

HISTORIC SCOTLAND BOARD MEETING

Minutes of Meeting

Wednesday 26 August, 10.30-13.30

Argyll's Lodging, Stirling

Those Present:

John Graham	Chief Executive
Lucy Blackburn	Director of Policy
Peter Bromley	Director of Properties in Care
Pat Connor	Director of Media and Communications
Malcolm Cooper	Chief Inspector
Marc Ellington	Non-Executive Director
John Lennon	Non-Executive Director
David McGibbon	Non-Executive Director
David Mitchell	Director of TCG
Brian O'Neil	Director of Human Resources
Laura Petrie	Director of Finance
Ann Marie Stannard	Non-Executive Director
Bob Stewart	Non-Executive Director
Raymond Young	Non-Executive Director

In Attendance:

Olwyn Owen Board Secretary

1. Apologies

1.1 There were no apologies.

2. Minutes of the Previous Meeting

2.1 The Minutes of the previous meeting (25 June 2009) were agreed.

3. Matters Arising

3.1 The following matters arising were discussed:

- 7.5 – The Board discussed the sentence: ‘the results were at least on a par with the rest of Scotland's tourism attractions sector’. John Lennon (JL) reported that visitor numbers in June 2009 were 5.8% up on those for June 2008; and the figures for July are up by 5% on those for July 2008. Overall, business has been more buoyant than anticipated: reasons include more people holidaying at home and Homecoming. The lower end of the market was holding up well. Peter Bromley (PB) reported that visitors to HS properties are around 9% up, with income up 16% on last year for the year to date. David McGibbon (DMcG) said that passenger numbers were up 33% on Caledonian MacBrayne Ferries, with the number of cars up 10%. Bob Stewart (BS) confirmed the picture was similar in NE Scotland.
- 9.6 – World Heritage Sites (WHS) tentative list: John Graham (JG) reported that it is proposed to establish an expert working group, including external members, to sift proposals for inclusion on the WHS tentative list. A proposal would go to the Minister in the next few weeks. The aim is to bring an objective focus to the process, with candidate sites assessed against established WH criteria.
- 13.1 – Lucy Blackburn (LB) updated members on the proposed historic environment summit, now scheduled for 3 November. The main themes would be: how best to

protect and enhance the historic environment; how best to promote valuing and enjoyment of the historic environment, and what further improvement was needed in HS HS had received advice from colleagues who ran a similar summit for the museums sector. Around 70 stakeholders would be invited, with the venue to be confirmed. Keynote speeches might include one on Scottish identity, and one with an international dimension. The Minister would prefer a limited number of attendees and to include groups he does not normally meet. Ann Marie Stannard (AMS) said that facilitated workshops could be helpful at an event like this. JG said the Minister would like at least one external speaker and asked for suggestions. **Action: All to e-mail any suggestions for speakers to the Secretary by 22 September.**

4. Finance Report (HSB 23/09)

4.1 Laura Petrie (LP) introduced the report. She reminded members there had been a significant cut in baseline funding (some £2.3 million) last year which had been carried through into the budget for the current year. The overall outlook for 2009/10 was satisfactory and the income position was better than expected. Spending by all divisions was more or less on budget, and there were good reasons for any exceptions. Around £700,000 is available for distribution now. The issue was how far to reinstate some of the earlier cuts. New pressures had to be borne in mind, such as the costs of change management in HSI, as well as the timing of payments and where it was most feasible to spend additional monies in this financial year. Malcolm Cooper (MC) said that additional funds for the Archaeology Programme would be welcome. BS said that cuts of 12-15% were anticipated by LAs in the next few years. **Action: LAP and SMT to consider options and decide how to allocate the £700,000 by 24 September.**

4.2 PB reported further on the increase in visitor numbers and income. HS now had 100,000 members. Explorer Passes and Homecoming Passes had also done well: the number of Homecoming Passes distributed is in excess of 16,000, with around 8,500 having been redeemed at Edinburgh Castle alone. The number of memberships sold in the Homecoming Campaign period is over 3,700. The top 10 sites had all shown good increases. Retail had performed at least as well as admissions. The overall picture was good, with some areas excellent. Looking ahead, the impact of a further outbreak of swine flu was a threat, but would have less effect on tourism in the autumn/winter. BS said that favourable publicity helped, such as that for the Stirling heads. PB agreed the agency had a good record of attracting good publicity with some commercial intent; a Marketing Officer was being appointed for Stirling.

4.3 LAP returned to the detail of the report. There was some concern about some major commitments: for example, it was possible that spending on grants might run ahead of budget as the year progressed; but capital projects, including Stirling Palace, appeared to be on budget and on profile.

4.4 JG stated that he would be meeting the Minister to discuss the funding position, especially for 2011/2012. A paper had been submitted to the Minister estimating income and commercial activity; a response is awaited. LAP said she was assuming a further reduction in SG funding for the agency in 2010/2011, and there could be a significant further reduction in 2011-12. PB said there was almost no flexibility: the conservation programme at many properties was already minimal.

5. The Scottish Ten Business Case

5.1 David Mitchell (DM) provided an oral update. The Minister has asked to see the business case. TCG has reviewed the framework for selecting international sites and revised the schedule for the Scottish sites, bringing forward work in Edinburgh and Orkney. Estimated costs have been firmed up: the project will cost £1.4 million over 4 years.

5.2 The Minister was keen to attract media coverage. There had been little interest at first, but the situation had changed recently. *National Geographic* (with 270 million subscribers in 160 countries) is keen to be involved and may join the Project Group; it wants to film the team

at Mount Rushmore and in Orkney. There had also been 3 approaches from the BBC. A presentation had been made to a US Congressional delegation last week. The project's legacy might be a centre for digital documentation and visualisation in Scotland. This was being explored with the Glasgow School of Art and could be a partly commercial enterprise. The team was about to scan the Austrian palace (Shoenbrunn, Wien), and would shortly be scanning the Black Building in Orkney and, possibly, Mount Rushmore in September.

5.3 JG said it was gratifying to hear the project was attracting such good PR, as had been hoped. He said this was a high profile, long-term project, and it was important to clarify and prioritise its aims and objectives, for example: improved management of sites; good publicity; improving international relations; increasing tourism; developing the Art School; etc. The most potential for improved management in Scotland as a result of the project was in the Edinburgh WHS.

5.4 LB and DM reported on their recent meeting with the Minister. There was a wide-ranging discussion. The Non-Executive Directors suggested that, if increasing tourism was part of the aim, VisitScotland should be involved. ME said this new tool would be valuable in the longer term and that using advances in technology was part of HS's core work.

5.5 Discussion returned to funding and resources. DMcG suggested the business case should be considered by the Audit Committee. Pat Connor (PC) said the project was stretching his team's resources given the level of UK and international interest. DM said the project was also taking a considerable amount of TCG time. The Non-Executive Directors were concerned the project was deflecting time from the agency's core business and asked what resources were coming from other sources. DM said the Art School was providing its services on a partial cost-recovery basis. JG said the possibility of funding from other parts of Government had been explored, but none was available. AMS suggested that private sector funding should be sought, for example, from the North Sea energy sector.

5.6 JG summarised the discussion, as follows:

- HSB noted with satisfaction the progress that had been made by TCG on the laser scanning project, and by Media and Communications in attracting media interest, especially internationally.
- HSB was excited by the technological advances represented by the project and believed there would be wider applications; other partners, such as DTI, might wish to be involved as the project goes forward.
- HSB saw a need to agree a business case for the Scottish Ten Project in order to help steer it through its life.
- HSB was concerned about the resource implications in terms of staff time and funding.
- The business case and the project management arrangements should be considered further by the Audit Committee.

Action: The Audit Committee to consider the Business Case and funding implications at its next meeting.

6. Risk Quarter 1 Report: April – June (HSB 24/09)

6.1 LAP introduced the report and said the key question for HSB was what to include on the risk register. All agreed the summary presented was not comprehensive and that some major risks are not included. PB mentioned that some significant 'subsets' of risk, such as the Links of Noltland, were omitted, even when a very high risk. LAP agreed that significant risks often do not appear on the register. AMS wondered whether the Audit Committee might consider this in more detail and DMcG agreed that a fuller discussion was needed. **Action: LAP to produce a more detailed paper for discussion by Audit Committee on 30 September; and the issue to be considered again by HSB at its 29 October meeting.**

7. KPTs Quarter 1 Report: April – June (HSB 25/09)

7.1 LAP reported that HS is on course to meet 9 out of 11 Key Performance Targets (KPTs). She commented on the two 'amber' targets: on publications and efficiency gains. JG said that KPT 11 (on improving engagement with stakeholders) should also be 'amber'. HSB noted the position.

8. Maeshowe: Proposed New Visitor Centre – Presentation (HSB 26/09)

8.1 Chris Watkins (CW) and Jane Rahil (JR) were welcomed to the meeting. PB introduced the project. CW gave a presentation outlining the problems of visitor access and interpretation at Maeshowe and the results of the Options Appraisal commissioned by PiC. This had considered: continuation of the facility at Tormiston Mill; various park-and-ride options (with a visitor centre elsewhere providing a gateway to the whole WHS); and two options in the immediate vicinity of Maeshowe. It had concluded that the best option was to convert part of the steading at Overbigging Farm to a visitor centre and car park. Detailed discussions had taken place with Orkney Islands Council (OIC). The purpose of the presentation was to bring HSB up-to-date with developments. The next stage was to continue project development, obtain the necessary permissions, and seek funding partners.

8.2 The Board asked about costs. CW said the project would cost an estimated £2.5-3 million, but he was optimistic of significant support from ERDF and OIC, and possible support from HLF if the community/outreach aspects of the project could be enhanced. The timing was critical, both because of the deadline for moving out of Tormiston Mill and because ERDF would continue only another 2 years and OIC could lose its unspent funds.

8.3 MC agreed the current arrangements were no longer acceptable, but raised the issue of the sensitivity of development within a WHS: UNESCO would have to be informed in due course. He thought the Overbigging option (visitor centre and car park) was a little old-fashioned in assuming that visitors would continue mainly to arrive by car, and believed the park-and-ride schemes should be considered further. He confirmed that, if a new visitor centre and car park at Maeshowe is the final decision, then HSI's view was that the Overbigging steading is the least bad option from the point of view of impact on the WHS.

8.4 RY and AMS suggested that more use could be made of public transport and the local infrastructure already in place. PB said that provision also had to be made for organised coach tours. OIC was also concerned that people would park along verges if there was no car park, which was dangerous; HS does not own much land there and could not prevent this. This proposal was not about growing business, but about managing visitors and traffic better. HS has already introduced timed tours and limited the number of visitors at any one time, which had dampened demand. DMcG said that HS could not stop visitors arriving by car and coach. His main concern had been about the impact on the WHS, and he was heartened that HSI was content that the Overbigging option minimised impact. CW said the number of cars and coaches would continue to be tightly controlled, for example, with only 2 coaches allowed at a time; this was dictated anyway by the size of the tomb.

8.5 JG said it was necessary to provide a facility on the same side of the road as the monument and the choice of locations was very limited. Although public transport options existed from Kirkwall and Stromness, it was not possible to reach the WHS by public transport from much of Orkney. It was important to remember that the key drivers were visitor safety and the lack of facilities for the rangers and education service. JL asked about trends in visitor numbers, but PB said trends were difficult to ascertain as visitor numbers were tightly controlled. Maeshowe received 20,720 visitors last year. CW said that new initiatives, for example, twilight tours, might see this number increase to around 27,000 maximum. It was suggested the proposal should be discussed with Greener Scotland.

8.6 ME asked if the project was eligible for ERDF funding; CW confirmed it was and outlined the timetable. HS had already applied once and received positive indications, but was told to provide more information on partnership funding. The aim was to have all the approvals in place within the next 12 months.

8.7 JG asked if HSB wished to see more evidence on the public transport and parking issues. CW confirmed that OIC has done all it can to control road traffic and parking at Tormiston Mill, but visitor access to Maeshowe remains unsafe. The road end at Overbigging would need some adjustment to improve visibility, but would be much safer. DMcG said he would be surprised if the proposal was granted planning permission without a car park. **Action: PIC to ask OIC whether reliance on public transport / no car park at Maeshowe might be an option, and to write to the Non-Executive Directors to let them know the outcome before the next HSB meeting (28/29 October).**

8.8 RY said he had had the pleasure of visiting Maeshowe earlier this year and the tour had been excellent. [RY then left the meeting].

9. Behind the Scenes Filming at Sites (HSB 27/09)

9.1 This item was dropped owing to lack of time. **Action: HSB to email any comments to the Secretary by 28 September.**

10. Historic Scotland Board: Constitution and Operation (HSB 28/09)

10.1 LB explained the background. Advice had been sought from the Public Bodies Unit about the role of boards of executive agencies (as opposed to boards of other public bodies). By coincidence, Audit Scotland has just commenced a study on the role of boards and HSB has been selected as one of 17 case studies; this would involve interviews with some Non-Executive Directors.

10.2 There was general discussion about what might be meant by 'democratisation' of the Board. An executive agency could not have a Non-Executive Director as its Chair, for instance. Normal corporate governance might suggest there should be a majority of Non-Executive Directors or a reduced number of HS Directors on HSB, but the Non-Executive Directors saw no problem with the present membership given HS's wide remit and the need for a mix of expertise on the Board. Members recognised there was always room for improvement. ME felt the main problem was communication: HSB needs to explain better what it does and how it operates. Members agreed the Non-Executive Directors could have a higher profile. It was suggested HSB might consider holding an open forum on each of its tours. Another suggestion was for Board sub-groups, which would allow wider stakeholder involvement. JG said that HS already makes considerable efforts to engage with stakeholders (not covered in the present paper). It was thought that greater use could be made of the Non-Executive Directors. JL thought open forums might be less effective than more coverage of HSB visiting sites and places and meeting local people. ME pointed out that HSB members are involved elsewhere in HS activities, for example, the Scottish Castles Initiative. MC reported that open meetings held in England had not generally been successful: they were resource intensive and tended to exacerbate negative interests. One suggestion was to go partly down this route, for example, by increasing local involvement in HSB tours; another was to hold an annual open event or reception. PC said Board tours were not primarily about public relations, but it would be possible, for instance, to offer interviews with Non-Executive Directors to local editors/radio stations.

10.3 JG stated that the constitution of HSB itself was the major issue. He asked if Non-Executive Directors should be selected on the basis of their expertise, or should they be representative? Does the Minister wish to see a range of constituencies represented, and if so, which constituencies might be considered? LB drew the attention of members to the questions in paras 9-14 in paper HSB 28/09, and to para 17 which suggests ways in which the operation of the Board might be opened up. She asked members to comment by email specifically on these. **Action: HSB to send comments on paras 9-14 and 17 to the Secretary by 28 September.**

11. Communications and Media Activity Report (HSB 29/09)

11.1 This was not considered due to lack of time. **Action: Members to email any comments direct to Pat Connor.**

12. Update on Rothesay

12.1 This was not considered due to lack of time. **Action: LB to provide a written update which will be emailed to members.**

13. Current Issues / AOB

13.1 Links of Noltland (HSB 30/09). This was also not considered due to lack of time, but PB reported huge media interest in the exceptional finds being produced by rescue excavations and said the treatment of the assemblage is the only pressing issue for HSB. **Action: Members to email any comments to the Secretary by 15 September.**