

CONFIDENTIAL

MINUTES OF THE 455TH MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD HELD ON THURSDAY 24TH JUNE 2021 AT 10:00AM AT THE BTA OFFICES, 3 GROSVENOR GARDENS, VICTORIA, LONDON SW1W 0BD

Present:

| | |
|---------------------------|--|
| Rt Hon Lord McLoughlin CH | BTA Chairman |
| Nick de Bois | Board Member / VisitEngland Advisory Board Chairman (ex-officio) |
| Robin Frewer | Board Member |
| Peter Gowers | Board Member |
| Carol Hui | Board Member / Audit & Risk Committee Chair |
| Dame Judith Macgregor | Board Member / Remuneration & People Performance Committee Chair |
| Duncan Parish | Deputy Director of Tourism and Cultural Diplomacy, DCMS (observer) |
| Karin Sheppard | Board Member |
| Mark Taylor | London and Partners (observer) |
| Rt Hon Viscount Thurso | Board Member / VisitScotland Chairman (ex-officio) |

In Attendance:

| | |
|----------------|---------------------------------------|
| Sally Balcombe | Chief Executive / Accounting Officer |
| Clare Mullin | Marketing Director |
| Robin Johnson | Europe Director |
| Debra Lang | Director of People and Transformation |
| Peter Mills | Business Services & Finance Director |
| Andrew Stokes | England Director |
| Patricia Yates | Director of Strategy & Communications |
| Tim Pemberton | Deputy Director of Finance |
| Henry Bankes | General Counsel and Company Secretary |
| Dale Rustige | Governance Executive (minutes) |

Apologies:

| | |
|-------------|--|
| Katy Best | Northern Ireland Tourist Board (observer) |
| Ian Edwards | Board Member / Wales Representative (ex-officio) |

Agenda Item 1. Chairman's Update and Introductions

1. The Chairman welcomed everyone to the meeting.

Agenda Item 2: Apologies

2. Apologies have been noted above.

Agenda Item 3: Declarations of Interest/Conflicts

3. The Board noted the Chairman's recent appointment as an Executive Board Member of XRAIL Group. This declaration will be added to the Register of Interests.

Agenda Item 4: Minutes of the Last Meeting

4. The minutes of the meeting held on 30th March 2021 were approved.

Agenda Item 5: Matters Arising / Action Tracker

5. There were no matters arising or actions due.

STRATEGY, PERFORMANCE AND OUTLOOK

Agenda Item 6: CEO Report and BTA Dashboard

6. The Board noted the BTA Dashboard paper and took this as read. Sally Balcombe provide a verbal update in reference to the paper.
 - 6.1. There were various challenges with international recovery due to the ongoing pandemic and travel restrictions. Most of the BTA's funding for international activity comes from GREAT. Therefore, work will be required to ensure alignment with the rebranded GREAT campaign next year. The GREAT campaign the campaign will be run centrally by the GREAT team and some of the new priorities are not in sync with the BTA's priorities (e.g. Europe is a key market, but is not a key priority for GREAT). In the interim, the BTA's Marketing Team has found a way of managing this by redeploying activity money from Q3 to Q4.
 - 6.2. The Board had a discussion regarding recent communications from the Cabinet Office, with instructions that all marketing would now require approval from them. It appears that communications on this had been rolled out across government. There were concerns from the BTA regarding this. Most of its activity is marketing-based and this would create a potential barrier to long term planning for activities, as this can lead to uncertainty on whether activities will be approved. The Board noted that DCMS are still in discussions with the Cabinet Office on allowing more flexibility in these areas. There should be an opportunity to shape the process along with DCMS. The Board expressed its concerns and agreed that it would be good to get to a place where there is a clear understanding of the Cabinet Office process and flexibility for approvals.
 - 6.3. The Board noted that some of the projects being delivered had amber ratings – these include: the TXGB platform, which the Board will receive an update on later in the agenda; the new CRM and retail platform, and; the National Lottery Voucher Scheme and the BritRail Pass Initiative, which both form part of the Tourism Recovery Plan objectives.

Agenda Item 7: Update on Government Tourism Recovery Plan

7. The Board received a verbal update from Duncan Parish. The Government's Tourism Recovery Plan was published in early June 2021. He thanked the BTA for its valued input into the development of the plan.
8. The Government's focus at this stage will be on the delivery and prioritisation of measures within the plan. There will also be a focus and work on looking at how the priorities in the plan feeds into the upcoming Comprehensive Spending Review (CSR) in the autumn.

Agenda Item 8: Political Update

9. The Board received an update from Patricia Yates. The following key points were noted:
 - 9.1. There has been a slowdown down in the sector due to Government delaying the lifting of social distancing restrictions from 21st June to 19th July 2021.
 - 9.2. The COVID vaccine roll-out programme has been progressing positively.
 - 9.3. There has been a flurry of press on the impact of the COVID restrictions on the events sector. There have been ongoing discussions regarding the events sector in Parliament and how the issues would be addressed.
 - 9.4. New announcements will be released this week on updates with the UK's traffic light system for travel to and from international destinations.
 - 9.5. Plans on using the NHS App being used as a COVID Vaccination Passport will be going ahead.

Agenda Item 9: Director of Finance Report for the Board (covering draft 2020/21 ARA)

10. The Board noted the paper, which was taken as read. Peter Mills provided a verbal update.
11. It was noted that there has been a compliance matter under review in relation to VisitBritain's India subsidiary (VisitBritain Services India Private Limited, "VBSIPL"). The compliance issue concerns VBSIPL not having Bank of India approval for agreement to trade. It was noted that this is a historical issue and goes back many years.
12. An external firm has been contracted to provide advice and guidance, and also perform a health check on the VBSIPL arrangements. There were also some tax issues identified dating back to 2015/16. It was noted that some of these issues may take some time to resolve and following guidance from the external firm, it may take a few years.
13. The Audit & Risk Committee will continue to monitor progress in these areas and the Board will be kept informed of any key issues.

Agenda Item 10: Audit & Risk Committee (ARC) Annual Report to the Board

14. The Board noted the paper and took this as read. Carol Hui, Chair of the ARC, provided a verbal update.
15. The Board noted the formal recommendation from the ARC, as outlined in the paper, for the Board to approve the 2020/21 Annual Report & Accounts.
16. It was noted that the external auditors (National Audit Office – "NAO") were satisfied with the Annual Accounts, which were prepared on a going concern basis. The overall assurance on internal controls is moderate, which is an improvement from the previous year's adequate assurance.
17. **DECISION:** After some discussion the Board **APPROVED** the 2020/21 Annual Report & Accounts. This will be laid in Parliament and published thereafter.
18. The Board received an update of the ARC's other activities from its recent meeting and the following key points were noted:
 - 18.1. The ARC reviewed internal audit reports submitted by the internal auditors (Mazars). Internal auditors have highlighted that good progress has been made on the areas covered by the reviews. Certain areas that require attention include: Risk Management & Assurance Framework and Risk Management Policy.
 - 18.2. Following a review, some work will be done on providing basic training for staff on risk management and improved ownership of divisional risk registers by relevant divisions.
 - 18.3. Various policies have been under review. The central "Register of Policies" has also been reviewed, which details all BTA policies. Policy areas reviewed in the recent ARC meeting include: Anti-bribery, Counter-Fraud, and the Fraud Strategy.

Agenda Item 11: Audit & Risk Committee Update

19. It was noted the relevant updates were covered in the previous agenda item.

Agenda Item 12: Remuneration & People Performance Committee (RPC) Update

20. The Board noted a verbal update from Judith Macgregor, Chair of the RPC, on the RPC's activities at its previous meeting in May 2021:
 - 20.1. Reports were received on the BTA's estates strategy, flexible working policy, and hybrid working principles.
 - 20.2. The BTA's Talent Management and Leadership framework was reviewed, including how the BTA can strengthen its internship offer.
 - 20.3. It was noted that staff morale was in a good place. Although, there had been some disquiet following the redundancy programme rolled out earlier in the calendar year.
 - 20.4. Compliance activity was in a positive place with green ratings across most areas.

- 20.5. The RPC had an in-depth discussion regarding the initial proposals for the future estates strategy of the BTA. This work is linked to the Government's wider plans to move public bodies and ALBs currently based in London to locations outside of London. It was noted that there was a strong case that needed to be made for maintaining and keeping a London office as London is such a major tourism hub.

Agenda Item 13: TXGB Update

21. The Board received a verbal update from Andrew Stokes. The Board was informed that there has been good progress in negotiating the funding agreement with Rainmaker Solutions Ltd, the supplier of the TXGB platform. Funding will be offered to Rainmaker in envelopes, with an open-book accounting methodology being implemented. Risk analysis and mitigating actions have been developed along with a forecast model for the next few years.
22. In terms of the TXGB platform itself, there have been 72 DMOs interacting with the platform. Discussions have been in place with the tourism bodies of Scotland, Wales and Northern Ireland, who are keen to engage with the platform.
23. The Board noted that there is a clear need to keep the platform operational and there appeared to be a good balance of risks in the current plan.

BRITAIN MATTERS

Agenda Item 14: CSR – Priorities and Positioning (Initial Proposals for Discussion)

24. The Board noted the paper and took this as read. Sally Balcombe provided a verbal update.
25. The ambition for the BTA's 2022-25 CSR bid, is to build a bid that convinces the Government to invest in tourism and allocate increased funding to the BTA to help deliver recovery and sustainable growth and deliver on its statutory responsibilities. The bid would need to demonstrate the ambitions and aims clearly for the Secretary of State ("SoS") and highlight how the BTA's bid will deliver on his priorities.
26. The theme of the bid will focus on delivering on the Government's Tourism Recovery Plan's objectives. There is a case to be made for ensuring that there will be sufficient funding for marketing for the BTA's core budget. The GREAT campaign model is being relaunched, which will have an impact on the funding model that the BTA receives from GREAT and potentially affect its strategic priorities for the recovery. There is a high risk that the BTA would continue to be further outspent by its international competitors.
27. DCMS noted that a case would also need to be put forward on any opportunities for efficiencies. The budget and plan for the BTA's relocation would also be included in the bid.
28. It was noted that this CSR will potentially be a tough round, as the Government would have economic delivery, jobs and the levelling up agenda as its key focus. DCMS will be reviewing the bid before it is presented to the SoS and Treasury. The CSR is planned to take place during the autumn period.
29. The Board commented that there should be a solid case put in for business events, as there is opportunity in this area.

Agenda Item 14.1: Sustainability

30. The Board noted the paper and took this as read.

ENGLAND MATTERS

Agenda Item 15: England Update

31. The Board noted the following papers and took these are read:

- 31.1. DEF Activity Update (*paper*)
- 31.2. Domestic Marketing Update (*paper*)
- 31.3. English Tourism Week 2021 Update (*paper*)

Agenda Item 16: Destination Management Organisations (DMOs) Update

- 32. The Board received and noted a verbal update from Nick de Bois, who had been chairing the DMO review.
- 33. The DMO consultation process which had begun in March 2021, has just been through the roundtable stage in which the information and feedback gathered has been reviewed. The next stage will be to put the collated information and draft recommendations through challenge panel sessions. This panel will be comprised of representatives across the domestic tourism sector, including DMOs.
- 34. The recommendations will broadly cover three categories: DMO structure, sustainability and funding, and central government relationship.
- 35. The challenge panel work should be completed by mid-July 2021, with the final report being presented to the Secretary of State for review soon after that.

DEVOLVED NATIONS

Agenda Item 17: VisitScotland Update

- 36. The Board received a verbal update from the Rt Hon Viscount Thurso, Chairman of VisitScotland. There has been a delay in the lifting of social distancing restrictions Scotland. The sentiment within Government has leaned towards restrictions being lifted by early to mid-August.
- 37. A new Government is in place following the recent elections. A new Tourism Minister had been appointed, which VisitScotland has a positive relationship with.
- 38. VisitScotland had been actively marketing domestically during the previous quarter, with an approach towards brand-maintenance for overseas markets (particularly North America). It was also in the process of moving into new offices and will be adapting a hybrid-working model for its staff.

Agenda Item 18: Wales Update

- 39. There was no verbal update to note in the absence of the Wales representative.

Agenda Item 19: Northern Ireland Update

- 40. There was no verbal update to note in the absence of the Northern Ireland representative.

PAPERS FOR NOTING/INFORMATION

- 41. The Board noted the following papers and took these as read:
 - 41.1. **Agenda Item 20: Domestic Tourism Trends and Market Sentiment**
 - 41.2. **Agenda Item 21: International & Inbound Tourism Trends and Forecast Update**
 - 41.3. **Agenda Item 22: State of the Market Snapshot**
 - 41.4. **Agenda Item 23: BTA Corporate Risk Register**
 - 41.5. **Agenda Item 24: Intellectual Property: Lessons Learned**

Agenda Item 25: Any Other Business

42. The Board noted that Peter Mills' will be returning to DCMS, following the end of his secondment as the Finance Director of the BTA. The Chairman and Board thanked Peter for all his hard work and efforts. The recruitment process for his replacement has started, with Carol Hui being involved in the process.
43. The Board noted that Patricia Yates has been promoted into her new role as the Deputy Chief Executive. The Board congratulated Patricia on her appointment.

Agenda Item 26: Date of Next Meeting

44. The Board noted the next meeting will be on Tuesday 28th September 2021 (10.00am).

Agenda Item 27: Close

45. The meeting was closed at 2.00pm