

CONFIDENTIAL

MINUTES OF THE 447TH MEETING OF THE BRITISH TOURIST AUTHORITY HELD AT 10:00 ON TUESDAY 31ST MARCH 2020 VIA TELECONFERENCE

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)
Denis Wormwell	Board Member / VisitEngland Advisory Board Chairman (ex-officio)
Giles Smith	DCMS, Observer
Mark Taylor	London and Partners, Observer

In Attendance:

Patricia Yates	Acting Chief Executive & Account Officer / Director of Strategy & Communications
Peter Mills	Business Services Director
Henry Bankes	General Counsel and Company Secretary
Dale Rustige	Governance Executive (Minutes)

Apologies:

Sally Balcombe	Chief Executive / Accounting Officer
Katy Best	Northern Ireland Tourist Board, Observer

Agenda item 1. Chairman's Update and Introduction

1. The Chairman welcomed the Board to the meeting and noted the following updates:
 - (i) DCMS has extended the Chairman's term of office for a three-month period, until the end of June 2020. This was to provide leadership and support business continuity through the covid-19 epidemic, until the appointment of the new BTA Chair.
 - (ii) Sally Balcombe has unfortunately been unwell and during her absence, Patricia Yates would be the Acting Chief Executive and Accounting Officer. The Board expressed its well-wishes for Ms Balcombe and her speedy recovery.
 - (iii) Denis Wormwell, would be finishing his term of office as Chair of the VisitEngland Advisory Board and as ex-officio member of the BTA Board. The Board offered its warm thanks to Mr Wormwell for all his hard work and efforts during his twelve years of working with the BTA. Giles Smith had also offered thanks on behalf of DCMS.
 - (iv) It was agreed that Fiona Pollard would be Acting Chair of the VisitEngland Advisory Board in the interim period until a new Chair is appointed.

Agenda item 2: Apologies and Declarations of Interest

2. Apologies have been noted and listed above.
3. There were no new declarations of interest.

Agenda item 3: Minutes of the Previous Meeting

4. The minutes of the meeting held on 28th January 2020 were approved.

Agenda item 4: Matters Arising

5. The Board noted the following matters arising:
- (i) The Board had a discussion regarding the feedback from DCMS on the BTA's work to further strengthen its compliance processes, internal controls, and governance framework. The Board was informed that the BTA was on track with implementing the assurances required on compliance matters. Formal correspondence between DCMS and the BTA were noted by the Board.

STRATEGY, PERFORMANCE AND OUTLOOK

Agenda item 5: CEO Report

6. The Board received a verbal update from Patricia Yates and the following points were noted:
- (i) Core spend for the GREAT campaign would be on hold due to the impact of covid-19 on government priorities. It was noted that there would be potential risks and issues arising from this, as contracts had already been agreed, with activities timetabled. The BTA has been working closely with DCMS to resolve any issues and ensure compliance for payment towards planned activities.
 - (ii) English Tourism Week (ETW), which was originally due to take place in April, has been rescheduled to May 2020. It was noted that ETW would continue and will be held virtually.
 - (iii) The government's comprehensive spending review (CSR) has been delayed, with a potential for it to be carried out towards the end of the calendar year.
 - (iv) It was noted that the BTA's server room had to be moved to the disaster recovery site due to air-conditioning issues during the lockdown of the current premises at 151 Buckingham Palace Road. The system has been back up and running fine.
7. The Board were asked to provide formal approval to authorise the use of some Discover England Fund (DEF) resources to help Destination Management Organisations (DMOs). The aim was to repurpose a part of the DEF money to keep DMOs running, enabling them to operate for three months with two members of staff each.

APPROVED: The Board approved the use of DEF resources to support DMOs.

Agenda item 6: Update on Covid-19

8. The Board noted the paper that outlined an update on the covid-19 outbreak and its impact on the tourism industry and economy. Patricia Yates provided an update and the following points were noted:
- (i) The report provided a detailed impact analysis on the tourism industry and inbound travel and tourism. Currently, inbound tourism has been halted and inbound visits were down by 95%.
 - (ii) A range of scenarios were outlined in the report, including a future picture of recovery for inbound tourism. With the most optimistic of scenarios, the direct cost of the covid-19 epidemic was estimated to be around £8.1bn. The impact on domestic tourism could be great, with a potential loss of £21.5bn in consumer spending in this sector during a 10-week lockdown. A short but sharp economic recession is the likely outcome, with spike in unemployment.
 - (iii) It was noted that all BTA staff across offices globally are working from home following the lockdown and social distancing measures put in place by governments. Challenges were noted with staff balancing work and childcare, during the closure of schools. Mental health awareness and staff morale has been highlighted as a key priority during this time.
 - (iv) Tourism Industry Emergency Response (TIER) group meetings are being held weekly and is attended by the Tourism Minister.
 - (v) The BTA is working closely with government in support of the tourism industry. Communications have swiftly been issued by the organisation across industry networks to provide guidance and support. The BTA would also be working on developing a policy paper for government relating to support for the tourism industry and to facilitate its quick recovery, post-covid-19.

9. Board members had a discussion regarding the impact of the covid-19 situation on various areas of the industry that they have involvement in. The following key points were noted:
 - (i) Domestic tourism would very likely have an opportunity to recover much quicker than inbound tourism.
 - (ii) Business travel may see signs of earlier recovery in comparison to leisure travel.
 - (iii) Cancellations across tour operator businesses would cause a heavy impact on the industry. Cancellations would directly impact cash flow, as there would be a delay in businesses to receive money back from suppliers, after they issue refunds to customers.
 - (iv) Small businesses had been finding it difficult to access loans and emergency funding, with some nearing collapse.
 - (v) It was noted by the Board that the government may not be fully aware of the wider impact of the lockdown. It was necessary to ensure that the full picture and impact at grass roots level is communicated directly to government.
 - (vi) Giles Smith noted on behalf of DCMS that the support from the BTA has been invaluable during this time. There has been good engagement between the BTA, DCMS with HM Treasury, which has been helping shape the government's support for the tourism industry.

Agenda item 7: Review of the Dashboard

10. The Board noted the BTA Dashboard paper and had taken this as read.

Agenda item 8. Political/Tourism Affairs

11. The Board noted the Government Comprehensive Spending Review (CSR) Timings paper and had taken this as read.

CORPORATE MATTERS

Agenda item 9: Audit & Risk Committee (ARC) Update

12. The Board noted the ARC Annual Report 2018/19 paper. Carol Hui, Chair of the ARC, provided a verbal update and the key points below were noted.
13. The ARC's terms of reference have been revised and approved by the ARC at its recent meeting in March 2020. The aim was to provide greater clarity on the responsibilities of the ARC. Statutory guidance and standards had been reviewed in the process, ensuring that the ARC's scope was aligned to these.
14. **APPROVED: The Board noted and approved the revised ARC terms of reference, subject to the following recommendations from the Board:**
 - (i) To include a statement that the ARC has a responsibility to provide assurance that appropriate policies are in place to support internal controls and corporate governance; also that they are periodically reviewed by the relevant committee or group. Furthermore, that the ARC would be provided with a schedule of policies that would list all policies across the BTA and relevant review dates.
 - (ii) An amendment on section 11.2 of the terms of reference to emphasize that the ARC will be provided with the required information in a timely manner to permit proper scrutiny.

(Action owners: Henry Bankes / Dale Rustige to amend the terms of reference)

15. The reports from two internal audit reviews carried out by the internal auditors (Mazars LLP) had been reviewed by the ARC at its March meeting. One was a review on Governance and Assurance arrangements and the other on Key Financial Controls. The Board was informed that actions and plans have been put in place to address the recommendations from both reports. The ARC would continue to monitor progress against the audit recommendations.

16. The ARC continued to review and monitor the corporate risk register. It also receives reports on single tender actions undertaken by the organisation and monitors compliance in this area.

Agenda item 10: Annual Report and Accounts 2018/19

17. The Board received and noted the Annual Report and Accounts (ARA) 2018/19.
18. The Board was informed that the Audit & Risk Committee had undertaken a detailed review of the ARA at their meeting in March 2020. The Board was also provided with a summary of the work undertaken on the ARA 2018/19, including the next steps leading towards laying the ARA before Parliament; it was noted that there may be a delay in the submission process due to the covid-19 lockdown.
19. A number of outstanding matters and some final queries were in the process of being resolved with the NAO. Final amendments had been made to the governance statement within the ARA.
20. It was noted that the ARA 2018/19 have been qualified due to matters relating to regularity with compliance on DCMS approvals for single tender actions; full details behind this have been outlined within the ARA. The Board was provided with assurances that internal controls in the areas relating to this have been reviewed and addressed.
21. It was noted that the financial statements within the ARA have been prepared on the basis of going concern and the assumption that the BTA will continue in operational existence for the foreseeable future. At year-end in March 2019, the BTA had a tax-payers' deficit of £13,185,000. However, operating cash flows, including grant aid funding, remains positive for the foreseeable future based on forecasts and budgets.
22. **APPROVED: The Board approved the Annual Report and Accounts (ARA) 2018/19.**

Agenda item 11: Compliance Action Plan – Update & Progress

23. The Board noted the Compliance Action Plan paper and had taken it as read.

Agenda item 12: 2020/21 Business Plan and Budget (including KPIs)

24. The Board noted the 2020/21 Business Plan and Budget paper.
25. The paper provided at outline of the business plan for 2020/21. The plan has taken in account some degree of flexibility due to the impact of covid-19. Priorities have already been revised in response to the impact and these are outlined within the paper.
26. There would be three key areas of focus in the corporate priorities: covid-19 response and recovery, transformation in relation to compliance and people dimensions, and future proofing. Various factors have also been accounted for in the revised budget, such as the reduced activity resulting from covid-19.
27. It was noted that there will be risks to commercial revenue streams, the online shop, and foreign currency. There were also business risks relating to the BTA's suppliers and work will be undertaken with key suppliers to assess and identify any risks.

Agenda item 13: Pensions Update

28. The Board noted the Pensions Update paper.
29. The Board had also noted its approval, via electronic correspondence, to the closure of the Defined Benefits Pension Scheme to future accrual.

Agenda item 14: Any Other Business

30. Accommodation: The Board was provided with a progress update on the work to find the BTA's future premises. The organisation will have to move out of its current offices at 151 Buckingham Palace Road by March 2021. The current status of discussions indicates that the BTA should be able to stay in Central London for a period of six years. Beyond that, options may have to be explored for offices outside of London.

PAPERS FOR INFORMATION

31. The Board noted the following papers circulated in advance of the meeting for information and took these as read:
- (i) Accommodation Update
 - (ii) Levelling Up and How Tourism/VisitBritain Can Deliver
 - (iii) Tourism Trends: British Inbound and Domestic
 - (iv) Management Agreement Letter 2020/21
 - (v) Audit & Risk Committee Minutes, 24 March 2020 (unapproved minutes)
 - (vi) Remuneration & People Performance Committee Minutes, 6th February 2020 (unapproved minutes)

Agenda item 15: Date of Next Meeting

32. It was noted that the next meeting will be held on 24th June 2020.

Agenda item 16: Close

33. The meeting was closed at 12.30pm.