

Minutes of Meeting of the VisitScotland Board Held on 31 October 2019

- Present:** John Thurso (Chairman)
Anne Anderson
Caroline Roxburgh
Stephen Hagan
Carolyn Jameson
Rebecca Brooks
Keith Nicholson
Steven Walker
- In attendance:** Malcolm Roughead (Chief Executive)
Vicki Miller (Director of Marketing, Digital and Global Brand)
Riddell Graham (Director of Industry and Destination Development)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director of Events) (by telephone for agenda item 4)

Lynn Jack (Head of HR)
Caroline Warburton (Regional Partnerships Director)
Robbie Clyde (Head of EventScotland)
Alasdair Peacock (Partner, DWF LLP)
- Apologies:** Cathy Craig
- Minutes:** Gayle Biggart

INTRODUCTIONS

1. The Chairman welcomed Board members to the meeting. The Chairman noted that this was Carolyn Jameson's last Board meeting and thanked Carolyn for her contribution to the Board over the years. Other Board members echoed their thanks. Apologies from Cathy Craig were noted.
2. The Board congratulated Vicki Miller on her appointment as Director of Marketing, Digital and Global Brand.

MINUTES OF THE BOARD MEETING HELD ON 5 SEPTEMBER 2019

3. The minutes of the Board meeting held on 5 September 2019 were approved subject to the following changes being made:
 - i. In paragraph 10, delete the word "completion" in the first sentence and replace it with "competition"; and
 - ii. In paragraph 34, delete paragraph b and replace it with the following:
 - "b. Amend the "Appointment of Internal Audit Contractor" row to note that the Chair of ARC is part of the panel which reviews tender responses and the

ARC is responsible for recommending the Appointment of the Internal Audit Contractor to the Board.”

CONFLICTS OF INTEREST

4. No new conflicts of interest were noted.

MATTERS ARISING

5. The Chairman noted that matters were addressed through the agenda for this meeting.

2023 UCI CYCLING WORLD CHAMPIONSHIPS

6. The Chair noted that the purpose of this agenda item was to agree or otherwise decide the way forward for the delivery module for the 2023 UCI Cycling World Championships. It was noted that a sub-committee of the Board, as agreed at the September Board meeting, had convened a telephone call with members of Management to work through the questions and concerns which were raised by the Board at the previous meeting.
7. It was noted that the questions which had arisen from the previous Board meeting had been considered and answered in advance of the conference call. This had allowed the sub-committee to look at the proposal in the round. It was highlighted that the sub-committee had had an opportunity to comment on the revised Board paper before it was circulated to the rest of the Board. It was stated that the paper provided to this Board meeting addressed the concerns raised previously.
8. It was noted if there was an overspend in relation to the event, VisitScotland would not be liable for it. It was further noted that a watching brief on who was delivering the event would be required to ensure the standard of delivery. The Head of EventScotland advised that a similar delivery model to the one which was used for the Solheim Cup would be adopted.
9. Consideration was given to the appointment of directors to the Board of the SPV. It was noted that advice had been received noting that the public appointment process would not need to be followed for a subsidiary company.

ACTION: request confirmation from Scottish Government in writing on the appointment process.

10. There was a discussion around the relationship between the VisitScotland Audit and Risk Committee and the SPV Audit and Risk Committee. It was noted that the SPV would report to the VisitScotland Board and it would be for the VisitScotland Board to decide how to oversee the SPV Board and its sub-committees. It was noted that the external and internal auditors for the SPV should be the same as those appointed for VisitScotland. It was further noted that there needed to be a robust service level agreement in place between VisitScotland and the SPV to document how VisitScotland resources would be used by the SPV and on what basis.
11. It was noted that the Scottish Government would be the signatory on the long form agreement with the UCI and that the long form agreement was almost in agreed form. It was explained that the financial liabilities section of the long form agreement would need to be put to the Parliamentary Finance Committee before the long form agreement could be signed. It was noted that it was hoped that the parties would be in a position to sign the long form agreement on 25th November 2019.

12. There was a discussion around the VAT status of the SPV. It was noted that it was too early to approach HMRC to discuss the VAT status of the SPV, but three VAT outcomes were discussed. It was noted that a contingency had been included in the budget. The Board was advised that Scottish Government were aware of the VAT issue. The Board requested that written confirmation be sought from the Scottish Government to confirm that any VAT liability would be borne by the Scottish Government rather than VisitScotland.

ACTION: Management to seek written confirmation from the Scottish Government that it will cover any potential VAT liability.

13. The paper was noted and all Board members approved the establishment of an SPV to manage the planning and delivery of the 2023 UCI Cycling World Championships and the wider event vision. The Chairman thanked the members of the Board sub-committee for their work in relation to this matter.

REGIONAL TOURISM – CHALLENGES & OPPORTUNITIES

14. The Regional Partnerships Director provided an insight into the strategic opportunities and activities within the East region. The presentation provided Board members with:
 - an understanding of the Regional Leadership & Development team's role and activities;
 - an overview of the partnership landscape in Fife, Perth & Kinross, Dundee, Angus, Moray Speyside, Aberdeenshire and Aberdeen; and
 - a greater awareness of the key opportunities and challenges in the region.
15. Following the presentation there was a discussion by Board members and the number of different regional strategic plans across the East region was commented on. It was noted that VisitScotland is involved in all areas across the region and that no two destinations are the same. The importance of understanding each region was highlighted to enable VisitScotland to promote the region.
16. The Chairman thanked the Regional Partnerships Director for the presentation.

PEOPLE STRATEGY

17. The Board commented on the success of the recent VisitScotland staff conference and thanked all those involved in the organisation of the event.
18. The Head of HR provided the Board with an update on progress in relation to the workforce planning exercise which is currently underway. It was noted that there were three pillars behind VisitScotland's people strategy: (i) to be an employer of choice; (ii) to utilise the talent of our people; and (iii) to embrace change. It was noted that this strategy was aligned to the Scottish Government's Fair Work Framework. The work which has been undertaken by VisitScotland over the last 18-24 months to make the people strategy meaningful for staff and in response to the 2018 staff survey was highlighted. It was noted that it was intended to bring the workforce plan to the Board in spring 2020, with the next staff survey taking place in June.
19. Board members commented on the progress which had been made in relation to the people strategy over the last three years and congratulated Management for the work which has been undertaken so far.

ACTION: Management to bring the workforce plan to the Board in Spring 2020.

FINANCE REPORT

20. The Director of Corporate Services advised that full clearance from the Auditor General has now been received following Board approval of the Annual Report and Financial Statements in September. It was noted that the initial stages of information gathering for the 2019/20 reforecast process had been completed but that further clarification was required in certain areas. It was noted that Management would be in a position to present a more detailed reforecast at an upcoming Leadership Group meeting and that the Board would be updated thereafter.

ACTION: Management to provide the Board with an update on the reforecast process at a future Board meeting.

BEST VALUE REVIEW 2019

21. It was noted that as a NDPB, VisitScotland is required to show that it provides Best Value in delivering its services. It was noted that to evidence this, VisitScotland uses the full AuditScotland Best Value toolkit suite. It was noted that VisitScotland carried out this exercise in 2013 and 2016 and that it had carried it out again this year. The Director of Corporate Services advised that the overall trend in the responses completed by Management was positive. It was noted that the Best Value report had been reviewed by the Audit and Risk Committee and by AuditScotland.

22. It was noted that as the review is undertaken every three years, Management would report annually to the Audit and Risk Committee on two actions that could look to be improved in the intervening period between best value reviews. The Board noted the paper.

ACTION: Management to report to ARC on progress made on actions.

POLICY REVIEW

23. The Chairman thanked Management for its work in relation to the Policy Review over the last couple of months and for the proposed approval route which had been set out within the papers. It was noted that the Board was responsible for all policies but that some policies, for example HR policies, could be delegated to Management, HR policies for example. There was a discussion around the policies which should be scrutinised by the Audit and Risk Committee. The Board approved the paper subject to the wording being amended to note that the policies listed under the Audit and Risk Committee should be scrutinised by the Audit and Risk Committee and recommended to the Board for approval.

24. It was agreed to bring the list of policies back to the Board next year to allow the Board to review the list on a regular basis.

ACTION: Management to provide the list of policies to the Board in October 2020.

PENSIONS UPDATE

25. The Board noted the work that has been undertaken since June in relation to The Lothian Pension Fund and legacy Local Government Pension Funds. The upcoming review of VisitScotland's other pension provisions was noted.

SUSTAINABILITY REPORT

26. VisitScotland's Annual Sustainability Report 2018/19 was provided to the Board. It was noted that it was intended to publish this report in a format similar to the Annual Report. The key highlights from the report were highlighted and discussed. It was noted that VisitScotland has now established two sustainability groups, one to focus on what VisitScotland is doing internally and the other to concentrate on the wider tourism sector.
27. The Board noted that consideration should be given to external communications in relation to sustainability and the work which VisitScotland is undertaking in this area.

ACTION: Management to prepare a sustainability communication to be released during Climate Change Week.

28. The Board noted the wide-reaching scope of the report and advised that it should be published.

KEY PERFORMANCE MEASURES

29. The Board noted the Key Performance Measurement Report.

CYBER RESILIENCE REPORT

30. The Director of Corporate Services presented the Cyber Resilience Report to the Board. The work which has been undertaken by VisitScotland in relation to cyber resilience was highlighted and well as the intended next steps. It was noted that a cyber security specialist has been recruited and is now in post. The activities which have been achieved against the Scottish Government's Cyber Action Plan were noted. It was noted that the next step for VisitScotland would be to finalise a Cyber Resilience Strategy to set out the necessary actions and a roadmap for the next two years.
31. The Board commented that the report provided a good overview of the work being carried out by the organisation. It was noted that consideration should be given to inviting a member of the HR department to join the Cyber Resilience Group. It was noted that the Scottish Government were in the process of finalising its Cyber Resilience Framework and Self-Assessment Tool and that it would be worthwhile waiting until this was launched by Scottish Government, so it could be incorporated into VisitScotland's Cyber Resilience Strategy.

ACTION: Management to consider inviting a member of the HR department to join the Cyber Resilience Group.

CHIEF EXECUTIVE'S SUMMARY AND REPORT

32. The Chief Executive introduced a report on activity since the previous Board meeting. He drew particular attention to the following:
- a. A summary of Scottish Government's Programme for Government has been provided to the Board within the papers.
 - b. The success of the Solheim Cup was highlighted.

- c. It was noted that the half year results were in, with North American and Emirates routes performing well. It was noted that the aggregate figures for the UK show a strong performance but that numbers from Europe were still down.
- d. It was noted that there had been a decline in accommodation occupancy rates but that this could be explained by an increase in the number of beds available.
- e. It was noted that a presentation would be provided to the Board on research conducted with Chinese visitors in December. **ACTION: Chinese Research to be presented to the Board in December.**

33. The Chief Executive thanked Board members for their attendance and contribution at the VisitScotland staff conference. The Board noted the report.

CHAIRMAN'S REPORT

34. The Chairman provided an update on his activity since the previous Board meeting, highlighting a meeting with VisitScotland's Marketing Director in the Toronto office and a speech which he gave at Renfrewshire's Chamber of Commerce event. The Board noted the report.

INSIGHT AND COMMUNICATIONS REPORT

35. The Board noted the report.

CORPORATE SERVICES OPERATIONS UPDATE

36. An update was provided on the Glasgow office move. The Board noted the report.

SOLHEIM CUP UPDATE AND EVENTS DIRECTORATE PERFORMANCE REPORT

37. The Board noted the report and thanked the Solheim Cup delivery team for its fantastic work to deliver the event. The Chairman highlighted the list of events taking place to 31 January 2020 within the report and noted the importance of having a pipeline of future events.

INDUSTRY AND DESTINATION DEVELOPMENT REPORT

38. The Director of Industry and Destination Development explained the Total Quality Project which is underway to understand what visitors are posting on social media about their experiences in certain destinations. An update was also provided in relation to a cruise research project which is currently underway. The Board noted the report.

ACTION: Management to bring final cruise tourism report to a future Board meeting.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

39. It was noted that a presentation on the visitscotland.com project would be brought to the December Board. The Chairman noted that Marketing, Digital and Brand Scotland should also be a focus of the January Board meeting.

ACTION: Marketing, Digital and Brand Scotland Report to be a focus of the Board meetings in December and January.

40. The Director of Marketing, Digital and Brand Scotland highlighted the 'Only in Scotland' campaign and noted that this campaign allowed VisitScotland to showcase what is special, unique, distinct and exceptional about a visit to Scotland. Recent activity with local authorities

and DMOs was also highlighted and it was noted that a toolkit to help the industry think about the unique experiences its business/area had to offer was being developed.

41. The Board thanked the Director of Marketing, Digital and Brand Scotland for the work of her and her team, noting the engaging and fresh material that they produced.

ANY OTHER BUSINESS

42. The Chairman noted that a forward planner for the Board would be provided either before or at the next Board meeting. It was noted that this would always sit at the back of the Board paper pack. It was noted that the work of the Audit and Risk Committee would be integrated within this planner too.
43. The Board noted that following the announcement of the general election, purdah will come into place early next week. This was noted.

CLOSE

44. The Chairman closed the meeting.