

**MANAGEMENT BOARD MEETING,
16 DECEMBER 2010 AT 2:00pm,
ROBERTSON WING MEETING ROOM,
GENERAL REGISTER HOUSE**

Present: George MacKenzie, Dave Brownlee, Jim Grady, Frank Manson (Non Executive Director), Michael Moss (Non Executive Director), Louise Wilson (SG HR).Jenny Cutts (secretary).

Apologies: None.

1. Minutes of last meeting

1.1 The minutes of the last meeting held on 29 July 2010 were agreed.

2. Amalgamation with GROS

2.1 George MacKenzie summarised the background to Minister's decision that NAS and GROS amalgamate. A working group of NAS, GROS and RoS personnel produced an options paper for Ministers as requested and Mr Swinney decided upon merger of NAS and GROS. The date for merger was originally proposed for April 2012, though Mr Swinney has asked that an earlier date be considered. The NAS-GROS working group is looking into feasibility and timescales and will prepare a submission for Ministers on timing in due course. It would make sense for amalgamation to take place at the start of a financial year, but April 2011 would be too soon to implement this in full . It may be possible however to effect the basics at the start of the 11-12 financial year and continue working towards complete integration thereafter. A number of sub-committees have been established to develop different aspects of the amalgamation.

2.2 Senior managers of both organisations are looking into the joint finance function. Several members of NAS finance staff will leave under the latest early severance scheme and the capacity of the GROS finance team and the two remaining NAS staff is being assessed to determine whether more finance resourcing is required for the new organisation.

2.3 ICT will be a difficult area for integration as there are differences in both hardware technologies and software development tools. GROS is mainframe based whereas NAS ICT systems take a different approach. Also, GROS is on the SCOTS system for its office network whereas NAS is not. Although NAS has had no objection to joining SCOTS, the costs of doing so are significant and not provided for in the current budgetary provision. It was explained that the SCOTS service only delivers the basic desktop infrastructure and that all bespoke specialised systems used by both NAS and GROS must be maintained and developed by local staff. George MacKenzie added that a single set of user interfaces would be desirable and that achieving this would be complex. With regard to integrated public services, he added that although there are synergies between ScotlandsPeople and NAS Historical Search Room, genealogy is only one part of NAS's public access offering.

2.4 It was noted that governance arrangements are different for NAS and for GROS and there are difficulties in aligning them. GROS is a Non-Ministerial Department whereas NAS is an Executive Agency of the Scottish Government. Preference is for the new organisation to be a Non-Ministerial Department. It is also likely that a joint Management Board including Non

Executive Directors will be appointed. Intentions to broaden the NAS Management Board to include departmental heads with specific portfolios of responsibility will require reassessment as such a governance structure incorporating all GROS departmental managers as well would be unwieldy. GROS currently do not have a Management Board, but do have an Audit Committee with external members. A single Audit Committee for the merged body will be established. Discussions concerning these governance arrangements will involve the current NAS Non Executive Directors.

2.5 A discussion ensued concerning the importance of maintaining both the Registrar General and Keeper of the Records of Scotland posts. It was noted that both are statutory offices, appointed by Scottish ministers, with statutory functions. George MacKenzie considered that the Keeper's role as professional archival lead must continue and it was agreed that the archives and record keeping functions must not be subsumed into GROS business. George MacKenzie explained that as the Registrar General is one grade higher than the Keeper, it would seem sensible that the Registrar General adopt the interim Chief Executive role for the amalgamated body. The Non Executive Directors considered that although this may be expedient for the current office holders, it need not follow that the Chief Executive should always be the Registrar General. In future, Keepers of the Records of Scotland could equally fulfil that role. Attendees were all agreed that whatever the Chief Executive arrangements are, it is crucial that a specific Keeper of the Records role be continued. The Non Executive Directors observed that the Keeper must take professional archival decisions and that this is not simply an organisational management role. George MacKenzie expressed his wish for the Keeper of the Records of Scotland post continuing to be undertaken by a professional archivist in future.

2.6 George MacKenzie explained that the amalgamation working group have identified four broad business areas for the new organisation; corporate services, public services and two professional business areas (one for NAS, one for GROS). It is felt that the two professional business areas will continue more or less as now as NAS and GROS undertake quite different functions utilising separate areas of expertise and resources.

2.7 The importance of public communication was considered. Michael Moss noted that the amalgamation is likely to cause concern amongst the historical and archival communities, particularly if there is a suggestion that the Keeper's position is to be down-graded or de-professionalised. It was accepted however, that the merger is a political decision and that the chief interest of Scottish Ministers in this is to reduce the number of public bodies by one.

2.8 Frank Manson commented on the timescale issue, pointing out that it is quite normal in the corporate world for merged organisations to continue to operate with the former separate parts working in tandem until such time that full integration is practicable. Dave Brownlee noted that the new organisation, with a new name, could be announced in the near future and further amalgamation work be undertaken according to the appropriate time frames. The submission to Ministers would make clear that while an amalgamation from 1 April 2011 would be possible, it would be incomplete in many respects.

2.9 George MacKenzie added that the Scottish Government Directorates are undergoing lots of structural change and that for the time being NAS will become part of Culture and Digital Directorate, which is to be headed by the Chief Executive of Historic Scotland (who will also continue to head HS). Following the merger the new organisation is likely to be located in the same Directorate as that in which GROS currently sits.

3. Strategic Review of NAS

3.1 A summary paper was circulated in advance of the meeting. Frank Manson requested the full strategic review papers.

Action: Strategic Review papers to be circulated to Non Executive Directors.

3.2 George MacKenzie stressed the need to continue with the NAS strategic review in order to clarify NAS business and activities to inform the amalgamation work. The Non Executive Directors were invited to attend the summary session of the NAS strategic review programme which is due to be scheduled for late January/early February 2011.

Action: Non Executive Directors to be invited to the strategic review summary session.

4. HR update

4.1 Louise Wilson provided an update on HR issues. A new structure for the Scottish Government was announced in early December and NAS will move to the new Culture and Digital Directorate. Both Louise and Elsie McDade will continue to support NAS until the Directorate changes. It is likely that the merged organisation (NAS-GROS) will be situated under a different part of the Scottish Government. Louise Wilson explained that further restructuring to deliver savings within Scottish Government main is under consideration. It is expected there may be a rolling programme of early release schemes. The unions are currently balloting members regarding changes to the Civil Service Compensation Scheme. The Staff Survey results have been presented to senior management and it was noted that NAS had scored well on keeping staff informed. It was noted that further guidance on the recent weather disruptions had been issued. George MacKenzie reported that NAS had remained open throughout this period.

5. Finance Report and Audit Issues

5.1 Dave Brownlee reported that the 2009/2010 accounts were laid before Parliament as required. It was noted that the spending review outcome was better than expected for NAS and necessary future staffing levels will be met by partial retirements and natural wastage. The capital budget has been reduced and this will affect the digitisation programme however. Planned changes to the public search rooms were discussed. George MacKenzie noted that it is regrettable that public access amendments have to be introduced but essential given the future budgetary provision.

6. NAS highlights summary

6.1 It was reported that the Committee Stage 1 Officials Evidence session had taken place for the Public Records (Scotland) Bill on 8th December and related topics were discussed. Other aspects of the July -December highlights summary were noted including progress on the Digital Data Archive and the demonstration of the new industry tartan database prototype.

7 Risk Register

7.1 A revised Risk Register had been circulated prior to the meeting and was discussed. Frank Manson liked the format and appreciated that it was succinct and includes measure to be taken. It was agreed to send the draft risk register to the auditors for comment.

Action: Dave Brownlee to send the risk register to the auditors for comment.

7.2 Finance services capacity was discussed. The capacity for producing NAS accounts has been an ongoing audit topic. The Management Board noted that accounting capacity is an issue regarding early severance releases. Frank Manson noted that production of the accounts accurately and timeously is a legal requirement and if the Scottish Government is not able to resolve the capacity issues, then he would write to the Permanent Secretary. Dave Brownlee explained he has raised this issue with Scottish Government and it is not yet necessary to escalate the issue.

8. Accountant in Bankruptcy Records

8.1 Directors considered a paper on Accountant in Bankruptcy Records and agreed to the proposals to consult Accountant in Bankruptcy with a view to retrospectively destroying CS318 Sederunt Books received as these have little historical value and there is an electronic register available online. Michael Moss's advice as an expert user of these documents had already been sought in developing the proposals.

9. Digital Data Archive Scoping Study

9.1 The Executive Summary of the Digital Data Archive Scoping Study was circulated prior to the meeting. Non Executive Directors requested the complete report.

Action: To circulate the NAS Digital Data Archive Scoping Study Report to Non Executive Directors.

9.2 Frank Manson felt it crucial that the Digital Data Archive report must not be considered in separation from the NAS strategic review programme. Dave Brownlee assured him that the DDA study forms part of the strategic review programme and that the report was used as the basis of the Electronic Records Strategic Workshop which had taken place that morning. It was also confirmed that full emphasis has been given to the fact that, although the strategic review is being programme managed by the Head of ICT and there is the intention that the review will determine ICT development work, the review itself is not being conducted as an ICT project. It was also observed that the ICT Workshop will be the final of the themed Strategic Review Workshops as the other business areas requirements must firstly be defined.

9.3 A key recommendation of the DDA report was considered to be the need to adopt Open Source technology for digital preservation. The Non Executive Directors felt that this was potentially at odds with the Agency's investment in Microsoft solutions.

9.4 George MacKenzie reported that the morning's Electronic Records Workshop had identified those recommendations that were more quickly achievable and those which would take more time to be realised. The role of records creators in digital preservation was noted

and Frank Manson observed that records creators should be influenced in their creation of electronic records by archival expertise. Dave Brownlee agreed to circulate the written report of the Electronic Records Workshop when it becomes available.

Action: Dave Brownlee to circulate report of Electronic Records Strategic Workshop.

9.5 Michael Moss raised the issue of revenue from access to digital resources and a discussion about price modelling was held.

10. Matters Arising from last meeting Minutes not covered in the Agenda

10.1 Michael Moss opened a discussion concerning the effects of public sector changes on the arrangement for depositing archives in lieu of tax.

11. Any other business

11.1 The Non Executive Directors were invited to the Keepers Christmas Drinks on 21st December.

11.2 There was no other competent business.

12. Date of next meeting

12.1 The next meeting will be held in late January/early February 2011.

Jenny Cutts
17 December 2010