

## Minutes of Meeting of the VisitScotland Board held on 20 September 2018

<b>Present:</b>	John Thurso (Chairman) Anne Anderson Caroline Roxburgh Carolyn Jameson Cathy Craig Rebecca Brooks Stephen Hagan
<b>In attendance:</b>	Malcolm Roughead (Chief Executive) Paul Bush (Director of Events) Vicki Miller (Director of Marketing, Digital & Global Brand) Ken Neilson (Director of Corporate Services)
<b>Apologies:</b>	Calum Ross Riddell Graham (Director of Industry and Destination Development)
<b>Minutes:</b>	Ken Neilson / Malcolm Roughead

### INTRODUCTIONS

1. The Chairman congratulated Caroline Roxburgh on her appointment to the Board.
2. The Chairman noted Calum Ross's apologies due to the storm damage at his property and thanked him for sending in his comments via email.
3. The Chairman confirmed that the re-appointment process had commenced and that names of proposed panel members had been submitted for approval.
4. The Chairman thanked Board members for their contributions to the identification of primary and secondary skill set requirements which have been factored into the role requirements.

### MINUTES OF THE BOARD MEETING HELD ON 26 JULY 2018

5. The minutes of the Board meeting held on 26 July 2018 were confirmed as a true record of the meeting.

### CONFLICTS OF INTEREST

6. The Chairman raised the Clan Sinclair application for funding as a potential conflict of interest.

## MATTERS ARISING

### Work force Planning

7. Work force is underway and will be brought to the Board post-implementation of the ERP system

### Risk Register

8. The Director of Corporate Services updated the Board on the process to revise the risk register. He reported that an internal risk committee has been set up to take this forward. A revised risk register will be brought to the December Board. **ACTION: Revised Risk Register to be presented to December Board.**

## FINANCIAL MATTERS

### Final Draft Annual Report and Financial Statements

9. The Director of Corporate Services presented the Final Draft Annual Report and Financial Statements.
10. The Chairman of the Audit and Risk Committee reported back on the comments made by Audit Scotland. The following points were noted:
  - a. The format had been revised to make the document more user-friendly
  - b. There was greater emphasis on VisitScotland as a driver of economic growth
  - c. The Performance Report was welcomed
  - d. The Accountability Report would include in future gender equality data
  - e. The Finance Report highlighted the recent movements to the Balance Sheet and the reduction in Pension Liability
11. The Chairman thanked both the Director of Corporate Services and the Chair of the Audit and Risk Committee for the work undertaken throughout the year.
12. **The Accounts were approved.**

### Audit and Risk Committee Update

13. The Chair of the Audit and Risk Committee updated the Board on the most recent meeting. She reported that a tracking system would be introduced to show progress against issues raised/actions agreed by Internal Audit and presented on a quarterly basis rather than annually. **Action: Internal control document to be circulated to Board Members for information**
14. From a wider assurance perspective, the external audit draft annual report was noted.

15. The internal audit is complete and the highest level of assurance has been achieved. The internal control check list has been amended to include data, longer term finance strategy and workforce planning.
16. The Chair reported that consideration had been given to the Quality Assurance programme given that it is a regulated programme. The QA survey feedback has been shared with the ARC and it was reassuring that it shows high levels of satisfaction.
17. The Audit and Risk Committee annual report was noted.
18. The Chairman thanked members of the Audit and Risk Committee for their input and commitment throughout the year.

#### **Audit and Risk Committee- Revised Terms of Reference**

19. **The changes to the current Terms of Reference were approved**

#### **Finance Paper**

20. The Corporate Services Director updated the Board on the 2018/19 Budget Reforecast, Scottish Government Spending Review and sought approval for the 2018/19 capital budget
21. **Action: The capital expenditure budget was approved**

#### **Property Matters**

22. The Director of Corporate Services introduced a paper seeking Board approval on the disposal of surplus properties in Stonehaven, Strontian and Castlebay in addition to approval of the business case for leases in Ballater and Kirkwall  
**Action: Approval given but all community options to be investigated with regard to Castlebay**

#### **Procurement**

23. **Action: The Board approved the award of contract for DMS Services to New Mind**

#### **Fraud Policy**

24. **Action: The Board approved the updated fraud policy and response plan**

#### **Sustainability Report**

25. **Action: The report was approved subject to an additional paragraph on future actions being included**

### **Health & Safety Report**

26. The Director of Corporate Services introduced a paper on Health & Safety matters. He reported that there are no outstanding claims and no RIDDOR incidents.
27. The Board noted the report.

### **GDPR**

28. The Director of Corporate Services introduced a paper updating the Board on progress against the GDPR action plan.
29. The Board asked whether there was any information available on the potential negative impact of GDPR in relation to VisitScotland marketing activity. The Chief Executive confirmed that the work undertaken as a result of the new regulations meant that engagement with potential visitors is now more targeted and focused. It was noted, however, that there might be an impact across the wider industry as there may be some businesses which stop collecting data due to concerns about compliance.
30. The Board noted the report.

### **Pensions**

31. The Director of Corporate Services introduced a paper providing an update on pension matters. He reported that it has not been possible to achieve a single approach with the various schemes which means that the approach is more time consuming and could lead to variable arrangements.
32. It has been confirmed that the guarantee from the UK Government will only apply to VisitBritain which is contrary to what had previously been advised. This would be challenging for VisitScotland. The aim of VisitScotland is to secure sectionalisation and it was agreed that this should continue to be our aim.

### **SCOTLAND IS NOW**

33. The Director of Marketing, Digital and Global Brand presented an update on the Scotland is Now project. She noted the importance of defining ambition, confirming that Brand Scotland is about how Scotland is positioned internationally and how a joined up narrative is achieved. Scotland is Now is the campaign platform not the brand. The brand will be key and work is underway to develop that brand and also to discuss how we collaborate and extend the brand to other public sector bodies and beyond into the private sector.
34. It was noted that the priorities over the coming months are: governance, strategy, capex, resource and maintaining momentum.

35. In terms of governance, structures and processes are being formalised. This will include the approach to procurement which might require a very specific type of structure. It was agreed that options for structures should be brought to the Board in due course.
36. In terms of strategy, it will be important to differentiate between what is the brand and how this differs from pillar specific activity. It was agreed that the brand should be additional and should be complementary to pillar activity.
37. An updated business case was discussed. The CabSec has already had input to the business case but it was noted that at present there is no central pot available
38. An update on capex spend was provided. It was noted that this will be subject to the Scottish Government digital assurance process. The complexities of project delivery were acknowledged and it was confirmed that all projects are following the VisitScotland project management processes.
39. There remains work to be done to maintain momentum. Activity is planned into the autumn and securing the support of partners will continue to be a priority.
40. **ACTION: Further updates on workstreams 1 and 2 to come to future Board meetings**

#### **INFORMATION STRATEGY**

41. The Chief Executive talked to the paper provided by the Director of Industry and Destination Development.
42. The Board confirmed its ongoing support for the Strategy, noting the success of Phase 1. They discussed the need to enhance the VIP programme. They also discussed how intelligence on customer feedback might be collated from partners. It was noted that considerable customer feedback comes via the QTA team and it might be useful to formalise this. It was also suggested that ongoing monitoring should be carried out to ensure that the new Strategy is delivering.
43. **ACTION: An update to the progress of the VIP programme, asset disposal plan and structure to come to the next Board**

#### **YEAR OF YOUNG PEOPLE**

44. The Board noted the great success of the theme year and requested a view on how VisitScotland would look to continue the momentum going forward.
45. **Action: December Board to be updated on future plans to build on the success of the Year of Young People**

## CHAIRMAN'S REPORT

46. The Chairman provided an update on his activity since the previous Board meeting. He drew particular attention to the VisitBritain Board meeting highlights
47. The Board noted the report.

## CHIEF EXECUTIVE'S REPORT

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

- (a) Industry performance: the 2017 figures have now been published and show spending of overnight visitors has risen to £5.3bn. Further analysis of the numbers shows that the proportion of international spend is increasing which is very encouraging and in line with the internationalisation strategy. There is also strong performance from the day trip market. There is clear confidence among the industry which can be seen from the continued investment in product.
- (b) Events: the event season is at its height and there has been a great start to the year. The golf season has been particularly successful: NBC reported the highest number of viewers in 18 years for The Open. In addition, he noted the recent announcement that the TED Summit is coming to Edinburgh in 2019. The Glasgow conference market looks strong moving into 2019 which will also see the opening of the new Exhibition and Conference Centre in Aberdeen. Director of Events to update on the AECC at next meeting  
**Action: AECC update to be included in next update to the Board**
- (c) Scotland is Now: initial results are looking extremely positive.
- (d) Aviation: the new Hainan route into Edinburgh is performing well. Forward bookings for Emirates into Edinburgh are strong.
- (e) iCentre Performance: it was noted that the impact of Waverly footfall is impacting on the overall iCentre performance results. At mid-September retail was at £2.3m and footfall at 1.94m, 77% and 74% against target respectively.
- (f) The proposed business engagement strategy following feedback from the Leadership Group will come to the Board before year end.  
**Action: Proposed Business Engagement Strategy to be presented to the Board**
- (g) Solheim Cup: Amber risks around Ticketing and Legacy were discussed.  
**Action: board to be kept apprised of Risk mitigation**

49. The Director of Events updated the Board on potential future events.

50. The Board noted the report.

## PAPERS FOR NOTING

51. The following papers were circulated for noting:

- Solheim Cup Update
- Insights Update
- Operations Update: After discussion around potential risk it was agreed to include the Project Board report in future meetings  
**Action: Project Board report to be included in future papers**
- Communications Report
- Schedule of Forthcoming Activity

## ANY OTHER BUSINESS

52. It was noted that Stephen Hagen would report back on his attendance at a workshop on Equalities at Board level

### 53. Remuneration

The management withdrew from the meeting and the Board resolved itself into the Remuneration Committee. On conclusion of the Remuneration Committee meeting, the Board reconvened.

The Board received the report of the remuneration committee relating to the pay of the Chief Executive. The report set out the options which had been considered in respect of the CEO's remuneration; recommended option (3).