

## **Minutes of Meeting of the VisitScotland Board held on 25 July 2024 at University of Strathclyde, Technology and Innovation Centre and via video conference (Teams)**

**Present:** Stephen Leckie (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)  
Rob Dickson (Director of Industry and Destination Development)  
Vicki Miller (Director of Marketing and Digital)  
Paul Bush (Director of Events)

**Minutes:** Gayle Biggart

### **INTRODUCTIONS**

1. The Chair welcomed everyone to the meeting.

### **MINUTES OF THE BOARD MEETING HELD ON 6 JUNE 2024**

2. The minutes of the Board meeting held on 6 June 2024 were approved as a true and accurate record of the meeting. Clarification was sought on the requirements for a separate minute of the closed meeting held between The Board and the incoming CEO at the end of the June Board meeting. It was agreed that the meeting was for information only and didn't require a formal minute.
3. The Director of Corporate Services raised a matter arising from the June Audit and Risk Committee, which had been outlined within a paper in the Board pack for this meeting. He advised that as part of the Internal Audit of the Strategic Change Programme, VisitScotland's Internal Auditors had raised an advisory audit point in relation to Board minutes. The advisory audit point recommended that minutes of Board meetings should "articulate the key approval points" and that, in the view of the auditors, there was no record of Board approval for the

phasing of the iCentre closure programme within the March Board minutes. It was noted that the Audit and Risk Committee had considered this at its June meeting and that the view of Members of the Audit and Risk Committee was that the Board had received information in relation to this matter and that all necessary approvals had been given at the March Board meeting.

4. The Board agreed it had approved the phasing of the iCentre closure programme at the March meeting but that this had not been articulated in the minute of the meeting.
5. It was noted an addendum to the March Board minute would be prepared to reflect that the Board had approved the iCentre closure programme and to explain the change.

**ACTION: Prepare an addendum to the March Board Minutes to update the record and explain why an addendum is required.**

6. The CEO noted that “NDPB Board Training” was available, delivered by Scottish Government.

**ACTION: VS to identify dates for “NDPB Board training.**

## **CONFLICTS OF INTEREST**

7. Cara Aitchison advised that she had recently been appointed to the Board of the Scottish Funding Council. It was noted that the appointment did not present a conflict for consideration at today’s meeting.

**ACTION: Conflict of interests register to be updated.**

## **MATTERS ARISING**

8. It was noted that all matters arising were covered during today’s meeting.

## **DIRECTORATE REPORTS**

### CHAIR AND CHIEF EXECUTIVE UPDATE

9. Board members and the Executive Team reflected on the stakeholder dinner which had taken place the evening before the Board meeting. Topics of discussion were highlighted and it was noted that stakeholders attending the dinner had fed back that the session with the VisitScotland Board was welcomed.
10. Board members commented on the full briefing document which had been provided in advance of the stakeholder dinner and remarked how helpful this had been.
11. The cost of the dinners to VisitScotland’s budget was noted but it was felt that these meetings

were beneficial to help the Board understand wider industry priorities and local issues. It was noted that alternatives would be considered for future Board meetings, for example, breakfast meetings, and that this would be built into the planning for Board meetings going forward.

12. The Chair advised that all papers should be taken as read and requested that the Chief Executive and Director updates focused on any new matters since the papers had been issued or matters which required the Board attention.
13. The Chief Executive advised that a huge amount of work had gone into responding to requests from the Scottish Government recently in relation to the Finance and Public Sector Reform agenda. It was noted that the aim was to make efficiencies across the public sector and that a similar review was also being undertaken by the UK Government at the same time. It was advised that a meeting had been arranged with the Minister for Public Finance in August to go through VisitScotland's responses.
14. The Chief Executive commented on the financial outlook, noting that it was difficult to plan strategically when VisitScotland's budget is issued in 12-month cycles. It was acknowledged that the Scottish Government and other non-departmental public body budgets worked on a 12-month basis too. There was a discussion around whether any changes could be expected as a result of the new Labour Government and it was commented that as tourism is a devolved matter, it was not expected that there would be significant changes. The ramifications for the rising costs of being a day visitor were also highlighted and Scotland's attractiveness as a destination was discussed.
15. An update was provided in relation to the Director of Marketing and Digital and Director of Strategy and Competitive Intelligence roles which are currently being advertised.
16. An overview of a recent meeting with the Deputy First Minister was also outlined to the Board.

## STRATEGIC CHANGE PROGRAMME UPDATE

17. The Director of Marketing advised that an update on the work for the Strategic Change Programme was included in the papers. It was further noted that there would be a deep dive into governance arrangements and risk registers at the August Audit and Risk Committee meeting. It was noted that the Director of Marketing would not oversee the Programme in the same manner as she does now when she assumes the position of Chief Executive Officer in October.
18. It was noted that progress had been made in relation to the new business advice model and that this would be covered during the Strategy Away Day in September. It was further noted that more information on the other strands of the Programme would be brought to the Board in due course.

## CORPORATE PLAN

19. The Director of Marketing outlined the purpose of the Corporate Plan to the Board, noting that it was a forward-looking document, setting out the organisation's vision and how we plan to achieve our corporate objectives. The timeline for approval was set out, highlighting that it would form part of the Strategy Away Day in September and once approved, it would be published before the Annual Report and Financial Statements. It was advised that it would be a useful document when having conversations with the Scottish Government pre-budget announcements. It was noted that the foreword would be shared with Board members in advance of the session in September.

**ACTION: Share the foreword to the Corporate Plan with Board members in advance of the Strategy Away Day.**

20. The Senior Manager – Creative Services joined the meeting to speak to the design process for the Corporate Plan. It was noted that there would be a new look and feel to the document from previous corporate plans and that in terms of design, the aim was to create a family of documents in the same style for VisitScotland going forward i.e. that the Annual Report and Financial Statements would follow the same style. An overview of where the inspiration for the design had come from was provided and it was noted that the aim was to create an impactful and memorable document, setting out how VisitScotland planned to drive the visitor economy.

21. The Board was provided with an example of how the document would read on [visitscotland.org](https://visitscotland.org). It was noted that accessibility was a key factor in the design process and that this had been considered at all stages in the process so far. It was advised that the imagery selected would be inspirational and enhance the narrative within the document. It was noted that scale would be used to demonstrate important figures and splash pages would allow the reader to easily navigate through the document.

22. It was questioned whether a pdf of the plan would be made available and it was confirmed that it would be. There was a question around the use of Gaelic within the Corporate Plan and whether that had been considered, and also whether the accessibility features had been checked externally. It was noted that consideration was being given to Gaelic translation and use of Gaelic on the splash pages. It was noted that accessibility by design had been built into the process and that a team was involved to assess the document to ensure it meets accessibility standards.

23. The Board thanked the Senior Manager – Creative Services for the presentation.

**ACTION: Corporate Plan design slides to be shared with the Board.**

## CORPORATE SERVICES REPORT

24. The Director of Corporate Services took the Board through the Corporate Services Report. It

was noted that training and awareness sessions had been delivered to those who had clicked on the link in a recent phishing simulation. It was further noted that most said they had clicked the link because they felt rushed and the email seemed urgent.

25. It was advised that no interest had been received for the former Dunoon local office following the Scottish Government trawl process. It was noted that the property would now move to auction with any sale proceeds being reinvested into the area.
26. On the Procurement side, it was noted that the Scottish Government had recently undertaken a Procurement & Commercial Improvement Programme (PCIP) Assessment. It was noted that the findings were as expected and that an action plan would be created to address the feedback.
27. It was noted that an update on the passing off matter was included in the Legal section of the report and it was further noted that a public sector AI register was expected at some point.
28. An update on the Annual Report and Financial Statements process was provided to the Board. It was noted that the CEO and Chair forewords would be circulated to the Board to review following this meeting. It was noted that the strategic pillars would continue to be used to report against the activity which has been undertaken over the last year. It was advised that the design elements of the report would be different this year. The Chair of the Audit and Risk Committee questioned when the key messaging for the Annual Report would be provided to the Board for comment, noting that the July Board meeting is usually the time when Board feedback is requested. It was noted that this would be built into the agenda for the Strategy Away Day and that the forward planner for the Board would be looked at to ensure the usual timeline is followed next year.

**ACTION: Management to share the CEO and Chair forewords with the Board.**

**ACTION: Management to review the Board Planner to ensure key messaging for the Annual Report is considered in July next year.**

## EVENTS DIRECTORATE REPORT

29. The Director of Events highlighted some challenges facing the industry over the last and upcoming period including train works, proposed bin and tram strikes. It was further noted that the short term lets legislation had reduced the housing stock available for events accommodation. The success of the Men's Scottish Open golf was highlighted to the Board, noting that the event was almost back to 2007/8 numbers and that the infrastructure had coped well.
30. An update was given in relation to 2023 Cycling World Championships Limited governance matters. The Board noted the update and the contents of the Events Report.

## INDUSTRY AND DESTINATION DEVELOPMENT REPORT

31. The Director of Industry and Destination Development highlighted certain aspects of the Industry and Destination Development report.
32. There was a more in-depth discussion about the Visitor Levy and the guidance which VisitScotland was drafting. It was advised that through the legislation, VisitScotland had been given a statutory role to draft the accompanying guidance to the legislation for approval by the Scottish Ministers and that there was a further obligation for VisitScotland to update the guidance from time to time. It was noted that sessions to test the guidance were in the process of being carried out and that it was expected that the guidance would be published in early September.
33. It was advised that the earliest a local authority could introduce the levy would be from July 2026 and that the percentage to be charged was to be determined by the local authorities themselves (although the Scottish Government could cap this if the percentage was set too high). It was noted that it was likely that seven councils within Scotland would seek to introduce the levy in their areas and that this would represent approximately 70% of the accommodation options across Scotland. It was noted that VisitScotland did not have a role in regulating this space or adherence to the guidance. It was confirmed that VAT would be applied on the levy and that this position had been confirmed by HMRC. It was further noted that a representative from Revenue Scotland was part of the group responsible for drafting the guidance, so feedback had been captured to reflect the proposed processes to collect the levy. It was highlighted that the levy on applied to the accommodation charge but that businesses had to charge a “reasonable” accommodation charge.
34. There was a discussion around the levy potentially making Scotland an unattractive place to visit/stay. It was questioned what data and intelligence VisitScotland could use to assist local authorities and businesses which would be impacted. It was noted that data could also be collated over time to compare Scotland to other destinations. It was highlighted that the levy provided the opportunity to invest in the infrastructure of the country and that it remained to be seen whether the levy would impact visitor numbers.
35. It was noted that Galloway had been confirmed as the proposed location for Scotland’s next national park and the Board commented that that having ‘national park’ title would be helpful to promote the area as a place to visit. The Scottish Government’s recent Aviation Statement and the net zero target for islands were briefly discussed.

## MARKETING, DIGITAL and BRAND SCOTLAND REPORT

36. The Director of Marketing took the report as read. It was noted that this was an important planning time for the team, reviewing markets, audiences and successes from the previous

year. The key events over the summer months were noted as being golf, festivals and building on the positive sentiment built by the Tartan Army over the course of the EUROS. It was advised that upweighted activity would continue towards the end of the year and that season extension for those closer to home would be promoted in upcoming activity.

37. The Board questioned whether consideration had been given to promoting Scotland as a place for a cooler summer holiday, as had been seen in Scandinavia. The Director of Marketing, Digital and Brand Scotland noted that when collecting visitor data, we look at the drivers behind visitors choosing Scotland as a destination. It was advised that the main motivators for choosing Scotland were landscape, nature and a connection to the outdoors and therefore nature was a more appropriate theme to be used by VisitScotland.

## **FINANCIAL AND GOVERNANCE MATTERS**

### FINANCIAL AND BUSINESS PERFORMANCE REPORT

38. The Director of Corporate Services presented the Financial and Business Performance report. It was noted that the golf programme and partnership arrangements had been flagged within the report and that these matters were being addressed. It was further noted that year to date costs in relation to the Strategic Change Programme were included in the report. It was highlighted that Management had identified that there were no corporate risks aligned to the delivery of Strategic Pillar 5 and that Management intended to undertake a review of all corporate risks to ensure that all risks that impact on the delivery of this pillar have been identified and are tracked. It was highlighted that income from Connect had exceeded expectations. It was advised that the organisation's labour costs were capitalised on a quarterly basis and that these would be included in the next round of reporting to the Board. It was noted that the switch to the Cloud based payroll solution had gone smoothly.

### AUDIT AND RISK COMMITTEE

39. The Chair of the Audit and Risk Committee confirmed that the final annual opinion from VisitScotland's internal auditors had now been received and that it was at the highest level of assurance. It was noted that the draft minutes from the meeting and RAG report were included in the Board papers. It was further noted that the Chair of the Audit and Risk Committee would be stepping down as a Board member at the end of August and that Lindsey Paterson would take on the role of Chair of the Audit and Risk Committee going forward. It was noted that a thorough handover had happened, and that Lindsey Paterson would Chair the August Audit and Risk Committee meeting.

### POLICY MANAGEMENT REPORT

- 40. The Board approved the Special Leave Policy and the Flexible Working Policy.**

### PROCUREMENT STRATEGY AND POLICY FRAMEWORK

41. The Director of Corporate Services noted that the Procurement Strategy and Policy Framework

was included within the Board papers. It was advised that feedback from the Audit and Risk Committee had been incorporated into the version now included for the Board. It was highlighted that the document would be in place for a year, and thereafter would be refreshed and updated in line with the three-yearly corporate planning cycles.

42. The Board was asked to consider the Procurement Strategy and Policy Framework between meetings and it was noted that approval would be sought at the next Board meeting.

#### APPLICATION TO AWARD – MEDIA PLANNING, BUYING AND ASSOCIATED SERVICES LOT 2 INTERNATIONAL

43. The Director of Corporate Services presented the Media Planning, Buying and Associated Services Lot 2 – International to the Board. It was noted that the route to tender for this service was via The Scottish Government Framework, Media Planning, Buying and Associated Services Lot 2, which is a single supplier Lot delivered by Carat Scotland. It was further noted that Carat Scotland was VisitScotland's incumbent supplier.

44. There was a discussion by the Board in which some concerns were voiced that only one supplier had been appointed to Lot 2. There were questions about whether value was being delivered under this contract or whether the criteria to be appointed to the Lot was too specific. It was noted that Lot 1 required a mini competition to be run but that this was not the case for Lot 2 as a single supplier arrangement. Management confirmed that the Framework had been established by the Scottish Government as a route for public sector agencies to use and that VisitScotland representatives had been part of the User Intelligence Group who agreed the procurement strategy, specification, and were also part of the evaluation group who assessed tender responses. It was further noted that proceeding to award as outlined in the papers would be awarding the contract under a compliant Scottish Government Framework arrangement. The Chair of the Audit and Risk Committee advised that the proposal had been considered by the Committee and recommended to the Board for approval.

45. **The Board approved the award of Media Planning, Buying and Associated Services Lot 2 - International to Carat Scotland.** It was noted that approval from the Scottish Government would also be required given the potential contract term was over three years.

#### **ANY OTHER BUSINESS**

#### UPCOMING ACTIVITY – BOARD PROGRAMME

46. The Chair noted that discussions had begun in relation to the Board programme for 2025. It was suggested that the Board meet in Aberdeen in April 2025, rather than December 2024, to allow Board members to attend Connect, as well as hold a Board meeting. It was noted that an alternative venue could be found for the December meeting.

**ACTION: Consideration to be given to holding a Board meeting in Aberdeen in April 2025 around the time of Connect and find an alternative venue for the December 2024 Board meeting.**



47. It was proposed that going forward, the volume of the Director Reports within the Board papers will be reduced, with one report being presented to outline how VisitScotland's objectives are being met. It was noted that this would allow the Board more time to consider deep dive presentations at Board meetings and more measurable reporting being presented as part of the papers. There was a discussion around the key performance indicators to be reported against and that these should be mapped out, together with the timings for reporting to the Board, so that this could be factored into the Board planner.

**ACTION: Consider key performance indicators for reporting to the Board and the timing of reporting so that this can be built into the Board planner.**

48. Board members commented that their diaries were already filling up for 2025 and that it would be helpful if the proposed Board dates for 2025, and 2026, if possible, could be circulated as soon as possible.

**ACTION: Management to circulate Board dates for 2025 and 2026.**

## THISTLES UPDATE

49. Steven Walker provided the Board with an update on the Thistle Awards. It was noted that Barbara Smith would shortly take up the position of Chair. The dates of the upcoming award dinners were highlighted to the Board and Members were asked to confirm whether they could attend.

**Action: Members to confirm whether they would attend any of the upcoming Thistle Award Dinners.**

50. The Board thanked the Director of Events for all his work over the past 21 years, noting that he was due to step down at the end of August. His impact across the events and festivals was highlighted and the Chair reiterated the importance of the events pipeline to Scotland.

51. The Board thanked Caroline Roxburgh for the huge contribution she had made to the VisitScotland Board over the past eight years. Her tenure as Chair of the Audit and Risk Committee was focused on in particular and Caroline reflected on her experiences as a VisitScotland Board Member.

## **CLOSE**

Thereafter, the meeting was brought to a close.