

## Minutes of Meeting of the VisitScotland Board Held on 5 December 2019

**Present:** John Thurso (Chairman)  
Anne Anderson  
Caroline Roxburgh  
Stephen Hagan  
Rebecca Brooks  
Keith Nicholson  
Steven Walker  
Cathy Craig

**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)  
  
Esther Gauld (Digital Product Owner)  
Chris Brown (Partner, Scott Moncrieff)  
Erica Reid

**Minutes:** Gayle Biggart

### INTRODUCTIONS

1. The Chairman welcomed Board members to the meeting. The Chairman welcomed Erica Reid to the meeting and noted that Erica was going to provide feedback on her time shadowing the VisitScotland Board.
2. The Board formally approved Cathy Craig's appointment to the Audit and Risk Committee.
3. The Chairman noted that the Board forward planner was included within the papers to provide a guide for the Board and management for agenda items for future meetings. It was noted that the forward planner would be a fluid document and would be amended and added to as appropriate.

4. The Chairman noted that a deep dive on risk would form a large part of the agenda for this meeting and that a Remuneration Committee meeting would be held at the end of the Board meeting.

## **MINUTES OF THE BOARD MEETING HELD ON 31 October 2019**

5. The minutes of the Board meeting held on 31 October 2019 were approved as a true and accurate record of the meeting.

## **CONFLICTS OF INTEREST**

6. No new conflicts of interest were noted.

## **MATTERS ARISING**

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

## **BOARD SHADOW - FEEDBACK**

8. Erica Reid, who shadowed the Board from November 2018 – October 2019 as part of an initiative to encourage women to come onto public sector boards, presented to the Board on what she had learned by shadowing the VisitScotland Board. Erica thanked Board members and Management for the opportunity.
9. The Chairman thanked Erica for her presentation and noted that he hoped the process would encourage her to apply for Board opportunities in the future.

## **VISITSCOTLAND.COM**

10. The Director of Marketing, Digital and Global Brand provided some background to the visitScotland.com project to the Board. It was noted that this is a key digital transformation project for VisitScotland and will see the website move onto a new platform.
11. The Digital Product Owner noted that the current CMS system has reached the end of its product lifecycle and is now out of support. It was noted that the new CMS will allow VisitScotland to take advantage of modern marketing techniques such as personalisation, marketing automation, geolocation (to provide more relevant content to the user); and headless CMS architecture (to allow content to be reused on multiple devices and platforms using an API to access a central content store).
12. It was noted that the project had been divided into four phases and an overview of each was provided. It was noted that the discovery phase had been completed at the end of August and a Scottish Government Digital First (SGDF) assessment had given clearance for the project to proceed to the build phase. It was advised that two more SGDF assessments would be carried out on the project, one after the build phase and the other before go-live.

13. It was noted that the proposed launch date for the new website is July 2020 and the focus for phase 1 is to build the minimum viable product. It was highlighted that content production for the new website is already underway and examples of what the new pages will look like were shown to the Board. The interdependencies with other ongoing VisitScotland projects was noted, for example, the marketing automation project and the need to interface with the Consumer and Stakeholder CRM systems.
14. The progress to date for the build phased was noted, with the separation of the product search function and the design system being highlighted. It was noted that engagement with external stakeholders is planned to commence in the New Year.
15. There followed a wide ranging discussion by the Board, during which consideration was given to (i) engagement with external stakeholders; (ii) the maintenance of the user journey and requirements post-launch; (iii) the culturalisation of the foreign language versions of the website; (iv) testing the website to destruction, including load testing; (v) the existing CMS being out of support; and (vi) ensuring there is enough time allocated to user experience testing.
16. The Chairman thanked the Digital Product Owner for the update and noted the amount of work which had been undertaken to date.

## **RISK REVIEW (DEEP DIVE)**

17. The Chairman introduced Chris Brown, (a Partner with Scott Moncrief, VisitScotland's internal auditors) to the meeting and noted that the purpose of this session was to:
  - a. consider the risk appetite of the organisation;
  - b. comment on the current risk register; and
  - c. consider future risk planning.
18. The Director of Corporate Services noted that next year will be the third and final year of VisitScotland's strategic framework. It was noted that an update on the Risk and Planning Process would be brought the Board again in January and the Audit and Risk Committee in March before coming to the Board for approval in March 2020. It was noted that VisitScotland's budget allocation would not be known until 2020.
19. The Board agreed that the current Strategic Framework is still appropriate to use as a basis for the 2020 planning process. Board members noted that they were happy with the pillars and the descriptors for activities used in the Framework.
20. There was a discussion around the Risk Framework and the use of colour coding and adding black to the risk heatmap. Consideration was also given to the concept of proximity, to reflect the organisation's ability to react if a given risk occurs. It was noted that further consideration would be given to both these points at a future Audit and Risk Committee meeting.

**ACTION: Add consideration of the Risk Framework, in particular to (i) the risk register heatmap and (ii) the concept of proximity, to the agenda of a future Audit and Risk Committee meeting.**

21. It was noted that risk appetite was last reviewed by the Board in 2016 and that a risk appetite had been allocated to each of the Strategic Pillars. The Board asked Management to proceed on the basis of a Risk Appetite for the Strategic Pillars as follows;
  - a. Build a visitor destination brand – Hungry
  - b. VisitScotland investing in Scotland’s tourism and events community – Open
  - c. VisitScotland facilitating innovation and embracing change – Hungry
  - d. Enabling good to great to world class - Open
22. Definitions of risk appetite, inherent risk and residual risk were provided to the Board. It was noted that risk appetite can vary over time or by context and depending on the experience of the senior management team within an organisation. The importance of revisiting and reviewing risk on a regular basis was highlighted.
23. It was noted that it would be helpful for Management to get a steer from the Board as to its risk appetite in relation to the activities under each Strategic Pillar as this would help Management undertaken the PID review process. The activities are described as:
  - a. Mandatory
  - b. Transformational
  - c. Strategic
  - d. Compliance
  - e. Business as usual.

There followed a wide-ranging discussion on risk appetite in relation to activities under each Strategic Pillar.

24. Following discussion, the Board allocated a risk appetite to each of the activity descriptors as follows:
  - a. Mandatory – Hungry (in particular in relation to the 2023 Cycling World Championships although it was noted that VisitScotland should not take on other activities where it did not have the skill sets to do so)
  - b. Transformational – Hungry (although it was noted that residual risk should be low and proper mitigations put in place)
  - c. Strategic - Hungry
  - d. Compliance - Cautious
  - e. Business as usual - Open.
25. It was noted that following this session, Management would collate and map the outcomes of the discussions for review and further comment at a future Board meeting per the timetable outlined earlier in the meeting.
26. The Board considered the risks in the current Risk Register and thought it appropriate with the following observations:

- a. It was noted that risks for climate change/sustainability and information systems had been added to the Corporate Risk Register.
- b. It was noted that risks in relation to the 2023 Cycling World Championships would come through a project risk register.
- c. The Board requested that Management consider whether the role and positioning of DMOs is captured in the Corporate Risk Register. It was noted that this would be discussed at a future Board meeting.
- d. It was further noted that each individual risk in the risk register is allocated to a Strategic Pillar, and an appetite for that individual risk is also included in the register. Currently, the appetite for individual risks is considered by risk owners and Management.

**ACTION: Consideration of the role and positioning of DMOs in the Corporate Risk Register to be added to the agenda of a future Board meeting.**

27. It was noted that future planning had been picked up during the course of the deep dive.
28. The Chairman noted the importance of carrying out sessions such as this and noted that a risk deep dive would be on the agenda for every December Board meeting going forward.

**ACTION: Add a risk deep dive session to the planner for every December Board meeting going forward.**

## **PROCUREMENT – MEDIA BUYING**

29. A paper requesting approval to award a contract for Media Planning, Buying and Associated Services – Domestic Market was presented to the Board. It was noted that only one potential supplier from the framework had put forward a response to the tender. It was noted that VisitScotland had carried out additional work to ensure value for money and that the procurement process had been considered by the Audit and Risk Committee in November. The Board noted the paper and approved the award of the contract.

## **PROPERTY MATTERS**

30. Papers relating to lease renewals for the Stornoway and Aberdeen iCentres were considered by the Board. The Board noted that it was content with the recommendation put forward in the papers.

## **AUDIT AND RISK COMMITTEE UPDATE**

31. The Chair of the Audit and Risk Committee advised that the papers and minutes from the Audit and Risk Committee held on 21<sup>st</sup> November were included in the Board papers. It was noted that these papers would be taken as read but there were some points that required the consideration and approval of the Board.
32. An amendment to the Audit and Risk Committee Terms of Reference was considered. It was noted there were a small number of changes and that the minimum number of Board members

on the Committee remained at three. **The Board approved the amendment to the Audit and Risk Committee Terms of Reference.**

33. The Chair of the Audit and Risk Committee reminded Board members that they were welcome to attend Audit and Risk Committee meetings.
34. It was noted that the Accounting Policy for Intangible Assets had been updated and reviewed by Audit Scotland. **The Board approved the changes.**
35. Positive internal audit reports in relation to the Solheim Cup and ERP Project were highlighted and the Chair of the Audit and Risk Committee noted that the process for following up on outstanding audit points is much more streamlined now.
36. It was noted that Audit Scotland cannot be appointed as external auditors to the subsidiary company which will be incorporated for the delivery of the Cycling World Championships in 2023. It was further noted that the appointment would be made through a procurement process.
37. The use of 'public task' as a basis for processing personal data in certain circumstances was discussed by the Board. It was noted that as a public body with a statutory purpose, where the processing is necessary for the purposes of VisitScotland performing its public task, the public task basis for processing should be used rather than relying on legitimate interests. It was further noted that the Audit and Risk Committee had questioned and scrutinised the paper at its November meeting. Work which has been undertaken to investigate the use of public task as a basis for processing for VisitScotland was highlighted to the Board. Following discussion, **the Board approved the use of public task as a basis for processing business customer, stakeholder and event stakeholder data in certain circumstances.** It was noted that consent would continue to be used as a basis for processing consumer and visitor data.

## PENSIONS UPDATE

38. An update was provided to the Board. It was noted that the original timeline to consolidate the VisitScotland legacy Local Government Pension Funds into the Lothian Pension Fund would not be met but that VisitScotland had received an undertaking from the Chief Executive at Lothian Pension Fund that, in light of the guarantees VisitScotland has from the Scottish Government, Lothian Pension Fund will not seek to recover any underfunding cost upfront. It was further noted that it had been agreed that VisitScotland contribution rates would not increase by more than 0.5% from their current position once the triennial valuation had been completed. The Board noted the report and the work which has gone into achieving these outcomes.

## FINANCE REFORECAST

39. An update was provided to the Board regarding the proposed funding from SE in respect of Brand Scotland activity and once clarity obtained, the Reforecast will be completed and

presented at the next Board meeting. The Board also noted the uncertainty around the timelines for next year's budget.

## KEY PERFORMANCE MEASURES

40. It was noted that the current risk appetite of the organisation is included in the Key Performance Measurement Report. The following points were highlighted from the Report:
- a. the final reconciliation for the Solheim Cup is currently underway; and
  - b. the nature of visitors visiting the Edinburgh iCentre on the Royal Mile has changed. Now, visitors tend to visit the iCentre once they have been in Edinburgh for a couple of days and are looking for advice on things to do outside of Edinburgh. It was noted that ticket sales in the Edinburgh iCentre were down as a result of this.

41. The Board noted the Report.

## CHIEF EXECUTIVE'S SUMMARY AND REPORT

42. The Chief Executive introduced a report on activity since the previous Board meeting. He drew particular attention to the following:
- a. It was noted that the number of visitors from North America was still high. **ACTION: Provide the Board with an indication of Scotland's share of the domestic UK market at a future Board meeting.**
  - b. It was noted that the strategy adopted in each market would be a topic for further conversation at the January Board meeting.
  - c. The positive results of a staff survey following the Staff Conference were highlighted to the Board. It was noted that the highest response rate was from iCentre staff.
  - d. An update on the Tourism Levy was provided to the Board.

43. The Board noted the report.

## CHAIRMAN'S REPORT

44. The Chairman provided an update on his activity since the previous Board meeting, highlighting a meeting with Belgium's Director of Tourism in Brussels and a speech which he gave at the St Andrew's Day Lecture at Scotland House, Brussels. The Board noted the report.

## INSIGHT AND COMMUNICATIONS REPORT

45. The Board noted the report.

## CORPORATE SERVICES OPERATIONS UPDATE

46. The Director of Corporate Services noted that the Annual Report and Financial Statements were due be laid in Parliament next week. There was a discussion around the monitoring of VisitScotland systems overnight or over weekend periods.

**ACTION: Management to provide an update on overnight/weekend monitoring at a future Board meeting.**

47. The Board noted the report.

## **EVENTS DIRECTORATE PERFORMANCE REPORT**

48. The Director of Events proposed that a report on progress in relation to the 2023 World Cycling Championships be brought to each Board and Audit and Risk Committee meeting going forward. The Board agreed with this proposal.

**ACTION: Paper on progress in relation to the 2023 World Cycling Championships to be brought to future Board and Audit and Risk Committee meetings.**

49. It was noted that the launch of the Year of Coast and Waters had been well received. It was further noted that Expo 2020 had now sold out.

**ACTION: Bring a high-level presentation to a future Board meeting on the outputs of the Solheim Cup in particular in relation to work done to make the event family friendly.**

## **INDUSTRY AND DESTINATION DEVELOPMENT REPORT**

50. It was noted that the Cabinet Secretary had recently announced round three of the Rural Tourism Infrastructure Fund and that work was underway to provide workshops in advance of the application deadlines to help potential applicants understand the process. The Board noted the report.

**ACTION: Management to invite the speaker from the Natural Capital Roundtable event held earlier this month to attend a future VisitScotland Board meeting.**

## **MARKETING, DIGITAL AND BRAND SCOTLAND REPORT**

51. The Director of Marketing, Digital and Brand Scotland highlighted a recent trip to China with businesses during which the team presented to trade. Positive feedback from the businesses was noted. The Board requested that follow up sessions or workshops be conducted with businesses following these trips. It was noted that a wrap-up workshop would be taking place in Dumfries in the New Year.

52. It was noted that performance on VisitScotland's social media channels continues to be strong, with the reach beyond VisitScotland's own followers increasing. It was noted that work continues to ensure the breadth of regional spread on VisitScotland's platforms by working with DMOs in the regions, for example, with DMOs doing social media takeovers.

## **ANY OTHER BUSINESS**

53. The Chairman requested that if Board members were available for any of the events in the Schedule of Forthcoming Activity that they attend those events as and when they could.

## **REMUNERATION COMMITTEE**

54. The Chairman resolved the Board into the Remuneration Committee.

55. The Remuneration Committee considered the paper which had been provided in advance. The Committee noted the proposals to be submitted to the Scottish Government with regard to



director level pay scales. It was noted that this was the final part of the review of pay scales which had been completed for all staff earlier in the year. It was agreed that the proposal be made.

56. The Committee reiterated its concern to ensure that everything possible would be done to close the gender pay gap and expressed the wish that the Board take note of this.

## **BOARD MEETING RECONVENED**

57. The Chair reconvened the Board meeting.

58. The Board received the minute of the Remuneration Committee meeting and agreed it.

## **CLOSE**