

KLTR Advisory Board Meeting Minutes

Meeting held on 22nd February 2023 at 11am Conference Room 009, Victoria Quay

Present

John Logue (Chair)	KLTR
Bobby Sandeman	Chief Executive and Accountable Officer
Kyle McAra	Legal Director
Richard Frew	Head of Policy, Communications & Stakeholder Relations
Marlene Anderson	Director of Finance & Procurement for COPFS
Vanessa Davies	Non-Executive director
Annie Gunner-Logan	Non-Executive director
David Watt	Non-Executive director

In Attendance

Catriona Deans	Head of Governance & Strategy
Stuart Allan	Chair of Treasure Trove Review
Stephen Woodhouse	Advisor to Chief Executive
Maggie Bruce	Audit Scotland
Lorraine Harper	Secretariat
Mikki Rennie	Secretariat

Agenda Item 1 - Introduction & Apologies

1. The Chair opened the meeting and welcomed all colleagues. There were no apologies.

Agenda item 2.1 - Final review of strategic plan

2. The Head of Governance & Strategy introduced paper KLTR/BOARD/2024/02/03.
3. The Board noted that the strategic plan was shared with all staff and a meeting held to gather their input.
4. Significant changes to the plan since the Board last saw it included revisions to the vision and mission wording, adjustments in the presentation of objectives, and the removal of KLTR in numbers/financial strategy pages. The Board were advised the plan would be published in the new financial year.
5. The Board noted inconsistencies in the name given to the Board throughout the strategic plan, with a suggestion to consistently refer to it as an Advisory Board throughout.
6. **ACTION** - The governance team to review and incorporate Board suggestions to the strategic plan, where appropriate. Once completed, the final version is to be circulated to Board members for review before sign-off.

Agenda item 2.2 - TTR Review Consultation

7. Chair of Treasure Trove Review (TTR) provided an update on paper KLTR/BOARD/2024/02/04.

8. The Consultation is live and has already received a good number of submissions, with more expected. The second stage of the review is underway, and the TTR Chair has engaged in discussions with National Museums Scotland (NMS) and is scheduled to meet with the Director of Scottish Culture and Major Events in the coming weeks.
9. The TTR Chair asked whether the Board would like updates on Treasure Trove Unit statistics in the financial performance paper. The Board confirmed their interest.
10. The Chair requested an update on the Treasure Trove Consultation analysis for the next Board meeting.
11. **ACTION** - The TTR Chair to provide update on Treasure Trove Unit statistics and prepare a TTR Consultation analysis for the next Board meeting.

Agenda item 2.3 - Ownerless Property Transfer Scheme (OPTS) readiness

12. The Head of Policy, Communications & Stakeholder Relations discussed paper KLTR/BOARD/2024/03/05.
13. Everything is on track for the OPTS launch scheduled for March 1st.
14. Governance of the OPTS process was discussed. The Board highlighted the importance of transparency regarding the OPTS Advisory Panel appointment process and that measures taken to address conflicts of interest should be disclosed.
15. The Chair requested a progress report for the next meeting.
16. **ACTION** - Head of Policy, Communications & Stakeholder Relations to create documents addressing these points for public display and prepare a progress update for the next Board meeting.

Agenda item 2.4 - Discretionary payments briefing

17. KLTR Legal Director spoke to paper KLTR/BOARD/2024/02/06.
18. The Board asked about whether the option to apply for any discretionary payments may be available under exceptional circumstances. The Legal Director confirmed there would be, noting that this may not be expressly stated in the published policies. Consideration is to be given to how awareness of discretionary payments under exceptional circumstances may be made available.
19. **ACTION** - Legal Director to consider whether there should be mention of discretionary payments on any policy documents and make changes, if appropriate.

Agenda Item 3.1 - Chief Executive and Accountable Officer update - Finance & Reserves

20. The Chief Executive spoke to papers KLTR/BOARD/2024/02/07 & KLTR/BOARD/2024/02/08.

21. KLTR's reserve levels are as expected at the year-end (around £5Million) based on the earlier in year trend. The overall number of receipts in this financial year is nearly half of what the KLTR took in in the previous financial year, and there has been a noticeable increase in payouts in relation to heirless estates which are running at £1M deficit relative to receipts. To improve reserve reliance going into the new financial year and beyond, the KLTR have agreed with Scottish Government (SG) that future Scottish Consolidated Fund (SCF) payments will be made on a "forward provisioning reserve basis", that is forecasting the known and anticipated claims KLTR is likely to require to meet in the new financial year. This approach will be reflected in this year's SCF payment in March.
22. The Board emphasised the need for transparency with SG, especially regarding budget considerations. Members requested sight of a balance sheet demonstrating KLTR spending to better understand the KLTR's financial status. It was confirmed that recruitment for a Chief Finance Officer is underway. They will be responsible for providing these financial documents at future Board meetings.

Agenda Item 3.1 - Chief Executive and Accountable Officer update - KLTR structure

23. The Chief Executive spoke to paper KLTR/BOARD/2024/02/09.
24. There were no updates to the paper and questions were welcomed.
25. The Board recognised the importance of succession planning and challenged aspects of the proposed structure, particularly regarding the potential for excessive layers of senior management. Members requested further detail around the benefits a deputy chief executive would bring to KLTR, or consideration of alternative models.
26. It was agreed to revisit the topic at the next Board meeting.
27. **ACTION:** Chief Executive to reconsider the approach and update the Board at the next meeting.

Agenda Item 4 - Audit & Risk

28. The Chief Executive noted the Scottish Public Finance Manual (SPFM)'s expectation that public bodies in Scotland have an Audit and Risk Committee (ARC). He sought views from the Board as to how that might be best achieved proportionately, having regard to the small size of the organisation.
29. The Non-Executive Directors of the Board considered they could perform ARC functions with meetings twice annually, as part of the same cycle of KLTR's Board meetings, with Board members carrying out ARC duties.
30. The need for outlining KLTR's governance framework for the Board was also highlighted. This will cover shared services and policies with COPFS. It was suggested this document be developed with support from Non-Executive Directors between the current and next meeting to ensure it can be signed off at the coming meeting.

31. The Board agreed that the external audit fee was acceptable. Sign-off of KLTR annual report and accounts would be 7 August or at our Board meeting on 12 September, to be confirmed in due course.
32. **ACTION** - KLTR governance team to produce a governance framework in collaboration with the Non-Executive Directors, to be in final form by the next Board meeting.

Agenda Item 5 - Matters of Interest

33. Head of Governance & Strategy spoke to paper - KLTR/BOARD/2024/02/11.
34. Responses from KLTR staff were largely positive, but some felt uninvolved in wider decisions affecting the office and their work. To address this, eight weekly breakfast meetings have been organised, with the first held on January 31st, aimed at bringing staff together, providing updates, and gathering their views on changes within KLTR. The KLTR and a Non-Executive Director attended the first meeting and said they found it beneficial.
35. Head of Governance & Strategy confirmed that KLTR staff would now be expected to aim to attend the office twice a week, and a training resource is being developed for all staff.
36. The Legal Director and Head of Policy, Communications & Stakeholder noted their teams felt that the meeting was helpful and that they felt their voices were heard.
37. The Board members expressed it would be beneficial to attend some of the future breakfast meetings.

Agenda Item 6 - AOB & Closing

38. There was no other business.
39. The Chair thanked the Board and colleagues for their considerations and confirmed the next meeting will be on 13th June 2024.