

MINUTES OF THE MEETING OF VISITSCOTLAND HELD AT 23 RAVELSTON TERRACE, EDINBURGH ON FRIDAY 31ST AUGUST 2001

PRESENT:	Chair:	Peter Lederer	
	Board Members:	Donal Dowds, Brian Houston, Mike Cantlay, Donald Anderson	
	Adviser:	Paul Murray-Smith	
IN ATTENDANCE:	Chief Executive:	Philip Riddle	
	Directors:	Malcolm Roughead	Marketing
		Hugh Hall	Corporate Services
	Staff:	Gillian Upton	Minutes
APOLOGIES:	Board Members:	Sheena Kitchin, Pat Buchanan	
	Advisers:	Norman Murray, Norman Lauritsen	

Peter Lederer welcomed Philip Riddle and Hugh Hall to the management team. On behalf of board members, he congratulated the new team for making progress quickly.

Action/Notes

1. MINUTES OF BOARD MEETING OF 15TH JUNE 2001

1.1 Approved

2. MATTERS ARISING

2.1 **Agenda Item 3.5** (*raised by Paul Murray-Smith*)

Philip confirmed that he intends to meet and engage with large corporate businesses. He has met Turnberry Hotel and will be arranging dates with others. He would want to make sure he got their views on strategy. Board members offered to help with introductions.

Philip Riddle /
Board Members

3. CHIEF EXECUTIVE'S REPORT

3.1 Philip commented on his report

3.2 **Season to Date:**

- UK visitor numbers are holding up but spend is down; and
- FMD impact on tourism businesses to 30th June 2001 is 51% negative, 7% positive and 42% no change.

3.3 **Industry Strategy:** we will integrate the review of A New Strategy for Scottish Tourism with our own fundamental review of the tourism industry vision, objectives and main strategies. Although this will not be the end of the process, for the industry conference, on 19th November, we should have a clear definition of the vision and objectives and significant buy-in from the industry. Any new document should be a Scottish Executive document to differentiate it from VisitScotland (VS) corporate plan.

All

3.4 **VS Corporate Plan:** Philip emphasised the need for robust key performance indicators, both for VS and for the tourism industry as a whole.

Directors

Action/Notes

Malcolm Roughead

3.5 VS Reorganisation: Philip indicated that the process is going well so far. His first aim is to get staff engaged and he would also want board input, probably at the awayday. He pointed out that the process is principally about defining what we do before addressing staff structure. Hugh Hall reported that there are some job vacancies but not in critical posts. There are also some skills gaps.

3.6 Medium Term Recovery Plan: Philip confirmed that we will measure outcomes from the £6.9million FMD additional funding, which has been allocated to various programmes. We must disperse the money by 31st March 2002 and he was concerned that we had not yet received proposals from Dumfries and Galloway.

Board members agreed that we should write to Dumfries and Galloway Tourist Board advising them to ask for whatever help they need to formulate their spending proposals.

3.7 E-Commerce Development: Philip expressed his concern that the visitscotland.com team do not have clear reporting lines and envisaged the need to recruit an IT strategist with strong commercial skills. He confirmed that 2 bidders remained in the PPP process. The closing date for bids is 21st September and he thought that the most likely outcome was that we would get conditional bids.

Hugh Hall

Board members advised that we should have a public relations plan in place for 21st September.

3.7 ATB Review: the meeting agreed that the review needs to focus on the rôle of the local delivery network rather than its structure. It was important to make sure that local authorities are involved and in agreement with proposals. Board members can help to engage local authorities.

3.8 Budget and Finances: covered in agenda item 5.

3.9 Other Outstanding Issues

Rod Lynch: Philip gave an update and expressed his view that we need to move quickly towards reaching a satisfactory settlement. The final decision on settlement rests with board members, unless the Scottish Executive issues written instructions otherwise. After discussion, Board members **agreed:**

Peter Lederer

- **Peter Lederer to contact Minister for Enterprise and Lifelong Learning on 3rd September to discuss; and**
- **Thereafter, Peter to advise the Minister in writing of our position, this letter to make it clear that we intend to start the settlement process, unless directed otherwise in writing by a specific date.**

Peter Lederer

Other Business: Philip circulated a final progress paper on the PwC recommendations. The paper is an internal document.

4. DIRECTORS' REPORTS

MARKETING

4.1 Brand Strategy:

- Malcolm Roughead circulated a brand strategy flowchart and outlined its main features. He indicated that we might have to allocate some funds towards setting up systems for accurate measurement of performance.

4.2 FMD Recovery:

- Malcolm gave an update on the Continental Airlines situation and confirmed that we are working closely with the Scottish Executive and Scottish Enterprise on this.
- We will stage manage the inaugural trip of the Superfast ferry in 2002.

- **Golf** - although revenue generation is not as significant as some other areas, we must treat it as a world class brand.
- **Campaigns** - we have given some thought to a Spring campaign but will not commit to this until we have a clearer idea on what our strategies will be. We will be working with BTA to promote Britain as a safe destination. We need to concentrate on PR messages rather than consumer campaigns just now.
- **Ministerial Visit to New York** - this will feature a contemporary rather than traditional approach and we will be tracking the reaction.
- **Product Quality** - Philip confirmed that VS view on product quality improvement as opposed to quality assurance will be discussed at the board strategy awayday.
- **Tourism Futures** - Malcolm acknowledged the professionalism of Futures staff in continuing to perform well pending reorganisation of their department.

INDUSTRY SERVICES

4.3 **Area Tourist Boards** - awaiting Willie Macleod's arrival on 3rd September. Hugh confirmed that we will need to adopt a firm line over ATB finances and make sure that ATBs are working to break even.

4.4 **Information Services**

- Business as usual. Hugh acknowledged the professionalism of information services staff in continuing to perform well, pending organisational change.
- **Malcolm to send details of Christmas programmes and Winter What's On to Donald Anderson**

Malcolm Roughead

4.5 **Quality Assurance** - board members acknowledged the independent endorsement of the scheme by consultants advising the South African Grading Council and congratulated the QA team.

CORPORATE SERVICES

4.6 **Strategy and Planning** - we will have to consider linkages between the tourism industry strategy and VisitScotland's corporate strategy.

4.7 **Communications**

- We have launched an in-house journal.
- We have very positive feedback from the visitscotland.com roadshows but they need more resources.
- We need to develop a strategy for scotexchange.

4.8 **Other**

- There appears to be scope for joining with ATBs to provide some central services.
- Peter confirmed that agreement of a staff pay settlement is an executive function.

5. **BUDGET PROPOSALS 2001-2002**

5.1 Hugh summarised the main points from his paper. He emphasised that all future papers at board meetings would take cognisance of financial implications.

Directors

5.2 He outlined the issues surrounding the approach to the Scottish Executive for additional funding.
ATBs - this funding would have to come from the marketing budget if additional funds are not forthcoming.
Restructuring - without additional funding, an alternative to diverting funds from existing budgets is to extend the timeframe.

5.3 After discussion, **Board members:**

- **approved the budgets for 2001/2002 as set out in appendices 1 and 2 in the paper CS(2001-08)1;**
- **noted the likely requirement for additional funding over existing grant-in-aid provision and that an approach has been made to the Scottish Executive to meet the possible shortfall;**

Hugh Hall



Action/Notes

Hugh Hall

- **agreed that additional funding should be offered only to those ATBs that have produced 3 year financial plans by the mid-September deadline, and subject to stringent financial conditions.**

6. RECOMMISSIONING OF THE VISITOR ATTRACTION SURVEY

6.1 Paper withdrawn

6.2 **Members agreed to extend the current contract for 12 months.**

7. REPORT ON GREATER GLASGOW AND CLYDE VALLEY TOURIST BOARD

7.1 Philip introduced this paper following which there was discussion. Points raised included:

- All ATBs should be treated the same;
- We should invite GGCVTB to help to define future strategy;
- Make sure that we have a PR contingency plan;
- Reassure the cities that we are not directing visitors solely to rural areas;
- Try not to exclude any ATB as we are moving towards shared services; and
- We have to maintain a flexible approach until industry and VS strategies are in place.

7.2 Board members did not endorse in full the recommendation in the paper but agreed:

- Philip and Peter to offer again to meet GGCVTB;
- Offers of grant conditions should not be changed and should apply equally to all ATBs;
- Amend the letter in appendix 3 so that all ATBs (including GGCVTB) are made aware of the position if they do not comply with the conditions attached to offers of grant. This letter should also carry and invitation to all ATBs to work with us and help to define future strategy;
- Reinforce this at the next ATB chief executives' meeting;
- Make sure Wendy Alexander and Henry McLeish support us;
- Philip to speak to Jack Munro about the cities.

Philip Riddle /
Peter Lederer

8. BOARD STRATEGY AWAYDAY (15TH/16TH SEPTEMBER)

8.1 Peter advised that as this will be the board's first awayday afterwards, he will be seeking views as to whether it should be an annual event.

8.2 Philip outlined the arrangements.

8.3 Donald Anderson and Donal Dowds cannot attend but will provide input.

8.4 Brian Houston gave a brief outline of the day. First of all, there will be context setting, especially of the external environment. This will be followed by a workshop the next day looking at a vision and main objectives for the industry. Finally, VS restructuring and governance will be covered, if time allows.

Donald Anderson
/ Donal Dowds

9 GOVERNANCE - DRAFT CODE OF PRACTICE FOR BOARD MEMBERS

9.1 In welcoming this paper, members sought clarification of paragraph 9 of the Code of Practice about where their primary duty of service lies - to VS, the Minister or the industry. Subject to this clarification, members **approved:**

- **Adoption of the Code of Practice; and**
- **The terms of reference and proceedings for the Remuneration Committee.**

Hugh Hall

10 PPP UPDATE

10.1 Noted



Action/Notes

Peter Lederer

11. SEASON TO DATE AT 31ST AUGUST 2001

11.1 Noted. Malcolm confirmed that all national tourist boards will release the new UKTS figures simultaneously, together with expert endorsement of the methodology.

12 AUTHORISED SIGNATORIES

12.1 Members approved the changes to the list of authorised bank signatories set out in the paper CS(2001-08)4

13 ANY OTHER COMPETENT BUSINESS

13.1 Members confirmed that the Silver Thistle Award could be made to an organisation, rather than an individual.

END