# Minutes of Meeting of the VisitScotland Board held on 27 January 2022 via video conference

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| **Present:** | John Thurso (Chairman) |
| | Anne Anderson |
| | Caroline Roxburgh |
| | Rebecca Brooks |
| | Keith Nicholson |
| | Steven Walker |
| | |
| **In attendance:** | Malcolm Roughead (Chief Executive) |
| | Ken Neilson (Director of Corporate Services) |
| | Vicki Miller (Director of Marketing, Digital and Brand) |
| | Rob Dickson (Director of Industry and Destination Development) |
| | Paul Bush (Director of Events) |
| | Gill Reid (Risk & Compliance Officer) – For item 4 only |
| | Stuart Lewis (Head of Digital Delivery) – For item 5 only |
| | Esther Gauld (Senior User Experience Manager) – For item 5 only |
| | Trudy Lindblade (Chief Executive 2023 Cycling Worlds) – For item 9 only |
| | |
| **Minutes:** | Kelly Sinclair |

**INTRODUCTIONS**

1. The Chairman welcomed attendees to the meeting via video conference and wished all a Happy New Year. He also used this item to confirm Anne Anderson's appointment as the Board's Senior Independent Director

**MINUTES OF THE BOARD MEETING HELD 9 DECEMBER 2021**

2. The minutes of the Board meeting held on 9th December 2021 were approved as a true and accurate record of the meeting.

**CONFLICTS OF INTEREST**

3. No conflicts were noted.

**MATTERS ARISING**

4. It was noted that matters arising were closed, ongoing or covered during today's meeting.

# Meeting Minutes

**ANNUAL RISK DEEP DIVE SESSION**

5.  The Director of Corporate Services opened by noting these sessions were traditionally held in-person and amendments had been made to the way in which the information is normally presented to take into account the virtual format. The Risk & Compliance Officer was also invited to this item to assist with any questions. The presentation began with an overview of the number and type of active, new and closed risks on the Corporate Risk Register (CRR). The Board was advised around 55 people across the organisation contribute to the CRR and that staff were becoming more comfortable with their approach to risk. The robust risk processes in place had also helped all departments manage issues brought on by the pandemic.

6.  Risk management was discussed and covered planned and actioned works in 2021 as well as a look ahead to 2022. Improvements to the CRR, to make it more manageable, were highlighted; (i) number of risks trimmed back and (ii) the addition of a 'deactivated' risk status which would only require annual review. Focus areas for 2022 were discussed including developing understanding and maintaining awareness of the impacts of living with an endemic COVID-19 and the effect on operations. It was also noted the year ahead would involve working closely with the 2023 Cycling World Championships project team on management of risk.

7.  The Board commended the organisation on its approach to risk and welcomed plans to reduce the number of risks on the register. It was noted that the Audit and Risk Committee, which oversees Risk Management, agreed that processes work well. A suggestion to look at the longer-term external risks of living with an endemic virus, not just the internal risks, was raised. Management agreed, confirming existing external Covid risks were considered on a short-term basis only. The Board discussed emerging risks and categories which may need to be considered in the future. It was also noted that the National Risk Register was a resource tool for management.

8.  A full review of each risk on the register, including scoring, was carried out with attendees invited to critique throughout. Further to the review, feedback included the suggestion to test the commercialisation of visitscotland.com, which could have the potential to reduce high scoring risks relating to reduced Government grants and core budgets. It was noted the organisation is restricted by State Aid limits and any progression on this would have to be carefully managed to ensure it was not taking away from the industry. It was also noted that there should be close monitoring of a risk relating to the alignment of priorities with other stakeholders.

    The Board agreed the register had captured relevant areas and confirmed the Risk Management Committee could make decisions regarding risk updates, such as deactivation or merging.

9.  Finally, the Board was asked to discuss and agree on risk appetite for five new strategic pillars using the Risk Framework definitions; Hungry, Open, Cautious, Minimalist and Averse. Risk appetite was determined as per the table below. It was also suggested that risk appetite be considered on a more regular basis in future.

| Pillar | Description | Agreed Risk Appetite | Comments |
|---|---|---|---|
| 1 | Stimulating Global Demand | HUNGRY | Existing VisitScotland approach. |
| 2 | Supporting Scotland's tourism and events businesses | HUNGRY / OPEN | Period of hungry and then move to open as results will be determined on what can be delivered.  Use insights data to drive activity. |
| 3 | Working collaboratively with community, sector and destination organisations towards a responsible recovery | OPEN | |
| 4 | Enhancing our organisation insight, capability, planning and compliance | OPEN | Organisation is always moving into new areas and has not been cautious previously. |
| 5 | Supporting and enabling our people | OPEN | Limited as Government organisation. |

**Action:  Risk appetite of strategic pillars to be reviewed on a more regular basis.**

**VISITSCOTLAND.COM REDEVELOPMENT PROJECT**

10. The Director of Marketing, Digital and Brand invited the Senior User Experience Manager to the meeting to update the Board on the progress of the visitscotland.com redevelopment project. The newly appointed Head of Digital Delivery was also welcomed to be introduced to the Board.  It was noted the last project update had been in late 2019 but original timelines were extended as key staff were redeployed to support the delivery of COVID-19 support funds for the tourism industry.

11. The presentation detailed the aims of the project and key milestones within the alpha, beta and post-launch phases.  The benefits of the front-end development were highlighted to the Board.  This included a refreshed consumer focused site, improved referrals for industry, modernised functionality, and better accessibility.  Technical advancements were also mentioned such as faster deployment and an overhauled translation system.  Details of timescales and communication plans were included in the presentation as well as confirmation that the works were subject to digital assurance and assessment.

12. The Board thanked the Brand and Content team and praised the flexible and robust functionalities of the redeveloped site, acknowledging this as an important factor considering how the world has changed over the last few years.  A query was raised on whether the redeveloped site offered e-commerce capabilities and if commercialising the site had been considered.   Management confirmed there was no basket capacity as it stands but ticketing had been looked at, also mentioning there were state aid implications to consider regarding this.

**CHAIR AND CHIEF EXECUTIVE UPDATE**

13. The Chairman updated the Board on his activity since the previous meeting. This included presenting at the Scottish Parliament's Cross-Party Group on Tourism to discuss sustainable recovery in tourism and attendance at a Caithness Ward Business meeting. The Chairman had also been involved in a Future Leaders Group meeting and Burns Night celebrations. It was noted the VisitBritain Board had met the previous week and an overview of recent activity was shared.

14. The Chief Executive continued with the Executive summary discussing current sentiment and highlighting recent internal and external research undertaken on international demand. It was noted that the internal report would be shared with the Board now and external findings at a future meeting. The Chief Executive advised the Board he had met with the newly appointed Director-General Economy and would continue to do so on a six-weekly basis. The Board was advised that an invitation to join the regional advisory group, which would aid levelling up in Scotland, had been accepted.

**Action: Assessing Global Demand report to be shared with Board.**

**FUNDING SUPPORT**

15. Following the release of new industry recovery funds by the Scottish Government, now referred internally as Phase 3, the Director of Corporate Services provided an overview of scope, governance changes, implications, and delivery so far.

16. The EV charge-point initiative as part of the Destination Net Zero programme was discussed. It was advised delivery of this fund had been delayed due to diversion of resource and to continue with the current per application delivery model would mean it was unlikely all funds would be distributed before the end of the financial year as was required. A revised delivery model was proposed to grant the full value of the fund to the chosen provider who would deliver grants on the organisation's behalf. Management sought Board approval to progress with revised delivery model. The Board acknowledged as an esoteric service only select providers had the ability to deliver therefore agreed to go ahead with this option to ensure the complete fund would be distributed to the industry within the timescales.

**The Board approved the revised delivery model for the EV charge point fund.**

17. Further to the commencement of top-up funding, the Board was advised of due diligence being carried out on funding applications. Management confirmed robust processes were in place to mitigate potential fraud. The Board noted that the organisation was taking its duties seriously, given the public funds involved.

**CORPORATE SERVICES**

18. The Corporate Services update provided details on the organisation's response to the December 2021 Log4j vulnerability. It was confirmed digital and IT systems had been assessed

and mitigations had been swiftly put in place, with no current vulnerability. The Board was updated on the lease extension to Ocean Point and advised the formal offer had not yet been finalised. Work was under way to mitigate any risks as a result of any further delay in an agreement being reached

19. The Board was advised that as the Tarbert iCentre remains vacant and no community interest has been lodged, it would be auctioned in February as per Scottish Government guidance. Management also made the Board aware of a recent RIDDOR incident and confirmed a full investigation had been undertaken.

**EVENTS**

20. The Director of Events spoke to the events report, providing an overview of sector activity and new and ongoing event funding programmes. It was noted there are many pressures on the Directorate at this time, such as challenges brought on by Omicron and the nervousness across the sector, while, at the same time, trying to plan towards a more positive summer of major events in 2022. An update on future hosting bids was also included in the report.

21. The Chief Executive of the 2023 Cycling World Championships (2023 Cycling Worlds) was invited to the meeting to give a progress update. The presentation detailed the achievements so far including the successful delivery of the 'Power of the bike' event at COP26. Key milestones for 2022 were highlighted as well as what races would be held in each of the ten locations across Scotland. It was confirmed that Local Authority engagement had begun and that the athlete travel provider had now been signed. It was noted that the sustainable framework was complete and would be circulated to the Board after the meeting. Details of two MTB Competition Spoke awards were provided in advance and the Board approved both the (i) MTB Downhill and (ii) MTB x-country bike procurement awards at the meeting. It was advised that a further four Competition Spokes would be issued for approval in due course. Challenges were also detailed during the update. The Board thanked the Chief Executive of the 2023 Cycling Worlds for a fulsome update.

**The Board approved the MTB Downhill and MTB x-country Competition Spoke awards.**

**Action: 2023 Cycling Worlds sustainable framework to be issued to the VS Board.**

**INDUSTRY AND DESTINATION DEVELOPMENT**

22. The Director of Industry and Destination Development provided an overview of industry activity since the previous meeting. It was noted current focus was split between the distribution of vital business support funding and planning for the future. It was noted the organisation had been focusing on refreshing the key functions required to deliver Outlook 2023 and details would be brought to the Strategy Away Day in April for review.
The Board was advised the Rural Tourism Infrastructure Fund budget had not yet been confirmed. It was also noted that a meeting would be held the following week to discuss the future of the Scottish Tourism Emergency Response Group (STERG). The update included iCentre performance since the phased re-opening in April 2021 as well as results further to the

launch of the UNESCO trail. An overview of recent business and stakeholder engagement was also provided.

**MARKETING, DIGITAL AND BRAND SCOTLAND**

23. The Director of Marketing, Digital and Brand provided an update on market activity and owned channel engagement. It was noted the dip in bookings caused by Omicron was starting to recover but forecasting and consumer confidence remained below 2019 figures. That said, insight indicated strong sentiment for Scotland suggesting good intent for travel in 2022. Management confirmed strategy would focus an all-year round marketing approach, balancing between immediate bookings and awareness. The Board was advised of significant investment (£3.4m) in the domestic market this quarter, as well as greater investments in the Americas.

24. Partnership activity for 22/23 was discussed, noting planned campaigns with Scotrail, LNER, Avanti and Hilton. The ongoing collaboration with Expedia was also highlighted which has resulted in £10m of revenue and continues to drive up immediate bookings. The Board was updated on current intermediary and event engagement and provided with an overview of B2B activity, such as trade events, meetings and training webinars. It was confirmed registrations for Discover Scotland 2022: Reconnect had opened in December 2021.

25. An update was given on the Days Out Incentive Fund which had been a positive campaign resulting in around 20,000 referrals which in some cases had allowed the attractions to remain open over the quieter winter months. Management confirmed work has commenced on the Visitor Management Strategy for 2022. Upon close of the marketing segment it was noted that although in a better position with regards to sentiment and international demand, the global reputation of UK remains low therefore there is a lot of work to do to rebuild consumer confidence.

**FINANCIAL PLANNING**

26. The Director of Corporate Services updated the Board on the proposed planning process for 2022/23. This included confirmation of the VisitScotland cash budget following the Scottish Government announcement in December 2021 but also noted that there had been no information on budget for ringfenced projects. Due to the level of uncertainty and impact of the pandemic on core activity, management advised that three planning scenarios had been considered: (i) Delivery of support funds and restricted core activity, (ii) Core activity starting to resume as industry reopens and (iii) Living with the endemic virus. Ultimately deciding living with the endemic virus was the ideal approach to reduce risk. A timetable of key milestones across three planning stages was provided, including presentations to the Board at the March, April and June meetings. The Chair asked management to avoid adding Board items to the April agenda so focus can remain on Strategy Away Day activity.

**Action: Financial Planning timetable to be reviewed to avoid presenting information for approval during Strategy Away Day in April.**

**FINANCE AND RISK**

27. The Director of Corporate Services continued with the Finance and Risk update including an overview of actuals to date against approved budget up to 31 December 2021.  It was advised that as of this period the organisation had drawn down 50% of income allocated by the Scottish Government and incurred 57% of full year expenditure.  Management reinforced this was a particularly busy area of the business as year-end was approaching and advised the Board two new accountants had been hired.  Details of ringfenced spend and relating projects were discussed.  The Board was made aware of the revised total budget figure which increased to £54m further to the release of additional emergency business support funding in December 2021.

28. The Board queried the spend to date figures against the budget as totals appeared to be less than expected and asked if further information could be provided to better understand pinch points.   A discussion followed on non-ringfenced projects and the implications if the funds were not released.

**Action:  The Board requested further details on spend to date figures to understand pinch points.**

**BUSINESS CONTINUITY PLAN**

29. Following completion of the 21/22 Business Continuity Management internal audit in November 2021, the Director of Corporate Services advised the Board the current Business Continuity Plan was under review and provided a summary on steps to be taken.  It was noted that the aim is to create a whole new suite of plans which would incorporate recommendations from the audit report such as addressing concerns regarding planning for extreme IT disaster recovery scenarios where systems may not immediately, or ever, return. Reference was made to the December 2020 cyber-attack against the Scottish Environment Protection Agency, proving this is no longer an impossible eventuality.  The update would also reassess areas affected by the pandemic such as working from home.  The Board agreed the review of Business Continuity policy and planning was sensible and offered their full support. It was noted that business continuity should not be confused with business resilience during the process.

**FORT WILLIAM BUSINESS CASE**

30. The Board was provided with information on the proposed relocation of the Fort William iCentre and asked to review and approve.  It was noted the new property would offer a better layout for both staff and visitors as well as a rental saving and lower propensity for building maintenance issues.

**The Board approved the business case to relocate the Fort William iCentre.**

## Meeting Minutes

**POLICIES**

31. Policies for Board approval were uploaded to Huddle in advance of the meeting.  No queries were raised and all policies were approved.

**The Board approved the following policies;**

    **i.**    **2023 Cycling Worlds Sponsorship Policy**
   **ii.**    **Long Service and Retirement Award Policy**
  **iii.**    **Retirement Policy**

**AOB**

32. The Chairman advised the Board he had been made aware a selection of staff had worked over the festive period to ensure the prompt release of business support funds.  Their commitment was commended, and it was suggested the organisation acknowledge the personnel involved.

**Action: Organisation to acknowledge staff who worked on funding release over the festive period.**

33. The format of upcoming Board meetings was discussed and it was agreed the March Board would be a hybrid meeting.  The Strategy Away Day planned for April would, restrictions permitting, be held in-person to maximise collaboration and communication.

**CLOSE**

Thereafter, the meeting was brought to a close.