Minutes of Meeting of the VisitScotland Board held on 9 March 2018

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

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)

Hannah Melville (Insight Analyst)

Minutes: Lynne Raeside

MINUTES OF THE BOARD MEETING HELD ON 18 JANUARY 2018

1. The minutes of the Board meeting held on 18 January 2018 were confirmed as a true record of the meeting subject to a minor amendment to paragraph 24 to clarify that capitalisation of staffing costs relates to specific projects.

CONFLICTS OF INTEREST

2. There were no conflicts of interest.

MATTERS ARISING

Year of Young People

3. A verbal update on proposals regarding how the Year of Young People ambassadors might engage with the Board was provided. Proposals include speed networking, guest speaker slots at Elevenses sessions and two way mentoring.

GDPR

4. A programme of internal training will be developed for staff after which there will be training provided for the Board.

FINANCIAL MATTERS

Audit and Risk Committee Update

5. The Chair of the Audit and Risk Committee reported on the most recent meeting (February), noting that a verbal report on the December meeting had already been provided. She reported that the review of internal audit has been completed, noting that assurance is strong.

6. She also provided an overview of the year end reporting timetable, noting that it is shorter than in previous years due to the timing of Board meetings. The ARC will therefore be invited to consider the accounts and recommend for approval in early September. This will have an impact on a number of teams. A full timetable will be provided to the next ARC meeting and the following Board meeting.

7. There is a work stream considering the content of the Annual Report and Accounts. This will consider the legal requirements and identify where additional material could be published.

8. The Chair of the ARC reported on a review of policy management. A standardised process will be introduced with a review of policy every three years unless there is a substantive need for change. There are five policies which require to be approved by the Board with a further five that require review at ARC level. **ACTION: Note of the 10 policies which will be subject to review by ARC / Board to be shared.**

9. The Chair of the ARC reported on the work stream which has been set up to consider GDPR. Noted that work is underway to mitigate risks associated with a potential single point of failure. She also noted that there are some potential exemptions for public bodies and legal advice is being sought.

10. The Chairman sought clarity around stakeholder engagement. It was noted that a review will take place and will be shared with the Board in due course. **ACTION: results of stakeholder engagement review to be shared with the Board once complete.**

Finance Report

11. The Director of Corporate Services presented the Finance report which provided an update on (i) the outturn for the financial year ending 31 March 2018; (ii) financial statements for the year ending 31 March 2018; (iii) an update on the 2018/19 planning process; and (iv) an update on the integrated finance, procurement and HR system.

12. He noted that the Audit Scotland report had not identified any findings.

Key Performance Measures

13. The Director of Corporate Services introduced a paper providing the Board with an update on key performance indicators for the period to 31 January 2018. He reported that there are four PIDs which have been identified as being Amber. It was noted that in three cases delays have been caused by a lack of technical resource but work is underway to address this shortage. With regard to Sharepoint migration, this is a question of reallocating internal resources.

14. The Chief Executive reported on changes to the corporate risk register.

15. The Board noted the report.

Health & Safety Report

16. The Director of Corporate Services introduced the Health & Safety Report. He noted that there have been no further RIDDOR incidents since the report on the incident verbally reported at the December meeting. There are also no outstanding claims.

17. The Board noted the report.

Health & Safety Policy

18. The Director of Corporate Services introduced a paper advising Board members of changes to the Health & Safety policy.

19. The Board approved the changes.

Property Matters

20. The Director of Corporate Services introduced a paper seeking Board approval of (i) the Rothesay Winter Gardens Restoration Project; (ii) the disposal of Castle Douglas and Strontian Information Centres; and (iii) the sale of Tyndrum.

21. With regard to Rothesay, he reported that match funding has been secured through the Heritage Lottery Fund and planning consent has been received. The costs to VisitScotland will be met through the assets from the sale of Oban and Helensburgh Information Centres.

22. The Board sought clarity regarding any further projects of a similar magnitude. It was confirmed that there were no similar projects planned and that this project would be welcomed by the community which had very much been involved in the process.

23. The Board also sought clarity on the position regarding the Oban iCentre. It was noted that reference had been made to identifying larger premises in the area but nothing is available at this point in time. It was further noted that the additional capex funding which has been allocated by Scottish Government through the GIA for 2018/19 would be available should premises become available and therefore the work on Rothesay would not impact on any potential changes to Oban.

24. The Board sought clarity on the revenue consequences. It was noted that Rothesay has already been identified as one of the remaining 26 iCentre Hubs and there would be a retail offering similar to that in other centres. There is also a cinema as part of the Rothesay proposition which, although not part of VisitScotland's core business, could have a positive impact on revenue.

25. The Board approved the work.

26. The Board also approved the disposal of Castle Douglas and Strontian centres and the sale of Tyndrum.

Procurement

27. The Director of Corporate Services introduced a paper which provided an update on the replacement Enterprise Resource Planning (ERP) System and also sought approval for the following procurement matters:

    (i) Application to award contract for an implementation partner for the ERP system
    (ii) Application to award contract for internal audit services
    (iii) Application to tender for main contractor (design & build) for Rothesay Restoration

28. With regard to the ERP system, he reported that some changes had been made to the core requirements and that an increase in licences had been agreed. Additional costs would be covered by the contingency fund. The Board approved the application.

29. With regard to internal audit services, the ARC has recommended the appointment of Scott Moncrieff. The Board approved the recommendation.

30. The Board also approved the application to tender for the main contractor for Rothesay.

Pensions Update

31. The Director of Corporate Services introduced a paper updating the Board on pension matters. He reported that the Scottish Government has confirmed that it would provide a guarantee if the decision is taken to sectionalise the scheme. Legal advice would suggest that the scheme should be sectionalised but VisitBritain does not wish this to happen.

32. It was noted that without sectionalisation the scheme is exposed to risks. Securing the guarantee is critical.

33. It was agreed that a full update would be provided to the Chair before the forthcoming VisitBritain Board meeting. **ACTION: update on pension position to be provided to the Chair in advance of VB Board meeting.**

CYBER RESILIENCE

34. The Chairman welcomed Keith McDevitt, Cyber Resilience Integrator, Scottish Government, to the meeting. He presented to the Board an introduction to cyber resilience and the implications for Boards. He stressed that cyber resilience is just another business risk and therefore needs to be dealt with at Board level. He also noted that the problem will never be solved and therefore Boards need to understand how to manage it.

35. He noted that the greatest vulnerability is through people and therefore serious efforts need to be put into educating staff. There is also vulnerability in technology and therefore updates are required regularly.

36. A suite of action plans is being developed by the Scottish Government and there is a list of cyber essentials that every Board must meet. Third party risk is also a significant risk and consideration must be given to that too.

37. To empower Boards there is a series of questions that has been provided for consideration. The Board agreed that these questions need to be answered at Board level.

38. The Board also discussed the risks associated with Board members individually being targeted. It was agreed that consideration would have to be given to where corporate responsibility starts and finishes.

39. The Board thanked Mr McDevitt for an insightful and thought-provoking presentation, noting that this is the beginning of the process and more work will be required on the part of the Board.

INFORMATION STRATEGY

40. The Director of Industry and Destination Development provided a verbal update on the progress of the Information Strategy, including an update on staffing and stakeholder engagement.

41. He reported that he Glasgow iCentre Hub has now opened. Work is also underway to identify a new sites in Edinburgh and Dundee.

42. A communications plan has been developed to ensure awareness of the new methods of information provision to coincide with the start of the main season.

43. It was noted that a full update will be provided at the April meeting.

RURAL TOURISM INFRASTRUCTURE FUND

44. The Director of Industry and Destination Development introduced a paper advising the Board of a Scottish Government request for VisitScotland to manage and administer a new rural tourism infrastructure fund.

45. He outlined the way in which the fund would operate, noting that decisions would be reached by a panel involving partners from across the public sector. Decisions would be made in partnership with no one partner having the ability to overrule. The criteria for the scheme have been set in consultation with partners and Scottish Government.

46. The Chair of ARC sought clarity about the audit requirements. It was noted that Scottish Government has agreed to fund a post to administer the fund and to cover associated costs.

47. The Board discussed the application deadline. It was noted that the initial deadline is for expressions of interest and already around 50 projects have been identified as potential. The deadline for full applications is later.

48. It was suggested that the fund should be referred to as providing ongoing support to help communities welcome increasing numbers of visitors. It was also suggested that the term "growth" should be incorporated into the title.

49. The Board approved the scheme.

SCOTLAND IS NOW

50. The Director of Marketing, Digital & Brand provided an overview of the assets which will form part of the media buy when Scotland is Now launches in market. He also outlined the investment opportunities with Google, FaceBook and YouTube.

51. The Board discussed the question of brand safety. It was noted that some of the bigger brands are already undertaking work to identify solutions and VisitScotland is also working with its media buying agency to consider what solutions there may be. **ACTION: discussion on brand safety to come to future Board meeting.**

52. The Board discussed the role of all partners in driving messaging. It was noted that all partners are deploying resources to support the launch. However, to help support partners a Project Director has been appointed who will invest some time to identify the most appropriate structure to support this work moving forward.

53. The Board also discussed the potential for conflict within the messaging. It was noted that forensic targeting of messaging will address these concerns. Furthermore, the audience being targeted will be more receptive to the wider narrative.

54. The Director of Marketing, Digital & Brand outlined the measurement approach. He explained that it will be easier to understand the cause and effect of media activity in real time.

55. The Board confirmed its continued support for this project.

EQUALITY STRATEGY

56. The Chairman welcomed Chris McCoy, Equality & Diversity Manager, to the meeting. She introduced a paper which provided an update to the Board on VisitScotland's obligations as a public body bound by the Equality Act 2010 and sought approval of the Equality Strategy.

57. It was agreed that equality needs to be at the heart of project planning. A number of actions are in progress to ensure that VisitScotland is meeting its obligations.

58. It was noted that in relation to the LGTBIQ market there could be an opportunity to engage with key trade partners around product packaging. It was agreed that further discussions could be held outwith the meeting.

59. The Board discussed measurement. It was noted that statistics between 2017 and 2019 will be compared when the full Mainstreaming Report is updated.

60. The Board discussed issues around mental health. It was noted that new training is being introduced. The Board asked for a further analysis of the staff survey results in this respect. **ACTION: further presentation on staff survey results to come to future Board meeting.**

OPERATION OF THE BOARD

61. The Board discussed the operation of the Board. It was suggested that an annual work plan would be helpful in terms of planning. It was also suggested that further background papers would aid discussion and would provide context. Consideration was given to the use of committees. It was noted, however, that strategic issues need to be discussed and agreed by the full Board, although there might be occasion to have a short term working group established to look at an issue in detail and bring back a recommendation to the Board.

62. It was noted that it would also be useful to discuss how Board members might be deployed externally more effectively.

63. It was agreed that further discussion is required. **ACTION: discussion on Board operation to be continued at a future Board meeting.**

PAPERS FOR NOTING

64. The following papers were submitted for noting:

- Chairman's Report
- Chief Executive's Report
- Solheim Cup Project Update
- Collaborative Economy
- Insights Update
- Operations Update
- Communications Report
- Schedule of Forthcoming Activity