

## **Minutes of Meeting of the VisitScotland Board held on 14 March 2024 at City Chambers, Edinburgh and via video conference (Teams)**

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

**In attendance:** Stephen Leckie (observer)  
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)  
Michelle Lavery (Head of Governance and Business Performance) for item 4 only  
Lyn Donnelly (Senior Responsible Tourism Manager) for item 5 only

**Minutes:** Freja Fischer-Møller

**Apologies:** Cara Aitchison

### **INTRODUCTIONS**

1. The Chair welcomed the attendees to the hybrid meeting and congratulated Stephen Leckie on his appointment as new Chair of VisitScotland from 1 April 2024.

### **MINUTES OF THE BOARD MEETING HELD 25 JANUARY 2024**

2. The minutes of the Board meeting held on 25 January 2024 were approved as a true and accurate record of the meeting.

### **CONFLICTS OF INTEREST**

3. It was noted that the incoming Chair will 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 2024/2025

5. The Head of Corporate Governance and Performance presented the process for preparation of the budget for the financial year 2024/2025. Following the discussions at the Audit and Risk Committee meeting in November and Board meeting in January, the proposed budget for 2024/2025 has now been prepared for the Board's approval.
6. It was noted that the proposal presented significant reductions across core activity due to the reductions in VisitScotland's Grant-in-Aid.
7. Movements in the payroll budget have been incorporated, including the agreed pay award and revised employer pension contribution rates. Discretionary spend has been allocated across core activities, following a prioritisation exercise, with an additional activity being created to fund costs associated with the Strategic Change Programme.
8. It was discussed how the budget was allocated across VisitScotland's strategic pillars, and concerns were raised with the significant reduction in activities 'supporting Scotland's tourism and events businesses' and 'stimulating global demand'. Management advised that options for further back-office efficiencies were being explored, working with other public organisations on benchmarking and best practice.
9. It was noted that additional commercial income might be identified as VisitScotland supports on behalf of 3<sup>rd</sup> parties such as Scottish Government the delivery of Policy-linked activities such as golf, new route development and conferences during the year thereby utilising the skill set contained within the organisation.
10. The Board was further advised that management is having ongoing conversations with Scottish Government around RTIF and how to manage the current commitments.
11. The next steps in the budget process were discussed outlining the preparation of the capital budget and the reforecasting. This will be a continuous exercise throughout the year.

**Action: An overview of the Strategic Framework and how the ABCs feeds into those to be presented to the Board in June.**

**The Board approved the proposed budget for the financial year 2024/25.**

## RESPONSIBLE TOURISM

12. The Senior Responsible Tourism Manager gave an update on the work carried out since VisitScotland's Responsible Tourism Strategy was approved by the Board in 2021.
13. It was outlined that responsible tourism has been embedded in VisitScotland's strategic governance and corporate planning. The development of the 4S's (Spread, Spend, Sustainability and Satisfaction) has ensured that all business-as-usual activity across the organisation has responsible tourism threaded through it.
14. It was noted that the internal carbon reductions are monitored in VisitScotland sustainability measurements, and that the organisation is committed to supporting external activities

including measuring scope 3 emissions, however an internationally agreed framework is necessary to monitor outcome and progression properly.

15. It was further noted that strategic partnerships have been established with national and international businesses that align with VisitScotland's responsible tourism values and specialised knowledge in the field. How VisitScotland can measure a successful partnership and the positive outcomes that are sought from these partnerships was discussed.
16. The Board was advised that even though a lot of progress has been made in recent years, there are still challenges that need to be addressed such as the impact of climate change on the tourism and event sector, communities, and the natural landscapes in Scotland. It was advised that work should continue to focus on mitigation as well as adaptation.
17. It was further noted that one member of staff has recently been redeployed to focus on community engagement to strengthen the links between responsible tourism, social inclusion, and communities across Scotland.

**The Board noted the update.**

## **CHAIR AND CHIEF EXECUTIVE UPDATE**

18. The Chair provided the Board with an update on his recent VisitScotland activities highlighting the latest British Tourist Authority meeting where Julia Lopez MP attended as new Minister of State for Media, Tourism and Creative Industries in the UK Government.
19. It was noted that the Chair would attend VisitScotland's Parliamentary Reception on 21 March as one of his last events as acting Chair before stepping down on the 31 March 2024.
20. The Chief Executive updated the Board on a recent VisitScotland live stream event with a Chinese lifestyle blogger and travel influencer where an innovative broadcast set-up allowed VisitScotland to feature more than one place and reached 818,000 viewers.
21. It was noted that despite continuous challenges with the cost of doing business and labour shortage, there is strong demand and growth in Scottish tourism.
22. An update was given on the Change Programme outlining the stakeholder engagement on the Quality Assurance retiral and the next steps, working with industry on the development of a new model for business advice supporting businesses to deliver an end-to-end quality experience.
23. The Board agreed that the announcement of the information strategy should take place in the week commencing 25 March 2024.
24. It was noted that some political reaction was expected. Local stakeholder engagement is being carried out and it was further noted that several options such as Community Asset Transfers, commercial operators may emerge in addition to local authorities possibly running information centres from the use of funds from Visitor Levy once implemented.
25. It was advised that the information provision would be developed to match future needs and to create better value for the visitor economy by providing more information about Scotland early in the visitor journey before the visitors even arrive in the country.

**The Board approved the timing of the information strategy announcement and noted the update.**

## **CORPORATE SERVICES REPORT**

26. The Director of Corporate Services spoke to the directorate paper and updated the Board on an incident at Waverley Court regarding the use of desks allocated to VisitScotland. Mitigating actions to prevent misuse of the open desk environment are being reviewed.
27. The Board was further advised on Generative Artificial Intelligence (AI). It was noted that there are huge opportunities to improve productivity with the use of AI, but significant risks need to be managed and appropriate training is required before VisitScotland can implement it on a business-as-usual basis. An internal working group across the organisation has been established and is currently identifying scope and terms of reference. It was suggested that the Board receive further detail on how the organisation can best use AI.
28. An update on the trademark infringement was given following the Board's discussion at its meeting in January.
29. The complaints and freedom of information requests since the last Board meeting were reviewed.

**The Board noted the Corporate Services report.**

## **EVENTS**

30. The Director of Events thanked the Board members for taking part in the World Athletics Indoor Championships.
31. The Board was advised that VisitScotland had submitted two bids under the Policy-Driven Model and was supporting with two other bids for business events.
32. It was noted that the Business Events industry in Scotland is challenged due to competition, especially from the US, and has returned to pre-Covid levels, but there remains a shortage of suitable venues.
33. An update on 2023 UCI Cycling Worlds Ltd. was given. It was noted that only four members of staff remain on the final stage of project closure, and the 2022/23 accounts will be approved before the end of August 2024.
34. The Board was advised that management was exploring options utilising the nature theme in the absence of funding from Scottish Government for Themed Years – Year of Nature 2025. It was noted that work was under way to consider how to embed nature as a strategic theme across core activities over the next three years, aiming to galvanise industry partners to get further involved and embrace responsible tourism.

**Action: An update to be provided in June on how a strategic nature focus will be incorporated into the 3-year Corporate Plan.**

**The Board noted the Events update.**

## **INDUSTRY AND DESTINATION DEVELOPMENT**

35. The Director of Industry and Destination Development provided an overview of the current work undertaken by the Directorate.

36. It was noted that VisitScotland would have a formal role in the assessment process around a new national park. Good collaboration is ongoing with NatureScot and Scottish Government in bringing visitor economy elements to the forefront of the discussion in relation to the development of the new National Park.
37. The Board was updated on the wide range of activities in the Tay Cities Region including the opening of Perth Museum on 30 March and the refreshed regional economic strategy (2019-39).
38. It was noted that South of Scotland's new Responsible Tourism Strategy was at the final draft stage, which is seen as a significant strategic step forward for the visitor economy in the region.
39. An update on Visitor Levy was given. It was noted that stage 2 of the Bill has been passed. Work in the Expert Group continues, with VisitScotland's contribution focusing on core issues around Local Authorities' statutory consultation and the use of funds.
40. The Board was advised that VisitScotland would undertake the duty to deliver guidance for Ministers, and that the Expert Group Guidance will be given legal status. It was further noted that Local Authorities will have due regard to the guidance.

**The Board noted the IDD update.**

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

41. The Director of Marketing and Digital spoke to the Marketing report, noting that it was peak season for regional and partnership campaigns.
42. Following the Chief Executive update it was noted that the China intermediary market team has been taking full advantage of the return of international outbound travel and have been focusing on helping to building back Chinese visitor numbers to Scotland. One of VisitScotland's objectives has been to use social media to raise awareness of Scotland as a 'must-visit' destination.
43. It was noted that the preparation for VisitScotland Connect was in the final stage with 13 familiarisation trips across the country being planned. The Board was advised that there was a slight increase in costs due to the additional dinner and branded fitting.
44. The Board further discussed the challenge of selling the lesser-known destinations in Scotland.

**Action: A paper on promotion of lesser-known destinations to be prepared for the Board.**

## **FINANCIAL AND BUSINESS PERFORMANCE REPORT**

45. The Director of Corporate Services presented the Financial and Business Performance report, highlighting the activities ranked amber or red and noting that no new issues had occurred.
46. The Board discussed the risk appetite for each of the Strategic Pillars. It was viewed that with the Board currently undertaking change within the business, the current risk appetite remained appropriate.

**The Board approved the risk appetite as proposed and noted the report.**

## **AUDIT AND RISK UPDATE**

47. The Chair of the Audit and Risk Committee updated the Board on the new members of the committee and noted that full complement of members was now in place.
48. The principal matters arising were reviewed by the Board.
49. It was noted that regarding the Change Programme it should be made clear where the responsibility for risk was placed, and that the project interdependencies were identified and monitored. The Board was advised that this work was currently taking place.
50. The payroll cloud transition project was discussed, and the Board was updated on the procurement of the supplier for the payroll system.
51. It was further noted that all members of VisitScotland's Board were welcome to attend the Audit and Risk Committee meetings any point in time.

## **CORPORATE PLAN**

52. The Director of Corporate Services presented the final version of the one-year Interim Corporate Plan.
53. It was noted that feedback from the Board had been incorporated into the revised plan through changes to imagery and content.
54. It was further noted that the one-year Interim Corporate Plan would be published once it has been approved by the Board, and that the work would commence on the full three-year Corporate Plan with the intention of presenting a draft at the Board meeting in September and final approval and publication in December 2024.

**The one-year Interim Corporate Plan was approved by the Board.**

## **POLICY MANAGEMENT**

55. The Director of Corporate Services presented three policies for the Board to consider until the next Board meeting:
  - Fraud policy and Response plan
  - iCentre write-off policy
  - Anti-bribery and Corruption policy
56. It was noted that the policies were available on Sharepoint, and that the Board would be asked to review and approve the presented policies at the next Board meeting.

## **PROPERTY BUSINESS CASE**

57. The Director of Corporate Services presented a business case to the Board proposing a relocation of the Aberdeen Local Office.
58. It was noted that the current occupancy rate is low, and several desks are unused during the week.

59. With the relocation to Marischall College, Aberdeen City Council would become landlord, and VisitScotland would achieve a cost saving on rent and service charges, bringing down the average cost per desk.
60. It was noted that the number of desks required would be monitored and adjusted as part of the Strategic Change review and could increase or decrease depending on demand.

**The property proposal was approved by the Board.**

## **AOB**

61. The Chair updated the Board on the recruitment process for the new Chief Executive Officer of VisitScotland.
62. The meeting planned for 7 May was discussed. It was agreed to postpone the Strategy Awayday to later in the year and hold a meeting of the Board, at which an update on the current Change Programme would be the focus.
63. The Chair also took the opportunity to thank the Board for their cooperation during his time as Chair of VisitScotland.

## **CLOSE**

Thereafter, the meeting was brought to a close.