

# MINUTES OF THE 426th MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 9.00AM ON TUESDAY 14 JUNE 2016 AT

VISITBRITAIN, 20 GREAT SMITH STREET, LONDON SW1P 3BT

**Present:** Christopher Rodrigues, CBE  
Katy Best  
Angela Bray  
Lise-Anne Boissiere  
Penelope, Viscountess Cobham, CBE  
John Lindquist  
Margaret Llewellyn OBE  
Lord Thurso  
Steve Ridgway, CBE  
Kevin Murphy, OBE  
Ian McCaig

## **Apologies:**

**In Attendance:** Sally Balcombe, Chief Executive  
Hazel Cunningham, Director of Business Services  
Suneet Joseph, Secretary to the Board  
Andrew Stokes, England Director (for England Matters only)  
Suzanne Bond, VisitEngland Advisory Board Member (by  
teleconference, for England Matters only)  
Richard Nicholls & Sharon Orrell (Tourism Trends only)  
Robin Johnson (Business Visits & Events)

## **ENGLAND MATTERS**

### **VisitEngland Action Plan**

1. Andrew Stokes provided the Board with an update on the Year 1 Projects & Pilots relating to the Discover England Fund (DEF) and gave an overview of the 21 applications received by the end May 2016, deadline for Round 1 bids. The Board discussed the various stages involved in the evaluation and approvals process for bids. The Board was advised that the

deadline for Round 2 bids was 25<sup>th</sup> June and a further 20-30- bids were expected to be submitted by this deadline. It was further noted that the Summary Guidance and Criteria for Years 2 & 3 of the DEF had been discussed at 2 separate VE Advisory Board meetings and was still subject to amendment.

2. The Board then discussed the importance of complying with all applicable laws and regulations, including those relating to State Aid and Public Procurement, in the management of the DEF for Years 1, 2 & 3. It was further noted that additional discussions and meetings were taking place with DCMS and BIS legal teams to further evaluate the available options for moving forward with DEF whilst mitigating risks relating to State Aid compliance. One option concerned ensuring bids followed tried and tested exemption routes available under the Block Exemption (though it was noted that this was a more prescriptive approach to adopt). The other option to notify the European Commission of the entire DEF for clearance remained a possibility which would be further explored (but it was noted that this process could be a lengthy one and thus not appropriate given the DEF timescales involved). In addition, any notification requesting clearance of the entire DEF would need to be carefully positioned to the European Commission to ensure the Commission had a clear understanding of the similarities and differences from other funds which it had previously approved.
3. The Board noted that regardless of whichever option is pursued, the risk of “clawback” by the European Commission (for any finding that there has been illegal State Aid awarded to a bidder) remained with bidders and all awards would be clearly made subject to the potential operation of such clawback provisions. Sally Balcombe advised that a panel of experts would also be utilised when evaluating bids and making awards to further mitigate risks associated with State Aid compliance.
4. Hazel |Cunningham updated the Board about the ongoing review of the Quality Schemes and the final options for moving forward. It was noted that a final decision on the future of the Quality Schemes would be taken at the September BTA Board meeting. Lise-Anne Boissiere advised that Ministers remained open to all options that had long term viability for the future and which represented value for money for taxpayers. It was further noted that the current contract with QiT expired on 31<sup>st</sup> March 2017 without any further contractual options to extend the contract further. The Board noted that in implementing any option, it was critical to comply with all applicable laws and regulations, including those relating to public procurement. Sally Balcombe advised that Visit Wales and Visit Scotland were aware of the current position regarding the Quality Schemes review via the ongoing CEO group meetings/calls which Sally Balcombe attended on behalf of VisitBritain. In making any decision as to the future of the Quality Schemes, the following key considerations would need to be addressed: making the case for the Schemes’ continued relevance in today’s online user review led market; which options offered the opportunity for the greatest amount of financial value to be realised and which options generated the least amount of brand and reputational risks for BTA in the longer term.
5. Andrew Stokes and Suzanne Bond left the meeting on completion of Board discussions on England only matters.

6. Margaret Llewellyn, Lord Thurso, Kevin Murphy and Katy Best joined the meeting for Britain and BTA Corporate Matters.

## **BRITAIN AND BTA CORPORATE MATTERS**

### **Minutes of the Last Meeting**

7. The Minutes of the BTA Board meeting held on 28<sup>th</sup> April 2016 were approved.

### **Matters Arising from the Minutes**

8. Ian McCaig suggested that an update on “VisitBritain” and “VisitEngland” as digital brands be provided at a future BTA Board meeting. Sally Balcombe advised that there was already a plan to bring an update on Content Strategy to the BTA Board for discussion.
9. The Board noted the importance of providing Board papers and materials sufficiently in advance of Board meetings to enable Board members to properly digest them and prepare for meetings.

### **Declarations of Interest**

10. Lady Cobham declared an interest regarding her position as a Trustee for Shakespeare Birthplace Trust.

## **MARKET UPDATE**

### **CEO Overview & Update**

11. Sally Balcombe provided the Board with an overview of key comments and/or priorities noting in particular:
  - The successful outcome on VAT decision from HMRC – no VAT to be charged on grants from DCMS to BTA. A new VAT methodology has been agreed with HMRC.
  - The ongoing priority to fill in vacant positions within the organisation as quickly as possible to enable the challenging programme of key activities for FY 2016/17 to be delivered within the stretching timeframes. Majority of vacancies related to international roles not London based. Issues such as pay was proving a challenge in some markets such as Dubai. It was hoped that new HR Business Partners/ agencies in place would be able to speed up the recruitment process. The Board noted that whilst pay may be an issue to attract the very best candidates, the VisitBritain brand remained a very powerful and attractive brand for candidates.
  - The ongoing work to consolidate London based staff from 6<sup>th</sup> floor onto the 8<sup>th</sup> floor was complete, realising a significant cost saving for the organisation. This was a precursor to the

required relocation of the London office in September 2017 on expiry of the current lease (it was noted that all options relating to the relocation of the London office would be presented to the Board for review and approval)

- A very productive meeting with the new CEO of British Airways had taken place and which had identified some mutual areas of interest and ways of working to maximise delivery of some common and/or related objectives including stronger engagement with US market.
- An ongoing substantial piece of work with No. 10 relating to GREAT Rail Project and involving a partnership with Trainline and various visitor attractions to link up to create a product for the “last mile”. Discussions ongoing. The Board noted the historic challenges with rail due to the legacy issues associated with unintegrated transport connectivity.

### **Chairman’s Update**

12. The Chairman provided the Board with an overview of his recent visit to China which included signing a Strategic MoU with Hainan, attending a meeting with the Chinese Government on sustainable tourism and attending the T20 Tourism Ministers meeting. The Chairman noted that the climate was ripe for BTA to fully exploit the opportunities of strengthening ties and relationships with China. The Chairman noted the opportunity to work with Hainan and Caissa Touristic to review and improve the end to end process for issue of Chinese visas. In relation to the Chairman’s Australia trip, the visit illustrated the scope for improvement for visa processing when compared to the Australian visa system which was online and offered a much better user experience. The Board noted that the Chinese were also investing significant sums in running Business Visits & Events and that part of their soft diplomacy BV&E strategy included extracting as much knowledge and best practice sharing from overseas experts on BV&E matters.

### **State of the Market Snapshot**

13. Sally Balcombe tabled the State of the Market Snapshot –June 2016 paper to provide the Board with an overview of recent Competitor activity, IPS Update, Connectivity news, Economic overview and domestic tourism survey full year results for 2015. On Competitor activity, the funding for Tourism Australia for the next 4 years was noted and its successful “Welcome” experience. The Board noted that the US was making improvements in its “Welcome” programme and that the UK’s current China “Welcome” programme would benefit from review and enhancement. The Board discussed how the “Welcome” experience could be enhanced through the use of an ambassador programme with local guides with necessary language skills to further amplify the user experience, including those visitors from the EU. The impact of the ongoing Brexit debate was also discussed by the Board in terms of negative visitor perception (that visitors from Europe may not be warmly welcomed to Great Britain). The Board discussed practical steps that could be taken to mitigate such negative perceptions around “Welcome”.

### **Tourism Trends – Britain Inbound & England Domestic**

14. Richard Nicholls and Sharon Orrell joined the meeting. They briefed the Board on the latest results of inbound and England domestic tourism surveys and market conditions. The Board

noted that an evaluation process was conducted at the end of each program of activity and that the resulting data informed how BTA models spend (by market and by channel) utilising those insights and data. The Board further noted that BTA research is well regarded within the industry and that there was a continuing opportunity to proactively communicate Trends findings and research to industry stakeholders.

15. Richard Nicholls and Sharon Orrell left the meeting.

## **PAPERS FOR DISCUSSION**

### **Business Visits & Events**

16. Robin Johnson, interim Head of Marketing joined the meeting. Robin gave a presentation to the Board on the latest version of the BV&E Strategy Paper, including the wider context for VB's BV&E activities and inter dependencies as well as key principles and situation analysis of BV&E space. There followed a discussion about the presentation and it was agreed that all comments from Board members should be fed back by members to Chris Foy, Head of BV&E, to further inform the next version of the BV&E Strategy Paper. It was further noted that there would need to be clear communication with strategic partners as to the *enabling* role of VB in supporting BV &E to ensure there was a clearer understanding of activities that are within scope as part of VB BV&E deliverables and activities that would be led by strategic partners themselves. Sally Balcombe identified a key unique factor for VB compared to strategic partners undertaking BV&E activities was that VB benefitted from a network of international offices which could be leveraged to assist VB in its enabling role. Sally Balcombe advised that Chris Foy would be leading a consultation exercise with industry stakeholders which would further inform the BV&E Strategy paper and specific KPIs for VB against which it would be measured.
17. Robin Johnson left the meeting.

### **Commercial Partnerships Strategic Direction Paper**

18. Carol Dray, interim Commercial Director, joined the meeting and gave a presentation to the Board on the new strategic direction for Commercial Partnerships for 2016/17 and beyond. The Board noted that 2015/16 was a year of transition for BTA's approach to commercial partnerships and supported the Commercial Partnerships roadmap presented.
19. Carol Dray and Kevin Murphy left the meeting.

### **Annual Report & Accounts**

20. Hazel Cunningham provided the Board with an update on the timeline for approval and publication of the Annual Report & Accounts for 2015/16. It was noted that the NAO had not

raised any issues arising from their review and had given a recommendation for the Annual report & Accounts to be approved.

21. The Board resolved to approve the BTA Annual Report & Accounts for 2015/16 and delegated such further approval rights to Sally Balcombe to approve any necessary minor editing changes.

#### **Audit Committee Annual Report to the Board**

22. Hazel Cunningham tabled the Audit Committee Annual Report to the Board which was duly noted by the Board.

#### **VERBAL UPDATES**

23. The Board noted that the ongoing review of the current product offering via the online shop had already been discussed by Carol Dray as part of the Commercial Partnerships Strategic Direction Paper.
24. Hazel Cunningham provided the Board with an update on the ongoing review of Pensions Strategy matters together with the options for consideration. Given the importance of this matter, it was agreed that further discussion on the detail of each of the options and/or any recommendations to the Board was warranted. It was agreed to schedule a further discussion to address this (whether by conference call or a standalone session prior to the next Board meeting in September).

#### **PAPERS FOR INFORMATION**

25. The Board noted the Papers for Information.

#### **Any Other Business**

26. Katy Best extended an invitation to the Board to visit Belfast for a day trip (with a dinner and overnight stay included as part of the trip). Some options on dates would be circulated to the Board members to canvass availability.

#### **Date of Next Meeting**

27. To be held on **13<sup>th</sup> September 2016 (9am-3pm)**