MINUTES OF THE 439th MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 10:00 ON TUESDAY 18 SEPTEMBER 2018 AT

VISITBRITAIN, 1 VICTORIA STREET, WESTMINSTER, LONDON SW1H 0ET

Present:	Steve Ridgway, CBE (Chairman)
	Denis Wormwell
	John Lindquist
	Angela Bray
	Ian McCaig
	Dame Judith Macgregor
	Giles Smith (DCMS)
	Lord Thurso
	Jason Thomas
	Mark Taylor
In Attendance:	Sally Balcombe
	Hazel Cunningham
	Lola Moses, Secretary to the Board
	Patricia Yates
	Emma Hudson (for agenda item 10)
	Gavin Landry (for agenda item 9)
	Robin Johnson (for agenda item 9)

Agenda item 1: Chairman's Update and Introduction

1.   The Chairman welcomed the Board to the meeting.

2.   The Chairman updated the Board on recent developments impacting tourism, the Board noted the following:

  ◊   The Rt Hon Jeremy Wright MP was appointed as new Secretary of State for State for DCMS on 9 July 2018. It was noted that he was enthusiastic about tourism and about the prospect of a tourism sector deal.

  ◊   There was a positive meeting between Sally Balcombe and Steve Ridgway on the Spending Review with DCMS. VB was encouraged by DCMS to be bold in its ambition on what it was trying to achieve.

  ◊   Meeting with Tourism Ireland in Dublin to ensure that VB is maximising opportunities in the region.

Agenda Item 2: Minutes of the Last Meeting

3.   The Minutes of the BTA Board meeting held on 21 June 2018 were approved subject to minor amendments.

Agenda Item 3: Apologies

4. The Board received apologies from Katy Best.

Agenda Item 4: Declarations of interest

5. There were no new declarations of interest.

Agenda Item 5: Review of Dashboard

6. Sally Balcombe provided the Board with a verbal update on recent developments with reference to the circulated paper.

Agenda Item 6: CEO Report

7. Sally Balcombe provided the Board with a verbal update on recent developments. The following points were noted:

   (i) VB office move to take place at the beginning of October 2018.

   (ii) The business case for the pension plan had been submitted to HMT for approval.

   (iii) DEF Platform approval would occur following the next DCMS Investment and Finance Sub Committee scheduled for 21 September 2018. Further updates to be provided to the Board at the next meeting.

Agenda Item 7: State of the Market Snapshot

8. The Market Snapshot was circulated to the Board prior to the meeting and was taken as read. It was noted that the Autumn figures reported as seeing stronger progress.

Agenda Item 8: Political Affairs

9. Patricia Yates presented a verbal update to the Board on recent political developments impacting tourism.

Agenda Item 9: Markets Update

10. Americas: Gavin Landry provided the Board with an update on VisitBritain's activity in America, the following points were noted:

    (i) Consistent growth has been registered from USA post-recession with record visitors having been registered in 2017. Holiday visits are the main increase.

    (ii) Opinions of Britain were reported as positive in the USA post-Brexit and buzzseekers are more likely to visit Britain post-referendum than US sightseers/explorers.

    (iii) The majority of international American travelers have stated that their likelihood to visit Britain had not been affected by the EU referendum decision with most Americans (81%) seeing Britain as welcoming to visitors.

    (iv) The perception of Britain as a safe destination had not fully recovered yet since past attacks.

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(v)   Price was reported as the key factor pushing US customers to choose other destinations. A strengthening pound would reduce the likelihood of USA segments to visit Britain.

(vi)   Britain ranked second after France in terms of market share of US overnight visits, a close watch was noted on Ireland, Spain and Australia's performance and increased visits.

(vii)   Strong connectivity and capacity have been reported between the USA and Britain, with 89% of the flights being directed to London.

(viii)   The Board considered forecasts for the USA and the budget available for the market, identifying the need for a focus on volume and productivity.

11.   Europe: Robin Johnson provided the Board with an update on VisitBritain's activity in America, the following points were noted:

(i)   Consistent growth had been reported from Europe over past 15 years.

(ii)   2017 registered strong growth in holiday visits and a decline in business visits and events.

(iii)   Opinion of Britain remains negative in Europe following recent polls, however the net balance of likelihood to visit Britain remained positive.

(iv)   Younger age groups have been reported to be slightly more positive about their likelihood to visit Britain and significantly less interest was reported in England and Wales.

(v)   Safety and security have seen signs of recovery but are still a concern.

(vi)   Price and value of money remains a challenge among many Europeans with the Board considering competitor insights including Germany, France, Spain and the Netherlands.

(vii)   The Board also noted the possible risk of UK's strong connectivity with Europe being affected by recent political developments and considered the Europe forecasts for 2016-2025.

(viii)   A relatively small budget was noted. Focus was identified as being essential, the following problematic points were highlighted: (i) low interest in visiting regional England & Wales vs London & Scotland; (ii) air connectivity strong to Europe but cannot take regional route growth for granted; (iii) Brexit is a major risk on access and perceptions; and (iv) best growth prospects are from UK's largest established markets (Spain, Nordics, Germany, Netherlands, France and Italy).

(ix)   Given its highly regional & seasonal characteristics, European markets are best placed to respond to growth objectives around dispersal and productivity with a value on secondary consideration of regional and seasonal aspects.

(x)   The Board considered VisitBritain's revised role within Europe and mitigating plans for the impact of Brexit, including points raised by the Board on mitigating impact on travel and border issues.

Agenda Item 10: Strategy Update

12.   Sally Balcombe, Patricia Yates and Emma Hudson provided the Board with an update on VB's strategy with reference to the circulated paper. The following points were noted:

(i) The importance of tourism was stressed – it represents 9.9% of G.D.P. and provides 3.7m jobs, 11% of the total UK number.

(ii) Five strategic pillars were highlighted (i) growth of tourism value for UK economy; (ii) supporting productivity of tourism; (iii) growth of regional dispersal; (iv) becoming an expert advisor to Government and the industry on tourism. (v) Delivery of England Growth

(iii) The Board discussed the strategic questions set out on page 7 of the Board Strategic Overview paper.

(iv) A refined market priority mix that focuses on covering 88% of spend projections was proposed. Highlights include (i) continuing the journey of being customer focused and evolve a greater link between supply and demand; (ii) align trade, direct to consumer and partnership activity with an integrated channel approach; (iii) have a greater focus on enabling conversion by leveraging brand assets; (iv) introduce a domestic marketing activity for England; (v) increase focus on business events in priority markets; and (vi) enable problem solving with Government departments on key tourism issues.

(v) The Board was updated on ongoing global movements and then considered the region highlights on APMEA, NE Asia, Americas, Europe and England (inbound).

(vi) The format of the papers circulated and the inconsistent application of the pillars were discussed. Sally Balcombe clarified that a higher level of detail will be included in the Business Plan.

(vii) The Board was also presented with the England domestic strategy and DEF 2 developments following the VEAB Board meeting held on 13 September 2018.

(viii) Government support was discussed and collaboration with Government departments on solving political issues relating to tourism considered.

(ix) The VB Shop strategy was discussed by considering the products that are being sold, the platform on which services are being offered, acquisition channels being used, customer engagement strategy and other operational points.

Agenda Item 11: Spending Review Update/DEF 2

13. Patricia Yates provided the Board with an update on VB's Spending Review bid with reference to the circulated paper. The following points were noted:

(i) There was no formal announcement made for a spending review by DCMS.

(ii) The Board was presented with the Spending Review's priorities which included (i) competing to match global growth; (ii) developing a stronger overseas presence and increase marketing investment to enable VB to capture its share of global growth; (iii) building and improving the domestic tourism product; (iv) fixing structural policy issues and making Britain the most productive tourism economy in Europe.

(iii) A Tourism Sector Deal would help the industry face Brexit with increased resilience while increasing productivity to match that of competitor nations.

(iv) The spending priorities covered were (i) VisitBritain's Core Grant-In-Aid Funding; (ii) VB's dependency on GREAT fund; (iii) Tourism Zones; and the (iv) Discover England Fund 2 and increase in VisitEngland Core Grant in Aid to fund domestic marketing.

Agenda Item 12: Update on Annual Accounts

14. Hazel Cunningham provided the Board with an update on the Annual Accounts with reference to the circulated paper. It was noted that approval from HMT was expected within one month.

Agenda Item 13: Any Other Business

No other business was reported.

Date of Next Meeting

It was noted that there would be a Joint Strategy Day with BTA and VEAB members on on Wednesday the 10th of October 2018 (10:00 to 15:00).

The next BTA Board meeting would be held on 4th December 2018 (10:00 to 14:30)

Close

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

Chairman's Signature

Date: