

**MINUTES OF THE 460th MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD
HELD ON TUESDAY 29th MARCH 2022 AT 10:00AM
IEP Savoy, Savoy Place**

Present:

Dame Judith Macgregor DCMG LVO	BTA Chair
Nick de Bois	Board Member / Chairman of the VisitEngland Advisory Board
Carol Hui	Board Member / Audit & Risk Committee Chair
Karin Sheppard	Board Member
Ian Edwards	Board Member / Wales Representative (ex-officio)
Rt Hon Viscount Thurso	Board Member / VisitScotland Chairman (ex-officio)
Mark Taylor	London and Partners (Observer)
Duncan Parish	Deputy Director of Tourism and Cultural Diplomacy, DCMS (Observer)

In Attendance:

Sally Balcombe	Chief Executive / Accounting Officer
Patricia Yates	Director of Strategy & Communications
Henry Bankes	General Counsel and Company Secretary
Clare Mullin	Marketing Director
Tricia Warwick	Director, APMEA, China and NE Asia
Andrew Stokes	Director VisitEngland
Robin Johnson	Europe Director
Debra Lang	Director of HR and Professional Standards
Serena Jacobs	Director of Finance
Evelyn White	Company Secretarial Executive (minutes)

Agenda Item 1: Welcome and Introductions

1.1: Apologies

Robin Frewer	Board Member
Patricia Corbett	Northern Ireland Tourist Board, (Observer)
Peter Gowers	Board Member

1.2: Declarations of Interest/Conflicts

1. There were no declarations of interest and conflicts raised.

1.3: Minutes of the Meeting on 14th December 2021 (For approval)

1. The Chair sought clarity from the Board and the minutes from the last meeting were agreed.

1.4: Matters Arising / Action Tracker

2. Each action was reviewed and updates were added to the Action Tracker (attached).

1.5: Chair's update

3. The Chair reported on some key activities since the last meeting. She had joined the Secretary of State for Digital, Culture, Media and Sport to launch the 'Welcome to Another Side of Britain' Campaign at the UK National Day at Expo in Dubai. The event had also been attended by Andy Pike, Director of GREAT and travel specialist and buyers from India and GCC, plus representatives of the Commonwealth Games and the West Midlands. The Chair and CEO had since met with the Cabinet Office Minister, Nigel Adams to consider how tourism and the visitor economy could feature more prominently in future Expo and other UK Government promotions overseas and with Paul Scully, Minister for SMEs and Hospitality at the Department for Business, Energy and Industrial Strategy.
4. A further meeting had taken place with the Tourism Minister, Nigel Huddleston, just ahead of the formal funding settlement, with encouragement from the Minister to continue to hold projects in readiness should further DCMS funds become available. Other items included; the NE Sprint, an exercise to evidence how the visitor economy could support the levelling up agenda; and issues surrounding the revised PASS approval process. No formal response to the DMO Review had yet issued.

2.0: Matters for discussion

2.1: Political update

5. Patricia Yates gave an overview of the current political and policy situation, noting that the BTA had been selected to take part in a new review of the function and governance of ALBs. The first stage of the review was to provide data; this deadline had been pushed back for BTA from April to May due to the delay in receiving the financial settlement. The second stage was expected to start in the autumn; it would be at this point that an independent reviewer would be appointed and the full scope of the review determined. Duncan Parish advised early indications suggested the scope would include our funding model, the relationship between VB/VE and the length of the "arm" between the BTA and Government. The aim would be to remain close to the Cabinet Office to help develop the most helpful terms of reference.
6. DCMS Select Committee Review on inbound tourism – this review was currently underway to consider recommendations on how to use cultural heritage to improve inbound tourism and how this could be more evenly distributed to areas outside of London. The BTA was expected to be consulted upon in May. A ministerial delegation was visiting South Korea at the end of May to compare markets and provide insight into these objectives. The BTA had submitted material on the comparative funding available for marketing compared with competitors. South Korea was not currently a priority market.
7. Tourism Industry Council (a group made up of some 30 companies from across the industry working with the Tourism Minister on key issues to drive recovery and co-chaired by Karin Sheppard) - Patricia Yates confirmed that various forums were being coordinated to focus on key topics led by subject matter experts. She was now leading on Sustainability.

2.2: CEO update

8. The CEO gave an overview of the new style dashboard, which was welcomed. It was noted that work was still needed, particularly at summary level, to represent accurately the RAG status of individual reports that were within the amber range.

9. The CEO reported on the following highlights:
- Large campaigns had gone live in the USA, using underspend.
 - Partial spending approval had been received through the PASS process but there were uncertainties surrounding IMEX Frankfurt. The Board regretted these unnecessary delays and urged that a medium-term solution be found to give greater clarity. (Duncan Parish reported that IMEX Frankfurt had since been resolved and would feed this through the necessary channels.) Board Members offered their help in talking to responsible Cabinet Office Ministers where helpful. VB and DCMS were asked to work urgently on solutions across the board.
 - English Tourism week – TXGB and the second phase of the National Lottery campaign were both performing well.
 - Transformation agenda – DCXP, the new digital platform had suffered issues with resourcing that was now being resolved and trending to amber. The Chair noted that this should be an area in the future for the Board to deep dive (see also para 39).

ACTION: Transformation to feature as a deep dive topic and be included in the Forward Look plan for a timely discussion – linked to action under para 39.

10. The CEO welcomed Andrew Stokes to reported on Common Wealth Games and Clare Mullin to report on Unboxed respectively:
- Andrew Stokes confirmed that VE had agreed a tourism day on the 5th August at the UK house during the Common Wealth Games, and was working with DCMS to design a programme of activity which was due to be released in the next fortnight.
 - Clare Mullin advised that discussions with Andy Pike and DCMS were underway to agree useable content for the Unboxed campaign.
11. The CEO reported that verbal agreement on the funding settlement had been received but strongly emphasised that this was still not final confirmation. The verbal agreement was as follows and planning was being developed on this basis:
- Core grant in aid for VB and VE rolled over with an inflation uplift of 1%.
 - £8.2m additional revenue to support funding gaps; business events to receive £500k per year, English tourism to receive £1.45m per year, BTA Move projects to receive £1m.
 - Transformation had been allocated £2.5m in year one, £1.5m in year two and year three would now be funded using additional revenue.
12. The CEO underlined that Business Events had seen a 50% reduced budget. It was hoped that VE could provide opportunities to bridge this funding gap. The Board noted concern with this reduction and the many opportunities that would be overlooked. Duncan Parish stated the reduction reflected competing demands, but suggested individual events could be considered on a case-by-case basis if strong evidence could be supplied. Nick de Bois exemplified previous strategies to increase business events within the public funding envelope and reported that industry was in fact wanting to move back to a pre-pandemic format rather than build on a hybrid model. Karin Sheppard advised that the working group of the Tourist Industry Council (TIC) could support any exercise to evidence these benefits. Lord Thurso reported that VisitScotland, through activity between January and March, was now seeing good growth in investment in business events. It was clear from research that there was a direct relationship between inward conferences and inward investments.
13. The Chair summarised that focus should be applied to our political engagements on business events and wider social objectives, and to deliver against the funding that has been allocated and to strive to seek evidence that could enhance our future funding opportunities. Patricia Yates and Duncan Parish agreed to discuss the data that is being used in these cases and how it can be made more compelling. Lord Thurso encouraged the use of examples found in academic evidence plus endorsements from public figures.
14. The Chaired thanked the CEO for her report and also Duncan Parish for his support on reaching this proposed settlement. There was consensus that it was a priority to improve the lead time with PASS applications. It was noted that other ALBs were affected and a forum was being created for ALBs to come together to discuss the problems.

ACTION: Nick de Bois, on advice from Patricia Yates, to speak with Ministers to highlight the current impact to tourism, namely business events and the blockages caused by PASS process.

2.3: Strategy update

15. Patricia Yates tabled a presentation outlining the three-year vision that had been developed in consultation with Directors.
16. The Board welcomed the comprehensive detail and ambition that had been shared, and gave the following remarks:
 - More clarity was desired on what and should be delivered and assurances to achieving outcomes; balancing ambition with clear milestones.
 - Clear priorities and decisions welcomed regarding areas that would be stopped (to be constantly scrutinised).
 - The importance of protecting the organisation's positive culture during transformation.
 - Although transformation is key, there needs to be the same level of focus to business as usual.
 - More emphasis on the overall mission; is this direction to become an enabler?
 - There is need to elaborate on sustainability and how it is being weaved into the strategy.
17. The following areas were then deliberated in more detail:
18. **Markets.** Robin Johnson informed the Board of the proposed tiered market structure that had been designed to apply focus in areas VB could most add value. The markets would be under constant review and would shift focus and evolve with market demands. It was noted that organisational design may consider an alternative model and recalibrate the tiers; the current proposal was based on how we can maximise our reach in the current landscape.
19. The Board was in support of this and emphasised the need for regular scrutiny to ensure value, and to consider how this links into other strategies e.g. Estate moves and transformation.
20. **Business events.** Patricia Yates reiterated this was an area that had outlined a 50% reduction to its budget. Work was underway by the new Head of Department to engage on where we add most strategic value.
21. The Board stressed the importance of enhancing partnerships and to work through reputational challenges. It was noted that the outcome of the DMO review could further advance the partnership with English Cities and that the accreditation tool would enable information sharing.
22. **Building our future.** Patricia Yates explained this would be discussed in greater detail at a later stage, which would aim to identify a timeline of activity.
23. **Commercial.** Robin Johnson recognised this was an ambitious programme when up against the limited funding, and would be an area that would build over time in commercially viable settings.
24. The Board remarked on solutions where income could be captured, such as consideration to introducing a subsidiary company and highlighted the important of factoring in trigger points to pause and consider need for change of direction. The Chair welcomed more detail for more in-dept discussion to ensure resource is optimised.
25. **Organisational Design.** Debra Lang reported on the approach that was under development and was aiming for a target of mid-April to share the first version of the revised model, identifying where additional skills were needed. She recognised that key drivers would be flexibility and collaborative working: across teams and across borders.
26. **What we'll stop.** There was questioning of whether we had gone far enough with stopping activities and prioritising a few areas to cover very well. Patricia Yates confirmed this was a serious objective as right now, there was no budget for VE domestic marketing. Close scrutiny would be given to the Brit Rail Pass project.
27. The Chair concluded this detailed presentation was hugely valuable and provided a good balance for investment and opportunity. She noted the appetite of Board Members to look at the Commercial Plans in more detail through a deep dive and asked that this should be included in Board Planning.

Action: To schedule an upcoming deep dive discussion into different aspects of the Strategy Plans to include a clearer and remunerative commercial strategy over the SR period. Date and Time of Deep Dives now to be determined.

2.4: Business Plan – 2022/23 Budget

28. Serena Jacobs took the tabled paper as read. She highlighted that the budget had been set in the context of funding uncertainty and maintaining flexibility and agility. While the budget was being set with a small funding gap, the flexibilities included outweighed the potential risks. However, there was the need to provide assurance that decisions were aligned to the strategy and values. There is a plan to introduce rolling forecasts that would enable agility and flexibility which would be closely monitored and reported on regularly. A staff vacancy factor had not been included allowing for flexibility, but wider areas of known growth, such as pay increases and the cost of living had been included.
29. The Board approved the 2022/23 Budget, noting that the risks would be handled in detail by Directors.

3.0: Corporate updates

3.1: VEAB

30. Nick de Bois reaffirmed that the ringfenced budget for VE was flatline and noted the challenges this presented. England Tourism Week had been hugely successful at raising the profile of the sector, and resulted in 21 broadcasts and TV interviews, and 100+ stories across media. Fiona Pollard was recognised as being significant in this success and was thanked by the Board.
31. Nick de Bois confirmed that 11 DMOs had been awarded funds from the recent grant scheme and a structure was being put in place to measure the success of outcomes. He also reported attending a recent parliamentary reception hosted by Alliance, where it was recognised that the increase to the cost of living could have a knock-on effect to the Tourism sector; communications with attractions and businesses were in hand to pre-empt and help manage these implications.

3.2: Board Effectiveness

Forward Look

32. The Chair tabled the Forward Look Plan and Agenda Schedule for the Board. She cautioned that this was still in draft but that it would pick up actions and interests from the Board today and factor these into a further version for approval.

Board Sponsor Summary

33. The Chair expressed gratitude to Board members for the recent 1:1 discussions with the majority of Board Members which had led to a number of important policy areas being suggested for advice, interest and challenge from individual Board members. A draft progress report was tabled but would be refined further. In addition to these conversations, VEAB Members were also being asked to consider where and how they could contribute. The paper was work in progress and only intended to demonstrate the sense of travel, the next steps were for the Executive to drive these contacts and set cooperation in train - in line with Board Members availability.

3.3: Audit and Risk Committee

BTA Risk Register

34. Carol Hui tabled a self-explanatory paper setting out a review of the BTA Risk Register. ARC had approved the changes recommended in the review including the revised Risk Measurement Matrix and risk appetite that was recommended to

the BTA Board for approval as the owner of our Risk Strategy.

35. Serena Jacobs sought approval from the Board, in particular on the level of risk appetite, and provided an overview of each of five possible levels. Overall it was recommended that as an organisation we should adopt an open risk approach with a more conservative approach in areas such as financial and legal risk.
36. Lord Thurso welcomed the proposal to remodel risk appetite, but commented that ambition in our strategy did not necessarily need to be associated with high residual risk; much depended on the mitigation envisaged. The Board agreed that we should retain a flexible approach as ambition and circumstance permitted. The CEO recognised that the open assessment was consistent with our current landscape.
37. The Board approved the risk appetite but asked for it to be kept under review, and to be considered independently of DCMS risk appetite if circumstances warranted this.
38. Carol Hui talked through the revised register noting the Audit and Risk Committee's view that the content was clearer and easier to understand. She noted that three risks were not included, namely; U.K. Pension underfunding (in the context of the accounting valuation for the 2020/21 Annual Report and Accounts); possible supplier failure (in the context of TXGB), and Fraud Risk on grants (in the context of speed of delivery or larger emergency Covid programmes). These were discussed but it was agreed they should remain on Departmental Operational Risk registers for the present but would be monitored by Audit and Risk Committee.
39. Serena Jacobs sought feedback from the Board on the Transformation and Commercial programme. The Board was satisfied with the content but agreed to schedule a deep dive discussion on Transformation, and a light touch dive on Commercial, to provide a fuller response to these areas of risk. The Board agreed to include the risk register in all Board packs from now on for noting, and would continue to look to the Audit Committee to identify any significant changes. There would be a detailed review by the Board annually of risk strategy and risk appetite.

ACTION: Transformation to be included on the Forward Look plan, to enable a deep-dive discussion and a fixed date to be set for the Annual Board review of the Risk Register.

ARC update

40. Carol Hui gave a readout from the recent ARC meeting. In addition to the risk deep dive (as above), the Conflict of Interests policy had been refreshed and confirmed that the internal auditors would change on the 31/03/22 from Mazars to Government Internal Audit Agency (GIAA). The outcome of four internal audit reviews were reported on: Treasury Management and Records Management both rated moderate assurance; Grants Maturity Self-Assessment was agreed as good, and Ransomware Readiness was rated unsatisfactory. This unsatisfactory rating was based on a simulation to compromise an untethered laptop and identified multiple factors that needed immediate improvement. This test was deemed invaluable as highlighted vulnerabilities under the surface, but it was noted that the test would have met a firewall should it have been live. A plan is in place to implement all the recommendations from the audit by June 2022.

4:0 Papers for noting/ information

41. The Chair noted that the Board had noted these without further comment.
42. The Chair read out a short note from the RPC Chair (attached) giving a brief summary of the extraordinary RPC Meeting on 24 March.

5:0 AOB

43. The CEO tabled the new proposed VisitBritain logo which had been based on GREAT branding. It was highlighted at the Expo Event in Dubai that the logo would benefit from this change and the design had received Ministerial support. It was confirmed there was no change to the VisitEngland logo at this stage. The Board endorsed the new logo. Clare Mullin added it would take time to transition the branding and that there would other variants produced in line with the

general design.

5.1: Chair and CEO closing remarks

44. The Chair warmly thanked the CEO, on behalf of Board Members, for her remarkable tenure as CEO of the BTA during an unprecedented period of uncertainty and change. She recalled the surge in growth in 2018/19 followed by the collapse of the Tourism Industry during Covid. She recalled many initiatives and innovations, such as TXGB and many areas of good work including the People Strategy and the extensive work to restore a stricter Compliance policy. Sally's leadership had been exceptional and much appreciated by staff and stakeholders alike. She wished her very well in her future plans.
45. The CEO followed by detailing her journey with BTA which had started as a Board member 7.5 years ago and spoke about the constant theme of change. She noted her key thoughts as; the need to support the independence granted by ALB status to enhance our ability to do more within the sector; the importance of the overseas network and keeping these relationships strong; the imperative to continue to share and grow knowledge and benefits in VB/VE across all the nations; the particular need to invest more in staff and technology; and, lastly not to duck bigger ventures but also at times to say no! The CEO gave particular recognition to the Board for their contribution to the Strategy and their continued support and engagement that had provided meaningful perspective.
46. The Chair said that we would certainly note all of these points, including in the Cabinet Office Review proposed. We now looked to give our support to Patricia Yates as interim CEO while the competition to appoint a new permanent CEO continued apace.

5.2 Prep for next Board

47. The Chair announced that plans were being explored to host the next Board in Wales and thanked Board Members for extending this commitment in schedules and that full details would follow at the earliest opportunity.

(At this point, the Board went into closed session with Members and Observers for a short update on the CEO competition).