

Minutes of Meeting of the VisitScotland Board Held on 8 June 2019

Present: John Thurso (Chairman)
Anne Anderson
Caroline Roxburgh
Calum Ross
Stephen Hagan
Cathy Craig

In attendance: Malcolm Roughead (Chief Executive)
Paul Bush (Director of Events)
Vicki Miller (Director of Marketing, Digital and Global Brand)
Ken Neilson (Director of Corporate Services)

Apologies: Carolyn Jameson
Rebecca Brooks
Riddell Graham (Director of Industry and Destination Development)

Minutes: Gayle Biggart

INTRODUCTIONS

1. The Chairman welcomed Board members to the meeting. Apologies from Carolyn Jameson, Rebecca Brooks and Riddell Graham were noted.
2. The Board was asked to note the following:
 - a) the Thistle Industry Panel Presentation has been deferred and will take place during the July or September Board meeting (TBC).
 - b) the September Board meeting will take place on 5th September in Dumfries and Galloway (venue TBC).
 - c) the October Board meeting will take place on 31st October, the week after the VisitScotland Staff Conference, in Aberdeen at the Aberdeen Exhibition and Conference Centre.
 - d) planning for the VisitScotland Staff Conference (to be held at the Edinburgh International Conference Centre on 24th October) is underway and there will be a role for Board members at the conference.
3. The Chairman gave an overview of the agenda and items for discussion at today's meeting.

MINUTES OF THE BOARD MEETING HELD ON 15 MARCH 2019

4. The minutes of the Board meeting held on 15 March 2019 were confirmed as a true record of the meeting and approved subject to amending the final sentence at paragraph 34 (iii) to read:

“Board members feel that VisitScotland needs to state its reasoned argument against the proposal and requested further detail.”

CONFLICTS OF INTEREST

5. The Chairman reminded the Board of his interest in the Clan Sinclair application for funding.
6. No other conflicts were noted.

MATTERS ARISING

7. The Chairman noted that items 3 (Budget) and 4 (Events – Future Direction) would be discussed at a future meeting. All other matters are addressed through the agenda.

ACTION: Add items 3 (Budget) and 4 (Events – Future Direction) to the agenda of a future Board meeting.

MARKETING & DIGITAL STRATEGIC FRAMEWORK – CONTEXT, PRIORITIES, OPPORTUNITIES AND CHALLENGES

8. The Director of Marketing, Digital and Global Brand presented an overview of the Marketing and Digital Directorate’s key areas of focus to the Board. The presentation highlighted to the Board the Directorate’s contribution to VisitScotland’s Strategic Framework, the challenges it faces and the opportunities available.
9. In particular, the presentation focused on how VisitScotland can extend its reach by (i) raising awareness of Scotland in key priority markets to drive interest, positive sentiment and propensity to visit Scotland, and (ii) driving seasonal and regional spread of visitors, targeting new audiences to come frequently and out of season and also those audiences with a propensity to return to Scotland.
10. A decline in UK based visitor numbers has been off-set by an increase in international visitors reflected in the level of increased expenditure from international markets.
11. It was noted that there had been positive feedback from industry in relation to VisitScotland’s activity in secondary markets.

12. There was a discussion around the mechanism for measuring visitor numbers. It was noted that the net economic impact measurement is a reflection on the size of VisitScotland's database and therefore depends on consumers providing their data to VisitScotland. Some markets are particularly cautious about sharing their personal data.
13. The presentation highlighted that the spontaneous destination awareness of Scotland is low at 5/6% across VisitScotland's main markets. Although a slight decrease has been reported, all European countries have suffered similar decreases which potentially indicates that a new/younger audience is looking to travel further afield.
14. The level of funding provided to other national tourism agencies, especially Ireland, New Zealand, Australia and most recently Germany, has increased significantly in line with the increase in destinations competing for visitor expenditure.
15. The Board were shown two videos to demonstrate:
 - a) how VisitScotland is telling the 'Scotland' story through its strategic partnerships; and
 - b) how VisitScotland is supporting DMO activity across the regions.
16. There followed a far reaching discussion during which a number of points and questions were raised. The broad themes raised during this discussion were as follows:
 - a) VisitScotland's core purpose, what is being delivered and how this is currently measured;
 - b) funding challenges and opportunities;
 - c) changing demands for the Marketing and Digital teams, resource and training requirements;
 - d) shift in focus to prioritise high volume search awareness of Scotland and providing inspiration;
 - e) working with Destinations and Industry to help them become discoverable and bookable;
 - f) travel trade;
 - g) consideration of key performance indicators;
 - h) alignment of activity with Scottish Government programme.

ACTION: The next Board meeting to begin by continuing to discuss these key strategic points.

17. The Board congratulated the Directorate on the work carried out to date.

FINANCIAL & GOVERNANCE MATTERS

18. **Property** – The Board's approval for the renewal of the Aviemore iCentre lease at the existing location was sought.

ACTION: The Board approved the renewal of the lease.

19. Pensions

- (a) The Director of Corporate Services introduced a paper updating the Board on the current British Tourist Board Pension Fund situation. It was noted that the Scottish Government has now approved the terms of the Guarantee which underwrites VisitScotland's participation in the British Tourist Board Pension Fund. The Guarantee has not yet been approved by the UK Government. There have been ongoing discussions with the Trustees in relation to warranties which have been requested from the Trustees. Conversations involving the various parties and their respective legal representatives are due to take place next week.

It was noted that these discussions would not prevent work continuing to move towards a sectionalised Scheme with the necessary Deed of Amendment being in place by the end of June.

ACTION: The Board noted that the sectionalisation work was underway.

- (b) The Board noted the additional proposals within the board paper relating to the Lothian Pension Fund and the independent report from XPS Pensions, including the recommendations set out in that report. The Board indicated that it was in favour of the proposals outlined and would await a further detailed report.

ACTION: A formal business case is to be prepared by Management and presented to the Board at a future meeting.

AUDIT & RISK COMMITTEE – REPORT/MINUTES/IA UPDATE

20. Before handing over to the Chair of the Audit and Risk Committee (ARC), the Chairman advised that he had received an email from Keith Nicholson (who is due to be appointed to the Board shortly) with comments on the ARC papers. The email was duly noted.
21. The Chair of the ARC introduced the ARC Update Report as circulated.
22. It was noted that Audit Scotland had presented its interim report at the previous ARC meeting. The following points were brought to the attention of the Board:

- a) good progress is being made in the implementation of the ERP system, the Chair of ARC praised the team for their work;
 - b) progress has been made to prepare VisitScotland for withdrawal from the European Union, the Chair noted that this should provide strong assurance for the Board; and
 - c) steps should be taken to carry out a key supplier review to identify any critical suppliers and the associated risks. Management noted that a media agency supplier together with some IT suppliers have now been identified as critical suppliers.
23. It was noted that the external audit to be carried out by Audit Scotland will begin at the start of July.
24. The Chair of the ARC reported that the focus of the June ARC meeting, to be held on 27th June, would be a review of a first draft of the accounting statement for the Annual Accounts. It was noted that the accountability statement would come to the Board for approval. The Chairman requested that the timelines for approval of the Annual Accounts be reviewed and formalised in the forward planner for Board meetings to ensure there is sufficient time for any changes to be made (if necessary) prior to final sign off following the Board's review.

ACTION: Management to review the timetable for approval of the annual accounts.

25. It was further noted that a formal plan for internal audits has now been agreed with Scott-Moncrieff. Quarterly follow up papers have now been introduced rather than the annual process which was previously used which are provided to the Board.
26. It was noted that a paper outlining key legislative and regulatory changes that could have an impact for VisitScotland is proving valuable to the ARC and that the paper is being shared with the Board going forward.

ACTION: Share future Policy, Regulation and Legislation Group papers with the Board.

27. The Chairman noted that a schedule of all policies should be provided to the Board to allow the Board to identify the policies which should be sent to the Board for approval. Policies to be sent to the ARC for approval will also be identified, with operational policy approval being delegated to Management. The schedule of policies should be brought to the Board every three years for review.

**ACTION: Prepare a schedule of all VisitScotland policies for review by the Board.
ACTION: Include a three yearly review of the policy schedule in the forward planner for Board meetings.**

28. It was noted that investigations into the use of "public task" as a legal basis for processing personal data under Data Protection Legislation were continuing and that any recommendations coming out of the review would be put to the Board for approval in due course.

ACTION: Recommendations to be presented to the Board at a future meeting following the conclusion of investigations.

29. The Board noted the ARC report/updates.

FINANCE REPORT

30. The Director of Corporate Services explained that a fixed asset verification exercise is currently taking place which is expected to extend into next year. It was noted that this exercise would not have an impact on the profit and loss account, but would impact the note on Fixed Assets in the Annual Accounts.

31. The Board noted the Finance Report.

RISK MANAGEMENT POLICY

32. It was noted that risk management is a core responsibility of the Board and that the Board is required to discuss its risk appetite every three years. The Chairman requested that this topic be added to the forward planner and discussed at a future meeting.

**ACTION: Risk management/appetite to be discussed at a future Board meeting.
ACTION: Add risk management/appetite as a topic to the forward planner for Board meetings and ensure that provision is made in the planner for the Board to review its risk appetite every three years.**

33. The Board approved the Risk Management Policy subject to the following amendments being made:

- a) the removal of the wording “and approved” from the final bullet point on page 5; and
- b) the inclusion of a requirement to report to the Board where a risk has been scored as “very high”.

HEALTH & SAFETY POLICY

34. The Board approved the Health and Safety Policy subject to a note being included in the Chief Executive’s introduction to the policy to clarify that the Health and Safety Policy sits alongside VisitScotland’s Wellbeing Policies.

ACTION: Clarification to be provided to the Board at a future Board meeting as to how VisitScotland reports near misses against actual misses. A note containing prevention measures should also be included.

PROCUREMENT POLICY

35. On the basis that the Delegated Authority document is brought to the Board at a future Board meeting, the Procurement Policy was approved.

ACTION: Delegated Authority document to be circulated to the Board and included as a topic for discussion on the agenda of a future Board meeting.

WHISTLEBLOWING POLICY

36. The Board approved the Whistleblowing Policy subject to the following changes being made:
- a) the inclusion of a nominated Board member in section 5.1 (Who should you raise your concern with?); and
 - b) the removal of the requirement to take the Whistleblowing Policy to the Audit and Risk Committee at step 3 of section 7.

37. The Board advised that Management should seek to standardise the format of all VisitScotland Policies.

ACTION: Management to standardise the format of VisitScotland Policies.

CHIEF EXECUTIVES REPORT

38. The Chief Executive introduced a report on activity since the previous Board meeting. He drew particular attention to the following:
- a) **Key Performance Indicators** – the seasonal spread of visitors has shifted with more people taking short breaks in Scotland. Further consideration to be given to how VisitScotland measure awareness and propensity;
 - b) **Good to Great to Worldclass** – workforce planning is scheduled to take place over the summer; **ACTION: to discuss outcomes at a future Board meeting.**
 - c) **Engagement** – the challenges faced to demonstrate VisitScotland's impact at a local, granular level rather than at a national level
 - d) **EXPO** – another successful year with good feedback, a review of the event and how to improve/take it forward will be conducted
 - e) **Rural Tourism and Infrastructure Fund** – every rural local authority will benefit from the fund, stakeholders have fed back that they would like the fund to continue
 - f) **Year of Coast and Waters 2020** – lots of interest from industry, over 120 applications to the grant fund have been received so far. Only 20 events can be provided with funding.

39. The Board noted the report.

CHAIRMAN'S REPORT

40. The Chairman provided an update on his activity since the previous Board meeting.

41. The Chairman drew particular attention to a meeting with the Chief Executive of the National Statistics Board and a Climate Change Stakeholder dinner.
42. The Board noted the report.

SOLHEIM CUP UPDATE

43. It was noted that it is now less than 100 days to go until the start of the Solheim Cup.
44. The Director of Events noted that the 50% of ticket sales had now been achieved with ticketing and security being the main focus over the next couple of months.
45. The Board noted the paper.

PAPERS FOR NOTING

46. The following papers were circulated for noting:
 - a) Insight Department Tourism Statistics Update
 - b) Communications and PR Report
 - c) Corporate Services – Operations Update
 - d) Schedule of Forthcoming Activity

ANY OTHER BUSINESS

47. The Director of Corporate Services asked Board members to consider and provide feedback at a later date about the way they wish to receive Board papers in the future.
48. A wide ranging discussion took place around the Business Events paper produced by the UK Government and the Tourism Sector Deal. It was noted that responses were due on the Tourism Sector Deal next week and that the Chief Executive would respond.

CLOSE

49. There being no other business the Chairman declared the meeting closed.