

## Minutes of Meeting of the VisitScotland Board held on 26 July 2018

**Present:** John Thurso (Chairman)  
Anne Anderson  
Cathy Craig  
Gordon Dewar  
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)  
Vicki Millar (Director of Marketing, Digital & Global Brand)  
Ken Neilson (Director of Corporate Services)  
  
Marion Cosse, Assistant Marketing Manager

**Apologies:** Rebecca Brooks  
Carolyn Jameson

**Minutes:** Lynne Raeside

### DISCUSSION ON SUCCESSION PLANNING

1. The Chief Executive updated the Board on workforce planning and succession planning activity currently underway. He noted that much of this activity will be automated with the launch of ERP later in the year. He further advised that the full workforce plan would come to the September Board. **ACTION: Workforce Plan to be presented to a future Board meeting.**
2. The Board discussed the opportunities which arise through secondments. It was noted that there are informal arrangements in place and it might be possible to provide some more structure to these.
3. The Chairman updated the Board on the appointment process to replace the two Board members who are standing down from the Board. He noted that the process has been initiated with Scottish Government.

### INTRODUCTIONS

4. The Chairman welcomed Vicki Millar to her first Board meeting as Director of Marketing, Digital and Global Brand. He also welcomed Marion Cosse to the meeting.

5. The Chairman noted that this would be Gordon Dewar's last Board meeting. On behalf of the Board he recorded his thanks to Gordon for his commitment to both the Board and the Audit and Risk Committee, recognising the significant contribution he had made during his tenure.

#### **MINUTES OF THE BOARD MEETING HELD ON 7 JUNE 2018**

6. The minutes of the Board meeting held on 7 June 2018 were confirmed as a true record of the meeting subject to the following amendment:

(a) At paragraph 41, amend defined benefit to read "defined contribution"

#### **CONFLICTS OF INTEREST**

7. Gordon Dewar noted an interest in discussions relating to the iCentre at Edinburgh Airport.

#### **MATTERS ARISING**

##### **Year of Young People**

8. It was noted that planning is now underway for the Board engagement programme with the Year of Young People.

##### **Risk Register**

9. 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 September Board. **ACTION: Revised Risk Register to be presented to September Board.**

#### **FINANCIAL MATTERS**

##### **Audit and Risk Committee Update**

10. The Chair of the Audit and Risk Committee updated the Board on the most recent meeting. She reported that the focus had been on the year end processes – the annual report and accounts; and the sources of assurance. She noted that the first draft of the Annual Report had been circulated for comment and the next version would be available in mid-August with the ARC doing final review in early September. The final version will be presented to the Board for sign off in September.
11. From a wider assurance perspective, the external audit is underway. 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 and workforce planning.

12. 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.
13. She further noted that there are revised guidelines regarding the operation of Audit and Risk Committees and the Terms of Reference will therefore be reviewed.
14. The Board noted the update.

### **Property Matters**

15. The Director of Corporate Services introduced a paper seeking Board approval on the move of the Perth local office and on the move of the Edinburgh iCentre.
16. He noted that the Perth local office had been inherited from the ATB and was not an ideal building for office purposes. Discussions with a number of partners had taken place and it has been concluded that the most suitable location is Puller House which is owned by Perth & Kinross Council.
17. The Board discussed the wider question of local office locations. It was confirmed that Perth continues to be a location which is very appropriate for VisitScotland. It was further noted that locating into Puller House would provide excellent opportunities to strengthen the partnership with one of our key local stakeholders.
18. The Board approved the move of the Perth local office to Puller House.
19. The Director of Corporate Services provided an overview of the business case relating to the move of the Edinburgh iCentre. He drew particular attention to the fact that the operating conditions become very challenging once the summer and winter festivals infrastructure is in place, with significant reductions in footfall.
20. The Council has offered an alternative property and at this point has not taken this to the market. He noted that the local industry group is supportive of this location.
21. The Board discussed the indicative capex costs. They also discussed the projected footfall figures.
22. The Director of Industry and Destination Development referred to the earlier concerns that had been expressed about proximity of transport hubs. He noted that discussions are underway with the train companies and with Lothian Buses. Work is also underway to develop the VIP programme in the city centre. The Board concluded that they were reassured by these discussion.
23. The Board discussed the importance of branding to ensure that the new sites reflects the mix of traditional and modern Scotland. It was also noted that the retail offering would be important and through Shop Local would present a slightly different offering.

24. The Board approved the move of the Edinburgh iCentre.

### **Finance and Risk**

25. The Director of Corporate Services presented a paper updating the Board on financial matters and risk. He drew particular attention to the Going Concern Assessment. He noted that while budgets are still being allocated on an annual basis, this has not impacted on the Going Concern Assessment. He provided an overview of processes such as the monthly cash forecast shared with Scottish Government and the internal management of accounts payable and receivable. The Board agreed that assurance is there.

26. The Board sought clarification about the risk associated with the 2020 Tourism Strategy ambition. It was noted that the publication of the 2017 figures had brought greater reassurance about achieving this ambition.

27. The Board noted the report.

### **Health & Safety Report**

28. The Director of Corporate Services introduced a paper on Health & Safety matters. He reported that there are no outstanding claims and no RIDDOR incidents.

29. The Board noted the report.

### **GDPR**

30. The Director of Corporate Services introduced a paper updating the Board on progress against the GDPR action plan.

31. 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.

32. The Board noted the report.

### **Pensions**

33. 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.

34. 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**

35. 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.
36. It was noted that the priorities over the coming months are: governance, strategy, capex, resource and maintaining momentum.
37. 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.
38. 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.
39. 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.
40. 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.
41. The Board agreed that this was an information and reassuring presentation. They discussed the importance of managing communications. It was confirmed that there is a collective communications group but work is still required to convey the message that this is a nation brand, not a VisitScotland brand.
42. The Board also noted the need to consider alignment with wider initiatives such as Scotland CanDo.
43. **ACTION: Presentation to be shared with the Board and full paper to come to the September Board.**

## **PORTFOLIO MANAGEMENT**

44. The Chief Executive presented an update to the Board on the establishment of the new Portfolio Office, outlining the governance approach to managing transformational projects aligned to the Strategy Framework.

45. He confirmed that he would provide an update on major projects as part of his regular Board report and would also bring to the September Board meeting the KPI dashboard. **ACTION: KPI dashboard to be presented to the September Board meeting.**
46. The Board noted the update and agreed that this would provide structure for project delivery. It was noted, however, that it would be important to avoid reporting becoming more important than delivery.

### **INFORMATION STRATEGY**

47. The Director of Industry and Destination Development provided an update on Phase 2 of the Information Strategy. He outlined the timeline for staff communication and the communication plan that would then follow.
48. Proactive communications would be carried out in Dumfries and Galloway and in the Scottish Borders to announce the locations of the regional iCentre Hubs (Dumfries and Jedburgh respectively). He reported that discussions on the Outer Hebrides are still ongoing and it is anticipated that a decision will be reached shortly.
49. He also updated the Board on property discussions in respect of Castlebay, Tyndrum and Rothesay.
50. 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.
51. **ACTION: A full written update will be provided to the September Board.**

### **DRAFT GAELIC TOURISM STRATEGY**

52. The Director of Industry and Destination Development introduced a paper seeking Board endorsement of the draft Gaelic Tourism Strategy. He reported that it is on track to be launched by September. It is an industry wide strategy owned by all partners.
53. The Board noted and endorsed the Strategy.

### **CHAIRMAN'S REPORT**

54. The Chairman provided an update on his activity since the previous Board meeting. He drew particular attention to the programme of political engagement in London. He noted that there was cross-party support for Scotland is Now. He also updated the Board on his recent industry engagement tours across Scotland. He reported that industry spoke very highly of their Regional Directors.

55. The Board noted the report.

### **CHIEF EXECUTIVE'S REPORT**

56. 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.
- (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) Cruise market: the rapid growth of the market was noted. The Board discussed the need to understand the impact of this growth on independent travellers and on the infrastructure of local areas. It was noted that VisitScotland is commissioning research to better understand this issue.
- (f) iCentre Performance: it was noted that the impact of Waverly footfall is impacting on the overall iCentre performance results.
- (g) Solheim Cup: further work on ticketing will take place shortly.

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

58. The Board noted the report.

### **PAPERS FOR NOTING**

59. The following papers were circulated for noting:

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

### **ANY OTHER BUSINESS**

60. The schedule of meetings for 2019 was discussed. It was agreed that the March meeting should be changed to 15 March.