

Minutes of Meeting of the VisitScotland Board held on 27 October 2022 in Ocean Point and via Teams

Present: John Thurso (Chairman)
Caroline Roxburgh
Keith Nicholson
Paul Easto
Rebecca Brooks
Shona Marsh

In attendance: Malcolm Roughead (Chief Executive)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director of Events)
Rob Dickson (Director of Industry and Destination Development)
Vicki Miller (Director of Marketing and Digital)
Jen Howard-Coombes (Executive Director for Dandelion) for agenda item 4 only
Marie Christie (Head of Development – Events) for agenda item 4 only
Miriam Nelken (Senior Programme Manager) for agenda item 4 only
Steven Speedie (Head of Group Estates and Resilience) for agenda item 5 only
Michelle Lavery (Head of Governance and Business Performance) for agenda item 6 only

Minutes: Freja Fischer-Møller

Apologies from Anne Anderson and Steven Walker

INTRODUCTIONS

1. The Chairman welcomed the attendees to the hybrid meeting and noted that the Financial Planning paper would be taken as part of the Chief Executive Summary.

MINUTES OF THE BOARD MEETING HELD 15 SEPTEMBER 2022

2. The minutes of the Board meeting held on 15 September were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

3. No conflicts of interest were raised.

MATTERS ARISING

4. It was noted that all matters arising were covered during today's meeting.

DANDELION PROGRESS REPORT

5. VisitScotland's Head of Development - Events and the Executive Director for Dandelion reported on the status of Dandelion as the public facing activities are now completed.
6. It was noted that the programme had engaged deeply and widely across the country, delivering around 1000 events, creating 13 Unexpected Gardens, and working with almost 500 schools. Total engagements estimated across the programme are in excess of 1.2M (the final evaluation will follow in March 23).
7. As part of the vast programme running from April to September, two major three-day festivals took place in Glasgow and Inverness with audience attendance of 65,857 and schools' attendance of 1,832. The programme aimed to culminate with around 500 harvest festival events across the weekend of 9-11 September in schools and communities. This finale weekend was impacted due to the mourning period after the death of HM Queen. Most events took place but most were reduced in scope in response to advice/the national mood. Some events were postponed into September/October.
8. The Executive Director advised that legacy planning is in place.
9. The Board shared its support for the Dandelion project, pointing out the value of school engagement and community centred activities in particular.
10. It was noted that KPMG is leading on the full evaluation of UNBOXED (of which Dandelion is Scotland's contribution) – this will be available March 2023. In the meantime, UNBOXED intends to release some headline information on 21 November and Dandelion intends to undertake some press prior to that.

INTERNAL SUSTAINABILITY

11. Head of Group Estates and Resilience presented the Annual Internal Sustainability Report and the progress the organisation has made over the last 12 months towards reaching net zero carbon emissions by 2030.
12. It was noted that VisitScotland has already achieved an 87% reduction in CO2 emissions from a 2008/09 base year. It was further noted that 95% of the properties have been assessed and achieved gold standard through Green Tourism Certification. The two remaining properties are also expected to achieve gold standard.
13. The waste production and recycling target was discussed as a maximum of 5% to landfill is to be reached in 2025.

Action: Update on current level in waste to landfill to be shared with the Board.

14. The Head of Department advised that there had been a sustained significant reduction in emissions from commuting, and that the organisation continues to be aware of the carbon impact on travelling. It was noted that the impact of working from home would be included in the carbon monitoring.

15. Other elements of scope 3 emissions were discussed. The Board was advised that VisitScotland has begun cooperating with other agencies on scope 3 targets and has commissioned work to analyse and rank the supply chain in terms of carbon footprint as well as developing a tool for carbon budget forecasting.
16. The Board was informed that REGO certificates, which refer to green energy are not taken into account when completing the Public Bodies Climate Change Duties Compliance Report.

Action: Management will present the impact and value of the certificates to the Board at a future meeting.

17. It was further noted that educational development for staff and suppliers is required to set targets for further reductions, and that the Board would be included in this journey.
18. The Science Based Targets initiative was discussed as a potential source of information.

Action: Management to consider the Science Based Targets initiative.

CHAIR AND CHIEF EXECUTIVE UPDATE

19. The Chairman updated the Board on his activities since the previous meeting. This included a meeting with the newly appointed Chair at British Tourist Authority Nick de Bois, and a speech on responsible tourism at the British Tourist Authority's Awayday.
20. He noted that an evaluation of the Board will take place before the Board meeting in December, and that the skills matrix for future VisitScotland Board members had been under revision as the appointment of new members will take place in 2023.
21. The Chairman invited the Head of Corporate Governance and Performance to speak to the Financial Planning paper as part of the Chief Executive update.
22. It was noted that the financial pressure was affecting all public bodies across the UK, not only VisitScotland.
23. The various scenarios to close the budget gap were discussed. It was noted that potential reputational damage and timeline had to be considered, and that some of the scenarios by nature would take longer to implement than others.
24. It was noted that VisitScotland has a role in delivering business support as well as marketing and events. Management was advised to consider outcome and quality of the core activities rather than quantity.

Action: Financial planning to be presented to the Board in December.

25. The Chief Executive summarised the industry position, highlighting concerns for winter closures and negative visitor experience caused by rising cost of doing business, labour shortage and transport disruption.
26. The Board recommended that VisitScotland should work with other organisations, where possible, using profit and loss (PnL) data to communicate the message around quality and high spend despite reduced numbers of visitors.
27. It was noted that the short-term let legislation, which affects small accommodation providers, could have potentially negative impacts on major events in big cities such as Edinburgh and Glasgow.

28. The Chief Executive advised the Board that the staff survey was about to commence.

Action: Staff survey results to be presented at the Board meeting in March.

CORPORATE SERVICES REPORT

29. The Director of Corporate Services spoke to the directorate paper noting that a new ServiceDesk system has been implemented.
30. An update on cyber resilience was given, and the Board expressed its appreciation of the deliverables.
31. The Board was informed about the request from CalMac regarding the opportunity to lease a greater portion of the iCentre car park in Craignure to provide temporary accommodation for ferry staff. It was further noted that a charity organisation had approached VisitScotland regarding vacant space at Rothesay iCentre. It has a great location and a cinema, which plays an important part for the community.
32. The Director advised that the external audit clearance meeting was scheduled for 10 November 2022, presentation of Annual Accounts with Annual Audit Report to the Audit and Risk Committee on 24 November, followed by Board meeting on 13 December, where the Annual Accounts would be presented for the Board's approval.

EVENTS

33. The Director of Events updated the Board on activities undertaken by the Events directorate.
34. It was noted that the Centre for the Moving Image (CMI), organisers of Edinburgh International Film Festival, has gone into administration due to increased costs and reduced income. Administrators are currently assessing options for the festival as well as cinema.
35. The Eurovision bid was discussed, noting that Liverpool has been chosen to host the song contest.
36. The Board was advised that the City of Edinburgh Council had found a solution to deliver Edinburgh's Christmas festival.
37. It was noted that applications for round 47 of the National Events Programme closed on 28 September, however the remaining budget available for allocation is to be confirmed.
38. The Board was advised that the funding for 2024 Themed Years was not in place yet. As a result, VisitScotland has suggested postponing the project to 2025.
39. It was noted that the V3.1 budget for CWC is being implemented. V4 budget to be completed by February 2023.
40. The Board was advised that the first main CWC sponsorship deal has been signed, and work around another deal is progressing well.
41. The procurement for CWC was discussed, as there is no viable tender for Gran Fondo. Full procurement exercise for Road Race has been undertaken. Evaluation has been completed and a preferred supplier identified. The Board was also presented with the procurement process regarding Technology Backbone and Event Branding. The CWC Board has approved and recommended the presented supplier.

The Board noted the awarded contracts.

INDUSTRY AND DESTINATION DEVELOPMENT

42. The Director of Industry and Destination Development outlined the iCentre performance which showed strong footfall, and performance in ticket and retail sales exceeding the targets.
43. It was noted that phase 4 of VisitScotland's digital boost programme was launched 10 October, which offers webinars for businesses.
44. The Board was advised that round 5 of Rural Tourism Infrastructure Fund (RTIF) has now closed with a field of strong applicants. Investment leverage was discussed as it is crucial to raise capital to approve additional projects. RTIF projects from previous rounds are near completion, and it has shown that high tendering costs require additional funding and impact start/completion dates.
45. The Director updated the Board on the Scottish Thistle Awards, as the regional finals commenced with the first being held in Edinburgh on 27 October. The national final will take place on 9 February 2023.
46. It was noted that the iCentre in Fort William had a successful opening mid-September with 'ShopLocal' and destination products to show.
47. The Board was updated on the Responsible Tourism Delivery Plan. Since the Board's Awayday in April 2022 VisitScotland has aimed to establish a new 'business as usual' through the lens of responsible tourism. To support staff in this transformation 10 principles have been developed.

Action: The principles of Responsible Tourism to be shared with the Board

48. It was further noted that as part of VisitScotland's contribution to the Destination Net Zero Action Plan, a Scottish Tourism Carbon Footprint report is under development with the final version expected in November.

MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

49. The Director of Marketing and Digital gave an update on marketing activity, partnerships, and channel engagement. The challenges in relation to quality of experience and service remain, and the strategic outlook on regional and seasonal spend was discussed. It was noted that the sentiment was still very last-minute bookings.
50. The Board was updated on collaborative work with communities, sector and destination organisations towards a responsible recovery, and partnership activities like promoting Scotland's UNESCO trail and Caledonian Sleeper have gained widespread, positive media coverage.
51. Domestic marketing including product promotion through intermediary engagement was discussed. It was noted that pre-pandemic no budget was allocated to domestic campaigns. European marketing was also discussed, and it was noted that there is a valuable potential in partnerships on trade marketing activity in Europe. The Board was advised that the restructure within the Directorate aimed to boost the intermediary role.

52. Finally, it was noted that the Highlands had been named one of National Geographic's 'Best of the World' destinations for 2023. The Director had been interviewed by Good Morning America as part of the PR activity for that announcement.

Action: The Director's key notes from Good Morning America to be shared with the Chairman.

DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS

53. The Director of Corporate Services presented the Draft Annual Report and Financial Statement. One of the objectives for this report was to create a concise set of narratives.

54. It was noted that the auditors have not come forward with any issues at this stage.

55. The Board recognised that the management had taken on all previous feedback, expressed appreciation for the effort that has been put into this work, and welcomed additional use of infographic content in order to reduce the length even further.

Action: The Board is invited to send feedback on the annual report to Sarah Iversen.

FINANCIAL PLANNING

56. The item was covered as part of the Chief Executive Summary.

POLICIES

57. Policies for Board approval were uploaded to Huddle in advance of the meeting to allow review. No queries were raised, and the policies were approved.

The Board approved the following policies:

- i. Parental Leave policy**
- ii. Paternity Leave policy**

The following policies were then made available on Huddle for formal approval in December:

- i. Flexible Working Policy
- ii. Alcohol and Drugs Misuse Policy

DANDELION INTERNAL AUDIT REPORT

58. The Director of Corporate Services gave an update on the progress of the internal audit on Dandelion. The audit would focus on how the intended benefits were being managed, in line with controls around responsibilities, performance measures, and budgetary monitoring clearly set out when the project was established.

59. It was noted that risk management had already been covered in the earlier presentation and had been discussed at the Audit and Risk Committee (ARC). No significant findings had been raised to date.

60. The final internal audit report will be finalised by Azets and presented at the ARC meeting in November.

FINANCIAL AND BUSINESS PERFORMANCE REPORT

61. The Director of Corporate Services presented the Financial and Business Performance Report. A discussion followed on the expenditure on staff costs, noting that the option of outsourcing some tasks is limited.
62. The Board appreciated the report noting that adding the section on carbon monitoring was valuable.
63. It was suggested for future Board meetings that the Financial and Business Performance report is presented at the beginning of the meeting. This would 'set the scene' and reduce duplication in the Board papers.

AOB

The Board was invited to consider whether the level of reporting on CWC needs to change as the event date approaches.

CLOSE

Thereafter, the meeting was brought to a close.