

Minutes of Meeting of the VisitScotland Board held on 7 September 2017

Present: John Thurso (Chairman)
Anne Anderson
Rebecca Brooks
Cathy Craig
Stephen Hagan
Calum Ross

In attendance: Malcolm Roughead (Chief Executive)
Paul Bush (Director of Events)
Riddell Graham (Director of Partnerships)
Ken Neilson (Director of Corporate Services)
Charlie Smith (Director of Marketing & Digital)

Apologies: Gordon Dewar
Steve Dunlop
Carolyn Jameson

Minutes: Lynne Raeside

MINUTES OF THE BOARD MEETING HELD ON 13 JULY 2017

1. The minutes of the Board meeting held on 13 July were confirmed as a true record of the meeting.

CONFLICTS OF INTEREST

2. While not considered a conflict, for the purposes of transparency Cathy Craig reported that she has taken on a new role as Commercial Director, Entrepreneurial Scotland.
3. For the purposes of item 5 on the agenda, Caroline Robertson reported that a family member is currently employed in one of VisitScotland's iCentres. It was agreed that this did not represent a material conflict.

MATTERS ARISING

4. All matters arising were addressed throughout the agenda or had been scheduled for forthcoming meetings.

BUDGET UPDATE

5. The Chief Executive updated the Board on progress being made to finalise the 2017/18 budget. He clarified the position regarding the aviation budget and reported that the moratorium on recruitment had been extended until the end of the year with the exception of particularly sensitive posts.
6. The Board discussed balancing of the budget. It was agreed that a reforecast would be brought to the next Board meeting. **ACTION: reforecast budget to be presented to the October Board meeting.**

INFORMATION STRATEGY

7. The Chairman welcomed Lynn Jack, Head of Information and Quality, to the Board meeting. She and the Director of Partnerships led a discussion on the implementation and communications of the Information Strategy.
8. It was noted that a measured approach has been taken to stakeholder consultation to date, highlighting positive successes such as the VisitScotland Information Partnership Programme and the Outreach Programme. A regional approach will be taken for media relations, with management of national press where appropriate. The Board agreed that the national release should focus on the positive changes at a high level, while the regional releases could provide more detail on the manned estate.
9. It was reported that political engagement has progressed across the summer, with an emphasis on the broad need for change and highlighting the alternatives. It was noted that in many instances information provision will be enhanced with a move to all year round provision.
10. The Board acknowledged that this was a good body of work. They discussed the valuable role that the industry, in particular the Scottish Tourism Alliance, could play in securing support for the strategy.
11. The Board discussed the need for face to face meetings where possible, noting that despite early engagement with partners concerns will inevitably be raised. The timing of communications was also discussed.
12. The Board discussed the messaging, noting that the emphasis should be on meeting consumer needs and improvement being at the heart of the strategy, with additional investment in digital channels and in the remaining manned estate. It was also suggested that more emphasis be given to the VIP Programme. It was noted that there are a number of good case studies that can be referred to.
13. The Board confirmed its continued support for the Information Strategy and approved the communications approach. Board members asked for a timeline to be shared and a final set of messaging to be shared. **ACTION: Timeline and messaging to be shared with the Board.**

PROJECT UNLIMITED

14. The Chairman welcomed Alison Campbell, Brand Engagement Manager, to the meeting. She and the Director of Marketing and Digital presented an overview of the Project Unlimited initiative, a collaborative project with Scottish Government and Scottish Enterprise aimed at generating economic growth through international markets.
15. The Director of Marketing and Digital outlined the background, the governance model and the stakeholder engagement to date, acknowledging the challenges encountered along the way but noting that a lot had been achieved.
16. The biggest challenge identified from the work so far has come from the brand tracking work which has identified that Scotland, while recognised for its beauty and its warm welcome, is not known for its innovation. In addition, there is a challenge to ensure that Scots buy into the brand.
17. AC presented the creative, explaining where the inspiration had come from and showing examples of the types of film that were driving the creative process. She also presented the voice over clips which provided an introduction to the mood film and the visit film.
18. The Board discussed the concept, agreeing that it was exciting conceptually; commending the team for the collaboration achieved; and acknowledging the expertise and skills that VisitScotland teams could lend to the project.
19. The Board discussed investment. It was noted that a business case is being developed to request additional investment from Scottish Government. In the meantime, given the limited resources available the new campaign will be focused on a limited number of markets.
20. The Board asked for further information on the brand hierarchy to understand how it will work with the brands of different sectors. It was noted that there are particular challenges in some sectors where a number of brands already exist. It was agreed that a further explanation of the brand hierarchy would be helpful.
21. The Board confirmed it approved of the creative work and the concept.
22. The Director of Marketing and Digital outlined the digital infrastructure proposals and thinking. He noted that VisitScotland has its own digital transformation project underway and therefore Project Unlimited is very timely as it allows the agencies and Scottish Government to consider what they could achieve through closer working and alignment in the digital environment. Work is underway with the digital teams to understand how further alignment might work.
23. It was noted that alignment of digital environments would require discussion on a range of issues such as investment, people management, skills development. A governance framework would have to be agreed. It was suggested that the capacity and capability of partners should be mapped to understand what is

required to achieve the vision and the strategy. It was agreed that the governance framework should remain on the agenda for future meetings.

24. The Director of Marketing and Digital presented the financials and the measurement / outcomes. He also outlined the engagement process with Scottish Government, including with Cabinet Secretaries and Directors. It was noted that response to the concept has been positive. The Board discussed engagement with the new Strategic Board. The Chief Executive noted that internationalisation will be covered by one of the new Committees being recommended by the Governance Group and should therefore be incorporated within part of this framework.
25. The Board requested a decision making matrix and a timeline for the next Board meeting. **ACTION: timeline to be produced for October Board meeting.** It was also recommended that messaging be shared when appropriate.

ANNUAL REPORT AND ACCOUNTS

26. The Director of Corporate Services introduced a paper updating the Board on progress on the completion of the annual external audit and inviting comments on the narrative of the accounts. He reported that the close out meeting with Audit Scotland had been held and the final report would be received shortly. Three transitional issues had been raised. The Audit Scotland Report will be submitted to the September Audit and Risk Committee and it is anticipated that a clean audit report will be received.
27. The Chair of the ARC reported that there remain the following key areas to be addressed in relation to the accounts:
- (i) The question of risk and risk descriptions given that they have changed; risk is dynamic and this should be captured.
 - (ii) Table of impact measures and how this might be interpreted.
 - (iii) The question of whether to include an introduction from the Chair.
 - (iv) Management remuneration and the associated issue of pension valuation which might require an explanatory note.
28. It was suggested that an explanatory note to address point (iv) should be included to provide some context. It was also agreed that an introduction from the Chair should be included.
29. The Chair invited Board members to provide any comments by no later than 14 September.

PROCUREMENT

30. The Director of Corporate Services introduced a paper asking the Board to review and approve the Business Case recommending a move to Oracle Cloud for a fully integrated Finance, HR & Procurement system and seeking approval to tender for such under the Health Trust Europe ICT Framework.

31. He reported that there are pre-procured processes which allow public bodies to select the technology and then procure the licensee to deliver it. He also confirmed that budget is available in the current year's budget to implement what is required in the initial year. It was also noted that the budget is currently attributed as Opex but there is flexibility to move the budget to Capex should that be required. This matter is being discussed with Audit Scotland.

32. The Board approved the business case and the application to tender.

PROPERTY MATTERS

33. The Director of Corporate Services introduced a paper updating the Board on general property matters and seeking Board approval for a new 10 year lease for Glasgow iCentre information provision. He explained that a new property had been found at a good rate and the investment was in line with the information strategy.

34. The Board approved the 10 year lease.

CHAIRMAN'S REPORT

35. The Chairman introduced a report on his activities since the previous Board meeting. He drew particular attention to his meetings with the Scottish Government Director of Culture and Tourism and with the Chief Executive of the Scottish Tourism Alliance. He also reported on the meetings of the Implementation Board, noting the importance of VisitScotland engaging with this process.

36. The Chairman noted that the individual Board member evaluation process has started. The survey on collective evaluation has been issued and the Chairman requested that all Board members complete it.

37. The Chairman reported on the appointment of Lynn Jack as Head of HR. The Board congratulated her on this appointment.

CHIEF EXECUTIVE REPORT

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

- (i) **Programme for Government:** it was noted that there are a number of specific references to tourism and a number of proposals which will impact on tourism. It was agreed that a note of those main issues would be shared with the Board. **ACTION: circulate summary of PFG in respect of tourism.**
- (ii) **Enterprise & Skills Review:** work continues to progress on the creation of a South of Scotland agency. VisitScotland has been involved on the periphery to date but the Board agreed that a more active role should be sought. The Board also discussed investment, noting the importance of influencing the investment agenda given the need for new investment in tourism. It was noted that work on this has started through the data project and this will be fed in.

- (iii) **Media coverage of “over-tourism”:** it was noted that efforts are underway to move the debate onto a more positive footing. There is a need for local communities to think about solutions creatively where there are localised pressure points.
- (iv) **Performance measures:** digital channels and the core iCentre network have performed strongly over the summer months.
- (v) **Human Resources:** VisitScotland has been nominated for the Public Sector Employer of the Year Award by Skills Development Scotland while Rachel Woods has been nominated for Apprentice Ambassador of the Year. The pay and grading review is being rolled out, with initial reactions positive. A moratorium on recruitment has been implemented with exceptions where appropriate.
- (vi) **Quality Assurance:** in response to a question regarding participation levels and grading levels, it was noted that criteria are being streamlined and discussion is underway to understand how UGC might be incorporated into the schemes. In line with the approved strategy there will be a greater focus on quality in its broader sense and a greater focus on the advice element of the visit. It was also noted that changes to the Visitor Attraction scheme, which were industry led, have resulted in downgrading of some attractions.

39. The Board noted the report.

HEALTH AND SAFETY

40. The Director of Corporate Services introduced the Health and Safety report. He reported that there had been no RIDDOR incidents and there are no outstanding claims. The Board noted the report.

FINANCE REPORT

41. The Director of Corporate Services introduced the Finance Report which provided an update on (i) the outturn for the year ending 31 March 2017; (ii) the annual budget 2017/18; (iii) the integrated finance and HR system; and (iv) pensions.

42. He reported that adjustments had been made in the SAGE system to ensure no overspend and a reforecast would be presented to the October Board.

43. He also reported that a meeting with Scottish Government to discuss the pension covenant will be held shortly. Work has begun to procure an advisor to assist with future pension development. There is no update from VisitBritain at this point.

44. The Board noted the report.

PERFORMANCE MEASURES

45. The Board noted the paper presented on performance measures.

PAPERS FOR NOTING

46. The following papers were noted: Solheim Cup update, Insights update, Operational Update, Communications Report, and Pensions Update.

ANY OTHER BUSINESS

47. The Chairman noted that Board dates for 2018 had been circulated and requested that feedback on dates be shared with the Board secretariat.