

Minutes of Meeting of the VisitScotland Board held on 24 October 2024 at Perth Concert Hall and via video conference (Teams)

Present: Stephen Leckie (Chair)
Barbara Smith
Paul Easto (MS Teams from 1130am)
Shona Marsh
Keith Nicholson (MS Teams)
Lindsey Paterson
Steven Walker

In attendance: Vicki Miller (Chief Executive Officer)
Ken Neilson (Director of Corporate Services)
Rob Dickson (Director of Industry and Events)
Jill Walker (Director of Marketing and Digital)
Lynn Jack (Head of People and Culture)
Emma Hallington (Senior Advisor to CEO)

Apologies: Cara Aitchison

Minutes: Suzanne Smith

INTRODUCTIONS

1. The Chair welcomed the attendees to the hybrid meeting, and welcomed Jill Walker to VisitScotland, who has recently taken up the post of Marketing and Digital Director.
2. The Board noted the updated format of the Board paper pack, with organisational updates now provided in the new Chief Executive Report aligned to VisitScotland's strategic pillars. The Board requested that future Board packs clearly identified action required by the Board eg. For approval, discussion or information.

ACTION: Board paper template and overall pack to be updated to clearly note action required by the Board.

MINUTES OF THE BOARD MEETING HELD ON 25 JULY 2024

3. The minutes of the Board meeting held on 25 July 2024 were approved as a true and accurate record of the meeting.
4. The addendum submitted for the Board meeting held on 14 March 2024 was approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

5. No conflicts of interest were raised for this meeting.

MATTERS ARISING

6. It was noted that all matters arising are completed or covered during today's meeting.

CHAIR REPORT

7. The Chair provided the Board with an update on his recent VisitScotland activities, highlighting the latest British Tourism Alliance and VisitEngland Advisory Board Meeting as well as a recent meeting with the Deputy First Minister that he attended along with the Chief Executive Officer.
8. The Chair highlighted the opportunities for Board members to support the Chief Executive Officer with planned stakeholder engagement where possible.

The Board noted the update and offered to support industry engagement if required.

CEO REPORT

9. The Chief Executive Officer introduced the new condensed CEO Report which has replaced the previous individual directorate reports. The new report will provide key updates from across the organisation as well as an overview of operational activities aligned to the Strategic Framework
10. The Chief Executive Officer provided the Board with an update on recent meetings and communications with Scottish Government relating to the emergency spending review and the impact on VisitScotland's Brand and Marketing Budget. Following the strategy day in September, VisitScotland wrote to the Director of Economic Development relating to the Marketing budget. A verbal conversation has taken place whereby it was confirmed that marketing activity could continue as long as the requested £830k was returned to Scottish Government. The Chief Executive Officer stressed the need for consistent communication on the role of VisitScotland as an Economic Growth Agency, the importance of the visitor economy to the Scottish economy and the ongoing concern expressed by the Board of the need for sustained investment to continue our market development work in the face of strong global competition.
11. The Deputy First Minister has requested VisitScotland, along with the three other enterprise agencies, provide regular updates focused on investment and economic activities. These updates should be impact and outcome focused, clearly outlining, in a concise manner, what they will achieve. The first update will be submitted next month and will be shared with the Board.

ACTION: Share DFM outcome report with the Board.

12. The Chief Executive Officer updated the Board on the latest International Passenger Survey results from the Office for National Statistics. Scotland continues to outperform the rest of the UK, figures covering the first six months of 2024 show there were a total of 1,975,000 visits to Scotland from international visitors, an increase of 14% on the same period in 2023 and a rise of 46% on 2019. Between January – June, international visitors spent almost £1.5 billion - up 2% on the same period in 2023 and 30% on 2019, in real terms, when adjusted for inflation. European visitors were responsible for just over half of all trips during that period, followed by North American visitors who continue to show the largest growth in visits with a 54% increase on 2023.
13. The Board noted the update, the Chief Executive Officer highlighted the challenge of maintaining such a high-level of international visitors in a challenging fiscal environment and

that growth continues to rely on the North American market. The Chief Executive Officer highlighted the importance of not being reliant on one market, confirming that our market prioritisation work will reflect and identify opportunities across all markets, in particular long haul, which is predicted to offer the most significant opportunity for growth, recognising however that European markets including the UK market remain important for regional and seasonal spread

14. The Chief Executive Officer confirmed the Visitor Levy Guidance has now been published. This guidance has been developed by VisitScotland in consultation with representatives from Local Authorities and the tourism industry. A deep dive into the Visitor Levy will be brought to the December Board meeting, which will also provide the Board with an update on the proposed cruise levy.
15. The board was asked to note the new Strategic Change Programme Highlight report which will be included in monthly board packs going forward. This report provides updates on key milestones, risk profiles and upcoming priorities for each workstream.
16. The Chief Executive Officer asked the Board to note the impact on resource for the organisation as we move through our Strategic Change Programme whilst also delivering business as usual activities.
17. The Chief Executive Officer highlighted some key upcoming activities focused on stakeholder engagement including a programme of MSP roundtables with key political parties as well as a regional listening tour for the CEO and Chair, incorporating key industry stakeholders and businesses.

The Board noted the updated report and welcomed the new condensed format and focus on strategic activity.

VISITOR ECONOMY OVERVIEW

18. The Board noted the visitor economy overview design proof included in the Board pack. The Board advised that the document should be simplified to include key insights and data only. This document should clearly articulate VisitScotland's role as an Economic Growth Agency and the importance and significance of the visitor economy. It was noted that that audiences for this document could have little or no knowledge of the above so we should be mindful of the level of detail and language used.

ACTION – Visitor Economy overview document to incorporate suggested amends and to be brought to the December Board meeting

BUSINESS EVENTS DEEP DIVE

19. The Head of Business Events joined the meeting and presented the Board with an overview of Business Events and VisitScotland's activities and priorities in this area, including how this work contributes to growing the visitor economy.
20. The Board noted the importance of these activities to growing the visitor economy. They discussed the potential opportunities associated with the 'bleisure' market and the role VisitScotland can play to encourage business travelers to extend their trip or return as a leisure visitor.
21. The Board discussed the opportunity to secure conferences that are aligned to Scottish Government policy areas.

The Board noted the Business Events Update.

EDINBURGH AND LOTHIAN VISITOR ECONOMY OVERVIEW

22. The Regional Director for Central, NE and the SW joined the meeting to provide the Board with an update on the Visitor Economy for Edinburgh and the Lothians. This included key economic data for the area, an overview of the regional economic strategy, key investments and future potential challenges and opportunities.
23. The Board noted the update and discussed the strength of the area's performance within the visitor economy and queried how much this was replicated across the country. It was noted that Edinburgh will be the first area to impose a Visitor Levy which will raise significant funds.

The Board noted the update on Edinburgh and the Lothians

STRATEGIC CHANGE PROGRAMME

24. The Chief Executive Officer updated the Board on the progress of the Strategic Change Programme workstreams.
25. Progression of phase 1 of the iCentre closure program was outlined, to date 11 iCentres have been closed. The Chief Executive Officer confirmed that multiple teams from across the organisation have contributed to this process and wanted to highlight particularly the professionalism demonstrated by impacted staff in this area of the business as we move through the closure program. It was noted that any changes to the agreed timeline for future closures will be brought to the Board for approval.
26. Recruitment is currently in progress for our refreshed Business Support delivery model with all posts to be appointed by mid-December. This is being managed through closed recruitment and redeployment where appropriate.
27. Work continues on the development of the online Business Support Hub, a key channel for businesses to access free and targeted support as part of our refreshed Business Support model. The Hub is on schedule for launch 01 April 2025 and will focus on user testing in the coming months with key industry stakeholders.
28. The Board were updated that an agreement has been reached with Transport Scotland on the management of Brown Sign applications, this updated process has been shared and agreed with Local Authorities and will be published in the coming weeks.

The Board noted the Strategic Change Programme update

VOLUNTARY REDUNDANCY POLICY

29. The Head of People and Culture spoke to the proposed change to VisitScotland's Voluntary Redundancy Policy to support workforce planning efforts. The proposed amendment would allow voluntary redundancy applications to be considered if there is a suitable internal candidate for a role, leading to a combined headcount and payroll reduction. This would allow the Executive Leadership Group greater flexibility in managing job roles, structures, existing talent and staff displaced by change. This amendment would apply to all voluntary redundancy applications, not just those impacted by the Strategic Change Programme.
30. The Board discussed the financial implications and were re-assured by the Head of People and Culture that redundancy payments may be adjusted in scenarios where suitable internal candidates require an uplift in pay or where any additional costs may be incurred.
31. The Board raised concerns around how this could affect future workforce planning, create the risk of staff being asked to undertake roles they were not trained for and also the retention of certain skills

within the organisation. The Head of People and Culture confirmed that this amendment will impact a minimal number of applications, that staff would not be asked to undertake roles which they could not be reasonably expected to be trained to deliver and will provide more flexibility with workforce planning.

32. If agreed the change to this policy will be communicated to staff, any applications previously rejected will have the opportunity to be reconsidered.

The Board noted the update and agreed the amendment to the Voluntary Redundancy Policy

FINANCIAL AND BUSINESS PERFORMANCE REPORT

33. The Director of Corporate Services presented the Financial and Business Performance report, highlighting the activities ranked amber or red. It was noted that the only new item with a red RAG status related to the reduction in the Brand and Campaign budget due budget cuts.
34. The Director of Corporate Services highlighted the addition of section 6 to the report which focuses on CO₂ reporting. This section reports on carbon dioxide equivalent (CO₂ e) emissions by ABC. This section of the report will continue to evolve to ensure that the Board are provided with meaningful data going forward.
35. The Director of Corporate Services noted that an updated Budget Forecast will be brought to the next meeting.

The Board noted the financial and business performance update

ACTION: Updated Budget Forecast to be brought to the December Board meeting.

AUDIT AND RISK UPDATE

36. The Chair of the Audit and Risk Committee updated the Board on the most recent ARC meeting.
37. The Chair highlighted the that the accounts for Cycling World Championships have now been signed off and approved by the auditors. All risks relating to the Cycling World Championships have been agreed and accepted by the VisitScotland Audit and Risk Committee.
38. The Chair of the Audit and Risk Committee updated the Board on the deep dive session focused on the Strategic Change Programme Governance structure, the committee were reassured by the new structure and reporting principles in place and welcomed the addition of the monthly highlight report.
39. The Chair of the audit and risk committee reassured the Board that they would be reviewing the financial statements prior to the submission of the final Annual Report and Financial Statements at the December VisitScotland Board meeting.
40. It was noted that the Audit and Risk Committee had approved the Media Planning, Buying and Associated Services Lot 1, the committee discussed the number of responses to the contract and potential reasons for this. It was noted that there should be follow up, if possible, with agencies that did not respond to understand what the key barriers were. The Board discussed if there were opportunities to extend response times for some contracts.

PROCUREMENT UPDATE

41. The Director of Corporate Services presented the Media Planning, Buying and Associated Services Lot one paper, this award has been reviewed and approved at VisitScotland's Leadership Group and the Audit and Risk Committee. The Board discussed the challenges of the required timescales for responses to such a significant procurement which are dictated by the Scottish Government

Framework.

The Board noted the update and approved the award of the procurement

ANNUAL REPORT AND FINANCIAL STATEMENTS

42. The Director of Corporate Services updated the Board on the status of the Annual Report and Financial Statements. The Board were asked to provide feedback via the email address provided in the accompanying paper. The Chair of the Audit and Risk Committee reiterated that they would be closely reviewing the accounts section with the auditors.
43. The Board discussed the alignment of this document with the new corporate plan and if there were opportunities to condense the contents. The Chief Executive Officer highlighted future development plans for visitScotland.org website which could allow for elements of strategic content to be held there, with the Annual Report and Financial Statement document focused more on the statutory requirements.
44. The Director of Corporate Services confirmed that the final version of the document would be brought to the December Board meeting for approval.

ACTION: Board asked to provide feedback on the Annual Report and Financial Statements using dedicated email address.

POLICIES FOR APPROVAL

45. The Director of Corporate Services presented one policy for approval and five policies for the Board to consider until the next Board meeting:

For approval:

- Procurement Strategy and Policy Framework

For consideration:

- Social Media Policy
- IT Acceptable Use Policy
- Pay and Grading Policy (including Market Supplement)
- Volunteering Policy
- Hybrid Working Policy

46. 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.

The Board approved the Procurement and Policy Framework Policy

ACTION: Board to review policies for consideration for approval at December meeting.

2023 CYCLING WORLD CHAMPIONSHIPS GOVERNANCE ARRANGEMENTS

47. The Director of Corporate Services introduced the proposed changes to the 2023 Cycling World Championships governance arrangements. The Board were asked to consider and provide feedback on the new subsidiary articles of association for 2023 Cycling World Championships Limited, the close out of the governance manual of the Company and the appointment of the new Directors.
48. The Board were informed that a 2023 Cycling World Championship Limited Board meeting will be scheduled, at this point the VisitScotland Board will be required to provide approvals of the recommendations included in this paper.

**The Board noted the update on the 2023 Cycling World Championships Governance
ACTION: Board members to respond to approval requests as required.**

AOB

The Board noted and approved the 2024/25 Board Planner

CLOSE

Thereafter, the meeting was brought to a close.