

## Minutes of Meeting of the VisitScotland Board held on 19 March 2020 by conference call

**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 conference call. No apologies were noted.

### MINUTES OF THE BOARD MEETING HELD ON 30 JANUARY 2020

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

### CONFLICTS OF INTEREST

3. No new conflicts of interest were noted.

### MATTERS ARISING

4. The Chairman noted that the matters arising were addressed through the agenda for this meeting or had been postponed until a future Board meeting.
5. It was noted that the agenda for today's meeting had changed since it had been circulated given the current situation with coronavirus (COVID-19). The Chairman provided an overview of the amended agenda and noted that the Marketing & Digital Overview which

was due to be presented to the Board had been postponed and that certain agenda items would now be taken as read.

## **AUDIT & RISK COMMITTEE**

6. The Chair of the Audit and Risk Committee (ARC) advised that the draft meeting minutes and report from the ARC meeting held on 5<sup>th</sup> March 2020 were included in the Board paper pack. The draft meeting minutes and report were taken as read. The Chair of the ARC highlighted that a COVID-19 presentation and discussion had formed part of the agenda at the meeting but that the situation had progressed rapidly since then.
7. The Chair of the ARC advised that two further presentations had been delivered at the March meeting on the following topics: (i) the Digital First Standard; and (ii) VisitScotland's destination management system (DMS). It was highlighted that the Digital First Standard describes the minimum standard required when delivering a digital public service. It was noted that resourcing is key to these digital projects and the impact of the Digital First Standard on these digital projects needs to be considered at the start of the projects. It was highlighted that VisitScotland is in a good place to meet the requirements of the Digital First Standard and had provided feedback to Scottish Government, following the assessment of visitcotland.com, to request that the criteria be consolidated. The Chair of the ARC advised that the DMS project had now become a sub-project of visitScotland.com and that the timescales for this project had been pushed back because of a lack of technical resource being available in the marketplace. It was noted that this project was going to be kept under review by the Audit and Risk Committee as the system is an important tool both for industry and for VisitScotland to demonstrate what it is delivering.
8. The outcomes of the Internal Audit work carried out in relation to (i) the Marketing Automation project; and (ii) Digital Content were highlighted. It was noted that there were no follow up points from the Marketing Automation project audit. It was further noted that controls and processes could be tightened for teams dealing with digital content and that an update would be provided to the Audit and Risk Committee about progress in this area later in the year.
9. It was highlighted that the Board's comments had been taken into account in relation to risk proximity and that this had now been integrated into VisitScotland's process of analysing risks. It was noted that new risks had been added into the risk register in relation to sustainability and IT systems which are now out of support.
10. It was highlighted that the Audit and Risk Committee did not spend time discussing the 2023 Cycling World Championships because the topic was on the agenda for the March Board meeting.

## **PROCUREMENT**

11. It was noted that VisitScotland's current contract for internal auditors was due to come to an end at the end of June 2020. However, there is an option to extend this contract for a

further year until the end of June 2021. The Chair of the Audit and Risk Committee advised that the Committee was satisfied to recommend the extension of the existing Internal Audit contract by 12 months. **The Board approved the extension of the existing Internal Audit contract by 12 months.**

12. The process for appointing external auditors for VisitScotland's wholly owned subsidiary (2023 Cycling World Championships Limited) was outlined to the Board. The Board noted the process and that a procurement exercise for external auditors would be run concurrently with the internal auditor procurement exercise later this year.
13. The Chair of the Audit and Risk Committee advised that Board members were welcome to attend Audit and Risk Committee meetings at any time and that going forward, it had been agreed with the Chairman that, any new Board members should attend an Audit and Risk Committee meeting within their first year on the Board as part of the induction process.

**ACTION: Management to ensure all new Board members attend an Audit and Risk Committee meeting within their first year on the VisitScotland Board as part of the induction process.**

#### **CHIEF EXECUTIVE'S SUMMARY AND REPORT**

14. The Chief Executive's report was taken as read and it was noted that there was nothing to highlight within the report other than the section on Covid-19 which was going to be discussed later in the agenda.

#### **CHAIRMAN'S REPORT**

15. The Chairman's report was taken as read but it was noted that the engagements listed in March had not taken place due to the Covid-19 pandemic.

#### **CLIMATE CHANGE AND RESPONSIBLE TOURISM**

16. The Chairman noted the work which had gone into the preparation of the report but suggested that it would be better to discuss this at a future Board meeting when all Board members were in the same room. Board members agreed with this suggestion. It was noted that there could be new approaches to explore in this area to feed into the sustainability piece following the Covid-19 outbreak. The Director of Industry and Destination Development noted that funds had been allocated to support climate change and responsible tourism in next year's budget in order to progress the proposals outlined in the report. It was noted that this work would be progressed as and when it was appropriate to do so.

**ACTION: bring the Climate Change and Responsible Tourism paper to a future Board meeting.**

#### **PLANNING AND RISK UPDATE (INCLUDING THE 2020 ANNUAL BUDGET)**

17. The Board noted the work which had gone into preparing a balanced budget for 2020. However, it was noted that given the current circumstances, the budget presented would

change over the coming months as it was a budget which took into account normal business as usual circumstances rather than the current circumstances. The Director of Corporate Services updated the Board on the changes which had been made to the budget processes this year, including the updates to the system and the integration of risk into the process.

18. It was noted that some lines on the budget would not change, such as payroll but that there would be a slowdown in recruitment as a result of the Covid-19 outbreak. It was highlighted that Scottish Government had not yet advised how VisitScotland's capital budget would be split for 2020. It was noted that Management would need to reassess the budget and prepare a recovery budget to focus on the areas which will require attention and resource as a result of the current circumstances.
19. The Chairman noted that under normal circumstances, the Board would have approved the budget presented to it at today's meeting. However, given the impact of Covid-19 and the current circumstances, the Board requested that Management work to prepare a new budget (which it noted had already begun) to take account of the recovery plan as a whole, once information had been obtained from industry about what will be needed going forward. The Board requested that the budget be flexible, and that non-business critical activity be minimised.
20. Consideration was also given to the budget for the 2023 Cycling World Championships, but it was noted that this budget was ringfenced and intergroup adjustments would be self balancing.

**The Board approved the budget presented to them as an interim budget but accepted that it would be reviewed by Management, and a recovery budget would be presented to the Board at a future date.**

**ACTION: Management to consider the impact of Covid-19 on the tourism and events industries as a whole and prepare a recovery budget for consideration by the Board at a future meeting.**

## **CWC 2023 – COMPANY INCORPORATION AND GOVERNANCE**

21. The Chair of the Audit and Risk Committee advised that she had read through all the CWC papers and had discussed them with the Director of Corporate Services in advance of the Board meeting. It was noted that the areas which had been identified by the Board as critical areas of focus following the initial governance discussions last year had been covered in the documentation. It was highlighted that the main change from the initial discussions was that the funding from the Scottish Government for the Championships would now be paid to VisitScotland to pass down to the subsidiary rather than directly to the subsidiary company. It was noted that this would give VisitScotland more control of the funding.

22. It was requested that a note be prepared for the Board to set out the obligations on the host in the long form agreement with the UCI as the 'Letter of Strategic Guidance: Addendum' from the Cabinet Secretary notes that Scottish Ministers expect VisitScotland to comply at all times with the LFA as if it were Scottish Ministers.

**ACTION: Management to prepare a note for the Board to set out the host's obligations under the long form agreement between the UCI and Scottish Ministers.**

23. There was a discussion around the appointment of the Chief Executive for 2023 Cycling World Championships Limited. It was noted that the first round of interviews had taken place but due to the current climate, the process was not going to be as quick as was initially expected. The Director of Events advised that there was an interim structure in place in the meantime to ensure the project is still moving forward with support from the rest of the event partners. There was a further discussion around the skills matrix for the CWC Board. The Director of Events advised that the skills of the directors due to be appointed by the event partners had been plotted into the matrix and that the skills gaps identified so far would be considered when recruiting the five independent directors. The Board requested that the skills matrix be provided to the Board at a future meeting.

24. The Board noted that focus would need to continue to be on:
- a) policy objectives and ensuring that these are not inadvertently passed down to VisitScotland or 2023 Cycling World Championships Limited;
  - b) how the budget for 2023 Cycling World Championships Limited will be managed and what the consequences will be if the VAT position is not as expected; and
  - c) skill set/matrix for the Board of 2023 Cycling World Championships Limited and ensuring there are no skills gaps.

**ACTION: Management to provide a copy of the skills matrix to Board members at a future meeting.**

**Subject to the changes discussed by the Chair of the Audit and Risk Committee and the Director of Corporate Services being made, the Board approved the following documents:**

- a) **Underwrite Agreement between Scottish Ministers and VisitScotland;**
- b) **bespoke Articles of Association for 2023 Cycling World Championships Limited;**
- c) **Governance Manual for 2023 Cycling World Championships; and**
- d) **the Delegated Authority document from VisitScotland to 2023 Cycling World Championships Limited.**

## **PENSIONS**

25. The Director of Corporate Services led the Board through proposals outlined in the pensions paper. It was noted that in order for VisitScotland's three pension schemes to be sustainable in the medium term, changes were required to maintain the affordability of the different schemes and to make them meaningful and attractive propositions for existing and new staff.

26. [Confidential until consultation complete]

27. [Confidential until consultation complete]

## **POLICY UPDATE**

28. The Director of Corporate Services introduced the Policy Update paper. It was noted that the Board were being asked to approve two Human Resources policies: (i) Pay and Grading Policy; and (ii) Conflict Resolution Policy.

**The Board approved (i) the Pay and Grading Policy; and (ii) the Conflict Resolution Policy.**

29. The Policy Statement (from the Chief Executive) set out at the beginning of the Health and Safety Policy was also brought to the Board's attention. It was noted that Management had reviewed the Health and Safety Policy, but no changes were required to be made to the policy wording. However, changes were required to be made to the Policy Statement. **The Board considered the proposed changes and approved the updated Health and Safety Policy Statement.**

30. It was noted that the following policies had been made available to Board members to review on Huddle: (i) Health and Safety Policy; (ii) Staff Privacy Policy; and (iii) Mobile Bring Your Own Device Policy.

## **COVID-19**

31. The Chief Executive advised that an update would be provided to the Board on the steps taken by VisitScotland in light of the COVID-19 outbreak. It was noted that each Director would provide an update in respect of their area of the organisation.

32. The Chief Executive advised that a survey had been sent out to industry to assess the impact of COVID-19 on their businesses. It was highlighted that over 2,200 responses had been received within a week and that the response rate was highest in the Highland region. It was noted that initial results showed that the hardest hit had been hotels, B&Bs and Guesthouses but that airlines had also reduced the frequency and capacity of their services. It was noted that there would be a time lag between the end of the pandemic and the point at which industry would be able to cope with tourism demands again.

33. The Chief Executive also highlighted the work which had been undertaken by the HR Team to ensure the organisation was able to support staff working from home. It was noted that communications were being sent to staff by email and through a dedicated page on the staff intranet. It was further noted that a confidential email address had been set up to manage 1-1 queries from staff which only certain members of the HR Team have access to. It was noted that VisitScotland's Time Off for Dependents Policy had been updated to increase the allowance from one day to five days, and that other scenarios were being considered on a case-by-case basis.



34. It was noted that 60 new seasonal iCentre staff members had recently been recruited for 2020. It was noted that the contracts with these members of staff would be fulfilled and they would be paid for ten hours work per week in accordance with the minimum hours set out in their contracts. It was noted that permanent iCentre staff would be paid in accordance with the rotas that had been issued to staff for March/April and would be reviewed going forward. It was highlighted that all Quality Tourism Advisers were now working from home and would be given office-based tasks and projects to complete. It was noted that support was also being provided to staff whose families are based outside the UK. It was further noted that all future recruitment had been paused with the exception of recruitment for 2023 Cycling World Championships Limited. The Chief Executive advised that the implications of the school and nursery closures were also being considered following the announcement on the 18<sup>th</sup> March.
35. The Director of Industry and Destination Development advised the Board that the Scottish Tourism Emergency Response Group ('STERG') had been reconvened on 17<sup>th</sup> March. It was noted that the group was based on the model used for the Foot and Mouth, SARS and Avian flu outbreaks. It was noted that a number of requests had been made from various groups/bodies to join STERG but that the intention was to keep the group as streamlined as possible, with the Scottish Tourism Alliance acting as the voice of the industry at the STERG meetings.
36. It was highlighted that industry are asking what the support packages announced by the Scottish Government mean for them and how they can access the support. It was also noted that the industry survey mentioned by the Chief Executive would be re-circulated with two additional questions to gain insight into: (i) the extent to which businesses are making staff redundant; and (ii) how long the business would be able to survive without a cash injection. It was noted that the results of the surveys represent a particular point in time as the situation continues to evolve but that the results could be shared with the Board.

**ACTION: results of the Covid-19 industry surveys to be shared with the Board.**

37. It was noted that VisitScotland's messaging was aligned with VisitBritain's messaging and that the industry has been positive about the way in which VisitScotland had reacted and supported them so far. The Board noted that absolute clarity and consistency of information is key in this situation.
38. The Director of Events provided an update on the events industry. It was noted that most sporting events due to take place in March, April and May had now been cancelled and that events in June, July and August were now at risk of being cancelled. Similarly, most music and business events have now been postponed.
39. It was noted that a number of event organisers do not have appropriate insurance cover in place to cover eventualities such as this one. It was highlighted that information had been added to the EventScotland webpages on [visitscotland.org](https://visitscotland.org) to signpost event organisers to

helpful information sources. It was further highlighted that Event Managers in EventScotland were contacting event organisers to discuss their specific concerns and issues on a 1-1 basis. The approach which had been agreed for events which had received grant funding from VisitScotland, but which had since been cancelled as a result of COVID-19 was outlined to the Board.

40. The Director of Corporate Services advised that a daily business continuity meeting had been taking place for over three and half weeks, with over fifteen members of staff from different teams across the organisation attending on a regular basis. It was noted that at each meeting, people, property, processes, key events and communications were discussed. It was noted that as a result of the work of this group, staff across the organisation were now working from home. It was further noted that all roles across the organisation had been reviewed to determine whether they were Red, Amber, Green or Gold roles. 45 Gold (or critical roles) had been identified and deputies assigned for each of these roles in the event a member of staff became unwell. It was highlighted that appropriate IT equipment had been sourced and built for staff to enable the organisation to be able to work from home – the IT Team were praised for all their hard work. It was noted that VisitScotland was following the UK Government's Pandemic Preparedness Checklist which is being updated daily. It was highlighted that all responses in this checklist are now 'green' following the work which had been undertaken since the Audit and Risk Committee meeting.
41. It was highlighted that, with agreement from the Scottish Government's, VisitScotland had taken the decision not to charge businesses for QA membership fees for the year 2019/20. It was noted that this would go a small way towards alleviating cash flow issues within the industry and that 4,500 businesses would benefit – with the result being that £1m would be retained by Scottish tourism businesses. The Board noted the importance of this move and emphasised the importance of communicating this message to businesses as soon as possible. It was further noted that Expo exhibitors would not be asked to pay for stand space and those who had already paid would be refunded. The increase in traffic on [visitscotland.org](http://visitscotland.org) was also noted with various other public sector organisations signposting their website users towards the information contained on [visitscotland.org](http://visitscotland.org).
42. The Director of Marketing, Digital and Global Brand advised that all paid media activity, including the marketing activity highlighted within the Board paper, had now stopped. Following the announcement about Expo, staff had been phoning tour operators to offer support from VisitScotland and where tour operators were in a position to have a conversation around future planning, conversations about product development were taking place. It was acknowledged that VisitScotland would be posting less content on its social media channels but that it would not stop. A message recognising the situation had been posted on social channels and inspirational content was now being posted to help keep Scotland as a destination at the top of visitors' minds. It was noted that messaging had also been sent by email to VisitScotland's consumer email database to send generic destination inspiration messaging noting that we look forward to welcoming visitors back



in the future. It was further noted that the home page on [visitscotland.com](http://visitscotland.com) was in the process of being refreshed to recognise the current situation and to advise visitors to keep checking back for ideas for future travel.

43. It was noted that the content calendar was being looked in order to prioritise content for recovery planning. It was advised that the multimedia team were looking to create new inspirational videos based on content they had already filmed as new content cannot be created just now. It was noted that recovery planning would likely focus around “stay-cation” campaigns with content being generated for each region to set out what is on offer across Scotland. It was advised that this would be done in conjunction with the Industry and Destination Development Directorate and campaign activity for further afield would be done on a market by market basis as the sector recovers.
44. The Board noted that it was important for industry moral to let them know that VisitScotland is planning and preparing content for the future but that the timings and market focus for the release of such content are currently unknown. It was highlighted that marketing activity which VisitScotland had received ringfenced funding for, for example the South of Scotland campaign, would be delayed and the current situation would not impact on such activity.
45. The Board commented on the great job being done by VisitScotland’s senior leadership team in response to the current situation. It was noted that senior management should ensure appropriate delegation of tasks during this period and Board members offered to provide help and advice as required.

## **AOB**

46. The Chairman advised the Board that it would be counterproductive to hold the Strategy Away Day in April as planned as it would need to take place by conference call. Instead, the Chairman requested that the Strategy Away Day be postponed until later in the year, and a conference call be scheduled for the 30<sup>th</sup> April to allow a further COVID-19 update to be provided to the Board.

**ACTION: Management to reschedule the Board Strategy Away Day for later in the year and circulate conference call details for the 30<sup>th</sup> April to allow a COVID-19 update/discussion to take place.**

**ACTION: Board members to hold time in their diaries on 30<sup>th</sup> April for a conference call.**

47. The Chairman voiced his appreciation to the team at VisitScotland who had worked hard to ensure the organisation was in a place to respond to the fast-moving situation. This sentiment was echoed by all Board members.

## **CLOSE**

48. The Chairman thanked Board members for their attendance at the meeting by conference call and thanked them for their patience. Thereafter, the meeting was brought to a close.