

HISTORIC SCOTLAND BOARD

Minutes of Meeting on Meeting Tuesday 27 February 2007

Dryburgh Abbey Hotel

Those Present:

Peter Bromley	Director of PiC
Donald Carmichael	Director of Policy
Malcolm Cooper	Chief Inspector
Marc Ellington	Non-Executive Director
John Graham	Chief Executive
Ingval Maxwell	Director of TCRE
David McGibbon	Non-Executive Director
Brian O'Neil	Director Human Resources
Sheila Terry	Non-Executive Director

In Attendance:

Andrew Burke	Historic Scotland Inspector of Ancient Monuments
Tony Cairns	Historic Scotland Inspectorate Head of Gardens Team
Bill Cameron	Head of Commercial Services
Amada Chisholm	Historic Scotland Development Assessment SEA Team Leader
Kari Coghill	Head of Development
Fiona Docherty	Head of Visitor Services & Business Development
Debbie Mays	Historic Scotland Head of Listing
Tania Smith	Board Secretary

1. Apologies

1.1 Laura Petrie conveyed her apologies.

2. Minutes of previous meeting

2.1 The Chairman invited comments on matters arising from the minutes of the previous meeting. Donald Carmichael reported, further to point 2.4, that the Local Authority Historic Environment Forum was to be reconvened, with its first meeting on 8 March. This meeting would follow the Ministerial launch of SHEP 1 in the morning. The purpose of the Forum was to engage with local authority stakeholders to discuss how best to take forward the recommendations of the HEACS reports. It was envisaged that this process of consultation would conclude in the Autumn.

2.2 On item 3.6, the Chairman said that further funds had been secured for the roll-out of e-RDM [Electronic Records and Data Management] which would ensure more rapid progress.

2.3 On Section 5, Spending Review 2007, the Chairman reported that no full submission had yet been requested from the Agency. He undertook to report more fully to the Board at its April meeting.

2.4 On Section 8, Donald Carmichael advised the Board that the Key Performance Target [KPT] on SHEPs was close to being met. Ministerial clearance had been obtained for SHEPs on Scheduled Monument Consent, on Listed Building Consent and on the Agency's policy on taking Properties into Care. Ministerial approval was awaited for the Listing SHEP.

2.5 On the appointment of new Non-Executive Directors, the Chairman thanked those members of the Board who had been involved in the selection process and he praised the very high quality of all candidates. Appointments had been offered to three candidates and all had indicated acceptance. They would take up post on 1 April.

2.6 In relation to point 10.5, Ingvál Maxwell noted that the Stone Conference to be held in Glasgow in February had been postponed until the Autumn.

3. Presentation – Inspectorate Group

3.1 Malcolm Cooper introduced three members of his team: Dr. Debbie Mays, Head of Listing; Dr. Andrew Burke, Inspector of Ancient Monuments and Tony Cairns, Head of Gardens Team. He welcomed the opportunity to focus on the Inspectorate's programmes of identification and statutory protection of the historic environment. Recent reports from the Inspectorate had focused on change management with the result that less attention had been given to the broad-ranging work of protecting the historic environment, which would be addressed today.

3.2 Malcolm Cooper briefly outlined the structure of the Inspectorate and explained that a post-restructure review was nearing completion. The Group's watchwords were ownership, accountability and transparency and much work had been done to develop a clear link between the Corporate Plan, KPTs and other indicators down to Team Plans and individual job descriptions. There had been a strong focus on training and Continuous Professional Development (CPD). Some work remained to be done in re-aligning resources more effectively.

3.3 Malcolm Cooper said that one of the key challenges facing the Inspectorate was to tackle the negative rhetoric which was attached to the statutory protection process. It was becoming increasingly important to address effectively the argument that preservation of the historic environment ran counter to progress and regeneration.

3.4 Malcolm Cooper summarised some of the management statistics from the Inspectorate to illustrate the growing demand both in terms of volume and complexity on the resources of the Group. He explained that one of the key outcomes of the modernisation of the Inspectorate was a customer-focused philosophy based on quality, consistency, timeliness and transparency. The Inspectorate's approach was now about understanding and advising on how historic buildings could help owners and communities achieve their wider aims.

3.5 Malcolm Cooper then invited Debbie Mays to talk about the statutory designation process. She explained that Listing was a requirement of the Planning (Listed Buildings and Conservation Areas)(Scotland) Act 1997 and that the process involved an impartial assessment and formal recognition of a building's 'special

architectural or historic interest'. The Listing Team had four main functions, the first being compiling and maintaining the list. A re-survey was currently underway and over half of Scotland had been completed. The team was also engaged in thematic surveys.

3.6 Debbie Mays went on to explain that the team's second main function was to develop policy. A SHEP on Listed Building Consent had just received approval from the Minister. The third function was to monitor procedures to ensure accountability while the fourth area of activity was outreach through CPD, publications and media.

3.7 Debbie Mays gave an analysis of a list description and briefed the Board on future programmes. She went on to discuss the key issues which faced the team. One of the main challenges was making progress against accountable procedure: pressures to consult and to address areas of high development activity were putting considerable pressure on the resources of her team.

3.8 Other key issues were maximising resources while engaging fully with stakeholders; outreach and reputation management; the inefficacy of the Building Preservation Notice and the policy of not listing live applications.

3.9 Malcolm Cooper thanked Debbie Mays for her presentation and asked that questions be left to the end of the presentations. He then invited Andrew Burke to make his presentation.

3.10 Andrew Burke confirmed that he was attending for Sally Foster, Head of Scheduling. He said that the role of the Scheduling Team was to deliver Ancient Monument policy for the Agency in accordance with the Ancient Monuments and Archaeological Areas Act 1979. The team identified and designated ancient monuments and compiled and maintained a list or schedule as set out in the 1979 Act. Details of SAMs were available on the PASTMAP website. Scheduled monuments were of national importance. SHEP 2, published in 2006, set out revised guidance and criteria for scheduling.

3.11 Marine archaeology could be protected under the 1979 Act or under the Protection of Wrecks Act 1973. An Inspector of Marine Archaeology had recently been appointed to the Agency. The team planned to publish the updated schedule online in 2007.

3.12 Andrew Burke went on to explain that the structure of the listing and scheduling teams was similar. The scheduling team was engaged with area, thematic and enhancement programmes. The thematic programme dealt with aspects such as the Antonine Wall, historic graveyards and militaria, while the enhancement programme dealt with external requests and individual re-schedulings.

3.13 The scheduling team ran an area based programme. Within this, areas were targeted which were under-scheduled or which faced development pressures. Resources would be concentrated where the biggest impact would be made. He noted the ambitious target set out in SHEP 2 to re-schedule the whole country every 30 years.

3.14 Andrew Burke identified the key issues facing the scheduling team. These included applying the revised scheduling criteria to ensure that all scheduling decisions were robust and based on sound evidence. Marine archaeology was an area for expansion.

3.15 Malcolm Cooper thanked Andrew Burke for his presentation and invited Tony Cairns to brief the Board on the work of the Inspectorate's Gardens Team.

3.16 Tony Cairns explained that he was leader of the Inspectorate's Gardens team and project manager for compiling and maintaining the Inventory of Historic Gardens and Designed Landscapes. The team also dealt with gardens and tax casework, as well as assessing sites for inclusion on the Inventory. The team provided non statutory advice to owners.

3.17 Tony Cairns highlighted that new listings on the Inventory were not statutory designations. Only the first Inventory published in 1987 had a statutory basis. The team was however currently engaged in arranging an amendment to the General Development Procedure Order (GDPO) 1992 to ensure that all subsequent supplements to the Inventory would have a basis in statute. In any event, Historic Scotland's Memorandum of Guidance required local authorities to have regard to a site's inclusion on the Inventory when assessing planning applications. Although the formal consultation process under the relevant legislation applied only to sites which had been identified in the edition of the Inventory published in 1988, planning authorities were expected to consult with and have regard to the views of Historic Scotland when considering planning applications for sites which they suspect may either merit Inventory status or have interest.

3.18 Tony Cairns added that the team advised owners on inheritance tax issues, including claims for conditional exemption. This involved regular liaison with HMRC. The team also drafted appropriate management and access undertakings for sites, as well as monitoring designated sites annually.

3.19 Tony Cairns outlined the future steps for the Gardens Team. The key issues were the impact on the Agency of the withdrawal of SNH from its role as statutory consultee for the Inventory; the revision of the GDPO; the development of policies consulted on as part of SHEP 3; the preparation of a Planning Advice Note on Gardens and Designed Landscapes; and the development of a mechanism for deleting sites from the Inventory.

3.20 The Gardens Team was in the process of preparing a 2007 list of Inventory sites for publication. This information would also be published on the Historic Scotland website in due course.

3.21 Tony Cairns summarised his presentation, saying that the team was engaged in a significant range of work and faced increasing challenges from owners and others. It was becoming increasingly clear that designation and management were two sides of the same coin and that planners needed to be instructed in how to identify significant aspects of Historic gardens and designed landscapes.

3.22 Malcolm Cooper thanked Tony Cairns for his presentation and invited questions from the Board. Marc Ellington asked Tony Cairns what process was in place for monitoring the Inventory designations. Tony Cairns explained that owners were required to send an annual report explaining when the site had been open; what publicity material had been promulgated; visitor numbers; any repair and maintenance work; plans for the following year and any professionally commissioned reports on the site. Tony Cairns confirmed that the Inland Revenue demanded these reports as a condition of tax relief and then forwarded them to the relevant Agencies for comment. He also emphasised that regular contact with owners to monitor site maintenance was important.

3.23 Sheila Terry agreed that full statutory designation for Historic Gardens and Designed Landscapes was desirable and she praised Tony Cairns and his team for their activities in promoting this policy. Tony Cairns said that full statutory protection in line with Listed Buildings and Scheduled Ancient Monuments would be a significant step and would require primary legislation.

3.24 Sheila Terry said that it was important for Historic Scotland to prioritise its work to areas of greatest need. New approaches would also have a knock-on effect for planning authorities. In her view, there were issues surrounding the ownership of historic environment protection between local authority planners and Historic Scotland. She commented that there might be greater scope to delegate more powers to local authorities which would enhance community ownership of heritage assets.

3.25 Malcolm Cooper responded that a realignment of responsibilities between Historic Scotland and local authorities would be possible, but that it would necessitate a change of legislation; increased resources and training for local authority planners and conservation officers. The HEACS reports had raised the possibility of introducing a statutory duty of care for the historic environment on local authorities. This would be examined and discussed with stakeholders. Developments in England as a result of the Heritage White Paper also merited observation. He agreed with Sheila Terry that future discussions with local authorities could be beneficial but that these would have to be framed appropriately.

3.26 David McGibbon thanked the three members of Inspectorate staff for their presentations and asked how the scheduling and listing designations overlapped and complemented each other. Malcolm Cooper responded that, roughly, the scheduling designation was intended to preserve a monument in the state in which it was handed down, while the listing designation included a presumption in favour of active use of a building. He added that the heads of listing and scheduling worked closely together and that there were a number of cases where dual designations were appropriate. Although the team structures differed slightly, the same approach was adopted by each, involving area based, thematic and reactive work.

3.27 David McGibbon commented that in his view a target of re-surveying the whole of Scotland on a 30 year rolling programme was not satisfactory. He added that public perception would be that this timescale would be inadequate to monitor the changing landscape and the pressures placed on listed buildings by development and regeneration.

3.28 Malcolm Cooper responded that with a finite resource and infinite demand it was impossible to be as pro-active as the Inspectorate might wish. He emphasised that the Inspectorate teams were flexible and would respond to those areas where demand was greatest. If the Board decided to change the target for full re-survey from 30 years to 20 years, this would involve substantial increase in human and financial resources. This was a management decision for the future.

3.29 The Chairman asked Debbie Mays whether in her view Scotland was performing well against England. She commented that Scottish list descriptions were generally robust. An accelerated review in England had led to increased pressure on the system. She added that the Scottish C (S) category meant that a more comprehensive range of properties was covered than in England. Malcolm Cooper said that one advantage of the English system was that English Heritage had merged with the Royal Commission on Ancient and Historic Monuments with the result that that body was better resourced to pursue coherent strategies. In this way records, archive material and resurvey teams could be pooled to drive change management more effectively. He added that although Historic Scotland collaborated closely with RCAHMS, that body had a range of other priorities over which Historic Scotland had no influence.

3.30 David McGibbon asked Malcolm Cooper whether Historic Scotland was on a par with English Heritage in terms of public image. Malcolm Cooper said that Historic Scotland's public image was generally very good, but noted that unlike English Heritage it was not Historic Scotland's policy to list in the face of live planning applications. English Heritage's policy had led to public relations issues in the past.

3.31 Malcolm Cooper commented that English Heritage had conducted a thematic listing programme with great success, focusing on subjects which reflected wider public interest. Historic Scotland had not had the resources to pursue this pro-actively.

4. Strategic Environmental Assessment (SEA)

4.1 The Chairman thanked Malcolm Cooper and his staff for their presentations and invited Amanda Chisholm, SEA Team Leader, to brief the Board on the Agency's work on Strategic Environmental Assessment since its introduction a year ago.

4.2 Amanda Chisholm confirmed that a presentation had been made to the Board in March 2005 on the SEA regime and Historic Scotland's roles and responsibilities. The purpose of today's presentation was to review the Agency's activities in the interim. She explained that Strategic Environmental Assessment entailed the environmental assessment of plans, programmes and strategies (PPS). Specific projects were covered by Environmental Impact Assessments. The requirement for SEA had come about as a result of a European Union Directive in 2001 which had passed into Scottish law through Regulations in 2004. These were replaced in 2005 by the Environmental Assessment (Scotland) Act. This Act had broadened the scope of SEA to cover all public sector PPS, including policies, with significant environmental effects.

4.3 Amanda Chisholm highlighted the fact Historic Scotland was both a Consultation Authority (CA) and a Responsible Authority (RA). As a Consultation Authority, the SEA Team provided administrative, statutory and non-statutory advice and undertook capacity building activities. Much of its work consisted in providing consultation responses to SEA reports and screening and scoping environmental reports. The majority of SEA assessments were as a result of land use planning and town and country planning proposals. As a result of the new legislation, a greater number of plans were subject to SEA. This had substantially increased the workload on the team, and it was likely that demand would continue to increase. Amanda Chisholm's team also provided non statutory advice in the form of informal discussions, awareness raising and liaison with local authorities and other consultation authorities among others.

4.4 As part of the team's role as RA, the team liaised with policy owners to undertake pre-screening activity to determine whether SEA was necessary. Local authorities were trying to roll out the necessary expertise within planning teams but this process had not yet been completed in all cases. Sheila Terry agreed that it was important to raise awareness of SEA within local authorities and said that in her view the Agency had a role to play in providing feedback, training and awareness. Amanda Chisholm noted that solicitors had advised that Historic Scotland as RA should not advise on whether SEA was required on a plan. The team was however at liberty to engage in informal discussion. She added that Historic Scotland had been involved in setting up a national best practice forum for SEA.

4.5 The Chairman asked Amanda Chisholm to confirm whether the general outlook was that the legislation had not been in place long enough to allow an idea to be formed of the full range of the programmes caught by SEA. She agreed that this was the case, not least because in future all Local Plans and all regional Transport Strategies would be subject to SEA. She estimated that future demand would be in the region of 200 plans and 600 reports a year.

4.6 Ingval Maxwell commented that Historic Scotland was also an internal provider of information. Malcolm Cooper agreed that significant demand was being placed on other parts of the Agency through SEA. He said that it was vital to capture management statistics to illustrate how much Agency time was being devoted to providing advice to contribute to SEA responses. He said that to date there had been no increase in resources commensurate with the increase in demand on staff time.

4.7 Sheila Terry asked whether the SEA process was delivering worthwhile results. Amanda Chisholm said that it was too early to say. She added that through the Agency's informal capacity building exercise attempts had been made to clarify the resource implications, but with limited success. She said that one advantage of SEA was that it forced authorities and public bodies to take seriously environmental issues and to develop their approach in a rigorous and consistent way.

4.8 The Chairman summarised the discussion as follows. The Board noted that the uptake of SEA should be monitored and that statistics should be gathered illustrating the impact on staff time in the Agency, both in the SEA team and in other departments. Having gathered these statistics, the resource implications should be made clear to the Scottish Executive at the next review of the implementation of SEA

legislation. Finally, the Chairman invited the SEA team to provide another update on their activities in a year's time.

5. Historic Scotland Retail Healthcheck

5.1 Peter Bromley introduced three members of his staff: Fiona Docherty, Head of Visitor Services & Business Development, Kari Coghill, Head of Development and Bill Cameron, Head of Commercial Services. He explained that the purpose of the review had been to examine all areas of PiC activity across the estate to establish whether each area was fit for purpose. The retail review was the first area to be assessed and the exercise had posed many difficult questions and had in some cases suggested difficult answers.

5.2 Fiona Docherty and Kari Coghill introduced their presentation which would outline the future steps suggested by the review and changes which had been implemented already. The Healthcheck was intended to be a holistic overview of the business and would review sales, service, staff and systems. Fiona Docherty said that nine years' worth of data were available which showed that the retail business had been generally healthy with 60% growth in that time. Visitor numbers had fluctuated over the period but had declined by 5% in recent years. Spend per visitor remained respectable at £1.99.

5.3 Fiona Docherty commented that key challenges facing the team were to improve the overall income generated, improve the spend per visitor and improve the conversion rates of visitors making a purchase in site shops.

5.4 Kari Coghill added that product sales were a key income generator, second only to admissions. Site shops currently sold a wide range of products, 70% of which were sourced in Scotland, but the product range was under review. This was because the top 20 most popular products consistently accounted for 16% of sales. The most popular products were guidebooks, postcards and publications. The nature of the existing stock management system meant that it was currently difficult to track the performance of individual products to provide robust sales analysis. A new system was being developed to track sales and build on the success of the core range. New product development would concentrate on strengthening customer appeal.

5.5 The retail review also examined the importance of place in generating sales. The group traded from PiC sites, from a central sales point, from trade wholesalers and from licensees. 99% of sales were made at PiC sites, with 87% of sales revenue generated from just 12 sites. 45% of total sales revenue came from sales at Edinburgh Castle.

5.6 To make sales at smaller sites more cost-effective, a number of ideas had been suggested such as the 'Shop in a Box'. This approach had been trialled at three sites and had proved successful. The review also concluded that sales could be enhanced through developing travel trade, corporate clients and weddings.

5.7 Fiona Docherty explained that the scope of the review also included an analysis of pricing policy. The review indicated that the policy of premium pricing should be retained in line with the Agency's competitors. It would be important to

make the pricing policy clearer to visitors and to ensure that staff had bought in to the policy and were trained to up-sell. Existing price tracking systems would be updated to ensure that accurate figures for sales growth could be tracked while taking in-year price increases into account.

5.8 Fiona Docherty assured the Board that it was the group's intention to carry out more research into the profile of visitors to PiC sites and their expectations and available spend.

5.9 Sales and marketing promotion was also an element of the Retail Healthcheck and Kari Coghill reported that the review had led to a move away from 'storytelling' style displays in site shops towards a more practical system where related products are blocked together. It was not felt that promotional discounts were effective. Independent consultancy work had reported that at Edinburgh and Stirling Castles many visitors were not finding their way into the site shops. To address this issue, a brand review was currently underway. Shop refits had also been found to work well: sales at the Crown Gift Shop had risen by 17% after a refit. More effective shop fitting would lead to a more consistent brand identity and better signage both outside and inside shops would encourage a better conversion rate of visitors.

5.10 To realise the development aims of the review, a re-examination of service, staff and systems had also been carried out. The Retail Team was not directly responsible for staff in shops but the Mystery Visit Programme was in place to assess the standard of service provided. This had been found generally to be good, but staff needed more training in up-selling and promoting guidebooks. No research had been carried out into visitors as retail customers and this would be addressed.

5.11 Work was underway to improve the quality of internal communications and transparency between retail and visitor services teams. Warehouse systems would be streamlined. In terms of systems, site and office procedures were well audited but some systems were no longer fit for purpose. There was insufficient management data to track sales performance: in future the team intended to track performance against industry norms such as sales per square foot. Steps for the future included creating a Retail Merchandising Team; reducing labour intensive processes to streamline procedures and building a business case for the implementation of a new retail IT system.

5.12 Fiona Docherty said that the team was currently working on a possible target of a turnover of £10 m by 2015. This was subject to review once further research had been carried out.

5.13 Bill Cameron explained that a change management programme had been established to achieve the team's targets. Retail Champions had been appointed at the top 12 sites and regular sales performance meetings were being held to identify targets. A stock disposal programme was in place and a review of the warehouse operation was underway. A separate Retail IT Healthcheck would now be carried out and a new IT system had already been sourced.

5.14 The Chairman thanked Fiona, Kari and Bill for their presentations and invited questions from the Board. Marc Ellington said that in his view the presentations had

addressed the important issues and he agreed with the policy to retain the premium price strategy. He said that in his experience discounts were not effective but said that some work remained to be done to improve the Historic Scotland brand.. He agreed that an improved IT system would be beneficial.

5.15 David McGibbon commented that it was important to learn the lessons from the Healthcheck and praised the exercise, saying that it had identified important issues which the retail group needed to address. He agreed with the IT strategy and said that it was vital to gather sufficient sales data to inform strategic retail decisions. He added that appropriate staff training was also essential. David McGibbon advised that in future it would be valuable to seek the views of external consultants on the review. He concluded by saying that the review provided great opportunities to increase sales efficiency and revenue growth. In his view the suggested target of £10 million by 2015 could be more aggressive.

5.16 Peter Bromley said that supplementary material had been provided for the Board to digest after the meeting. The review had been intended as a preliminary self-assessment programme in order to identify and address issues before seeking external advice.

5.17 Brian O’Neil asked how the team planned to improve communications and links with the Newcraighall staff. Bill Cameron responded that a Buddy System had been introduced to increase the level of interaction between retail and tourism and membership staff. A ‘warehouse day’ had been organised to continue this process.

5.18 David McGibbon asked whether there would be a retail outlet at Stanley Mill. He added that this would be a good opportunity to promote a refreshed retail strategy. Bill Cameron confirmed that a special retail range would be piloted there. Marc Ellington commented that it would be increasingly important to take a site’s carbon footprint into account and to promote locally produced and fair-trade products.

5.19 In response to a question from Malcolm Cooper, Fiona Docherty confirmed that the retail group target of an increase in turnover to £10 million by 2015 did take account of inflation. She added that the team were in discussion with the Finance Department to establish targets for profitability.

5.20 The Chairman concluded that the review had been a big step forward and that good analysis had been applied. He agreed that the policy to concentrate on maximising the revenue from main sites was sound. He invited the team to consider further the opportunity cost of retaining shops at small sites and suggested that there might be value in retaining key products such as guidebooks and postcards. Fiona Docherty confirmed that the Shop in a Box pilot has been successful and that lockable shops would free up wardens and stewards to devote the bulk of their time to guiding visitors on site. She added that mobile ticketing would also enable site stewards to spend more time away from the shop counter. It was however important to consider visitor expectation in this respect.

5.21 Peter Bromley said that PiC were engaged in examining options for re-focussing staff deployment towards strengthening links with local communities and

building stronger understanding of the heritage. This was part of the wider re-assessment of the retail structure.

6. Finance

6.1 The Chairman invited the Board to note the Finance paper. David McGibbon noted that although the forecast outturn was correct, there were a number of errors. Malcolm Cooper added that the information presented under Table 10 was not meaningful in its current form. He undertook to address this issue with Donald Carmichael and Laura Petrie.

7. Risk Quarter 3 Report

7.1 The Chairman noted that the Risk Report was in the form agreed by the Board with Annex A detailing the changes of significance and Annex B containing the register amended in light of changes.

7.2 David McGibbon noted that the risk register should mention the possibility of a flu pandemic. Peter Bromley advised that a paper was in preparation detailing contingency plans.

7.3 Sheila Terry said that in her view climate change should be an element on the risk register. The risks associated with climate change were increasing and a forward strategy should be put in place. The Chairman responded that climate change was obliquely included at Item 9, 'Weather', but agreed that the risk of climate change needed to be addressed in the register.

7.4 David McGibbon queried why there had been no progress under Item 5 in Annex A. Ingvál Maxwell responded that this was now out of date as TCRE had recently appointed a Head of Science and the issues of succession planning was being addressed. The Chairman asked that TCRE review its returns in future.

8. KPTs Quarter 3 Report

8.1 The Chairman noted that the target relating to efficiency gains was amber. This was not satisfactory. Directors needed to identify where efficiencies could be made in their departments. An SMT away day had been arranged where this issue would be discussed.

8.2 The Chairman asked David McGibbon whether he was content with the KPT target that the historic environment estate be resurveyed on a 30 year rolling cycle. He responded that while he understood the resource constraints faced by the Agency, the target could be regarded by third parties as unambitious. The Chairman undertook to commission an options appraisal from Malcolm Cooper to inform the next Corporate Plan.

8.3 Malcolm Cooper said that although 97% of Listed Building Applications were processed within the required timescale it was still common for local authorities to criticise the Agency for being slow. Better management information, and a clearer understanding about roles, were needed to enable these criticisms to be countered.

8.4 In relation to KPT 6, David McGibbon asked for confirmation from Peter Bromley that he was content with the target of a 5% increase in growth in Historic Scotland earned income. Peter Bromley indicated that he was comfortable with this.

8.5 The Chairman invited the Board to indicate whether it was content to issue the KPTs to Ministers. The Board indicated agreement.

9. Corporate Plan 2005-08

9.1 The Chairman explained that this item related to a mid term revision of the Corporate Plan to assess where new targets had been set or where targets had been overtaken by events. Malcolm Cooper indicated that he was satisfied that the amended Plan addressed his previous concerns. The Board indicated that it was content with the Mid Term revision of the Plan.

10. Audit Committee Update

10.1 David McGibbon reported that the Historic Scotland Audit Committee had met on 19 February at Longmore House with all members present, including Lorna Meahan, a new member from Audit Scotland. The Finance Report was discussed and approved. The latest forecast outturn for the year was noted.

10.2 On e-procurement, it was confirmed that good progress had been made with the introduction of the new system to the Finance Department in January. The system would be rolled out to Office Services in February and to Information Systems in March.

10.3 On Audit Scotland's Best Value Report the Committee noted that a more specific report with objective and constructive comments would be beneficial to the Agency in future.

10.4 The Audit plan for 2006/07 and the Periodic Audit Plan for the period 1 April 2007 to 30 September 2008 were noted and approved.

10.5 Following a presentation from the Finance Director on Risk Management, the Committee agreed that while it was not appropriate for the Committee to address Risk Management in depth, it would be a valuable exercise to focus annually on one particular risk which was particularly problematic or difficult. The Committee's role would be one of objective observer.

11. Historic Scotland Strategy to 2011

This item is considered exempt from publication under the Freedom of Information (Scotland) Act 2002.

12. Current Issues/AOB

13. Brian O'Neil said that pay negotiations with unions had begun.

14. Forward Look

14.1 Malcolm Cooper requested that an item on Rowallan Castle be added to the agenda for the next meeting.

14.2 The Chairman concluded the meeting at 13.25.

**HSB Secretariat
February 2007**