

**MINUTES OF THE 414th MEETING OF VISITBRITAIN
HELD AT 9.00AM ON WEDNESDAY 17 SEPTEMBER 2014 AT
VISITBRITAIN, 20 GREAT SMITH STREET, LONDON SW1P 3BT**

Present: Christopher Rodrigues, CBE
Sally Balcombe
Dr. Michael Cantlay
Penelope, Viscountess Cobham
Dan Clayton Jones, OBE
John Lindquist
Ian McCaig
Steve Ridgway

Apologies: Katy Best

In Attendance: Keith Beecham, Interim Chief Executive
Ros Carey, Secretary to the Board
Philip Mabe, Director, Business Services
Patricia Yates, Director, Strategy and Communications
Jaco Coetzee, Head of Commercial and Trade for part
Gary Robson, European Marketing and Nordic Manager for part
Lucy Jones, Assistant Secretary to the Board

1. The Chairman advised that Northern Ireland Tourist Board Member Katy Best had joined the Board as an Observer to replace Clive Gordon who had stood down from NITB at the end of last year. Katy Best's apologies for the meeting were noted.
2. The Chairman then advised that Sandra Rogers, UKTI had stepped down from the Board as an Observer following her departure from UKTI in July and that he was considering who should be appointed in her place.
3. The Chairman also advised that Kit Malthouse, London & Partners, would no longer be joining the Board as an Observer and that he would be nominating a member of his board to replace him.
4. Following Sally Balcombe's resignation as a Board Member on commencement of her position as Chief Executive, the Chairman noted that there would be a second vacancy on the Board but that appointments for DCMS-appointed Board Members would be held until after the Triennial Review had reported.

Minutes of the Last Meeting

5. The minutes of the meeting held on 17 June were approved and signed.

Matters Arising from the Minutes

6. There were no matters arising.

Declarations of Interest

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

Review of Market Conditions

8. Keith Beecham presented his State of the Market Snapshot noting that, although overseas visitors had spent £2.35 billion in the UK during July, this represented an 8% decrease in nominal terms in spending for the month compared to July 2013 which had been a record month in terms of spend.
9. Keith Beecham also reported that there had been a 2% increase in overseas visitors in July. Across the first seven months of 2014 there had been 7% more visits than during the same period in 2013, reaching a record 19.84 million visits.

Chief Executive's Report

10. Keith Beecham introduced his report, highlighting in particular:

- That the summer months had been a busy period for the PR team and that the team was very grateful to the Strategic Partners' Executive Teams for their support.
- That VisitBritain had launched a new trade platform in the summer to promote regional travel, to seek to widen products offered and to develop new bookable and products. The roadshow of GREAT Tourism Weeks had begun in Japan and then moved to India.
- That a period of intense delivery in China had begun in September. A London Luxury event in partnership with London Luxury Quarter and British Airways had been held in Shanghai and Chengdu to showcase luxury British brands. In November, VisitBritain's largest marketing campaign ever to be run in China would launch in partnership with the Home Office. Alongside this activity a major DCMS visa refund scheme for Chinese visitors, in partnership with the travel trade, was being developed.
- That a content agreement between VisitBritain, British Airways and BBC Worldwide had been agreed which would create an innovative 'BBC Britain' platform of content to use on VisitBritain channels and, by agreement, by partners.

11. Keith Beecham thanked the Chairman, Sally Balcombe and Ian McCaig for overseeing the Digital Strategy and digital platform development as members of the Digital Board

Sub Group. The Group was content with progress on the platform development to refresh existing technology with a single, modern and fully cloud-based technical platform under VisitBritain.com. The Board noted that the Digital Strategy would be presented to its meeting in October.

12. Keith Beecham also highlighted a recent seminar held in partnership with the Association of Leading Visitor Attractions to engage with the culture and heritage sector, in particular other DCMS Arm's Length Bodies. The Chairman asked that the output from the seminar be shared with the Strategic Partners.
13. The Chairman took the opportunity to thank Keith Beecham for his tenure as the interim Chief Executive over the past three months.

B2B Strategy

14. Keith Beecham introduced Jaco Coetzee who gave a comprehensive presentation on the Business to Business Strategy covering its contribution to the wider Britain Strategy, the importance of intermediaries and the evaluation results of VisitBritain's B2B activity.
15. Jaco Coetzee reported that in 2012/13 the total impact of VisitBritain's B2B work had been £232.75 million which had contributed 41% to the overall VisitBritain evaluation, achieving a higher return on investment than any other VisitBritain activity.
16. Sally Balcombe commented that the £232million figure significantly understated the actual value in that it did not include the value generated to UK companies, for example airlines, as a result of VisitBritain activity. The Chairman concurred that it was important to get the export earnings story correct.
17. The Chairman suggested seeking validation from UKTI that it was supportive of the evaluation approach taken by VisitBritain. John Lindquist added that, as with VisitBritain's other evaluation methodologies, B2B evaluation would be subject to audit.
18. Jaco Coetzee then went on to set out the three strands of the strategy: to influence product buyers through effective on territory key account management to distribute more British product to the consumer; to support British suppliers to create relevant product that can be distributed through the global trade, and to create global export platforms and tools to support buyers and suppliers.
19. Jaco Coetzee briefed the Board that a targeted key account management process would focus on the top 10-20 gold contacts for each market. Other core tools to support the delivery of the strategy were a trade website, the BritAgent online training programme, a trade toolkit, the online shop and the missions and events programme.
20. Jaco Coetzee briefed the Board that the cost structure of VisitBritain's missions and events was being reviewed.

21. Sally Balcombe asked about key account management in relation to the Nurture Markets Strategy where B2B is the primary activity and what the link was to the partnerships strategy where, for example, airline partners would have their own networks of intermediaries. Jaco Coetzee advised that these accounts would be handled by the partnerships team.
22. Mike Cantlay asked how VisitBritain would ensure there was no duplication with the B2B activity carried out by the Strategic Partners. Jaco Coetzee advised that the Strategic Partners shared information on a quarterly basis and that the Board paper had also been shared in advance.
23. Mike Cantlay then commented in relation to Explore GB that care should be taken to ensure that it was not viewed by the Scottish industry as duplicating Expo 2015.
24. Jaco Coetzee then summarised some of the challenges around B2B activity and what competitor activity looked like.
25. John Lindquist, who had given guidance on the development of the Strategy, commented that good progress had been made on B2B with improvements to key account management being implemented and that there was an ambition to create a chairmen's circle of top contacts. John Lindquist also commented that given the high return on investment of B2B activity, the Board should consider if it was an area which merited further investment.
26. The Chairman requested that, when a progress report on the B2B Strategy was presented to the Board, it should include more detail on what VisitBritain's B2B journey looked like and how to get there sooner. Ian McCaig concurred, and said that he would like a more ambitious plan to be presented to the Board which articulated the potential of additional resource being invested in B2B activity.
27. Sally Balcombe commented that clarity was needed by the Board on what the trade-offs were between additional resource being invested in B2B versus other activity.
28. John Lindquist commented that VisitBritain was unusual amongst national tourist boards in that it did not undertake business tourism activities and Mike Cantlay commented that events and business tourism were both areas which should be revisited.
29. The Chairman thanked Jaco Coetzee who then left the meeting.

Market Segmentation Presentation

30. Gary Robson, joined the meeting and Keith Beecham introduced the item on market segmentation. Gary Robson, as Project Manager for the segmentation work, gave a presentation which explained the need to update VisitBritain's approach to the classification of its markets and to inform its knowledge of customer media and information consumption.

31. Gary Robson outlined the approach taken in the project which was led by media agency Mediacom with a global VisitBritain project team. The project had three steps: step one was market mapping; step two was the segmentation of the markets by attitude and holiday type, and step three was the selection of the priority markets for VisitBritain using deep profiling.
32. The Board held a detailed discussion on the robustness of the segments identified, the marginality between segments and the methodology behind the size of markets identified as best prospects.
33. This led to a wider discussion on how Britain was defined and how to adapt the Britain offer and articulating it in a way to meet customer demand. It was agreed that the market segmentation project would benefit from further Board discussion and that a Deep Dive session should be arranged.
34. The Chairman commented that when VisitBritain was in a position to share the market segmentation data with the Strategic Partners it would need to be shared in as useful a way as possible to the Partners.
35. It was agreed that the presentation would be circulated to the Board on a confidential basis.
36. Gary Robson left the meeting.

Triennial Review Progress Report

37. Patricia Yates introduced her paper which provided the Board with an update on progress on the Triennial Review explaining that the Challenge Panel for the review of BTA was now in place and the process of evidence gathering was underway.
38. Patricia Yates reported that the Chairman had been interviewed by the head of the Challenge Panel Mark Fisher, as had interim Chief Executive Keith Beecham, former Chief Executive Sandie Dawe and that incoming Chief Executive Sally Balcombe would also be interviewed.
39. Patricia Yates also commented that a strong case had been made that inbound tourism was one of Britain's most successful export industries and that support therefore should be aligned to the Government's support for export industries as set out in the trillion export plan being drafted by UKTI and the FCO. The Board supported this approach.
40. The Board noted the report.

Remuneration Committee Terms of Reference and Appointment to the Committee

41. The Board approved the amendments to the Remuneration Committee Terms of Reference and endorsed Denis Wormwell's appointment to the Committee.

Sale of London Planner

42. Mike Cantlay left the meeting.
43. The Chairman introduced Joss Croft's paper which briefed the Board on the sale of the London Planner, a printed monthly magazine published under licence by Morris Visitor Publications and distributed overseas by VisitBritain. Copies of the publication were available at the meeting.
44. The Board endorsed the sale of the London Planner to Morris Visitor Publications for the sum of £300, 000 subject to the terms and conditions outlined in the paper.
45. The Board authorised the execution of the sale agreement on these terms.
46. The Chairman requested that as the VisitBritain logo would remain on the publication the Executive ensure that VisitBritain was protected against reputational damage.

PR Evaluation Results – April 2013 to March 2014 Report

47. Lady Cobham left the meeting.
48. Keith Beecham introduced Joss Croft's paper which updated the Board on VisitBritain's media evaluation results for 2013/14. Keith Beecham highlighted that the global PR team had delivered over 16,000 pieces of international media coverage featuring London, England, Northern Ireland, Scotland and Wales. The equivalent paid advertising would have cost £974 million.
49. Mike Cantlay re-joined the meeting.
50. Keith Beecham noted that in terms of regional representation the PR and media activity results demonstrated an over-indexation for areas outside London when compared with International Passenger Survey 2013 figures.
51. Keith Beecham thanked the Strategic Partners for their contribution to the results.
52. Lady Cobham re-joined the meeting.
53. Keith Beecham noted Sally Balcombe's comment that there seemed to be an over dependence on print media.

Draft Minutes of Audit Committee meeting of 12 June 2014

54. John Lindquist introduced the draft minutes of the Audit Committee meeting held on 12 June 2014 which the Board noted.

55. John Lindquist highlighted that a report by internal auditors PWC to review BTA's treatment of foreign exchange would be considered at the next meeting of the Audit Committee.
56. Philip Mabe briefed the Board on the notification received from HMRC that BTA should submit proposals for revised VAT arrangements and explained the existing partial recovery method.
57. The Executive noted the Chairman's request that the Board be kept informed on the matter.

National Quality Assurance Schemes

58. Lady Cobham introduced James Berresford's paper on the VisitEngland National Quality Assessment Scheme which informed the Board of the action being taken in relation to the contractual arrangement in place for the delivery of the Schemes.
59. The Board noted the report.

VisitBritain and VisitEngland Management Accounts

60. Philip Mabe introduced the VisitBritain and VisitEngland Management Accounts to 31 July and June 2014 respectively which the Board noted.
61. Philip Mabe also introduced the VisitBritain retail performance report for period four of the financial year 2014/15 and an analysis report of the movements on foreign exchange contracts reaching maturity in the year to 31 July 2014.
62. The Board noted both reports.

VisitEngland Performance Report to 30 June 2014

63. The Board noted the VisitEngland Performance Report to 30 June 2014.

Tourism Trends

64. The Board noted David Edwards' report, which provided a briefing on inbound and domestic tourism surveys and market conditions.
65. John Lindquist suggested that in the next report it would be helpful to include additional indicators which provided forward-looking information such as numbers of visas issued and the Board agreed that this would be a useful inclusion.

Secretariat Items

66. The Board noted the programmes of meetings for 2014 and 2015, the Tourism Events Diary and the Forward Agenda.
67. It was agreed that the Board's Deep Dive session on 28 October 2014 would focus on digital as well as the segmentation work presented to the Board earlier on the agenda as the Board was interested in providing input to the segmentation project and to explore the nuances of the data.
68. It was agreed that Sally Balcombe as Chief Executive would be invited to the Board dinner on 27 October 2014.
69. It was agreed that the Board dinner scheduled for 8 December 2014 would be cancelled.
70. The Board noted VisitBritain's Annual Review launch on 8 October 2014 and its partner event to be held at the English National Opera on 28 October 2014 to which Board Members were invited.
71. The Executive noted that a progress report on the digital platform project was no longer required at each Board meeting as indicated on the Board Forward Agenda.

Any Other Business

72. The Chairman advised the Board that former Chief Executive Sandie Dawe had been awarded a lifetime achievement award at the annual Women 1st Shine Awards which celebrated the achievements of women working in hospitality, travel, tourism and retail, and the dedication of the mentors and employers that go the extra mile to support women's career development in these industries.
73. The Chairman then again thanked Keith Beecham for his hard work and support whilst carrying out the role of interim Chief Executive in the period between Sandie Dawe's departure and Sally Balcombe taking up the post of Chief Executive in late September.

Date of Next Meeting

74. To be held on 28 October 2014.