

# HISTORIC SCOTLAND BOARD MEETING

## Minutes of Meeting

Tuesday 24 June 2008, 09.00 - 13.00

Room G.9, Longmore House

### Those Present:

John Graham	Chief Executive
Lucy Blackburn	Director of Policy
Peter Bromley	Director of PiC
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 of HR
Laura Petrie	Director of Finance
Ann-Marie Stannard	Non-Executive Director
Sheila Terry	Non-Executive Director
Raymond Young	Non-Executive Director

### In Attendance:

Alexandra Devoy	HSB Secretary
Jeannette Roberts	H&S Advisor (item 4)
John Fell	Assistant H&S Advisor (item 4)
Kari Coghill	Head of Development (item 8)
Linda Kosciwicz-Fleming	Policy Manager (item 10)

## 1. Apologies

1.1 There were no apologies.

## 2. Best Value of TCRE

2.1 The Board considered the note circulated by John Graham (JG) covering the conclusions reached by the SMT following the best value review of TCRE, which the Board were invited to endorse.

2.2 David McGibbon (DMG) asked about the origins and development of the review. JG explained that because Ingval Maxwell (IM) was about to retire, the SMT had decided to review the work of the Group before taking decisions about its future. There were no set patterns for such reviews. Some were commissioned from outside the Agency, but in this case the SMT had decided that someone with close knowledge of the Group's work would be best placed to do it. He noted that the terms of reference had not been cleared with the Board, and agreed that they should have the opportunity to comment on the plans for future best value reviews.

### **Action 1: Laura Petrie to circulate the review remit to the NEDs.**

2.3 Ann-Marie Stannard (AMS) asked JG whether there would be business continuity once the review was complete. JG replied that in view of the positive feedback from both internal and external consultees the SMT had agreed that the Group should continue, and

that it should remain active in the same broad areas as at present. Brian O'Neil (BON) confirmed that he was happy with the proposals for the revised structure. The post of Director would be advertised externally first, followed by recruitment exercises for the other posts for which competition was needed. JG added that although the broad conclusions set out in the paper had been agreed by the SMT, the detailed implementation would await the arrival of the new Director. .

2.4 Raymond Young (RY) asked why the word Research was being dropped from the title for the Group. He was also concerned about the potential reduction in the Group's outreach and education projects, if they were to be confined to local authority and internal audiences. JG replied that the Group's research activity would not be scaled back but that coordination of research across HS was to become the responsibility of Policy Group. On outreach the agency was not resourced to cover all the potential audiences, and the SMT had had to set some priorities.

2.5 Sheila Terry (ST) queried whether customers had been asked to comment during the review, and whether the intention was that the new team would be seen as more central to the agency. JG confirmed that a range of Local Authorities and building professionals had been surveyed and interviewed, and that the SMT wanted to see stronger links between the Group and the rest of the Agency.

2.6 Marc Ellington (ME) urged that the Group keep its external focus. Building on the excellent record of publications would be crucial to the continuing success of the Group. He asked what the timescale for implementation was. JG replied that IM's final day would be 25 July. The new Director post would be advertised soon and the Group staff would be briefed about the review as soon as possible.

2.7 RY and ST suggested that the arrival of a new Director provided a good opportunity to raise the profile of the contribution the group could make to the SG's work in areas such as climate change and building standards.

2.8 The Board agreed to endorse the conclusions of the review as set out in the paper.

### **3. Minutes of the Previous Meeting**

3.1 There were no comments on the previous minutes.

### **4. Matters Arising**

4.1 JG noted that the comments of the small group which had been asked to examine the draft retail strategy would be discussed at the August meeting.

4.2 LB noted that she and MC would be meeting the Minister later in the day to discuss Mavisbank.

4.3 JG noted that the draft corporate plan had been submitted to Leslie Evans who would, once she was content submit it to the Minister for approval.

4.4 LB noted that recent development proposals in Edinburgh were due to be discussed at the World Heritage Committee in July, with the theoretical possibility that the city might, in the worst case, be put on UNESCO's "at risk" register. It was proposed to invite a mission to visit the city later in the year.

4.5 LB noted that a best value review of International Policy was under way, and that the results would be presented to the Board later in the year.

4.6 LB advised the Board that single outcome agreements between the Scottish Government and each of the 32 local authorities were due to be signed off at the end of June and might get some press coverage at that point. She offered to share an analysis of the historic environment content of these documents with the Board once it was available.

**Action 2: Policy Group to provide a note on single outcome agreements to the Board.**

### **5. Health and Safety Annual Report for 2007/08**

5.1 BON introduced the annual report on Health and Safety. This was largely the work of John Fell, following the departure of Liz Crichton and he introduced Jeannette Roberts as her successor. The main points he wished to highlight were the progress which had been made on the establishment of a corporate health and safety forum, the fact that PiC had already set their forum up, the improvement in the process of benchmarking had improved, and the new absence management system. .

5.2 AMS asked who would be chairing the corporate forum. BON stated that he would chair the corporate forum (ST was also a member) and PB would chair the PIC forum. There was still a need for better representation of trade unions on the committee, and HR had been in touch with the unions to encourage participation. The unions took the view that their representatives should first attend a six week course.

5.3 BON stated that Jeanette Roberts (JR) would, as part of her induction, be meeting key staff and the TUA over the next few months. ST asked Jeanette what her first impressions of the health and safety procedures were. JR replied these were early days, but that she would be looking to see whether there were consistent procedures and consistent commitment across the agency, whether the agency was investigating accidents sufficiently thoroughly. AMS agreed that incidents gave the agency opportunities to learn.

5.4 RY enquired how we compared to other organisations in terms of CDM, and how embedded was the health and safety culture. John Fell replied that our statistics on CDM were roughly comparable, although some of our procedures were not as strict or detailed as in some other organisations. On culture BON commented there was evidence that one of the reasons that our staff retention was high compared to other organisations was the perception that the agency had a positive commitment to health and safety. Peter Bromley (PB) added that in his view the Visitor Services teams and the Conservation and Maintenance teams had a high level of health and safety awareness, and the culture of reporting and pre-empting risks was very strong.

5.5 MC said that the issue was also taken very seriously in the Inspectorate, which had taken the lead in introducing lone working arm bands. It was important that our health and safety advisor sees their role as providing advice and audit in support of managers, rather than imposing systems from outside. One clear need in the Inspectorate was defensive driving lessons. AMS commented that the role of the team needed to be clear and consistent. JR said she saw the role of the team as advisor and facilitator.

5.6 The Board noted the report and agreed to its publication.

**Action 3: Health and Safety Report for 2007-08 to be published.**

## **6. Finance Report**

6.1 Laura Petrie (LAP) introduced the Finance Report. For the year 2007/8 there had been a £131k overspend. The unexpected large grant for Dumfries House had put a significant unplanned pressure on the grants budget, and with two major PIC projects completed during the year the non-cash impairment budget had been exceeded. The overspend had been anticipated and been covered within the overall budget for the Minister's portfolio, which increased the overspend. There had been good contact maintained with the Scottish Government. The Inspectorate had been allowed agreed additional spend on archaeology and HR had been allowed to spend on compensation.

6.2 At this stage in 2008/9 there were no forecast overspends. There was some concern about income, which had been below budget for April and May. DMG asked what June performance looked like so far. PB replied that it had been as slow as April and May.

LAP said that this would probably continue to be a tough year, and that spending might well have to be reviewed in the autumn. JG commented that we appeared to be experiencing a general downturn shared across the tourism sector.

6.3 The Board noted the report.

## **7. HS Annual Accounts and Statement of Internal Control**

7.1 LAP introduced the annual accounts and statement of internal control. She reported that Audit Scotland had indicated that they would give a clean audit report. She drew attention to the shortcomings business continuity planning noted in the statement of internal control: Directors needed to ensure action was taken to address these. BON commented that the Finance Group deserved credit for the clean audit, given the level of vacancies in the Group. LAP recorded her thanks for the hard work of the finance team.

7.2 The Board noted the report.

## **8. KPTs 2007/08 Outturn and Continuous Improvement Report**

8.1 LAP introduced the report. Internal Audit had now confirmed, following discussions on one point, that the agency had achieved all the KPTs for 2007-8. The continuous improvement report showed the format in which progress would be reported in future.

8.2 The Board noted the report.

## **9. Visitor Services and Business Review: 2007/08**

9.1 PB introduced this paper. 2007-08 had been a very successful year. Income had increased by 8%. There had been particular growth at the top three sites. Trade and explorer passes had been popular. Mystery visits had produced very good results, although the tests had been gradually tightened. There had been 44 100% visits achieved. The scores exceeded those achieved by others who used the same contractor, including NTS.

9.2 AMS asked what lessons that could be taken from this performance. Kari Coghill (KC) thought one factor was better coordination and teamwork within Visitor Services. PB added that PiC had learnt from other organisations nationally and internationally. .

9.3 ST agreed it was good to see such positive performance. She asked why Urquhart Castle was having such a good response. Kari said that an important factor was the partnership with Jacobite Cruises, and coach tour business was also strong.

9.4 RY asked why Skara Brae and Iona were so popular, despite their remote setting, whereas numbers were less strong at, for example, Linlithgow Palace in the central belt. Kari responded that in Orkney cruise business was again strong and that Orkney had some very good marketing in place. There was a popular joint ticket for our sites in Orkney. Iona had a powerful emotional pull. Linlithgow was perhaps too close to Glasgow and Edinburgh to be a strong destination, and our offering there was limited.

9.5 MC asked whether the new BBC History of Scotland series would have much of an effect on market. PB thought that in the short term it would be helpful, but that in the long term the benefit would be debatable. JG noted that the impact of the previous series had been hard to assess. MC commented that we should be trying to monitor it more carefully this time.

9.6 John Lennon (JL) congratulated PiC on their performance. Looking ahead he questioned whether in the prospective economic climate, as some had argued, tourism in Scotland would benefit because the Scots would stay at home. He was also doubtful that external visitor numbers would remain robust. He advised that PiC should concentrate on their three biggest markets and analyse how they can achieve their best return. They needed to think carefully about competitors and be more directional with marketing. DMG agreed.

9.7 PB noted that the Year of Homecoming in 2009 was an important opportunity. PiC had developed for overseas visitors with NTS and HHA a joint ticket based on the explorer pass. This was a pilot, because all were concerned about the possible erosion of existing revenue.

9.8 In relation to the current year KC added that not having Easter in April made a big difference. The introduction of yield pricing at Edinburgh Castle could also affect revenue at this site.

9.9 ME argued that was likely to become an increasingly important consideration for prospective customers, and the more deals PiC could develop the better.

9.10 The Board noted the report and congratulated all staff in PIC on the results.

## **10. Audit Committee Update**

10.1 As chair of the Audit Committee DMG gave a report on the meeting of the Committee on 16 June.

10.2 The Committee had noted the recorded overspend. For 2007-09 and the factors behind it. They were looking for steps to be taken to improve the business continuity plans. They had noted slippage on the implementation of several agreed internal audit recommendations, and encouraged the Finance Director agreed to press for prompt action.

10.3 The Committee had noted that the internal audit of the historic building repair grant scheme provided substantial assurance in relation to risk control and governance arrangements, and that Internal Audit had been able to provide substantial assurance on the overall systems of control in the agency in 2007-08.

10.4 Internal Audit had reported that nine out of ten of the KPT's for 2007/8 had been met. The Committee had asked the Finance Director to explore further the performance against the remaining KPT.

10.5 Audit Scotland had presented their report for 2007/08 and expected to issue an unqualified auditors report. On that basis the Committee had unanimously recommended that the Chief Executive as the accountable officer could sign the accounts on behalf of the agency.

10.6 The Committee had asked the agency to provide the Board with a background paper on the Historic Scotland Foundation.

10.7 The Board noted the report from the Audit Committee.

**Action 4: PIC to circulate to the Board a background paper on the Historic Scotland Foundation**

## **11. Ingval Maxwell Retiring**

11.1 JG noted that this would be IM's final appearance. The Board expressed warm thanks for his contribution to the agency and its predecessors over the years.

**JG left the meeting; LB took the chair**

## **12. Update on Climate Change Activities**

12.1 LB introduced the paper. It set out the range of relevant current agency activity, following the analysis of the general impact of climate change on the historic environment in an earlier paper.

12.2 AMS enquired how the TCRE projects in Annex C had been developed. IM explained advised that a lot of the technical advice currently on offer on responses to climate change and improving energy performance cannot be justified when applied to historic buildings: the relevance of energy certificates to such buildings, for example, could be questioned. LB added that HS's technical expertise was particularly welcomed in core of the Scottish Government.

12.3 RY commented that this was a very good report, which could be used to raise the profile of the agency. He urged that there should be dedicated leadership to progress the necessary activities, and that the website be developed to make the most of the information, contacts and links with the Scottish Government.

12.4 AMS recommended that the agency work more closely with other agencies. LB agreed in principle but stressed that we had to be careful about prioritising resources.

12.5 ST suggested that officers from Local Authorities should be seen as lead contacts for disseminating findings and guidance. She thought that the agency needed to do more on green transport. BON agreed that the agency does travel extensively and that the scope to do more to address the impact of our travel needs to be explored. He hoped that the flexible working initiative would be one way we would address this. RY agreed the need for travel should be looked at, in comparison for example with video conferencing.

12.6 RY emphasised the need to understand where the agency's niche would be and how the agency could best use its website and publications. LB suggested use of the Friends magazine and other similar methods of engagement. PB added that the agency's Friends are interested in all of the agency's values and not just in visiting. The agency should look to use this.

12.7 ST asked whether HS might have a role in helping individuals with materials recycling. It is very difficult for the individual to know where to get this service. ME argued that this was up to local communities and authorities. LB agreed that the agency's role here was to provide advice and encouragement to councils rather than working directly with individuals.

12.8 MC agreed that the agency needed to know what impacts our activities would have on our environment. There followed a brief discussion on the scope for measuring the outcomes and impacts.

12.9 It was noted that climate change affects the historic environment in two separate ways. The first was that direct impact of climate change itself – higher rainfall, flooding etc. The second was the impact of works undertaken in response to climate change and sustainability such as installation of double glazing, micro-renewables, solar panels, etc. It was agreed to make this distinction in Agency work.

12.10 RY enquired whether climate change could be a standing agenda item. LB suggested the chief executive would want to take a view on that, but undertook meantime to report back to the Board on progress in taking forward the proposals in the paper at the November Board meeting.

12.11 The Board noted the report and agreed the actions below.

**Action 5: SMT to discuss green travel further**

**Action 6: SMT to ensure development of a suitable section on the agency's website**

### **13. Current Issues/ AOB**

13.1 MC reported that the report had been received on a called-in application for a B-listed house, where the owner proposed to replace original windows with UPVC. On behalf of Ministers the Reporter had recommended refusal. RY asked whether there had been much publicity: it would be helpful to generate some as it would be good for climate change issues and traditional window manufacturers.

13.2 MC replied there had been none around this particular case and that he would be cautious about using individual cases prominently in this way, although it was certainly desirable to find other ways of publicising the issues.

**Action 7: MC to talk to communications team and feed back to the Board.**

13.3 MC reported that there had been discussions with the local community about the possible listing of a late 1950's office in Prestonpans. The Inspectorate had found limited merit and so had not listed. The local community was unhappy with the decision.

13.4 MC noted that Ministers' decision on the Rowallan application was expected later in the summer. He would be alert the NEDs to it.

13.5 LB asked the Board to note that the Meranblo wind farm call in case on Orkney might also be decided soon. Again, MC would inform the NEDs when this arrived.

13.6 MC asked the Board to note that the Edinburgh BHS store would go out to consultation soon for listing.

13.7 ME asked the Board what progress had been made with the Scottish Lime Centre grant case. LB explained that there was ongoing correspondence between the centre and the agency.

13.8 IM reported from the National Fire database: there had been 500 incidents in listed buildings on the database in 2007.

13.9 LB noted that the Policy team was currently doing work to take forward the Minister's commitment, in her response to HEACS, to undertake limited legislation as the opportunity arose.

#### **14. Forward Look**

14.1 LB noted that there would be benefits in more forward planning in the arrangement of Board meetings out of Edinburgh.

**Action 8: Secretariat to produce paper for August Board on proposed Board visits during 2009.**