

**MANAGEMENT BOARD MEETING,
4 FEBRUARY 2008 AT 10:00am,
ROBERTSON WING MEETING ROOM,
GENERAL REGISTER HOUSE**

Present: George MacKenzie, Peter Anderson, Dave Brownlee, Jim Grady, Frank Manson (Non Executive Director), Michael Moss (Non Executive Director), Scott McKay (SG Finance); Jenny Cutts (secretary).

Apologies: Louise Wilson (SG HR).

1. Minutes of last meeting

The minutes of the last meeting held on 1 November 2007 were approved.

2. Matters Arising

2.1 George Mackenzie welcomed attendees and noted that this was the first meeting of NAS Management Board to include Non Executive Directors.

2.2 [2.1] The notional cost of providing accommodation and ICT facilities to the Scottish Council on Archives (SCA) will be £10,000 per annum. Ministerial decisions to establish and fund the SCA have not been made to date.

2.3 [3.1.1] HR advice concerning the return to work of employees on maternity leave has been obtained. Senior management are clear on employer's obligations and negotiations with individuals are in progress.

2.4 [4.3] A HR update submitted by Louise Wilson reported that the Scottish Government Strategic Board have confirmed that an organisation strategy be developed in consultation with staff and trade unions. The current draft people strategy will be further developed.

2.5 [4.6] A report on the 2007 Employee Survey has been issued to NAS. The SG Corporate Report has been published on the Scottish Government intranet.

2.6 [6.1.3] A contract has been awarded for Image Library website hosting following a competitive procurement exercise. The contract was awarded to CIT Digital and a first payment has been made. The development work will be completed end March 2008 and we plan to 'go live' in May.

2.7 [6.2.6] A meeting has been held with the Scottish Catholic Archivist and the draft agreement concerning digitisation of Catholic registers is under revision. The images are being produced by NAS Digital Access Team and the indexing undertaken as part of the joint contract with GROS to index Valuation Rolls and closed Census records images.

3. HR update

3.1 The response rate of NAS staff to the 2007 Employee Survey was below the average SG response, although at over 50% is sufficient for us to make meaningful interpretation. NAS preference has always been for a hard-copy version of the survey form to be provided, as around two thirds of our staff do not have direct access to a PC. Higher response rates were seen when paper surveys were used in the past, but we were not given this option for the 2007 Survey. Frank Manson noted that a separate Registers of Scotland (RoS) employee

survey had been used to target particular RoS issues that would not be reflected in the general SG survey. RoS staff had responded well to these surveys.

3.2 The HR resourcing review was discussed. Negotiations with the trade unions have been completed and the policy will be launched on 18 February 2008. The resourcing guidance has been simplified and is currently being tested by staff and line managers to ensure that it is clear and well structured. Annual assessment centres will be run centrally for staff wishing to progress between bands, but there will still be the opportunity for recruitment to specialist posts to take place during the year. NAS welcomes this change, given the time consuming nature of running recruitment assessment centres locally.

3.3 NAS intends to recruit additional archive attendants. Although the gradual transfer of legal business to RoS means an overall decline in archive attendant numbers, a number of AA staff have left recently and some posts require replacement.

3.4 Michael Moss asked whether NAS surveys its clients and suggested that local authorities that hold records under Charge and Superintendence might be candidates for survey. George Mackenzie agreed that stakeholders' opinions must be sought and relationships with local archives investigated. The Scottish Council on Archives (SCA) may have a role to play here. It was noted that NAS representatives regularly attend meetings of ASLAWG (Archivists of Scottish Local Authorities Working Group).

3.5 Attendance management was discussed. Dave Brownlee explained that high levels of sickness absence have been an ongoing issue for NAS. The average number of days lost per annum had been reduced from 16 to 10, which meets the corporate target. George Mackenzie explained that NAS operates its own attendance management logging system which he monitors personally. Differences between short and long term sickness absence were considered. Frank Manson suggested a system whereby each type is monitored separately to enable better understanding of sickness patterns. It was noted that a change along these lines is being considered by SG-HR (whose system is the one which NAS follows). Also, we anticipate that the onus for sickness absence monitoring will move more from HR to line management in future and that issue of trigger point breach letters will become a line management responsibility.

4. Finance

4.1 Monitoring Report

4.1.1 The financial monitoring report was circulated and discussed. Overall for 2007-08, NAS estimate that we will be under budget on capital by about £500k, and just under budget on resource expenditure. Pay costs were explained for the benefit of Non Executive Directors. NAS does not receive a budget increase in line with pay settlements, unlike core SG Directorates, although we must adhere to the same pay agreements. Expected costs are factored into the NAS pay budget and actual increases managed accordingly. Frank Manson noted that SG must provide NAS with the best intelligence on likely pay settlements.

4.1.2 The spending review 2007 settlement was discussed. Attention was drawn to the standstill resource budget over the three years of the 2007 Spending Review, from which NAS must fund pay and general inflation increases, as well as take forward a number of new initiatives.

4.1.3 The Board discussed how we would demonstrate the 2% efficiency savings which were being sought by Ministers. George Mackenzie explained that increased electronic delivery of records is relevant and accurate measurement of this required. Michael Moss suggested that a self-service document production system as operated by The National Archives (TNA) may represent efficiency savings. It was agreed that this is popular with customers, but requires more physical space and is ideally built into the original design of search rooms.

4.1.4 It was reported that capital budget provision to continue the digitisation programme into 2007-2008 has been agreed.

4.1.5 Capital charges were discussed. Attempts to reduce the fixed asset register are being made, which in turn would reduce the level of capital charges. Frank Manson argued the need for financial accounting systems to treat the occupation and maintenance of heritage buildings differently. Scott Mackay explained that adoption of international financial reporting standards by SG might include changes concerning heritage buildings and agreed to provide feedback following training. George Mackenzie acknowledged that the public do not use General Register House in the same way that they would when visiting Historic Scotland properties. It was added that primary legislation would be required in order to change the use of General Register House.

4.2 Accounts

4.2.1 Dave Brownlee reported that a meeting to consider the impact of SG adopting international financial reporting standards has been scheduled, as a consequence could be that additional NAS resources will be required for the preparation of financial accounts. It was explained that a specialist Accountant post had been created some years ago for the preparation of NAS and GROS annual accounts, but that additional SG functions have been added so the post has less time available to help the two departments.

4.2.2 Scott Mackay emphasised the tightness of NAS financial settlement going forward. Reduced flexibility in the management of underspend within Directorates is anticipated as a trading system across SG may be adopted.

4.2.3 Jim Grady discussed conflicts between capital and operating budgets and asked if single budget lines were forthcoming. Preference for ring fenced budgets over capital/operating division was expressed as a method to make best use of NAS resources. Scott Mackay noted that no changes to a single budget line were expected. Jim Grady suggested that a good business case might be made for transferring certain costs from capital to resources.

4.2.4 Although digitisation work is paid from capital the digital images produced are not added to the asset register. Similarly, private records owned by NAS are not included in the asset register.

4.2.5 Since the last Board meeting, NAS Financial Accounts 2006-2007 were prepared and laid before Parliament on time.

4.2.6 Scott Mackay reported that SG is investigating the adoption of a formal budget responsibility designation scheme and suggested that NAS might consider an analogous scheme. It was explained that within NAS a formal budget delegation system is already in place and is allied to procurement limits. Comparison with SG system would be welcome however. George Mackenzie added that the NAS framework agreement includes reference to

budget delegation, for instance limits to the cost of hiring consultants without Ministerial agreement. Pay budget is retained under senior management control and subject to monthly monitoring.

5. Corporate Plan 2007-2008 progress reports

5.1 Records Services Division (October-December)

5.1.1 Branch progress reports were circulated and Peter Anderson provided a summary of Records Services Division progress against the Corporate Plan. There are plans to convert the former smoking tea room in GRH to a meeting/teleconferencing room. Records have been transferred to Shetland Archives under charge and superintendence and 'proper arrangements' have been pursued with other local authorities. A meeting with Professor Tony Slaven, Director of Centre for Business History in Scotland is scheduled for 5 February 2008 to discuss the future of the Ballast Trust. Government Records Branch have been working with SG regarding Ministerial statement on the Historical Abuse Systemic Review (Shaw report) record keeping recommendations. The opportunity to advise on public records legislation was considered.

5.1.2 The '30 year rule review' announced by the Prime Minister was also discussed. GRB are providing advice to SG regarding the review. It was clarified that NAS no longer accepts government records which have not already been reviewed for Freedom of Information exemptions and that mechanisms are being established for dealing with the backlog of un-reviewed government files in NAS custody. It was noted that NAS does not undertake reviews in response to FOI requests but retransmits documents to the depositing departments. Michael Moss raised the issue of transparency of FOI decisions within Scottish Government. CLRB are engaging the courts in dialogue and liaising with the Lord Presidents Expert Group on Records in order to improve record keeping practices for court records.

5.2 Corporate Services Division (October-December)

5.2.1 Dave Brownlee summarised Corporate Services Division progress over the last quarter. Developments concerning long term accommodation needs were outlined. The Gateway Review report had recommended that we consult further with stakeholders with a view to getting their support for additional accommodation. It was also recognised that in the current political and financial climate there was little likelihood of NAS obtaining funds for a conventional storage facility on the TTH site. High density storage, which would still be BS5454 compliant, is being investigated, and the viability of siting a records store alongside other national collections buildings at Granton was discussed, as this may be easier to fund. The future of WRH was considered, including potential use by Edinburgh Council Archives and other organisations, following possible early termination of the NAS lease. Frank Manson advised that legal advice concerning saleability in the balance of WRH lease be obtained as soon as possible. It was agreed that contact be established with Edinburgh Council, regarding WRH. Scheduled improvements will be made to the building to enable continued occupation for the next 5 years.

Action: Senior management to establish contact with Edinburgh Council regarding WRH.
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5.2.2 Scottish Family History Centre progress was discussed. Paintwork removal and replacement of glass in the Adam Dome have delayed the completion date. It is expected that the contractor will hand over the site in May 2008 and the centre opened to the public during June/July 2008. It was noted that delivery of IT applications by GROS and subsequent testing

are likely to carry on beyond completion of building works. A request for a royal opening of the centre has been submitted.

5.2.3 RSB and FAB are involved in reviewing our fees and charges and aim to align Historical Search Room and West Search Room fees with the ScotlandsPeople and legal search fees. Performance of the RAC search tool for sasines research has settled down and legal customers are satisfied with its operation. Production of more user-friendly guidance to assist historical researchers with the sasines tool is planned.

5.2.4 VAT charging was discussed. A meeting to determine VAT position of ScotlandsPeople has been arranged. It was noted that online provision of statutory services should not attract VAT. It was agreed that NAS, GROS and RoS will align charging policies before approaching HM Revenue and Customs. TNA's position with regard to Documents Online will also be investigated.

5.2.5 Other Corporate Services Division issues were reported. CSB are up to a full complement of conservation staff. ICTB continue working towards OPAC replacement and the Digital Data Archive project will go live in April 2008.

5.2.6 It was agreed that the next Management Board meeting will be held at TTH to let the Non Executive Directors visit the building.

5.3 Key Performance Indicators

5.3.1 Key Performance Indicators for the period October-December 2007 were discussed. The number of website visits has been filtered to exclude robot crawlers and represents individual visits. Performance indicators do not include the number of electronic downloads from ScotlandsPeople or ScottishDocuments although these figures are available to administrators. The impact of new Electronic Ordering System (EOS) on record production statistics was discussed. Michael Moss suggested that a catalogue indication of which building a document is stored in (and therefore whether it must be ordered on the day or in advance) would be extremely useful for customers.

5.3.2 It was explained that the selection of key performance indicators requires review and Non Executive Directors were invited to comment. Benchmarking with comparable organisations was considered. It was further suggested that performance measures should relate to service user concerns rather than targets considered important by management. Inclusion of performance measures that demonstrate services to stakeholders such as retransmissions to courts and to government was considered useful. It was agreed that selected key performance indicators be revised.

6. Corporate Planning

Dave Brownlee noted that Branch Heads would be asked for Corporate Plan objectives soon and bi-lateral meetings arranged as part of the Corporate Planning process for 2008-2009. It was explained that each branch has key business objectives and 'other objectives' and that the latter are monitored by Branch Heads but not included in reports to Management Board. The Scottish Government's five strategic objectives will also inform NAS Corporate Plan for the coming year. The need for corporate planning to extend beyond the subsequent financial year and was accepted. It was acknowledged that operations are also dependent upon Scottish Ministerial direction, for instance the establishment of a Register of Tartans. It was agreed that a corporate planning meeting be held with senior management and Non Executive

Directors on 13th March 2008 (to coincide with the Audit Committee meeting) to consider initial proposals by Branch Heads.

7. Audit Issues

7.1 Membership of the NAS Audit Committee was considered. It was noted that all the members should be independent with senior management and others 'in attendance'. In addition to the non-Executive Directors a third Audit Committee member is desirable and the Committee will consider this. Scott Mackay agreed to circulate new model terms of reference for Audit Committees.

7.2 The Grant Thornton audit plan has been received. It was explained that external auditors are contracted by Audit Scotland and resourced by NAS operating budget. Frank Manson suggested that obtaining figures from alternative firms would be useful in fees negotiation although the option to use other auditors is not available. It was agreed to ask the Audit Committee to address this issue.

7.3 Grant Thornton propose to undertake an IT audit although this has recently been performed by internal audit. The need for internal and external audit to accept and make available respective reports and to co-ordinate audit plans is necessary to avoid duplication of effort.

7.4 Internal Audit noted have noted in their most recent Governance report that the NAS framework document is out of date. The Management Board accepted this but will report at the Audit Committee meeting that revision should await the outcome of the ministerial review of public sector landscape.

8. Electronic Records and Digital Policy

8.1 The Digital Data Archive (DDA) project for preservation of electronic archives is scheduled for launch in April 2008. It was explained that this phase of the project concentrates on ingest and a further phase to develop DDA access has been identified. At a meeting with Branch Heads on 22 January 2008 it was agreed that a scoping study will be initiated. Differences with the National Library of Scotland digital preservation project were discussed. It was further noted that no additional resources are available for NAS DDA phase two.

8.2 Questions were asked about the volume of electronic archives to be accessioned. George Mackenzie explained that the starting point would be the electronic versions of government and court records currently deposited in paper format, although the GRB selection processes will differ within an EDRM context. The SG Information Management Unit and Records Management functions were explained for the benefit of Non Executive Directors.

8.3 It was noted that digital policy is distinct from DDA and refers to the alignment of digitisation issues such as access and preservation surrogates, document access, customer copies, imaging programmes and standards. A draft paper has been prepared by working groups and is schedule for consideration at the Branch Heads meeting on 14 February 2008.

9. Risk Register

The NAS Risk Register was introduced 5 years ago and is reviewed regularly by both Management Board and Audit Committee. It is reviewed annually by Branch Heads as part of the corporate planning process. Each branch also has its own risk register. Frank Manson

asserted that risk registers should be related to business continuity plans and expressed the view that as risk mitigation is not always possible, mechanisms for dealing with predicted consequences are necessary. Peter Anderson explained that NAS disaster management plans focus on preservation of the archives rather than business continuity. NAS internal records management system identifies vital corporate records for this purpose. Michael Moss discussed the possibility for risk registers to include positive risks and demonstrate achievements by predicting what would happen if NAS did not do specific things. It was noted that SWOT analysis would inform risk registers.

Action: Dave Brownlee to ask Branch Heads to consider business continuity planning.

10. Any other business

10.1 George Mackenzie reported following publication of the Historical Abuse Systemic Review (the Shaw report) a Ministerial announcement concerning records legislation is expected.

10.2 The public sector landscape review, announced by the First Minister on 30 January 2008, includes winding up of the Scottish Records Advisory Council (SRAC). It is expected that advice to Ministers will be provided by the Keeper of the Records of Scotland and an informal advisory group including a variety of Scottish archives and stakeholders. The Scottish Council on Archives (SCA) is expected to receive funding from Scottish Government and would also have a consultative role. There was discussion about involving the research community in a stakeholder group and agreed this issue might best be considered by the SRAC which is due to meet for the last time on 27th February 2008.

10.3 The public sector landscape review also requires us to consider how best to discharge functions currently carried out by NAS, RCAHMS and Historic Scotland. Linda Fabiani is interested in ways that NAS and RCAHMS can work together and ideas about a 'ScotlandsPlaces' joint project, along the lines of the ScotlandsPeople model, are being considered.

10.4 The issue of raising the profile of NAS was discussed. This topic was also discussed at NAS Away Days in January 2008 and is relevant to the ongoing re-branding exercise. It was noted that the profile of NAS with Scottish Ministers is high and that the opening of ScotlandsPeople centre will raise awareness amongst the general public.

11. Date of next meeting

The next meeting is due to take place during April 2008. Jenny Cutts will canvass for dates nearer the time.

Jenny Cutts
4 February 2008