

Minutes of Meeting of the VisitScotland Board held on 26 April 2018

Present: John Thurso (Chairman)
Anne Anderson
Rebecca Brooks
Gordon Dewar
Steve Dunlop
Carolyn Jameson
Stephen Hagan
Caroline Roxburgh

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

Jeremy Thomas (Assistant Brand Manager)

Apologies: Cathy Craig
Calum Ross

Minutes: Lynne Raeside

PEOPLE STRATEGY UPDATE

1. The Chairman welcomed Lynn Jack, Head of HR, and Leanne Elliot, HR Operations Manager, to the meeting. They provided a more detailed analysis of the staff survey results. It was suggested that for future years it would be helpful to differentiate the results of front line staff from office based staff.
2. The Board had a full ranging discussion on the issues raised. It was noted that further investment in training is required. The Head of HR outlined the planned programme of training. It was also suggested that the Board nominate an individual to be a designated “staff champion” to support staff. The Board sought reassurances in relation to succession planning. It was noted that the ERP system which is about to be implemented will help formalise this and will assist with formalising training plans.
3. The Board discussed communications. It was noted that the Internal Communications Team is working on a communications plan and meetings are underway with Heads of Department.
4. The Board approved the strategy and the actions set out.

MINUTES OF THE BOARD MEETING HELD ON 9 MARCH 2018

1. The minutes of the Board meeting held on 9 March 2018 were confirmed as a true record of the meeting.

CONFLICTS OF INTEREST

2. Steve Dunlop recorded his appointment as Chief Executive of Scottish Enterprise and agreed, if appropriate, to withdraw from any discussions which might result in a potential conflict. The Chairman took this opportunity to offer his congratulations on behalf of the Board on this appointment.

MATTERS ARISING

3. All matters are addressed through the agenda or have been carried forward to future meetings.

FINANCIAL MATTERS

Audit and Risk Committee Update

4. The Chair of the Audit & Risk Committee gave an update on the most recent meeting. She noted that the interim report was now complete and there were no matters arising from this. The ARC had received a presentation on estimation and valuation numbers so they can better understand what the numbers are based on.
5. The Internal Auditors have almost completed their programme and while it is not 100% complete they have indicated that their opinion will show there is substantial assurance over controls and risk. The final report will come to the June ARC meeting.
6. The ARC received a summary of the results on the Internal Audit on iCentres. Management have been asked to comment on and address the comments which have been made and report back to the June ARC.
7. The ARC also discussed the format of the Annual Report & Accounts. It was suggested that a new approach could be taken which would result in a more appealing document. It was suggested that this might include links to the corporate website. It was noted that the beta testing of visitscotland.org would start in May and linking to the new website would allow for a more visual and dynamic document.
8. It was agreed that an outline of the new approach would be presented to the June Board.
ACTION: paper to come to June Board outlining new approach to Annual Report.
9. The Chair also reported on discussions on risk management. She noted that there are a number of risks associated with technical resource and suggested that it would be helpful to understand the issues better. The Director of Corporate Services explained that there have been some issues in relation to the use of contractors which are being discussed with HR and legal advisers with a view to addressing them.

10. The Board discussed the issue of managing significant digital change in such a short period of time. It was agreed that the Board should consider risk management at the next Board meeting. **ACTION: risk management to be added to the agenda for the June Board meeting.**
11. The Chair of the ARC reported that the redraft of the Scottish Government / VisitScotland Corporate Governance Framework is almost complete. It was noted that the whistle blowing policy should be reviewed and updated.
12. She also reported that a self-assessment process is underway.
13. In relation to procurement, the Chair of ARC reported that two cases have been approved in respect of the process but there remain some questions about the presentation of major projects. It was suggested that the business case should be presented before the request to enter into procurement is made. It was agreed that the timeline for major projects should incorporate time for Board approval at different stages before the procurement stage.
14. The Board noted the update.

Finance Report

15. 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 Audit Scotland Interim Financial Audit; the Annual Report and Financial Statements Content; the Annual Report and Financial Statements Timetable; and the Budget and three year forecast.
16. The Board noted the report.

Key Performance Measures

17. The Director of Corporate Services introduced a report on key performance indicators since the previous meeting. The challenges relating to technical resource were noted.

Health & Safety Report

18. 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.

Procurement: Destination Management System

19. The Director of Corporate Services introduced a paper seeking Board approval for the application to tender for a destination management system. He reported that the ARC had considered the procurement process and had confirmed that it had been carried out appropriately.

20. The Director of Marketing, Digital & Brand was invited to provide additional background to the project. He reported that the existing system is at the end of its current lifespan. A significant upgrade is now required to allow VisitScotland to enhance performance monitoring and to support businesses.
21. The Board noted that the timeline is tight but it was confirmed that deadlines are achievable and realistic.
22. The Board discussed the six year span of the project, noting that there will likely be changes to technology within that period. It was confirmed that the project will be managed on an agile basis with the ability to respond to new releases as required. The introduction of the Portfolio Management Office will play a key role in managing the project and keeping it on track. **ACTION: the governance approach in relation to the Portfolio Office to be shared with the Board.**
23. The Board approved the application to tender.

Procurement: Marketing Automation

24. The Director of Corporate Services introduced a paper seeking Board approval for the application to tender for a marketing automation platform. He reported that the ARC had considered the procurement process and had confirmed that it had been carried out appropriately.
25. The Director of Marketing, Digital and Brand was invited to provide additional information on the project. He explained that currently there are several different platforms being used by several different teams. These are all being linked manually which is very resource intensive and does not allow for a single view of the customer. Marketing automation will link up these processes to provide one single view of the customer. Marketing automation will also allow us to demonstrate ROI better.
26. The Board discussed the role of other partners, seeking assurances regarding their support. It was reported that the principal Scotland is Now partners are all supportive but the implementation of marketing automation is not reliant on their support as the project has been developed in such a way that the involvement of other partners will simply mean an upscaling of what VisitScotland has already committed to.
27. The Board discussed ownership of data. It was noted that data ownership is not part of the project at this stage. Each partner would own its own data.
28. The Board approved the concept in principle but asked for further detail to be brought to the June meeting before approving the application to tender. **ACTION: further detail on marketing automation to be brought to the June Board meeting.**

Pension Update

29. The Director of Corporate Services introduced a paper updating the Board on VisitScotland pension provision and seeking Board approval of the decision to commence work to investigate the sectionalisation of the BTB scheme.
30. He reported on discussions with Scottish Government regarding the letter of guarantee, noting that it is hoped that there will be agreement on that shortly.
31. The Board approved the decision to commence the sectionalisation work and noted that VisitScotland should maintain its strong position on this.

BUDGET PROPOSALS

32. The Chief Executive presented an overview of the budget for 2018/19, providing an outline of spend by each pillar of the strategy framework. He drew attention to the challenges facing the organisation and sought approval of the investment strategy outlined within the paper.
33. The Board discussed the proposed allocation of spend against each pillar of the strategy framework. It was noted that decisions should not be based simply on ROI alone but also take into account other metrics such as inclusion and reputation.
34. The Board agreed that making piecemeal savings across the whole budget was no longer an option and the time had now come to consider wholesale reductions in activity. The Board charged the Directors with reviewing what those options might be and presenting them to the June Board. It was requested that alongside the recommendations there should be an explanation of why options had been put forward and an outline of the implications. The Board agreed that two areas of activity should be prioritised: the people strategy; and investment in digital strategy, including systems.
35. The Board also approved the overall investment strategy.

SCOTLAND IS NOW

36. The Chairman welcomed Steve Hope (SH), Digital Media Manager, to the meeting. Together with the Director of Marketing, Digital and Global Brand, SH presented an executive summary of the initial results from the Scotland is Now launch. He drew particular attention to the YouTube results where the views of both the Scotland is Now Brand Film and the visit themed film had exceeded average results. He also noted that the campaign had performed better at launch than similar national brand campaigns.
37. The Board thanked SH for an informative presentation.

BRAND SAFETY

38. SH led a presentation on brand safety. He reported that work on this subject is a matter of collaboration between partners and suppliers. A range of tools is deployed and a number of

key tactics are used, including domain whitelists, supplier filters, third party filters, ad server filters, ad fraud prevention and breach policy.

39. The Board discussed the issue of crisis communications with a third party. The Director of Corporate Services reported that this is being addressed through the Business Continuity Plan and will be tested.
40. The Board discussed recent concerns about data security. It was reported that VisitScotland took appropriate steps to seek reassurance that its customers' data could not have been exposed.
41. The Board noted the update and thanks SH for an informative presentation.

INFORMATION STRATEGY IMPLEMENTATION

42. The Director of Industry and Destination Development introduced a paper providing an update to the Board on implementation of the information strategy. He provided an update on the delivery of Phase 1, focusing on staffing, property, communications, and finance.
43. With the completion of Phase 1, the focus is now onto the delivery of Phase 2. He reported that a programme of staff engagement is being developed. There will also be a significant focus on developing the Partnership programme, with an announcement on the partnership with Historic Environment Scotland to be made imminently.
44. There are almost 2000 VIPs in the programme but it is recognised that more could be done to enhance the programme. The Director of IDD outlined a proposal which would see the introduction of a three tier model at a cost of £50,000 and sought Board approval.
45. He also noted that the remaining 26 iCentre Hubs will benefit from investment over the next two to three years.
46. The Board discussed the VIP programme. It was agreed that the programme is vital to the success of the Information Strategy. Questions were asked about the inclusion of a digital aspect to the VIP programme. It was noted that digital provision would be appropriate for some partners, e.g. Scot Rail, but for many others it is the face to face contact that visitors have confirmed they value.
47. The Board sought clarity around the position in the Scottish Borders and the Outer Hebrides. It was noted that decisions are still to be reached and consultation with local stakeholders is still ongoing. It was noted that solutions in these areas could be considered elsewhere if appropriate.
48. The Board approved the proposal to enhance the VIP Programme and requested that continued updates be provided.

CHAIRMAN'S REPORT

49. The Chairman reported on his activity since the previous Board meeting. He drew particular attention to his attendance at Expo, noting that feedback had been extremely positive from all exhibitors. He also reported on his attendance at Scotland Week, noting that this had provided valuable insight to the market and to the role of the Team Scotland partners.

CHIEF EXECUTIVE'S REPORT

50. The Chief Executive reported on activity since the previous Board meeting. He drew particular attention to the following:

- **STA Conference:** the presentation by the four-strong VisitScotland team had received extremely positive feedback. This was endorsed by the Board members who attended the event.
- **Product Investment:** continued investment is showing buoyancy of the industry.
- **Rural Infrastructure Fund:** the fund is live with a deadline for expressions of interest of 27 April. It is estimated that there will be between 30 and 40 initial EOIs.
- **Intermediary marketing:** the importance of this activity cannot be underestimated and VisitScotland continues to play an active role in facilitating relationships with operators.
- **South of Scotland:** good progress is being made.
- **Scottish Thistles Awards:** the final event was a huge success. The Chief Executive and the Board thanked Rebecca Brooks for her role chairing the Industry Panel.
- **Stakeholder Engagement:** meetings have been held with BHA Scotland and the STA to discuss sustainable funding. The next step will be to engage more widely with industry.

51. The Board noted the report.

PAPERS FOR NOTING

52. The following papers were submitted for noting:

- Solheim Cup Project Update
- Events Directorate Update
- Insights Update
- Operations Update
- Communications Report
- Schedule of Forthcoming Activity

ANY OTHER BUSINESS

53. The Chairman noted the need for succession planning to address vacancies on the Board. He noted that a recruitment round will be commenced shortly and the process for reappointing five Board members will also commence.