



HISTORIC ENVIRONMENT SCOTLAND

MINUTES OF HES BOARD MEETING HELD ON 21 OCTOBER 2021

LONGMORE HOUSE

Present:

Jane Ryder, Chair
Janet Brennan
Andrew Davis
Terry Levinthal
Emma Herd (via video link)
Ian Robertson (via video link)
Fiona McLean
Paul Stollard
Jane Williamson
Ian Brennan

In attendance:

Alex Paterson, Chief Executive
Stephen Duncan, Director of Commercial and Tourism (via video link)
Elly McCrone, Director of Heritage (via video link)
David Mitchell, Director of Conservation (via video link)
Donella Steel, Director of Finance
Alison Turnbull, Director of Development and Partnership
Andy Gibb, Head of Finance (via video link - part)
Pat J Kenny, Deloitte Audit Partner (via video link – part)
Amy Eastwood, Head of Grants (part)
Nick Thomas, Head of Commercial Performance and Systems (part)
Suzanne Casey, Head of the Chief Executive's Office
Olivia Mullen, Business Support Manager

Apologies:

Lindsey Ross, Director of People
Gary Love, Director of Corporate Services

Introduction and Apologies

1. The Chair welcomed everyone to the meeting. Apologies were noted from the Director of Corporate Services and Director of People.
2. Terry Levinthal noted that due to the nature of his employment, he declared an interest in three items referred to in the Board papers; the Royal High School, heritage crime and World Heritage.

Minute of the 14 September Board Meeting



3. The Board approved the Minute of the September Board meeting. Turning to the action log, the Chief Executive updated the Board on a number of items listed, including:
 - The Board noted the Director of Finance will be liaising with her Renfrewshire Council counterpart in regard to the Paisley Museum grant.
 - Development of a strategic plan for Holyrood Park will remain on the tracker and be concluded by October 2022.
 - The Climate Adaptation Plan discussed at the previous meeting had been updated to reflect comments received and circulated on 20th October. Members were asked to offer any final comments ahead of publication in November.
 - The regulatory framework should be added to the action tracker.

Chair's Update

4. The Chair noted that this should be her last Board meeting after seven years. However, it was noted that there is yet to be an announcement by Scottish Government with regard to the appointment of a new Chair.
5. Meanwhile the Chair was pleased to update members that the Archive House business case had been approved by Scottish Government. The Chair thanked the Chief Executive and Director of Finance for their efforts in progressing this. It was highlighted that this was an important milestone for the organisation and one the Chair was personally delighted to see as she prepared to stand down.

Chief Executive's Report

6. The Chief Executive gave an update to the Board on a number of matters, including:
 - Financial performance continues to be in line with budget. Visitor numbers and income in September were encouraging.
 - The Orkney Gateway Project and consultation had closed with local responses preferring innovative infrastructure options rather than a new visitor building. Reflecting the tight timeline for the Outline Business Case to be approved by each partner organisation, the Board delegated approval of the OBC to the Chief Executive. The full business case will come to the Board for approval in due course.
 - The most recent sector survey is now live, the aims being to gauge the on-going impacts of COVID-19 and gain a sense of the key issues facing the sector over the next few years.
 - The Board also noted that a number of the new directorates had gone live as part of the organisational reshaping project.
7. Members commended the review of the inventory for historic battlefields and asked whether there are any plans for a similar review of gardens and designed landscapes. The Board were advised that anyone can ask HES to review any of the



designations and so they are continuously reviewed. The Director of Heritage advised that there is an upcoming project focused on assessing gardens and designed landscapes of the recent past for inclusion on the inventory.

8. The Board sought clarification on performance against the re-forecast budget. The Chief Executive advised that in addition to monitoring performance against the opening budget position, the budget is also updated on a rolling basis to reflect changes as they occur, e.g., site openings / closures. Agreed it would be helpful for this to be clearer
9. The Board asked whether it had been considered, for unstaffed sites in particular, to use digital technologies to add value to the visitor experience. The Director of Commercial and Tourism advised that technologies, such as QR codes, have been placed in paid sites and it is certainly something that will be considered at unstaffed sites if they can add value.
10. The Board discussed Annex A of the Report regarding Monument Investment Plans (MIPs). The governance proposals were broadly agreed, with the addition that the Board would approve the Sustainable Management Plans for key sites and the investment plans for sites identified as priorities in the HES Investment Plan.
11. The Board commended the Heritage Directorate briefing on recent heritage crime, noting the growing number of incidents. It was suggested that the Board receive an annual update on the issue and consider whether it could be expanded to cover heritage crime outwith HES' specific areas of responsibility.

ARAC Annual Report

12. Ian Brennan, as Committee Chair, presented the Annual Report for, and on behalf of, the Audit, Risk and Assurance Committee (ARAC) for the year ended 31 March 2021. He noted the work of the Committee and the specific issues considered, and thanked Committee members and staff for their contribution.
13. Ahead of consideration of the Annual Report and Financial Statements for 2020-21, he informed the Board that ARAC had considered the documents and recommended their approval.

Annual Report and Financial Statements

Andy Gibb, the Head of Finance and Pat Kenny from Deloitte joined the meeting via video link.

14. The Director of Finance and Head of Finance presented the Annual Report and Financial Statements for 2020-21 and a letter of representation for the Board's approval. It was acknowledged that changing finance system mid-year and continued working from home had made this year's audit more challenging. Thanks were expressed to Andy Gibb and the wider HES team and Deloitte for the work they had



done. Importantly, it was noted that the external audit report for the financial statements is unqualified. The HESe accounts had been signed on 20 October.

15. The Chair welcomed Pat Kenny from Deloitte who summarised the audit findings and outlined the key points in the ISA 260 Report.
16. Following discussion, the Board approved the Annual Report and Financial Statements, the letter of representation, and the OSCR Annual Return. The Board also noted the ISA 260 Report. The Chair thanked both the HES Finance team and external auditors for their work and confirmed that arrangements would be made to digitally sign the documents during the course of the morning. The documents would then go to Audit Scotland before being laid in Parliament later in November.

Andy Gibb, the Head of Finance and Pat Kenny from Deloitte left the meeting.

HES Grants Framework

Amy Eastwood, the Head of Grants joined the meeting.

17. The Head of Grants, Amy Eastwood, joined the meeting to update on the results of the recent external consultation on the HES Grants Framework and actions taken in response to the consultation. The Board were asked to approve the revised Grants Framework before submission to Scottish Government for final approval. Following SG approval, the revised Framework and public consultation report would be published by early December 2021, enabling the remainder of the Grants refresh proposals to be implemented.
18. The Head of Grants advised that the consultation process was positive overall on the proposals. In approving the small number of changes to the Framework following consultation the Board noted the wide range of consultees invited to offer comments. Going forward it will be important to manage grants in the context of potentially reduced budgets and to seek recognition from recipients of HES support for projects.
19. The Chair commended the work and agreed that the Framework be submitted to SG for approval.

Amy Eastwood left the meeting.

High Level Inspections Update and Peer Review Panel Report

20. The Board were invited to note the progress of the High-Level Inspection Programme and consider the implications from the sample surveys.



21. Before considering the detail, it was noted that assurance on the methodology used and the response to the findings had been provided by HES technical experts, a Peer Review panel and an independent expert.
22. The Director of Conservation provided the Board with a presentation on the Phase 1 survey programme, the findings and potential implications. The sample surveys confirmed the risk of high-level fabric issues at sites. Full surveys will be required on these sites in 2022 with the consequence that Phase 1 sites will remain closed or with restricted access until the full surveys can be completed and mitigation actions taken.
23. Based on the findings of Phase 1, it is recommended that inspections be undertaken at all sites with high-level masonry over an appropriate timescale. More immediately, it may be necessary to close further sites as a precautionary measure.
24. Following extensive discussion, the Chief Executive proposed the following course of action:
 - Plans to undertake full surveys of Phase 1 sites be progressed, as should options to provide restricted access where possible.
 - A further approximately 10 sites should be considered for closure or partial closure based on the Phase 1 findings given their characteristics. Additional technical evidence is being provided. Beyond that, additional technical assessment is needed to inform decisions and to determine implications for approximately 40 other sites.
 - In addition to technical advice, further legal advice is being obtained for assurance
 - An action plan to take forward the work associated with high-level inspections, and the many implications is being developed. A key component will be communications.
25. The Board agreed the course of action proposed by the Chief Executive including the importance of the associated communications. Given the importance and urgency, it was agreed to establish a Board Oversight Group in succession to the earlier small group, which would enable active oversight to complement full Board consideration.
26. The Chair and Board thanked the Director of Conservation and their team for all their work during this difficult task.

Admissions Pricing Plan

Nick Thomas, the Head of Commercial Performance and Systems joined the meeting via video link.



27. The Board was invited to approve the admission price plan from April 2022 through to March 2026. The Covid-19 pandemic required HES to adjust PIC pricing and this now creates an opportunity to re-look at our pricing as we plan for recovery. The Board raised questions and received responses on a number of points, including pricing levels at Skara Brae, how family ticket prices are established and car parking charges at sites. It was also proposed that the age range for children (free access) be raised from 5 to 7.
28. The Board approved the admission pricing plan as presented and agreed in principle to increase the child age to 7. The implications of such a change would be provided to the Chief Executive.

Nick Thomas left the meeting.

OPiT Annual Report

29. The Board was invited to note the draft OPiT Annual Performance Report, which shows the sector's progress in delivering OPiT for the period April 2020–March 2021. The Chief Executive reminded the Board that this report is not just a reflection for HES work but a report on the wider sector.
30. In endorsing the report, it was agreed that KPI 8 should be red rather than amber. The Chair also reinforced the importance of developing specific proposals in succession to previous SHEF

ACTION: Director of External Affairs
and Partnerships

World Heritage Annual Report

31. The Director of Heritage introduced the annual update on World Heritage in Scotland including background information, HES' obligations and role in World Heritage, and some key activities. She drew particular attention to the excellent work on the Antonine Wall, and the strong community engagement.
32. The Board commended the paper. Going forward it will be important to reflect on the range of ways HES should be contributing to world heritage management in general as well as to specific sites

Equalities including Managing Imperial Legacies

33. The Director of External Relations and Partnerships provided the Board with an update on HES activity in relation to the topic of heritage, history, and race, including the Managing Imperial Legacies Project.
34. The Board commended the variety of projects and partnerships and saw this as an area for HES to demonstrate sector leadership. However, the Board stressed the



importance of developing and demonstrating a strategic overview to ensure prioritisation and coordination of activity.

ANY OTHER BUSINESS

35. Noting that this would be the Chair's last Board meeting, the Chief Executive and HES Board brought the meeting to a close by thanking the Chair for her service and commended her work over the last seven years. Three of the original Board Members delivered speeches thanking the Chair for her work and support.