

CONFIDENTIAL

MINUTES OF THE 446TH MEETING OF THE BRITISH TOURIST AUTHORITY HELD AT 10:00 ON TUESDAY 28TH JANUARY 2020 AT VISITBRITAIN, 151 BUCKINGHAM PALACE ROAD, LONDON SW1W 9SZ

Present:

Stephen Ridgway CBE	Chairman
Ian Edwards	Board Member / Wales Representative (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
Karin Sheppard	Board Member
Lord John Thurso	Board Member / VisitScotland Chairman (ex-officio)
Giles Smith	DCMS, Observer
Katy Best	Northern Ireland Tourist Board, Observer
Mark Taylor	London and Partners, Observer

In Attendance:

Sally Balcombe	Chief Executive / Accounting Officer
Patricia Yates	Director of Strategy & Communications
Peter Mills	Business Services Director
Andrew Stokes	England Director (England Matters agenda items)
Emma Wilkinson	Senior Brand and Customer Marketing Manager (agenda item 17)
Robin Johnson	Europe Director (agenda item 15)
Anthony Pickles	Head of Tourism Affairs (agenda item 10)
Henry Bankes	General Counsel and Company Secretary
Dale Rustige	Governance Executive (Minutes)

Apologies:

Denis Wormwell	Board Member / VisitEngland Advisory Board Chairman (ex-officio)
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Agenda item 1. Chairman's Update and Introduction

1. The Chairman welcomed the Board to the meeting. A warm welcome was given to the four new Board members: Carol Hui, Karin Sheppard, Peter Gowers and Robin Frewer. It was noted that their terms of office on the BTA Board formally began on 6th January 2020. Peter Mills, the new Interim Business Services Director, was also welcomed to his first meeting.

Agenda item 2: Apologies

2. There were no apologies received.

Agenda item 3: Declarations of Interest

3. The Board noted a new declaration from Lord John Thurso; he has been appointed the Chair of the Judging Panel for Hotels at International Property Media. This declaration would be logged in the Register of Interests.

Agenda item 4: Minutes of the Previous Meeting

4. The minutes of the meeting held on 3rd December 2019 were approved, with the following minor amendments agreed:

- (i) The following line under minute item 19 for the Remuneration and People Performance Committee will be amended to say “The Committee had reviewed its terms of reference and it was agreed that it would meet a minimum of three times per year.”

Agenda item 5: Matters Arising

- 5. The Board noted the following matters arising:
 - (i) The Board received and noted a paper which outlined how the organisation measured its return on investment (ROI) figures and how evaluations were done for the GREAT campaign. The paper also outlined how targets are set using government targets and how indicators were tracked.

STRATEGY, PERFORMANCE AND OUTLOOK

Agenda item 6: Review of Dashboard

- 6. The Board noted the BTA Board Dashboard paper. Sally Balcombe provided a verbal update with reference to the paper and the following points were noted:
 - (i) It was noted, for the benefit of the new Board members, that the dashboard is built around the BTA's corporate priorities and the deliverables aligned to these.
 - (ii) The GREAT campaign and its ROIs were on track. The DEF activities have been progressing well, with some minor challenges to the TXGB platform.
 - (iii) Strategy and Research were all on track. There have been discussions on looking at further ways to increase non-government funding.
 - (iv) Business events activities continued to progress well. Brexit may have an impact but this will be monitored.
 - (v) Significant investment was required in the IT infrastructure and legacy systems. Three bids for funding have been put forward by the Business Services Division to help address some of the key challenges.
 - (vi) There have been some cost pressures in quarter 3, with particular concerns in the retail shop and a net profit decline due to the impact of Brexit, industrial strikes, and commercial pressures from discounting activity outside the European market.
 - (vii) Options were still being explored for the office move in March/April 2020. The organisation will have to move from its current premises and various options were being looked at, including a business case for moving off government property to reduce costs. It would be a major corporate risk if the workforce had to move out of London.
 - (viii) The impact of Covid-19 (Coronavirus) on inbound tourism from the Chinese market was being monitored. The travel industry has been reporting a large number of cancellations.

Agenda item 7: CEO Report

- 7. The Board received a verbal update from Sally Balcombe and the following points were noted:
 - (i) Peter Mills has joined the organisation as the new Interim Business Services Director, under a one-year secondment from DCMS. Additional capacity was being implemented for the Business Services Division, which also includes vacant posts being filled.
 - (ii) Debra Lang has joined the organisation as the new Director of People & Talent and Transformation. One of her key initiatives would be cultural transformation. The HR directorate has been lifted out of Business Services to report directly to the CEO's office.
 - (iii) Following the departure of the Commercial Director, various commercial areas and activities have been redistributed across other areas of the business. In summary: Retail and the online shop will be overseen by the Europe Director, Partnerships by the Marketing Director, TXGB by the England Director, Business Events by the Strategy & Communications Director.

8. The Board had noted that the Business Services Division has submitted three bids to DCMS for more funding towards capital and resources to address key areas of challenge and the update of legacy systems.

Agenda item 8: State of the Market Snapshot

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

Agenda item 9: Political/Tourism Affairs

10. The Board received a verbal update from Patricia Yates and Anthony Pickles on political/tourism matters and the following points were noted:
 - (i) The organisation would be holding its 50th year anniversary and a celebration of tourism at the Tower of London. Representatives and partners across the tourism industry will be in attendance, including members of the Board.
 - (ii) There would be continued engagement with government departments and MPs to keep track of new government priorities and any reorganisation.
 - (iii) A key focus for government during the coming months would be setting its Budget for March 2020.
 - (iv) Taxation changes may have an impact on shaping tourism priorities.
11. The Board had a discussion regarding the impact of potentially new visa arrangements and ID card systems post-Brexit. It was noted that security issues should be weighted up alongside the economic aspect of a healthy tourist industry.
12. It was noted that a key priority would be for the BTA and DCMS to build its relationship with the future Secretary of State.
13. The Board had a discussion regarding the BTA's other funding bids currently in the pipeline. There was an opportunity in receiving grant money for the Tourism Zones initiative. There would also be a potential opportunity for an increase in domestic (VisitEngland) activity. The future of the GREAT campaign and funding opportunities would also be considered.

Agenda item 10: Tourism Trends: Britain Inbound

14. The Board noted the Tourism Trends paper.

BTA CORPORATE MATTERS

Agenda item 11: Audit & Risk Committee Update and Minutes

15. The Board received a verbal update from Carol Hui, the new Chair of the Audit & Risk Committee. The Committee met on 14th January 2020 and Ms Hui provided an update on the following points covered at that meeting:
 - (i) The Committee had a discussion regarding its scope and responsibilities, and it was agreed that its terms of reference would be reviewed to ensure that it is fit for purpose and aligned with statutory guidance and requirements.
 - (ii) The draft Annual Report and Accounts 2018/19 (ARA) was discussed in terms of its progress. There will be continued engagement with the external auditors (National Audit Office) regarding regularities in the accounts. The aim would be to review the final draft ARA 2018/19 at the next Committee meeting in March 2020.
 - (iii) The internal audit plan was also discussed and reviewed. It was noted that the appointment of internal auditors would need to be reviewed as the contract with the current auditors will be ending.
 - (iv) A review of corporate risks was being undertaken. The Committee also discussed the importance of fully understanding inherent risks, mitigating them, and post-mitigation actions in particular.

Agenda item 12. Compliance Action Plan & Report on Progress

16. The Board noted the papers which outlined the Compliance Action Plan and the progress made. The Chairman provided a verbal update and noted that the Compliance Action Group has continued to meet weekly to monitor and review progress. Monthly reports were also being provided to DCMS. It was noted that compliance would continue to be a priority for the organisation. The next stage would be to look at ensuring long term sustainability and embedding compliance into the company culture.
17. The Board was provided with a background on the past compliance challenges and how measures were put in place swiftly by both the Board and senior leadership in response to the challenges. Measures have been put in place in terms of improved controls and processes. A broad range of areas were looked at such as governance, finance, procurement, contract management and HR policies.
18. The Board discussed the qualification of the previous Annual Accounts (2017/18) by the external auditors, which was based on a regularity issue. It was noted that the overall external audit opinion was that the financial statements gave a true and fair view of the accounts and that they were properly prepared in accordance with statute.
19. There was a query from the Board regarding the risks posted by whistleblowing to the organisation and the processes in place for handling whistleblowing cases. The Board was informed that policies were in place on handling whistleblowing incidents if they are made directly to the organisation or its parent department, DCMS. However, it was noted that whistleblowing cases reported directly to the National Audit Office (NAO) would be outside the organisation or DCMS's control.
20. It was noted that there has been a formal letter recently received from DCMS that has been sent to Sally Balcombe, as the Chief Executive & Accounting Officer, addressed the work on compliance activities and progress made. The letter also discusses the possibility of extending the scope of the work on compliance, governance and internal controls, including whistleblowing processes.

Action: It was agreed that this letter would be shared to the Board for transparency. This would be shared with the Board in parallel to the response being made.

Agenda item 13: Business Plan & Budget

21. The Board noted the Business Plan & Budget 2020/21 paper. It was noted that this item was presented at the Board meeting in December 2019. Patricia Yates presented a verbal update and a recap for the Board based on the paper and the following was noted:
 - (i) The 2020/21 targets were in the process of being agreed with DCMS. This would be based on the same methodology as the last spending round. It was noted that there has been very good performance against targets from previous years and the BTA has exceeded in certain areas.
 - (ii) There were six key areas of focus set by DCMS in the spending round funding letter: operational performance, international business events, working with DCMS to engage internationally, focus on DEF, refining the business cases for the upcoming 2020 spending review, continue generating efficiency savings and growing commercial revenue.
22. The Board received a verbal update from Peter Mills on the income for 2020/21. This includes a breakdown of the funding from the core budget, grants from the GREAT campaign, Discover England Fund (DEF) and other resources such as income from the online shop. The Board were also presented with the business planning principles which is informed by: process, staff (short term and long term investment), contingency, and market investment.
23. The Board had a question regarding other potential opportunities for funding. The Board was informed that there would be potential from Tourism Zones, EU Exit, and Data Hub projects, which would be explored.
24. Other areas of interest include activities relating to accessibility. A pilot has been underway on developing accessible tourism itineraries.

25. The Board discussed a key area of concern, which was the accommodation move of the London office in March 2021 when organisation's current lease ends. In addition to risks relating to an impact on the workforce, there would also be budgetary implications. A paper on the accommodation move would be presented to the Board meeting in March 2020 for consideration.

Agenda item 14. Sustainability Road Map

26. The Board had noted the Sustainability Road Map paper, which outlines the BTA's proposed plans against the sustainability agenda. The Board was informed that an engagement and evidence gathering programme on sustainability and tourism will be undertaken. The aim was to gain an insight on what UK tourism is currently doing, should be doing, and how sustainability fits in with growing tourism. The eventual aim would be for the BTA to be a source of guidance and advice to the industry on sustainability policy.

BRITAIN MATTERS

Agenda item 15: European Recovery Marketing Campaign

27. The Board noted the European Recovery Marketing Campaign paper. Robin Johnson provided a verbal update. The key priority was to highlight to the European market that Britain is still an inviting and exciting place to visit. The European market is vital to inbound tourism. However, indicators have shown that there has been a negative impact from the Brexit situation. The key challenge was in shifting the perception into a positive message.
28. The key audiences were categorised as the Buzz Seekers (18-35 age group), with the secondary target being the Explorers (35+ group). The strategy was to use a new narrative in making Britain more people focused, with a "come on over" strapline. The project would be linked with cultural themes that have been proven to influence visitors. Media activities around this would include producing a launch film and series of short clips featuring Europeans that have visited the UK. The work would be collaborative and would involve devolved nations, DMOs, and commercial partners.
29. The Board was informed of the timelines and proposed funding resources for this work. It was noted that the plan was for an initial launch in June 2020. The current budget was £5m for activation. Further sources of funding would be from government and partners. It was noted that there may be an opportunity in the future to adapt this campaign to a global audience.

ENGLAND MATTERS

Agenda item 16: Discover England Fund 2020/21 Update – Bids, Process, Decisions

30. The Board noted the Discover England Fund 2020/21 Update: Bids, Process and Decisions paper. Andrew Stokes provided a verbal update. He provided an overview of the programme and its key achievements from its launch in 2016 to present.
31. The Board was informed of the ambitions for Year 5 of the DEF programme, which included: continued growth of sales, DMC engagement, securing private sector investment for sustainability, developing commercial opportunities, greater collaboration between products and target markets.
32. The total budget for 2020/21 is £5.45m. The Board was informed of the budget and priorities for Year 5 as outlined on the paper.
33. The key criteria for Year 5 Projects would be a clear focus on amplification of products developed to date and new opportunities as appropriate. Large-scale projects and eligible Year 3 projects can apply for funding in Year 5 to scale up products across wider geographical areas and for further development.

34. There was a discussion on the key challenges with the TXGB Platform. Work would continue on promoting it and educating small-to-medium enterprises (SMEs) on the platform. There were approximately 9000 products available on the platform.

Agenda item 17: England Marketing Update

35. The Board noted the England Marketing Update paper. Andrew Stokes and Emma Wilkinson provided a verbal update to the Board and the following was noted:
- (i) The first 5 years of the GREAT campaign ran by VisitEngland had targeted family audiences, resulting in this audience adopting domestic breaks naturally. The campaign shifted to targeting 16-34 year olds from 2017 after data revealed a lost generation. This then evolved into the microgapping campaign from 2018/19.
 - (ii) The VisitEngland team has been working with its media planning agency to develop an integrated communications strategy for England. Roles have been clearly mapped out with partners, industry and customers on where the biggest impact can be made for driving domestic travel. A dedicated England market team has also been established. The Board was also updated with the list of priorities for the year ahead.
 - (iii) The microgapping campaign continues and is currently in its second year. Results have been very positive with from the brand tracker feedback with a strong improvement on last year's results.
 - (iv) A new family campaign was being launched targeting the "aspirational family fun" audience of mid-life 25-54 year-old couples with pre-school age children. The aim is to tap into the emotion of creating long lasting memories through the lens of popular pre-school TV show, Peppa Pig.

Agenda item 18. Tourism Trends: Domestic

36. The Board noted the Domestic Tourism Trends paper.

Agenda item 19. Management Accounts Q3

37. The Board noted the Quarter 3 Management Accounts.

FOR NOTING

Agenda item 20: Audit & Risk Committee Minutes

38. The Board noted the Audit & Risk Committee minutes from 14th January 2020.

Agenda item 21: Remuneration & People Performance Committee Minutes

39. The Board noted the Audit & Risk Committee minutes from 20th November 2019.

Agenda item 22: Any Other Business

40. There was no other business to report.

Agenda item 23: Date of Next Meeting

41. It was noted that the next meeting will be held on 31st March 2020

Agenda item 24: Close

42. The meeting was closed at 2.30pm.