

Minutes of Meeting of the Board of VisitScotland held at 23 Ravelston Terrace, on Friday 31st January, 2003

Present: Peter Lederer (Chairman)
Michael Cantlay
Donal Dowds
Brian Houston
Alex Pagett

Apologies: Pat Buchanan
Donald Anderson

In attendance: Philip Riddle (Chief Executive)
Hugh Hall (Corporate Services)
William Macleod (Industry Services)
Malcolm Roughead (Marketing)
Lesley Sawers (Communications)
Tiffany McKirdy (Minutes)
Lynne Raeside (Corporate Affairs)

NDPB Shadow Initiative Visitors:

David Geddes
Alasdair Hutton
Mandy Haeburn-Little
John Inman
Karen Munro
Caroline Parkinson

For item 10 only:

Ivan Broussine {Tourism Innovation
Laurence Young { Group

INTRODUCTION

The Chairman welcomed the six visitors present as part of the Scottish Executive's public appointments "Shadow Initiative". The Chairman also welcomed Lesley Sawers, the new Strategic Communications Adviser, and Lynne Raeside, Corporate Affairs Manager.

The Chairman reported on a meeting held with the First Minister on 16th December. The Chief Executive was also in attendance. A number of strategic issues were discussed including marketing, eTourism, direct access and public sector investment levels. The First Minister reinforced

his commitment to tourism in Scotland and expressed a desire to become involved in future strategic initiatives.

The Chairman invited the executive team to identify suitable initiatives for the First Minister's involvement.

1. MINUTES OF PREVIOUS MEETING

The minutes of the Board meeting held on Thursday 5th December 2002 were approved.

2. MATTERS ARISING

The Board noted the Matters Arising Schedule including:

- A report will be made to the March Board on the USA Trade Strategy;
- An internal review of the VisitScotland Quality Assurance scheme is nearing completion and the outcome will be reported to the board at the March meeting.

It was agreed that copies of the BTA's presentation to the Board in December and the recent correspondence between the VisitScotland/BTA Chairmen should be distributed to the Board.

3. CHIEF EXECUTIVE'S REPORT

In presenting his report to the Board, the Chief Executive highlighted the following:

- UK figures for January to September 2002 were up 10% in terms of visitor numbers and 13% in terms of expenditure compared to the same period in 2001. This is considerably better than the UK average and is reflected in generally higher room occupancy rates. As the last quarter of 2001 was particularly strong however, the end of year position is likely to show a much more modest year on year improvement;
- BAA passenger numbers were up 9% in Scotland in 2002 compared to 2001;
- The potential impact of conflict in Iraq;
- The key findings and recommendations of the final report from the Enterprise and Lifelong Learning Committee's Inquiry into tourism, which were published on 29th January. The findings and recommendations were considered an endorsement of the broad thrust of the Board's strategy and a vindication of the work undertaken to reshape and refocus the organisation. A full report

on the Committee's report and the actions therefrom will be submitted to the Board's next meeting in March;

- The success of eTourism, with the milestone of a £1 million worth of bookings in sight. This represented a great start but there is a great deal of work still to do to fully exploit the potential;
- 'Fish Scotland': a comprehensive fishing brochure was launched in line with the current Activity Brand Portfolio;
- The overall target for the UK Spring campaign has been met;
- Plans being finalised for US Tartan Day, Smithsonian Folk Life Festival and Paris Tunes of Glory;
- VisitScotland advice on the ATB review was finalised and submitted to the Minister.

The Board noted the report and recommended that:

- *consideration be given to VisitScotland organising a one day conference on etourism, to include the opportunity for best practice exchange;*
- *an invitation to see how VisitScotland.com operates in Livingston should be extended to the British Hospitality Association.*

4a. REPORT FROM THE DIRECTOR OF MARKETING

In presenting his report, the Director of Marketing highlighted the following:

- Strategic marketing activity including progress on Brand positioning workshops, discussions with area convention bureaux on Business tourism strategies, Strategic Mapping developments and the continued dialogue with potential operators of Direct Access flights;
- UK Marketing activity including Consumer Segmentation work, meeting of the newly formed Retail Advisory Group, discussions with potential strategic partners and the launch of the romantic Scotland campaign;
- Announcement of a new Ryanair flight to Stockholm;
- Project Lion: meetings continue with BTA about Brand Britain;

- Research including the completed Germany/ France conversion studies, Economic Scenarios and work beginning on Vision for Tourism 2020;
- International Marketing including the finalised details of the 2003 USA campaign (Tartan Day, US Golf campaign, Smithsonian programme) and the strong response levels generated by the Germany 2003 campaign.

The Board noted the report from the Director of Marketing and recommended that:

- *Consideration should be given to developing VisitScotland's marketing strategy in Canada*
- *The final presentation for the Vision for Tourism should identify a shorter timescale*

4b. REPORT FROM THE DIRECTOR OF INDUSTRY SERVICES

In presenting his report, the Director of Industry Services highlighted the following:

- Further advice and information has been submitted to the Executive on the ATB Review;
- 2002 TIC Visitor Survey and Customer Service Audit were completed and circulated to participating ATBs;
- Following discussion with Post Office Ltd. about the TICs adopting the role of sub-post office, a pilot scheme will be conducted at Pirnhall, at the junction of the M9/M90;
- The Whisky Tourism initiative is now at project stage;
- Updates on the Activity Product including International Golf Pairs Event, meetings with walking operators and engagement with ActivityScotland on potential participation in outdoor exhibitions along with other partners including Walking Wild, Cycling Scotland and Sail Scotland;
- VisitScotland attended the Executive launch of the cities review, "Building Better Cities". City area tourist boards have been offered assistance to those ATBs considering submission of a business case for more funding;
- Research is being conducted into the business benefits of QA membership. Results will be available in April 2003;

- Discussions continue on the harmonisation of Quality standards.

The Board noted the report from the Director of Industry Services.

4c. REPORT FROM THE DIRECTOR OF CORPORATE SERVICES

In presenting his report, the Director of Corporate Services highlighted the following:

- The outcomes from the ELL Committee Enquiry report and the next steps in dealing with the report recommendations;
- The positive positioning of VisitScotland through a wide range of activities in communications, including the continued successful development of scotexchange.net;
- The top level results from the Employee Opinion Survey which achieved an excellent 81% participation rate. The results were very encouraging with staff feeling they had a good sense of direction and an awareness of what need to be accomplished. A full report will be made to the Board in March when the results are fully analysed and an action plan prepared;

The Board noted the Director of Corporate Services' report.

5. DRAFT BUSINESS PLAN

The Board received a presentation on the draft Business Plan for 2003. The draft Plan reflects VisitScotland's commitments in the Tourism Framework for Action, the Minister's strategic guidance, the outcome of Board strategic deliberations to date. The draft also reflected the strategies and actions being formulated at a departmental level on the basis of strategic guidance from the Board and the Executive. The allocation of resources continues to be a limiting factor on the scope of what needs to be achieved but every effort will be made to optimise returns and to demonstrate the value for money being achieved from the investment. It was noted that the marketing spend is projected to be 26% down in 2003/4 from the previous year.

The Board endorsed the broad thrust of the plan and

- *recommended that a sharper focus on the critical success factors should be provided in the form of a one page/ ten point summary*
- *noted that a final version of the Plan would be submitted for approval to the Board in March:*

- *agreed to submit any additional comments on the Plan to the Director of Corporate Services.*

6. PROGRESS REPORT ON PERFORMANCE AGAINST TARGET

The Director of Corporate Services updated the Board on progress for nine months to 31st December, 2002 against Business Plan targets. The following was highlighted:

- Good progress to date with many areas achieving or exceeding expectations;
- Work is ongoing in measuring the results of some key activities and campaigns;
- While we aim to be able to benchmark performance against other tourism bodies, finding suitable comparative data has proved problematic;
- Work is ongoing to develop and update the performance management framework. A report on this development will be made to the Board at a future meeting but, in the meantime, individual members of the Board were invited to offer their support/suggestions for improvement

The Board noted the report.

7. FINANCE REPORT AS AT 31ST OCTOBER 2002

The Board received a report from the Director of Corporate Services on VisitScotland's financial performance to 31st December 2002.

The Board noted the report.

8. THE SEASON TO DATE REVIEW SUMMARY

The Board noted the report on the Season to Date.

9. ANY OTHER BUSINESS

- Board members who have requested press cuttings will receive them from 7th February and from that date all board members will receive a weekly email bulletin with 'hot' news items;
- Dates for diary:
 - 9th April – Expo in Glasgow and Gala Dinner in evening
 - 9th May – Board meeting will be at Falkland Palace
 - 28th August – Open meeting following board meeting at the Battleby Centre, Perth

10. TOURISM INNOVATION GROUP

The Board received a presentation on the Tourism Innovation Group.

Following discussion, the Board thanked the Tourism Innovation Group for their excellent presentation and wished the Group well in pressing ahead with its agenda.