

MINUTES OF THE 437th MEETING OF BRITISH TOURIST AUTHORITY

HELD AT 10:00 ON TUESDAY 20 MARCH 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
Stephen Darke DCMS
Lord Thurso
Jason Thomas
Katy Best

In Attendance: Sally Balcombe
Hazel Cunningham
Lola Moses, Secretary to the Board
Anthony Pickles (for item 8)
Andrew Stokes, England Director (for item 10)

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:
 - (i) Jason Thomas, the Director for Culture, Tourism and Sport for the Welsh Government was welcomed to the meeting. It was noted that following the Welsh Tourism Advisory Panel being dissolved its functions transferred to Visit Wales - the Welsh Assembly's tourism team. Jason Thomas advised that following the reforms a new super advisory board would be created which would replace previous boards including the Welsh Tourism Advisory Panel, until the new board is in place Jason Thomas confirmed that he would be attending future BTA Boards in the interim.
 - (ii) The Chairman and the Board acknowledged the significant contribution that Margaret Llewellyn OBE, the former Chair of the Welsh Tourism Advisory Panel had made to the BTA Board.
 - (iii) The Chairman updated the Board on the latest developments with the Industrial Strategy. It was noted that the Industrial Strategy was gaining significant traction

concerning the key industrial sectors and that members would receive a detailed update under agenda item 8.

- (iv) Patricia Yates was absent from the meeting, Anthony Pickles would be attending the meeting in her place to update the Board on the latest develops with Political /Tourism affairs and Industrial Strategy under item 8.
- (v) Agenda item 10 would be covered earlier in the meeting by Andrew Stokes.
- (vi) Following the visit to London by Saudi Arabia's new crown prince Mohammed bin Salman, John Lindquist and the Chairman had a meeting with the Saudi Arabian delegation. It was noted that Saudi Arabia has ambitions to start its own national tourist board. The new UK tourism minister would be visiting Saudi Arabia in April 2018. Saudi Arabia was seeking expertise on existing industry practices and has expressed its interest to learn from experienced national boards such as the BTA.

Agenda Item 2: Minutes of the Last Meeting

- 3. The Minutes of the BTA Board meeting held on 25 January 2018 were approved, subject to minor amendments.

Agenda Item 3: Apologies

- 4. The Board received no apologies.

Agenda Item 4: Declarations of interest

- 5. There was a potential conflict of interest declared by Lord Thurso on agenda item 9 – Pensions.

Agenda Item 10: DEF platform update

- 6. Andrew Stokes provided the Board with a verbal update on recent developments on the DEF Platform, the following points were noted:
 - (i) Procurement phase had completed and testing was ongoing for Rainmaker.
 - (ii) Rainmaker had commenced work in five sprints over eight weeks which would then allow a further eight weeks of live testing.
 - (iii) KPI's and outputs were identified from the Pilot and four projects were selected as test partners. This included, Marketing Manchester, England's Coastal Pass, Cultural Cities of the North, Gardens and Gourmet.
 - (iv) Since the last Board meeting, it was noted that Government Digital Service ("**GDS**") approval had been received for the pilot project and that very positive setup meetings were held.
 - (v) On State Aid it was noted that the BTA was working with DWF. DWF have identified two different potential routes and the BTA team were to meet later that week to review and decide which approach would be most appropriate.

- (vi) The Chairman sought confirmation on the next stage of the DEF Platform project. It was noted that a presentation would be made at the next Board meeting based on the Pilot results. Andrew Stokes confirmed that the progress on the DEF Platform is currently on track.
- (vii) Sally Balcombe mentioned her visit to Australia where solid endorsement of their existing platform was received. It was noted that there is positive support from the Australian tourist board on the UK DEF Platform and on the chosen supplier.
- (viii) Denis Wormwell also noted strong support from the VEAB board for the DEF Platform.

STRATEGY, PERFORMANCE AND OUTLOOK

Agenda Item 5: CEO Report & Dashboard

- 7. Sally Balcombe provided the Board with a verbal update on recent developments impacting the organisation, the following points were noted:
 - (i) Sally Balcombe updated the Board on her recent business trips for VisitBritain in February 2018 for the launch of “*I Travel For*” in Indian and Australia:
 - i. The Visit to India was held in Mumbai and in connection with DiT. Approximately 500 people were in attendance. It was noted that the “*I Travel For*” campaign was well received and its message had been successfully delivered to the Indian market. During the visit to India Sally Balcombe had the opportunity to meet with the High Commissioner in India, it was noted that there was strong interest in our Industrial Strategy.
 - ii. Concerning the visit to Australia, it was noted that Australia was receiving investment for developing new flight routes. Australia was aiming to increase their competitiveness in the airline industry, especially for flights between the UK – Australia, which were amongst the most profitable. Board members noted that a new route was being launched by Qantas Airways on Saturday 24 March 2018. The route will mark the first time any airline has launched direct flights between the UK and Australia.
 - iii. Members noted that the growth and the energy towards the UK tourism sector in Austria and India was palpable.
 - (ii) Board members noted that the “*Explore GB*” event was well attended, with approximately 82% of all expected attendees present at the event. It was noted that there were challenges with the timing for the event due to the adverse weather condition caused by the snow. It was noted that the event was successful and good connections were made. Sally Balcombe and the Chairman made the decision to move “*Explore GB*” to later in the year to ensure that there is a prospect of better weather. It was noted that Explore GB was likely to be held in late April or May 2019.
 - (iii) Sally Balcombe attended the ITB Berlin event the week prior to the Board meeting:

- i. The “*I Travel For*” campaign for Europe was launched at this event.
- ii. Destination Management Companies (“**DMCs**”) were present on VisitBritain’s stand.
- iii. The Discover England Fund projects were delivered to market at the event. Sally Balcombe referred to the spreadsheet of projects which was tabled at the meeting. It was noted that the DEF projects showcased at IBT were selling well. A snapshot of the DEF projects was given, it was noted that Hotels & More and Jac Travel were two of the DMCs featured that had already launched to the travel trade.

Action: Sally Balcombe agreed to bring back the results if year 1 projects back to the board.

- iv. It was noted that the overall feedback received from tour operators demonstrated that there was a lot of demand and interest for Britain, but there was some caution for future bookings.
- (iv) Sally Balcombe visited Wales and met with Jason Thomas and his team on 28th February 2018 (the day before St David's Day). The visit included meeting members of the tourism industry in Wales and the Welsh Tourism Minister (Lord Elis-Thomas). It was noted that the visit had been very productive and that the respective teams would be working closely together.
- (v) The “*G-Fest*” event would be launching in Hong Kong during the week commencing 19th March 2018. It was noted that Carol Dray, Commercial Director would be attending the event on behalf of the BTA.

Action: It was noted that VisitWales and the BTA would be attending a number of international events separately. It was agreed that both teams would coordinate such visits to utilise synergies. The Board secretary shall circulate the forward dates for such events and visits to board members.

8. Sally Balcombe referred to the Dashboard which was circulated prior to the Board:

- (i) It was noted that the DEF projects were on track and doing well.

Action: It was agreed that the Board would receive further information and data as to the performance and evaluation of the projects quarterly.

- (i) Good feedback was received from the launches of the new campaign “*I Travel For*” campaign in India, Dubai and Australia. The content for the campaign was currently being distributed through Facebook. It was noted that the RAG status for this item was amber due to the need for the BTA to improve its ROI for this item.
- (ii) BTA had introduced some of its strategic partners to the new Minister, Michael Ellis MP. It was noted that the partners were able to discuss the value of their partnerships with the BTA.

- (iii) It was noted that a revised Business Events strategy was being developed. The outline priorities were agreed with the previous Minister John Glen MP. It was noted that the priorities needed to be ratified by the new Minister, Michael Ellis MP. A separate session with Michael Ellis MP would be arranged to facilitate this.

Action: The Board will be provided with a further outline of the priorities following the ratification by the new Minister for the next Board meeting.

- (iv) BTA's first buyer event "MeetGB" would be launched in April 2018. MeetGB will provide an opportunity for British tourism suppliers and destinations to meet and do business.
- (v) The Board noted the HR initiatives that were being implemented across the organisation. This included, a new programme for training, appraisal and development, pay and reward strategy and an enhanced Remuneration Committee.
- (vi) Sally Balcombe clarified what was meant by Tourism Zones:
 - i. It was confirmed that Tourism Zones related to the potential Tourism Sector deal as part of the Industrial Strategy.
 - ii. The zones would aim to align policy, tourism products, stakeholders and ultimately visitor experience to extend the performance of key geographical areas of the visitor economy.
 - iii. It was noted that the concept of Tourism Zones had been positively received by the sector.
 - iv. Stephen Darke, confirmed that the BTA and DCMS were fully engaged on the Sector Deal. It was noted that there would be a meeting on 19th April 2018 with Ministers.

Agenda Item 6: State of the Market Snapshot

- 9. Sally Balcombe provided the Board with an update on the state of the market, the paper was taken as read but the following points were highlighted:-
 - (i) There was a high amount of activity reported on connectivity and route development.
 - (ii) On the IPS update it was noted that there was a slow-down reported by IPS (based on provisional October 2017 data released on January 23rd 2018):
 - i. visits down 6% in October 2017; down 1% for the past 3 months; up 5% year to date;
 - ii. spending being up 1% in October 2017; up 6% past 3 months; up 10% year to date; and
 - iii. figures for the three months prior to the meeting showed EU15 -2%, Other EU -2%, N America -11%, Rest of World +10%.

- (iii) There was a discussion on the likelihood of tourism taxes being implemented. It was noted that there were ongoing discussions but that there were no anticipated changes in the near future.

Agenda Item 7: Tourism Trends

10. The papers circulated prior to the Board were taken as read.

Agenda Item 8: Political/Tourism Affairs

11. Anthony Pickles provided the Board with a verbal update on Political/Tourism Affairs, the following points were noted:
- (i) Anthony Pickles reported on the challenges with policy making ahead of Brexit. It was noted that most domestic legislative activities were affected while negotiations were ongoing.
 - (ii) The Chancellor of the Exchequer, Philip Hammond presented his Spring Statement to Parliament on Tuesday 13 March 2018. It was noted that several consultations were launched within the Spring Statement. One such consultation which could impact the tourism sector was that on the issue of plastic waste. A key note of the Spring Statement was the Spending Review scheduled to take place in 2019.
 - (iii) On the Industrial Strategy, it was noted that the Chairman had recently met with the Business Secretary Greg Clark. It was noted that a further meeting would take place during the week commencing 26th March 2018 with Alex Williams, Head of Sector Deals at BEIS and DCMS on the sector deal which shall be hosted by the Chairman. It is anticipated that the timeline for the sector deal, resources and the delivery of the deal shall be agreed at the meeting.
 - (iv) Tourism Zones are highly anticipated, as such, the BTA had been asked to prepare a paper on the topic. It was noted that the BTA would keep the topic conceptual for the time being.
 - (v) Several events were held in Wales, in addition to Sally Balcombe's visit (discussed under item 5), the BTA hosted a round table event at the office for VisitWales. It was noted that the engagements in Wales were very well received.
 - (vi) On 1st March 2018, Hazel Cunningham attended a St David's Day reception at the Prime Minister's Office, 10 Downing Street.
 - (vii) It was noted that BTA representatives would be travelling to Saudi Arabia in April 2018 with the Minister to discuss and promote several projects.
 - (viii) Stephen Darke reported that following the nerve agent incident in Salisbury he had been attending the ministerial recovery group. It was noted that Salisbury was now in the recovery stage and that it was open for business.

CORPORATE MATTERS

Agenda Item 9:

Pensions Update

12. Hazel Cunningham provided an update to the Board in relation to the implementation of the Pension Scheme Changes. The following points were highlighted:-

- (i) Good overall progress was reported following the last BTA meeting. It was noted that Approval had been obtained from DCMS's Finance Committee, final approval was pending from HMT and VisitScotland.
- (ii) Timing for the implementation of the Scheme was noted, in particular, the date for implementation was scheduled for 1st April 2018, which was the timeline set by HMT.
- (iii) It was noted that the Deed of Amendment revisions would only be relevant to the BTA although VisitScotland would be a signatory. It was noted that there were a few areas unrelated to the DC Scheme Changes that could be dealt with in the next financial year and that this could be achieved by sectionalisation, permitting the Deed of Amendment to be signed off for the deadline of 1st April 2018.
- (iv) Lord Thurso noted that there would be an issue for VisitScotland unless a legally binding commitment to sectionalisation would be agreed prior to the Deed of Amendment being signed off. It was noted that the sectionalisation could then be carried out at a later stage. A further option could be a Crown Guarantee, if this were to be facilitated then an agreement to sectionalisation may not be necessary.
- (v) The Board discussed the options available to conclude the Deed of Amendment. The implications of not meeting the deadline were discussed and it was noted that the involvement of the pension trustees would be needed in order to agree sectionalisation.
- (vi) It was agreed that the BTA Executives and the Chairman would discuss further with DCMS and VisitScotland and that the Board would be updated at the next meeting.

Action: to report to the Board as to the outcome of the Pension Deed of Amendment and the issue of sectionalisation/ crown guarantee.

Global Pay Review

- 13. Hazel Cunningham referred the Board to the paper that was circulated prior to the meeting. It was noted that the pay and benchmarking review had concluded and that decisions would be implemented for the 2018/19 financial year.
- 14. The Board noted that it would receive a recommendation at the next Board from the Remuneration Committee on the decision for the implementation of the pay review.

Business Plan and Budget for 2018/2019

15. Sally Balcombe provided the Board with an update with reference to the “Business Plan 2018-19” (the “**Business Plan**”) paper circulated prior to the meeting. The following points were noted:
- (i) In the 2015-2016 CSR DCMS set a target of growing VB incremental spend at a growth rate of forecast IPS tourism spend growth +1.5%, the regional spread target is to deliver regional spend in the same proportion as the IPS share of tourism spend, based on 2016 IPS figures, in its activity; and targets for domestic marketing are agreed each year for the latest campaign. For the past three years the annual target has been set at £80m.
 - (ii) The current target for 2018/19 is £910m. To reach the target the BTA’s activity would need to be 22% more effective.
 - (iii) The executive team was developing a proposed new set of targets for DCMS to review which would include retention, partnership value, product distribution and more accurately reflect the value creation by VB and VE.
 - (iv) There needs to be more focus on how “reach” is captured, more data would be presented for the next Board meeting. The Chairman noted that the Board’s support is required when discussing Targets with DCMS, commercial partnerships activity needs to be improved and better metrics required. Overall, targets require improvement.
 - (v) Reference to page 6 of the Business Plan was made and it was noted that a much bigger spend on DEF was reported, other expenditure was reported as being “flat”.
 - (vi) As part of the market plan to have more focus and work with fewer but more customer and market-relevant partners it was noted that the new approach would most likely result in fewer global partners.
 - (vii) Main risks and issues were outlined: (i) market environments were volatile; (ii) ability to deliver targets on current spend levels remained very high risk; (iii) re-profiling of DEF to deliver a year 4 was still to be confirmed and there was a risk of not achieving a DEF 2; (iv) there was pressure on core budgets; (v) possible spending review in 2019; (vi) implications of the industrial strategy; (vii) resources and capacity were being reviewed; (viii) requirement for statutory research post Brexit; (ix) potential currency risk as Brexit plans develop; (x) irrecoverable VAT under pressure due to partnership and NGF mix. John Lindquist asked about the challenge of resourcing the development and implementation of the IS. He felt we would need outside expertise and need commitments from DCMS and BEIS to support this financially.
 - (viii) The timeline on the negotiations/implementation of tourism zones was discussed by the Board. Stephen Darke noted there is a need in the ongoing negotiations on tourism zones to ensure good spread rather than focus only on certain areas.

Agenda Item 11: Any Other Business

16. Giles Smith would be returning to the future meetings on behalf of DCMS with effect from May 2018.
17. There was no other business reported.

Agenda Item 12: Risk Register

18. The updated Corporate Risk Register was circulated to the Board and Hazel Cunningham noted that, among other points, the DEF Platform Pilot, GDPR and IT security breaches sections have been updated.

Date of Next Meeting

19. To be held on Thursday 21 June 2018 (10:00 to 14:30).

Close

20. Without there being any further business to discuss, the Chairman declared the meeting closed at 14:13.

Chairman's Signature

Date: