

## Minutes of Meeting of the VisitScotland Board held on 18 March 2021 by video conference

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

**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)  
Paul Bush (Director of Events)

Chris Stark (Chief Executive of the UK Climate Change Committee) For agenda item 4  
Dr Martin Valenti (Head of Climate Enterprise at Scottish Enterprise) For agenda item 4  
Janie Neumann (Sustainable Tourism Manager) For agenda item 4  
Donna Bruce (Responsible Tourism Manager) For agenda item 4

**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 Cathy Craig were noted. The Chairman advised that an informal Board session had been held on the 8<sup>th</sup> of March with the Chief Executive of 2023 Cycling World Championships Limited. It was noted that the CEO had delivered an excellent presentation and that the slides had been circulated.
2. The Chairman advised that the responsible tourism presentation for today's meeting would be led by Chris Stark, CEO of the UK Climate Change Committee and Dr Martin Valenti, Head of Climate Enterprise at Scottish Enterprise.

### MINUTES OF THE BOARD MEETING HELD 28 JANUARY 2021

3. The minutes of the Board meeting held on 28 January 2021 were approved as a true and accurate record of the meeting.

## CONFLICTS OF INTEREST

4. No new conflicts of interest were advised but Caroline Roxburgh reminded the Board that she is a Board Director of Edinburgh International Festival Limited, one of the two consortia which had been successful in the R&D phase of the Festival 2022 Project, but noted it did not raise concerns for today's meeting.

## MATTERS ARISING

5. It was noted that the matters arising would be covered during the course of today's meeting.

## PRESENTATION: RESPONSIBLE TOURISM

6. The Chairman welcomed Chris Stark and Martin Valenti to the meeting. It was also noted that Janie Neumann and Donna Bruce in VisitScotland's Responsible Tourism Team would be observing the presentations. Chris Stark advised that his presentation would cover the global issues and where we are now, as well as giving a sense of what would be talked about at COP26 in November.
7. Chris Stark started his presentation by providing an overview of carbon dioxide concentrate over the last 800,000 years, noting that there had been a significant increase in the last 50 years as a result of burning fossil-fuels. It was emphasised that a global effort would be required to tackle climate change and that regardless of where the CO<sub>2</sub> was omitted, it was a global issue. It was advised that Scotland and the UK were well within the global target of net zero carbon emissions by 2070 and that the UK had expressed a desire to be ahead of the global effort to help lead it, along with other countries. It was noted that if the UK were to reach net zero by the intended 2050 target date, then Scotland would have to reach it more quickly and that there is a 2045 target date for Scotland. The Climate Change Committee's (CCC) recommended path for reducing UK emissions was presented to the Board. It was noted that the recommendations covered four areas:
  - Demand reduction and efficiency – e.g. reduced demand for carbon-intensive activities and greater efficiency in use of energy and resources;
  - Take up of low-carbon solutions – e.g. electrification, hydrogen and other low-carbon technologies and CO<sub>2</sub> capture from fossil-fuels and industry;
  - Expansion of low-carbon energy – e.g. low-carbon hydrogen and electricity production; and
  - Offsetting emissions - e.g. natural carbon storage and greenhouse gas removals.
8. It was commented that a combination of technical and behavioural changes would be required to reduce emissions by 80% by 2035. It was advised that the CCC expected 41% of the change to come from a technology shift, for example closing power plants and replacing with wind farms; 43% to come from measures with a combination of low-carbon technologies and societal/behaviour changes; and 16% from societal or behaviour changes,

for example, changes in diet or flying less. It was noted that going forward, the CCC was not projecting lasting impacts from COVID-19. It was advised that the UK and Scotland needed to scale up their policies and efforts to make sure emissions were cut as planned. It was commented that the expectation was not to see big changes in emissions in the first five years, but to have moved to replace high carbon assets with zero carbon assets from 2030 onwards. It was noted that Scotland had the best resources to help enable some of this change. It was advised that focused effort over the next 10-15 years would mean that by 2040, it would feel 'normal' to operate without fossil-fuels. Chris Stark ended his presentation by noting that he hoped the information provided would allow the VisitScotland Board to consider what this meant for visitors and the tourist economy in Scotland.

9. Martin Valenti advised that as presented by Chris Stark, all the data that is needed is already available. Therefore, now is the time to use that data to work collaboratively and take action. It was noted that there was an opportunity for VisitScotland to work with NatureScot and the Enterprise Agencies to align the narrative and show that Scotland is at the forefront. The visibility which Scotland would get at COP26 was emphasised and it was commented that it presented a great opportunity to change the world's view of Scotland as a country which is taking action now, has clarity of purpose and is working to help solve problems. It was commented that VisitScotland's role in this should be considered and that there should be a focus on hope over fear, for example messaging which encourages visitors to come to Scotland to be part of the story and visit a country which is helping to solve climate change issues.
10. The Board thanked Chris and Martin for their presentations and thereafter, there was a discussion amongst the Board with Chris and Martin providing advice, suggestions, and information. The topics covered in this discussion included:
  - Coordination of Scotland's approach;
  - What the opportunity/platform of COP26 would look like and how VisitScotland could help amplify this opportunity;
  - How industry could position itself around international travel and off setting their carbon footprint;
  - The cost of investment and the speed of change;
  - Importance of local communities;
  - Marketing – including how the benefits of behaving responsibly can be brought down to an individual level;
  - Geological context – CO2 levels used to be higher naturally, but the accelerated timescale is the issue and lack of mention of reduction of methane in policy; and
  - Need for the ideas to be grounded in the wider Scottish.
11. The Chairman thanked Chris and Martin for attending the meeting and for their presentations, noting that the Board would consider and discuss further at a future meeting. It was further noted that this was a huge opportunity for VisitScotland at a

promotional level, as well as for technical solutions and to influence behaviours. It was commented that VisitScotland could offer leadership and hope in this area, as well as promote to visitors to inform their behaviour. It was suggested that VisitScotland look to lead the thought on “greening the product” pre COP26.

12. The Director of Industry and Destination Development advised that the team would pick up on the points raised during the presentation and discussions and bring a full paper to the Board at a future meeting. It was also noted that an update on the UNESCO trail would be provided at a future meeting.

**ACTION: Management to provide an update to the Board on the UNESCO trail.**

## CHIEF EXECUTIVE REPORT

13. The Chief Executive confirmed that the work being undertaken on the business support grants remained a priority for the organisation. It was noted that the Leadership Group were in the process of updating the Strategic Framework in advance of bringing it to the Board Away Day. The Chief Executive noted the earlier presentation and set out some initial considerations which the Management team were reflecting on, including the direction of travel which VisitScotland could embrace by being in a leadership role and pushing for Scotland to become the first net zero destination. It was commented that this was likely to be supported by the Scottish Government but would depend on the involvement of industry and a number of other factors which would need to be considered in much more detail.
14. In relation to visitor management, it was advised that as the route map out of lockdown showed the potential for restrictions on travel to be lifted across Scotland at the same time, facilities and amenities needed to be open. It was noted that the second Visitor Management Summit was being held tomorrow, with all relevant parties briefed and Police Scotland involved. It was commented that Councils were eager to report what they had planned for the upcoming season and that this was a good thing for local communities.
15. It was noted that agile working was being emphasised across the organisation as the way forward and new jobs were being advertised for candidates around the country rather than in the central belt area. It was advised that there had been a notable increase in the number of candidates applying for roles as a result. It was commented that the 2021/22 pay award was likely to be implemented from 1<sup>st</sup> May due to the delay in the announcement of the budget. It was advised that the HR team had been revising the organisation’s youth employment strategy as while it had been successful to date, it needed to evolve and develop. It was advised that this would be brought to the Board in due course. It was advised that the organisation had requested to submit its Equality and Diversity Report in September given the funding work which was ongoing as the involvement of all staff across the organisation was required. However, the request had been turned down so this would be actioned accordingly.

**ACTION: Management to bring the Youth Employment Strategy to the Board at a future date.**

16. The Insights paper was taken as read and it was noted that visitors are looking for coastal and rural locations but that local communities are more suspicious of those travelling from further afield of spreading the virus. It was advised the vaccination programme provided more confidence for future travel but that there were still unanswered questions and a lack of clarity on what would be able to happen and when.
17. There was a brief discussion on the manifestos for the Scottish Government elections and what Purdah meant for VisitScotland. It was advised that as VisitScotland is an a-political organisation, it was generally business as usual but for example, announcements in relation to the Rural Tourism and Infrastructure Fund could not be made during Purdah.

## **INDUSTRY AND DESTINATION DEVELOPMENT**

18. The Director of Industry and Destination Development noted the ongoing investment in hotels across all regions and advised that growth deals for the South and Islands had now been signed which VisitScotland had been involved in. It was advised that positive feedback had been received on the funding programmes and that this had been anonymised and passed onto staff. It was advised that the Director of Marketing, Digital and Brand had played a large role in developing the STERG Recovery Plan on the marketing and product development side. It was noted that the businesses who had fallen through the gaps in relation to funding had been flagged too.
19. It was noted that there had been a lot of interest in Scotland Reconnect for the end of April, from both buyers and industry. It was further noted that VisitScotland iCentres would re-open on 26<sup>th</sup> April, subject to any changes in the guidance. It was advised that arrangements were in place with the Scottish Government for funds where Scottish Government approval for higher grant awards was required.

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

20. The Director of Marketing, Digital and Brand provided an update on current activity. It was advised that a Visitor Management Campaign was due to be launched tomorrow across Scotland on radio and digital with a “Promise to Scotland” pledge, tackling behaviour change and including content on responsible camping/motor homing, interaction with local communities and environmentally friendly travel. It was noted that a hub of content on responsible tourism had also been added to [visitscotland.com](https://visitscotland.com).

### **ACTION: Management to share presentation on Responsible Tourism delivered to the Visitor Management Summit for awareness.**

21. In relation to wider UK, Europe, and America campaigns, the was advised that consumers were in a more positive place in relation to travel, with short and potentially long-haul travel envisaged for later in the year. However, it was advised that the messaging continued to encourage those markets to plan and prepare a trip to Scotland and to look to Scotland as

a future holiday destination when the time is right. It was advised that a challenge for consumer campaigns was stimulating demand for travel to cities.

22. An update on the preparations being made for the 26<sup>th</sup> April was also provided, noting that industry communications would be sent asking businesses to confirm whether they were intending to open and to encourage them to sign up to the Good to Go Scheme and 'Safe Travels': Global Protocols & Stamp for the New Normal if they had not already done so.
23. It was also noted that VisitScotland had been working with the Scottish Government and other STERG partners to put together a proposal paper for recovery plans in response to the Covid-19 impact on Scottish tourism and hospitality. It was advised that it was hoped the outcome of the paper and the proposals would be known before Purdah. It was noted that the Cabinet Secretary for Rural Economy and Tourism had been engaging in conversations with industry about international travel and had asked for a letter on resumption to be prepared, with reference to international marketing.
24. The Director of Marketing, Digital and Brand advised that VisitScotland was continuing to market internationally but with the clear message that travel is not yet permitted. It was noted that the move to turn this into a 'visit' message was out with our control but that when international travel was permitted and the conditions on travel were known, the organisation would be in a position to move quickly to turn the message into a 'visit and book' message. It was noted that the organisation would be doing activities around Tartan Week, for example the Chairman advised that he had recorded a video for Tartan Day.

## EVENTS

25. The Director of Events advised that the team continued to be busy working on funding programmes to help the recovery of the events sector and that they were looking at the short-term restart and longer-term portfolio of Events. It was advised that there were some promising green shoots for the summer, including the Royal Highland Show (behind closed doors) and test events for Golf and Festivals. It was further advised that there would be a replacement title sponsor for the Women's Scottish Open this year.

## FUNDS PROGRAMME UPDATE

26. The Director of Corporate Services provided an update on the business support funds programme. It was noted that a detailed presentation had been provided to the March Audit and Risk Committee and that answers to the questions arising from that meeting had been included within the Board paper. It was advised that as of yesterday, VisitScotland had been asked to administer £81.9 million of business support grants. It was advised that 4,924 applications had been received to date across all the funds, with 3,407 sitting at an approved status. It was noted that the programme was moving at a pace with £25 million already paid to successful businesses. It was noted that payments for the Visitor Attraction

Support Fund were due to start being made today. It was advised that the work was progressing in line with the project plan.

27. It was noted that more information on the assessment process being conducted by VisitScotland had been included in the Board paper, noting that dual assessment was in place to make sure every application was assessed by two different people before it reached the fund lead, who then carried out a further check. It was noted that finance checks were carried out separately by a procured accountancy firm, with spot checks also being carried out by the core Finance team at VisitScotland. It was noted that applications for the Pivotal Events, Inbound and Coaches funds were also reviewed by a panel given the larger awards being made under these funds.
28. It was advised that the organisation continues to learn and make improvements as the funding work continues. It was noted that the system for sending out grant award letters had been automated. In terms of the report which businesses would be asked to complete within six months of their grant award, it was advised that this would centre around asking business to confirm whether they remain open and how the funding has helped their business. It was noted that as industry beings to open up again, VisitScotland staff involved in funding work would go back to their roles to provide support to the industry and that a resource needs plan for any additional funding work would be established.
29. The Chair of the Audit and Risk Committee advised that a significant part of the agenda for the Committee's meeting in early March had been on the funding programme and reviewing the outcomes of the internal audit work. It was noted that the Committee had scrutinised the workflows to ensure appropriate controls were in place and risks and compliance were being managed. It was noted that Internal Audits had been completed to carry out an end-to-end review of the Events Industry Support Fund run in the Autumn last year and review of the way the funding criteria was set. It was advised that the Committee had received strong assurance from the reports from the Internal Auditors. It was noted that two additional audits would be undertaken, focussing on the assessment process and appeals process to provide real time assurance. It was noted that the reporting requirement within six months of the grant award would allow the organisation to gain an understanding of the impact of the grant award on businesses and the Chair of the Committee commented on the additional information which had been provided in the Board papers following the discussion at the Audit and Risk Committee. The Chairman noted that there was a risk with delivering a programme at speed that governance measures were lost but that the Board could take comfort from the work carried out by the Audit and Risk Committee.

## **CORPORATE SERVICES – OPERATIONS UPDATE**

30. The Director of Corporate Services took the Board through the Operations Update paper, noting that while VisitScotland has onsite servers, it was not exposed to the recent Microsoft Exchange issue. It was advised that a number of checks had been run and patches had been

applied. It was also noted that internal sustainability work continued, including working with Zero Waste Scotland and their benchmark tool.

## FINANCIAL AND GOVERNANCE MATTERS

### ARC UPDATE

31. The Chair of the Audit and Risk Committee advised that a truncated version of the minutes of the Committee meeting from 4<sup>th</sup> March were included in the Board papers to cover the areas for this Board meeting. It was advised that a full minute of the Committee meeting would be passed to the Board in due course. It was noted that the Committee had reviewed the procurement process for Festival 22 and Internal Audit which were on the agenda for today's Board meeting. The Chair of the Audit and Risk Committee confirmed that two members of the Committee had attended the presentations delivered by bidders in the Internal Audit procurement and provided further confirmation that the Committee was content that the actions which had been agreed by the Board in relation to the Festival 22 procurement had been undertaken.
32. It was noted that an update had been provided to the Committee on a change to the structure of the Corporate Services Directorate, with the introduction of a Head of Governance and Performance and a Head of Financial Services. It was commented that the Committee was comfortable that the direction of travel was correct for what was needed in the future and that work was underway to ensure appropriate Corporate Services resourcing for 2023 Cycling World Championships Limited. It was further noted that risk and year-ending reporting had been covered at the Committee meeting.

### PROCUREMENT – F22 AND INTERNAL AUDITORS

33. The Board considered the paper on the Internal Auditors Procurement.

**ACTION: The Board advised that it was content to approve the Internal Audit contract award to Azets.**

34. The Director of Corporate Services advised that since the Audit and Risk Committee, the Scottish Government had now confirmed the budget it would be providing to VisitScotland for Festival 2022. It was advised that this would be a total of £11 million, with £8.5 million of this being for the commission element. It was noted that this was £0.5 million less than was included in the original procurement documents but that advice had been sought to confirm that this did not impact the procurement because the original wording was “up to £9 million” which was sufficient to cover these circumstances. It was noted that the VEAT notice would be published in due course as per the mitigation actions agreed previously by the Board.



**ACTION: The Board advised that it was content to approve the F22 contract award to the Creative Team led by Celtic Connections.**

## FINANCE AND RISK

35. The Director of Corporate Services provided the Board with an update on the year-end forecast outturn noting that Management were forecasting a balanced outturn for both operational and capital expenditure for the year ending 31 March 2021. It was noted that there was an underspend in the Marketing and Events budgets and that Management and the Scottish Government were considering ways to reuse the underspend, for example, providing additional funding to the Events Industry Support Fund 2 which was oversubscribed and providing a top up for the Pivotal Event Businesses Fund as awards for that fund were subject to a cap of £150,000 but awards for some of the later funds, e.g. International Inbound had been capped at a higher amount (subject to approval from the Scottish Government). It was also noted that funding could be made available for the Agritourism sector which had not yet benefited from a sector fund. It was advised that Management were confident that there would be a balanced budget by the year end.

**ACTION: Management to provide the Board with a paper explaining why certain grant schemes are being covered by VS budget so that Governance arrangements could be evidenced.**

36. It was advised that the Risk Management Committee had met yesterday to focus on funding and Covid-19 related risks. It was advised that the Committee was comfortable that those risks had been scored correctly by risk owners.

## PLANNING PROCESS FOR 2022 AND BEYOND

37. The Director of Corporate Services took the Board through the Budgeting and Planning Process paper and advised that an initial annual budget would be brought to the April Board for approval. It was advised that Management would isolate salary and fixed costs from discretionary costs and advised that the discretionary value would reduce as obligations are put in place. It was noted that the organisation would need to be flexible to accommodate new activity. It was noted that the Strategic Framework was being reviewed in advance of the Board Away Day and that this would be impacted by strategic Covid recovery work (Task Force, STERG, Industry Strategy 2030). It was further noted that the Industry Strategy 2030 would be brought to the Board Away Day to allow the Board to feed into this and that work had commenced on this through the Task Force and STERG.
38. The Board agreed to approve the intended planning process for budgeting and planning but advised that annual budget should be brought to the Board for approval in April, which would then be subject to quarterly revisions.

**ACTION: Management to bring the annual budget (subject to quarterly revisions) to the Board for approval.**

## **MAIN OFFICE REVIEW AND KIRKCUDBRIGHT**

39. The Board were briefed on possibilities for the Edinburgh office when the current lease terminates. The details are currently commercial and sensitive and will be published when resolved.
40. The Board considered the paper provided in relation to Community Asset Transfer of the Kirkcudbright property.

**ACTION: The Board approved the Asset Transfer of the Kirkcudbright property.**

## **BUSINESS CONTINUITY UPDATE**

41. The Business Continuity paper was taken as read.

## **HEALTH AND SAFETY POLICY**

42. It was commented that the revised draft of the Health and Safety policy did not accurately reflect current practices. Therefore, it was decided to revise the Health and Safety Policy further and bring it back to a future Board meeting for approval.

**ACTION: Management to revise and bring the Health and Safety Policy back to the Board for approval at a future date.**

## **AOB**

43. It was noted that the Corporate Affairs Executive who looks after the Board and Audit & Risk Committee administration had now finished up for maternity leave. The Board wished her all the best. It was noted that the organisation was looking to recruit cover for the role for the maternity leave period and an update would be provided to the Board in due course.

## **CLOSE**

44. Thereafter, the meeting was brought to a close.