

Minutes of Meeting of the VisitScotland Board held on 18 January 2018

Present: John Thurso (Chairman)
Anne Anderson
Rebecca Brooks
Cathy Craig
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)

Steve Ridgway (Chairman, VisitBritain)
Nikki Sherret (Senior Content Editor)

Apologies: Gordon Dewar

Minutes: Lynne Raeside

MINUTES OF THE BOARD MEETING HELD ON 14 DECEMBER 2017

1. The minutes of the Board meeting held on 14 December 2017 were confirmed as a true record of the meeting.

CONFLICTS OF INTEREST

2. Steve Ridgway recorded that he is a member of the GIP Advisory Board. No other conflicts were recorded.

MATTERS ARISING

Cyber Resilience

3. The Director of Corporate Services updated the Board on training opportunities related to cyber resilience. He reported that there are introductory sessions that could be facilitated as

part of a Board meeting and a session would be organised for a future meeting. **ACTION: introductory session on cyber resilience to be arranged for future Board meeting.**

Year of Young People

4. The Board was updated on discussions with the Year of Young People ambassadors. A meeting to discuss Board engagement will be held shortly and an update provided to the Board. **ACTION: update on engagement proposals with Year of Young People to be shared with Board members.**
5. The Chairman welcomed Nikki Sherret to the meeting. NS is one of 12 young members of staff work shadowing the Director of Marketing and Digital throughout 2018. NS gave an overview of the initiative and of the project she is taking forward, focusing on intergenerational marketing activity.
6. The Board endorsed the work shadowing initiative and noted the importance of extending it beyond the Marketing & Digital Directorate and beyond 2018. It was reported that the Chief Executive is also working with one of the Modern Apprentices. The Board also asked that consideration be given to how the experiences of the year and these two initiatives are captured and lessons shared.

FINANCIAL MATTERS

Finance Report

7. The Director of Corporate Services introduced the Finance Paper which provided an update on the GIA budget allocation for fiscal year 2018-19; the financial statements for year ending 31 March 2018; the integrated finance, procurement and HR system (ERP); and pensions.
8. In relation to the ERP system, he reported that a meeting had been held with three potential partners with a view to moving into the implementation phase as soon as possible.
9. The Board noted the report.

Key Performance Measures

10. The Director of Corporate Services introduced a paper outlining progress against key performance indicators. Discussion focused on those PIDs which have been identified as sitting at Amber.
11. It was noted that resource challenges which had led to a review of timescales have now been addressed. In relation to digital development, it was reported that a new governance model is being introduced to address challenges.
12. The Board noted the report.

Cyber Resilience

13. The Director of Corporate Services reported that a public sector action plan has been produced which aims to share best practice. VisitScotland is currently developing an action plan which is in its early stages.
14. It was noted that the Board has a duty to take ownership of this subject and understand the areas of exposure and risk. It was agreed that a risk register will be developed. Risk should be separated into risks associated with delivery and longer term risks. Carolyn Jameson offered to provide advice where required.

General Data Protection Regulation

15. The Director of Corporate Services introduced a paper informing the Board about the new data protection legislation, the General Data Protection Regulation (GDPR); its impact on VisitScotland; and necessary actions for VisitScotland future compliance. He reported that this has been identified in the work plan of the Audit and Risk Committee.
16. The GDPR is new legislation which originated from the EU but will continue to apply post-Brexit. It will impact across four areas: suppliers, customers, employees and consumers. From a consumer perspective, VisitScotland has been GDPR compliant since 2016. Further guidance on the wider impacts is awaited from the ICO.
17. The Board discussed the relationship between VisitScotland and other data holders. It was noted that an audit of those data holders might be required. Industry awareness was also discussed and it was noted that there will be a need to communicate compliance requirements.
18. The Board discussed the impact on database growth. It was noted that there is no risk because a thorough exercise has already been carried out to cleanse data. Future growth will be focused on quality rather than quantity.
19. The Board acknowledged that there is still a lot unknown about the impact of GDPR and therefore the subject should be brought back to the Board as more information becomes available. It was also suggested that training should be provided when the full impact of GDPR is better understood. **ACTION: training on GDPR to be considered for Board members.**

Health & Safety

20. The Director of Corporate Services provided a verbal update on Health and Safety matters. He noted that 96% of training had been completed.

BUDGET SCENARIOS

21. The Chairman welcomed Michelle Lavery to the meeting to provide an overview of the budget position following the outcome of the comprehensive spending review.

22. ML provided an overview of budget changes that had been made during the 2017/18 financial year, with moves from opex to capex. She also outlined the challenges of meeting the salary bill in the 2018/19 financial year, noting the potential of setting a salary saving target. Additional opportunities to address challenges include the 3% efficiency target and procurement savings.
23. The Board discussed the impact of the CSR on the overarching strategy. It was noted that there is no need to change direction in the coming year but with potential funding challenges in 19/20 careful attention will have to be given to the ongoing strategy.
24. The Board discussed capitalisation of staffing costs and income targets. It was noted, in respect of staffing costs, that only implementation costs can be capitalised and they must be dedicated solely to a particular project that is being implemented. In relation to income targets, there is no detail at this stage but it was noted that retail income from the iCentres in 17/18 has been extremely positive.
25. The Chief Executive noted that there will be monies available for VisitScotland through other budget lines, e.g. South of Scotland marketing money. A full picture will not be available for some time.
26. The Board noted the position as it currently stands and approved the budgetary and planning process as outlined.

INFORMATION STRATEGY

27. The Director of Partnerships provided a verbal update on implementation of the Information Strategy. He reported that there are no outstanding staffing issues in respect of Phase 1. Of the 21 iCentres affected, 19 have ceased operating while two will continue to operate for a few weeks – Fort Augustus and Sumburgh. He updated the Board on negotiations relating to leases and to disposals. He also provided an update on engagement, with specific reference to ongoing discussions in the three areas where decisions are still to be made on the location of the regional Hubs. The Board discussed the importance of ensuring that any decisions taken in these areas do not result in a change in policy which could have consequences elsewhere.
28. It was reported that the cross-Directorate team will continue and there is a recognition that ongoing communications and engagement will be required as implementation continues through 2018 into 2019. Work will also continue with HR to address any staffing matters throughout Phase 2.
29. An update on the VIP programme was also provided. It was reported that there will be some positive announcements forthcoming around a partnership with Historic Environment Scotland and an announcement on the opening of the Glasgow regional iCentre hub.
30. The Board noted the report.

EMPLOYEE SURVEY RESULTS

31. The Chairman welcomed Lynn Jack, Head of HR, and Fiona Carruthers, Insights, to the meeting and invited them to present the results of the Employee Survey. They outlined the results across the nine areas covered in the dashboard.
32. The Board discussed the question of benchmarking. It was noted that the survey allows for benchmarking against the civil service. Given that VisitScotland is competing with technology businesses in relation to staff, it was suggested that it would be appropriate to benchmark against private sector data. It was noted, however, that it is difficult to access private sector data. The Chairman thanked those who had provided access to data from their own organisations and urged others to do likewise. Board members asked for a copy of the presentation and the more detailed breakdown. **ACTION: circulate presentation and more detailed results.**
33. The Head of HR outlined the actions which will be taken in response to the findings. It was noted that there is a balance between taking the time to ensure the actions are appropriate and to demonstrate action is being taken. As part of this process best practice examples will be pulled out and shared across the organisation.
34. The Board thanked LJ and FC for the presentation and congratulated the team on development of a well thought out staff engagement strategy. They also noted that delivery of the strategy should lie not just with line managers but with identified leads across the organisation.

PUBLICATION POLICY

35. The Director of Corporate Service presented a paper seeking Board approval of the refreshed VisitScotland Publication Policy.
36. The Board approved the extension of the Publication Scheme to include the policies outlined in the Board paper and approved the recommendation relating to Board papers and minutes of the Remuneration Committee.
37. The Board discussed the question of publishing minutes of the Audit and Risk Committee (ARC). In line with FOI classification guidelines, it was noted that the ARC supports the Board and is not a decision making body. It was therefore agreed that minutes of the ARC should not be published but this decision will be kept under review.

CHAIRMAN'S REPORT

38. The Chairman provided an update on his activity since the previous Board meeting. He drew particular attention to his regional engagement visits to Orkney and Perth; his meetings with HIAL and SNH; the Parliamentary reception; and his call with the Cabinet Secretary.

39. The Chairman thanked Steve Ridgway for coming to meet the VisitScotland Board and for taking the time to engage with the industry to discuss the Industrial Strategy and the Tourism Sector Deal.
40. Steve Ridgway provided an update on developments at Westminster which might impact on tourism in Scotland. He noted the ongoing funding challenges and the challenges at UK level around communicating the importance and size of the tourism sector. He suggested that a Board to Board dinner could be arranged for later in 2018 or into 2019 to coincide with STA activity, thereby allowing VisitBritain Board members to engage more widely with the industry in Scotland.

CHIEF EXECUTIVE'S REPORT

41. The Chief Executive provided an update on activity since the previous Board meeting. He drew particular attention to the following:
 - (a) **Industry Performance:** IPS results have shown a rise in international spend in the third quarter of 2017, with year to date spend reaching £1.84bn. Growth has been fuelled in particular by European markets and visitors from the Rest of the World.
 - (b) **Product Investment:** Edinburgh's Waldorf Astoria is set for major investment and expansion following its sale to an offshore investor. It is understood that there are plans for an additional 50 rooms.
 - (c) **Collaborative Economy:** The Government report on the collaborative economy will be published shortly.
 - (d) **Business Events:** Head of Business Events, Neil Brownlee, has been appointed to the Board of the PCMA.
 - (e) **South of Scotland:** Director of Partnerships has been appointed to the Executive Team of the South of Scotland Partnership, and the Chief Executive has been appointed to the Board.
 - (f) **V&A Dundee:** The official opening of the V&A Dundee will be held on 15 September 2018. There will be a number of opportunities for Board members to be involved. **ACTION: date to be shared with Board members and expressions of interest to be submitted.**
 - (g) **Scotland is Now:** The First Minister has endorsed the creative route for Scotland is Now. It was noted that discussions on remit, risk, resource planning should be addressed at the forthcoming Board strategy session.
 - (h) **Channel Performance:** All channels are performing well but particular focus given to the iKnow Community platform which is performing particularly well.
 - (i) **Year of History, Heritage and Archaeology:** Initial results suggest that the year was a great success. **Action: Final report to be shared with the Board.**
 - (j) **Year of Young People:** The year has got off to a good start with sentiment extremely positive. A great programme has been developed.
 - (k) **Communications:** Activity in support of the 2018 Trends Report resulted in considerable coverage, while consumer PR activity in Glasgow has been particularly successful.
 - (l) **Solheim Cup:** It was noted that Robbie Clyde has been appointed as the new Head of EventScotland. With his experience as Project Director for the Ryder Cup in 2014, he will bring with him considerable expertise for delivery of the Solheim Cup in 2019.

42. The Board noted the report.

PAPERS FOR NOTING

43. The following papers were submitted for noting:

- Solheim Cup Update
- Events Directorate Update
- Insights Update
- Operations Update
- Communications Report
- Schedule of Forthcoming Activity