

Minutes of Meeting of the VisitScotland Board held on 25 January at Wallace House, Stirling and via video conference (Teams)

Present: John Thurso (Chair)
Barbara Smith
Cara Aitchison
Caroline Roxburgh
Keith Nicholson
Lindsey Paterson
Paul Easto
Shona Marsh
Steven Walker

In attendance: Malcolm Roughead (Chief Executive)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director of Events)
Rob Dickson (Director of Industry and Destination Development)
Vicki Miller (Director of Marketing and Digital)

Minutes: Freja Fischer-Møller

Apologies: None

INTRODUCTIONS

1. The Chair welcomed the attendees to the hybrid meeting and extended a warm welcome to the new Board members. It was advised that there would be two presentations at the meeting as per the agenda.

MINUTES OF THE BOARD MEETING HELD 7 DECEMBER 2023

2. The minutes of the Board meeting held on 7 December 2023 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

3. It was noted that the new Board members needed to complete a register of interest. No conflicts of interest were raised at this meeting.

MATTERS ARISING

4. It was noted that all matters arising were covered during today's meeting.

BUDGET UPDATE

5. The Director of Corporate Services presented the overall budget position as it was announced on 19 December 2023. It was noted that Scottish Government had announced a 5% reduction in Grant in Aid (Opex) for the Financial Year 2024/25 which Management queried this and now understand that there is an IFRS 16 adjustment of £800,000, which will bring the reduction of the Grant in Aid to the announced 5%.
6. In addition, the Capex has been increased by £300,000. It was further noted that the £3 million ringfenced for the Rural Tourism Infrastructure Fund (RTIF) will not continue in 2024/25. Discussions with Scottish Government are ongoing in relation to contractual commitments on current RTIF projects.
7. The Board was advised that the pay award had been implemented in the draft budget for the Financial Year 24/25, which has been offset by in part by reduced costs on the pension scheme.
8. Headcount and the level of activity VisitScotland can do within the budget was discussed, and there was a discussion around the average salary and VisitScotland's People Strategy, which enables the organisation to keep technical skill sets in-house.

The Board noted the update.

CHAIR AND CHIEF EXECUTIVE UPDATE

9. The Chair provided the Board with an update on his recent VisitScotland activities, noting that the governance structure of the British Tourist Authority was being reviewed.
10. The Chief Executive updated on international visitor data and customer spend, which show a strong performance with expenditure increase of 35%.
11. It was noted that a second Deep Dive session with Scottish Government was scheduled to discuss VisitScotland's portfolio. The first session focused on the Marketing & Digital and Industry & Destination Development Directorates, and the second session was planned to include Events, Corporate Services and Human Resources.
12. The Board was updated on the Strategic Change Programme. It was noted that the first key stakeholder engagement meetings at Chief Executive level had been very positive, with support for VisitScotland's direction of travel. There was a discussion around the engagement with local authorities and other key stakeholders to get input regarding local and regional impact to finalise the options appraisal for the Change projects. It was noted that the regional directors and industry managers play a central role in this work.
13. The next steps of the workforce planning were discussed, and the Board was advised on the VR position both in the current and next financial year.
14. The internal and external communications were outlined. It was advised that staff would be updated on the budget, VR opportunity and Strategic Change Programme in February. The Board further discussed how adding data to the external communications messaging could emphasise the narrative and purpose of the Strategic Change Programme in growing the value of the visitor economy. This would also be beneficial for the stakeholder engagement.

15. The Board was further advised that the risk register had been put in place at Programme level. This will be presented to the Audit and Risk Committee (ARC), and impact assessments will be carried out as part of the project.

The Board noted the update.

CORPORATE SERVICES REPORT

16. The Director of Corporate Services spoke to the directorate paper, highlighting the ongoing exercise on local office optimisation across the business. Edinburgh Office relocation is fully completed, and management is currently working on options for Aberdeen Local Office. It was noted that with the hybrid working model, the requirement for meeting rooms is greater than the demand for desk space.
17. The Board was updated on the IP infringement case, which the legal team is currently managing.
18. It was further noted that the annual procurement report had been updated following feedback from the ARC meeting in November 2023.

Action: The final version of the procurement report to be shared with the Board.

19. There was a discussion about resources and redeployment opportunities within the Finance team, and it was noted that resources were stretched but being managed.
20. The Board was advised on the latest complaints and FOI requests, and it was discussed how much time and effort VisitScotland spend on responding and in what ways these requests could be managed more efficiently.

The Board noted the Corporate Services report.

EVENTS

21. The Director of Events updated the Board on recent events, noting that the updated National Events Strategy may be launched at the National Event Conference on 26 March 2024.
22. It was noted that the PCMA Convening Leaders event took place in San Diego between 7-10 January, where the Head of Business Events assumed the role as Chair Elect. The Board extended its congratulations for this appointment and acknowledged the achievements within business events.
23. The Director of Events and the Chief Executive Officer of 2023 UCI Cycling Worlds gave a debriefing presentation on the inaugural 2023 UCI Cycling World Championships, which took place between 3 – 13 August 2023, highlighting the planning journey, objectives, and challenges.
24. It was noted that the event was delivered beyond expectations from athletes as well as funders and key stakeholders.
25. The delivery model was discussed, and it was advised that the Hub and Spoke model could have been tailored more, however all agreed that the Team Scotland approach worked very well and was crucial for the delivery of a major event of this scale.

26. It was further noted that the project benefited from the trust and strong relationship with VisitScotland.
27. The Board complimented the way VisitScotland had supported and assisted the project and acknowledged the successful secondments across the organisations.
28. It was noted that it would have been very helpful if Union Cycliste Internationale (UCI) had shared more data, so the achievements could have been measured and documented better. It was advised that the carbon footprint and sustainability impact of the event should be included in the audit, and it was noted that UCI had developed a carbon calculator for future cycling events. For future events in Scotland, impact and legacy would also be incorporated into the reporting as a standard.
29. It was further noted that 97% of the attendees found the Championships inclusive. 93% of the athletes thought it was a world-class event.
30. The evolution of the budget was discussed, noting that the budget was revised three times.
31. The management thanked the Board for supporting the delivery of the biggest ever cycling event, noting that the achievements reached beyond the event.
32. Equally, the Board thanked the Chief Executive Officer of 2023 UCI Cycling Worlds and the team for the successful delivery and discussed the recommendations presented in the debrief.

The Board noted the Events update.

INDUSTRY AND DESTINATION DEVELOPMENT

33. The Director of Industry and Destination Development provided an overview of the current work undertaken by the Directorate.
34. It was noted that the Business Support Partnership continued to progress with testing and development of the Master Customer Record project. Good progress was also made in the Products and Services workstream with cross-referencing and signposting of programmes, and grants now happening on a planned basis.
35. The Board was updated on the changes planned for the Short-Term Let scheme. It was noted that delays had been necessary to allow businesses to respond and provide clarity on their position. VisitScotland will assess the businesses which haven't applied or have been rejected but have listings on our consumer website.
36. Ongoing engagement is taking place with councils and Scottish Government on Growth Deals, with a particular focus on the project with Western Isles and Highland Councils. It was noted that Callanish Stones faced challenging tendering outcomes, which might delay the project.
37. The Board was advised that VisitScotland was supporting the work of NatureScot on the evaluation and recommendations on the National Park applications. NatureScot remains committed to have visitor economy implications at the core of the assessment, and VisitScotland will likely be engaged in the formal assessment process.
38. The final draft of the Gaelic Tourism Strategy 2024-2029 is now complete. The strategy and action plan will launch during Seachdain na Gaidhlig (World Gaelic Week) in February. The strategy's objective and the balance between culture, heritage, tourism, and language was discussed by the Board.

The Board noted the IDD update.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

39. The Director of Marketing and Digital spoke to the Marketing report, outlining that marketing insights on performance were analysed against the spread and spend objectives.
40. It was noted that VisitScotland was working with the travel trade on new product development, promoting outdoor experiences including cycling, food and drink experiences and agritourism as well as VisitScotland's signature travel trade event Connect, which will take place in Aberdeen in April 2024.
41. There was a discussion around the innovation of Generative Artificial Intelligence. It was stressed that Google develops its search engine to provide targeted answers which limit web browsing. As a consequence, VisitScotland must adapt the way content is created, and it was noted that the impact will be incorporated in the Change Programme.

The M&D update was noted by the Board.

FINANCIAL AND BUSINESS PERFORMANCE REPORT

42. The Director of Corporate Services presented the Financial and Business Performance report.
43. It was noted that there would be no ringfenced funding for Rural Tourism Infrastructure Fund (RTIF) in the 2024/25 budget. £300,000 has been added to the core capital budget to cover outstanding commitments, however they amount to £1.2 million. Management has raised concerns to Scottish Government about the impact of withdrawing funding for projects.
44. The Board was advised that an internal review to look at options for Themed Years was under way. With some budget it would be possible to attract external funding and provide a critical platform for the sector's journey towards net zero and to showcase responsible tourism experiences.
45. It was further noted that as per requests from the Board, the management accounts had been revised to reflect the full cost of the activities. Payroll costs have been included to each activity as an additional column within the breakdown of the Activity Business Case (ABC).
46. Finally, it was raised that the carbon impact will be incorporated to each ABC in the 2024/25 planning process and be reported on throughout the year.

Action: Director of Corporate Services to give introduction on financial and business performance report to the new Board members.

The Board noted the report.

DRAFT INTERIM CORPORATE PLAN

47. The Director of Corporate Services presented the draft interim Corporate Plan. Following feedback from Scottish Government's Sponsor team, several changes to the content have been incorporated, and the Board discussed the updated version.
48. It was advised that more content about events should be added to the Corporate Plan.

49. It was noted that any additional feedback should be given by Friday 2 February 2024. Management will revise the document accordingly and re-circulate via email ahead of the next meeting.
50. Provided the final version will be approved by the Board at its meeting in March, VisitScotland will publish the Interim Corporate Plan in late March, and the three-year Corporate Plan in December 2024.

POLICIES

51. The Director of Corporate Services presented the policies for approval by the Board:
 - Anti Criminal Finance Policy
 - Health and Safety Policy
 - Risk Management Policy
 - Disciplinary Policy
 - Grievance Policy
 - Capability Policy
 - Generative AI Policy
 - Domestic Abuse Policy
 - Right to Disconnect Policy
52. It was noted that the first six policies were revisions of already implemented policies whereas the remaining three were new policies. All policies were submitted in December for Board members' feedback.
53. No further comments were raised.

The policies were approved by the Board.

EXECUTIVE FRAMEWORK

54. The Director of Corporate Services updated the Board on the revision of the Executive Framework since the draft presented at the last meeting.
55. The governance structure was discussed as it needs to be clear whether the Board reports to minister or reports to Parliament.

Action: Management to investigate the responsibility/ accountability as it appears in the Act, and how Scottish Government interprets it.

The Executive Framework was approved by the Board.

RECRUITMENT

56. The Chair discussed the recruitment process of a new CEO in confidence with the Board members only.

AOB

57. No other business was raised. The next meeting will be held on 14 March with a dinner the night before as it is the current Chair's last meeting.

CLOSE

Thereafter, the meeting was brought to a close.