

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

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

In attendance: Malcolm Roughead (Chief Executive)
Vicki Miller (Director of Marketing, Digital and Brand)
Rob Dickson (Director of Industry and Destination Development)
Ken Neilson (Director of Corporate Services)
Paul Bush (Director of Events)
Carolyn Churchill (Head of Corporate Communications)
Steven Speedie (Head of Facilities) for agenda item 4 only
Colin Cook (Director of Economic Development at The Scottish Government) until 11:30am
Judith Young (Head of Tourism and Hospitality Policy and Strategy at The Scottish Government)

Minutes: Kelly Sinclair

INTRODUCTIONS

1. The Chairman welcomed attendees and thanked them for joining the meeting by video conference, and for adapting to the last-minute format change from hybrid to virtual.
2. The Chairman welcomed two members of The Scottish Government to the meeting, the Director of Economic Development and Head of Tourism and Hospitality Policy and Strategy, who were invited as observers. It was noted the Director of Economic Development would need to leave the meeting at 11:30am.

MINUTES OF THE BOARD MEETING HELD 16 SEPTEMBER 2021

3. The minutes of the Board meeting held on 16 September 2021 were approved as a true and accurate record of the meeting.

CONFLICTS OF INTEREST

4. Rebecca Brooks, Managing Director of Abbey UK Travel Ltd (Abbey), advised the Board that Abbey had applied for VisitScotland's Inbound Operator Collaborative Marketing Fund. She confirmed she had not been involved with the application but had contacted the Marketing Directorate administering the fund directly to make them aware.
5. No other conflicts were noted.

MATTERS ARISING

6. It was noted that the matters arising were closed or would be covered during today's meeting.

IMPACT OF VISITSCOTLAND'S SUSTAINABILITY POLICY

7. The Head of Facilities joined the meeting to give a presentation on VisitScotland's long-term ambitions for managing internal sustainability. The presentation focused on the internal sustainability journey to net zero and how the organisation is working to meet future targets.
8. The Board was advised of plans to be delivered as part of the sustainability strategy; (i) Annual Public Bodies Climate Change Reporting Duties Tool (ii) Net Zero Carbon Management Plan (iii) Annual Internal Sustainability Action Plan and (iv) Scottish Publicly Funded (FNT2030) Climate Action Category Commodity Management Plan. The presentation also detailed the internal groups established to manage delivery of these plans; (i) Internal Sustainability Group (ii) Green Champions (iii) Staff Innovation Group and (iv) Internal Communications. It was reinforced that although these groups were in place it was the responsibility of all VisitScotland staff to be aware of and help meet sustainability targets.
9. The presentation included a definition of the three emission categories 'scopes'. Scope 3, which covers indirect emissions from activities the organisation doesn't own or control, was highlighted as the area where challenges lie. The discovery work involved in monitoring and measuring scope 3 emissions will be an important exercise for the organisation, bringing both risk and opportunity. It was noted Procurement will play a big part in managing carbon balance and the organisation was following guidance from The Scottish Government Procurement Climate Forum. Additionally, contact has also been made with Sustainable Scotland Network, an executive consultant and an upcoming meeting is planned with Scottish Water. It was noted changes in legislation are expected due to COP26.
10. The Board noted that it was a comprehensive report and the work ongoing was an important complement to VisitScotland's strategy on responsible tourism. The Board

asked how offsetting would be approached as well as how the organisation plans to assure the capture of data. It was advised that a Sustainable Procurement tool would be a valuable resource to consider using. It was also noted that staff engagement will be crucial to the organisations' move to net zero. The Board asked that it is kept updated regularly on internal sustainability.

Action: Management to update the Board regularly on internal sustainability work and progress towards net zero.

PROGRESS ON ANNUAL ACCOUNTS & FINANCIAL STATEMENTS

11. The Director of Corporate Services updated the Board on the progress of the Group Annual Report and Financial Statements ending 31/03/21, which would cover both VisitScotland and 2023 Cycling World Championships. It was noted that feedback raised by the Board and ARC would be incorporated into the final draft and a table of actions and progress to date was provided for information.
12. Risk proximity was discussed and it was noted risk probability was higher during Covid periods. It was agreed showing movement throughout the year graphically was an ideal way to convey information.
13. The Board was advised the external audit of the Annual Report and Accounts began on 06/09/21 and is ongoing with no issues arising. It was noted that there will be an adjustment to Cycling World Championships which will impact on the group accounts. This is in relation to the treatment of some grant funding for the Championships. It will not affect the overall position which remains balanced. It was noted that discussions were ongoing with Audit Scotland in relation to the treatment of the Covid funding grants. It was confirmed the timetable is on schedule and the final Accounts and Audit Report will be ready for approval at the December board.

CHAIR AND CHIEF EXECUTIVE UPDATE

14. The Chairman advised he had been involved in a selection of webinars including Celebrating Badenoch, a Scotland's Year of Stories event. The Chairman then provided an overview of recent VisitBritain activity, including attendance at the British Tourist Authority Board.
15. The Chief Executive began his update by introducing the recently appointed Head of Corporate Communications, Carolyn Churchill, and highlighted this would be a key role within the organisation.
16. Feedback on tourist activity confirmed an increase in movement since the easing of restrictions but challenges, including labour, travel barriers and self-isolation, remained across numerous sectors. It was noted that midweek activity was slow and that some

attractions were still closed and will likely remain so until Easter. The launches of the UNESCO Trail and Unboxed had been a positive factor with both receiving great media coverage. The Board was advised that focus and resource was currently on the planning and delivery of COP26.

17. The Board was advised of the recent Visitor Management Summit attended by Cabinet Secretary for Finance and the Economy Kate Forbes and 90 participants. This went well and a follow-up meeting is soon to be arranged with the Cabinet Secretary. The Chief Executive also advised of a recent meeting with the Austrian Parliamentary delegation where both sides shared learnings on Responsible Tourism. This was followed by an overview of recent insights work which showed that although residents are in agreement about the importance of tackling climate change and sustainability through a more responsible form of tourism, for many there appears to be a 'value-action gap' when it comes to behavioural change and personal responsibility.
18. The Board noted that the industry was still facing a number of challenges, with some businesses still very much in recovery mode and that local sensitivity should be considered when pushing responsible tourism messages. It was noted that this organisation had a commitment to sustainability in tourism. It was also suggested businesses do not always know how to 'go green' and are worried about associated costs.
19. It was noted the return of international travel is still a long way away and that testing requirements for inbound travellers would continue to have an impact. It was also commented that concerns of 'over-tourism' had been raised in Argyll. Management was commended for its approach to cyber resilience, which included Cyber Resilience Awareness training being delivered to the Senior Leadership Group. It was noted that this programme will be rolled out across all Heads of Department and tailored to a few critical business functions such as Finance and Procurement.

Action: Cyber Resilience Awareness training slides to be issued to Board.

INDUSTRY AND DESTINATION DEVELOPMENT

20. The Director of Industry and Destination Development provided his first Board update since taking over role, opening with a presentation on VisitScotland's involvement in COP26. This included information on objectives, industry engagement, marketing, corporate communication and event delivery support. The presentation also highlighted The Glasgow Declaration, a pledge which VisitScotland helped draft with international partners. This is to be launched at COP26 and is designed to unite and encourage the industry on a global scale to commit to climate action in tourism. It was advised that five VisitScotland events were taking place at the Scottish Government's Climate Ambition Zone at The Lighthouse in Glasgow. The Director of Marketing, Digital and Brand presented a segment on marketing, detailing planned activity and campaigns, noting focus would be around responsible tourism. The Director of Industry and Destination Development then gave an

overview of how the organisation would approach internal, industry and press communications. It was noted that VisitScotland had taken responsibility for the delivery of the Scottish Government Climate Ambition Zone and general staffing support was being provided throughout the conference. Tribute was paid to the EventScotland team for the work involved in managing this.

21. The Board asked whether staff working at the event had received counter terrorism and security training. It was confirmed staff were fully trained and prepared. It was further advised that a contingency plan was in place to use the Glasgow office for staff accommodation if needed. As the event will have a global audience, the potential for negative media was raised. The Head of Corporate Communications confirmed that a full communications plan was in place and all media enquiries would be considered on a case by case basis and appropriate responses prepared.
22. The Director of Industry and Destination Development continued with the directorate update. The regional overview showed mixed results with Inverness and Dundee seeing strong occupancy and rates in hotels, but the larger cities are still some way off pre-pandemic levels. For all sectors staffing and recruitment remains a significant challenge, as does the supply chain reinforcing recovery is not underway for all and there are those who still need support. The Board noted that a Business Barometer had been used in the past to collect data and this should be considered again.

Action: Management to consider reinstating a Business Barometer.

23. The Board was advised 24 applications had been received by the round four deadline of the Rural Tourism Infrastructure Fund. The assessment panel will meet in late October to make the awards. These figures suggest there is a continued need for the fund as well as benefits to visitor management.
24. iCentre data relating to footfall, retail and ticketing was provided which showed significantly lower 20/21 and 21/22 figures compared to previous years, highlighting the scale of the challenge faced since the pandemic. Other observations included an increase in Covid-19 related travel enquiries and that the top retail centres for the month were Edinburgh, Portree, Lerwick and Craignure.
25. The Board was advised that the Scotland Europa members' meeting was held on Thursday 30th September. During that meeting, Jenny Gilruth, Minister for Culture, Europe and International Development, referenced VisitScotland's work on the EU engagement and partnership front, citing our joint session on responsible tourism with HES and Zero Waste Scotland. It was noted that our EU engagement work through this network continues to deliver reputational and insight benefits. The launch of the UNESCO trail was also highlighted as a strong partnership initiative which put Scotland on the global stage.

MARKETING, DIGITAL AND BRAND SCOTLAND

26. The Director of Marketing, Digital and Brand began the Marketing update by discussing results of the UK summer campaign, for which a full report is in progress. It was noted that the Expedia partnership delivered strong results for summer with 74.6k room nights and \$10.5m (£7.5m) bookings. Insight showed 37.5% of bookings were for stays within 0-6 days of stay suggesting consumers remained cautious about booking travel too far in advance. It was noted the top booking locations were Edinburgh, Glasgow, Highlands, Aberdeen.
27. An update was provided on the international demand building campaign, Scotland is Calling, and the paid media scheduled across key international markets. It was noted that the Inbound Operator Collaborative Marketing Fund, designed to support promotion of responsible tourism itineraries, opened for applications in September. By the closing date of 6 October, 42 applications had been received with the processing of these applications now underway.
28. Owned and earned channel data was discussed, including year on year trends. It was noted international traffic to [visitscotland.com](https://www.visitscotland.com) has achieved year-on-year growth for the first time since February 2020. Visits from domestic audiences reduced in September, although figures were up 12% on 2019 levels. It was confirmed the digital roadmap would focus on the new [visitscotland.com](https://www.visitscotland.com) redevelopment project, which had been delayed to prioritise business support projects. A full update on this project will be presented to the Board in early 2022.
29. The Board commented that recovery of the inbound market is a long way away and there is a risk that the domestic market will travel abroad next year as more borders reopen.

EVENTS

30. The Director of Events presented the Events Report highlighting the return of the Edinburgh Festivals in August, signalling that although it was a reduced programme there was a strong appetite to attend live events once again. Anecdotal evidence also suggests hospitality premises reported significantly increased footfall and business from July into August. That said, it was noted that the sector continues to face challenges around increased costs, availability of staff, supply chain issues as well as emerging Brexit implications.
31. It was noted the Scottish Government had provided an additional £450,000 to Scotland's Events Recovery Fund to allow previously submitted applications for events taking place up to the end of 2021 to be supported, in addition to the original allocation of £2.75 million. Reconciliation of submitted applications has been carried out and at 7 October 2021, a total of 277 events will be supported through the fund. Details of the applications that have been granted support since the previous update were provided to the Board. As this fund has now closed, it is planned that communications will be issued to event organisers who have

enquired about funding but did not submit applications prior to the June deadline, to advise it will not be possible to invite them to submit applications.

32. The Board was updated on progress and outcomes relating to the 2023 UCI Cycling World Championships since the September meeting. A revised Articles of Association was issued following Board feedback that consideration should be given as to whether co-option until the end of the project would be more appropriate rather than only for a further 12-month period. The revised wording of Article 19.5 requires the Directors of 2023 Cycling World Championships Limited, at the time of co-option, to determine the duration of the Co-opted Director's tenure. This can be for the remaining term of the project or for such other fixed term as the board of Directors may specify. The Board was asked to approve the revised Articles of Association which was agreed.

The Board approved the revised Articles of Association

CORPORATE SERVICES

33. The Director of Corporate Services took the Board through the Operations Update paper. Recent ICT issues were highlighted including an occasion where email access across the organisation was lost for a short period. It was advised that this problem was resolved quickly but a full review would be undertaken to mitigate future risk.
34. The Return to Offices programme was discussed with Management confirming over 300 members of staff had attended their local office for a reorientation day. It was noted the next stage of the phased programme was to identify staff with a need, for example medical or environmental, to return to the workplace. Management are also considering opening meeting spaces within offices for collaboration purposes. The Board was advised the Health and Safety manager had recently retired and their successor would begin on 1st November 2021.
35. The Board was advised that The Scottish Government had issued a Scottish Procurement Policy note which expanded Fair Work First elements. Management confirmed a working group had been established to manage implementation of the update and that sustainability factors would be looked at again to ensure current advice is captured.
36. An update was provided on the tender application for Concession Contract for Core Print. Upon conclusion of the tender period, a single bid was received for the Experience Guides, and no bids received for the Regional Guides despite 10 expressions of interest. It was confirmed that an internal review is underway to assess the risk presented by this situation and to reevaluate options for the provision of information. A further update will be provided in due course.

Action: Board to be updated on Concession Contract for Core Print upon completion of evaluation.

FINANCE AND RISK

37. A financial performance overview was provided by the Director of Corporate Services which included the YTD position against the FY budget as approved in September.
38. The Board was advised of a recent fraud attempt which targeted the organisation. A spearphishing email, disguised to look as if from a known supplier, was deemed to be genuine and resulted in a payment being made to a fraudulent account. The attempt was identified quickly through internal controls, the bank was alerted and the money recovered. Management confirmed Police Scotland, The Scottish Government, VisitScotland's Audit and Risk Committee and both internal and external auditors were all notified immediately. A response plan was triggered which included an internal flash audit and additional staff training. The Board commended the organisation's response to the incident. It was noted that cyber-attacks are becoming more commonplace and that the public sector is a particularly vulnerable area, meaning processes and controls would need to be examined regularly.
39. Updates made to the risk reporting processes over the last period was provided to the Board. This included development of the Assurance Framework, an enhanced project scoring system, the addition of three new risks to the Corporate Risk Register and a review of Covid-19 risks .

POLICIES

40. As per the recently revised procedure, policies for approval were uploaded to Huddle prior to the meeting to allow members to review in advance. The following policies were approved.

The Board approved the following policies;

- (i) **Annual leave policy**
- (ii) **Authorised signatories' policy**
- (iii) **Excess fares allowance policy**
- (iv) **Open source code policy**
- (v) **Relocation policy**

EDINBURGH OFFICE LEASE

41. A proposal for the extension to the Ocean Point lease was brought to the Board for approval. The extension would run from the end of the current lease on 25/02/22 until 01/21/24 with the option to break any time after 6 months from commencement and move to a rolling contract, with termination subject to three months' notice in writing. It was noted that the office footprint would remain as is but at reduced rate, resulting in a cost reduction of £330k per annum. It was noted that this plan would give the organisation time to understand the impact of hybrid working and space requirements which would aid future decision making.

The Board approved the extension lease agreement at Ocean Point.

Action: Management to feedback hybrid working findings to Board once information known.

STERG / FUNDS PHASE 2 PROGRAMME

42. The Director of Marketing, Digital and Brand provided a progress update on the STERG / Phase 2 funds programme. It was noted an internal audit had been undertaken which raised no issues. Management confirmed the projects which would take priority in October were Days Out and Inbound Sector Marketing Fund.

AOB

43. The Chairman noted this would be Stephen Hagan and Cathy Craig's final Board meeting before stepping down in November. Both members were thanked for their valuable contributions, industry knowledge and counsel during their time on the Board.

CLOSE

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