

HISTORIC SCOTLAND BOARD

Minutes of Meeting on 27 June 2006

Ayre Hotel, Orkney

In attendance:

John Graham, Chief Executive
Lucy Blackburn, Director, Policy Group
Peter Bromley, Director, Properties in Care
Malcolm Cooper, Chief Inspector
Marc Ellington, Non-executive Director
Ingval Maxwell, Director, TCRE
David McGibbon, Non-executive Director
Brian O'Neil, Director, Human Resources
Laura Petrie, Director, Finance
Sheila Terry, Non-executive director

Louise Donnelly, Director of Casework, Inspectorate (for item 8, but present throughout)
Andrew Martindale, Head of South-East Team, Inspectorate (for item 8, but present throughout)
Chris Watkins, Head of Major Projects (for part of item 8),
Liz Crichton, Health & Safety Adviser (for item 9)
Gordon Barclay (Board Secretary)

1. Introduction & Welcome

1.1 The chairman welcomed everyone and noted how successful he felt the tour to Orkney had been. He thanked the Board Secretary for the efficient organisation of the Board visit to Orkney. Gordon Barclay noted that the itinerary and organisation of the field trip on Monday had been the work of Tommy Simpson and Lucy Vaughan of PIC, and of other PIC staff, and that the burden of the organisation at Longmore had been carried by Laura Mulheron, Christine Kelly and Clare Johnstone.

2. Minutes of previous meeting held on 24 April 2006 and matters arising.

1.2 There were no comments on the minutes and no matters arising. The minutes were approved.

3. Finance Report

3.1 Laura Petrie introduced the Finance Report for May. She noted that the apparent 6% drop in VSBD income was misleading as some figures still had to flow through - the free weekend had resulted in a larger number of sales of memberships than in past years and these were still being processed. June had been a better month than May so far.

3.2 She explained that the apparent level of overcommitment in grants was at the normal level to ensure full spend later in the year. She noted that the grants commitment for future years was provisional, as the funds available to the agency after 2006–07 were not yet certain and could be affected by the spending review.

3.3 John Graham noted that the 12% increase in visitor numbers over last year was an effect of the timing of Easter. Peter Bromley noted that there had been a very heavy spend per visitor on the free weekend and reinforced the point that a very high number of memberships had been sold and these were still being processed.

4. Annual Accounts 2005–06

4.1 Laura Petrie introduced the draft Annual Accounts of the agency. She drew the Board's attention to the new requirement that any Director who was aware of any information that should be disclosed should do so before the accounts were finalised. The Directors agreed that they had no such information.

4.2 She noted that the Audit Committee (which had met on 22 June) and particularly Audit Scotland were unconditionally content with the accounts.

4.3 The final outturn for March 2006 showed that full use had been made of cash-related budget items. Laura Petrie explained the read-across between the Annual Accounts and Management Accounts.

4.4 Laura Petrie noted that one item had to be flagged up in relation to the statement on internal control: the risk management system was only implemented during 2005–06 and had not operated throughout the whole year.

4.5 Before the Directors were asked to approve the accounts David McGibbon was asked to report from the Audit Committee. He reported not only that the accounts had been found to be satisfactory, but that Audit Scotland had complemented Laura Petrie and her team on them. He noted also that arrangements for auditing key performance targets were satisfactory and that satisfactory control systems were in place. He undertook to provide a written statement as Chair of the Audit Committee [now attached as Annex A].

4.6 The Directors agreed that the accounts should be signed by the Chief Executive.

5. Risk

5.1 The Board now reviews 'risk' four times a year. This is the quarterly report. Laura Petrie reported that the internal review process had been completed in March. The work of review takes place within HS management Groups. It was noted that Groups were now taking ownership of management of their risks. She noted that risk assessments for PIC major projects were in preparation and that a risk assessment for the impact of a bird flu pandemic was also being worked up.

5.2 There was discussion of contingency plans in the event of industrial action over pensions.

5.3 The Board discussed the ‘extreme’ Risks. Steps were being taken in every case but some risks could only be reduced in the medium term. **The Board agreed** that in future an extra text box would be provided on the individual reports on ‘extreme’ risks in which progress in the last quarter on ‘recent action taken’ would be reported. **Laura Petrie undertook** to implement this.

5.4 Marc Ellington and Sheila Terry expressed concern that risks like ‘Loss of reputation’ were ‘long term’. Laura Petrie explained that this meant that the risk was a continuing one. **It was agreed** that where appropriate this sort of risk would be labelled ‘continuing’ rather than ‘long term’.

5.5 The Board discussed the specific ‘extreme risk’ reports. One of the risks relating to ISU had come to pass – one of the agency’s Oracle developers had left. Laura Petrie explained that structures were being put in place to reduce the risk to the agency by diminishing reliance on too few individual specialists. The reduction of risk relating to business continuity in relation to server failure in Longmore House was being pursued. There would be a full test of the disaster recovery plan this autumn. This would involve all Groups in the agency.

5.6 In the light of the on-site discussion of coastal erosion problems at Skara Brae the day before, Sheila Terry asked if risk/disaster planning included the catastrophic loss of that or comparably situated sites. Peter Bromley reassured the Board that the high-level strategic risk assessments seen by the Board were underpinned by more detailed risk assessments, for example, for individual sites, and that coastal erosion and other effects of climate change were also a risk to the wider historic environment. This sort of detailed site risk assessment also included, for example, rock falls from Edinburgh Castle. John Graham reassured the Board that where necessary risk assessments would rise up the hierarchy to appear before the Board.

6. Continuous Improvement Programme: performance monitoring

6.1 Laura Petrie invited the Board to consider the paper on the monitoring of the Continuous Improvement Programme as a work in progress, pulling together a very wide range of information from across the agency. The Board will receive a report in June and December every year, and it is important that the Board is happy with the mechanisms in place and with progress made. This report largely reflects 2005–06, as figures are not yet through for May 2006. The blank or white boxes on the tables show that no information has yet been provided. In future, where no information has been provided an area will be highlighted as red – a problem.

6.2 Malcolm Cooper noted that there were now Operational Targets (OP) that were problematic. He noted as examples OP8 (Monument Warden visits) which would not be achievable without a very significant shift in resources (see 6.4 below), and OP21, which was problematic as HS did not give ‘informal advice’ in such circumstances. He asked if the Board would be the forum to agree changes. John Graham confirmed that the Board could discuss and decide to amend.

6.3 Lucy Blackburn raised the possible incompatibility between Operational Target 1 (publish 3 SHEPs) and the new Key Performance Target to get 4 SHEPs out to consultation. It was agreed that Lucy Blackburn and John Graham would explore this further with John Barber.

6.4 Those indicators marked as red were then discussed.

- Operational Target 3 (Investment): up-to-date figures were awaited. It was noted that City Heritage Trusts were spending only slowly and there were limits as to how far HS could push them.
- Operational Target 8 (Warden visit cycle): Malcolm Cooper noted that none of the UK agencies had ever met their monument visit cycle targets. Nearer 25% than 60% of sites would be visited. He suggested that there were four possible solutions: temporary increase in hours for the wardens; the employment of additional wardens; extra resources on a temporary basis; or change the target. This target had to be balanced against the need for the Inspectorate to deliver its other customer services, eg, casework. The importance of the warden visits to the Historic Environment Audit was noted. There was discussion of the process that led to the adoption of a target that was perhaps unrealistic. It was **agreed** that the SMT should review the target..
- Operational Target 11 (Operational guidance - [replacing a desk instruction] on scheduling): the need for this would be clarified through the SHEP process. A draft guidance note was in being.
- Operational Target 19 (Guide to Owners of Scheduled Monuments): a draft has been prepared and awaits clarification in relation to the SHEPs.
- Operational Target 23 (Streetscape manual): the initiative for this lies with Dumfries & Galloway Council, whom HS is assisting. Malcolm Cooper is due to visit and will raise this with the Council. **This will be an agenda item for future Board meetings.**

6.5 On the future of monitoring, Laura Petrie noted that the columns for 'Cash Savings' and 'Time Released' were as yet blank. These would be filled in as information came to hand. She stressed, however, the difficulty of calculating these figures retrospectively if baseline information had not been collected at the start of a project. Directors were encouraged to ensure that their staff thought about these measurements at an early stage in the planning of any changes to systems etc, including small projects, as the agency could not afford to 'lose' legitimate efficiency gains from its returns. John Graham noted how important our record of efficiency improvement would be at the Spending Review and noted the relationship of our returns to those of Tourism, Culture & Sport. He noted that SMT and the rest of the agency's staff needed to be working now on baselines and planned improvements in advance of February 2007.

6.5 John Graham reminded the Board that HS had voluntarily joined the continuous improvement programme at Audit Scotland's suggestion. He believed

that it provided a useful framework and demonstrated that HS were making good progress.

6.6 Laura Petrie **agreed** to circulate the full assessment from Audit Scotland to the Non-executive Directors.

7. Mavisbank

7.1 Lucy Blackburn presented the paper to the Board. She noted that there had been a great deal of discussion and new thinking since the Board last considered the case. She sought the approval of the Board for the course of action set out in the paper. Concerns were expressed about the difficulty of achieving a long-term solution in present circumstances.

7.2 Malcolm Cooper briefed the Board about advice from David Tomback of English Heritage as to the viability of a roofed, wind-and water-proof 'developer's shell' being marketable. Moving to a 'developer's shell' should reduce the development risk associated with an empty historic building of this form. David Tomback had taken informal views from a property company who felt that a market would exist for the building were it to be a 'developer's shell'. MC stressed that this was a very complex case and that the market situation could change.

7.3 Mark Ellington queried whether HS involvement might preclude HLF funding; John Graham explained that the signals were that it might not. This would have to be explored further.

7.4 There was concern that the resources available from those parts of the HS grant programme not already parcelled up to special schemes would be substantially pre-empted by a major HS-led project if it proceeded quickly.. It was noted that there were very limited possibilities of additional funding for HS for this purpose.

7.5 Further to the Board's last discussion it was noted that demolition of this building would be impossible to justify in current circumstances and would almost certainly end up at PLI. Mavisbank is a nationally and internationally important building (as identified by the Statement of Significance) and it is unlikely that the statutory/guidance tests for demolition could be fulfilled.

7.6 Ingval Maxwell noted that the Chatelherault case showed that a dangerous ruin could be brought back to use. He stressed that doing the work over a longer period could relieve the funding problem and, more importantly, provide a very significant training opportunity for specialist masonry and building skills, for which funding was already set aside.

7.7 There was agreement that the complexity and risks inherent in the case meant that a strong and stable management project structure would have to be put in place were any of the options involving extensive works on the site to be pursued.

7.8 The Board noted that Historic Scotland intends meantime to commission new scaffolding designs.

7.9 The Board **agreed** (paragraph 30 of the report):

- (a) the line to be taken in writing to the Mavisbank Trust;
- (b) that a fuller option appraisal be pursued as a matter of urgency, involving HLF and the Trust;
- (c) that Historic Scotland should lead on commissioning a fuller option appraisal in the interim, but Board members registered concerns about the implications of HS running any longer-term project at its own hand and **agreed** that any involvement in later stages should be subject to further consideration by the Board

8. Edinburgh Castle Ticketing Project

8.1 Malcolm Cooper introduced this part of the Board's business with a brief explanation of the improved system for dealing with Scheduled Monument Clearance. Before, there had been lack of transparency about the roles being played between client-side advisor (to Properties in Care Division) and the consents team (in the Inspectorate). It might have appeared that HS was not applying the same level of rigour to internal applications for clearance as to external applications for consent. As part of the wider Inspectorate restructuring the new arrangements were designed to ensure both transparency of process and consistency of handling between HS and external applications. The Inspectors working with PIC are now entirely separate from the main Inspectorate and the separation of functions is very clear: the former work with PIC to prepare proposals – the latter take an entirely independent view of the application for clearance. MC also noted that he would like to bring complex or potentially controversial developments at PICs to the Board. He asked for the Board's views on the process as well as on the proposal itself.

8.2 Andrew Martindale then gave a formal presentation. He explained the legislative context - that the site was a scheduled monument and that scheduled monument clearance was necessary. He described the impact of the proposals had on the visual, physical and archaeological aspects of the monument.

8.3 He noted that all three types of impact were limited. While there would be an adverse impact, it would be limited in scale and location. Moreover, the area impacted upon is one that has seen significant change since the 1880s. The development would allow the removal of the unsightly mobile ticket caravan currently used, which would have a positive impact on the presentation of the Castle from the esplanade.

8.4 He noted that there were exceptional circumstances in the problems associated with current arrangements and the lack of any realistic alternative. He closed with the recommendation that the application for consent for the new ticket office be granted.

8.5 John Graham asked for matters of fact to be raised before Chris Watkins and Peter Bromley left the room. There was discussion of the massing of the new building and provisions for shelter for queuing visitors. Chris Watkins laid stress

on the need to keep the building as unobtrusive as possible which would preclude any sheltering arrangement. There was discussion of the height of the slab on which the building was to rest: it has to be at this height to ensure clearance to the tunnel entrance for fire engines. Ingvál Maxwell suggested that the blanking wall behind the proposed building could be reduced slightly. This will be explored.

8.6 Malcolm Cooper described the difficulties of managing the Esplanade as a multi-function space – traffic, people, stands, army needs.

8.7 There was discussion of the process and the Board was reassured that there was a clear audit trail to show how the Inspectorate and PIC had dealt with the proposal. David McGibbon welcomed the presentation and supported the separation of functions.

[Peter Bromley and Chris Watkins of PIC withdrew from the meeting at this point.]

8.8 John Graham asked the Board two questions:

(a) Has the process been thorough and defensible?

(b) Is the scheme acceptable?

8.9 Malcolm Cooper stated that in dealing with SMC cases HS would only in exceptional circumstances allow more than the minimum intervention consistent with the preservation of the monument. These proposals involved more than minimum intervention. The Board therefore had to consider whether the proposals could be described as ‘exceptional circumstances’. The Inspectorate view is that, in the absence of any viable off-site solution or any likelihood of one in a reasonable timescale, the option appraisal has left two options: leave the ticket caravan where it is, or move it to the proposed site. It was noted that this part of the Castle had been badly disturbed already, and that the caravan detracted from the appearance of the monument. The Inspectorate view was that this development was necessary and proportionate. Most of its effects were reversible. It therefore recommended that clearance should be given.

8.10 There was some discussion about the need to ensure that all bodies with a legitimate interest were consulted, even though parts of the proposal already had planning permission.

8.11 Sheila Terry asked that criteria be developed for deciding when cases were to be brought to the Board. There was discussion about ensuring that major proposals for PIC were discussed by the Board at the correct stage – not too early, when their approval might mean that their later involvement was compromised.

8.12 Malcolm Cooper noted that there were cases that had been begun under the old system in where there had been less separation of functions within HS. These would continue to come through the system for a while.

8.13 Louise Donnelly stated that the Inspectorate was confident that this case had followed all the existing procedures as well as exploring new levels of transparency and rigour.

8.14 Brian O'Neil noted that one function of this careful process was to protect the Chief Inspector from the slightest suggestion of an improper involvement with any stage of a case. It was important that there was clear separation within the Inspectorate between anyone who had provided informal guidance in the early stages, and those who were making the final recommendation. Sheila Terry noted that any pre-application discussions between the Inspectorate and PIC must be in a formal context and minutes must be taken.

8.15. John Graham asked the Board if they were content that scheduled monument clearance be given for the development at Edinburgh Castle. **The Board approved.**

9. Health & Safety Annual Report for 2005–06

9.1 Brian O'Neil introduced the report. In doing so, he highlighted the benchmarking exercise undertaken with other heritage agencies. The small differences between HS and English Heritage reflected the fact that HS does not as yet have a formal Health & Safety Management System.

9.2 There was a discussion on stress, its measurement and ways to deal with it. There is a policy, still in force, on stress but there might have to be a new round of training. This will tie in with work on absence management.

9.3 Malcolm Cooper noted that work was needed on the induction check-list, to make it more relevant to specific parts of the agency – its inclusion of all types of work within the agency lessened its impact.

9.4 There was a brief discussion of a chemical burn event at Birsay, related to the use of a de-greasing product to make the causeway less slippery, and its application in relation to the tides. A new chemical is now in use, there is new signage and new instructions to staff have been issued.

9.5 There was discussion of the Safe Driving Awards, which are presented by the Chief Executive. The scope of the awards is now extended beyond the Monument Conservation Units.

9.6 The Board **approved** the report and the position identified for 2006–07. Liz Crichton was thanked for her efforts and it was **agreed** that the report would be circulated to the Trade Union Alliance and a copy placed on the HS intranet.

10. Update on Inspectorate Restructuring

10.1 Malcolm Cooper reported on the restructuring. The main vacancies had been filled. A leaflet had been widely distributed explaining the restructuring – a new edition was just about to appear. MC had given a talk at the meeting of Planning Directors, explaining the background and impact of the restructuring. Team leaders were writing out to their main area contacts to explain who was doing what in particular areas. Key stakeholders would have a single point of

contact within the Team, or where appropriate, within the Inspectorate. It was now important to move on and allow the restructured Inspectorate to settle down and for people to get used to their new roles. As part of this process there had been an Awayday with the launch of the business plans of the various Inspectorate Teams; these would ensure that there was consistency of aims across the Teams. This would be backed up by training and a continuous professional development structure. The Team business plans would feed, in one direction, into the Inspectorate Plan and the Corporate Plan, and in the other into the job plans of individual staff. Copies had been supplied to the non-executive directors.

11. Grampian Visit

11.1 The Board discussed its visit to Grampian this autumn. Perhaps less concentration on PICs? Might the Board deal with consent issues, perhaps using Aberdeen as an example? Could it visit Duff House? As the North-east is an area with a very strong NTS presence could the Board meet at one of their properties, to emphasise our commitment to work together more? The visit might take in the Cullen thematic listing, the listing of the central Aberdeen Wards, Banff casework, the Strathdon scheduling programme. A visit to Foudland Slate Quarry was suggested; it is both a scheduling candidate and a possible candidate for re-opening.

11.2 It was suggested that, after the success of the Orkney dinner, the Board could invite stakeholders out to a dinner – the venue would have to be not too far from Aberdeen. The Board was asked to begin the process of identifying key stakeholders.

12. Current Issues

12.1 Lucy Blackburn noted that the agency was trying to make its interactions with Edinburgh bodies – particularly in dealing with the World Heritage Site – more ‘joined up’, with internal work bringing together Policy Group, the Inspectorate and PIC.

12.2 Ingvál Maxwell reported that there was progress, in particular in relation to some expressions of commercial interest in slate supply. Colleagues from France, who had pioneered small-scale reopening of slate quarries, both as a commercial operation and as a tourist attraction, were returning a visit to France by the Ballachulish Community Council and Highland Council.

12.3 John Graham noted that there had been two parliamentary debates since the last Board meeting. The first had been on the SHEP series – it had been a good debate. The Minister had been very pleased with the support she had received from the agency. The second had been a members’ debate on St Andrews as a WHS candidate.

[The meeting had to be suspended at this point as the Board had to begin their journey to the airport.]

Gordon Barclay
Board Secretary
June 2006

Circulation: those present