

## MINUTES OF THE 440th MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 10:00 ON TUESDAY 4 DECEMBER 2018 AT

VISITBRITAIN, 151 BUCKINGHAM PALACE ROAD, LONDON SW1W 9SZ

**Present:** Steve Ridgway, CBE (Chairman)  
Denis Wormwell  
John Lindquist  
Angela Bray  
Ian McCaig  
Dame Judith Macgregor  
Giles Smith (DCMS)  
Lord Thurso  
Mark Taylor

**In Attendance:** Sally Balcombe  
Hazel Cunningham  
Lola Moses, Secretary to the Board  
Patricia Yates  
Robin Johnson (for agenda item 11)  
Richard Nicholls (for agenda items 9 and 10)

### **Agenda item 1: Chairman's Update and Introduction**

1. The Chairman welcomed the Board to the meeting to the new building at 151 Buckingham Palace Road.
2. The Chairman updated the Board on recent developments impacting tourism with reference to the paper circulated, the Board noted the following:
  - (i) The action points following the Joint Strategy Day, including: (i) Spending Review options; (ii) Board members lobbying prominent voices of the tourism industry; (iii) the Chairman's star chamber as part of the engagement; (iv) updating the tourism and BTA's core script and share it with the Board for them to use in their advocacy; (v) hold working sessions with DCMS to map where tourism is factored into Government decision making and how that could be improved; (vi) considering whether a Board dinner for the Minister would be worthwhile; and (vii) reviewing the narrative of the Spending Review to reflect the ambition of being a more influential partner to Government.
  - (ii) The take-outs from the ALB's meeting held by DCMS included the economic approach to valuing cultural investment, by taking into consideration (i) the rationale for public intervention; (ii) setting out value for money; and (iii) measuring and showing a range of impacts such as economic impact, social impact and cultural impact.
  - (iii) On the Industrial Strategy there was a successful meeting with the Secretary of State and optimism was expressed for a tourism sector deal with the government signaling

clear intent to complete the deal. Patricia Yates and Anthony Pickles provided an update of the developments to the Board noting that the sector deal timeline was to aim to complete in Q1 2019 and that more support was required from the private sector to strengthen investment commitments and the BTA's engagement with the industry was discussed.

### **Agenda Item 2: Minutes of the Last Meeting**

3. The Minutes of the BTA Board meeting held on 18 September 2018 were approved and action points were discussed.

### **Agenda Item 3: Apologies**

4. The Board received apologies from Jason Thomas.
5. John Lindquist joined the meeting via telephone.

### **Agenda Item 4: Declarations of interest**

6. Lord Thurso noted a potential conflict of interest on Pensions, agenda item 17.

### **Agenda Item 5: Review of Dashboard**

7. Sally Balcombe provided the Board with a verbal update on recent developments with reference to the circulated paper. The following points were noted:
  - (i) Improvements of ROI reported in connection with marketing. Initial results showed that new brand direction and the resulting ITF campaign has helped improve the ROI.
  - (ii) Commercial Partnerships were on track and business events were seeing progress.
  - (iii) Dame Sue Owen's appointment as Permanent Secretary for the DCMS was coming to an end early 2019.
  - (iv) Ongoing audits and investigations would be covered in the upcoming RemCo meeting and the Audit Committee was already up-to-date with the latest developments, with challenges noted in Procurement and HR.

### **Agenda Item 6: CEO Report**

8. Sally Balcombe provided the Board with a verbal update on recent developments. The following points were noted:
  - (i) Government was working on a new soft power strategy and it held a meeting with media channels and brands involved. Younger audience perceptions were discussed.
  - (ii) A discussion was held on the role of the RemCo and the matters the Board had commissioned to it; it was agreed that further clarifications would be provided with people issues on the Board agenda once annually.

### **Agenda Item 7: State of the Market Snapshot**

9. The Market Snapshot was circulated to the Board prior to the meeting and was taken as read.

### **Agenda Item 8: Political Affairs**

10. Patricia Yates noted that this agenda item had already been covered as part of other item discussions.

### **Agenda Item 9: Tourism Trends**

11. Richard Nicholls provided the Board with an update with reference to the papers circulated to the Board, the following points were noted:

#### **Britain Inbound**

- (i) The key points highlighted in the report were (i) IPS H1 overview; (ii) IPS journey purpose; (iii) IPS markets, nations and regions; and (iv) IPS Q3 data.
- (ii) The Board was taken through the report and areas such as the economy and exchange rates were highlighted and discussed together with factors which influenced them.

#### **England Domestic**

- (i) The papers circulated to the Board were taken as read.

### **Agenda Item 10: Britain's Brand**

12. Richard Nicholls provided the Board with an update with reference to the circulated paper. The following points were noted:

#### **Consumer Sentiment Research**

- (i) The UK's overall NBI rank remained stable in 2018, in 3<sup>rd</sup> place. The UK has held the 3<sup>rd</sup> place for eight consecutive years.
- (ii) The UK saw improvements in its overall NBI rank and tourism rank in Canada, USA, China, France and Japan. It saw declines in Germany, Egypt, India, Russia and Argentina.
- (iii) Interest in visiting Britain declined in the latest wave, and is now significantly lower than in 2016. Globally, 69% state that they are interested in visiting Britain, down from 76% with large declines in France, Spain and Sweden. Most respondents state their likelihood to visit Britain has not been affected by the EU referendum decision.
- (iv) Britain's net reputation in light of the referendum is slightly negative in the international total and remains negative for Europe in the latest wave. Factors such as "uncertainty", "welcome" and "safety" were considered.

#### **Nations Brand Index**

- (v) The Board was presented with the findings of the Anholt Brands Index, which is an annual syndicated study ran since 2008 amongst 20,000 consumers in 20 panel countries around the world.
- (vi) The UK has a well-rounded nation brand, scoring in the top ten on each of the six dimensions.
- (vi) The Board also considered NBI dimensions and attributes, metrics and brand perceptions as well as a detailed report on Brexit sentiment.

## **IPS**

- (vii) Delays in IPS data have been caused by a methodical change: the survey has moved from pen and paper to tablets and has caused significant delays in data processing.
- (x) At the time of the report the only data available was up until Q2 (April-June) until the Q3 data is released on 17 January 2019.
- (x) The ONS hope to be back on schedule with monthly data soon after this report.
- (x) The Board also considered IPS sample sizes, sample boosts and imbalance.
- (x) There was a discussion on sample size of IPS – further work is required. A project will be initiated and progress will be reported back to the Board.

### **Agenda Item 11: Brexit Planning**

13. Robin Johnson provided the Board with a verbal update on the BTA's Brexit planning operations.

### **Agenda Items 12, 13 and 14**

14. Sally Balcombe provided an update on the DEF projects and DEF rollover, uncertainties noted pending approval from DCMS.
15. The DEF Platform was in the Procurement stage; it is believed that two bids would be put forward. Once a supplier has been selected, a final investment subcommittee meeting will be held with DCMS on 17 December for final approval and the agreement would be signed in late January 2019.

### **Agenda Item 15: Strategy Narrative**

16. Patricia Yates provided the Board with an update with reference to the circulated paper. The following points were noted:
- (i) At the Board Strategy Day, the Board considered the longer term position of the organization as it entered a new spending round. It was agreed that the BTA should seek to raise the organization's influence within Government by focusing on key UK Government priorities where it could have an impact and where funding might become available.

- ⑩ The organization's strategy for 2019-2025 was also considered, assuming that the BTA's remit remained the same, with core funding from DCMS and a sizeable contribution from the GREAT pot to give the BTA a comparable budget.
- ⑪ The Board was presented with the upcoming five year strategy paper and this was taken as read.

### **Agenda Item 16: Business Planning 2019/2020**

17. Hazel Cunningham provided the Board with an update with reference to the circulated paper. The following points were noted:

- ⑩ The BTA's targets remained unchanged, the Board was taken through previous year's performance figures and it was noted that in 2017/18 VisitEngland delivered £165m of incremental spend against a target of £80m.
- ⑪ GDP growth forecast was covered with reference to (i) market forecasts to 2025; (ii) spends per visit; (iii) sustainability of visits; (iv) seasonality; and (v) regionality.
- ⑫ The political environment was also discussed with the UK's transition from EU membership for future partnership. Government priorities are: (i) a strong economy; (ii) Brexit; (iii) Protecting the Union; and (iv) Global Britain.
- ⑬ Based on the key assumptions presented to the Board, some of the priorities for Year 1 included: (i) building tourism's value across the nations; (ii) sustaining the legacy of the DEF and amplify England activity; (iii) advising on tourism growth, resilience and productivity; and (iv) deepen and integrate the BTA's partnership activity across PDP, strategic partners, B2B, B2C and brand.
- ⑭ There was an in-depth presentation and discussion on the funding arrangements for 2019/20, the cost pressures and risks involved and market focus.
- ⑮ The following uncertainties were flagged on budgeted activity: (i) confirmed budget for GREAT; (ii) re-profiling of DEF and funding of DEF platform; (iii) impact of Brexit; (iv) impact of a tourism sector deal; (v) any expectation of supporting "soft power".

### **Agenda Item 17: Pensions Update**

18. Hazel Cunningham provided the Board with an update with reference to the circulated paper. The following points were noted:

- ⑩ In the two weeks before the Board meeting there have been material developments, the following have been highlighted: (i) HMG have confirmed approval of a Crown Guarantee on closure of the current DB final salary scheme; and (ii) the Pension Trustees have now confirmed their desire to sectionalise the BTBSPLAS scheme. The Trustees were keen to move quickly to complete the

sectionalisation work as well as the Triennial valuation (2015 to 2018) with an ambitious target of 31 March 2019.

- (i) The Board was asked to review and confirm the approach recommended:
- To confirm agreement to sectionalizing the BTBSPLAS scheme and confirm agreement to a new approach for the DC scheme for existing staff; namely to join a separate DC scheme instead of the existing legal trust (within BTBSPLAS);
  - Confirm the recommendation to maintain salary linkage;
  - Confirm the recommendation to provide service enhancements for death in service pensions and ill-health retirement pensions;
  - Confirm the recommendation to maintain the previously agreed Transitional contributions.
- (ii) The Board has approved all of the above proposals.

### **AOB**

Next meeting would be held in Scotland at the end of January, travel arrangements and engagement were discussed with further details to be provided.

The Board thanked Angela Bray for her service during her three year appointment.

### **Date of Next Meeting**

To be held on 29/30 January 2019, further details to be confirmed.

### **Close**

Without there being any further business to discuss, the Chairman declared the meeting closed at 14:30.

Chairman's Signature

Date:

Original Signed