

Minutes of Meeting of the VisitScotland Board held on 16 March 2023 in DWF office, Glasgow, and via video conference (Teams)

Present: John Thurso (Chairman)
Anne Anderson
Caroline Roxburgh
Keith Nicholson
Paul Easto
Rebecca Brooks
Shona Marsh
Steven Walker

In attendance: Malcolm Roughead (Chief Executive)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director of Events)
Rob Dickson (Director of Industry and Destination Development)
Vicki Miller (Director of Marketing and Digital)
Lynn Jack (Head of HR, for item 4 only)
Fiona Carruthers (Insight Manager, for item 4 only)
Matt Hannigan (Financial Planning Manager, for item 5 only)
Sara Sinclair (Senior Business Systems Support Engineer, for item 7 only)
Trudy Lindblade (Chief Executive, 2023 UCI Cycling Worlds, for item 10 only)

Minutes: Freja Fischer-Møller and Sarah Iversen

Apologies: No apologies

INTRODUCTIONS

1. The Chairman welcomed the attendees to the in-person meeting and gave a warm welcome to those attending online.

MINUTES OF THE BOARD MEETING HELD 26 JANUARY 2023

2. The minutes of the Board meeting held on 26 January 2023 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

3. No conflicts of interest were raised.

MATTERS ARISING

4. It was noted that all matters arising were covered during today's meeting.

STAFF SURVEY RESULTS

5. The Head of HR introduced the Insights Manager leading the Staff Survey 2022 and outlined the plan for presenting the results. The Insights Manager presented the staff survey results to the Board covering the nine themes within the survey and benchmarked against previous years. Most areas have seen growth, from pre-pandemic scores, especially Leadership and Change. It was noted that the two lowest scoring areas were My Department and Career Development.
6. The Board was advised that VisitScotland is an organisation of high staff retention and in terms of hybrid working, it's clear that most staff think that the benefits outweigh the challenges. The challenges are centred around connectivity and team working with a strong desire to develop our office spaces and improve connections.
7. The different themes of the survey were discussed. The Board noted that the results did not show a lot of progress in Learning and Development (L&D) since the last staff survey. It was also noted that there was no need to plan any actions to tackle discrimination or bullying behaviour. Based on the staff survey results and the longer-term strategic planning of VisitScotland's staff resources, it was advised that VisitScotland will focus on the following key themes over the next two years: a strategic approach to improve L&D, connectivity, the "VS Way", developing our office spaces, change management and visibility of leadership. The Board thanked the team for the effort put into this exercise and appreciated the comparable data and that difficult questions were included in the survey. It was suggested that management should investigate options to compare staff survey results with the industry.
8. To increase the completion rate for the next staff survey, it was suggested that this is included in Heads of Department goals.
9. An update on the Staff Survey results for the 2023 UCI Cycling Worlds was also given, noting that the survey questions were not designed for a short-life organisation and as such should not be compared with the rest of VisitScotland.
10. The Chairman noted that the Board would look forward to seeing the actions following the staff survey results.

Action: Management to give an update on actions following the results of Staff Survey 2022 at a future Board meeting.

FY24 BUDGET REVIEW

11. The Director of Corporate Services informed the Board that Management had adopted a more top-down approach to the FY24 budget, which had been well received across the organisation, rather than the purely bottom-up process as previously used.

12. The Director then introduced the Financial Planning Analysis and Reporting Manager who took the Board through the VisitScotland proposed budget for the financial year 2023/24 and highlighted the following:
 - GIA operational £41.60m
 - Capital budget £5.3m
 - Commercial income £3.63m
 - Payroll costs of £26.82m
 - Ringfenced spend and income £3.46m
 - Spend on strategic activities is £18.71m
 - New Business Transformation activity of £900k
13. An overview of payroll and its structure was given, noting that payroll is 64.5% of core GIA and the annual pay award is a significant cost.
14. A breakdown of the iCentres from FY20 to F24, highlighting a lower net revenue than previous years, was also noted.
15. The implications of budget reductions on Marketing and Events activities were outlined, and the ongoing pressures with payroll, inflation and the long-term planning were discussed.
16. Further reflection on the budget position was deferred to the Board's Strategy Awayday on 27 April. The Chairman noted that sufficient time should be allocated to an in-depth budget discussion.
17. The Board thanked the team for the thorough presentation and the budget was approved.

STRATEGIC PLANNING UPDATE

18. The Director of Marketing gave a presentation to set the scene ahead of the Board's Strategy Awayday in April. The objective was to reach an agreement on the strategic focus and key outcome areas and to review the existing Strategic Framework to include purpose, mission, vision, and values. It was noted that VisitScotland's current framework is written in the context of Scotland Outlook2030, and it is important to reframe success and include key outcomes that deliver responsible tourism and sustainable growth.
19. The Board questioned whether there should be a separate vision for VisitScotland as an organisation, and not only how VS feeds into the vision for Scotland.
20. It was noted that VisitScotland was seen as a values-driven organisation, which is reflected in staff members' individual performance reviews and incorporated in the ABCs.
21. It was further discussed how the National Event Strategy could be factored into the Strategic Framework.
22. Management proposed to prepare deep dive discussions to determine the future role on the following key strategy areas: Quality, Information, Events. The discussions will be structured using the 6i's model (issue, information, insight, implication, implementation, impact).
23. The Chairman advised to prepare as much as possible as pre-read prior to the Strategy Awayday.

Action: Management to share the original vision, mission, and purpose in the Strategic Framework to show the 'before and after'.

MICROSOFT 365

24. The Senior Business Systems Support Engineer introduced the Board to the new Microsoft 365 site, where papers for Board meetings will be stored going forward. Access and other features were explained.
25. It was noted that Huddle will be phased out over the next two months, and that Board members can contact Sara Sinclair or Sarah Iversen for further guidance.

CHAIR AND CHIEF EXECUTIVE UPDATE

26. The Chief Executive noted that changes in the political landscape were expected with the announcement of a new First Minister. The regulatory issues that the industry is currently facing may also be impacted by change in government.
27. The Board was advised that visitor numbers are looking good, and especially from North America. Golf tourism is also experiencing a good season despite the high costs.
28. It was noted that the consumer sentiment is clear – Covid19 has drifted away but consumer affordability and cost of doing business set the tone. The forecast that inflation will stagnate or decrease will hopefully have a positive impact throughout the visitor economy.
29. The Chief Executive informed the Board that the VisitScotland gender pay gap has been reduced from 16.1 % to 11.7%.
30. It was further noted that staff have not been using LinkedIn Learning offered by the organisation as much as in previous years and the Learning and Development team is therefore looking into another appropriate learning channel.

CORPORATE SERVICES REPORT

31. The Director of Corporate Services spoke to the directorate paper and informed the Board that options for a new Edinburgh office are being considered and a business case will be presented to the Board in due course.
32. The Director noted that the annual Health and Safety report was presented at the ARC meeting in March.
33. The Board noted the paper and congratulated the member of the Cyber Security team who achieved the high score at a recent Microsoft cyber security course.

EVENTS

34. The Director of Events updated the Board on recent activities and highlighted the implications of the budget reductions on EventScotland's international programme.
35. The Director invited the Chief Executive of the 2023 UCI Cycling Worlds Championships to give the Board an update.
36. The Board was advised that the project overall is on track, but the current V4 budget is in deficit, and industrial actions and issues with potholes require mitigations. It was further

noted that ongoing conversations were taking place with the UCI and UK Government in relation to the event.

37. An update on Gran Fondo Road Race was given and the Board was also updated on the delivery partners.
38. It was noted that VisitScotland is working closely with 2023 UCI Cycling World Championships to secure more resources for the event.
39. The Board discussed the importance of cultural and community engagement as this will be Scotland's biggest and most historic event of its kind. It was noted that although the marketing budget had been reduced by £500,000, several activities have been planned to promote the event and BBC Sport is a crucial partner.

INDUSTRY AND DESTINATION DEVELOPMENT

40. The Director of Industry and Destination Development provided an overview of recent industry activity including information provision, industry and destination development as well as Responsible Tourism.
41. The Board noted the update.

Action: A deep dive on industry and destination development including Responsible Tourism to be given at the Board meeting in June.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

42. The Director of Marketing spoke to the Marketing and Digital report and highlighted the work the team has been doing to support the 2023 UCI Cycling World Championships with marketing activity such as Scotland is Made for Cycling, cooperation with Sustrans and promoting cycling through VisitScotland's own channels.
43. The Board noted the paper.

AUDIT AND RISK COMMITTEE

44. The Chair of the Audit and Risk Committee spoke to the ARC paper highlighting that the internal audit will be re-shaped.
45. The Board was informed that the announced increase in fee in relation to external audit will be investigated.
46. The Board noted the report.

POLICIES

47. The Lone Working and Driving to Work policies were uploaded to Huddle in advance of the meeting to allow members to review. No queries were raised. The policies will be submitted for the Board's final approval at their meeting in June.

FINANCIAL AND BUSINESS PERFORMANCE REPORT

48. The Director of Corporate Services presented the Financial and Business Performance Report.
49. The Board noted the report and commented that it was an excellent piece of work. A discussion around areas of improvements, KPIs, metrics and how the organisation is reflected in the report took place.
50. It was advised that future versions of the report should include the performance around business support grants.

AOB

51. The Chairman advised that the Strategy Awayday would take place on 27 April in Dundee.

CLOSE

Thereafter, the meeting was brought to a close.