Minutes of the Board of Trustees meeting
BT / 12 /01

Board Room, National Library of Scotland, George IV Bridge Building
12 December 2011
13:00

Present: Professor Michael Anderson (Chairman); Andrea Batchelor; Mungo Bovey QC; Lorraine Fannin; Professor David Finkelstein; Dr Peter Kemp; Jonathan Lake QC; Charles Lovatt; Councillor Gordan Low; Moira Methven; Dr Richard Parsons; Dr Willis Pickard; Malcolm Thomson QC; James Wolfe QC.

In attendance: Duncan Campbell (Deputy Chief Executive); Dr Darryl Mead (Deputy National Librarian); Martyn Wade (National Librarian and Chief Executive); Karen Boyle (Head of Development and Events – for item 13 ); David Hunter (Head of Strategy and Performance – for items 1-7); Susan McKenzie (Finance Manager); Andrew Martin (TUS representative); Janice McFarlane (Minutes).

Also in attendance: Carole Robinson and David Seers (Cultural Excellence Team, Scottish Government).

Apologies: The Lord President of the Court of Session; The Lord Advocate Frank Mulholland QC; Marco Biagi MSP; Catherine Dyer; The Lord Provost of Aberdeen; The Lord Provost of Edinburgh; Malcolm Scott QC; Professor Graham Caie.

The Chairman (MA) opened the meeting by welcoming Carole Robinson (CR) and David Seers (DS). As members of the Scottish Government's Cultural Excellence Team they were present to provide information and participate in the Board's discussions relating to the NLS Bill. MA noted the constructive help and support CR and DS had already provided on this as well as many other matters over the past two years, and the Board invited them to attend the full meeting.

Minutes of meeting:

1. Apologies:
   As noted above.

2. Declaration of interests:
   A declaration of interest was made on behalf of those Trustees who are members of the Faculty of Advocates regarding discussions relating to the NLS Bill.

   MA reminded Trustees that they were required to declare an interest in any unexpected issues that emerged during actual discussion of any agenda items.

3. Minutes of meeting of 24 October 2011:
   It was noted that an amendment was required to the minute relating to item 13.3, draft minutes of the Governance Committee of 8 September, regarding the co-option of the Chair Designate on to the Board.

   The minutes were approved as a correct record of the meeting, subject to the agreed amendment.
4. Actions outstanding and matters arising from previous meeting:

**Item 4. Minutes of the meeting of 5 September:**
JM will add outstanding actions to the current list (asap)
**Update:** Done (see following 2 actions)

Matters arising: Shared Services: Board recommendations regarding changes to the Terms of Reference will be presented to Shared Services Governance Board and brought back to the next NLS Board meeting (12 December 2011)
**Update:** Update provided under item 9 of agenda

Control Environment Review: DC will provide brief, updated reports to each meeting of the Board, highlighting any significant changes in the risk profile. (Going forward.)
**Update:** No significant changes. Minor changes will be presented to Audit Committee.

**Item 5.14. Matters arising: Trustees’ seminar 24 August:**
A draft Corporate Plan will be brought to the Board in December.
**Update:** Update provided under agenda item 10 and paper BT/11/72.

**Item 5.16. Matters arising: Shared Services Governance Board:**
JM will clarify titles of the various Boards and ensure consistency in future minutes. (asap and going forward).
**Update:** Titles now confirmed as Shared Services Governance Board and Shared Services Programme Management Group.

**Item 7. Memoranda of Agreement with the Faculty of Advocates:**
JM / DM will follow-up on suggestion re inspection of deposited mss by Faculty.
**Update:** Constructive work has taken place re identifying and listing mss deposits. Audit will take place once list is completed.

DM will report back to the Board in December regarding the deposit agreements.
**Update:** Carried forward.

DM will arrange for signed memoranda to be loaded on to NLS website.
**Update:** Noted-will be added once memoranda are signed. Action carried forward.

**Item 8. Proposal to move the NLS Scottish Screen Archive to Kelvin Hall:**
Senior management will provide the Board with regular updates on the project.
**Update:** Expect project to go through Phase 1 re HLF funding, with HLF response due by 24 January 2012. Project Board will start scoping terms for employing a design team. Workshop to be held w/b 12 December 2011. Next meeting of Project Board on 9 December 2012. M Guvan will attend for NLS.

**Item 9. Health and safety and security reporting:**
Quarterly reports will be presented to the Board.
**Update:** Update provided under agenda item 18 and tabled paper BT/11/80.

Briefing packs will be circulated to Trustees by 30 November 2011.
**Update:** HSE document circulated with BoT papers.

DC will provide a presentation to the next meeting of the Board on the application of health and safety regulations.
**Update:** Removed from agenda due to lack of time. Carried forward to next meeting of Board.
Item 10. Misappropriation of funds:
MA / Audit Committee will review and clarify the role and responsibilities of the Audit Committee.
**Update:** MA met with Audit Committee 21 November 2011 – see BT/11/69.

MA / MW will provide regular progress reports to Trustees, including steps taken to sustain behavioural changes in the Library.
**Update:** See under ‘Matters arising’.

Item 11. Corporate Plan: Review of Progress:
DC will amend the assessment of objective D10 (shared services programme) from Green to Amber, to reflect outstanding issues (asap).
**Update:** Done.

Item 13.2. Draft minutes of the Investment Committee of 30 August:
DC will limit the term of the contract to manage the John Murray endowment funds to ensure the process meets procurement procedures.
**Update:** Confirmation has been received from Internal Auditors that the appointment process was in line with NLS procurement procedures. Decision to proceed with appointment of fund managers was confirmed by ELT on 14 November 2011. Finance Manager has drafted necessary paperwork. Process still to be finalised.

JM will amend the 'Actions outstanding' updates to reflect that Brown Shipley are no longer fund managers 'for the Library'.
**Update:** Done.

Item 13.3. Draft minutes of the Governance Committee of 8 September:
The Governance Committee will present a paper on the NLS Bill to the next Board meeting for discussion.
**Update:** See draft minutes of 15 November meeting (BT/11/65) and paper BT/11/66.

Item 13.5. Draft minutes of the Shared Services Governance Board of 26 August:
JM will ensure that future covering sheets contain more information regarding the authorship of the minutes.
**Update:** Noted for future meetings. See BT/11/70 and BT/11/71 for first instances.

**Matters arising:**

4.5.14. Trustees' seminar, 24 August:
It was noted that the outstanding action, from 5 September meeting, relating to the definition of 'curation', was not included in the current list. JM will reinstate this action.

4.10. Misappropriation of funds: Professor Percy’s recommendations:
Martyn Wade (MW) provided a verbal update on the progress of management restructuring, informing Trustees that the newly appointed managers will have responsibility for taking forward Professor Percy’s recommendations.

In response to issues previously raised by the Audit Committee, MW also tabled an updated organogram, which clarified the reporting lines of the Head of Finance, the Interim Head of OD / HR and the Secretary to the Library. It was noted that the textual changes were now much clearer. Members of the Audit Committee confirmed that they were now happy with the changes that had been made.
MA also recommended that regular reports on progress regarding Professor Percy’s recommendations should be made to the Audit Committee, rather than the full Board. Updates on this progress would then be contained in the minutes of the Audit Committee, which would subsequently be presented to the Board.

The Board accepted this recommendation.

5. Presentations for future meetings:
Duncan Campbell (DC) will provide a presentation, to the next meeting of the Board, on the responsibilities of Trustees in matters to do with health and safety.

6. Draft minutes of the Governance Committee meeting of 15 November:
MA presented the draft minutes to the Board, highlighting the discussions relating to the NLS Bill. It was noted that, although not minuted, the Committee had accepted the legal advice, from Turcan Connell, relating to the attendance of NLS staff at meetings of the Board.

Points raised during the Committee's discussions had been included in paper BT/11/66, which then helped to inform the discussions under item 7 of this agenda.

MA also informed Trustees that he had held helpful discussions on transitional arrangements, with Carole Robinson (CR), David Seers (DS) and Kevin Wilkie (KW) of the Scottish Government's Cultural Excellence Team.

JM will amend a typographic error in the 'Actions outstanding' section of the minute. The text should read 'Approved by Board 24/10/11'.

The Board noted the report.

7. NLS Bill: Q&A session with Scottish Government officials:
David Seers (DS) opened the discussions by noting that legislation to modernise and update the governance of the National Library had been expected for many years. DS also noted the points raised in the paper outlining the views of the Governance Committee. Those views highlighted:

- A general welcome for the Bill and in particular for the description of the functions of NLS,
- Disappointment relating to the new 'ministerial power of direction', although acknowledging the significant qualifications and exemptions to that power,
- A preference that the Bill should include a specific reference to legal deposit in Section 3(1), on the methods of acquisition of objects to the Library’s collections.

Copies of the Bill, and its accompanying documents, had been circulated to Trustees in advance of the meeting. Carole Robinson (CR) briefly outlined the content of the Bill and provided some information on the parliamentary process and timetable. Currently firm dates are only available up to the end of Stage 1 of the Bill's progress. Dates and events to note included:

- 20 January: Deadline for the submission of written evidence to the Education and Culture Committee. MA and MW will draft a submission and circulate it to Trustees for comment
- 31 January: Provisional date for visit to the Library by members of the Education and Culture Committee
- February 2012 (pm): MA, MW and other stakeholders present oral evidence before the Committee
21 February 2012: Cabinet Secretary, Fiona Hyslop, to give evidence to the Committee.
March 2012: Education and Culture Committee publishes its report.
By 16 March 2012: Parliamentary debate and vote on General Principles.
April 2012: Stage 2 commences: detailed consideration by the Committee. Amendments possible.
May 2012: Possibly commencement of Stage 3, consideration by Parliament, including possible amendments.
July 2012: Probable Royal Assent.

Various points were then raised in the ensuing discussions. These included:

- Transitional arrangements: Trustees were informed that the Board recruitment process was expected to commence following completion of Stage 1, i.e. after 16 March. The new Chair should be appointed by July. Recruitment of the other Trustees will commence after that initial appointment. MA indicated his hope that the full new Board should be in place no later than January 2013.
- The future size of the Board: Trustees indicated that the minimum number indicated in the Bill (seven) was too small to cover the range of expertise and stakeholder confidence required. DS informed the Board that his expectation was that the final number was likely to be nearer the maximum of 14, but that the inclusion of a minimum number provided some flexibility, and would allow for resignations, etc. Agreed numbers could be varied, by Statutory Instrument, at a future date. It was also currently the view of the Bill team that some existing Trustees would be able to continue as Board members.
- Exclusion of legal deposit from the text: Following discussions, Trustees agreed with the stance taken by the Scottish Government on this issue, and noted that this matter was covered by the terms of the Legal Deposit Libraries Act.
- Power of ministerial direction: Trustees reiterated their reassurance obtained by the exemptions and qualifications outlined in the Bill.

Other points raised included:
- The frequent use of the term 'with approval of Scottish Ministers'
- The role of the 'person authorised by the Dean of the Faculty'
- Non-voting members of committees

Andrew Martin (TUS-AM) arrived during these discussions. David Hunter (DH) left the meeting following these discussions.

8. Draft minutes of meetings of committees:

8.1. Staffing and Remuneration Committee of 25 October:
MA presented the draft minutes to the Board.
MA highlighted the hugely beneficial nature of the facility time which is provided for trade union activities. The Staffing and Remuneration Committee considers that the provision of facility time greatly expedites business.

MA also informed the Board that, following the meeting on the 25 October, members of the committee had met over a sandwich lunch with representatives from TUS. This is an annual occurrence and was extremely constructive, highlighting the good relationships between management, Trustees and TUS.

The Board noted the report.
8.2. Development Committee of 7 November:
MA presented the draft minutes to the Board and informed Trustees that the meeting of the Joint Board of the American Patrons of NLS / NGS had gone very well. Sir Fraser Morrison and James Fraser, Chair and Treasurer of the American Patrons, had visited the Library, and MA congratulated staff who had done a wonderful job displaying American items which were of interest to the visitors.

In response to a question, Trustees were informed that the gaining of affiliate status of the Arts and Humanities Research Council (AHRC) would allow the Library to lead bids for AHRC funding. At present the Library may only take part in joint bids, led by other organisations that are already recognised by AHRC.

An error was noted in the minutes and JM will amend the reference under 'Summary of agreed actions' to read 'Alasdair Allan MSP'.

The Board noted the report.

8.3. Audit Committee of 21 November:
Malcolm Thomson (MT) presented the draft minutes to the Board and highlighted the inclusion of fuller details on issues noted by the committee.

It was noted that the annual report of the External Auditors had not been attached to the minutes, as agreed by the Committee. JM will circulate the report asap.

In response to an enquiry MW agreed to circulate a copy of the final Section 22 report to Trustees.

MA thanked Trustees for responding to the request for approval of the co-option of Paul Dollman to the Audit Committee, and noted that 18 positive responses had been received.

It was noted that quarterly management accounts were normally reviewed by the Audit Committee before coming to the Board for further discussion. It was agreed that, in future, the management accounts would be appended to the minutes of the Audit Committee. This would allow Trustees to view the accounts, but a more detailed review would remain the responsibility of the Audit Committee, with their deliberations being recorded in their minutes. JM will note this change for future meetings.

The Board noted the report and the decision regarding the presentation of quarterly management accounts.

The Board agreed a change to the order given in the agenda and the quarterly management accounts were received following this item.

9. Quarterly management accounts:
Susan McKenzie (SM) presented the financial results for the second quarter of the year.

SM highlighted the large surplus of £1.5m, indicating that this was largely due to Operating Activities. The provision by managers of more precise profiles of expected income and expenditure will address this issue going forward.

In response to queries, Trustees were informed that staff costs relating to shop and café activities, only related to shop staff, as the café is managed by EUSACo. The EUSACo contract has been renewed on a new basis for the next three years.

It was also noted that the report of the Short Term Working Group on Income Generation will be considered at the next meeting of the Audit Committee.
The Board noted the accounts.

10. Shared Services Governance Board:

10.1. Minutes of the meeting of 26 August:
Peter Kemp (PK) presented the approved minutes to Trustees. It was noted that no changes had been made to the draft minutes which had been presented at the previous meeting of the NLS Board.

The Board noted the report.

10.2. Draft minutes of the meeting of 9 November:
Duncan Campbell (DC) presented the draft minutes to Trustees and tabled a Gantt chart providing a timeline for shared services projects. It was noted that the chart was rough and will be revised.

Trustees were also informed that Steve Homer has been appointed to the role of Shared Services Programme Manager.

The Board noted the report.

11. Corporate planning 2012-2015 update:
MW presented a paper updating Trustees with progress on the development of the Corporate Plan.

Trustees were informed that work on the plan was behind schedule, due to the ongoing restructuring of management roles. The newly appointed managers would play a key role in developing the Corporate Plan. The new Heads of Departments would be appointed during the week beginning 19 December, and intensive work on the plan would commence in January.

A draft Corporate Plan will be circulated to Trustees in February for comment and agreement. The final plan will be brought to the Board in March, for formal approval.

The paper outlined the planning principles which would influence the development of the plan. MW stated that the principles reflected the Trustees' views expressed at the seminar held on 24 August.

During the ensuing discussions Trustees were informed that the proposed offer of early retirement/voluntary severance would be targeted at staff impacted by the management restructuring process. MW also indicated that the importance of 'curation', as highlighted during the August seminar, underlies and informs the planning principles.

The Board accepted the working assumptions that will support the detailed development of the Corporate Plan.

12. Publication Scheme:
DC presented a paper outlining the requirements of the Public Services Reform (Scotland) Act 2010 in relation to the proactive disclosure of the expenditure of public bodies in areas of public relations, external consultancy, overseas travel and hospitality, and other specified areas.

The paper presented the proposed additional content for inclusion in the Library's Publication Scheme, as well as updated information on the NLS Carbon Management Plan.
During the ensuing discussions Trustees requested that the fullest information should be provided, to reduce the likelihood of an increase in the number of freedom of information requests received. In particular they highlighted the need for fuller information in relation to external consultancy costs, and suggested that information on the hospitality and entertainment costs should indicate how much of this expenditure was related to fundraising activities.

Trustees also suggested that the information provided should avoid the use of the acronym ALDL for the Agency for Legal Deposit Libraries.

The Board approved the inclusion of additional content, subject to the agreed changes.

Trustees agreed to a change in the order of the agenda and Karen Boyle (Head of Development and Events – KB) joined the meeting at this point.

13. NLS Patrons programme:
Trustees received a paper from Karen Boyle (KB) outlining the proposed NLS Patrons programme.

The paper outlined the different membership levels and the related benefits, and provided a planning timetable for the launch of the programme.

KB informed Trustees that the Library had benchmarked its proposals against schemes offered by similar organisations. The proposed membership pricing structure is the same as that offered by the National Library of Wales.

KB emphasised the support offered by co-opted members of the Development Committee to the development and launch of the programme.

The Board approved the NLS Patron Programme and agreed that the programme should be monitored by the Development Committee.

14. NLS logo:
DC presented a paper requesting the Board’s approval for a draft corporate English / Gaelic logo.

Trustees were reminded that NLS had committed to develop a bilingual logo in response to the Gaelic Language (Scotland) Act 2005. Examples of the proposed use of the new logo were included in the paper. The new logo, if approved, would be introduced from April 2012, but Trustees were informed that the Library will use existing stationery before printing material incorporating the new logo.

DC also informed Trustees that the Library is considering the development of a single, bilingual, NLS logo, moving away from the use of sub brands, as currently employed by the Scottish Screen Archive and the Scottish Business Information Service. A paper outlining the outcomes of these considerations will be brought to a future meeting of the Board.

The Board approved the use of the new logo and noted the ongoing work to consider the use of a single NLS logo.

15. Loans to exhibitions: Requests for approval:
Darryl Mead (DM) presented a paper to Trustees requesting approval of a loan to the Ashmolean Museum and Yale Center for British Art.
In response to a query DM informed Trustees that NLS staff had not carried out an inspection of the exhibition venues, but had received reliable input from external sources regarding the suitability of the sites.

Trustees approved the request, but requested that the wording of this section of future reports should be altered to indicate that loans are made subject to ‘confirmation of acceptable preservation conditions at exhibition venues’.

16. National Librarian and Chief Executive’s report:
The Board received a report from MW which provided information on recent Library developments not otherwise covered by the agenda of the meeting.

MW highlighted the donation of books from the collections of Dr Iain Gordon Brown, who had recently retired from the Library. He also provided further information of the Great Escapes mobile application, referring to similar work which had been carried out in partnership with schools on Mull.

Trustees were also informed of the Library's participation in the development of a web-based Banned Books Advent Calendar, which is available on YouTube. This international project was organised by the Committee on Freedom of Access to Information and Freedom of Expression (FAIFE) and the International Federation of Library Associations (IFLA).

The Board noted the report

MW presented the quarterly report on the performance of the ALDL.

Trustees were informed that agency staff are concentrating on work with serials and on cleaning up transferred ISBN data. It was noted that staffing issues were improving. The User Group had met during the previous week and had been positive about the progress being made.

It was agreed that Malcolm Pendreigh (MP) would be invited to make a presentation on the work of the ALDL to a future meeting of the Board, and any Trustee wishing to visit the Agency should contact Janice McFarlane (JM) in the first instance.

The Board noted the report and the improving situation.

18. Health and safety reporting update:
DC tabled a paper providing an update on health, safety and security reporting.

Trustees were reminded that a document produced by the Institute of Directors and the Health and Safety Executive entitled Leading health and safety at work: leadership actions for Directors and Board members, had been circulated to them in advance of the meeting. Copies of this document, together with additional information on current legislation and NLS policies will be posted on the Trustees intranet by 16 December 2011.

Minutes of the latest quarterly Health and Safety Report were appended to the paper. The Board was informed that future reports to Trustees would be revised to reflect the KPI quarterly monitoring format.

DC informed Trustees that the provision of an annual Internal Assurance Report is included in the remit of the Audit and Review Manager. This report is required by end-April 2012. As this post is still vacant the Library will arrange for a Health and Safety Assurance audit to be carried out by the British Safety Council (BSC) by end-March 2012.
The Board noted the report and the progress made regarding health and safety reporting.

19. Board of Trustees meeting dates 2012:
A paper was tabled listing those dates which had been agreed for meetings of the Board and its Committees during 2012.

Trustees were asked to note the dates, and informed that work on confirming outstanding dates for the Audit and Development Committees should be completed by end January 2012.

The Board noted the dates provided.

20. Any other business:

20.1. Library closures:
DC informed Trustees that the Library had been closed on three recent occasions. These were:

- Friday 25 November: George IV Bridge Building was closed at 12.00 due to problem with the sprinkler system, which required the whole system to be drained in order to complete repairs. Trustees were informed by email that no major damage was caused, and the early closure was notified on the website.
- Wednesday 30 November: This was the date of the public services strike. However this date coincided with the Library’s planned closure in celebration of St Andrew’s Day.
- Thursday 8 December: The Library closed to the public at 2pm following police advice concerning the severe weather. Staff explained the situation to customers.

20.2. 10th anniversary:
MA, on behalf of the Board, congratulated Lorraine Fannin on the 10th anniversary of her membership of the Board.

MA closed the meeting, informing Trustees that the Cabinet Secretary was expected to arrive shortly to speak with them. Trustees were also reminded of the opening reception for the winter exhibition, which would commence at 6pm.

Date of next meeting:
Monday 19 March 2012