

BOARD MEETING

8th December 2021, 9:30 - 12:00

Visit Inverness Loch Ness Ltd, Virtual Meeting via Microsoft Teams

Visit Inverness Loch Ness Board Present

Emmanuel Dambier	ED	Ina Davies	ID
Cheryl Campbell	CC	Anna Low	AL
Jo De Sylva - Chair	JDS	Jane Slaughter	JS
Raoul Curtis-Machin	RCM	Helen Carmichael	HC
Debi Mackenzie	DM	Marina Huggett	MH

Also present

Michael Golding	MG	VILN CEO
Sabine MacDonald	SM	VILN Administrator

Apologies

David Shayer	DS	Julie Dell	JD
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BUSINESS

AGENDA ITEM 1

1. Welcome and Apologies

JDS welcomed everyone to the Board meeting.

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

The board noted the goals and objectives. There were no further questions or comments.

AGENDA ITEM 4

4. Director Business Update

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

The following points were raised in the updates –

- Challenging customer behaviour in 2021 compared to previous years
- Increased staff exhaustion and absence
- Increase in pre-bookings and longer bookings for accommodation
- Licensing legislation for SCU's
- Cautious optimism for 2022
- High occupancy for SCU's
- Increase in repeat business for accommodation
- Supply chain issues
- Recruitment challenges
- Loss of international travel affecting business
- Businesses working more closely together

AGENDA ITEM 5

5. Items for Strategic Discussion by the Board

5.1 Sustainability

It was agreed at the previous board meeting that sustainability and the climate emergency would be a regular item at all board meetings.

Since the previous meeting there have been the following updates:

- Signed the Glasgow Declaration on climate action in Tourism
- Signed the Tourism Declares a climate emergency
- One of the newly appointed Destination Development Manager is leading on implementation of sustainability and a press release is planned in December regarding the actions taken.

For discussion:

RCM and JS suggested the possibility of a solar farm. MG had already explored funding opportunities, but currently only loans available.

JDS emphasised the importance of involving members in this discussion.

Action: Survey member regarding solar panels/solar farm.

5.2 Re-ballot 2024

MG explained that the last ballot took place in March 2019, securing a further five-year term. The next ballot takes place in March 2024. Given the high level of levy payment relative to neighbouring BID's there are encouraging signs that the organisation is in a positive position despite the challenges faced.

For discussion:

- Vice-Chair MH, as the only remaining Director from the previous ballot, commented on the ballot process and preparatory work and explained what had worked well in the previous re-ballot
- The board supported a British BID's "health check", this checks the policies and governance, delivery of the Business Plan, levy payer feedback and ballot preparedness.
- Discussion on the risks and opportunities at the next ballot, including options for overcoming the boundary line and maximising the relationship with Inverness BID.

Action: Explore the costs of adding city centre sectors to the TBID for the next re-ballot

5.3 Loch Ness 360 trademark

- MG informed the board of the ongoing legal discussion regarding the Loch Ness 360° trademark. A publishing company based in Edinburgh trademarked a logo with the text "walk Loch Ness 360". In doing so this gives them control of commercially generated income for that and similar marks in specified trading areas such as t-shirts, fridge magnets, maps and alike.
- Having invested significantly, through external funds and staff resource, in development of the Loch Ness 360 it was highly disappointing to be in this position. An agreement was sought that provided the publishing company with secured ownership of the areas specified in their trademark registration, whilst agreeing that maps of the Loch Ness 360 could be produced by Visit Inverness Loch Ness and the Loch Ness 360 Challenge could be operated without risks being on conflict with the trademark.
- An agreement was made with both legal parties and was subsequently signed by Visit Inverness Loch Ness, however the opposing party failed to sign. Indeed, there seemed to be some confusion, as the opposing party chased a response, despite the signing being completed. Following this an amendment was requested, this in effect provided the publishing company ownership of all trading categories unless specified in the agreement. This goes beyond what the trademark registration gives them, and our legal advisors have said this should not be signed.
- Since this the publishing company has provided a small range of products for Walk Loch Ness 360. This ensures they retain the trademark which could be lost if unused.
- This leaves the situation dormant however with the Loch Ness 360 Challenge taking place in May a resolution or secure plan is required.

There are various options:

- Request an informal meeting with the opposing party directly, as opposed to having legal advisors
- Get a secondary legal opinion
- Provide an ultimatum to sign or walk away

- Rebrand the Loch Ness 360, such as Loch Ness Full Circle, then trademark to have full ownership

The board discussed the options presented by MG.

The board supported a re-branding of the event as “Loch Ness Challenge”. Re-branding the route as well would require more thoughts and possibly seeking advice on branding.

The board supported one final attempt to engage with the opposing party.

AGENDA ITEM 6

6. Approval of Minutes

The minutes from the board meeting on 6th October 2021 were approved by JS and seconded by DM.

AGENDA ITEM 7

5. Matters arising

MG informed the board that there were four matters arising at the previous board meeting. All items have been completed.

- Inverness Hotels Association request - Complete
- Unallocated funds - Complete
- Sustainability - Complete
- In room sustainable visitor behaviour card - Ongoing
- Enquire about Direct Debit payment - Complete
- Networking event – Ongoing

The board noted the status of the matters arising.

AGENDA ITEM 8

8. Subgroups

8.1 Membership Subgroup - MG

In the absence of the Chair, it was recommended the CEO host the meeting, with Directors invited to raise any concerns with this format at the start of the meeting or at any point throughout, none were raised.

Main topics:

- Financial value of membership
- Ballot preparation
- Membership testimonial video

8.2 Finance and Governance Subgroup - RCM

Main topics:

- Yearend accounts
- Planned change of bank from RBS to HSBC
- Use of a consultant to evolve management accounting
- Office back up plans
- Director recruitment

8.3 Business Development - JS

Main topics:

- A broad update was provided on
 - New marketing video
 - Physical visibility
 - Business events
 - Sustainability
 - Live Cameras
 - Funding Database
- An update was given on the key project, including the VisitScotland Destination and Sector Marketing Fund, the Inverness City Recovery Marketing Fund, the Inverness Influencer Lodge, and the Loch Ness Ranger
- An update was also given on the progress of the Business Plan

The board noted the subgroup updates. There were no questions or comments.

9. Finance Report

MG talked the board through the financial report and gave the following updates:

9.1 Approval of the Yearend Accounts for 2020 – 2021

The accounts have been circulated as an attachment along with the board papers. The draft was presented at the AGM without comment from members. There has been a slight delay whilst determining the annual levy income figure, which appeared to differ between the Highland Council report and the figure within the accounts. This has since been resolved with only a very minor change.

The accounts were also shared with the Finance and Governance Subgroup that met on the 10th of November.

The accounts must be signed, returned to Highland Accountancy Practice, and uploaded by the 31st of December.

The management team and accountants are content that these are an accurate representation of the financial year and to recommend for signing.

9.2 Following the planned step back of the long-term bookkeeper, a replacement was appointed, who subsequently declined the role three days prior to the AGM and previous board meeting.

It was agreed that it was important to refine the systems in place before seeking a replacement bookkeeper. Currently Sage Cloud is used for monthly bookkeeping, however it does not provide a budget or projection function. For this reason, an income and expenditure excel document has been in use many years. However, completing monthly updates is a very manual process with a high risk of error.

A consultant was appointed for three hours work to look at the current setup and investigate potential systems improvements. A report was produced which provided two recommended paths:

- Explore one of several FinTech style software add on to Sage Cloud
- Develop the excel sheet to tackle some of the issues

For the purposes of preparing for this board meeting it was decided by the CEO to rebuild the excel sheet with a few fundamental changes. Thanks to the inclusion of combining a report from Sage Cloud with a formula which selects the values, based on the month and code, there is near automatic reporting with minimal risk of human error due to instant checks. Based on the experience so far this takes around 15 minutes per month. It is hoped this will be fit for purpose while avoiding the additional up front time commitment and ongoing financial commitment required for the software solutions.

A new bookkeeper is being appointed in December on a trial basis, for ad-hoc support and to complete the monthly update. A review will be provided at the next board meeting to determine the suitability of this approach or recommend any changes.

9.3 2021 – 2022 Yearend Projection

There is a projected surplus of £25k and a total gap to target reserves of 74k. Recommendations are provided below.

9.4 The remaining surplus of £25k is despite a significant number of active items being delivered before the end of March, including but by no means limited to:

- VisitScotland fund 80k expenditure
- Inverness City Marketing 30k expenditure
- Sustainability
- Influencer lodge
- Loch Ness 360° Challenge
- Community banners
- South Loch Ness Trail signage
- Business tourism
- Live cameras
- Funding applications submitted, pending approval for new projects

On that basis with consideration to financial and staffing resource, the recommendation is to focus on reaching a small deficit for this year, allowing the additional reserves to be built into a longer-term plan for the following financial year's budget.

The £25k could include:

- 10k of community funding deliverable from the Business Plan and one of only two items not started
- 5-7.5k to progress the water fountain deliverable in the Business Plan, by proving top up your bottle branding, promotional materials for businesses and marketing
- 5k to provide an electrical production solution for carbon offsetting
- Remaining balance to be guided by strategic discussion including British BID's health check, Trees for Life grove, additional legal fees and audience building on either website or social media.

9.5 An application is underway for a new current account with HSBC to replace the current one with RBS after two years of challenges and poor service. Our thanks to Directors for providing the required details.

- 9.6 Highland Council have asked if the payment timeline for annual levy will be returning to normal next year, following a six-month deferral last year, then a three-month deferral this year. Given the strong payment rate it is recommended the board approves returning to a normal timeline.

The board approved the Accounts for Year Ended 31st March 2021.

The board noted the bookkeeping and management account update.

The board noted the yearend projection.

The board noted the application to HSBC for a new current account.

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 79% complete.

The board noted the outstanding business plan points.

The board noted the aim to reach 88% complete by end of March 2022.

There were no further questions or comments.

AGENDA ITEM 11

11. Performance Report

MG talked the board through the performance report.

The board noted the performance report.

There were no questions or comments.

AGENDA ITEM 12

12. Key Projects, Funds and Events

MG talked the board through key projects, funds and events.

12.1 The Inverness Influencer Lodge first took place in October 2020 with four domestic influencers visiting the destination. The second half of the project was due to take place in September 2021 with a further 12 influencers planned to visit. Project partners VisitScotland were restricted from international marketing and as such the second half of the project has been postponed. An update has been provided by VisitScotland; influencers are being sought for a spring visit whilst also allowing reallocation of 13k to be added to the 80k VisitScotland funding for this financial year.

12.2 The Loch Ness Ranger project is active with the ranger completing works around the area. He has been tasked with delivering the improved signage from Torbreck to Inverness from the Business Plan. In addition, he is working with us for infrastructure improvements to the South Loch Ness Trail. A meeting is planned with the new Destination Development Manager, CEO and Ranger in December to discuss. SSE have agreed for the transfer of all bar 10k in funds, the remaining balance needs a little more information to be provided, this is being worked through, but no issues are anticipated.

12.3 The HIE DMO Fund has been approved for £296,682 over a three-year period ending at the ballot in March 2024. The funding will provide:

- Two full time Destination Development Manager roles, who are tasked with increasing engagement with communities, identify needs led projects and raise funding to deliver solutions. This will improve our wider impact, reputation, visitor experience and return on investment for business members. Interviews are taking place on the two days prior to the board meeting with roles expected to comment in November.
- A decreasing contribution towards staff costs over three years, as the organisation and its members recover from the pandemic
- A contribution to business development activities such as member events and FAM trips

12.4 The Inverness City Recovery Marketing project is progressing well, with outputs including a range of blogs, sky ad, MFR campaign and a further 11 outputs planned over the rest of the financial year. This project is in partnership with Inverness BID and Highland Council. The project will include a contribution to the new hero video (staring almost half the board), See and Do maps, marketing, and general promotion.

12.5 VisitScotland launched a destination marketing fund, Visit Inverness Loch Ness was the only Highland DMO who qualified for the top tier of funding as it includes the city of Inverness. An application was submitted and approved for £80k, the highest of any highland destination. In line with the project guidelines the project will deliver marketing activity from November to March 2022 with three core themes – wellbeing, authentic experiences and workcations. The deliverables for this campaign include:

- Content Creation - active
- Influencers - planning
- PR & Media
- Social Media Campaigns - active
- OTA Partner Campaign - active

12.6 The Membership Manager has delivered 30 lamp post banners in Inverness with sponsorship from several businesses to extend the campaign. The project received 5k of funding and has been almost matched through sponsorship. This successful activity was also featured in local media.

To build on this success a further application was submitted on the 30th of September to Scotland Town's Partnership – Scotland Loves Local fund. The application included three outcomes:

- Extension of the existing banners
- Newly installing banners in communities across the destination, which would be owned by Visit Inverness Loch Ness and without ongoing cost aside from basic maintenance. Greatly improving visitor connection with local places, connection with digital assets and general brand awareness
- Refreshing the signage on the South Loch Ness Trail that is now 10 years old and in a poor state of repair. In addition to the condition of the signage, there is an opportunity to better connect visits with the businesses in the area, create a digital connection to our website and to increase our brand awareness

The application was submitted for 15k, an award of 10k has been made. This is positive considering the fund was 4x oversubscribed. This will allow delivery as planned with either contribution from ward discretionary budgets or a top up from general marketing funds.

12.7 Two new funding applications are underway by the new Destination Development Managers

- Expression of Interest to Highland Council for development works on the South Loch Ness Trail, including to tackle drainage and provide a bird hide. The application is for £20k is approved to apply.
- Application to the National Lottery Queens Jubilee Fund for a voluntourism to provide a workforce for the South Loch Ness Trail that can be coordinated by the Ranger. The application is for £35k over two years. It should be noted that up to 700 applications will be accepted, with only 70 approved. It is however a well defined project that will allow other avenues to be explored if unsuccessful.

The board noted the projects and funds update.

There were no questions or comments.

AGENDA ITEM 13

13. HR

MG provided the following updates:

13.1 The team meets weekly on a Monday afternoon to discuss work progress, provide updates, and resolve matters. A further social call takes place on a Friday to ensure the team maintain positive mental health. In addition, flexibility of working hours is offered where possible to support a positive work life balance. A reservation has been made for the team to meet on the 9th of December including the two new appointments.

13.2 An update has been received from Forestry and Land Scotland, as the landlord, to say that they will be providing a phased return for their staff at a maximum capacity of 30%, however Visit Inverness Loch Ness will not have any access until January 2022. A request for an update has been submitted to Forestry and Land Scotland, any updated response will be shared at the meeting.

The Finance and Governance Subgroup discussed the position regarding the office, particularly regarding the backup plan should the return to the office option change or the lease be ended. Once a response has been received from Forestry and Land Scotland an enquiry will be submitted regarding a multi-year lease to provide security. In addition, there is the option of hot desking or using member businesses as working or meeting spaces. The subgroup was content with this planned back up should it be required.

13.3 The group looked at the scoring for director appointments at the 2022 AGM. The primary sectors are Hotel and Activity, the primary location is Inverness. The secondary sectors are self-catering, pub and restaurant with the Inverness South ward being the secondary location

The board noted the HR updates.

There were no questions or comments.

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AGENDA ITEM 14

14. General

MG highlighted the following updates:

14.1 Visit Inverness Loch Ness participated in the Highland Climate Change Conference by providing a video summary of our role in shaping a sustainable future for the sector. The event was well received as was the contribution to the event.

14.2 There are meetings taking place with Trees for Life, a rewilding charity based in the destination, with the aim to work together on both the organisations carbon offset plans, but also to promote the opportunities to the tourism sector. This is hoped to form part of a wider sustainability plan which is being progressed by the Destination Development Manager.

14.3 The Destination Development Manager is progressing plans to deliver live cameras to be streamed to visitinvernesslochness.com. This would better connect visitors with the destination and promote year-round visibility of the weather and seasons. There is interest from several businesses however the progress was held until a response was received from Historic

Environment Scotland about Urquhart Castle. It is understood this is being raised centrally within their organisation to review a broader approach to live cameras, including our enquiry. The project has been picked up following the new recruitment with the hope to receive approval for locations before the end of the year, with initial installations to take place early in the new year.

14.4 The team are working with Inverness Outlanders to strengthen digital ties, on the website and social media, as well as investigate a potential event in 2022. There are two main areas where progress is expected soon, regarding the digital presence Inverness Outlanders will provide content suitable for visitors to connect them with our area which will be added to visitinvernesslochness.com. Second, the final details are being sourced to confirm if a viable themed event could be delivered in 2022. This includes approval from the filming company, author, and venue. If these conditions are met an application will be made to VisitScotland to support the event.

14.5 As part of the movement towards physical visibility an agreement was reached to brand a lorry trailer, which will travel 200,000km per annum across the UK and Europe. The design includes a trackable QR code to monitor the effectiveness of branding work.

14.6 The outlook for business events is beginning to look closer to that of a pre-pandemic climate, with the first international trip taking place just prior to the board meeting with IBTM Barcelona. Updates are also taking place to the business pages on the website which are expected to be completed by the time of the board meeting.

14.7 In order to track the funding opportunities for member businesses and for Visit Inverness Loch Ness, a funding database has been created. This will be updated and monitored regularly to ensure suitable opportunities are shared with the appropriate audience.

14.8 A User Experience (UX) report was created on the visitor facing website. The site will be one year old at the time of the board meeting and the report, totalling 40 pages, provides three pages of recommendations for improvements to enhance a user's experience and guide the next phase of development. Many of these adjustments will have taken place by the time of the board meeting

The board noted the general updates.

JDS and RCM expressed their support for the Outlander event and highlighted the opportunities for the area.

There were no further questions or comments.

AGENDA ITEM 15

15. AOB

- MG highlighted the opportunity for directors to become involved in the Loch Ness Challenge event, as there is no longer a Challenge sub group. The board supported the management team to take the event forward with support from directors as and when required.
- MG congratulated JDS for one year as Chair of VILN
- AL suggested that the board meet up for a social occasion in January.

AGENDA ITEM 16

16. Meeting Review

NEXT BOARD MEETING

Date – 9th March 2022

Venue – Virtual via Microsoft Teams