

Minutes of Meeting of the VisitScotland Board Held on 5 September 2019

- Present:** John Thurso (Chairman)
Anne Anderson
Caroline Roxburgh
Calum Ross
Stephen Hagan
Cathy Craig
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)
- Michelle Lavery (Financial Analysis Manager)
Marie Christie (Head of Development)
Jenny McMahon (Senior Events Manager)
Chris McCoy-Lavery (Equality & Diversity Manager)
Robbie Clyde (Head of EventScotland)
Erica Reid (Board Observer)
Alasdair Peacock (Partner, DWF LLP)
- Apologies:** Carolyn Jameson
- Minutes:** Gayle Biggart

WELCOME TO BOAT BRAE

1. Prior to the commencement of the meeting, Dr Simon Davidson, Centre Manager at Moat Brae House, Dumfries, welcomed Board members to Moat Brae and spoke about the history of the building and its transformation into an international visitor attraction. Dr Davidson noted some of the work they had planned ahead of the Year of Scotland's Stories in 2022. The Chairman thanked Dr Davidson for providing an insight into the work of the Centre.

INTRODUCTIONS

2. The Chairman congratulated Steven Walker and Keith Nicholson on their appointment to the Board and welcomed Board members to the meeting. The Chairman noted that this was Calum Ross's last Board meeting and personally thanked Calum for his contribution to the Board over the years and other Board members echoed their thanks. Apologies from Carolyn Jameson were noted.

3. The Chairman noted that this was Erica Reid's final Board meeting as a Board Observer. The Chairman noted that Erica Reid would be invited to a future Board meeting to present on her time as a Board observer.

ACTION: Invite Erica Reid to a future Board meeting.

4. The Chairman gave an overview of the agenda and items for discussion at today's meeting. The Chairman noted that the agenda for the meeting was full and that some matters may come back for further discussion at future Board meetings.

MINUTES OF THE BOARD MEETING HELD ON 18 JULY 2019

5. The minutes of the Board meeting held on 18 July 2019 were recorded as a true record of the meeting and approved.

CONFLICTS OF INTEREST

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

MATTERS ARISING

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

SCOTTISH THISTLE AWARDS

9. The Head of Development and Senior Events Manager presented to the Board on the Scottish Thistle Awards. The presentation covered an overview of the Scottish Thistle Awards and considerations for taking the Scottish Thistle Award programme forward to 2021 and beyond. It was noted that the focus for the Events team is on encouraging quality entries to align with VisitScotland's corporate objective of going from good to great to world-class. It was highlighted that the Events team were starting to work with the Industry and Destination Development teams to ensure alignment across the organisation. The options for 2021 and beyond were noted as being (i) stop running the Scottish Thistle Awards; (ii) move to a new model e.g. biennial award programme; or (iii) continue as now but develop the existing programme to raise it to the next level.
10. Rebecca Brooks, Chair of the Thistle Industry Panel, thanked the Events team for the work they do in organising the Scottish Thistle Awards throughout the year and advised that consideration should be given to future proofing the Awards as there is lots of competition from other awards programmes. However, RB noted that the credibility of the Scottish Thistle Awards came from the collaboration between the industry and VisitScotland and that the peer led nature of the Scottish Thistle Awards was well received within the Industry with the awards themselves being regarded as legitimate.
11. There was a discussion by Board members following the presentation about the future of the Thistle Awards. Consideration was given to (i) the purpose of the Scottish Thistle Awards; (ii) the factors used to measure success; (iii) providing insight to businesses to demonstrate the impact of winning a Scottish Thistle Award; (iv) the opportunities around the 30th anniversary of the Scottish Thistle Awards; (v) securing additional sponsors; (vi) introducing a Digital Award to align

with VisitScotland's drive to get more accommodation providers online bookable; and (vii) create profiles of the winners so others can learn from what they have achieved.

12. The Chairman noted that the Board was very supportive of the work undertaken in relation to the Thistle Awards and that it would leave Management to consider the opportunities for future years in line with the discussion by Board members.

ACTION: Management to consider the future development of the Scottish Thistle Awards taking into account the comments from Board members.

EQUALITY & DIVERSITY MAINSTREAMING REPORT 2018/19

13. The Equality & Diversity Manager presented the Equality Mainstreaming Report which was published in April 2019 to the Board. It was highlighted that VisitScotland has a statutory duty to report on its progress in mainstreaming equality and to set new objectives for future years. VisitScotland must show that it is committed to eliminating discrimination, advancing equality of opportunity and fostering good relationships between people who share protected characteristics and those who do not.
14. It was noted that the Equality Mainstreaming Report (published in April 2019) took on a new format and went beyond what was required by the statutory duty to show that diversity and equality are part of the culture at VisitScotland. The presentation covered (i) VisitScotland's Internal Equality work; (ii) Inclusive Tourism; (iii) the wider impact of VisitScotland's work; and (iv) re-framing VisitScotland Equality Outcomes.
15. The Board commended the work which had been done so far and commented on the exciting direction of travel. It was noted that the presentation provided a good overview in advance of a workshop on VisitScotland's people strategy which is being brought to the Board in October.

UCI SPV

16. The Director of Events presented an overview of the UCI World Cycling Championships 2023 to the Board. It was highlighted that this will be the first event of its kind, combining 13 existing World Championships into one event, bringing 10,000 athletes to Scotland to compete. The event was compared to the Olympic Games which brings 10,500 athletes together. It was noted that Heads of Terms had been agreed with the UCI and negotiations to progress the long form contractual agreement were ongoing. It was noted that the governance and structure of potential mechanisms to deliver the event were being considered and the purpose of the presentation was to seek the Board's approval in terms of the proposed direction of travel.
17. The Head of EventScotland noted that as there are multiple funding partners for the event, differing interests need to be managed as well as clarity provided around the arrangements and processes. The delivery options which have been considered were presented to the Board and the Head of EventScotland noted that the recommended delivery model was to establish a special purpose vehicle (SPV), wholly owned by VisitScotland, to deliver the event. The rationale for this recommendation was explained as being (i) to ensure the Championships and the vision are delivered consistently; (ii) to maintain control in relation to project management; (iii) the expertise of the Events Directorate within VisitScotland could be utilised.

18. Alasdair Peacock outlined the key considerations for VisitScotland's Board in relation to the proposed SPV model. He advised that the SPV would be a subsidiary of VisitScotland and therefore accountable to the VisitScotland Board. Although it was envisaged that the spending of the funding for the Championships would be delegated to the SPV Board, it was noted that the stewardship of the funds would remain the responsibility of the VisitScotland Board. It was highlighted that the Cabinet Secretary/Scottish Government would be responsible for the strategic oversight of the Championships in terms of vision/policy requirements.
19. There followed a wide-ranging discussion in which members of the Board questioned and commented on the proposal. The Chairman noted that any proposal needed to be tested to destruction. It was proposed that a sub-committee of the Board be established to consider and scrutinise the points raised during the discussions in more detail and to keep abreast of the proposals as they developed. It was noted that until the questions which had been raised by the Board had been answered, the Board was not able to confirm/reject the proposed direction of travel. The Chairman requested that a note of the questions/comments raised by Board members be circulated immediately following the Board meeting to allow all Board members to confirm they are content with the list before the sub-committee of the Board met. It was determined that the sub-committee of the Board would report its findings to the Board at the October Board meeting or arrange a telephone Board meeting if required before the October Board meeting.

ACTION: Circulate questions/comments raised by the Board in relation to the UCI SPV discussion.

ACTION: Arrange a Board sub-committee meeting.

FINANCIAL & GOVERNANCE MATTERS

APPROVAL OF THE ANNUAL ACCOUNTS

20. The Chairman thanked Board members for their comments and engagement in relation to the Annual Report and Financial Statements. The Director of Corporate Services advised that it was proposed that the Financial Analysis Manager would outline the assurances which had been provided in relation to the Annual Report and Financial Statements before passing to the Chair of the ARC for comment.
21. The Financial Analysis Manager advised that VisitScotland had received the highest level of assurance from its internal auditors and that the internal audits carried out over 2018/19 had covered a wide range of topics.
22. It was noted that Audit Scotland, VisitScotland's external auditors, had provided an unqualified opinion in relation to the Annual Report and Financial Statements. It was commented that the only significant finding that arose from Audit Scotland's was in relation to the provision for additional pension liabilities in light of the McCloud judgement. It was noted that VisitScotland was working with its actuaries to consolidate this and include in the accounts.
23. It was noted that the Internal Control Checklist issued by Scottish Government had been completed by specialists within VisitScotland in relation to each topic. This had been provided to the Leadership Group, Internal Audit and the Audit and Risk Committee. It was further noted

that all members of the Leadership Group were required to read the Annual Report and Financial Statements and confirm by way of a memo to the CEO that their areas of the organisation are covered in terms of control.

24. A presentation on the Annual Report and Financial Statements was then provided to the Board. It was noted that the Overview section at the beginning of the Annual Report provided an overall snapshot of the organisation with additional detail provided throughout the Annual Report. It was highlighted that following the July Board meeting and feedback from Board members, the infographics within the Performance Report had been updated and case studies added to provide context to VisitScotland's strategic pillars. It was noted that the Accountability Report gave an overview of governance within the organisation and that the Financial Statements showed a strong performance by the organisation.
25. The Chairman noted that he was very impressed by the work undertaken by the Financial Analysis Manager and thanked her for her efforts.
26. The Chair of the ARC echoed her thanks and highlighted the considerable amount of work that had gone into the preparation of the Annual Report and Financial Statements alongside the implementation of the ERP system. The Chair of the ARC reiterated the assurances which had been provided from the Internal Auditors and the various assurance frameworks that the organisation has in place. The Chair of the ARC noted that she did not consider the finding by the external auditors to be "significant" and that the finding was being managed. It was noted that VisitScotland would continue to develop the Annual Report and Financial Statements in line with the National Performance Framework.
27. The Chair of the ARC highlighted the work which had been undertaken by the ARC over the course of the year and noted that the focus of the ARC going forward would be to look at data protection and cyber security; the assurance framework; and the UCI structure. In conclusion, the Chair of the ARC noted that the ARC was supportive of recommending the Annual Report and Financial Statements to the Board.
28. There being no other comments on the Annual Report and Financial Statements, the Chairman thanked the team for their work, and **the Board approved the Annual Report and Financial Statements.**

PROCUREMENT

29. It was noted that the procurement paper related to the UCI SPV conversation and as continued discussion was required, it was felt that this paper should be brought back to a future Board meeting.

ACTION: bring this paper to a future Board meeting.

POLICY REVIEW

30. The Chairman noted that the Board had now been provided with a list of all of VisitScotland's policies. The Chairman asked all Board members and Management to review the list, consider the policies contained within it, and propose at a future meeting which policies should be brought to the Board and which should be dealt with by Management and/or the ARC. It was noted that the Board did not need to review all of the HR policies for example.

ACTION: Board members and Management to feedback and propose approval routes for the policies at a future Board meeting.

DATA PROTECTION POLICY

31. The Director of Corporate Services presented the policy to the Board. It was noted that the Board was being asked to approve the policy subject to the following being taken into account:
- In section 5 on page 6, include wording to state that (i) Heads of Departments will be asked to confirm that they are comfortable that their staff are complying with the data protection policy; and (ii) Information Asset Officers will have a section on data protection added to their performance diaries within Oracle;
 - In sections 17 and 18, add a note that when a DPIA or PIA is required, it should be included in the project risk register and the completed DPIA or PIA filed centrally with the Data Protection Officer.
32. It was noted that the policy was drafted in a way to ensure staff understand the importance of data protection and **the policy was approved subject to the changes noted above being made.** The frequency of review of the policy was questioned and it was decided that the **policy should come back to the Board if any changes are proposed and/or in accordance with the review frequency noted in the policy.**

DELEGATED AUTHORITY

33. The Director of Corporate Services introduced the Scheme of Delegation document and noted that the format of the document had been updated and text amended to reflect the current process of appointments being made to the Executive Management Team.
34. **Subject to the following changes being made, the Scheme of Delegation document was approved by the Board:**
- a. Include reference to the Development of Tourism Act 1969 within the “Strategy” row;
 - b. Amend the “Appointment of Internal Audit Contractor” row to note that the Chair of the 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;
 - c. Amend the “Internal Audit Reports” row to note that the ARC is responsible for the approval of the annual internal audit plan rather than the Board;
 - d. Update the “Risk Management” row to reflect that the ARC does not report on risk matters to each Board meeting as there are fewer ARC meetings throughout the year than Board meetings;
 - e. Include reference in the “Capital Expenditure” row to intangible as well as tangible assets.

PENSIONS UPDATE

35. The Board noted that the sectionalisation of the British Tourist Board Pension Fund was completed on 30th June 2019 and that updates will be shared at future Board meetings.

FINANCE REPORT

36. It was decided to consider the Best Value 2019 Review in more detail at a future Board meeting.

ACTION: Best Value 2019 Review to be brought to a future Board meeting.

SUSTAINABILITY REPORT

37. It was noted that the Sustainability Report would be move to the agenda of a future Board meeting.

ACTION: Sustainability Report to be brought to a future Board meeting.

KEY PERFORMANCE MEASURES

38. The Board noted the report.

CHIEF EXECUTIVE'S SUMMARY AND REPORT

39. The Chief Executive introduced a report on activity since the previous Board meeting. He drew particular attention to the following:

- a. The Scottish Government's Programme for Government for the following year has been announced. The Chief Executive noted that a summary will be prepared and provided to the Board but mentioned a couple of highlights including:
 - i. a further £1 million being invested in forest tourism in the south of Scotland by 2021;
 - ii. the launch of Launching a Scottish UNESCO digital trail, providing an online experience featuring all of Scotland's UNESCO sites. **ACTION: It was noted that this would be discussed at a future Board meeting as no funding for the trail has been announced in the Programme for Government;** and
 - iii. a further £3 million being made available to invest in new projects in 2020-2021 through the Rural Tourism Infrastructure Fund.
- b. The UK Government also announced its 12-month spending plan with VisitBritain's grant in aid increasing in line with inflation.
- c. Due to speak to the media at the Annual Editors meeting.
- d. Workforce Planning – a workshop will be brought to the Board at the October meeting before it is presented to staff.
- e. Second leg of the Chief Executive's Listening Tour will begin in September.

ACTION: Prepare summary of Programme for Government for the Board.

40. It was noted that consideration would need to be given to the key performance indicator in relation to the number of visitors to Scotland at a future Board meeting in light of Brexit.

41. The Board noted the report.

CHAIRMAN'S REPORT

42. The Chairman provided an update on his activity since the previous Board meeting and the Board noted the report.

SOLHEIM CUP UPDATE

43. It was noted that Solheim ticket sales have increased with it being expected that the event will attract 80,000-85,000 visitors depending on the weather. The Board noted the report.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

44. It was noted that this should be an item on the agenda for Board meetings going forward rather than a paper for information. It was agreed that the paper would be discussed at a future Board meeting.

ACTION: Marketing, Digital and Brand Scotland Report to be brought to a future Board meeting.

PAPERS FOR NOTING

45. It was noted that the following papers would be deferred for consideration at a future Board meeting:

- a) Industry and Destination Development Report
- b) Events Directorate Performance Report
- c) Insight Department Tourism Statistics Update – **it was noted that work being undertaken in relation to climate change should be included in future versions of this update report**
- d) Communications and PR Report
- e) Corporate Services – Operations Update
- f) Schedule of Forthcoming Activity

ACTION: Reports to be brought to a future Board meeting.

ANY OTHER BUSINESS

46. The Chairman requested that the date of the January Board meeting be postponed by a week. This was approved.

ACTION: Date of January Board meeting to be moved to 30th January 2020.

CLOSE

47. Management withdrew from the meeting and a private meeting of Board members was held.