

MINUTES OF THE 433RD MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 10:30 ON TUESDAY 20TH JUNE 2017 AT

VISITBRITAIN, 20 GREAT SMITH STREET, LONDON SW1P 3BT

Present: Steve Ridgway, CBE
Denis Wormwell
John Lindquist
Katy Best
Angela Bray
Ian McCaig
Margaret Llewellyn OBE
Laura Clayton
Lord Thurso

In Attendance: Sally Balcombe
Hazel Cunningham
Lola Moses, Secretary to the Board
Patricia Yates, Director Strategy & Communications (item 9 and 13)
Sharon Orrell (for item 13)
Andrew Stokes, England Director (for item 10 and 11)
Tristan Gadsby (for item 10)
Carol Dray, Commercial Director (for item 10)
Robin Johnson, Europe Director (for item 12)

Agenda item 1: Chairman's Update and Introduction

1. The Chairman welcomed the Board to the meeting. There were apologies from Kevin Murphy. It was noted that Laura Clayton was present to deputise for Giles Smith.

There were no declarations of interest.

2. The Chairman updated the Board on recent developments impacting tourism, the Board noted the following:-
 - (i) John Glen MP had been appointed as the new Minister for Tourism, he remains the MP for Salisbury.
 - (ii) Following the General Elections the Culture Secretary remains as Karen Bradley.
 - (iii) The Industrial Strategy remains in place, the importance of a sector deal for tourism was noted.

- (iv) The Brexit negotiations had commenced.
- (v) The Chairman confirmed that both he and the previous Chairman had written to the Minister for Tourism concerning funding issues, namely the insufficiency of the funding to deliver the strategic objectives for the BTA and the decline in the value of British Pound Sterling.

Action: The Chairman shall write to John Glen MP (the new Tourism Minister) to outline concerns on funding and currency fluctuations. It was agreed that the letter shall include an invitation for the Tourism Minister to attend a future Board meeting.

Agenda Item 2: Minutes of the Last Meeting

- 3. The Minutes of the BTA Board meeting held on 3rd May 2017 were approved.
There were no matters arising.

STRATEGY, PERFORMANCE AND OUTLOOK

Agenda Item 5: Political/Tourism Affairs

- 4. Patricia Yates provided the Board with a verbal update on recent political developments impacting tourism, the following points were noted:-
 - (i) Following the General Election held on 8th June 2017, it was noted that that discussions were ongoing between the Government and the Democratic Unionist Party (“DUP”) on confidence and supply arrangements.
 - (ii) The DUP Manifesto for the 2017 contained a lot of information on tourism.
 - (iii) BTA had entered into an MOU with the Northern Ireland Tourist Board.
 - (iv) The Queen’s Speech would be delivered on 21 June in the Houses of Parliament. It was noted that the Speech would set out the Government’s agenda for the coming session.
 - (v) The BTA had written to all the new MP’s and relevant Ministers. It was noted that the BTA would be hosting an event for Special Advisers in July.
 - (vi) Work is continuing with the Industrial Strategy. It was noted that the Chairman would be meeting with some of the captains of industry and feedback from the working groups should be received by mid-July. It was anticipated that the formal consultation results would be available by mid-August, ready for presentation by the Chairman at the newly reformed Tourism Industry Council in September.
 - (vii) The key areas of Brexit negotiation would be expected to include, the Irish border, the size of the financial settlement and free movement of EU citizens.

- (viii) Following the recent terrorist incidents it was noted that the TIER response was circulated to Board members. On crisis communications, BTA had been engaging with industry partners such as London & partners and Marketing Manchester.
- (ix) It was noted that DCMS would welcome a BTA pitch for a £10m Post Crisis Recovery Programme focused on Manchester and London.

Agenda Items 6, 7 and 8: Review of Draft Dashboard, CEO Report and State of the Market Snapshot

5. Sally Balcombe referred the Board to the dashboard which was tabled at the meeting and the CEO's report. Members acknowledged the new executive summary format of the CEO's report and noted that it was a beneficial document. Members were reminded that the dashboard would be revised from time to time following feedback from the Board. In particular, it was noted that further input would be made on the measures and milestones sections of the dashboard.
6. On the RAG status it was noted that the BTA were yet to receive targets from DCMS, it was noted that DEF's performance was going well and that marketing campaigns under GREAT were challenging in terms of ROI. It was noted that the Marketing team were focusing on campaigns to amplify performance and that this was something that would come back to the Board.
7. There was a successful BTA management conference on the future vision and strategy for BTA. The Board were updated on the challenges around recruitment and salary issues. It was noted that BTA were undertaking a global salary benchmarking exercise and that this would be reported back to the board in September or the October Strategy meeting.
8. The Board discussed the importance of the profile of tourism being raised at constituency level and that jobs and skills were one of the key pillars in the Industrial Strategy. It was agreed that Patricia Yates would incorporate this to help drive the Industrial Strategy.
9. Sally Balcombe tabled the State of the Market Snapshot – June 2017 paper and provided the Board with an overview of the recent competitive activity. The following points were highlighted: -
 - (i) Brand USA - President Trump's budget proposals for 2018 seek to remove all funding from Brand USA.
 - (ii) Visit Sweden - Sweden have a country-wide deal with Airbnb, the whole of the country is now listed on Airbnb website.
 - (iii) Atout France – It was noted that France has not recovered from the terrorism impact of the last year. There has been a decline in American tourists travelling to France.
 - (iv) Qatar Airlines – It was noted that BTA have a partnership with Qatar Airways.
 - (v) BA have announced a strike. BA are interested in partnering with the BTA.
10. The Board noted that the mid-year tourism reforecast paper would be circulated prior to the September Board to brief members on the mid-year volume and value forecast for 2017.

Agenda Item 9: Tourism Trends

11. Sally Balcombe referred to the Tourism Trends paper which was circulated prior to the Board as a paper for information, the paper was taken as read.

ENGLAND

Agenda Item 10: DEF Platform

12. Andrew Stokes introduced the Board to this agenda item. The Board received a presentation on the DEF platform from Carol Dray and Tristan Gadsby (the CEO of Alliants). Carol and Tristan addressed the issue of existing market failure and explained the platform proposition which could be implemented to achieve the objectives for DEF.
13. The following matters were noted as key components of the platform:-
 - (i) To allow consumers to be presented with bookable itineraries and recommendations based on local knowledge to inspire new and repeat visitors and to enable online ticket reservations.
 - (ii) Promoting destinations to tourists who might otherwise not leave London.
 - (iii) Generating a variety of travel related content.
 - (iv) Functionality that enables distributors to upload, create and modify digital content.
14. A decision was required from the Board to confirm whether the platform proposition could be reviewed. In particular, the recommendation was to support a pilot project working alongside some of the phase 2 DEF bids. The Board recognised that the estimated cost of the pilot phased would be £500,000. It was noted that the estimated timelines for the proposed pilot would be quarter 3 and 4 of 2017.
15. The Board engaged in detailed discussions concerning the DEF platform, it was noted that the costs for funding a pilot would be significant and it was agreed that further work would be needed before a decision could be made.

Action: Carol Dray and Andrew Stokes to produce an enhanced paper to over a detailed risk assessment on platform evaluation and further information on distribution and demand. It was agreed that the paper would be brought back to the September Board for a decision on the pilot phase.

Agenda Item 11: DEF Update

16. Andrew Stokes provided the Board with a brief verbal update on the DEF. The following points were noted:-
 - (i) Year 1 bids had come to an end and all feedback reports on the output and outcomes have been received.

- (ii) A full report of Year 1 bids will be available in October.
 - (iii) There were 35 expressions of interest for the Years 2 and 3 projects. It was noted that 14 were shortlisted. The 14 shortlisted had been through a number of panels and assessment processes, and 3 of the 14 were to be declined.
 - (iv) 31 bids for more test and learn projects were received.
17. For Years 2 and 3, the Board noted that a number of processes were ongoing and that an updated paper would be circulated to the Board in due course.

BRITAIN

Agenda Item 12: Europe Strategy

18. The Board received a presentation from Robin Johnson, Europe Director on Europe Strategy, the following points were noted:-
- (i) There were 27.6 million visits from Europe in 2016 which accounted for 73% of total visits.
 - (ii) £11.5 billion spend by visitors from Europe which amounted for 51% of total spend.
 - (iii) Europe represents 8 out of the top 10 markets for visits and 7 out of the top 10 markets for spend.
 - (iv) In the month ending 31 May 2017 Britain was 9% more affordable for visitors from European countries in comparison to the same period of time in 2016.
 - (v) It was noted that the Europe objective was to drive regional and seasonal spread from the best prospect audience groups in Europe.

Agenda Item 13: GB Tourism Survey (“GBTS”) Issues with 2016 Data Delivery and Future Survey Options

19. Patricia Yates introduced this agenda item to the Board and advised on the background. The Board received a presentation from Sharon Orrell on GBTS. Sharon highlighted the issues affecting the delivery of the GB Tourism Survey in 2016-17 along with the options and recommendations for next steps in managing the contract. The following points were noted:-
- (i) The GB Tourism Survey is the official statistic which measures the volume and value of domestic overnight tourism in Britain. Delivery of this data is a statutory requirement and required by our funding agreement with DCMS.
 - (ii) The survey has been run by the same supplier, TNS, since 2005, and was most recently contracted in late 2015 for the four year period 2016-19. The contract is held jointly across the three boards (VisitEngland, VisitScotland and Visit Wales).

- (iii) An issue identified by TNS involved a small number of interviewers with inaccurate questionnaires and as a result of removing the affected interviews, the sample size for 2016 was c.10% lower than in previous years.

Action: The Board Secretary in conjunction with Patricia Yates and Sharon Orrell to consider possible options for the future of the GBTS project.

CORPORATE MATTERS

Agenda Item 14: Annual Report and Accounts

20. Hazel Cunningham referred the Board to the Annual Report and Accounts. The following matters were noted: -
- (i) The Audit Committee had seen a draft of the Annual Report and Accounts in May.
 - (ii) NAO signoff had been received recently, the Annual Report and Accounts were circulated to the Board and the Audit Committee as soon as possible following this.
 - (iii) It was agreed that the Board would need greater time to review the papers and that an Extraordinary Board should be scheduled in order to approve the Annual Report and Accounts.

Action: The Board Secretary to arrange an Extraordinary Board for members to approve the Annual Report and Accounts.

Agenda Item 15: Remuneration Committee

21. The Board noted that it had delegated the decision on performance related pay to the Remuneration Committee. The Remuneration Committee will be held on 27th June 2017.

Action: The Board Secretary to circulate the Remuneration Committee minutes to members.

Agenda Item 17: Risk Register

22. Hazel Cunningham took the Board through the risk register. The Board noted the distinction between external risks and internal risks. The Board noted the steps taken and processes in place to mitigate risks.

PAPERS FOR INFORMATION

23. The Board approved the papers provided for information to be taken as read.

Any Other Business

24. None.

Date of Next Meeting

25. To be held on Thursday 28th September 2017.