Board Minutes

Minutes of Meeting of the VisitScotland Board held on 6 June 2024 at Stirling Local Office 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)

Minutes:
Freja Fischer-Møller

Apologies:
Paul Bush (Director of Events)

INTRODUCTIONS

1. The Chair welcomed the attendees to the hybrid meeting, noting that there are no presentations at this meeting.

MINUTES OF THE BOARD MEETINGS

2. The minutes of the Board meeting held on 14 March 2024 were approved as a true and accurate record of the meeting.
3. The minutes of the meeting held with the Board on 7 May 2024 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

4. It was noted that R&A was a previous client of Cyber Security Scotland, so Keith Nicholson would not participate in the discussion on golf as presented at this meeting.

MATTERS ARISING

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

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CHAIR AND CHIEF EXECUTIVE UPDATE

6. The Chair thanked the Board members for participating in the stakeholder event that took place on 5 June. He also thanked the management for pulling together that group of stakeholders to attend a fruitful conversation.
7. The Board gave positive feedback emphasising that the good connectivity between the stakeholders was an important foundation for partnership and collaboration.
8. It was noted that stakeholder engagement like this event is a good opportunity for VisitScotland to be transparent and discuss key priorities and activities with industry. It also offers a way for the Board to familiarise itself with the regional business and tourism potentials.
9. It was advised that the Board explores ways to build on existing collaboration including more usage of academia, insights, and innovation.

Action: A follow-up mechanism / actions tracker to be developed by Management and included in the regular Board update.

Action: A briefing with agenda, discussions points from stakeholders, and expected outcome to be prepared for the Board in advance of the stakeholder events.

10. The Chair updated the Board on his meeting with Gregor Irwin highlighting the discussion around budget challenge, Public Sector Reform, and how VisitScotland's profile could be more active.
11. It was noted that this was a positive discussion, and there was clear recognition of VisitScotland's activities.
12. The Board discussed how VisitScotland could use this momentum to showcase the potential within the tourism sector.

Action: Management to arrange a stakeholder event including senior officials from Scottish Government to discuss economic growth.

13. The Chief Executive Officer noted that the rationalisation of the VisitScotland estate is an example of how the organisation contributes to the Public Sector Reform programme.
14. An outline of the Strategic Framework was given, and there was a discussion around how the Activity Business Cases (ABCs) fit into the strategic pillars, and the KPIs and metrics used to measure success.
15. It was noted that it would be helpful to reduce the number of metrics that Management plan to follow up on, as some of them are operational activities and outcomes, not KPIs, and that there should be a clear link between the KPIs and VisitScotland's objectives.
16. It was further discussed that Board reports in the future should focus on performance by strategic pillar, and that the key enablers as highlighted should be included in the reports.

Action: Management to present any iterations of the Corporate Plan for discussion at the Strategy Awayday in September.

17. The Chief Executive Officer presented the progress on the Strategic Change Programme including proposed changes in the timeline for iCentre closures regarding three sites.

18. The Board was updated on the work with digital content and visitscotland.com on the back of the presentation at the last Board meeting. It was discussed how VisitScotland could enhance the use of research to explore opportunities to create and curate content to promote the lesser-known destinations and products. There was further discussion around what investments should be prioritised to ensure that VisitScotland continues to be at the forefront of the development.

Action: Management to analyse investments and benefit of digital development.

The Board noted the Strategic Change Programme update and approved the iCentre closure schedule with the proposed changes to the original phasing.

CORPORATE SERVICES REPORT

19. The Director of Corporate Services spoke to the directorate paper and updated the Board on the current cyber security training with phishing exercises for staff.

20. It was further noted that VisitScotland had a network incident which caused some disruption in the iCentres and local offices on 9 April. Mitigating actions were carried out, and the service was restored the following day.

21. The Board was updated on the assessment of VisitScotland's procurement and commercial capability, undertaken as part of the Procurement & Commercial Improvement Programme (PCIP). It was noted that feedback from the assessment had been positive with no significant issues raised. A report on outcomes will be sent to Management, and any suggested improvements will be implemented by Head of Procurement.

22. The trademark infringement was discussed. VisitScotland's approach has resulted in closing the company's domain name and bank account, and VisitScotland has requested that the company provides evidence for these steps.

23. It was noted that the directorate had spent significant amount of resource handling corporate complaints regarding VisitScotland's strategy for information provision. The Board was advised that the number of complaints was expected to decline after the publication of an extensive external communications pack on the Strategic Change Programme and the process for Expression of Interest regarding the iCentre properties.

24. The Board was informed that Audit Scotland had undertaken its interim audit during April, an update would be provided first to the Audit and Risk Committee on 20 June and then to VisitScotland's Board at its meeting on 25 July. It was noted that no significant issues were expected as nothing to date had been raised.

The Board noted the update.

EVENTS

25. The Director of Corporate Services updated the Board on the final financial position for the 2023 UCI Cycling World Championships, which would be presented to the Cycling Board at its final meeting on 30 July. It was noted that while the vast majority of contracts were closed, work continued on those outstanding. No delay in the audit process was expected.

26. It was further noted that HMRC had requested information on self-employed/ non payroll workers engaged with 2023 Cycling World Championships during the period of March 2023 – March 2024. This information had been provided.

Action: Management to update on outcome at a later Board meeting.

27. There was a discussion on VisitScotland's position as a catalyst for business events, and it was noted that close coordination with Scottish Government on policy priorities is fundamental to ensure that we attract the right business events.

28. The Director of Corporate Services then presented a proposal on an arrangement with the R&A to secure The Open (x5), The Senior Open (x5), The Women's Open (x3) in Scotland over the next 11 years – 2024-2034.

29. It was noted that the arrangement would build on a funding agreement, where £700k per annum would be allocated from Scottish Government's Major Events budget, while £300k per annum would be allocated from VisitScotland's Grant-in-Aid (Event Directorate's budget).

30. The Board was advised that VisitScotland had requested Scottish Government to underwrite the full annual commitment of £1m, and that annual break clauses would be included in the agreement to mitigate any risks.

31. The Board supported the direction of travel as it aligns with VisitScotland's strategic approach on increasing spread. Furthermore, it would ensure a seasonal and geographical spread and an opportunity to promote Brand Scotland.

32. The Board agreed in principle that management could continue to negotiate and finalise terms with Scottish Government and the R&A to reach a contractual position but asked to be presented with more data outlining the expected economic impact and other benefits before final approval.

The Board noted the update.

Action: Management to send additional information and resubmit paper for approval out of usual Board meeting cycle.

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 implementation of the Strategic Reviews remained a key priority, and the continued stakeholder engagement had proved to be effective allowing local issues to be identified.

35. It was further noted that the National Business Support Partnership Master Customer Record project had progressed well with relevant output for all partners.

36. The Board was updated on recent responsible tourism activities such as new net zero business support resources launched on visitscotland.org which included a climate impact guide and, to promote inclusion VisitScotland collaborated with Edinburgh Tourism Action Group in delivering a workshop and an in-person customer training session.

37. The Board was further advised on regulatory issues as the Visitor Levy bill had been passed on 28 May with additional requirements for VisitScotland and the Expert Group to work through. As a result of the amendments at Stage 3, the publication of the guidance is now planned to be end of July. The implementation process was discussed as well as the potentials for the use of funds collected by the levy.

38. There was a discussion on the Short-Term Let scheme, and how it will impact the Edinburgh Festivals. It was noted that currently there is an issue with incomplete data which has resulted some unvalidated applications causing a significant challenge ahead of the licence deadline in September. VisitScotland is in conversation with Scottish Government on how to support the process.

39. It was noted that the 2023/24 budget for the Rural Tourism Infrastructure Fund had been fully allocated. Additional funding was made available by VisitScotland to allow planned expenditure for 2024/25 to be brought forward to ease the expenditure pressure for 2024/25. The balance of the funding remaining in 2024/25 of £560,000 would be sought from Scottish Government (see 51). However, there are 18 RTIF projects, 2 strategic tourism infrastructure plans and 11 design grants still to be completed. The conversations with Scottish Government to reach a viable solution are on hold due to current insufficient funds.

40. The Board was further updated on the ongoing issues with ferry disruption. Delays and cancellations expected to continue as the entire fleet needs replacement. Although new ferries are being installed, they do not match the current urgent demand.

The Board noted the IDD update.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

41. The Director of Marketing and Digital spoke to the Directorate report, noting that the campaign performance is strong with successful partnerships and marketing collaboration.

42. It was highlighted that the aviation routes are strong with some new popular launches in 2024, which have shown that the demand for Scotland is high.

43. It was noted that VisitScotland collaborated with VisitBritain on projects such as filming, which VisitScotland has benefited from.

44. It was further noted that positive feedback had come from VisitScotland Connect with satisfying business exposure and ministerial attendance.

45. The Board was advised that the 'speed dating' concept was working well for Scottish businesses in meeting the buyers.

46. An update was given on The Travel Corporation (TTC) partnership and the current project, which focuses on shared learnings to drive lower carbon tours into the marketplace. It was noted that Scotland is the only destination, which TTC are partnering with.

47. It was further advised that VisitScotland had launched a new Food Tourism Industry Guide in partnership with Scotland Food & Drink to support businesses to succeed and grow in the food tourism industry.

The Board noted the report.

FINANCIAL AND BUSINESS PERFORMANCE REPORT

48. The Director of Corporate Services presented the Financial and Business Performance report, noted that only the Golf events programme had an amber horizon due to the R&A agreement not yet agreed. No ABCs had a RAG financial status of amber or red.

49. No further comments were made.

The Board noted the report.

CAPITAL BUDGET

50. The Director of Corporate Services presented the proposed capital budget following the Board's approval of the operational budget in March.

51. As discussed during the Industry and Destination Development update, there was a significant risk with regards to available funding to meet the contractual commitments in Rural Tourism Infrastructure Fund (RTIF). It was noted that management had worked through several actions to resolve the budget gap. Scottish Government had provided additional £260k for 2024/25, and the Board was advised that funding had been provided for all 2024/25 commitments. It was also noted that it was not anticipated that further funding would come from Scottish Government for the legacy RTIF projects.

52. It was proposed to allocate £2.3m to the general capital budget to cover Digital Delivery, Phase 2 of Oracle Implementation, IT, Facilities, Scottish Tourism Observatory and Marketing Automation.

53. It was noted that the original Oracle implementation was completed in 2018, but due to COVID and resourcing pressure during 2023 Cycling World Championships, the teams had not been able to undertake the second phase of development until this year. The Board was advised that the project would be included in the ARC planner, and progress would be reported on as part of the Financial and Business Performance Report.

The Board approved the capital budget.

CORPORATE PLAN

54. The Director of Corporate Services presented the proposed timeline, approach, and content for the 3-year Corporate Plan. The reason for bringing the timeline forward was to allow publication of the final document prior to Scottish Government's budget announcement.

55. It was noted that the Corporate Plan was a tool to articulate the impact of the planned activities and how VisitScotland delivers against NSET, National Performance Framework and Scotland Outlook 2030.

56. There was a discussion on the importance of the Board giving input and seeing the outcomes on an iterative basis.

57. It was noted that the Board would be updated on the annual accounts at its meeting in July. The annual accounts have a largely backward look, and the themes in the Corporate Plan could be discussed as the strategic forward look as part of that discussion.

58. It was further noted that strategy should be discussed and developed regardless of budget position, and that the Strategy Awayday in September would be a good opportunity for a strategic deep dive on future priorities.

Action: Management to frequently monitor the political frameworks like NSET etc.

PROCUREMENT

59. The Director of Corporate Services presented an application to tender for a digital asset management tool. It was noted that ARC had examined the tender.

60. The criteria for award were discussed, and it was agreed to add a security element to the criteria.

The Board approved the application to tender.

Action: Management to change the template to include security as criteria.

61. The Director of Corporate Services further advised that a procurement matter might need consideration out of cycle with the ordinary Board meetings, in which case a paper for approval would be sent via email.

POLICY

62. The Director of Corporate Services presented the policies that were shared with the Board for their consideration in March:
     - Fraud Policy and Response Plan
     - iCentre Write off Policy
     - Anti-bribery & Corruption Policy

63. No further comments were raised.

The Board approved the three policies.

64. The Board was then asked to review two additional policies for approval in July:
-   Special Leave Policy
-   Flexible Working Policy

AOB

65. The Board discussed the need for business cards and branded name tags.

Action: Management to provide name tags for the Board members and directors.

CLOSE
Thereafter, the meeting was brought to a close.