

Minutes of Meeting of the VisitScotland Board held on 11 June 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 Global Brand)
Riddell Graham (Director of Industry and Destination Development)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director 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. No apologies were noted. It was advised that items would be taken in a slightly different order to the circulated agenda as Riddell Graham was chairing the STERG meeting at 11am. It was noted that the matters arising would be covered during the course of today's meeting.

MINUTES OF THE BOARD MEETING HELD ON 30 April 2020

2. The minutes of the Board meeting held on 30 April 2020 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

3. Keith Nicholson advised of a potential conflict in relation to the Good to Go initiative. Keith noted that he is a director of a business which owns self-catering properties in Edinburgh and Caithness which was likely to seek to participate in the initiative.

CHIEF EXECUTIVE'S SUMMARY AND REPORT (INCLUDING GENERAL COVID-19 UPDATE)

4. The Chairman invited the Chief Executive to provide the Chief Executive's summary and a general update on the COVID-19 response. The Chief Executive noted that much of the

information contained in the Board papers had now been superseded as the situation continued to be fluid. The announcement from Scottish Government on Wednesday 10 June giving tourism businesses a date to work towards for reopening was welcomed.

5. An overview of the results of a VisitScotland staff survey (conducted in May during the lockdown) was provided to the Board and it was advised that the full results would be brought to the Board in July. It was noted that the response from staff had been very positive and although there were some pockets of concern, generally amongst staff who live alone or have care or home-schooling responsibilities, colleagues and line managers had been checking in on staff virtually and offering support. The Chief Executive has also held drop in forums with staff across the organisation to answers any concerns and provide an update on the work which VisitScotland has been doing. It was noted that the health and wellbeing of VisitScotland staff was the main priority and there would not be a push to open iCentres or offices until there was more certainty.

ACTION: Bring full staff survey results to the Board in July.

6. It was noted that the only current recruitment processes in place were for 2023 Cycling World Championships Limited and that the 2020 Pay Award had been implemented for all staff (excluding variable iCentre staff) in the May payroll. It was advised that a minimum pay rate of £10 per hour is now in place, and 110 variable iCentre staff have received an uplift to the new rate.
7. The Chief Executive advised that he was speaking regularly to the Cabinet Secretaries, providing input into the various applicable funding packages and highlighting that industry needed a date to work towards for reopening to allow them to prepare. It was noted that yesterday's announcement was a great step forward. It was highlighted that Tourism and Hospitality Guidelines were expected to be announced by Scottish Government on 18 June.
8. It was noted the value of the tourism industry in 2019 had broken all records, despite Brexit. The development of the staycation market was highlighted, and it was noted that it was expected that this market would continue to play an important role. It was advised that there were indications that bookings from August onwards were growing but that work needed to be done to support industry to be in a position to open and ensure there is enough bookable product available, as well as consideration being given to how visitors get here and how they move around. It was stated that a more extensive communications plan is being brought together by the STERG group, with input from its various representatives. The work which would need to be done to unpick the "stay at home, stay safe" message was also noted, but that the challenge was welcomed.
9. Feedback received from industry by Board members in relation to VisitScotland's communications in relation to COVID-19 was relayed to Management. There was a discussion around the feedback which had been received and it was noted that consideration needs to be given to balancing the work to be done with industry to encourage them to open up safely against building trust and confidence in local supply

chains, communities and consumers. The Board recommended that VisitScotland read all relevant guidance and legislation and issue communications based on what is right, ensuring that reasons for taken certain actions is documented and justified. It was noted that it would not be possible to keep everyone happy. The Chief Executive thanked the Board for its input, noting that the comments would be taken on board. It was acknowledged that communications are key during this period; that VisitScotland has a communications plan based around instilling confidence in the industry, communities and consumers; and that it is currently working with various destination management organisations whose support is required in order to implement the plan. It was also noted that over 3,500 attendees had signed-up to webinars held by VisitScotland Management over the last month or so. It was noted that the messaging in the webinars had been clear, direct and honest and that the feedback received had been positive.

INDUSTRY AND DESTINATION DEVELOPMENT

10. It was noted that the focus of the organisation had been on supporting industry over the last couple of months and that the Industry and Destination Development Directorate had been on the front line of this. It was noted that STERG continue to meet on a weekly basis and that it is proposed that STERG feeds into the Tourism Recovery Taskforce announced by the Cabinet Secretary on 10 June. It was advised that there had been 99 applications to VisitScotland's Coronavirus (COVID19) support scheme for tourism destination and sector organisations, with 82 of those being successful. It was highlighted that the tourism destination and sector organisations supported represent over 10,000 tourism businesses across Scotland.
11. The Director of Industry and Destination Development provided an overview of the 'Good to Go' initiative which had been set out in the Board papers. It was noted that the initiative was being led by VisitBritain/Visit England, with support from VisitScotland, Visit Wales and Tourism Northern Ireland. It was advised that sector guidelines had been produced by relevant bodies and the initiative would allow tourism businesses to access an online platform and self-certify that they had read and understood the guidelines relevant to their sector. It was stated that VisitScotland would not be involved in spot checks covering the health and safety element of the guidelines being implemented but that part of its role could be to make phone calls to businesses to check businesses are aware of and have considered following the guidelines.
12. There followed a discussion by the Board in which the Board highlighted that it was essential to be clear of VisitScotland's role in the initiative from the outset and to ensure that the organisation does not find itself being held to account for public safety/health as a result of the scheme. The importance of having a pan UK scheme was emphasised alongside the diverging approaches of the devolved governments. It was highlighted that Scottish businesses should be directed to Scottish Government and Public Health Scotland advice. The messaging to the consumer was also discussed and it was advised that this should be clear to help build consumer confidence and to set out the role played by VisitScotland. The Director of Industry and Destination Development commented on the points raised by

Board members and confirmed that it was not the intention for VisitScotland to regulate health and safety matters as a result of this initiative. It was noted that businesses would be asked to confirm where they are based and would then be directed to the relevant guidance. It was confirmed that discussions on the consumer messaging are ongoing but that the terms and conditions would make it clear where responsibilities lay.

The Board approved the ‘Good to Go’ initiative in principle subject to the details in paragraph 12 being finalised. The importance of VisitScotland not being seen as a regulator was reiterated and it was noted that the aspiration was for this to be a nationwide initiative, but with Scottish Government and Public Health Scotland guidance and advice being applicable for Scottish businesses.

ACTION: Management to ensure the points raised by the Board are taken forward and actioned with counterparts at VisitBritain/Visit England, Visit Wales and Tourism Northern Ireland.

CORPORATE SERVICES – BUSINESS CONTINUITY UPDATE

13. The Director of Corporate Services confirmed that the organisation is operational. It was noted that the Business Continuity Group is now meeting to discuss when and how iCentres and local offices could be reopened. It was noted that work is also underway to assess the need for larger local offices and it was advised that the agile working policy is being updated to reflect the lessons which have been learned during this period of working from home. The Chairman thanked Management for the comprehensive paper and commented on the good job being done in this area.

EVENTS

14. The Director of Events provided an update on the work undertaken by the Events Directorate over the last couple of months. It was noted that the return of events was in phase 4 of the Scottish Government’s plan but that the events industry had taken a pragmatic approach to this and wished to get the set up of events right going forward rather than rushing back. The importance of learning from the successes and challenges which other countries, who are further into the recovery stages, have faced was highlighted and it was noted that EventScotland would be looking to do this. It was noted that unlike the tourism industry there is no events industry body. The Events Directorate is now working with the industry to create a national events advisory group (with representation across event organisers of different sizes and geographic locations) to provide strategic advice on issues facing the industry as well as to be a communication channel out to the wider industry. It was also stated that EventScotland has been working with the Scottish Government to provide clear advice to the events sector as to how events should and could be delivered when the restrictions are lifted. It was indicated that golf events may return in a “behind closed doors” format from August meaning the Scottish and British Ladies Opens may be able to take place.
15. An update on the 2023 Cycling World Championships was also provided to the Board and the Director of Events thanked Caroline Roxburgh for her assistance.

MARKETING AND DIGITAL

16. The Director of Marketing and Digital advised that the Directorate was continuing work to keep Scotland top of mind on our own channels; provide destination training and practical support for industry groups – sharing insights, plans and thinking. It was noted that community sentiment was also being listened to so that this could be incorporated into the planning process. It was advised that work would continue with industry to encourage businesses to keep their weblistings up to date to allow VisitScotland to help signpost to those who will be open. In addition, it was noted that work continued to encourage businesses to ensure that their product is online bookable, include those who use ticketing, as this will become more important.
17. It was noted that a series of regional webinars helping businesses to become digitally ready and advising how insight and research can be fed into their marketing plans were being actioned and one to one sessions with DMOs would also be scheduled now there is a firmer date to work towards in Scotland. It was noted that the team are also looking into using ‘messenger’ as a social messaging tool to provide real time customer service in a physically distanced manner. It was advised that this process would need to be developed with the regional teams and DMOs.
18. The Director of Marketing confirmed that a lot of work and planning had taken place over the last couple of months to ensure there is content, campaign material and media ready to go when we get the go ahead to do so. It was advised that the main themes were (i) to tell the people of Scotland that their country needs them; (ii) to persuade the rest of the UK and Ireland market that Scotland offers the kind of holiday they are looking for; and (iii) to match regions to holidaymakers based on their interests. It was advised that consideration had also been given to the idea of a ‘visitor pledge’ and what it means to be a ‘responsible visitor’. It was highlighted that the assets which had already been created could continue to be used for the long haul market, with the ‘dream now, travel later’ messaging continuing to be used but that this could be turned into messaging about booking trips and travelling to Scotland when the time is right.
19. The Chief Executive reiterated that the teams had been planning ahead and that VisitScotland would be able to be flexible in its approach going forward as timescales are confirmed and restrictions are lifted. It was also noted that the Events Directorate had done an excellent job in becoming the voice of the events industry during the crisis and that the newly created advisory group would be beneficial for the industry moving forwards. It was noted that Management would continue to keep the Board updated on all activity going forward.
20. The Chairman echoed the Chief Executive’s thanks and the Board noted their appreciation of the work which had been carried out across the organisation by all the Directors and their teams. It was noted that the communications links and updates which are forwarded on to Board members are well received as it allows them to keep up to date with VisitScotland’s positioning during this fast-moving situation.

FINANCIAL AND GOVERNANCE MATTERS

FINANCE

21. The Director of Corporate Services provided an update on the Annual Report and Financial Statements timetable the year ended 31 March 2020. It was noted that discussions had taken place with Audit Scotland and the decision had been made to push the timetable back by a set of meetings (i.e. instead of the draft annual report and financial statements being brought to the July Board, they would be considered at the September Board meeting instead, with the accounts and audit report being brought to the December Board meeting for approval). It was noted that the Performance Report would be reviewed by the Management Team with a template of what will be included being provided to the Board in July and that the September Board (and ARC) would be provided with the full Performance Report and Financial Statements for review. It was advised that the working assumption was that the Performance Report would not change much from the version used last year. The Board noted the updated timetable.

ACTION: Bring a template version of the Performance Report to the Board in July.

22. It was noted that the reforecast of the 2020/21 operational budget was based solely on VisitScotland's grant in aid, excluded any ringfenced activities, and does not include any commercial income. It was noted that core salary, lease and licence costs budget had been agreed with Heads of Department and an interim budget had been put in place to cover the current activity. It was noted that the amount to be allocated to Recovery Activities was £7.34m. It was advised that consideration is being given to how this recovery budget could be spent to ensure VisitScotland is in a position to help industry and that a proposed allocation of the spend would be brought to the July Board.

ACTION: Bring allocation of the recovery budget to the July Board.

23. It was advised that the breakdown of VisitScotland's £5.25m capital GIA budget had now been received by Scottish Government. The make up of this was shared with the Board as was an overview of the business cases which had been submitted for capital projects for 2020/21. It was noted that a portion of this budget could be spent on ensuring the office and iCentre workspaces are ready for use in a post COVID-19 world. The Board was advised that the role of an office was being discussed internally but that this could be different going forward with staff only going in for specific tasks rather than on a daily basis. **The Board approved the 2020/21 capital budget and noted the direction of travel on the other matters in the Finance paper.**

FACILITIES

24. The Community Asset Transfers of Surplus Property was presented to the Board. It was noted that there were three potential disposals of properties under the community asset transfer legislation to consider. The first related to the former iCentre in Castlebay. The background was provided to the Board and it was noted that due to demand for their services in the area, Citizen's Advice Bureau had indicated that they wish to purchase these premises from VisitScotland for the full market valuation sum of £18,000. **The Board**

advised that is was content with this proposal and approved the disposal of the Castlebay property to Citizen's Advice Bureau for £18,000. Consideration was then given to the Castle Douglas and Gatehouse of Fleet properties. It was advised that community groups had taken up occupation of these premises following the iCentre closures. It was noted that the work undertaken by the two groups centred around community working and that they provide information and sell tickets for local events. The two business cases provided by the groups had been shared with the Board. It was noted that both groups have made significant investment to the to the properties. It was advised that the groups had each offered VisitScotland £1 for the properties. It was noted that the Scottish Government Community Empowerment Team had advised that there is no issue in transferring properties for £1 if VisitScotland is comfortable with the reasoning whilst ensuring that failsafe and claw back measures are included in the transfer agreement. It was noted that in considering the business cases submitted by the community groups, Management had considered that both initiatives continue to support tourism whilst providing economic development in the area and that the jobs and volunteering opportunities support social wellbeing and public health agendas by keeping people within the community employed and engaged in community interests. **The Board considered the paper and business cases provided to them and approved (i) the disposal of the Castle Douglas property to the Castle Douglas Business Forum for £1; and (ii) the disposal of the Gatehouse of Fleet property to the Gatehouse Development Initiative for £1 subject; both subject to claw back measures being included in the transfer agreements.**

PROCUREMENT

25. The Director of Corporate Services provided an overview of the background to the procurement paper which was included within the Board papers. It was advised that the matter concerned a 2023 Cycling World Championships Limited (VisitScotland's wholly owned subsidiary) invitation to tender. In line with the delegated authority, which was agreed by the VisitScotland Board in March, part of the approval process was for the matter to be approved by the VisitScotland Board. It was noted that the invitation to tender concerned procuring a sponsorship sales agency for the 2023 Cycling World Championships and an overview of the sponsorship and rights provisions under the long form agreement with the UCI was provided, together with an overview of the procurement process and the award criteria.

ACTION: Director of Corporate Services to liaise with the Chair of the Audit and Risk Committee on the scoring of bids.

The Board approved the Application to Tender for a Sponsorship Sales Agency for the 2023 Cycling World Championships.

POLICIES

26. An overview of the updated Records Management Policy was provided to the Board. It was advised that mandatory records management training, a retention schedule and controls within the system were in place to sit alongside the policy. It was noted that the policy was intended to cover the next three years and that there are commitments in the policy to

implement procedures and move from good to great to world class. It was advised that progress on these commitments would be reported on annually to the Audit and Risk Committee. **The Board approved the policy on the basis that the commitments outlined be undertaken and reported on to the Audit and Risk Committee.**

RISK

27. The Board were provided with an update on risk management arrangements during the COVID-19 period and a view of the proximity of all risks within the Corporate Risk Register as of June 2020. It was noted that this update was out with the usual timetable for risk updates to the Board but that it was felt that it would be appropriate to provide the Board with an update on risk arrangements during the pandemic. It was noted that in order to minimise the workload on staff, two new COVID-19 focused risks had been created to represent all the work ongoing across the organisation. It was advised that one risk is internally focussed and the other externally focussed. There was a discussion around the new risks and the Board were directed to the pages in the papers which considered these risks in more detail. **The Board noted the update on risk management arrangements and commented that they were appreciative of the work which had gone in to producing the report and found value in the way risk proximity had been presented.**

PENSIONS

28. An update on VisitScotland's pension schemes was provided to the Board. It was advised the British Tourist Board Pension Fund required a valuation to be scheduled following the sectionalisation of the fund last year. It was noted that the date which had been set for the valuation was 31 March 2020, so the valuation had been impacted by the position of the investment markets at that time. It was advised that any market improvements after the valuation date can be taken into consideration so VisitScotland is proposing to push back the conclusion of the valuation to as close to the statutory deadline of end of June 2021 as possible. It was highlighted that a government guarantee is in place in relation to the fund. The Board agreed with the proposal to move the conclusion of the valuation until 2021. In relation to the Local Government Pension Fund, it was advised that given recent events, a revised and phased timetable has been agreed by the parties, moving the final completion date for the consolidation work to 31 March 2021. It was advised that this will not have a financial impact on VisitScotland. The Board noted the update.

AOB

29. The Board noted the updated version of the Board programme which had been circulated with the Board papers.

CLOSE

30. The Chairman thanked Board members for their attendance and for providing their comments on the Board papers in advance of the meeting. It was highlighted that this was extremely helpful when conducting the meeting by conference call. Thereafter, the meeting was brought to a close.