

MINUTES OF THE 443RD MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 10:00 HOURS ON TUESDAY 18 JUNE 2019 AT

VISITBRITAIN, 151 BUCKINGHAM PALACE ROAD, LONDON SW1W 9SZ

Present: Stephen Ridgway, CBE (Chairman)
Dame Judith Macgregor
Lord John Thurso
Denis Wormwell
John Lindquist
Giles Smith (DCMS)
Ian Edwards
Katy Best
Mark Taylor
Jason Thomas

In Attendance: Sally Balcombe, CEO
Patricia Yates, Strategy & Communications Director
Hazel Cunningham, Business Services Director
Robin Johnson, Europe Director (for Agenda item 11)-
Manuel Alvarez (for Agenda item 14)
Travis Qian (for Agenda item 14)
Rukshana Rahman, Senior Paralegal
Parvez Bhatti, Senior Paralegal

Apologies: Ian McCaig

Agenda item 1. Chairman's Update and Introduction

1. The Chairman welcomed the Board to the meeting.
2. The Chairman updated the Board on the following matters:
 - (i) Sally Balcombe and Denis Wormwell have met Rebecca Pow who has been appointed as the new Minister for Arts, Heritage and Tourism.
 - (ii) The achievements of ExploreGB 2019 were discussed and it was noted that the request for tender for ExploreGB 2020 is out.
 - (iii) The Chairman and Lord Thurso have both met with John Thorpe of the National Audit Office (NAO) and reported it was positive.
 - (iv) The Board was provided with a brief update of the latest developments relating to the Industrial Strategy.
 - (v) Recruitment for the VisitEngland Advisory Board (VEAB) and British Tourist Authority (BTA) Board positions has commenced. It was noted that the closing date for applications is 31 July 2019 and that interviews will be scheduled on the 1, 2 and 8 October 2019.
 - (vi) The Board was introduced to Rukshana Rahman and Parvez Bhatti who would be taking the Minutes.

Agenda item 2: Apologies

3. Apology from Ian McCaig was noted.

Agenda item 3: Declarations of interest/Conflicts

4. There were no new declarations of interest.

Agenda item 4: Minutes of the Meeting held on 19 March 2019

5. The Minutes of the meeting held on 19 March 2019 were approved. There were no new matters arising from the Minutes.

Agenda item 5: Review of Dashboard and Agenda item 6: CEO report

6. Sally Balcombe provided the Board with a verbal update on recent developments with reference to the circulated paper, "BTA Board dashboard".
7. The following points were noted:
 - (i) The partnership with destination management companies supporting the Discover England Fund (DEF) has been positive and a long term strategic plan is currently underway.
 - (ii) The focus on risk and compliance continues in terms of Assurance Statements from Directors, and a new procurement training e-module was launched in May 2019 and is mandatory for all budget holders to complete.
8. An update was provided in relation to the devolved administration joint meeting held last week, where it was agreed that a letter would be written to the regulator concerning the International Passenger Survey (IPS). The issues with IPS include the following:
 - (i) the accuracy of the readout for individual markets; and
 - (ii) the samples sizes.
9. The Board discussed alternative solutions to IPS including the request for the creation of a data hub as a long term solution although, it was noted that there is currently no immediate replacement. The Board reported these points had been raised in the meeting with John Thorpe of NAO at the beginning of June.

Agenda item 7: State of the Market Snapshot

10. Sally Balcombe provided the Board with a verbal update of the snapshot dated June 2019 which was circulated to the Board prior to the meeting and was taken as read.

Agenda item 8: Political/Tourism Affairs

11. Patricia Yates provided a verbal update in relation to the current political situation and its impact on tourism. In particular, the following points were noted:
 - (i) there is a tight window of opportunity to launch the Tourism Sector Deal;
 - (ii) the spending review is imminent and preparation work has already begun; and
 - (iii) the impact of Brexit.

Agenda item 9: Industrial Strategy Update

12. Patricia Yates provided a verbal update on the Industrial Strategy. It was noted that DCMS and the VisitBritain Communications team were working on an announcement concerning the Industrial Strategy.

Agenda item 10: Spending Review Update

13. Patricia Yates referred the Board to the June 2019 paper that was circulated at the meeting, "Political update – Sector Deal, Spending Review and Timetable". It was noted that the BTA's commitments for the Tourism Sector Deal are as follows:
- (i) project manage the sector deal implementation;
 - (ii) manage the delivery of Tourism Zones;
 - (iii) host and develop the Tourism Data Hub;
 - (iv) promote and maintain Britain's leading accessibility capacity with new consumer webpages and build global marketing;
 - (v) lead the new UK Business Events Plan;
 - (vi) spread best practice and engagement on key productivity targets; and
 - (vii) produce annual reports on progress for the Tourism Industry Council and other Government departments.
14. It was noted that DCMS were liaising with HM Treasury in relation to funding for DEF and that a one-year rollover in funding was likely.

Agenda item 11: Brexit Update

15. The item was presented by Robin Johnson who explained the implications of Brexit on the tourism sector and the potential challenges. The following matters were discussed:
- (i) the market challenges being faced as a result of Brexit, with only Greece, Portugal and Netherlands gaining market share in inter-Western European travel;
 - (ii) ambition to return to growth by end of 2020;
 - (iii) funding constraints;
 - (iv) the summer response campaign is currently underway with Marketing concentrating on content;
 - (v) there will be a stronger focus on commercial partnerships; and
 - (vi) a proposal for projects should be ready by the end of July 2019.

Agenda item 12: Tourism Trends – Britain Inbound and England Domestic

16. The Tourism Trends papers were circulated to the Board prior to the meeting and were taken as read.

Agenda item 13: England Matters

17. This item was presented by Denis Wormwell following the VEAB meeting held on 6 June 2019. A verbal update was provided in relation to domestic marketing campaigns. The following points were noted:
- (i) the achievements of English Tourism Week and the Board was advised that a review into the aims and objectives of English Tourism Week was currently underway led by Fiona Pollard who sits on VEAB;
 - (ii) the benefits of Discover England Day was discussed;
 - (iii) a VisitEngland magazine has been issued into the German market;
 - (iv) a £99 train ticket which is valid for 5 days to encourage tourists to visit different cities in the North of England;
 - (v) closely working with National Parks and Cycle England;
 - (vi) the need to focus on sustainability and legacy;
 - (vii) there are now 1,700 businesses on the VisitEngland site and 76 DMOs are engaged with VE;

- (viii) DEF 2 will be more focused on commissioning and ascertaining potential locations around the country in which projects can be commissioned; and
 - (ix) Year 4 Priorities which include 14 large scale projects with a target of loading 5,000 suppliers and 1,500 products shall be included to the tool kit by March 2020.
18. The Board noted that the options for the future of the VisitEngland Quality Assessment Schemes in April 2020 as outlined by Denis Wormwell include:
- (a) the closure of the Quality Schemes;
 - (b) the re-tender the Quality Schemes;
 - (c) selling the Quality Schemes;
 - (d) extending the current contract for one year; and
 - (e) innovating the Quality Schemes.

The Board were advised that the VEAB had decided to pursue option (d) and to also investigate option (e) as specified above.

19. Shane Corkett had provided the VEAB with a presentation of the TXGB (Tourism Exchange Great Britain) platform, which has now been built and will be live on 23 June 2019. The TXGB platform infomercial was shown to the Board followed by a discussion of the platform, its impact on the tourism sector and benefits to suppliers and distributors.

Agenda item 14: Britain Matters

20. This item was presented by Manuel Alvarez and Travis Chan who provided a review of the state of the market in China and explained the strategic development priorities in the country. It was also highlighted to the Board that GDP has increased in China by over forty-two times during the last four decades and BTA funding to attract Chinese tourism could be increased.

Agenda item 15: Pensions Update

21. Hazel Cunningham provided the Board with a verbal update confirming that the work to sectionalise the pension scheme had been completed and the organisation was waiting for VisitScotland to sign off on the Deed amendments. It was noted that the two Crown guarantees had been approved and were awaiting signature. It was noted that once the legal process was complete, the organisation could proceed with the planned closure and recommence the staff consultation on the transition to the new defined contribution scheme.
22. Hazel Cunningham also highlighted that actuarial evaluations were outstanding but that the work was completed and waiting to be signed off, with a deadline expected at the end of June 2019.

Agenda item 16: Accounts/Audit Update

23. John Lindquist circulated to the Board the Draft Minutes of the Audit Committee Meeting held on 11 June 2019. He also provided the Board with a verbal update regarding accounts matters. It was noted that the next Audit Committee meeting will be held in September 2019. The Board was referred to the Risk Register which had been circulated in advance of the meeting and is currently awaiting review by the Audit Committee.

Agenda item 17: Compliance Update

24. Hazel Cunningham referred the Board to the "BTA Compliance Report" paper that was circulated in advance of the meeting. It was noted that compliance matters have been prioritised across the organisation and that various activities have been undertaken to ensure that the organisation meets its compliance framework and requirements. Hazel Cunningham reported the current and future risks are shown as amber areas in the paper.

25. The following were also noted:

- (i) All staff have been instructed to read a number of key policies to increase awareness of requirements.
- (ii) As part of the continued efforts to tighten up compliance across the organisation, the Directors' Assurance Statements had been revised and collective objectives had been set for Directors, which have been published on the intranet.
- (iii) Directors' training has been organised for July 2019 to cover diversity and compliance requirements.
- (iv) A new e-procurement module was launched at the end of May 2019 and is mandatory for all budget holders.
- (v) The organisation is currently recruiting a new post in the Legal Services team. The role of Compliance and Risk Manager will provide additional capacity to support and monitor the organisation's compliance agenda, highlight potential breaches and follow up appropriate management action and responses.
- (vi) Rules have changed in relation to digital marketing and the Government Communication Service (GCS) has moved from a blacklist approach to a whitelist approach. It was noted that the list is currently unavailable. Even though no solution to the rule change had yet been provided by GCS, the Board stated there is a need to demonstrate that BTA has taken the right actions.

26. The Board discussed compliance issues and procedures in place to mitigate risks. It was emphasised that there is a need for teams to plan earlier, keep an audit trail and be realistic about timelines. The Board also discussed the need to be aware of Government Ministerial changes, as these are sometimes accompanied by changes in requirements.

Agenda item 18: Strategy Away Day Preparation

27. Sally Balcombe provided a verbal update and highlighted the need to address the issue of sustainability and tourism and ascertain what the organisation's position and role would be relation to this. The potential opportunities and challenges were discussed including, the need to look at Future Vision and to consider how the Board can increase engagement with VisitEngland as VEAB will be joining BTA for the Away Day.

Agenda item 20: Close

28. There being no further matters, the Chairman closed the meeting at 14.30 hours. The next meeting will be held on 17 September 2019.

Agenda item 21: Papers for information

29. These were circulated to members.