

## Minutes of Meeting of the VisitScotland Board held on 28 January 2021 by video conference

**Present:** John Thurso (Chairman)  
Anne Anderson  
Caroline Roxburgh  
Stephen Hagan  
Rebecca Brooks  
Keith Nicholson  
Steven Walker  
Cathy Craig

**In attendance:** Malcolm Roughead (Chief Executive)  
Vicki Miller (Director of Marketing, Digital and Brand)  
Riddell Graham (Director of Industry and Destination Development)  
Ken Neilson (Director of Corporate Services)  
Paul Bush (Director of Events)

Lynn Jack (Head of HR) For agenda items 4 and 11.2  
Fiona Carruthers (Insight Manager) For agenda item 4  
Steven Speedie (Head of Facilities) For agenda item 11.2

**Minutes:** Gayle Biggart

### INTRODUCTIONS

1. The Chairman welcomed Board members to the meeting and thanked them for joining the meeting by video conference. It was noted that it had been a year since the Board had last met in person. It was further noted that the Director of Industry and Destination Development would leave the meeting at 11am to chair the STERG meeting and therefore the agenda would be taken in a slightly different order to accommodate.

### MINUTES OF THE BOARD MEETING HELD 10 DECEMBER 2020

2. The minutes of the Board meeting held on 10 December 2020 were approved as a true and accurate record of the meeting.

### CONFLICTS OF INTEREST

3. Rebecca Brooks informed the Board that she had been involved in lobbying the Scottish Government for funding for the international inbound sector but would not be involved in discussions between industry and VisitScotland relating to the fund as it is likely her

company will apply for funding. The Chairman noted he was connected with Dunnet Bay Distillery which may apply for funding from one of the funds.

## **MATTERS ARISING**

4. It was noted that the matters arising would be covered during the course of today's meeting.

## **INDUSTRY AND DESTINATION DEVELOPMENT**

5. The Director of Industry and Destination Development noted that his directorate update report now included an expanded investment section. An update on recent STERG meetings was provided, noting that this included discussion of the various funds being administered by VisitScotland, Local Authorities and Enterprise Agencies. It was advised that 250 people joined an industry webinar held yesterday sharing results from a recent VisitScotland survey. It was noted that a five-year plan was due to be developed as a result of the work undertaken by STERG over the last 10 months.
6. It was noted that 13 RTIF projects had been approved and offer letters had been sent out. The Board were advised that VisitScotland iCentres remained closed but that iCentre staff were assisting with wider VisitScotland work including the funds programme and preparing for re-opening. On the Engagement side, the Director of Industry and Destination Development informed the Board that the Leadership Group had agreed that as the scheme would not be delivered as normal in 2021, the organisation would not invoice participants in the Quality Assurance Scheme for a second year, subject to approval from the Scottish Government. It was noted that an announcement would be made once confirmation had been received from the Scottish Government. It was further advised that the Director of Industry and Destination Development and the Director of Marketing and Digital are currently working on a new strategy for the Quality Assurance Scheme.
7. It was noted that, following the success of Scotland Reconnect in November 2020, a second Reconnect digital workshop would be held at the end of April 2021 to replace the live VisitScotland Expo event which it is hoped will return in 2022 if restrictions allow. It was noted that the Responsible Tourism strategy paper would be made available to the Board in due course and that two speakers would attend the Board in March to cover this topic.
8. It was noted that input from industry had been invaluable in helping VisitScotland design the criteria for each of the funds currently being administered by VisitScotland. It was further noted that VisitScotland had been commended in its approach in involving industry in creating the guidance documents for the funds it is administering. It was noted that the mood of the industry was more optimistic in terms of domestic travel in 2021 but that the international side was being pushed further back. The Board commented that capturing the positive feedback from industry around this funding work was important, especially as administering funding is 'new' for VisitScotland. It was noted that the scale of the gap in the funding announced should be captured and considered in line with other agencies. There

was a discussion around the composition of STERG and Director of Industry and Destination Development provided an overview of the development of the five-year plan (mentioned earlier in the meeting).

## STAFF SURVEY RESULTS

9. The Head of HR and Insight Manager joined the meeting to take the Board through the recent staff survey results. It was noted that the survey followed the same format as other civil service staff surveys and had been managed in-house by the Insight Manager. It was noted that although it had been a unique year, the response rate to the survey was 91%. It was noted that results were extremely positive. It was noted that there had been strong improvement to the Employee Engagement Index for VisitScotland and each directorate:
- 88% of staff are proud when they tell others they are part of VisitScotland;
  - 77% feel strong personal attachment to VisitScotland;
  - 86% would recommend VisitScotland as a great place to work;
  - 75% feel inspired to do their best in their job; and
  - 73% feel VisitScotland motivates them to achieve its objectives.

It was commented that as in 2018, the majority of employees wished to remain at VisitScotland (for at least one year), but there had been a significant change in the proportion of employees stating they wished to remain at VisitScotland for at least 3 years (now 60%). There was also a reduction in those stating their intentions to leave within the next 12 months (6%).

10. The Board were advised that the survey covered key themes such as fair treatment, resources and workload, leadership and managing change, pay and benefits, and learning and development. It was advised that 'Treated fairly at work' and 'with respect' remained key strengths across the survey, with a significant positive change +10 for feeling valued. It was noted that there had been a change of +6 on 2018 in relation to resources and workload but that overall, workload is polarising across directorates. It was highlighted that the area of greatest change in 2020 was in leadership and managing change, +19 on 2018. 'VS keeps me informed' remained the highest scoring question within the theme and there was praise for the Chairman and CEO for their weekly communications and general improved visibility of leaders. It was advised that frustrations expressed in this area related to dialogue on change, iCentres and resistance to change/inertia. It was noted that learning and development had previously been a polarising theme across the directorates. It was advised that there had been some levelling out, but some directorate scores were down in this area. There was a significant positive change for 'able to access the right learning and development, and although 'opportunities to develop my career' had seen a positive change, it remained a lower scoring question and there was strong staff sentiment/frustration around this. It was noted that COVID-19 had impacted on the survey in certain areas, for example, as a result of working from home, staff felt they had been supported and provided with the necessary equipment to work from home. However, it was

also noted that the pandemic had had a negative impact on some staff whose workload had increased or changed as a result.

11. It was noted that there were four areas which required further discussion, and these were: (i) career progression; (ii) change management; (iii) dealing with poor performance; and (iv) organisational differences. It was noted that staff had been very positive about the way in which Management had responded to the impacts of COVID-19 and there was a sense of pride evident through the responses provided by staff. It was also advised that staff had commented that they hoped a mix of working from home and working from an office would be the norm when restrictions allow.
12. The Chairman commented that he had never seen such positive staff survey results in any organisation before. It was noted that this demonstrated the leadership which has been shown by the HR department. There followed a discussion by Board members which covered how much of an impact the COVID-19 response question had had on the rest of the survey results; whether senior management had indicated higher stress levels; whether pay levels in the organisation were comparable with other organisations; and how the work/life balance had been maintained. The Head of HR responded to these points noting that it was difficult to determine whether the COVID-19 question had impacted the results or whether this was down to general improvements since the last staff survey. It was noted that Management would compare the results with the survey run by the Civil Service but that the comments included by VisitScotland staff generally showed that improvements had been made following feedback from the last survey. It was noted that there are lots of staff with an increased workload who are assisting with funding work and that the HR team were alive to the fact that lots of staff would need a break following completion of this work. On the question of pay, it was noted that it was largely a question of perception rather than reality and comparisons were often made with private sector organisations rather than comparable public sector ones. It was noted that staff had acknowledged the flexibility VisitScotland had provided when it came to balancing work and homelife, including home schooling.
13. The Board questioned whether there was any data from the survey relating to bullying and harassment. It was noted that the proportion of those who responded to that question with 'yes' had decreased but there had been a small increase in those responding, 'prefer not to say'. The Board commented that there are limits to change management and that although it is important to seek feedback and take staff ideas on board, there are circumstances where senior management need to implement change and then seek feedback on the change after the event rather than consulting beforehand. This was acknowledged by Management who provided an overview of the different ways in which staff feedback is sought in relation to change and advised that all heads of department attended a course on change management prior to lockdown in 2020. It was noted that the results of that training were not likely to be evident until the next staff survey.

14. The Chairman commented on the improvements which had been made and the great work which had been undertaken by the Insights Manager in conducting the survey.

## **WORKFORCE PLANNING**

15. It was noted that COVID-19 had impacted on the organisation's workforce planning. However, it was further noted that the impact of COVID-19 had also shown the power of technology and had speeded up discussions on moving to a more agile way of working for VisitScotland. The Head of HR summarised the background to workforce planning following previous Board discussions and noted that the senior management team had worked with a facilitator to look at the organisation from an internal and external perspective. It was noted that the organisation was not 'broken' but that more could be done to ensure staff were in the right roles and aligning the workforce to the organisation's strategy and framework. It was noted that this did not mean reducing the headcount of the organisation. It was noted that subtle changes had been made to the Marketing directorate over the last year but that it was now time to announce changes to the structure of the directorate. It was further noted that the Director of Industry and Destination Development was due to retire in 2020 and that a job description for this position was in the process of being finalised. It was noted that the role the Director of Industry and Destination Development plays is vital. It was advised that the Board would be kept updated with developments and would be involved in the process going forward. Given the criticality of the business/industry engagement piece, it was noted that the Chief Executive would take on the role of Chair of STERG, with the more operational work being taken on by other members of the VisitScotland team.

## **ACTION: Management to keep Board updated on succession planning.**

16. It was noted that the Head of HR was currently writing an updated people strategy, with a view to bring that to the Board in March/April. It was advised that there would be further iterations of the strategy to follow the strategic direction set by the Board. The Board noted that this was a great opportunity to highlight the benefits of working for the public sector. It was also noted that working in a more agile manner would allow jobs to be spread across the country rather than focussed on the central belt. It was questioned whether different leadership structures had been considered. Management advised that they had been and that the proposal was flexible so it could be changed depending on the strategic direction set by the Board. However, it was noted that the organisation was not in a position to change leadership structures just now but that this could be considered in the future. The Chief Executive advised that the ambition was to be an employer of choice and look to bring in talent from across the country.

## **FACILITIES – MAIN OFFICE REVIEW**

17. The Board were briefed on possibilities for the Edinburgh office when the current lease terminates. The details are currently commercial and sensitive and will be published when resolved.

## **FUNDS PROGRAMME**

18. The Director of Corporate Services provided an update on the ongoing work relating to the COVID-19 support funding for industry. It was noted that good progress had been made but that it was important to remember that the funds were yet to be delivered. It was advised that the organisation was on track to launch the various grant schemes on schedule and audits of an earlier scheme and the of the criteria setting process had now been conducted by VisitScotland's Internal Auditors which had come back with positive findings. Additional work will be undertaken by the Internal Auditors in this area. It was noted that there were ongoing conversations with the Scottish Government to determine whether VisitScotland could administer any more funds and that Management had started to plan how grant schemes would be managed going forward. It was further advised that additional money had been provided by the Scottish Government to allow VisitScotland to administer the funds which had allowed additional staff to be sourced and Chiene + Tait LLP to be procured to carry out the finance checks on the applications.
19. It was noted that a risk register had been created for the funds programme and the Board was advised that this was all reporting within tolerance levels. It was noted that risks around corporate reputation, internal resource, external resource and training had been identified, with fund teams raising any issues to support teams and to the programme Steering Group as appropriate.
20. The Board noted the huge amount of work which had gone into the funding programme already. It was commented that it would be useful to receive feedback from applicants so improvements could be made as appropriate. It was noted that additional training was required for the teams carrying out assessments, not just on the financial side, as this was a new area of work for staff. The Chair of the Audit and Risk Committee commented that she was reassured following the outcome of the internal audit and passed on that assurance to the Board. There was a discussion around reputational risk, and it was noted that VisitScotland would be looking to industry bodies to be involved in the appeals process. It was also commented that industry had been asked to assist with the development of the guidance/criteria for the funds and therefore would be able to assist with any questions from their members on the setting of the criteria.

**ACTION: Management to gather feedback from applicants on the assessment process and criteria.**

**ACTION: Management to ensure industry representatives are involved in the appeals process.**

## CHIEF EXECUTIVE REPORT

21. The Chief Executive advised that he would take the papers as read. It was noted that the Cabinet Secretary was delighted with the progress that had been made with the Rural Tourism Infrastructure Fund. The immediate issue of Easter was highlighted (subject to restrictions) and the potential for there to be problems similar to those faced last summer when people travelled to rural areas but found there were no facilities open. It was noted that work was underway to ensure the same issues did not arise. It was noted that additional funding would be needed for the inbound sector if international travel was not permitted this year and for other sectors depending on when lockdown restrictions are lifted. It was further noted that the Insight team had been undertaking additional work to cover COVID-19 and Brexit related work.

## CHAIR REPORT

22. The Chairman advised that he had attended Diaspora events and thanked the Board for the smooth running of the Board appraisals process. The Chairman also provided the Board with an update following the most recent Visit Britain Board meeting.

## EVENTS

23. The Director of Events advised that the team continued to be busy working on funding programmes to help the recovery of the events sector.
24. It was noted that the Chief Executive of 2023 Cycling World Championships Limited has settled in well and will attend the March Board meeting to introduce herself. It was noted that the creation of a heat map for risk associated with the cycling project was underway and that a six-month review of the non-executive director appointments was being carried out.
25. It was noted that an update on the golf strategy was provided within the Board papers, including a commitment from Scottish Government for funding for the Men's and Women's Scottish Opens for three years, with the option to extend by a further two years. The Board noted the papers.

## MARKETING, DIGITAL AND BRAND SCOTLAND REPORT

26. The Director of Marketing, Digital and Brand advised that she would take the papers as read and provided the Board with a forward look on the assumptions that were being made from a planning perspective. It was noted that the scale of VisitScotland's activity would be subject to the outcome of budget conversations with the Scottish Government. It was further noted that it was hoped that local travel within Scotland could return as a minimum

in the summer. It was advised that the organisation was continuing to support local responsibility messaging and work was ongoing with communities to ensure visitor management measures were in place. It was commented that VisitScotland's role is to lead, inspire and educate. It was noted that the team would look to work with influencers to relay some of this responsible travel messaging. It was advised that as the return of the international markets remains unknown, the team would be tactical and flexible and respond as opportunities arise.

27. For the wider UK market, it was noted that messaging would centre around what Scotland has to offer and that we hoped to "see you soon". It was noted that this could be built on for conversion purposes or changed depending on restrictions. For core European markets, it was advised that indications were that the French and Germans would be cautious about travelling but that the Scandinavians were keen to travel. It was further advised that Brand Scotland were running a campaign in market in Europe from March and that VisitScotland would raise awareness through this campaign and use it to grow databases. Finally, it was advised that any long-haul activity would be done through intermediaries for 2022 travel.
28. The Chief Executive advised that new research conducted by the Insight department would be helpful in this area. It was advised that this would be circulated before next Board meeting. The Board commented that there were still some risks for the 2022 market. The Board congratulated the Marketing directorate for its flexible approach and for their continued efforts despite all the uncertainties.

**ACTION: Management to circulate new research carried out by the Insight Team prior to the March Board meeting and arrange for the Insight Team to provide an update at a future Board meeting of current research projects.**

## **CORPORATE SERVICES – OPERATIONS UPDATE**

29. The Director of Corporate Services took the Board through the Operations Update paper, noting the cyber attack suffered by SEPA. It was noted that updates which had been made by VisitScotland as a result would be reported to the Audit and Risk Committee in March. It was noted that the SCRM and O365 projects had been progressing well but that these projects were likely to pause in order to prioritise grant funding work. It was noted that a procurement paper on Festival 2022 would also be brought to the March Board for approval.

**ACTION: Management to bring F22 paper to March Board.**

## **FINANCIAL AND GOVERNANCE MATTERS**

30. The Director of Corporate Services noted that VisitScotland now had a budget of over £100m to manage following the additional funding provided for the administration of the grant schemes. It was noted that any underspend would be looked at now so it could be



prioritised. It was advised that the organisation was now up to date with its Facilities maintenance programme.

31. It was noted that the external audit timetable would follow the same timeframe as last year. It was advised that it had been hoped that it would revert to the normal timetable this year, but given the grant work, it was likely the Annual Report and Financial Statements would come to the December Board for final approval in 2021. It was noted that Audit Scotland would begin their interim audit in April following the completion of the bulk of the grant work.
32. It was noted that internal and external risks relating to COVID-19 had increased in risk register and the Board noted the report.
33. The Board advised that provided the Scottish Government approved any potential underspend as a consequence of the additional monies provided for grant funding work, the Board were strategically comfortable with this.

**ACTION: Management to get sign off from Scottish Government regarding underspend for 20/21 year as a result of the extra COVID-19 grant schemes which had been announced.**

34. The Chairman requested that the timetable changes for the annual accounts process be fed into the Board planner.

**ACTION: Management to update Board planner with annual report and financial statements timetable changes.**

35. The Director of Corporate Services advised that great progress had been made in transferring members across to the Lothian Scheme and the organisation was on track to make savings as reported previously to the Board. An update was also provided on the BTB Scheme and it was noted that we had until June to complete the valuation. The Chairman highlighted that both Mercers and Hymens Robertson (mentioned in the papers) were being interviewed in relation to a procurement for Parliamentary matters.
36. The Business Continuity paper was taken as read.

## **AOB**

37. The Chairman advised that he would review the March agenda to see what could be moved to April as the meeting had a full agenda. The Chairman asked that Board members reflect on whether it would be helpful to hold shorter, more informal sessions on particular topics in the future and feedback views.

**ACTION: Consider whether agenda items for March Board meeting could be moved to April meeting.**

**ACTION: Board members to consider whether shorter more informal sessions on particular topics would be beneficial going forward.**

## **CLOSE**

38. Thereafter, the meeting was brought to a close.