

BOARD MEETING

29th June 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

Also present

Michael Golding	MG	VILN CEO	
Sabine MacDonald	SM	VILN Administrator	

Apologies

Raoul Curtis-Machin	RCM	Julie Dell	JD
Marina Huggett	MH	Cheryl Campbell	CC
Ian Brown	IB		

BUSINESS

AGENDA ITEM 1

1. Welcome and Apologies

JDS welcomed everyone to the Board meeting.

- Provost Helen Carmichael chose not to stand for election in May, she is therefore no longer the representative of Highland Council on the board. The board expresses thanks to Helen for her support and role as a key ambassador for Visit Inverness Loch Ness.
- Councillor Ian Brown – Leader of Inverness and Area, is invited to attend on behalf of Highland Council, a decision on the formal appointment will take place at the next City of Inverness and Area Committee later this year.
- Marina Huggett – Vice-Chair, is due to step down from the board at AGM later this year.
- Raoul Curtis-Machin is leaving his position at Culloden Battlefield and will no longer be eligible to be a Director

AGENDA ITEM 2

2. Declaration of Interest

There were no declarations of interest.

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. British BIDs Mid Term Review Presentation

It was agreed that British BIDs would be asked to provide their mid-term review service. This process looks in depth at the following areas:

- Corporate Governance
- Management and Operations
- Financials
- Performance Management
- Communications and Reporting
- Future Planning

Chris Turner – CEO of British BIDs, provided a 20-minute presentation of the draft 45-page report to the board.

DS asked if other BIDs currently have ESG policies. Chris Turner replied that some do, but VILN is ahead of others.

There were no further questions and the board thanked Chris Turner.

AGENDA ITEM 5

5. 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:

- Increased turnover and number of guests
- Staffing still a major concern
- Rising costs a concern
- Good bookings for this year and pre-bookings for 2023
- Some businesses are unable to operate at full capacity due to staffing issues
- Some businesses are quieter this summer than in 2021
- May saw a higher occupancy than 2019 for hotels, June still looking good due to events taking place in the area, but July still not as good as pre-Covid
- Some cancellations due to travel issues (cancelled flights etc)
- It was highlighted that some guests have very high expectations and a confrontational attitude, which can have mental health implications for staff and business owners – platforms like Booking.com should follow AirBnB and allow guests as well as businesses to be rated.

AGENDA ITEM 6

6. Strategic Discussion

Loch Ness Challenge

The event took place between the 20th and 22nd of May including three marathons, an ultra-marathon, and a mountain bike race on the 82-mile Loch Ness 360°.

A report has been issued with the papers that provides a summary of the event and the options for the future.

The recommendation is that:

- The biking event is offered to specialist events companies as a proof of concept to be operated by them with VILN support. An ultra-marathon is already provided by a commercial operator – this was not the case when the VILN event was conceived.

The reasoning:

- For the £12,500 financial deficit, VILN could have spent approx. £8000 on Expedia to generate the same economic impact through bookings, then the remaining balance on

marketing to promote the route. This would have had the same or better result with tremendous savings on staff time and removal of all safety and reputational risks

- VILN is not an event company
- The drain of staff time was huge, and the opportunity cost of not being able to do any other work was high
- Ideally, the team would need to be three times the size with double the number of volunteers for this event to be operated safely and effectively
- The safety, well-being and relationship with the team was put at risk to be able to deliver this event
- The trail has a limited capacity, so even with development the best-case scenario of the event would still not be an optimal use of resources
- Per annum, the route has around 2000 users of the South Loch Ness Trail, and 6000 of the much better-established Great Glen Way. Combined, (and assuming every person is a visitor not a local) this is just 0.5% of our expected annual visitors, it, therefore, cannot justify high levels of staff time
- The event is specialised and would benefit from expert knowledge of ultra-running and cycling events
- The route is 82 miles of mountainous routes, it is therefore incredibly challenging to operate safely and keep good relationships with communities and stakeholders

The board acknowledged the effort of the VILN team to make the event work.

The board agreed that the bike event should be handed over to a suitable commercial operator and support should be offered to the company already running the ultra event around the Loch Ness 360 Trail.

Food and Drink

A report has been issued by Destination Development Manager Emma Harrison detailing the thoughts and ideas to develop and better promote the food tourism offering.

Directors were invited to comment on the report, particularly with regards to questions that will better allow VILN to strengthen the business case and define the outcomes.

DS commented that many of his guests are having problems finding a good food and drink experience and that staffing seems to be one of the main problems.

JDS also confirmed that the staffing crisis limits what restaurants can offer.

Also highlighted were –

- VAT and business rates have to be addressed
- Essential to work with City BID to promote food and drink offering
- Promote food and drink offering especially in the shoulder season

- Ensure all guests are aware of the need to book ahead

Loch Ness 360 Branding

The board have previously discussed the branding of the Loch Ness 360, which was under consideration due to a trademark being registered for “Walk Loch Ness 360”.

Following the board’s requests to create a new brand that could be registered, name and design proposals were shared.

There are the following considerations:

- People may continue to use Loch Ness 360 even if a rebrand took place
- Less than 0.5% of visitors currently use the route
- None of VILN’s planned activities currently create any conflict with the registered trademark
- Thousands of pounds have been spent on legal fees
- Rebranding has time and financial implications

For these reasons, it was recommended that the board agree no action be taken, the existing website be operated, digital maps be provided free of charge and efforts be focused on other areas to conclude this matter which has been ongoing for three years. This proposal could also be revisited should this strategy no longer suit the interests of VILN.

The board agreed that no further action will be taken regarding the Loch Ness 360 branding.

AGENDA ITEM 7

7. Confirmation of Minutes

The minutes from the board meeting held on the 9th of March 2022 were approved by JS and seconded by DS.

8. Governance

Ownership of board role

The Articles of Association 14.7 states:

“If in the course of period of office the status of an elected director changes, he/she must vacate the position if a) he/she is no longer the nominated person for the levy paying business they have represented b) the business that they represent ceases to be a levy paying business”

It is believed there have been two occasions where an individual has left their business and moved to another levy payer, in these cases the individual has remained on the board.

In 14.2, the articles say:

14.2 Individual representatives, nominated in writing by **levy paying businesses**, shall comprise 10 of the 12 directors

This would appear to say that levy paying businesses own the board role and nominate the individual.

In 14.5.2

“Any **individual** who wishes to be considered for election...”

This would imply the individual has ownership of the role.

This raises two questions:

- Does a board role belong to an individual or to the member business
- Is the role transferable

JDS suggested that if a director resigns, the director’s business should be offered the chance to put forward a replacement. The replacement should be subject to approval of the board.

The board agreed that the above proposal is an acceptable compromise.

Nominees of an eligible voter

The Articles of Association 14.5.2 permits businesses to nominate themselves or a nominee of an eligible voter.

“Any individual who wishes to be considered for election as a director at the AGM must lodge with the company, no later than 21 days prior to the date of the AGM a written nomination whether it be for themselves as the eligible voter of a member business or as the nominee of the eligible voter.”

If fewer nominees are received than the number of vacancies the nominee/s are appointed. If more nominees are received than the number of vacancies an election is held with eligible voters.

There is concern that as written the articles mean someone not working for a member business could be nominated, they may be unsuitable for the board or be known to wish to cause harm. Currently, nothing within the Articles protects from this risk.

It was recommended that the board approve the following addition:

“Nominees of an eligible voter require board approval to stand for election.”

The board approved the above addition.

Advisor roles

The board can invite advisors to meetings, see 14.4 in the Articles of Association

“The directors may invite other representatives from the local authorities and from other organisations (whether from the public, private or voluntary sectors) to attend Board meetings as they see fit”

Raoul Curtis-Machin is no longer eligible to be a Director, however, he has indicated his desire to continue his involvement with Visit Inverness Loch Ness and will remain in the area. It was suggested he has brought unique skills and experience to the board, which would continue to be the case with a significant new role while still being based locally.

It was recommended to the board that RCM is invited to board meetings as an advisor without voting rights until the next ballot in March 2024.

The board approved RCM as an advisor.

Vice Chair

The board noted the upcoming vacancy of vice chair.

AGENDA ITEM 9

9. Sub groups

The board noted the updates from the three sub groups.

There were no questions or comments.

AGENDA ITEM 10

10. Finance Report

MG talked the board through the Finance Report.

The board noted the finance report and the improvement in year-end project of £44,967

The board noted the opening of a current account with HSBC.

There were no further questions or comments.

AGENDA ITEM 11

11. Business Plan Progress Report

MG talked the board through the Business Plan Progress report and highlighted that the Business Plan is currently 86% complete, a 7% increase since the March board meeting.

The board noted the progress of the Business Plan at 86% complete.

The board noted the 6 outstanding Business Plan points.

The board noted the aim to reach 91% complete by end of September 2022.

There were no further questions or comments.

AGENDA ITEM 12

12. Performance Report

The board noted the performance report.

AL highlighted the importance of showing member businesses the reach they can get from tagging VILN on social posts.

There were no further comments.

AGENDA ITEM 13

13. Key Projects, Funds and Events

The board noted the projects and funds update.

There were no questions or comments.

AGENDA ITEM 14

14. HR

MG provided the following update to the board –

Forestry and Land Scotland activated their option to provide notice on the tenancy agreement on the office in Smithton – the home for VILN since starting in 2014. The office space cost just £2,400 per annum including all costs such as phone and broadband. Raoul Curtis-Machin was asked to conduct a review with the team to understand what the preferred working arrangement would be going forward. The result was an average of 2 days per week in the office (x7 staff = 14 desk days to provide). The CEO set out to find options, while there was plenty of commercial space, only one was financially viable. After consultation with the Chair, a request for tenancy has been submitted at WASPS, at the former Midmills college building. This will provide 3-4 desk spaces (x5 days = 15-20 desk days), in an attractive setting, within walking distance of the centre and it includes car park spaces. There is also 24/7 access should it be required. The team also agreed not to have a landline, as it was barely used and a contribution to mobile costs was preferred. The total cost is expected to be around £4,500 per annum (dependant on water rates and broadband which is still to be agreed upon) and a tenancy agreement has been requested until the next ballot in March 2024. It is hoped the team will move in before the next board meeting.

MG also informed the board that the following text was recommended by the HR advisors to add to the staff contracts:

“You are permitted to work from your home from time to time provided that your home is equipped with all the necessary IT, communications and other facilities as the Company may reasonably deem to be necessary or desirable for the performance of your duties.”

The board noted the staff contract update.

The board noted the general HR update.

AGENDA ITEM 15

15. Sustainability

The board noted the sustainability update.

There were no questions or comments.

AGENDA ITEM 16

16. General Updates

The board noted the general updates.

There were no questions or comments.

AGENDA ITEM 17

17. AOB

The CEO is attending a conference in London by British BID's on the dates of the next subgroup meetings, confirmation of a new date will be provided nearer the time.

There were no questions or comments.

AGENDA ITEM 18

18. Meeting Review

NEXT BOARD MEETING

Date – 28th September 2022

Venue – TBC