

Minutes of Meeting of the VisitScotland Board held on 10 December 2020 by video conference

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 Brand)
Riddell Graham (Director of Industry and Destination Development)
Ken Neilson (Director of Corporate Services)
Robbie Clyde (Head of Events)

Minutes: Gayle Biggart

INTRODUCTIONS

1. The Chairman welcomed Board members to the meeting and thanked them for joining the meeting by video conference. Apologies from Paul Bush were noted, and the Chairman advised that Robbie Clyde would provide updates for the Events Directorate. It was noted that the Director of Industry and Destination Development would leave the meeting at 11am to chair the STERG meeting.

MINUTES OF THE BOARD MEETING HELD ON 29 OCTOBER 2020

2. It was requested that reference be made to Rebecca Brooks also being named in the top 100 Women in Tourism 2020 in paragraph six of the minutes. Subject to this change being made, the minutes of the Board meeting held on 29 October 2020 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

3. The Chairman reminded the Board of his interest in Clan Sinclair. Caroline Roxburgh requested that it be noted that one of the two consortia which had been successful in making it through to the R&D phase of the Festival 2022 Project includes Edinburgh International Festival Limited, where she is a Board Director. It was advised that this did not raise concerns for today's meeting and that this would be monitored going forward in case of conflict.

MATTERS ARISING

4. It was noted that the matters arising would be covered during today's meeting or were on the planner to be addressed at a future meeting.

ANNUAL RISK DEEP DIVE SESSION

5. The Director of Corporate Services presented an overview of the organisation's risk management in 2020 to the Board. It was noted that this session would allow the Board to consider how risk had been managed during the pandemic. It was advised that as the Board had been unable to hold its Strategy Day in 2020 due to the pandemic, consideration of the strategic framework and risk appetite would be on the agenda for the 2021 Strategy Day.
6. It was noted that 2020 had been one of the most active years for risk management in the organisation's history. It was advised that VisitScotland had acted early at the start of the pandemic. It was noted that risk proximity had been adopted as a concept over the last year and that this had been extremely helpful in managing risk over the year. It was highlighted that work needed to be undertaken to develop the risk proximity heat map to capture longer term risks but that the heat map was helpful to visualise where risk sits in the organisation at any given time. It was commented that as a result of COVID, two new risks had been added to the corporate risk register to cover internal and external risks. A breakdown of the new risks added to the register this year was provided, including a risk of unsupported legacy IT equipment. An update on Brexit risks was provided. It was noted that the two risks that had been closed had been reincorporated into other risks in the register so were still being managed. It was noted that the Health & Safety Committee and Risk Management Committee had reviewed these risks and provided updates throughout the year. It was noted that there was representation on the Risk Management Committee from across the organisation with different representatives to those in the Leadership Group. It was further advised that the Risk & Compliance Officer is now embedded across the organisation and will be helping 2023 Cycling World Championships Limited with their risk work going forward.
7. The lack of time Management had been able to spend on the risk strategy agreed at the Board meeting in December 2019 due to the pandemic was acknowledged. It was advised that a focus for next year would be to encourage staff to liaise with the Risk & Compliance Officer and generate risks where required. It was noted that a new risk management system would be procured next year. It was noted that going forward 2023 Cycling World Championships Limited's risk report would be provided to the VisitScotland Board and that the Leadership Group had set out a list of deliverables to help manage project resource.
8. An overview of the Strategic Framework and the risk appetite agreed by the Board against each of the pillars in December 2019 was provided although it was noted that the response to COVID had prevented Management from progressing this in 2020. The Chairman noted that the Strategic Framework and risk appetite should be discussed at the Board Strategy

Away Day which was likely to be held in June next year but would be confirmed in due course.

9. The Board commended the organisation's approach to risk management and commented on the meaningful way in which the organisation uses risk. The use of the proximity tool was praised and the importance of embedding risk throughout the organisation was emphasised while noting that VisitScotland had started to address this. The Chairman thanked the Director of Corporate Services and team for their work in this area.

ACTION: Include discussion of the Strategic Framework and risk appetite on the agenda at the Board Strategy Away day in 2021.

CHAIR AND CHIEF EXECUTIVE REPORT

10. The Chairman provided an update on some of the work he had been involved in recently, including attending online events and recording messages for online events, including the North America Leaders Conference.
11. The Chief Executive opened by commenting on the increasing frustrations which have been voiced by industry in recent weeks. It was noted that VisitScotland continued to work with sector bodies and had included industry in the development of our recovery plans and shared those plans with industry. In addition, it was noted that we continue to work with the Scottish Government to emphasise the work that needs to be done to keep Scotland top of mind and the steps which need to be taken to ensure supply chains are in place when travel is permitted again. The success of the Events Industry Advisory Group which was pulled together by VisitScotland was also highlighted. The Board commented that existing tensions between industry and Government were likely to grow over the coming weeks and that while travel is not permitted now, plans should be developed to give overseas markets confidence that Scotland remains a market for them. The Board agreed with the steps VisitScotland has taken so far to work with industry and Scottish Government colleagues. The Chairman commented that as vaccines were rolled out in the new year, a clearer indication of the 2021 landscape may be known in February and March.
12. The Board also commented that since March, the organisation had moved into an entirely different arena in that our contribution to the Scottish economy and industry could not be demonstrated by increased tourism revenues for this year. Instead, the organisation had been contributing in other meaningful ways, but it should be ensured that mechanisms are in place to capture this performance so that it can be reported on.

ACTION: Management to ensure mechanisms are in place to capture VisitScotland's performance and contribution in 2020 so it can be reported on next year.

13. The Chief Executive provided an update on the work of the Visitor Management Steering Group, noting that shorter- and longer-term plans would be developed which would be informed by the ongoing Rural Tourism Infrastructure work.

ACTION: Management to share the shorter-term Visitor Management action plan with the Board.

14. It was advised that the recent staff survey had been completed by 91% of staff and would be brought to the Board in January following analysis by the Insights team. It was noted that December was 'Learning Month' within the organisation with all staff being encouraged to complete their mandatory training modules.

ACTION: Management to bring the staff survey results to the Board in January.

15. It was noted that approx. 3,000 responses had been received in response to a recent industry survey, the results of which would also be shared with the Board in due course. It was further noted that there had been over 500 downloads of a scenario planning toolkit and positive results had been received in response from the annual MSP survey. The Business Events team were congratulated on winning the 2020 Gold Stella Award for best International CVB operating in North America, by North Star Media.

ACTION: Management to share industry survey results with the Board.

INDUSTRY AND DESTINATION DEVELOPMENT

16. The Director of Industry and Destination Development advised that the Board's request to complete a due diligence exercise in relation to Tourism Declares was actioned and the launch in November had been well received. It was advised that the Investment Report included in the papers would be expanded upon in future reports. An update on recent STERG meetings was provided and it was noted that 13 RTIF projects had been approved with requests being made to other groups to strengthen their cases. The Board was asked to confirm whether it agreed with the approach of pursuing an online only Expo event in April 2021.
17. The Board commented that an online only Expo event was the correct decision for April 2021 but noted that industry would be disappointed if the options for a physical or blended event were not considered for later in 2021 and requested that this be considered, while noting that it was intended that familiarisation trips would start again when possible.

ACTION: Management to consider hosting a physical or blended Expo style event later in 2021.

18. The Director of Industry and Destination Development provided an update on the progress which has been made in delivering the Gaelic Language Plan. It was noted that VisitScotland's annual report on progress which is required to be submitted to Bòrd na Gàidhlig together with the action plan were included within the Board papers. It was noted that good progress has been made. It was commented that many students studying Gaelic do not see tourism as a potential career choice which is disappointing. It was noted that four members of VisitScotland staff speak Gaelic and they would receive specialist training for media type settings. It was noted that other staff members had used lockdown as an opportunity to learn some of the language. Anne Anderson, VisitScotland's Gaelic Ambassador, praised the work which had been done over the last year and noted this would be built upon in the coming year.

CORPORATE SERVICES

19. The Director of Corporate Services advised that a pensions paper would be brought to the Board in January and highlighted that the IT team had won the Cloud Award at the recent Connect Public Sector IT Awards and commended the team. The Board noted the report.

ACTION: Pensions paper to be brought to the Board in January.

EVENTS

20. The Head of Events highlighted that further funding had been announced for the events sector to help the industry following the pandemic. It was noted that a new £6m pivotal event businesses fund is due to be launched next week and that a second round of the event industry support fund would be launched in January, building on learnings from the first round and broadening out the criteria. It was highlighted that a return to events is not expected until at least Spring 2021.
21. The Board noted the funding for pivotal event businesses and questioned the level of support for smaller event businesses. An overview of all funding available to events businesses was provided and it was advised that as well as the first round of the event industry support fund, a fund to support events (Scotland's Event Recovery Fund) had also been launched to help support event businesses. The Board also asked how VisitScotland was communicating the various funding programmes available. It was advised that all funding programmes are displayed on visitscotland.org and that we draw on all channels, including involving the Events Industry Advisory Group, to get the information to events businesses. Finally, the Board suggested that VisitScotland could provide further assistance to these businesses by helping management teams to develop their leadership skills to enable them to adapt and pivot in an ever-changing environment.

ACTION: Management to discuss leadership skills development options for businesses with Cathy Craig.

22. The Head of Events provided an update on progress for the 2023 Cycling World Championships. It was noted that the funding agreement with UK Sport was now agreed but had not yet been signed. It was also noted that the roles of (i) Director of Sport, (ii) Director of Operations, and (iii) Director of Commercial and Marketing had now filled. The Chairman requested that the Chief Executive of 2023 Cycling World Championships Limited be invited to present to the VisitScotland Board to provide an update on progress in early 2021. It was noted that the 2023 Cycling World Championships Limited Board was due to undertake a risk deep dive session next week and the importance of establishing a streamlined reporting process from 2023 Cycling World Championships Limited's Board to the VisitScotland Board was highlighted.

ACTION: Chief Executive of 2023 Cycling World Championships Limited to be invited to present on progress to the VisitScotland Board (date to be confirmed but it was felt the March Board may be an appropriate time).

ACTION: Management to establish a streamlined reporting process from 2023 Cycling World Championships Limited's Board to the VisitScotland Board.

MARKETING AND DIGITAL

23. The Director of Marketing and Digital provided an update on the latest trends and activity. It was noted that channel performance had decreased after the summer period as people's appetite and ability to travel reduced. However, it was further noted that there had been an increase in domestic web traffic over the last couple of weeks (returning to 2019 levels) and increased international traffic too, indicating that people are beginning to plan for next year. It was advised that lead times for bookings through Expedia were as little as eight days but that this was starting to increase as people are starting to look to book for 2021. It was noted that the team is currently running a database acquisition campaign to build audience numbers. The Scotland Loves Local campaign was introduced, and it was advised that this campaign was intended to coincide with the gifting season and support local initiatives. It was noted that any Scottish business could promote its offers on [visitscotland.com](https://www.visitscotland.com) and digital media activity was targeted to local areas and not wider across Scotland in line with the current travel restrictions. The Board commended this campaign and noted that it instilled pride in our local areas.
24. It was advised that Brand Scotland, which is now embedded within the Scottish Government, was due to start activity in Europe in January, focusing on the message that Scotland is still here for those who want to live, visit, work, study or invest here. It was noted that VisitScotland would retarget those who engage with the Brand Scotland content with specific 'visit' content, focussing on France, Spain, Germany and the Netherlands. An overview of activity planned for Burns night was provided together with the themes for early 2021, which remain targeted for local travel but focus on city breaks, wellness/wellbeing and the outdoors, and educational messaging to cover wild camping to try to get ahead of the issues faced in 2020. It was advised that VisitScotland continued to be flexible when creating its assets so activity can take place as and when the restrictions are eased.
25. The Director of Marketing commented that the positive reaction to Scotland during Scotland Reconnect showed that there is still appetite for Scottish product, with new buyers from both the EU and UK markets joining the online event. It was advised that VisitScotland would shortly be tendering for a partner in the EU/Canada to help build up our agent database and it was noted that the ScotsAgent Programme is currently being redesigned.
26. There was a discussion around the likely increase in media rates in 2021 and how this would impact VisitScotland's marketing budget. It was noted that the annual funding cycle made it difficult to plan years in advance but that VisitScotland is already undertaking much more online activity, with the inspirational content performing better online.
27. The work of the Marketing team as part of the wider Visitor Management Group mentioned earlier by the Chief Executive was also outlined and the Board noted the report.

FINANCIAL & GOVERNANCE MATTERS

APPROVAL OF ANNUAL ACCOUNTS

28. The Chair of the Audit and Risk Committee advised that the following documents formed part of the Board paper pack:
- Internal Audit – Annual Report;
 - External Audit – Annual Report;
 - Internal Control Checklist and Certificate of Assurance;
 - Audit and Risk Committee Report to the Board; and
 - Annual Report and Financial Statements.

It was advised that the Audit and Risk Committee Report to the Board provides a summary of the opinions issued in the audit reports and is now in final form. It was further noted that the Audit and Risk Committee report highlights the areas on which the Committee has sought assurance over the last year and that there were no red findings in the report, with the small number of outstanding points continuing to be addressed and progressed by Management. The Board was reminded that the external audit had been conducted later than normal due to COVID-19 and the External Audit Annual Report noted no significant findings and provided an excellent scorecard on the VisitScotland Finance and wider teams. It was advised that the grant funding processes would be looked at as part of the Audit and Risk Committee's work this financial year (in early 2021), with a review of strategic planning taking place in 21/22. The Chair of the Audit and Risk Committee also highlighted the small amendments which had been made to the National Performance Framework within the Annual Report and Financial Statements following feedback from the Committee meeting in November. It was advised that following substantial scrutiny of the Annual Report and Financial Statements by the Audit and Risk Committee, the Committee now recommended the Annual Report and Financial Statements to the Board for approval.

29. The Chairman noted the areas highlighted in the External Audit Annual Report and advised that they would be considered, as agreed at the November Audit and Risk Committee meeting, next year.

ACTION: Management to consider and take forward the recommendations from the External Auditors.

30. The Chairman thanked the Chair of the Audit and Risk Committee and the members of the Audit and Risk Committee for their work over the last year. The Board commented that all the reports provided give great insight and assurance to the Board. It was noted that the level of assurance was thanks to the quality of work of the Committee, the Director of Corporate Services and Finance Team and the Board thanked them. **The Board noted papers (a) to (d) and formally approved the Annual Report and Financial Statements.**

ARC UPDATE AND ARC TERMS OF REFERENCE

31. The Chair of the Audit and Risk Committee then reported on the Committee meeting which took place on 26th November. It was noted that Rebecca Brooks had attended this session and all Board members had now attended a Committee meeting. It was advised that the Chair of the Audit and Risk Committee for 2023 Cycling World Championships Limited had also attended. The papers from the meeting were taken as read.

32. The minor adjustments to the Audit and Risk Committee terms of reference were noted and **the Board approved the updated Terms of Reference for the Audit and Risk Committee.**

FINANCE – REFORCAST FOR APPROVAL AND YTD UPDATE

33. The Director of Corporate Services advised that he would take the paper as read but made the Board aware of a cashflow issue with 2023 Cycling World Championships Limited. It was noted that this had now been resolved and would be managed differently moving forward.
34. The Director of Corporate Services took the Board through a presentation on the reforecast and highlighted that as VisitScotland receives its budget in tranches throughout the year, this does not yet include funding for some of the COVID related funds mentioned earlier in the meeting. An overview of the profit and loss account for the organisation was provided and it was noted that recruitment had started earlier in the year than expected with additional digital staff being recruited. There followed a discussion on capital spend. It was advised that a balanced budget had been reached following the reforecast. The Chairman noted the comprehensive report.
35. The Board commented that the report draws attention to the scale of VisitScotland's activities and questioned whether the shift towards administering more grant funding had staffing consequences. It was noted that staff would be trained as required to progress the grant work. The Board noted the report.

PROCUREMENT - EPOS

36. The Director of Corporate Services presented the procurement paper to the Board and noted that the Board's approval to award a contract for the provision of an Electronic Point of Sale (EPOS) System was sought following recommendation from the Audit and Risk Committee. It was noted that there remained a business need for the system, it will allow the organisation to deliver a more efficient ticketing process and the price comparison which had been requested by the Audit and Risk Committee was included in the paper. **The Board approved that award of contract for an EPOS system for a maximum period of 60 months.**

PROCUREMENT ANNUAL REPORT

37. It was noted that a copy of the Annual Procurement Report had been provided to the Board. It was advised that this report had previously been presented to the Audit and Risk Committee and provides the Board with oversight of the organisation's procurement activity and assurance in relation to the processes. It was noted that the report will be made available on visitscotland.org. The Board noted the report.

POLICIES

38. **The Board considered and approved the following policies:**
- a) **Voluntary Redundancy Policy;**
 - b) **Pensions Policy; and**

c) Changes to the IT Acceptable Use and Staff Privacy Policies to cover meeting recordings.

39. The Board noted Policy Roadmap.

BUSINESS CONTINUITY UPDATE

40. The Director of Corporate Services advised that the paper covered three areas: (i) working from home; (ii) iCentres; and (iii) office reoccupation. It was advised that the lease at Ocean Point was due to end in February 2022 and that business cases covering the options being considered following the Board's approval of the Agile Working Policy, would be brought to the Board in 2021. The Board noted the update.

ACTION: Management to bring Edinburgh office business cases to the Board for consideration in due course.

PROCUREMENT - 2023 CYCLING WORLD CHAMPIONSHIPS LIMITED – EXTERNAL AUDITORS

41. The Director of Corporate Services took the Board through the paper which had been circulated by email before the Board meeting. It was advised that no responses had been received to the initial invitation to tender for external audit services through the Crown Commercial Services framework. This resulted in VisitScotland running its own procurement process, with supplier meetings being held earlier this week. It was advised that the Chair and a member of the VisitScotland Audit and Risk Committee, as well as the Chair of 2023 Cycling World Championships Limited's Audit and Risk Committee, had attended the supplier meetings. The Board members who attended the supplier meeting provided their feedback to the Board and noted that they agreed that the supplier being put forward to the Board for approval had relevant event delivery experience. **The Board noted this and approved the award of contract for the Provision of External Audit Services for 2023 Cycling World Championships Limited to Armstrong Watson.**

AOB

42. The Chairman advised that the 2020 Board planner had been included as part of the papers and that he would shortly start working on the planner for 2021.

ACTION: Management to consider the topics to be brought to the Board in 2021 and ensure they are spread out appropriately throughout the year.

CLOSE

43. There being no other business, the Chairman thanked Board members for their attendance and support over a challenging year. The Chief Executive's leadership over the last year was commended and the Board thanked him and his team for all their hard work. Thereafter, the meeting was brought to a close.