

**MINUTES OF THE 415h MEETING OF VISITBRITAIN  
HELD AT 9.00AM ON WEDNESDAY 28 OCTOBER 2014 AT  
VISITBRITAIN, 20 GREAT SMITH STREET, LONDON SW1P 3BT**

**Present:** Christopher Rodrigues, CBE  
Katy Best  
Dr. Michael Cantlay  
Penelope, Viscountess Cobham  
Dan Clayton Jones, OBE  
John Lindquist  
Steve Ridgway

**Apologies:** Ian McCaig

**In Attendance:** Sally Balcombe, Chief Executive  
Keith Beecham, Director, Overseas Network  
Patricia Yates, Director, Strategy and Communications  
Ros Carey, Secretary to the Board  
Joss Croft, Director of Marketing+

Holger Lenz, Manager, Central and Southern Europe, for part  
Gary Robson, Regional Manager, Nordics and Russia, for part  
Stephen Bircumshaw, Digital Programme Manager, for part

1. The Chairman welcomed Katy Best to her first meeting of the Board and Sally Balcombe to her first meeting as Chief Executive.

**Minutes of the Last Meeting**

2. The minutes of the meeting held on 17 September were approved and signed subject to amending the figure of £232.75 in paragraph 15 to £232.75 million.

**Matters Arising from the Minutes**

3. There were no matters arising.

**Declarations of Interest**

4. There were no interests to declare in connection with any of the items on the agenda.

**Review of Market Conditions**

5. Sally Balcombe presented her Market Snapshot noting that Italy had simplified its visa application procedures for Chinese visitors and had reduced processing times, as had France and Germany. Meanwhile, Brand USA was planning to couple material

explaining the USA's visa and entry policy with inspiring and welcoming messages via a variety of mediums.

6. The Board requested that data to illustrate the UK's competitive position be circulated or discussion at the next meeting.
7. Sally Balcombe also drew the Board's attention to the increasing trend towards booking accommodation on smartphones and tablets which now accounted or 21% of hotel bookings worldwide.

### **Chief Executive's Report**

8. Sally Balcombe introduced her report, highlighting in particular:
  - That the GREAT China marketing campaign, in which VisitBritain was investing £1.6 million, would be the largest campaign which VisitBritain had undertaken in China. UKVI was investing £160,000 alongside this to improve the perceptions of UK visa procedures in China;
  - Recent stakeholder activity and events which had included the Annual Review launch, the VIBE event, which had run alongside a separate event where the PR team from around the world had met colleagues from UK destinations, and the British Tourist Industry Group meeting;
  - That VisitBritain had recently hosted its first media trip from Saudi Arabia. Seven journalists and a representative from Saudi Tourism Media had spent ten days visiting London and Shakespeare's England concluding with a briefing on VisitBritain's activities in Saudi Market Arabia;
  - The recent launch of the latest version of VisitBritain's travel trade website on 15 October and that it was now the first national tourism body to offer a free directory for tourism businesses which enabled them to manage their own listings on VisitBritain's platforms, allowing them to be searchable and contactable by the overseas trade;
  - That VisitBritain had partnered with UKinbound, Avianca and the British Embassy in Bogota to organise a roadshow to leverage Avianca's new flight between Bogota and London. Thirteen UK tour operators had attended and met with one hundred and fifty local operators and agents;
  - That work with DCMS had continued to establish a pilot scheme for a visa refund scheme in China, open to 25,000 visitors spending more time beyond London. HM Treasury had allocated £2.1 million to the project subject to VisitBritain designing a scheme which met the criteria set down by Treasury and which would also be commercially viable for the Chinese travel trade to implement. It was hoped that the Scheme would be launched during World Travel Market;

- That the Secretary of State for Culture, Media and Sport, Sajid Javid, had visited India during October and had been briefed by Shivali Suri, Manager, India; and
  - That, as previously reported, Phase 1 of the digital programme was underway to deliver a new consolidated platform which would provide a greatly improved customer service and enable VisitBritain's strategic partners to easily integrate into the platform. Formal approval had been obtained to proceed to tender and three competitive procurement processes had been completed. The project was on course to deliver to timetable.
9. Sally Balcombe then thanked Dan Clayton Jones and Visit Wales for the enormous amount of support which they had provided to ensure that the recent staff planning conference in Cardiff had been so productive and successful.
  10. In conclusion, Sally Balcombe briefed the Board on the headline results of the latest Anholt-GfK Roper Nation Brands Index which revealed that the UK had dropped back three places on its 'welcome' score to its pre-Olympic position.
  11. The Chairman requested that a note of the questions asked, the composition of the panel and an analysis of the latest results be circulated to the Board.
  12. In response to a question from Dan Clayton Jones concerning the Welsh Affairs Committee Report on its Inquiry into the International Representation and Promotion of Wales by UK bodies, Patricia Yates advised that DCMS would draft the formal response and that convention did not allow for VisitBritain to respond meanwhile to those recommendations which affected it.

### **GREAT Update**

13. Joss Croft gave an interesting and informative presentation to update the Board on progress on the GREAT marketing campaign.
14. The targets for 2014/15 were to attract an additional 420,000 inbound visitors spending £265 million. The campaign budget was fully committed and progress to raise match-funding of £4.25 million was on track.
15. Joss Croft then briefed the Board on current campaign activity which included:
  - The Countryside is GREAT campaign, which aimed to position the British countryside as a beautiful and accessible place to enjoy unique experiences, would be launched globally in January. Partners involved in the campaign included Expedia, P&O Ferries and Brittany Ferries; and
  - The Paddington is GREAT campaign which would launch later in the year to

co-incident with the release of the film. The campaign aimed to extend the reach of the GREAT campaign and promote the whole of Britain. It would include a competition to create data capture opportunities.

16. Joss Croft also briefed the board on the many tactical campaigns which were currently in market or which would launch within the next few months including a campaign with British Airways and BBC.com which would involve the creation of new Great Britain content for the BBC.com website aimed at attracting inbound visitors and, in due course, inward investment. The international section of BBC.com received approximately 76 million unique users each month, only 4.6% of whom were ex-pats.
17. Joss Croft then responded to questions including as to progress on incorporating regional and national branding into GREAT.
18. Holger Lenz and Gary Robson joined the meeting.

### **Triennial Review**

19. Patricia Yates introduced her paper which updated the Board on the progress of the Review.
20. Patricia Yates reported that Mark Fisher CBE, Director of Social Justice at the Department of Work and Pensions, the lead official on the Review, had now met with the Chairman, Sandie Dawe, Keith Beecham and Sally Balcombe. Further meetings were planned with Joss Croft, John Lindquist, Steve Ridgeway and Iain McCaig, the latter two by telephone.
21. Two round table discussions had also taken place, one focussed on international tourism and the other on domestic and the Review team has also agreed to interview key private sector bodies which operated in partnership with VisitBritain overseas.
22. In conclusion, Patricia Yates reported that the first meeting of the Challenge Group and the Review Team had also taken place on 24 October.

### **Corporate Risk Registers Review**

23. John Lindquist introduced this item which had been reviewed by the Audit Committee at its last meeting.
24. The Chairman asked if the Audit Committee was satisfied that the British Tourist Authority had an adequate system of control in place to manage risk and John Lindquist responded that it was.
25. The Board also agreed that a robust system was in place and did not identify any new risks which did not appear on the Registers.

26. Steve Ridgway said he would find it helpful if, in future, risks could be split into two categories: those which VisitBritain could control and those which it could not because they were caused by external factors over which the organisation had no control.

### **Europe Presentation**

27. Holger Lenz and Gary Robson gave an informative and thought provoking presentation on VisitBritain's European markets which provided a detailed overview of market performance, the strategic challenges and details of the resources which VisitBritain invested in each market.
28. Holger Lenz and Gary Robson advised the Board that, in 2013, VisitBritain's European markets had accounted for 75% of the total number of visits from all of its markets and 51% of spend before going on to break the data down by country and to examine the trends between 1993 and 2013.
29. The Board held a lengthy discussion debating which of the European markets offered the best prospects for growth and regional spread following which it was agreed that the allocation of resource between markets should be reviewed as part of a wider strategic review.
30. It was also agreed that VisitBritain and its Strategic Partners should work together to ensure that their investment in European markets was maximised.

### **Marketing Strategy Update**

31. Joss Croft gave a short presentation to brief the Board on progress on the draft Marketing Strategy noting that it had now been combined with the Digital Strategy.
32. The draft Strategy aimed to be customer focussed and relevant to VisitBritain's partners to facilitate delivery against shared ambitions and to add value by changing and influencing potential visitors' destination choices, targeting high spending and repeat visitors, encouraging regional spread and creating a 'halo' effect which benefited VisitBritain and its partners.
33. Joss Croft then reported that since the last meeting, the Digital Strategy had been developed, the segmentation project was nearing completion and consultation had taken place with the Strategic Partners' Marketing Directors. Joss Croft then briefed the Board on their comments and the Executive's response.

### **Market Segmentation Project Update**

34. Joss Croft presented his paper which briefed the Board on progress on the market segmentation project since the previous meeting.
35. The majority of VisitBritain's priority markets had now been segmented and the exercise would be complete by the end of the year.

36. The final stage of the project would identify commonalities between the segments in order to identify, global, regional or pan-market segments.
37. The Chairman asked that, at a future meeting, Joss Croft brief the Board on the wider benefits of the work beyond its marketing application.

### **Inbound Tourism Forecast**

38. Patricia Yates introduced David Edwards' paper which sought approval for the central volume and value forecasts for inbound tourism for 2015 and the revised 2014 forecast.
39. John Lindquist welcomed the inclusion of the forecast methodology in the paper but commented that it was biased towards historic trends data and that, in future, more use should be made of future trends data.
40. The Board commented that the forecast ranges were rather wide and John Lindquist considered that an inflexion point might have been reached.
41. Following discussion, it was agreed that the transmittal letter to DCMS should highlight key downside, an upside, risks and be circulated to Board Members for approval.
42. The revised forecast for 2014 was approved.
49. Holger Lenz and Gary Robson left the meeting.

### **Draft Minutes of Audit Committee meeting of**

50. John Lindquist introduced the draft minutes of the Audit Committee meeting held on 14 October highlighting:
  - That a holding letter had been sent in response to HMRC's notification that BTA should submit proposals for revised VAT arrangements and that the Executive had been asked to bring a paper to the Committee proposing alternative methodologies;
  - That, following a review of non-tendered contracts, the Committee had invited PwC to undertake a review to ensure good procurement practice was followed;
  - That PwC had completed a review of BTA's foreign currency management and many of the short term recommendations had already been implemented; and
  - That the Committee would review the timetable for the production of the next Annual Report and Accounts at its next meeting and would also consider whether

the format of the Annual Report should remain the same or be streamlined and would be pleased to know Board Members' views.

51. The Chairman advised Colleagues that John Lindquist had been undertaking a considerable amount of work supporting in relationship to his role of Chairman of the Audit Committee and expressed his gratitude.

### **VisitBritain and VisitEngland Management Accounts**

52. Sally Balcombe introduced the VisitBritain Management Accounts to 30 September noting that retail performance remained strong and that the sale of The London Planner had been completed.
53. The Board also noted the report on the movements on foreign exchange contracts reaching maturity in the year to 30 September 2014 and the VisitEngland Management Accounts to 31 August 2014.

### **Tourism Trends**

54. The Board noted David Edwards' report, which provided a briefing on inbound tourism surveys and market conditions.

### **Secretariat Items**

55. The Board noted the programmes of meetings for 2014 and 2015, the Tourism Events Diary and the Forward Agenda.

### **Any Other Business**

56. The Board approved the appointment of Ian McCaig to the Remuneration Committee.

### **Digital 'Deep Dive'**

57. Joss Croft gave a presentation to inform a discussion to identify and agree the primary objective for VisitBritain's digital operations.
58. Joss Croft's presentation was wide-ranging and covered the way in which the approach to marketing had changed over the years especially since the advent of the digital age; consumer behaviour; the role of e commerce; future trends and the challenges and opportunities which all of this posed for industry and national tourism organisations.
59. Joss Croft suggested that a new customer-driven approach was needed which provided consumers with relevant, preferably personalised, content at relevant points in the decision-making journey. This would mean ensuring VisitBritain's content was in a place where the customer would see it in a language they understood.

60. Such an approach would involve a move away from channelling traffic through VisitBritain's own websites and referring it on to partners' sites to a more targeted approach of placing VisitBritain and its Strategic Partners' curated content on third party websites where the consumer wanted to view it.
61. After a lengthy discussion the Board endorsed the approach proposed.
62. Sally Balcombe advised that the next steps would be to engage with the Strategic Partners' digital teams to progress the proposed approach.
63. Stephen Bircumshaw then joined the meeting and gave a presentation which provided a detailed update the Board on the Digital Transformation Programme.

**Date of Next Meeting**

64. To be held on 9 December 2014.