

Minutes of Meeting of the VisitScotland Board held on 8 June 2017

Present: John Thurso (Chairman)
Anne Anderson
Rebecca Brooks
Cathy Craig
Gordon Dewar
Steve Dunlop
Stephen Hagan
Carolyn Jameson
Calum Ross
Caroline Roxburgh

In attendance: Malcolm Roughead (Chief Executive)
Riddell Graham (Director of Partnerships)
Ken Neilson (Director of Corporate Services)
Charlie Smith (Director of Marketing)
Stuart Turner (Head of EventScotland)

Minutes: Lynne Raeside

MINUTES OF THE BOARD MEETING HELD ON 20 APRIL 2017

1. The minutes of the Board meeting held on 20 April were confirmed as a true record of the meeting.

CONFLICTS OF INTEREST

2. There were no conflicts of interest recorded.

MATTERS ARISING

Publication Policy

3. It was suggested that in reviewing the publication policy, consideration should be given to what is currently published and what is viewed.

Governance Framework

4. The Director of Corporate Services reported that the process to review the Corporate Governance Framework had started. This will be shared with Scottish Government colleagues and will ultimately be presented to the Board.

State Aid

5. The Director of Corporate Services reported on a recent meeting with VisitBritain. He noted that they operate two processes. There will be further discussions over the coming weeks to establish whether this subject should be raised again with Scottish Government colleagues.

Project Unlimited

6. The Director of Marketing and Digital reported that testing had been conducted in London, New York and the San Francisco Bay area. Initial feedback suggests that the tone and messaging had been well received, considered as attractive and surprising. The challenge is around the creative and the headline message which will be further finessed. Work is now commencing on the business case, both for activation and for the technical solution which will manage the core platform. Stakeholder engagement is also underway.

CORPORATE PLAN

7. The Chief Executive introduced the final corporate plan which had incorporated comments from external stakeholders. It was noted that the KPIs would be brought to the July Board meeting. These would align to the strategies.
8. The Board discussed the role of VisitScotland in relation to skills for the industry. It was noted that VisitScotland has a limited remit at this stage, feeding in through the Skills Development Scotland Skills Investment Plan. It was agreed that further consideration could be given to this role in the future.
9. The Board approved the final corporate plan.

FUTURE OF SCOTLAND'S VISITOR ECONOMY AND THE ROLE OF VISITSCOTLAND

10. The Chairman introduced a discussion on the future of Scotland's visitor economy and the role of VisitScotland. He noted that this was a significant piece of work which could bring with it huge opportunities for VisitScotland but also recognised that there were risks associated with this new direction which would have to be monitored.
11. The Chief Executive outlined the broad framework within which the work on VisitScotland's specific role will fit, noting the importance of aligning this work with Scottish Government and industry strategies. This broader piece of work – From Good to Great to Worldclass – has as its baseline an agreed economic narrative which considers the size / value of the sector, GVA, jobs and levers for growth. The Chief Executive gave an overview of the other areas which will feed into this work:
 - (i) Scotland on the Global Stage: work on the joint marketing project is progressing well.
 - (ii) Supporting Communities: enabling communities to develop.

- (iii) Investing in Communities: City Deals, Island Deals, infrastructure investment
 - (iv) Data: discussions with Edinburgh University are underway to consider how to develop the NTDF into a dynamic document.
 - (v) State Levers: will include VAT, funding models etc.
12. The Board sought clarity around what investing in communities would mean for VisitScotland, noting the importance of striking a balance between ambition and realism. It was confirmed that there would be two tiers, one where VisitScotland would play a leadership role and one where VisitScotland would take on a delivery role.
13. To consider how VisitScotland will deliver against the background of this wider piece of work, the Chief Executive had invited the Director of Marketing to lead an internal team to develop a framework for VisitScotland.
14. The Director of Marketing presented the work which the team had developed, outlining the process that had been followed and explaining the thought process behind development of the purpose, vision and mission. He presented a framework which had three broad themes, each with an outline of what should be delivered and how it should be delivered. The framework also set out the values of the organisation as previously approved and outlined a number of key enablers. He sought feedback from the Board.
15. 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. Capability of delivering through third parties
 - b. Capacity internally and risk of disconnect between VisitScotland and the industry
 - c. Reputation
 - d. Time-frame for delivery
 - e. Clarity of risk and reporting back to the Board
 - f. Degree of ambition
16. The Chief Executive concluded discussions, noting that this paper presented the first stage in the process. He noted that the proposed mission statement clarifies that VisitScotland will be working in partnership to deliver the future strategy, not acting in isolation, and the long-term success will depend on securing the buy-in from partners across both the public and private sectors. He confirmed that the executive team would consider feedback from the discussion and agree next steps. The Chairman congratulated the team on the work carried out to date. **Action: updates to be provided to the Board on an ongoing basis.**

INFORMATION STRATEGY

17. The Director of Partnerships presented an update on the information strategy. He outlined a number of work streams where activity is currently underway: risk

register; communications plan; property plan; HR plan; VIP recruitment; stakeholder engagement; and estate capital investment plan. A detailed implementation plan for Phase 1 will be brought to the Board in September. At this stage it was confirmed that the project is on track.

18. An update on information delivery in Glasgow and Edinburgh was also provided. It was noted that there are challenges around the space available in Glasgow.
19. The Board discussed the VIP Programme, seeking further clarification around the branding available to partners. It was noted that branded material is provided but there is no budget to provide external signage. The Board discussed the question of digital branding. They also discussed the investment programme, noting that the recent investment in the Portree iCentre had resulted in an increase in both footfall and revenue.
20. The Board asked for a key facts document about the programme. **Action: production of key facts document for Board members.**

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

21. The Chair of the Audit and Risk Committee introduced a paper presenting updated terms of reference for the Audit and Risk Committee. She noted that these reflect Scottish Government guidance but have been tailored for VisitScotland to reflect key principles. Key additions are as follows:
 - (a) to allow the Board to ask the ARC to undertake a “deep dive” on issues;
 - (b) ARC being responsible for appointment of internal audit; and
 - (c) ARC reporting to the Board.
22. The Board discussed the minimum number required to sit on the ARC. It was agreed that the minimum should be set as three with a view to aiming for four operationally.
23. It was further agreed that the summary from the ARC should be presented by the Chair or a nominee of the Chair.
24. The Board approved the terms of reference.

PROCUREMENT

25. The Director of Corporate Services introduced a paper seeking approval for the following:
 - (a) a further contract extension from Scottish Government for Internal Audit Services to Scott Moncrieff LLP by a period of up to 12 months and to a maximum value of £55,000; and
 - (b) the application to request contract extensions for two Concession Agreements from Scottish Government for a period of 24 months to PSP Publishing Ltd and APS Group (Scotland) Ltd at no cost to the organisation.

26. The Board gave its approval.

CHAIRMAN'S REPORT

27. The Chairman introduced a report on his activity since the previous Board meeting. He drew particular attention to the following:

- (a) **Expo:** the event had gone extremely well and feedback from both buyers and exhibitors was extremely positive.
- (b) **STA Quarterly Meeting:** a good framework for engagement has been set up.
- (c) **IMEX:** a very useful visit. VisitScotland delivered an excellent stand and had very committed stand partners who represented the product well. Buyers were very well engaged and it was clear that Scotland is held in high regard.
- (d) **Industry engagement:** useful meetings with HIAL and the Cairngorm Business Partnership.
- (e) **Ministerial Meetings:** positive meetings with Humza Yousaf and Fiona Hyslop.

28. The Board noted the report.

CHIEF EXECUTIVE'S REPORT

29. The Chief Executive presented a report updating the Board on activity since the last Board meeting. He drew particular attention to the following:

- (a) **Cyber Attacks:** given the work of the IT team and BCP exercises, security precautions were sufficient. The team used the opportunity to remind staff of their responsibilities.
- (b) **Security:** the update from the TIER Group was circulated. It was noted that the sector remains resilient in the wake of security issues. VisitScotland is working with Police Scotland to send out advice to events organisers and this advice will be extended to the wider industry given that it has been recognised that the risk is not limited to events. VisitScotland is also communicating updates on the Police Scotland Counter Terrorism Awareness Week.
- (c) **Enterprise & Skills Review:** it is anticipated that the final report will be issued shortly. The Board agreed that it would be useful for VisitScotland to be represented on the Strategic Board.
- (d) **Investment:** it was noted that there is significant investment across the country.
- (e) **Sportaccord:** it was noted that there was significant interest in Scotland.
- (f) **Aviation:** around 160,000 additional new seats have been secured into Scotland from North America with the Delta flight into Glasgow and the new Norwegian flights into Edinburgh. Discussions with other airlines are ongoing.
- (g) **Digital Transformation:** a new governance structure has been introduced to assist with the delivery and implementation of the many digital projects being undertaken across the organisation.
- (h) **Channel Performance:** the excellent results were noted and it was agreed that this gives VisitScotland the authority to take forward the digital agenda in a more assertive way.
- (i) **Social tourism:** response from industry to date has been extremely positive.

(j) **HR:** work on talent management and the pay and grading review is underway.

30. The Board noted the report.

31. The Board asked for an update on the issue raised at the April Board meeting relating to the GBTS data. The Chairman reported that he had raised the issue at the VisitBritain Board. As a result the value data is being reconsidered and a further update will be provided in due course. The Chief Executive also reported that he has asked the team to consider other ways in which data could be produced.

HEALTH AND SAFETY REPORT

32. The Director of Corporate Services presented the Health and Safety Report. There were no RIDDOR reportable incidents during the period January – May 2017.

33. The Board noted the report.

FINANCE REPORT

34. The Director of Finance introduced the Finance Report which covered (i) pension schemes; (ii) the outturn for the year ending 31 March 2017; (iii) the annual budget for 2017/18; and (iv) the integrated finance and HR system.

35. It was reported that the year-end interim audit has not identified any major issues and a balanced budget will be achieved.

36. The annual budget will be presented to the July Board and will identify options to close the funding gap which has arisen as a result of the ERDF outcome. The Board discussed how best to include support of SMEs within the wider CSR submission. It was noted that the process has started. Following the submission on unfunded pressures, VisitScotland has been asked to provide feedback on a number of different models. **Action: update on GBTS value data to be provided to the Board once received.**

37. It was reported that the Audit and Risk Committee will consider the business case for the integrated finance and HR system and will bring a recommendation to the Board.

PENSION UPDATE

38. The Director of Corporate Services introduced a paper which provided an update on VisitScotland's pension provision, specifically legacy and covenant issues and how these are feeding into the pension strategy. He reported on a recent meeting with VisitBritain where agreement on a form of words around the guarantee had been agreed. This will now be taken to Scottish Government.

PAPERS FOR NOTING

39. A number of papers were presented for noting: Solheim Cup; Insights; Core Activity; Communications; and Property Matters. It was noted that the VAT issue in respect of Oban and Helensburgh is not material.

ANY OTHER BUSINESS

40. The Chairman recorded congratulations to the Corporate and Consumer PR Teams for winning UK Team of the Year at the recent Chartered Institute of Public Relations Awards.