

**MINUTES OF THE 420th MEETING OF VISITBRITAIN
HELD AT 12.30PM ON TUESDAY 15 SEPTEMBER 2015 AT
VISITBRITAIN, 20 GREAT SMITH STREET, LONDON SW1P 3BT**

Present: John Lindquist
Katy Best
Lise-Anne Boissiere
Dr. Michael Cantlay, OBE
Penelope, Viscountess Cobham, CBE
Dan Clayton Jones, OBE
Ian McCaig
Kevin Murphy
Steve Ridgway CBE
Christopher Rodrigues, CBE

In Attendance: Sally Balcombe, Chief Executive
Hazel Cunningham, Business Services Director
Patricia Yates, Director, Strategy and Communications
Ros Carey, Secretary to the Board
Robin Johnson, Head of Overseas Operations
Lucy Jones, Assistant Secretary to the Board
Richard Nicholls, Head of Research and Forecasting for Tourism Trends item
Jaco Coetzee, Head of Commercial and Trade for Digital Transformation Programme item

1. John Lindquist opened the meeting by explaining that the Chairman, who was joining the meeting by telephone as he was out of the country on business attending the UNWTO General Assembly and thereafter VisitBritain's Destination Americas event, had asked him to chair the meeting in his stead.

Minutes of the Last Meeting

2. The minutes of the meeting held on 16 June 2015 were approved and signed.

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. John Lindquist explained that he had invited the newly appointed Head of Research and Forecasting, Richard Nicholls, to attend the meeting to present the Tourism Trends report at this point on the agenda and that his report would also cover the highlights from the Chief Executive's review of market conditions.
6. Patricia Yates introduced Richard Nicholls who then presented his report which briefed the Board on the latest results of inbound tourism surveys and market conditions. Richard Nicholls explained that he had produced the report in a new format and had strengthened the content on economic trends and future indicators and would continue to increase the amount of forward-looking data in the report.
7. Richard Nicholls responded to questions from Board Members which included a discussion on business visit figures, whether pre economic crisis levels had been restored and how the picture in London compared to the rest of Britain. Sally Balcombe agreed to provide a fuller breakdown of business visit statistics in the next Tourism Trends report to the Board. John Lindquist then noted that it would be useful to highlight business events from the data.
8. John Lindquist invited comments from the Board on the new format and suggested that a useful addition would be a comparison of visitor numbers and visitor spend against the VisitBritain forecast.
9. John Lindquist then went on to suggest that the report could include more digital indicators of forward visitor data for example search engine data and online travel agent forward data.
10. Christopher Rodrigues suggested it would be useful to talk to the European Tour Operators Association about its insights on future bookings and the Board then considered the idea of a panel of industry experts to share data and opinion on performance. Sally Balcombe agreed to consider what additional data points could be useful to VisitBritain. Steve Ridgway advised that the upcoming International Air Transport Association conference could give a good flavour of industry sentiment.
11. Christopher Rodrigues then gave some feedback from the UNWTO General Assembly where he had heard reports on the perceptions of Britain as an expensive destination. The Chairman asked that the perception of expense and the perception around the visa application process and cost be addressed.
12. The Board then discussed the refugee crisis and whether there was any indication of the impact on long haul travel to Europe. Whilst it was too early to ascertain any actual impact on visitor numbers, Sally Balcombe explained that anecdotal feedback had been received from some markets of Britain being perceived negatively.

13. Patricia Yates explained that VisitBritain had worked with Visit Kent on ways in which VisitBritain could provide support to the industry at this time. The Board asked that the Executive consider where VisitBritain could be offering assistance.
14. In conclusion, the Board confirmed it approved of the new format of the Tourism Trends report and John Lindquist thanked Richard Nicholls for his attendance.
15. Richard Nicholls left the meeting.

Chief Executive's Report

16. Sally Balcombe introduced her report, drawing attention to its length which was reflective of the volume of activity being undertaken across the organisation. Sally Balcombe highlighted in particular that:
 - The GREAT campaign brand tracker results showed that the campaign delivered an incremental benefit of £320.15 million in 2014/15 against a target of £265 million.
 - A short campaign to deliver a value message across the world had been run through VisitBritain's partnership with Yahoo. The campaign used Yahoo and Facebook to drive people to download a 'value guide' to Britain available in several languages.
 - A new culture and countryside campaign based on the theme of moments worth sharing would soon be launched in France, Germany, USA and Chinese. A print supplement would be appearing in German and French newspapers and the hashtag OMGB would be the social execution of the campaign.
 - A programme of localising VisitBritain's social media activity had begun earlier in the year. The approach had delivered benefits including a doubling in reach for Germany's Facebook page since the launch of the local version.
 - Progress had continued on the planning and delivery of the UK Tourism Funds with brand media briefs developed with VisitEngland for the Northern Tourism Growth Fund and brand activity planned to commence in late September in Germany and the Netherlands, and in the US and Australia in October. Tactical partnerships for short haul markets were expected to commence from late September. Planning for the South West Tourism Growth Fund was also underway.
 - A significant amount of PR activity was taking place in particular in connection with the Rugby World Cup where amongst other activity a press centre was

being run in Twickenham by VisitBritain in partnership with VisitEngland and Visit Wales.

- VisitBritain's largest B2B trade mission outside of Britain, Destination Britain Americas was taking place during September in Mexico with 84 UK suppliers and 111 international buyers. Destination Britain China was taking place in November in Beijing.
- A new Head of Media, Tracey Edginton, had been appointed who was previously the media advisor to the Secretary of State for Wales.

17. Sally Balcombe then invited Hazel Cunningham to provide an update to the Board on VAT, procurement and the Triennial Review Implementation Plan.

- As reported recently to the Audit Committee, a response had been received from HMRC approving VisitBritain's suggested VAT methodology in full but that it was of the view that BTA should charge VAT to DCMS on the grant funding used for partnership campaigns. A meeting was planned with the Head of Finance of DCMS to discuss the HMRC response and its implications. John Lindquist added that he had had a good meeting with David Rossington, DCMS Head of Finance in the summer and that there was an open line for communication.
- Good progress had been made on the procurement process, working in partnership with DCMS, Cabinet Office and the Treasury and with guidance from the Audit Committee. A new procurement strategy would be in place in 2016.
- The Shared Business Services Review was underway with a Project Board being created which would make recommendations to the VisitBritain and VisitEngland Boards on future options.

18. In connection with the separation of VisitEngland and VisitBritain, Lady Cobham asked that a timetable be brought to the Board which highlighted potential problem areas. It was agreed a progress report would be brought to the October Board meeting and that a timeline would be brought to the December meeting.

19. Sally Balcombe then commented on the National Audit Office's report *Exploiting the UK brand overseas* which had been published in June and which examined whether the GREAT campaign was meeting its objective of securing economic growth. Overall the evaluation was very positive with VisitBritain receiving a good report and its campaign work being rated as complying with best practice.

20. To conclude her report, Sally Balcombe commented on her recent visit to the APME hub where interesting meetings had been held with Etihad and Emirates and where a memorandum of understanding had been signed between Saudi Arabian travel agency Al Tayyar and VisitBritain.

21. Katy Best enquired as to the future of the GREAT campaign and in response Lise-Anne Boissiere explained that there was a manifesto commitment to support the GREAT campaign but that the level of funding was unknown.

22. The Board noted the report.

CSR update

23. Sally Balcombe invited Patricia Yates to provide an update on CSR to the Board, and she explained that the DCMS submission had been made to the Treasury. VisitBritain had been asked to model a number of different scenarios. The announcement on CSR was expected on 25 November 2015.

Digital Transformation Programme

24. Sally Balcombe introduced the update on the Digital Transformation Programme and invited Joss Croft to give his presentation.

25. Jaco Coetzee joined the meeting.

26. The presentation provided a detailed update to the Board on the Transformation Programme itself; progress since the Board's Deep Dive session on content marketing; a section on micro-targeting and a first opportunity to see the design of the new version on visitbritain.com.

27. Within the presentation, Joss Croft showed a set of Key Performance Indicators for digital activity which led to a wider discussion about evaluation and analytics and which metrics were of most relevance to the Board.

28. Sally Balcombe commented that a dashboard was in development that could be presented and discussed at the October Board meeting. Ian McCaig commented that he was more interested in whether activity had delivered the expected return and in what reach, and to which audiences, had been achieved.

29. Lise-Anne Boissiere left the meeting.

30. Ian McCaig offered his congratulations that phase one of the Digital Transformation Programme had been delivered on time and under budget.

31. Steve Ridgway also congratulated Joss Croft and his team and went on to comment that in light of the ultra-competitive environment in which VisitBritain operated, it would be wise to consider how best VisitBritain could support industry with content and inspiration.

32. Steve Ridgway also commented that given the speed at which consumer behaviour was changing, it would be useful to understand the agility with which VisitBritain could

react. Sally Balcombe responded that the website was designed with a high level of flexibility to be responsive to consumer needs.

33. Steve Ridgway then left the meeting.

34. Joss Croft then handed over to Jaco Coetzee, who presented the next section of the presentation: an update on the impact of the Digital Transformation Programme on retail performance since the platform launch in June 2015. Conversion on the shops was exceeding the target. Average Order Value was showing an overall increase but was below target which Jaco Coetzee attributed to external economic factors such as exchange rate movements.

35. Jaco Coetzee then responded to questions from Board Members during which he confirmed that the new platform was able to accommodate Apple Pay.

36. There was a brief discussion about sightseeing and heritage passes. Sally Balcombe commented that VisitBritain would work with the Strategic Partners on new and existing product opportunities. Lady Cobham then highlighted the importance of securing the Challenge Fund for product development for England.

37. Jaco Coetzee left the meeting.

Consultation on Sunday Trading: VisitBritain's response

38. The Board noted VisitBritain's response to the Department of Business, Innovation and Skills' consultation on Sunday trading which proposed the devolution of decision-making on opening hours to a local level. The VisitBritain response welcomed the proposal as an opportunity to attract more international visitors.

Visas update

39. Patricia Yates introduced her report which updated the Board on Britain's competitive position on visas. A UK: Belgian joint visa alignment pilot had launched in China allowing a visitor in Beijing, Shanghai or Guangzhou to apply for their British and Schengen visa to Belgium on a single visa application centre visit.

40. A ten year visa had become the standard visa issued by the USA in China and a ten year visa was being piloted in China by Australia. While the UK had a ten year visa available in China it was significantly more expensive than the US visa.

41. Sally Balcombe commented that VisitBritain would continue to advise on Britain's competitive position on visas and that the newly-created Inter Ministerial Group provided further opportunity for briefing. John Lindquist suggested that the report should be shared with the Inter Ministerial Group.

42. John Lindquist then invited Robin Johnson, Head of Overseas Operations to update the Board on the China Visa Refund Scheme. 38,190 of the 50,000 available visa

refunds had been allocated to the 49 Chinese travel agencies contracted to the scheme. Approximately 4,000 claims for refunds had been submitted to VisitBritain, the majority with insufficient information to allow the refund to be issued as they were not compliant with the robust processes that had been put in place to audit and verify claims. However in the majority of cases VisitBritain had been able to work with the travel agents concerned to secure the requisite information.

43. A publicity campaign would be launched in September to increase awareness of the scheme amongst consumers as submission rates were low.

44. The Chairman commented that VisitBritain would report back formally to DCMS on the scheme and the lessons learnt.

45. John Lindquist commented that the Audit Committee had been fully briefed on the scheme and was satisfied that it was being well managed and congratulated the Executive for this.

VisitBritain and VisitEngland Management Accounts for the year to 30 June 2015

46. The Board noted VisitBritain and VisitEngland's Management Accounts for the first quarter of the 2015/16 financial year.

Analysis of Foreign Exchange Gains/ Losses at 31 July 2015

47. The Board noted the report which provided a briefing on the gains and losses, as at 31 July 2015, on forward currency contracts which had matured at 31 July 2015 and the impact thereof on the foreign exchange balance.

Tourism Trends

48. The Tourism Trends report had been discussed under the Review of Market Conditions item.

Secretariat Items

49. The Board noted the programmes of meetings for 2015 and 2016, the Tourism Events Diary and the Forward Agenda.

Any Other Business

50. John Lindquist thanked Dan Clayton Jones for the great contribution he had made whilst serving on the Board for the past four years and recognised the high regard within which Dan Clayton Jones was held amongst the tourism industry in Wales.

52. Dan Clayton Jones thanked John Lindquist for his remarks and said that sitting on the Board had been an interesting and enjoyable experience.

53. The Chairman apologised for not being at the meeting in person to give his thanks but echoed John Lindquist's comments and thanked him for his chairing of the Board meeting.

Date of Next Meeting

54. To be held on 27 October 2015