Minutes of the Board of Trustees
BT / 12 /18

Board Room, National Library of Scotland, George IV Bridge Building
19 March 2012

Present: Professor Michael Anderson (Chairman); Andrea Batchelor; Mungo Bovey QC; Professor Graham Caie; Catherine Dyer; Lorraine Fannin; Dr Peter Kemp; Jonathan Lake QC; Charles Lovatt; The Lord Advocate Frank Mulholland QC; Dr Richard Parsons; Dr Willis Pickard; Malcolm Scott QC; 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); Mo Dockrell (Head of Organisational Development); Murat Guven (Head of Resources); David Hunter (Secretary to the Library); Susan McKenzie (Head of Finance); Robin Smith (Head of Collections and Interpretation); Jane Rose (TUS representative); Janice McFarlane (minutes).

Apologies: The Lord President of the Court of Session; The Lord Provost of Aberdeen; The Lord Provost of Edinburgh; Cllr Gordan Low; Cllr Kathy Morrice; Professor David Finkelstein; Moira Methven.

The Chairman (MA) opened the meeting by welcoming members of the newly established Corporate Leadership Team who were attending the meeting as observers.

MA also noted the number of papers which were being tabled, and explained that this was largely due to the timetabling of Board Committee and other meetings in the week prior to the meeting of the Board. This should not occur, to the same degree, for future Board meetings.

Minutes of meeting

1. Presentation:
Mike Galloway (NLS Health and Safety Manager – MG) introduced Neal Stone (Director of Policy and Communications, British Safety Council – NS) who spoke to Trustees on the theme ‘Leadership: an essential component of effective health and safety’. During his presentation NS outlined the work and vision of the British Safety Council (BSC), and congratulated the Library on achieving a five-star health and safety audit.

NS outlined the strengths which had enabled the Library to achieve five-star status, and indicated two areas for further improvement. These were:

- Develop SMART health and safety objectives including key metrics, and
- Provide relevant and suitable health and safety training for managers similar to that provided to safety representatives.
Trustees were informed that these issues were included in MG’s workplan for the forthcoming year.

NS provided information on the legal requirements for health and safety at work, and recommended appropriate leadership actions, including an awareness of the key health and safety risks within the organisation. He also outlined the sanctions which could apply for non-compliance. These could include substantial fines, the disqualification of directors or even prosecution under corporate manslaughter or corporate homicide legislation.

Trustees were reminded that they had each received a copy of the IoD / HSE publication ‘Leading health and safety at work: leadership actions for directors and board members’ in December 2011, and copies of this publication and relevant Library documentation are available via the Trustees’ intranet site.

MA thanked NS for his presentation, and, in particular, for his emphasis on the identification of key risks and ensuring mitigating action.

Following the departure of NS and MG the Board continued to discuss the issue of the necessity of Trustees being fully aware of the major health and safety risks faced by the Library.

In response to a suggestion that Trustees should be provided with a brief checklist of the five major risks at the next meeting of the Board, Martyn Wade (MW) indicated that management did not want to maintain two separate risk registers. It was agreed that MG would be asked to provide a presentation to the Board of the Rivo Safeguard system which is used to record and manage risk and business continuity. This presentation will incorporate information on the key health and safety risks.

The Board was also reassured that NS had not made a special trip from London to Edinburgh to give his presentation, but that it had coincided with other business. The Library had not incurred any expenses in relation to this item.

2. Apologies:
   As noted above.

3. Declaration of interests:
   A declaration of interest was made on behalf of those Trustees who are members of the Faculty of Advocates regarding item 11, Deposit agreement between the Library and the Faculty of Advocates, and item 12, Draft Corporate Plan and budget.

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

4. Minutes of meeting of 12 December 2011:
   The minutes were approved as a correct record of the meeting.

5. Actions outstanding and matters arising from previous meeting:

   3: Minutes of the meeting of 24 October 2011:
   JM will amend minute under item 13.3 regarding the co-option of the Chair Designate on to the Board (asap).
   Update: Done.

   4.5.14: Matters arising: Trustees seminar 24 August:
Reinstatement of outstanding action from 5 September 2011: MW / TUS will work to define the term 'curation' (asap).

**Update:** Work on this is nearing completion and a paper will be presented to the next meeting of the Board on 25 June.

4.7: **Actions outstanding: Memoranda of Agreement with the Faculty of Advocates:**
Inspection of manuscripts deposited by the Faculty to take place once list of items is completed (asap).

**Update:** Agreed by Faculty that this is no longer required.

DM will provide an update regarding the deposit agreements to the next meeting of the Board (19 March 2012).

**Update:** See agenda item 11.

DM will arrange for the signed memoranda to be loaded on to NLS website (once signed).

**Update:** Done.

5: **Presentations for future meetings:**
DC will provide a presentation on legislation and the responsibilities of Trustees in matters to do with health and safety (19 March 2012).

**Update:** Presentation on agenda 19 March 2012.

6: **Draft minutes of the Governance Committee of 15 November:**
JM will amend a typographic error in the 'Actions outstanding' section of the minute. The text should read 'Approved by Board 24/10/11' (asap).

**Update:** Done.

7: **NLS Bill: Q&A session:**
Written evidence deadline is 20 January 2012. MA and MW will draft a submission and circulate it to Trustees for comment.

**Update:** Done and evidence submitted by deadline.

8.2: **Draft minutes of the Development Committee of 7 November:**
JM will amend the reference under ‘Summary of agreed actions’ to read 'Alasdair Allan MSP'.

**Update:** Done.

8.3: **Draft minutes of the Audit Committee of 21 November:**
JM will circulate the Annual Report of the External Auditors to Trustees (asap).

**Update:** Forwarded via dl-Trustees 13 December 2011.

MW will circulate a copy of the final Section 22 report to Trustees (asap).

**Update:** Done.

JM will ensure future quarterly management accounts are appended to the minutes of the Audit Committee presented to the Board (going forward).

**Update:** Noted and commencing 19 March 2012.

11: **Corporate Planning 2012-2015 Update:**
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.
Update: Draft Plan will be presented for approval 19 March 2012. See agenda item 12 and under 'Matters arising'.

12: Publication Scheme:
Fuller information will be provided relating to external consultancy costs; hospitality and entertainment costs incurred for fundraising activities. Acronym ALDL will be replaced by the full name of the agency.
Update: Amended scheme is now available on website.

13: NLS Patrons Programme:
The Development Committee will monitor the Patrons Programme.
Update: Noted.

14: NLS logo:
DC will present a paper to the Board outlining outcomes and proposal regarding the move to a single corporate NLS logo.
Update: Action carried forward to June meeting of Board.

15: Loans to exhibitions:
Where exhibition venues are not inspected by NLS staff, amend wording on request forms to indicate that loans are made subject to 'confirmation of acceptable preservation conditions at exhibition venues'.
Update: JM forwarded notification to Registrar of Loans, 16 December 2011.

Malcolm Pendreigh (MP) will be invited to make a presentation on the work of the ALDL to a future meeting of the Board.
Update: Added to agenda planner for 25 June 2012.

Any Trustee, wishing to visit the agency should contact Janice McFarlane (JM) in the first instance.
Update: Going forward.

18: Health and Safety Reporting update:
Copies of the IoD / HSE document, together with additional information on current legislation and NLS policies will be posted on the Trustees intranet by 16 December 2011.
Update: Done, 14 December 2011.

Future reports to Trustees will be revised by DC to reflect the KPI quarterly monitoring format.
Update: Noted.

A Health and Safety Assurance audit to be carried out by the British Safety Council (BSC) by end-March 2012.
Update: This will be covered during the presentation. See agenda item 1.

19: Board of Trustees meeting dates for 2012.
Outstanding dates for meetings of Audit and Development Committees to be confirmed by end-January 2012
Update: Done and circulated to all Trustees, 3 February 2012.

Matters arising:
• **Health and Safety Reporting update**
  Trustees welcomed the five-star rating received by the Library following the recent British Safety Council Health and Safety Audit, and requested that congratulations should be passed on to the staff involved.

• **NLS Bill**
  The Lord Advocate Frank Mulholland QC (FM) withdrew from the meeting while this issue was discussed.

  MA provided an update on progress of the Bill:
  
  o A link to the Stage 1 Report on the Bill had been circulated to Trustees on 8 March.
  o Issues picked up in the debate on 15 March included the proposed increase in the minimum size of the Board to nine; the lack of specificity regarding the power of direction; and the need for greater clarification on the issue of charging.
  o In response to a query concerning a possible change to the Board’s current stance on the power of direction, it was agreed that no change was required at this stage.
  o Stage 2 debate is scheduled for 24 April.
  o Stage 3 debate is scheduled for 16 May.

  MA also provided an update on the transition arrangements:
  
  o Professor Caie (GC) has been appointed to the Selection Committee
  o GC reported that an advertisement should be published in a few weeks and interviews to appoint a new Chair were expected to take place end-May / beginning-June. The appointee should be confirmed in July. Trustees were asked to encourage applications.
  o As the Board had previously agreed to the co-option of the new Chair, until he / she formally takes up their role, it was hoped that he/she would attend the Board meeting in October, and be able to Chair the December meeting.
  o The Cabinet Secretary will write to Trustees in April to provide further information on transition arrangements.

  FM returned to the meeting at this point.

• **Corporate Plan**
  MW explained that it had not been possible to circulate a first draft of the Corporate Plan to Trustees in February for comment and agreement, as had been agreed at the December meeting of the Board. The new Heads of Departments, who were heavily involved in developing the plan, had only been confirmed in their posts towards the end of December and this meant that commencement of work on the plan had been delayed.

  The Corporate Plan, which would be presented under item 12 of the agenda, was a final draft which Trustees would have an opportunity to comment on. This draft had been seen by Scottish Government officials, and their comments had just been received. Changes to the draft were still possible, and the final Corporate Plan and budget will be brought back to the Board for approval.
6. Presentations for future meetings:
Trustees were reminded that Malcolm Pendreigh (Head of the Agency for Legal Deposit Libraries – ALDL) will give a presentation on the work of the agency at the next meeting of the Board.

MA encouraged Trustees to forward any suggestions for presentations which could be incorporated into future meetings of the Board to Janice McFarlane (JM).

7. Draft minutes of meetings of committees:

7.1 Governance Committee of 23 January 2012:
MA presented the draft minutes to the Board.

MA highlighted the committee's decisions regarding the awarding of the first NLS Fellowships. In making its decisions the committee had looked closely at the agreed criteria, and, in particular, at the requirement for proactive, ongoing support for the work of the Library.

Trustees were informed that there had been three unsuccessful nominations. However it was noted that unsuccessful nominees could be nominated again during future nomination programmes.

The committee had been disappointed that virtually all nominations had been submitted by Trustees and senior library staff. Only one junior staff member had submitted a nomination. MA asked TUS to encourage future nominations from all levels of staff.

MW will arrange an event to celebrate the award of Fellowships.

MA also highlighted that the attendance of Trustees at Board and Committee meetings during 2011 showed an improvement on 2010 figures.

The Board noted the report.

7.2. Staffing and Remuneration Committee of 8 February 2012:
MA presented the draft minutes to the Board.

MA highlighted the update on the management restructuring programme, and the report of a helpful meeting between management, TU representatives and national officers to discuss concerns TUS had expressed over the process used in the restructuring programme.

The Board noted the report.

7.3. Investment Committee of 8 February 2012:
MA presented the draft minutes, and accompanying appendices to the Board.

MA highlighted the discussions concerning the future of the Investment Committee. Members had agreed that the main work of the committee, the development of Treasury Management and Investments Policies, had now been completed.

The committee recognised that the imminent reduction in the size of the Board would impact on its committees. The Investment Committee felt that the remaining areas of its responsibilities could be dealt with by the Audit Committee and the Board. These responsibilities include: monitoring investments and investment risk profiles; advising
on the appointment of fund managers; and an annual appraisal of fund manager performance.

The Investment Committee asked the Board to approve their recommendation that the Investment Committee should be disbanded, and its roles and responsibilities distributed between the Audit Committee and the Board, as outlined in appendix 2 to their minutes.

During the ensuing discussions Trustees raised concerns about the continuing volatility of the financial markets, but were reassured that the policies which have been established could help to address any issues.

Following these discussions the Board approved the recommendation that the Investment Committee should be disbanded, and also approved the recommendations concerning the transfer of responsibilities to the Audit Committee and the Board.

Trustees also discussed the issue of how the Library acknowledged bequests, and several suggestions were made. Suggestions included invites to Library functions or the establishment of a Gift Wall listing benefactors. It was recognised that this latter option may prove difficult due to the physical constraints of the Library's buildings. However it was agreed that the Development Committee would consider this issue.

The Board noted the report and the recommendations that they had approved.

7.4. Audit Committee of 13 March 2012:
The draft minutes, including Appendix 2, 'Report on the Recommendations of the Short Term Working Group on Visitor Centre Income Generation' (STWGIG), were tabled. Trustees were reminded that Appendix 1, Management Accounts for the quarter ended 31 December 2011, was included in the bound papers circulated in advance of the meeting.

Malcolm Thomson (MT) presented the draft minutes to the Board. He highlighted how these minutes reflected recommendations from Trustees that they should contain fuller information on items which should be specifically noted by the Board, and indicated the level of information provided relating to progress on Professor Percy's recommendations.

The inclusion of the quarterly accounts as an appendix also reflected the decision taken at the previous meeting of the Board that the main responsibility for reviewing quarterly accounts should remain with the Audit Committee.

Trustees agreed that the new format was very helpful. During the ensuing discussions the level of underspend on the accounts was noted and Susan McKenzie (SM) provided assurances on projected outturns.

In response to queries concerning the disbandment of the STWGIG it was noted that those Trustees who had formed part of the Working Group were happy with the work which had been done. Problems had been identified and had been addressed. While some risks remained, they were not considered to be major but could be added to the Risk Register. It was also noted that, if necessary, the Working Group could be reinstated.

The Board noted the report.
7.5. Development Committee of 15 March 2012:
The draft minutes were tabled and MA presented them to the Board.

MA highlighted the committee's concerns regarding staffing levels available for development activities, but indicated that they had been reassured by the proposals included in the draft departmental structure. The committee will continue to monitor the situation.

The Board noted the report.

8. Shared Services Governance Board (SSGB): Draft minutes of the meeting of 12 March 2012:
Peter Kemp (PK) apologised that he could not table a paper copy of the draft minutes, and instead presented a verbal report to the Board.

PK reported that the SSGB had a very worthwhile meeting on 12 March, during which they reviewed various draft governance documents. These included a Memorandum of Understanding, a Service Level Agreement, an Annual Operating Plan and Project Timeline.

The SSGB suggested a range of significant improvements to these documents. The revised draft documents will be brought to the next meeting of the Board for approval.

PK emphasised the beneficial impact of the appointment of the Shared Services Programme Manager, Steve Homer.

Despite the delay in bringing the governance documents to the Board, PK assured Trustees that progress was being made.

The Board noted the report.

9. Loans to exhibitions: Requests for approval:
Darryl Mead (DM) presented a paper requesting approval for loans of items for inclusion in eight separate exhibitions, and an additional request for use by a researcher at the British Library.

It was noted that two of the requests had received the approval of Trustees during the intervening period since the last meeting of the Board. The relevant paperwork was included in the current document to allow formal approval to be recorded.

Trustees welcomed the large number of requests being presented and approved all the loans.

10. Charitable vehicle for restricted income:
SM presented a paper requesting the Board to approve the establishment of a charitable vehicle to hold bequest funds and donations income.

SM explained that the Scottish Government strongly recommended this process as a means of protecting income generated from bequests and donations. MW informed Trustees that similar bodies, including the National Museums of Scotland, National Galleries of Scotland and the British Library, had either established, or were in the process of establishing similar arrangements.
Trustees were informed that, if the Board gave its approval, the Library would obtain legal advice on the most appropriate charitable vehicle, and the Board would then be asked to approve that decision.

During the ensuing discussions Trustees raised various issues. In particular some concern was expressed regarding the Board's power to transfer Library funds in this way.

Following these discussions the Board agreed that management should seek legal advice and develop a proposal which will be brought back to a future meeting of the Board.

11. Deposit agreement between the Library and the Faculty of Advocates:
DM presented a paper requesting the approval of the Board of the text of an agreement between the Faculty of Advocates and the Library documenting the terms on which books and manuscripts, owned by the Faculty, are on deposit in the National Library of Scotland.

DM informed Trustees that the text had been agreed by the Keeper of the Advocates Library. It was also noted that the text formalised existing arrangements.

During the ensuing discussions Trustees were assured that independent legal advice had been received at an early stage in the development of the agreement. It was also noted that the timescales agreed relating to notice of permanent withdrawal or return were accepted as reasonable by both parties and that there were no concerns regarding the provision of Government indemnity.

The Board agreed that the National Librarian and Chief Executive (MW) should sign the Agreement on behalf of the Trustees.

The Lord Advocate (FM) left the meeting at this point.

12. Draft Corporate Plan and budget:
David Hunter (DH) presented the draft Corporate Plan and tabled p.110.1 (Other key financial data) and appendix 2 (Budget summary 12/13).

Trustees were informed that the current draft had been seen by Scottish Government officials and that the Library had received feedback on Friday 16 March. Several high-level points had been raised and Trustees now had an opportunity to comment. The framework of the draft Corporate Plan and Budget was provided by the Library's corporate strategy ‘Connecting knowledge’.

Trustees were requested to raise substantive points during the meeting, and forward any drafting points to DH by 23 March. DH will then circulate the final draft for approval.

During the ensuing discussions the following points were raised:

- Trustees were reminded that the Corporate Plan covered a three-year period and, on that basis, it was confirmed that Heads of Departments considered that targets were realistic.
- The Corporate Plan's main audience is the Scottish Government and it is important to include longer-term targets and develop shovel-ready projects which will need capital funding if they are to be achieved. Particular reference was drawn to the projects which should result from the development of a
Digital Access Strategy, following the completion of the scoping study included in the Plan for 2012-2013.

- It was felt that the section on Collaboration (p.105) lacked an international perspective. This would be addressed to include references to activities in North America and South Asia.
- The Collaboration section should also refer to the Library's relationship with the Faculty of Advocates and the growing relationships with the Research Councils.
- It was noted that the draft plan highlighted new work, rather than listing all the Library's ongoing activities. This will be clarified in the Introduction (p.93) as it was important to recognise the different audiences which would view the plan.

SM then answered questions on the provisional budget for 2012/2013. SM emphasised that it was a balanced budget. The £2m deficit recorded against Depreciation was only a 'paper' deficit due to changes in the Financial Reporting Manual (FReM). SM will add a note explaining this.

Trustees were informed that the budget had been mapped to the new departments, but the Executive Leadership Team (ELT) had still to allocate some funding, including staff funding, which would be influenced by the restructuring programme.

The Board noted the draft Corporate Plan and budget and the requirement to forward any additional comments to DH by 23 March.

Trustees also noted that a revised draft will be circulated to them for final approval by 10 April.

13. Shared Services documentation:
As noted under item 8 above the presentation of the shared services governance documentation has been deferred until the next meeting of the Board.

14. National Librarian and Chief Executive's report:
Trustees received a report from MW providing information about some recent Library developments not otherwise covered by the agenda of the meeting.

MW highlighted the 'Old maps online' project and reassured Trustees that the original maps did not leave the Library.

Trustees complimented the Library's exhibitions and the excellent press coverage they had received.

The Board noted the report.

15. Management restructure update:
MW provided a verbal update on the restructure programme.

Trustees were reminded that Heads of Departments were appointed in December 2011. MW apologised for the delay in forwarding a list of appointees to Trustees. The list was forwarded to the Trustees email discussion list on 5 March.

MW will circulate an updated organogram, with appointees' names included to Trustees.
The Deputies and Heads of Departments were currently working on departmental structures, which would be discussed by ELT on 20 March. Baseline structures should be implemented by end-April. This deadline is important as temporary contracts expire at that time.

MW also highlighted the pressure on Human Resources staff as a result of the restructuring and the voluntary early exit scheme which was now taking place. Trustees were reminded that the Scottish Government had provided some funding for this scheme.

The Board noted the ongoing progress.

Malcolm Scott QC (MS) left the meeting at this point.

16. Kelvinhall Project strategic brief:
Trustees received a paper from Duncan Campbell (DC) providing an update on the Kelvinhall Project.

Trustees were reminded that, in October 2011, they had in principle approved the Kelvinhall as a preferred location for the Scottish Screen Archive, and confirmed the Library's role as an active partner in the bid for funds for this project. The partners in this project are Glasgow Life, Glasgow City Council, the University of Glasgow and the National Library of Scotland.

MW represents the Library on the Project Board. A design team is being appointed. The project has passed the first stage in its application for HLF funding, and a final decision is expected in October.

Trustees will not be requested to give formal approval for the Library's ongoing involvement in the project until funding has been confirmed. At present the Library has only contributed 3% of the budget. However Trustees were informed that the Scottish Government had already announced a grant to the Library of £250K towards this project.

Trustees were excited by the potential offered by this project, which would offer improved facilities for the SSA. It could also provide opportunities for the proposed National Sound Archive, and potential savings due to shared facilities.

A draft Memorandum of Understanding and Heads of Agreement will be presented to the Board in June.

Trustees emphasised the need to compare running costs before making any final decisions. Some concern was also expressed about taking such important decisions before the new Board was in place. The need for due diligence and a risk assessment of potential partners was emphasised. GC informed the Board that Glasgow University had carried out due diligence. MW will contact the university for fuller details.

The Board noted the update report.

MW presented a paper providing an update on the performance of the ALDL during the period November 2011 to March 2012.
Trustees noted that performance was rather flat. MW highlighted the ongoing issue of the quality of data, and the requirement for data cleansing.

During April the agency will carry out a pilot project. Staff will perform a manual check of 500 monograph and 500 serial records to determine the scale of the problem. They will then work with system supplier, Infor, to identify options for automatic mapping of data.

In response to a query MW indicated that the Library, while not totally satisfied with the agency’s performance, recognised that it was as good as was currently possible.

The Board noted the report.

18. Health, safety and security issues: update:
DC tabled a report providing Trustees with an update on any issues relating to health and safety or security within the Library.

There were no security incidents during the reporting period. However the inadvertent damage of a sprinkler pipe by contractors was noted. Trustees were informed that such events should end when large work contracts are completed.

Trustees were assured that the few issues identified during the BSC audit would be addressed as part of the Health and Safety Manager's workplan for 2012 / 2013.

Trustees were reminded that current health and safety documentation was available on their intranet site. The current health and safety policy will be reviewed in May 2012. In response to a query DH agreed to pull together an inventory of all NLS policy documents, and would consider presenting a regularly updated inventory the Board.

The Board noted the report.

Catherine Dyer (CD) left the meeting at this point.

19. Any other business:
There was no other business.

Date of next meeting
Monday 25 June 2012.