

# BOARD MEETING

24<sup>th</sup> October 2022, 13.00 – 15.30

Visit Inverness Loch Ness Ltd, Virtual Meeting via Microsoft Teams

## Visit Inverness Loch Ness Board Present

David Shayer	DS	Anna Low	AL
Jo De Sylva - Chair	JDS	Jane Slaughter	JS
Ina Davies	ID	Emmanuel Dambier	ED
Julie Dell	JD	Cheryl Campbell	CC

## Also present

Michael Golding	MG	VILN CEO
Sabine MacDonald	SM	VILN Administrator

## Apologies

Raoul Curtis-Machin	RCM
Marina Huggett	MH
Ian Brown	IB

## BUSINESS

### AGENDA ITEM 1

#### 1. Welcome and Apologies

JDS welcomed everyone to the Board meeting with a particular welcome to the newly appointed director on behalf of Highland Council, Councillor and City Leader Ian Brown.

### AGENDA ITEM 2

#### 2. Declaration of Interest

There were no declarations of interest.

### AGENDA ITEM 3

#### 3. Visit Inverness Loch Ness Goals and Objectives

JDS outlined the goals and objectives of the Tourism BID:

## **Goals of the organisation**

1. Ensure that the destination remains competitive with other similar-sized destinations both nationally and internationally
2. Continue to grow the value and importance of tourism to the local economy
3. Create confidence in the destination for tourism businesses to invest and create more quality, all-year-round jobs
4. Enhance the visitor experience and reputation of the destination
5. Ensure the long-term sustainability of a viable and attractive tourism destination that visitors will value and return to

## **Deliverable objectives**

- A. To better market and promote the destination nationally and internationally
- B. To undertake initiatives that will improve the tourism infrastructure of the destination, particularly that relating to outdoor activities
- C. To promote and support new and existing sustainable events and festivals
- D. To grow the value and importance of business tourism to the destination by attracting more conferences and business-related events
- E. To provide business development opportunities for member businesses
- F. To be a strong lobbying voice on local and national issues that matter to member businesses

## **Board's Purpose as defined in *Standards for the Board, IoD***

- To ensure the company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders
  - establishing vision, mission, and values
  - setting strategy and structure
  - delegating to management
  - exercising accountability to shareholders and being responsible to relevant stakeholders

## **Statement for Competition Law**

We meet as a group of businesses that work in different areas of tourism in the Inverness Loch Ness area covered by the TBID. We take our legal responsibilities very seriously and as such we note the relevance of competition law to our discussions. As board members, we represent the best interests of tourism as a whole to the region, and we will not discuss individual business product pricing or pricing

strategies in the context of our businesses. Nor will we discuss commercially sensitive information relating to individual member businesses, for example, specific staffing costs, or opening time

The board noted the goals, objectives, purpose and competition law.

There were no further questions or comments.

## **AGENDA ITEM 4**

### **4. Director Business Updates**

Directors were asked to provide a one-minute update on their business performance, as well as where relevant that of their sector. This will provide the board members with a picture of the wider business climate and inform the management team.

The following were highlighted in the updates:

- Increase in visitor numbers
- Staff shortages are a continuing challenge
- Challenges with recruitment, especially chefs
- Visitor numbers for November and December still quite low
- Increase in visitors from US and Canada
- Many return guests, especially from Scotland and the UK
- Strong demand for nature and outdoor experiences like walking the GGW
- Increase in wages and bills a concern
- Short term lets licensing leading to many small operators not continuing
- Businesses deciding to close for winter months due to cost of energy and other bills
- Guests having very high and unrealistic expectations

## **AGENDA ITEM 5**

### **5. Matters arising**

#### ***5.1 Directors Update & AGM***

Two director positions have become vacant since the last AGM, following the departures of directors Debi Mackenzie and Raoul Curtis-Machin.

Vice-Chair Marina Huggett is due to retire at the AGM having completed the maximum six-year term. The board gives their grateful thanks to Marina for her dedicated commitment.

In addition, Chair Jo De Sylva and Director Jane Slaughter have completed their first three-year term. Both directors now have the option to either retire at the AGM, or to stand again for up to

a maximum further three years. Both directors are asked to declare their position at the meeting, should they choose to stand again, if there is no objection from the board they will be duly reappointed at the AGM.

Suitable candidates are being asked to consider applying for the 3-5 upcoming director positions, nominations will open in December and successful candidates will be appointed at the AGM on the 18<sup>th</sup> of January.

For advance notice, at the AGM in late 2023 the following directors will be due to retire or stand again:

- Julie Dell
- Anna Low
- David Shayer

JDS and JS chose to re-stand and will be re-appointed at the AGM.

## **5.2 South Loch Ness Trail Agreement**

An agreement was signed on the 1<sup>st</sup> of August 2011 between Forestry and Land Scotland (FLS) and Destination Loch Ness – the previous organisation which Visit Inverness Loch Ness replaced.

The agreement lasted for five years, with an automatic extension for a further five-year term unless there was an objection from either party. It provides permission to promote the South Loch Ness Trail, develop the two sections of path that have been built, take responsibility for the maintenance of the built path and 2 meters on either side of it, evidence of inspections must be given to FLS, insurance must be kept, and faults on the built section must be repaired.

FLS are now asking for a new 10-year agreement to be signed, we understand this to be the same terms, with an update to show the paths that received permission have now been built.

The following points need to be considered:

- The paths have been built, therefore the responsibility lies with VILN
- There is an annual insurance cost
- Repairs could be costly in the future
- Events are not covered in the agreement, FLS requires approval and charges a fee for events, VILN could do the same
- 10 years is a significant commitment
- At last count, around 2000 people passed a people counter placed on a new section of path per annum – this could include local people etc
- An annual inspection is required
- VILN won't be employing a Ranger past April 2023

- An estimated annual cost of £1,000 - £1,500 excluding any repairs. In the limited experience previously, repairs are likely £1,000 - £10,000 per fault depending on the severity and location

The options are:

- Not to sign the agreement
  - This comes with a significant risk that FLS could prevent any marketing of the route and even prevent access to paths built by VILN. This could place significant risk to the ballot given the negative impact on members. The full implications are not known
- Sign the agreement
  - It is recommended to sign an agreement but to negotiate on the following items
    - Duration
      - Until end March 2024, with an automatic 5 year extension if the ballot is successful. This bring the contract in line with the BID ballot cycle
    - Inspections
      - One inspection per year as a maximum
    - Notice
      - There is currently 90 days notice for VILN to fix a fault reported by FLS on the newly built sections. Given this is not our area of expertise, to arrange a contractor and complete works could easily go beyond this. Therefore attempt to negotiate the longest notice period possible.
    - Events
      - Ask for delegated authority to be given, if FLS approve an event, this could be considered VILN approval. Then it could be calculated what portion of FLS trail distance is VILN, so if 10% of the route is VILN responsibility the FLS fee would have 10% added as a surcharge which VILN could invoice directly. This minimises the admin involved and creates alignment that prevent disagreements about events going ahead.

JDS highlighted the issue of liability and proposed a caveat to be added that limits the amount spent on repairs.

The board agreed that the agreement should be signed for the next 18 months and then for a further 5 years following the re-ballot in 2024.

JD enquired if there is an insurance product available that would cover damage to the trail. MG to investigate.

The board noted the status of matters arising from the previous meeting.

## AGENDA ITEM 6

### 6. Items for Strategic Discussion by the Board

#### 6.1 Ballot March 2024

With the ballot now 18 months away, it is suggested it becomes a regular item at all board meetings, with an update presented against the agreed actions.

MG outlined the ballot process to the board.

The proposed indicative activity and timeline is as follows:

- Research and analysis
  - Renewal Ballot voting prediction - Using a full levy payer list, we will actively monitor and update our estimate of who will vote in favour or against. The table below shows the current estimate and criteria required to pass a ballot
- Interviews with former board members and key stakeholders - The CEO will look to conduct these between October and March
- Case studies - The CEO will look at Destination and BID case studies and best practice to generate ideas for discussion
- Team planning day - Scheduled for the 31st of October, half a day on direct membership benefits, half a day on destination benefits and business plan opportunities

#### Options

- Begin considering any adjustments to the sectors, rateable values, boundary line and fee structure
- Consider external support needs and opportunities
  - British BIDs
  - The Travel Foundation
  - Scotlands Towns Partnership
  - VisitScotland
- The initial findings to date will be shared at the January Board Meeting
- Create a first draft proposition to be shared at the March Board Meeting

- Development
- Extend member engagement, hold events and opportunities both online and in person (March 2023 – December 2023)
- Create a ballot-related communications strategy including key partners to share their support
- Continue to develop the business plan
- Ballot process
- 84 days prior, notify the local authority and UK Government
- Provide the required documentation such as Operating agreements
- 42 days prior, notify the secretary of state

The board were asked to comment on the current Business Plan and its delivery.

JDS commented that the board were very pleased with the completion rate of the current business plan and how it has been delivered.

The board were then asked if there is anything VILN do particularly well that we consider a key part in who we are and what we do.

ID commented that Marketing and Social Media are done particularly well.

JDS pointed out the return on investment for member businesses and the need to highlight what members get for the BID levy.

JS highlighted the good member communication through different channels and networking events.

The board were asked to comment on anything VILN are not doing that we should be considering in future.

JD highlighted the importance of slow tourism and the need to promote longer stays.

There were no further comments.

## **6.2 Loch Ness Challenge event**

The new operators of the Loch Ness Challenge, now Loch Ness Festival, have suggested that a Community Interest Company could be set up to leverage and deliver funding and activities relating to the Loch Ness 360.

It has been suggested that VILN could/should set up and operate this new company.

The CEO has responded, indicating that VILN had not had any issues receiving funding because of being a limited company, and that having to set up and administer an additional organisation was a significant undertaking. It was therefore unlikely to be supported by the board.

The board confirmed that it is their view that a community interest company is not required to run the event and that VILN will not set up such a company.

There were no further comments.

## **AGENDA ITEM 7**

### **7. Confirmation of Minutes**

The minutes from the board meeting held on the 29<sup>th</sup> June 2022 were approved by JS and seconded by AL.

## **AGENDA ITEM 8**

### **8. Governance**

#### **8.1 Finance and Expenses Policy Updates**

##### **Bank Account and Signatories**

Current policy:

The bank account is with the Royal Bank of Scotland. The signatories will be the CEO plus two directors. Named signatories will be agreed by the Board.

Proposed amended and rewritten policy:

The company signatories are the CEO, Chair and one additional director. The second director will normally be the Chair of the Finance and Governance Subgroup, if the position is vacant, the Vice-Chair, and if that position is vacant another board director. Once the vacancies have been filled the company signatories will be updated, and the responsibility for maintaining correct signatories lies with the CEO. One signatory is required for company activity, normally the CEO.

Comments by MG:

It is proposed to remove specific mentions of the chosen bank across the whole policy, as this does not appear to add any value to the policy. The additional text adds which specific board roles should be signatories, who should update them and how many are required.



## Digital Banking

Current policy:

Visit Inverness Loch Ness is registered for online banking with RBS Bankline service. For the purposes solely of carrying out transactions online only the administrator and CEO will have the necessary 'signatory status'. To minimise the risk that funds are misappropriated and to protect the professional integrity of the administrator, he/she is restricted to authorising transactions of no more than £5,000. All transactions above this amount can only be authorized by the CEO.

Proposed amended and rewritten policy:

The company is registered for online banking services to carry out transactions. The Administrator and CEO have the authority to complete these transactions on behalf of the company. The Administrator can complete approved transactions up to £7,500, all transactions above this level can only be authorised by the CEO. The Administrator will also have a daily transaction limit of £20,000.

Comments by MG:

The bank name has been removed. The text has been shortened without losing any content. It is proposed to increase the Administrator transaction limit, as this has not changed in 8 years, with the impact of inflation on the cost of business, an increasing number of regular transactions take place between £5,000 – £7,500. The online banking facility also required a daily limit figure for transactions, £20,000 is proposed for effective operations and limiting risk exposure for the company and Administrator.

## Credit Cards and Debit Cards

Current policy:

The CEO and Business Development Manager will be issued with an RBS Business Credit Card. Only the CEO has a RBS Debit Card. The CEO is the main credit card holder and responsible for ensuring that all transactions are valid. The limit on each credit card is £4775.

Proposed amended and rewritten policy:

There are three Commercial Credit Cards held within the company:

<b>Role</b>	<b>Limit</b>
CEO	£4,000
Business Development Manager	£4,000
Digital Engagement Manager	£1,550

The CEO is responsible for the administration and monitoring of these credit cards.

Comments by MG:

The company credit limit has remained the same. One new card is proposed, this will increase security and improve operational efficiency. A debit card is not currently held or required as expenses are used for small cash transactions which take place no more than a few times per year.

### **Monthly administration**

Current policy:

All transactions carried out by the administrator will be recorded monthly by the bookkeeper along with all direct bank receipts and payments to the accounting program and draw up bank reconciliations for the bank account

Proposed amended and rewritten policy:

All transactions will be imported from the bank account to the accounting software. The Administrator is responsible for coding these transactions and ensuring there are receipts and invoices. These transactions are checked monthly by the bookkeeper, who will then provide management accounts to the CEO, who has overall responsibility for monthly administration.

Comments by MG:

These changes better reflect current operations and are more specific in the stages and responsibilities of monthly accounting processes.

### **Petty Cash**

Current policy:

Petty cash: The administrator is authorised to maintain a petty cash float of £100 for sundry expenses. All expenses incurred must be recorded and receipts retained.

Proposed amended and rewritten policy:

Removal of Petty Cash

Comment by MG:

Cash expenditure can be claimed through expenses without the need to operate a small value petty cash system that can be fraught with issues reconciling and keeping receipts.

## **8.2 Expenses Policy**

### **Travel expenses**

Current policy:

Mileage to and from the place of work cannot be claimed

Proposed amended and rewritten policy:

Mileage to and from the place of work cannot be claimed. Therefore, the start point for all travel claims will be the company office at WASPS Creative Academy, Inverness. Should a meeting or event be taking place on the individual commute route, between home and the office, it should not be claimed for.

Comments by MG:

During the pandemic, the team did not have access to an office, and it was agreed by the board that travel expenses would be claimed and paid from home addresses. Now that an office is once again available, it is proposed all travel claims originate from the office address, and meetings on the commute route should not be claimed for. This removes any commute miles from travel claims.

### **8.3 Board Recruitment**

The board were reminded by MG that the AGM has been moved back by one meeting, this allows for approved accounts to be presented at the AGM. A secondary impact is that the recruitment of new directors has moved back by the same period.

The intention will be to appoint a new Vice-Chair at the next board meeting in January. Nominees require a proposer and a seconder, if one nominee is received, they will be appointed, if two or more nominees are received, a vote will take place. In the event of a tie, the Chair will have the deciding vote.

DS asked if the mileage allowance had been increased due to the rise in the cost of fuel.

MG answered that the allowance was 45p per mile and that anything above this would incur a tax liability.

There were no further questions or comments.

The board approved the proposed updates to the finance policy.

The board approved the proposed update to the expenses policy regarding travel.

The board noted the upcoming vacancy of Vice-Chair to be appointed in January 2023.

## **AGENDA ITEM 9**

### **9. Finance Report**

MG talked the board through the finance report and the draft annual accounts.

The CEO is content that the annual accounts are an accurate reflection of the April 2021 – March 2022 financial year and proposes they are approved by the board.

The board noted the year to date performance and projection for year end.

The board approved the annual accounts for April 2021 – March 2022

The board noted that a current account is open with HSBC with the intention to close the current account with RBS.

There were no questions or comments.

## **AGENDA ITEM 10**

### **10. Business Plan Progress Report**

MG talked the board through the Business Plan Progress Report.

The board noted the progress of the Business Plan at 90% complete.

The board noted the 4 outstanding Business Plan points.

The board noted the aim to reach 93% complete by end of January 2023

There were no questions or comments.

## **AGENDA ITEM 11**

### **11. Performance Report**

MG talked the board through the performance report and invited feedback on the adjustments to the selection and number of KPIs included.

The board noted the performance report.

There were no further comments.

## **AGENDA ITEM 12**

### **12. Key Projects, Funds and Events**

MG updated the board on key projects, funds and events.

The board expressed their disappointment at the lack of co-operation from Inverness City BID on the City Marketing project.

JDS enquired whether there is a precedent of potentially giving City BID members a choice of which BID they wish to join at re-ballot.

MG to approach British BIDs and Scotland's Towns Partnership to investigate.

The board noted the Projects and Funds update.

There were no further comments.

### **AGENDA ITEM 13**

#### **13. HR**

The board noted the HR update.

There were no questions or comments.

### **AGENDA ITEM 14**

#### **14. Sustainability**

The board noted the Sustainability update.

JS commented that VILN's sustainability achievements should feature more prominently on visitor facing social media.

There were no further questions or comments.

### **AGENDA ITEM 15**

#### **15. General Updates**

The board noted the general updates.

JDS praised the work of the VILN team and MG thanked the board for their ongoing support.

There were no questions or comments.

## **AGENDA ITEM 16**

### **16. AOB**

AL informed the board that the RV banding for businesses is due to be re-assessed. This needs to be considered for the 2024 re-ballot.

MG highlighted that VILN have two places available at the Highlands & Islands Tourism Awards event in November, which are available to board members.

There were no questions or comments.

## **AGENDA ITEM 17**

### **17. Meeting Review**

ID suggested to consider a hybrid style meeting for the next board meeting to accommodate both directors who wish to meet in person and those who wish to join virtually.

Directors were also interested in a social meeting for informal discussion to take place.

There were no questions or comments.

## **NEXT BOARD MEETING**

Date – 18<sup>th</sup> January 2023

Venue – TBC