

## CONFIDENTIAL

### **MINUTES OF THE 445<sup>TH</sup> MEETING OF THE BRITISH TOURIST AUTHORITY HELD AT 10:00 ON TUESDAY 3<sup>RD</sup> DECEMBER 2019 AT VISITBRITAIN, 151 BUCKINGHAM PALACE ROAD, LONDON SW1W 9SZ**

**Present:** Stephen Ridgway CBE, Chairman  
Ian Edwards, Board Member  
Dame Judith Macgregor, Board Member (via teleconference)  
Ian McCaig, Board Member  
Lord John Thurso, Board Member  
Denis Wormwell, Board Member / VEAB Chairman  
Katy Best, Northern Ireland Tourist Board, Observer  
Giles Smith, DCMS, Observer  
Mark Taylor, London and Partners, Observer  
John Lindquist (attending as an observer)

**In Attendance:** Sally Balcombe, CEO  
Hazel Cunningham, Business Services Director  
Patricia Yates, Director of Strategy & Communications  
Andrew Stokes, England Director  
Henry Bankes, General Counsel and Company Secretary  
Dale Rustige, Governance Executive (Minutes)

#### **Agenda item 1. Chairman's Update and Introduction**

1. The Chairman welcomed the Board to the meeting. Henry Bankes, the new General Counsel and Company Secretary, was also welcomed to his first Board meeting.
2. The Chairman updated the Board on the following matters:
  - (i) He and Denis Wormwell (Chairman of the VisitEngland Advisory Board) would be stepping down from their posts after their term of office ends on 31<sup>st</sup> March 2020.
  - (ii) This would be John Lindquist's last meeting on the BTA Board. His term had ended on 29<sup>th</sup> November 2019, however he was invited as an observer to report on the Audit and Risk Committee. The Board thanked John for all his efforts and contributions on the Board and as Chair of the Audit Committee.
  - (iii) Ian McCaig was stepping down from the Board, with his last day being 31<sup>st</sup> December 2019. The Board thanked Ian for all his efforts and contributions on the Board and Remunerations Committee.
  - (iv) Katy Best's term of office on the BTA Board had been extended for two years as a representative of the Northern Ireland Tourist Board.
  - (v) Hazel Cunningham (Business Services Director) and Carol Dray (Commercial Director) will be leaving the organisation. The Board expressed its thanks for their contributions. A new Business Services Director has been appointed as a one-year secondment from DCMS.
  - (vi) There will be four new members joining the BTA Board and three new members joining the VisitEngland Advisory Board on 6<sup>th</sup> January 2020. Formal announcements and the appointment letters would be issued after the pre-elections purdah.

#### **Agenda item 2: Apologies**

3. There were no apologies received.

#### **Agenda item 3: Declarations of Interest**

4. There were no new declarations.

#### **Agenda item 4: Minutes of the Previous Meeting**

5. The minutes of the meeting held on 17<sup>th</sup> September 2019 were approved.

#### **Agenda item 5: Matters Arising**

6. The Board noted the following matters arising from the minutes:
  - (i) Sustainability Road Map paper – It was noted that the presentation of paper to the Board will be deferred to the next meeting on 28<sup>th</sup> January.
  - (i) Evaluation report on ROIs and performance of the GREAT campaign – It was noted that the report was still under development and should be available by the end of the year. Sally Balcombe would have this circulated to the Board.

#### **Agenda item 6. Compliance Action Plan and Report on Progress**

7. The Board noted the Compliance Action Plan paper. Sally Balcombe provided an update with reference to the paper and the following was noted:
  - (i) Progress has been good relating to the work on compliance actions and there has been continued reporting of activities with DCMS.
  - (ii) The organisation's travel and expenses policy has been revised and updated, with policies of other tourism bodies and similar organisations reviewed in the process.
  - (iii) The finance system (Unit 4) was successfully upgraded, with further upgrades planned.
  - (iv) There has been good progress on establishing more robust controls following matters identified from the external audit.
8. The Board discussed how the organisation can ensure future sustainability in relation to compliance. It can see that good progress has been made in establishing of improved controls. However, the Board noted that not enough capital resources would be available to continue to develop the foundations put in place in delivering a sustainable culture of compliance. Some of the systems available to organisation has been outdated and manual processes were still being used. Giles Smith commented that the organisation can look into working together with DCMS for the next comprehensive spending review on getting more capital funding, if this is what was needed.

### **STRATEGY, PERFORMANCE AND OUTLOOK**

#### **Agenda item 7: Review of Dashboard**

9. The Board noted the BTA Board Dashboard paper and Sally Balcombe provided a verbal update with reference to the paper. The following was noted:
  - (i) Work around post-Brexit contingency planning was ongoing.
  - (ii) There has been good progress in all the marketing areas and partnership development work.
  - (iii) A deep dive was being undertaken on the forecasting for the online shop.
  - (iv) All business events activities were on track.
  - (v) People recruitment was underway to ensure key areas of the business were covered.
10. The Board highlighted the issue of the organisation having to keep moving premises every few years, which has been disruptive for the business. It was noted that the option of renting outside of the government property framework was being explored in terms of better value and cost-effectiveness.



#### **Agenda item 8: CEO Report**

11. The Board received a verbal update from Sally Balcombe on the proposed changes to the Commercial Division, following Carol Dray's (Commercial Director) departure at the end of the year. There were plans to split the commercial and partnership portfolios, and redistribute some areas into other divisions. It was noted that the relevant staff have been closely involved in the consultation process and final plans will be announced in the coming weeks.

#### **Agenda item 9: State of the Market Snapshot Paper**

12. The Board noted the State of the Market Snapshot paper.

#### **Agenda item 10: Political/Tourism Affairs**

13. The Board received a verbal update from Patricia Yates on political/tourism matters and the following points were noted:
  - (i) The pre-election purdah has been in place ahead of the general elections on 12<sup>th</sup> December.
  - (ii) Political party manifestos were being reviewed as they are released to identify where tourism sits on the party agendas.
  - (iii) Funding for the data hubs and tourism zones work continued to be monitored.
  - (iv) Steve Ridgway would remain in his role as the Tourism Sector Deal lead until June 2020.
14. The Board noted the Post-election Engagement Plan paper.

#### **Agenda item 11: Office for Statistics Regulation (OSR) Findings on International Passenger Survey (IPS)**

15. The Board noted the paper outlining the OSR findings on the IPS. The findings were the result of a review undertaken by the OSR, following concerns on the fall of the sample size of the survey (IPS) seen in 2018 and 2019. The sample size issues had caused some difficulties, particularly with assurances in the accuracy of the estimates in the IPS. It was noted that measures for improvements have been agreed with the Office of National Statistics (ONS) to mitigate the concerns identified from the review.

#### **Agenda item 12: 2020 Forecast for Approval**

16. The Board noted the 2020 Inbound Tourism Forecast paper. Patricia provided the Board with a verbal update and the following was noted:
  - (i) The re-forecast for 2019 was that visits would have grown by 1.7% to 38.5m, with the spending forecast to grow by 9.1% to £25.0bn. The revised forecast reflected the predicted growth on visits from long haul markets.
  - (ii) The forecast for 2020 is that visits would grow by 2.9% to 39.7m. Spending is forecast to grow by 6.6% to £26.6bn.
  - (iii) Growth in visits from the European market was predicted to be stationary.
  - (iv) Brexit remains a key uncertainty and this continues to be monitored.
  - (v) The ongoing value of the British pound is an uncertainty.

#### **Agenda item 13: Tourism Trends**

17. The Board noted the Tourism Trends paper.

#### **Agenda item 14: Business Plan – Priorities and Resource Allocation for 2020/21**

18. The Board noted the paper outlining the Business Plan, Corporate Priorities and Resource Allocation for 2020/21. Sally Balcombe provided a verbal update with reference to the paper and the following was noted:
- (i) The five BTA corporate priorities were:
    - a. Position Britain and England on the global stage
    - b. Enable UK tourism to be successful
    - c. People focus and building the organisation's culture
    - d. Achieving 100% compliance on key policies
    - e. Future proofing – securing funding and ensuring a clearly defined scope across the industry
  - (ii) The general approach of the business plan was to lay the foundations in preparation for the comprehensive spending review in 2020.
  - (iii) The Board noted the financial priorities for 2020/21 and Hazel Cunningham provided a verbal update on the key areas. The revision of the travel and expenses policy and arrangements to sign up with a travel management company (TMC) should reduce costs in this area; using a TMC should provide best value for travel for the organisation.

#### **STRATEGY, PERFORMANCE AND OUTLOOK**

##### **Agenda item 15: Remuneration & People Performance Committee Update**

19. The Board received a verbal update from Dame Judith MacGregor, Chair of the Remuneration & People Performance Committee, on the recent activities of the Committee:
- (i) The Committee had reviewed its terms of reference and it was agreed that it would meet a minimum of three times per year.
  - (ii) Pay proposals had been reviewed by the Committee and subsequently approved by DCMS.
  - (iii) The Committee had reviewed the results of the recent staff survey.
  - (iv) A report on exit interview feedback had been discussed, including the processes in place for conducting these.
  - (v) The HR department would be moved from the Business Services Division to report directly to the CEO.
20. **Agreed: The Board agreed that the Remuneration Committee's minutes would be included in future Board meetings for noting. There would also be a HR item for the BTA Board meeting in March 2020.**

##### **Agenda item 16: Audit & Risk Committee Update and Minutes**

21. The Board noted the unconfirmed minutes of the Audit & Risk Committee meeting held on 19<sup>th</sup> November 2019. John Lindquist updated the Board that a DCMS representative had attended the Audit & Risk Committee's (ARC) November meeting and should be attending future meetings.

##### **Agenda item 17: Q2 Financial Review and Forecast**

22. The Board noted the Quarter 2 Financial Review and Forecast paper. Hazel Cunningham provided a verbal update with reference to the paper and the following was noted:
- (i) There was a shortfall on VisitBritain's financial forecast and further cost savings will be identified to close any gaps.
  - (ii) The volatility of the British pound presented some uncertainty.
  - (iii) VisitEngland's financial forecast was relatively healthy, with some over-programming identified.
  - (iv) A request has been made to DCMS to transfer funds from resource to capital, to fund the Unit 4 financial system upgrade.

### **Agenda item 18: 2018/19 Annual Report & Accounts Update**

23. The Board received a verbal update from John Lindquist on the status of the 2018/19 Annual Report & Accounts:
- (i) The Annual Report and Accounts (ARA) for 2018/19 has been finalised for submission and is just awaiting feedback from the National Audit Office (NAO). The governance statement may have to be revised following the feedback.
  - (ii) It was noted further discussions between the organisation, DCMS and the NAO would be required to avoid further delays to the submission of the ARA.

### **Agenda item 19: Pensions Update**

24. The Board was informed that there would be another staff consultation on proposals relating to changes to the pension scheme plan. Staff sessions would be held after the New Year.

## **ENGLAND MATTERS**

### **Agenda item 20: Chairman's Update**

25. The Board received a verbal update from Denis Wormwell, Chair of the VisitEngland Advisory Board (VEAB), on recent VEAB activities:
- (i) The last VEAB meeting was held on 20<sup>th</sup> November.
  - (ii) Two members had left the VEAB. Three new members will be joining in January 2020.
  - (iii) The VisitEngland Priorities and Budget for 2020/21 was reviewed and discussed.
  - (iv) The VEAB's discussed its core role as an advisory group and its input into compliance matters.
  - (v) The matter of the compulsory registration for businesses (as outlined in Development of Tourism Act 1969) was discussed, particularly its impact on the organisation.

### **Agenda item 21: Market Update**

26. The Board noted the England Domestic Performance Snapshot paper.

### **Agenda item 22: England Business Priorities 2020/21**

27. The Board noted the England Business Priorities 2020/21 paper.

### **Agenda item 23: Activity Update**

28. The Board noted the VisitEngland Activity Update paper. Andrew Stokes provided a verbal update with reference to the paper and the following was noted:
- (i) The micro-gapping campaign has transitioned to the next phase. The previous phase has been instrumental in helping identify key drivers for bookings being made.
  - (ii) A review of the English Tourism Week (ETW) had been undertaken by one of the VEAB members. Good practices and areas of improvement were identified. A new ETW executive committee has also been established.
  - (iii) The English Destinations Forum held on 21<sup>st</sup> November was a success, with representatives from 67 destinations in attendance.
  - (iv) Positive feedback had been received on the DMO Workshop delivered.
  - (v) The competition has been opened for the VisitEngland Awards for Excellence 2020.

#### **Agenda item 24: DEF Projects**

29. The Board noted the Discover England Fund (DEF) Update paper. Andrew Stokes provided the Board with a verbal update with reference to the paper:
- (i) £5.45m had been received from the recent spending review for the DEF for 2020. £3.25m has been spent, with £2m being invested into internal marketing.
  - (ii) Board Sponsor Project Review Meetings continued to provide key learnings across the different projects. Some of the feedback included: over-ambition in product development, better understanding of the travel trade needed, and product development taking longer than expected.
  - (iii) Projects now have bookable products through the TXGB platform.
30. The Board noted that there could be commercial opportunities in some of the projects. However, it was noted that some DMOs did have the required commercial skills and knowledge of international markets.

#### **Agenda item 25: TXGB/Taking England to the World Training**

31. The Board noted the Tourism Exchange Great Britain (TXGB) and Taking England to the World (TETTW) Update paper. Andrew Stokes provided a verbal update with reference to the paper:
- (i) The TETTW training programme, delivered as one-day session, has received positive feedback from SMEs. DMOs have found it a good way to add value to their membership. 800 SMEs would have been offered the training by the end of the year.
  - (ii) TETTW also brings great value to the organisation in terms of helping build relationships with DMOs and the tourism trade.
  - (iii) The TXGB platform has been progressing well. There are approximately 800 bookable products on the platform.
  - (iv) One of the key challenges of the TXGB work was in the fragmentation of the booking engine landscape, as there are so many available. Connecting these up has been a bigger task than anticipated at the start of the project.

#### **FOR NOTING**

#### **Agenda item 26: Board Resolution – Board Approval of Signatories for Allied Irish Banks Treasury Registration Form**

32. The Board noted the Board Resolution to approve signatories for the Allied Irish Banks' Treasury registration form.

#### **Agenda item 27: Any other business**

33. MeetGB 2020  
The Board noted that VisitBritain's annual international business events showcase would be held in Wales in April 2020. The event was being hosted in partnership with the Celtic Manor Resort and VisitWales. Up to 100 international buyers and 80 industry suppliers would be expected.

#### **Agenda item 28: Date of Next Meeting**

34. It was noted that the next meeting will be on Tuesday 28<sup>th</sup> January 2020 (10:00-14:30)

#### **Agenda item 29: Close**

35. The Chairman closed the meeting at 14:30.