal dwelling in Scotland. The Palace complex had to be seen in a European context, both in its purpose and in the influences on its design. The building was very important as an example of royal planning, and the paired (King's and Queen's) lodgings were arguably the earliest in Britain.

4.3 The established policy was that unless there were exceptional circumstances, works on scheduled monuments should be the absolute minimum necessary for their preservation. There were cases where the principle of minimum necessary intervention was superseded, for example where the benefit to the public was exceptional; where intervention was necessary to gather predictive management information and where intervention was necessary to carry out repair to the monument. In the case of properties in care the Agency had a duty to open properties in care to the public, and the need to make the monument comprehensible and enjoyable for visitors was held to justify works going beyond the minimum. There were exceptional circumstances at Stirling. The Castle had largely ceased to be a royal residence after 1603 and the palatial aspects of the Castle became less important than the military. There was extensive adaptation but the buildings survived because they were adapted for new uses. Edward VII's decision to transfer the Castle from military to Ministry of Works management marked a shift of emphasis back towards the importance of the palatial aspects. Since 1964 there had been greater momentum to recover the palatial aspects, for example, with work on the Great Hall.

4.4 Turning to the detailed plans, there were three main issues: reinforcement of historic floors; the date on which the display of the Palace would be based; the display of the Stirling Heads and consequent provisions for access.

4.5 The Inspectorate view was that the proposals to reinforce the historic floors using steel beams were the minimum necessary to ensure structural stability and the preservation of the historic fabric.

4.6 There were concerns that the plans to bring the Palace to its likely state in 1542 were problematic. Tree-ring evidence suggested that construction started around 1538 and it was considered unlikely that it was completed by 1542. A date in the 1550s, when the Queen's Lodging was completed, would be more authentic. The King's Lodging could have been completed and decorated by the 1550s was probably not furnished.

4.7 There was no evidence as to how the Stirling Heads were originally displayed. They are simply too important as pieces of Renaissance art to be reattached to the ceiling and had to be displayed in museum conditions. The Inspectorate agreed with

PiC that it would be preferable to display the Heads within the Palace complex in which they were originally intended to be displayed. The PiC proposal was that the Heads be displayed on the upper floor. This, it was argued, would require an escape stair, which would be inserted in the Prince's Tower, and a lift for disabled visitors, which would be inserted in the West Gallery. The Inspectorate view was that, while the physical damage would be limited, the lift would be too intrusive, no matter how carefully designed, and that its construction in such a sensitive location in such an important building, was not justified.

4.8 The proposed stairs in the Prince's Tower would also have an impact on historic fabric. More original material survived there than originally thought, including a timber dated to c1505, which might be the earliest structural timber in place in the Castle. It would be difficult to justify moving it, but the proposed stairs were of less concern than the proposed lift.

4.9 As an alternative PiC had recently proposed that some form of supplementary Heads display might be located in the basement to allow disabled visitors access to some of the material, but the feasibility of this had yet to be investigated in detail. Another option would be to display the Heads in the unfurnished, but decorated, King's Lodging.

4.10 In discussion of the project as a whole it was agreed that in terms of the policy set out in SHEP 1, the Agency's earlier guidance on scheduled monuments and the policy applied to actual and potential SMC applications considered recently by the Board there was a good case for works going beyond minimum intervention. The Castle received over 350,000 visitors a year and the project would significantly increase the potential for understanding and enjoyment of one of its main features. Individual elements of the proposals nevertheless had to be examined to test whether the benefits they would provide would outweigh the impact on the monument.

4.1 Discussion of the business case was to be dealt with at a later meeting: the Board had to separate consideration of any business case and the issues surrounding scheduled monument clearance. There was, however, a brief discussion of costs (£2M spent to date; likely total budget £11.5M). There was discussion of the likely impact on visitor numbers.

4.12 In relation to the contentious issues identified in the Inspectorate presentation it was suggested that an equally informative presentation of the Palace could be based on a date in the 1580s. Alternatively in a presentation based, as planned, on 1542, the unfurnished state of the King's Lodgings would be part of the story of the Castle. The public expectation was that we would offer authenticity.

4.13 On the other hand it was argued that there was a strong case for basing the presentation around James V as the instigator of the Palace. There was no firm evidence that the Palace was finished at his death. The fabric of the building would not be affected by the choice of date, and the State Bed was an architectural feature and the Inspectorate would be content for it to be included. Otherwise the contents of the Kings Lodging would differ. It would be important, if 1542 were the chosen date, that the probability that the Kings Lodgings were never used as presented by James V was absolutely clear to visitors.

4.14 It was agreed that the date issue should be further discussed within the Agency and a further report should come to the next meeting of the Board.

4.15 In relation to the Heads it was argued that they were the ‘crown jewels’ of the Castle. It would be problematic to display the Heads away from the context of the Palace. The upper floor of the Palace was the best place to display the Heads as objects of value. The disabled lift would have a limited physical impact: - people would ‘look through it’. The escape stair would be needed even if the lift were not constructed. Display in the Kings Lodgings would dominate the rooms and compromise the rest of the planned presentation of these spaces.

4.16 On the other hand it was argued that introduction of such an obviously modern feature in such an important building was not acceptable, and would be inconsistent with the view the Agency had taken on other proposed interventions in scheduled monuments. While access facilities for disabled visitors could often be accommodated in the complex ‘back’ spaces offered in historic houses, in this case the Palace was made up of a limited number of large simple spaces, and provided no options to hide facilities. Nor would it be acceptable to place a lift on the outer face of the building.

4.17 It was unclear how effective any alternative presentation for disabled visitors in the vaults would be. Presentation of the Heads in an accessible location elsewhere in the Castle would arguably be better than in an inaccessible location in the Palace. Mention was made of the 18th-century buildings behind the forework.

4.18 The majority view was that the installation of a lift should if possible be avoided. Further work should be done on the alternative presentation which might be offered in the vaults if a lift were not installed, and on the scope for displaying the Heads elsewhere in the Castle, and reported back to the next meeting of the Board.

5. Historic Scotland Annual Accounts and Statement of Internal Control

5.1 Laura Petrie noted that the accounts had been presented in a new format to make them easier to understand the activity of the agency and to read across to the corporate plan. It was noted that Audit Scotland had given an unqualified opinion on the accounts and that the Audit Committee had asked only for minor clarifications in the text.

6. Finance Report

6.1 Laura Petrie explained that it was early in the year for forecast but had set out where the overcommitment of budget had been put in place. The additional money for Dumfries House now made the grants budget very tight and there was a risk of overspend. The grants team would monitor this closely.

7. Risk

7.1 There was discussion of the agency risk register and in particular the ‘extreme’ risks. Work on resolving IT issues was in hand and was about to begin on Business Continuity. The risk in relation to TCRE - mainly in relation to succession planning for its head- was to be reduced, as planning was in hand for this.

7.2 The Chief Inspector described the longer-term work in hand to create a statutory casework management system and the short-term expansion of the Casework Tracking System. It was noted that HS was well-placed in relation to e-planning. It was agreed that marking the risk as 'extreme' would be reviewed. It was suggested that a Non-Executive Director join the Project Board for the casework management system.

ACTION: Secretariat to trawl NEDs for volunteer to join Board.

7.3 The 'moderate' risk for damage to the properties in care was queried. PB noted that while the wider historic environment might be at higher risk, there were appropriate plans in place to minimise risk to PiCs.

8. Continuous Improvement

8.1 LP introduced the report. Continuous improvement was reported upon in June and December.

8.2 With reference to the income key performance target there was discussion about whether HS was sufficiently focussed on customers in a competitive sector. There was a need to plan ahead for another potentially 'flat' year. It was agreed that the Board should consider at the August meeting, as a contribution to work on SR2007, what would be realistic but stretching targets for income.

ACTION: PiC to produce paper on realistic targets for the August meeting. Non-Executive Directors' input will be sought.

8.3 There was discussion of the efficiency-saving targets and how these were tagged and demonstrated in relation to time and money saved. Formal efficiency targets would be set out as part of the SR2007 outcome. Work was already in hand that would produce savings in 2008–09.

9. Efficiency

9.1 Laura Petrie reported that at the SMT awayday in June members had been challenged to examine their own and other areas of the agency. Possible savings identified as part of this process would be developed as individual projects under the Continuous Improvement programme. These might include: Finance and HR shared services; alternative working patterns; streamlining City Heritage Trust processes; reviews of PiC working practices; review of TCRE.

9.2 The costs of advertising were queried. It was confirmed that Historic Scotland used central Scottish Executive contracts.

10. Audit Committee Update

10.1 The chair of the Audit Committee (DM) reported that the Committee had met on Monday 25 June at Longmore House. The Committee comprised David McGibbon, David Reid and two new members, Sheila Terry and Ann- Marie Stannard. Apologies were received from Rosalyn Marshall and Nick Galloway. Several matters were raised under matters arising and the Committee noted that there had been a lack of follow-up of points raised. It was agreed that in future there would be a formal written follow-up to Directors to ensure that matters were progressed.

The Finance Report, the Audit Services report on the Retail Unit and the report on the validation of KPTs were noted.

10.3 On internal controls, the Committee notes that the Audit Services report was able to provide substantial assurance on Historic Scotland's systems with regard to risk management controls and corporate governance arrangements.

10.4 The Committee noted that Audit Scotland had issued an unqualified report. There were unjustified errors amounting to £118,000 which were not considered material to the accounts.

10.5 Several suggestions were made for improvements which could be made to the accounts to make them more comprehensible to the layman. These changes had been agreed and would be implemented. On the basis of the unqualified report from Audit Scotland and the substantial assurance from Audit Services, the Audit Committee recommended that John Graham, the accountable officer, should sign the accounts.

10.6 David Reid tendered his resignation from the Committee. The Chairman had thanked Mr Reid for his considerable contribution which had been much appreciated.

10.7 It was agreed that a third page of the Board/SMT tracker would be established, for the Audit Committee.

10.8 It was noted that the Audit Committee external members were all Non-Executive Directors, which was seen as best practice.

10.9 The accounts would be signed and sent to Audit Scotland on Monday 2 July.

10.10 Laura Petrie noted that as part of the exercise to complete the checklist on the system on internal control which was completed by all branch heads, there no issues to report. Accordingly the Accountable Officer (the Chief Executive) had made his statement of assurance to the Departmental Accountable Officer.

11. The new Executive's strategic objectives

11.1 Donald Carmichael introduced a discussion of the opportunities and risks provided by the 5 objectives. Each has had a parliamentary debate to which HS has contributed briefing.

11.2 The new cross-cutting agenda was likely to work because the restructuring of Scottish Executive would drive it; there was a sense of leadership rather than management of the process; there was a sense of urgency. The historic environment's role could be weakened by SR2007 and its relatively low profile.

11.3 The significant links with the historic environment were cultural tourism, education, regeneration, sustainability, identity. There was a need to communicate with the rest of the Scottish Executive at Director General level and to provide examples of how the Agency was already engaging. There was also a need to communicate with stakeholders. It would be important to avoid a concentration on tourism, education and identity merely leading to easily-packaged 'heritage'. There were risks - notably in relation to poor implementation of micro-renewables, and heritage being seen as contrary to the green agenda. A strong evidence base was needed for embedded energy in pre-1919 buildings and to drive debate away from

calculation of energy based only on running costs rather than on whole life-cycle of building.

ACTION. Policy Group to prepare paper for August discussion on strategy

12. Current Issues/AOB

12.1 The Board was briefed on the recent decision to allow the construction of a sports centre in the grounds of the Category A listed building Duff House, Banff.

13. Forward Look

13.1 It was decided that the Forward Look should include the precise dates of meetings rather than just the months.

13.2 The issue of Equalities may be added to the agenda for August. The Spending Review Outcomes paper in for October will be moved to December. Group presentations in the October and December meetings will be removed, as these were done during the recent induction.

The meeting ended at 13:00.