

Minutes of Meeting of the VisitScotland Board held on 7 June 2018

Present: John Thurso (Chairman)
Anne Anderson
Rebecca Brooks
Cathy Craig
Gordon Dewar
Carolyn Jameson
Stephen Hagan
Calum Ross
Caroline Roxburgh

In attendance: Malcolm Roughead (Chief Executive)
Paul Bush (Director of Events)
Riddell Graham (Director of Industry and Destination Development)
Ken Neilson (Director of Corporate Services)
Charlie Smith (Director of Marketing, Digital & Global Brand)

Lauren Hogg (Market Executive North Europe)

Minutes: Lynne Raeside

SOUTH OF SCOTLAND PRESENTATION

1. The Chairman welcomed Russel Griggs, Chair of the South of Scotland Economic Partnership, to the meeting. Professor Griggs presented an overview of the work of the Economic Partnership, noting that the aim was to develop an agency **for** the south, developed **by** the south and located **in** the south. He thanked VisitScotland for its support to date, particularly the Chief Executive for his role on the Board; the Director of Industry & Destination Development for his role on the Executive Team; and the Head of Corporate Communications for her role in leading the communications activity.
2. Professor Griggs outlined a number of the challenges facing the area but also some of the opportunities that exist, for example through other sources of funding such as the Borderlands Growth Deal. He noted that VisitScotland is leading on the tourism theme on behalf of the Executive Team and a piece of work has been developed based on insights provided by VisitScotland. Tourism in the South of Scotland is underperforming compared with other areas of Scotland so there are opportunities to develop.
3. The Board discussed the opportunities for development. It was noted that there are opportunities to work strategically with partners in England to develop a UK proposition which will appeal to certain markets.

4. The Board discussed the challenges of the SME base. It was noted that a major challenge is around succession.
5. The Director of Industry & Destination Development referred to work being carried out based on best practice of Argyll & the Isles.
6. On behalf of the Board the Chairman thanked Professor Griggs for a stimulating presentation and discussion.

MINUTES OF THE BOARD MEETING HELD ON 26 APRIL 2018

7. The minutes of the Board meeting held on 26 April 2018 were confirmed as a true record of the meeting subject to the following amendments:
 - (a) At paragraph 11, amend reference to Whistleblowing Policy to read “It was noted that the whistle blowing policy should be reviewed and updated.”
 - (b) At paragraph 34, amend “digital systems” to read “digital strategy, including systems”.

CONFLICTS OF INTEREST

8. There were no conflicts noted.

MATTERS ARISING

9. The Board discussed engagement with the Year of Young People. It was agreed that plans to take forward speed networking and inclusion in the Elevenses programme should be taken forward. **ACTION: update to be provided to the next Board meeting.**

FINANCIAL MATTERS

Finance Report

10. The Director of Corporate Services introduced the Finance Report which provided an update on the outturn for the financial year ending 31 March 2018; the Annual Report and Financial Statements Timetable; and the Finance Team structure.
11. He reported that a balanced budget will be achieved. He further noted that provision for the Information Strategy had been created and approved by Audit Scotland. This will take pressure off the 2018/19 financial year.
12. The Board noted the report.

Key Performance Measures

13. The Director of Corporate Services introduced a report on key performance indicators, noting that this report provided a draft of the end of year performance. He reported that a small

number of activities are not on track due to challenges around technical resources. However, steps were being taken to address these challenges.

14. The Board discussed the technical resource challenges.
15. It was also noted that there are challenges related to evaluating roles within the system currently used. The Board discussed alternative ways of securing resource, e.g. sub-contractors. However, it was noted that this is an expensive option and does not create the environment to align with VisitScotland values.
16. It was suggested that more flexibility around location might help address some issues as the supply issues in Edinburgh might not be as prevalent elsewhere in Scotland.
17. It was noted that a new Portfolio Office is being set up and will play an important role in managing resource. **ACTION: overview of the Portfolio Office to be provided to the next Board meeting.**

Marketing Automation

18. The Chairman welcomed Vicki Miller, Head of Customer Experience, and Mark Irwin, Head of Performance Marketing, to the meeting. Together with the Director of Marketing, Digital & Brand they presented the business case to support the introduction of a marketing automation platform. They outlined the context of the marketing automation platform and how it would fit with other digital developments. The ultimate goal will be to make investment in marketing activity more efficient and effective. It was further noted that implementing a marketing automation platform would put VisitScotland in a strong position compared with its competitors.
19. The two stage procurement process was outlined, with an explanation provided regarding the selected provider, Marketo. The next step is to tender for an implementation partner which will be required for on-boarding, platform set up and training.
20. It was noted that partner involvement is optional. Given the more extensive marketing role of VisitScotland, partners are comfortable that VisitScotland take the lead. The contract has been developed in such a way that allows for other partners to be added on, provided that they are named, at no extra cost to VisitScotland. It was suggested that Universities Scotland should be added as a named partner.
21. An overview of the timeline was provided. It was noted that technical integration will be led by the implementation partner. Delivery will fall under the auspices of the Portfolio Office.
22. A question was raised about the inclusion of the Payment Gate process within the tender. It was agreed that this would be checked.
23. The Board approved the business case and the application to tender.

Annual Report and Financial Statements Template

24. The Director of Corporate Services introduced a paper to update the Board on progress made in relation to the new format of the Annual Report and Financial statements and to request feedback on that progress.
25. The Board noted the update and approved the approach being taken.

Scottish Government / VisitScotland Framework Agreement

26. The Director of Corporate Services introduced a paper asking the Board to consider and approve the revised VS/ SG Framework Agreement. He noted that the Framework is part of the overall VisitScotland Corporate Governance Handbook.
27. It was suggested that a copy of the Framework should be included as part of the induction pack for new Board members.
28. The Board approved the new Framework.

VisitScotland and GDPR Implementation

29. The Director of Corporate Services introduced a paper summarising the status of VisitScotland's GDPR implementation as detailed in the GDPR Action Plan; and describing steps VISitScotland is taking to more deeply embed GDPR in its processes and promote further the continuing awareness of GDPR throughout the organisation.
30. He reported that GDPR had come into force on 25 May. Mechanisms are in place to ensure compliance. Some further actions have been identified which are due to be completed by the end of September after which reporting will become part of business as usual.
31. The Board discussed the matter of data breaches. It was noted that data breaches are part of ARC annual reporting but any significant breaches should be reported immediately to the Board. It was confirmed that a process is in place to allow for this.
32. The Board noted the update.

ERP Update

33. The Director of Corporate Services introduced a paper updating the Board on progress with the ERP project. He noted that the aim is for completion in October and the project is on track to meet this deadline. It was also noted that the implementation partner had been very successful.
34. The Board noted the report.

Health & Safety Report

35. The Director of Corporate Services presented an update on Health & Safety. It was noted that there are no outstanding injury claims and there have been no RIDDOR incidents since the last meeting.
36. The Board noted the report.

Pensions

37. The Director of Corporate Services introduced a paper setting out proposals for the development of a high quality Defined Contribution pension scheme to run alongside the existing Defined Benefit pension provision.
38. The Board discussed the issue of staff communications noting the importance of communicating the benefits of being part of a pension scheme. Concerns were expressed that staff might not consider the full package of benefits and therefore not understand the implications of not joining a pension scheme.
39. The Board also discussed the implications for seasonal staff. It was noted that the Nest Option is available for seasonal staff.
40. The Board sought further insight into the reasons why staff have opted out of pension provision, noting that this would enable them to better assess future options.
41. The Board agreed that further work should be undertaken to develop a business case to allow the Board to determine whether a Defined Contribution scheme should be added to existing pension provision. **ACTION: further proposals to be brought forward to a future Board meeting.**

BUDGET UPDATE

42. The Chief Executive introduced a paper updating the Board on proposals to achieve a balanced budget and to seek Board approval of the proposed budget.
43. He noted that through further efficiencies the aim would be to increase spend across key areas of marketing and Growth Fund. The Board approved this proposal.
44. He also reported that additional ring fenced funding has been secured for aviation to support the Hainan and Emirates routes coming into Edinburgh.
45. The Board discussed investment in Brand Scotland. The Chief Executive confirmed that VisitScotland would continue to support Brand Scotland through investment in core marketing activity. However, investment in the high level brand building awareness would be reliant on the business case being supported. The Director of Marketing, Digital and Brand updated the Board on the approach being taken to develop the business case.
46. The Board approved the budget.

RISK MANAGEMENT

47. The Director of Corporate Services introduced a paper inviting the Board to consider changes to the risk management process, including risk appetite for the new strategic pillars, and an updated draft corporate risk register.
48. The Board discussed a number of matters including the split between corporate risk registers and project specific risk registers; the inclusion of a new risk on cyber security; alignment with the pillars of strategic intent; risk appetite; and the process for updating.
49. The Board approved the process to date. It was agreed that the Director of Corporate Services would take on board comments and bring back a revised register to a future Board meeting.
ACTION: revised risk register to be presented to future Board meeting.

EDINBURGH iCENTRE OPTIONS

50. The Director of Industry & Destination Development introduced a discussion paper on options concerning the future of the Edinburgh iCentre.
51. It was noted that visitor research regarding the ideal location would help with decision making, i.e. would locating beside a transport hub be the preferred option. It was also noted that the needs of international and domestic visitors might differ.
52. The challenges of the existing location were discussed, including the plans for future development. It was noted that other options might face similar challenges and any options appraisal would have to consider these as part of the process.
53. The Board discussed the option of dual location, noting that different locations could serve different purposes. As part of this discussion it was agreed that consideration of retail space would be important.
54. The Board concluded that further options should be considered, including more flexible ways of providing information. In the meantime, the Board approved the request to develop a business case. **ACTION: further proposals to be brought forward to a future Board meeting.**

VISITSCOTLAND.ORG UPDATE

55. The Chairman welcomed Andy Bruce (Project Manager, visitScotland.org) to the meeting. AB updated the Board on progress regarding the redevelopment of the corporate website, visitScotland.org. He took Board members through the Beta site, noting the new design and functionality.
56. He reported that Phase 2 will work towards a more personalised approach, with further integration with internal systems.

57. The Board asked about opportunities to incorporate UGC. It was noted that this will form part of Phase 2.

58. The Board welcomed the update.

INFORMATION STRATEGY

59. The Director of Industry & Destination Development reported that the newly opened Glasgow iCentre is performing well. More generally across the network, while footfall is down, retail continues to perform strongly.

CHIEF EXECUTIVE'S REPORT

60. The Chief Executive introduced a report updating the Board on activity since the previous Board meeting. He drew particular attention to the following:

- (a) **Investment:** given the number of new developments and the launch of new air routes into Scotland, there is an underlying confidence across the industry.
- (b) **Events:** the season is going well. There have been 2000 co-created events for the Year of Young People, exceeding a target of 200.
- (c) **Tours Management System:** this launched on 18th April and will enable tour operators to publish and manage their tour listings on visitscotland.com.
- (d) **VIP Programme:** membership is continuing to grow and has now reached 2000. There remains some work to be done to enhance the programme and to fill gaps in membership but results to date are positive.
- (e) **HR:** implementation of the People Strategy is underway. A new approach to performance management has been introduced, aligned to the strategic framework. It was also noted that the programme of Mental Health Awareness is progressing well.
- (f) **Rural Tourism Infrastructure Fund:** the response to the call for expressions of interest has exceeded expectations. Full applications are now being worked on to meet the July deadline.

61. The Board noted the report.

OPERATIONAL UPDATE

62. The Director of Corporate Services provided an update on two property matters: (i) the sale of Tyndrum iCentre; and (ii) an expression of interest in the Railway Carriage located alongside the Ballater iCentre.

63. The Board noted the update.

ANY OTHER BUSINESS

64. The Chairman updated the Board on the appointment process for two new Board members. He presented the skills matrix for comment. It was agreed that the skills matrix should reflect

the need to have a knowledge of global trends and markets. **ACTION: All Board members to complete and return the matrix.**

65. The Board approved the recommendation of the Remuneration Committee in relation to the pay award for the Chief Executive.