

**MINUTES OF THE 465th MEETING OF THE
BRITISH TOURIST AUTHORITY (BTA) BOARD**
HELD ON TUESDAY 21st March 2023 at 1000
3 Grosvenor Gardens, London

Present:

Nick de Bois CBE (Chair)	BTA Board Chair
Dame Judith Macgregor DCMG LVO (JM)	Board Member
Karin Sheppard (KS)	Board Member
Ian Edwards (IE)	Board Member / Wales Representative (ex-officio)
Rt Hon Viscount John Thurso (JT)	Board Member / VisitScotland Chairman (ex-officio)
Peter Gowers (PG)	Board Member
Fiona Pollard (FP)	VEAB Interim Chair
Duncan Parish (DP)	DCMS (Observer)
Rodrigo Voss (RV)	Boardroom Apprentice (Observer)

In Attendance:

Patricia Yates (CEO)	CEO/ Accounting Officer
Andrew Stokes (AS)	Director VisitEngland and Commercial
Robin Johnson (RJ)	Director Global Marketing
Debra Lang (DL)	Director HR and Professional Services
Henry Bankes (HB)	General Counsel and Company Secretary
Serena Jacobs (SJ)	Director of Finance
Evelyn White (EW)	Company Secretarial Executive (minutes)
Andy Pike (AP)	Director of GREAT Campaign

Agenda Item 1: Welcome and Introductions

1.0 Welcome

1.1: Apologies for absence

1. Apologies for absence were recorded for:
 - Carol Hui - Board Member / Audit & Risk Committee Chair
 - Mark Taylor - London and Partners (Observer)
 - Patricia Corbett – Tourism Northern Ireland, Observer

1.2 Declarations of Interest/Conflicts

2. There were no changes to the Declarations of Interests noted.

1.3 Minutes of the Meeting on 31st January 2023 (For approval)

3. IE asked for a misspelling of his name to be rectified on page 2; no further changes were raised. The minutes from the last meeting were approved.

1.4 Matters Arising / Action Tracker

4. Each action was reviewed and the tracker updated.

1.5 Chair's update

5. The Chair reported on his key activities since the last Board:

- I. ITB Berlin – the Chair attended the world's largest travel trade fair in early March. He reported that VisitBritain had a strong presence and saw the launch of the 'Spilling the Tea on Great Britain' campaign ([link](#)). Whilst there, the Chair met with the Jill Gallard, British Ambassador to Germany and discussed the reputation of Britain post Brexit in Germany and some current issues concerning school and language visa issues.
- II. During ITB the chair noted negative feedback from delegates, exhibitors and tour operators in relation to the rise of UK hotel prices, increasing instances of delays to hotel and group travel booking confirmations, school travel passports and Government contracts with hotels to house asylum seekers limiting supply.
- III. The collaboration of VB with Strategic partners from Scotland and Wales was noted as being a key strength.

ACTION 01/0323: To share a brief on the Government's contracts with hoteliers for housing asylum seekers and perceived effects to visitor economy.

- IV. Meeting with Julia Lopez MP – the Chair recently met the new Tourism minister, where the importance of the IMG was confirmed as a mechanism for sharing the value of tourism across Government.
- V. Appointments – the BTA Board member vacancies were now live, with a closing date of 11th April. The VEAB Chair vacancy was live with a closing date of 23 March. The Chair urged Board members to share with contacts in the industry and to filter any enquires where possible.
- VI. Annual Review– this was taking place tomorrow in The Leadenhall Building EC3 hosted by the Chair and CEO.
- VII. English Tourism Week – this was in full swing with a steady stream of media engagements with VB/ VE Board members and MPs.

2.0 Strategic matters for discussion

2.1: Political update

6. The CEO provided an overview of the current political matters:

- I. Tourism Industry Council (TIC) – this was taking place tomorrow and was expected to focus on productivity.
- II. Framework Agreement – work was ongoing with DCMS to complete this.
- III. France UK Summit – the policy issue was raised at this summit concerning school trip visas, which had been referred to the Home Office for further investigation.
- IV. Electronic Travel Authorisation (ETA) – the Government had pledged to roll this scheme out by the end of 2024, with the first scheme launching in October in Qatar.
- V. Chinese inbound tourism – discussions were taking place with the Chinese government on whether Britain could return to the Approved Destination Status (ADS) to ease visa requirements. Flights to London Gatwick and Manchester from China had resumed and were expected to resume to London Heathrow over the summer.
- VI. Governments restrictions on TikTok – central Government had disabled access to TikTok accounts and were advising ALBs to consider whether to do the same. Currently, it had been agreed that, due to the extent of its use in market, VB would keep its account live but would

closely monitor the situation and investigate what additional security measures were needed.

2.2 CEO Report and Dashboard

7. The CEO took the reports as read and highlighted the following key activities:
- I. Marketing – this month has seen a major launch of campaigns across Europe to promote regional spread by giving tourists a taste of what’s outside London. In the USA, the ‘Ask Britain Anything’ campaign (in partnership with BA) played on regional accents with an interactive app where accents can be brought to life, and a co-op marketing pilot. The gateway innovation fund saw London collaborate with Scotland and US.
 - II. CEO visit to New York and Los Angeles – the purpose of this trip was to observe first-hand the status of recovery, which the CEO reported was continuing at good pace – even the wavering economy was not seen to be impacting tourist travel. Luxury travel was particularly strong, but price hikes (of approx. 20-30%) were not unnoticed; although people were prepared to pay, the expectation of quality and standards were high. The timing of launching campaigns into market was raised, which was traditionally in March mainly due to PASS approvals, and that it was advised consideration should be given to align to a time that is proven to drive bookings e.g. June. It was also recognised that March was a demanding period, and by moving to another month, this could be helpful.
 - III. Building Our Future – this was being impacted by a reducing budget. Budget pressures in this fiscal year had meant changes to funding streams and the slowing of some projects. It was anticipated that the revenue from the new Camelot campaign would be applied to the Transformation Programme.
8. DP advised that the updated Tourism Plan, aligned to VB forecasts, was with Ministers for approval. A discussion followed on tax free shopping and whether this would be revisited by the current Government, and if there was data available to support this that could be brought to the attention of IMG and Treasury. The CEO highlighted that although there were currently certain barriers with visas and the VAT policy, Britain was now the most popular destination in the USA, and that the Paris 2024 Olympic Games was deemed a good opportunity for Britain being so closely located.

2.3 ALB Review

9. Following Emir Feisal’s attendance at the last Board, where the ALB Review terms of reference were consulted upon, the Chair confirmed that the feedback and suggested changes were sent to the review team for consideration. DP confirmed that the terms of reference remained unchanged and were currently with the Minister for sign off before further engagement from the Review Team would continue. Due to this, the delivery of the initial report had moved from April to end of May.

3.0 Papers for approval

3.1 2023-24 Budget

10. SJ took the paper as read, caveating DCMS had not yet received agreement on their administrative funding and that the budget being presented was based on the funding indicated in the Settlement Letter.
11. Assurances were provided that the process in place to manage the budget on a monthly basis was robust. The key changes were noted as:
- I. VAT recovery – this was currently at 9% but caution was noted due to moving components. New opportunities had been presented to recover on activity with GREAT.
 - II. Retail contribution - the second proposed Camelot voucher scheme had ringfenced £250k of retail contribution to support the Transformation Programme.

- III. PASS approval was already in place for the next fiscal year, which was anticipated to minimise any underspend.
- 12. Board members raised the possibilities of changing the BTA VAT status and whether this would have a positive effect to the budget. Serena advised that this had been looked into however Treasury view was that it needed to be cost neutral.
- 13. IE reflected on the first Camelot voucher scheme, and whether the new scheme had taken on these learnings. The CEO confirmed that the new platform established midway through the initial scheme had captured all the lessons learnt and was now considered fully resilient for the next scheme.
- 14. Board members approved the proposed 2023-24 Budget.

3.2 Delegated Authority Policy

- 15. SJ shared the draft Delegated Authority policy and explained the purpose was to create a central record of all authorisations, and clearly define who is authorised to carry out key decisions and approvals for both financial and non-financial contracts and business. This paper had been tabled at the Audit and Risk Committee (ARC) last week, which resulted in one change request and minor corrections (see ARC minutes).
- 16. JM commented on the authorisations surrounding the Gifts and Hospitality Policy, and wanted to check whether there was a distinction between 'gift' and 'hospitality' that should be represented in this policy. SJ took an action to check the limits set in the policy against the Gifts and Hospitality policy and would confirm this at the next RPC.
- 17. Board members were in full support of this new policy and agreed the outline draft. SJ highlighted that the policy had provisions to allow minor amends to be agreed by the CEO and Chair of Audit Committee, and would also be subject to an annual review.

3.3 Risk Management Annual Review

- 18. SJ took the annual risk review as read and confirmed that the ARC had supported the recommendations to; agree the revised risk appetite for Marketing, Procurement, Data and Security; to introduce a new risk appetite for 'Open to Partnership'; and, to the closure of the Digital Transformation risk. Board members were also asked to share any comments on the corporate risk register, and to note changes to the risk management policy.
- 19. FP observed that recruitment for the permanent Partnership Director was in progress, and whether this should be reflected in the appetite until this post was in place. The Board concurred, adding this was new to the structure and an area of growth in the BTA Strategy. The Chair summarised that the risk appetite was agreed, with a view this would be reviewed again next year. JM raised the risk linked to compliance, and whether the new Subsidy Control Act (effective from January 23) could impact on either of the grant giving and/ or commercial activities of the BTA.

ACTION 02/0323: Serena Jacobs to share a brief on the considered impact of the Subsidy Control Act 2022.

- 20. DP queried the procedure in relation to risks connected to marketing, and whether DCMS were sighted on campaigns prior to launching. The CEO stated that there was already a rigorous approval process in place so further approvals were not considered necessary.

3.4 Estates strategy

21. DL shared a paper on the current status to deliver against the Government's policy to relocate public bodies outside London and the South East. This relocation was being planned over a number of years and Board members were being asked to approve a strategy of an interim "soft landing", being initially a small office to allow a new presence to be created, which would, in time, be expanded as new staff were employed with that location as their workplace. DL reassured Board members that careful consideration was, and would continue to be, given to supporting staff during the transition; a survey was about to launch to seek further insight on how best we can work in the future, and to seek views on optimising workspace use. The next steps were to prepare and present a final recommendation on location to the Remuneration & People Committee (RPC) in May before being presenting at the next BTA Board in June for final approval. It was hoped that a final decision could have been made at this meeting, but recent site visits had determined the need for more detailed analysis. Recruitment practices would continue to move forward in support of this strategy by following a location agnostic approach.
22. Board members emphasised the logistical challenges and importance of connectivity, but also highlighted the benefits to broadening the recruitment pool, and in turn, support the spread of higher paid jobs. It was acknowledged the Hybrid policy would support staff throughout transition, and that more focus should be given to planning working patterns e.g. 'locate for your day' strategy. JM was mindful that the transition would be a period of uncertainty for staff and that it should be a priority to communicate the final decision to staff. KS recognised the complexities in establishing the correct Hybrid Working balance and management presence, and suggested implementing pivotal points during transition to maintain momentum. FP was alerted to the impact this could have on business need and asked that thought was given to perceptions in relation to the LVEP and DMO model. PG questioned the political limitations that the choice of location was subject to, and underlined the importance of prioritising the right location for the BTA.
23. The Chair concurred with the comments made, and concluded the Board would benefit from consultation on the proposed optimal Hybrid Working balance.
24. Board members agreed the recommendation to the "soft landing" approach. The Chair requested an update to Board members on progress prior to the June Board.

ACTION: Debra Lang to provide a written update prior to June Board.

ACTION: The Hybrid working policy to be reviewed by the Board, to ensure due consideration of its terms during the transition stage.

4.0 Corporate updates

4.1 VEAB update

25. FP, interim Chair VEAB, shared a summary of the activity at the last VEAB meeting, held on 14th March:
- I. Commercial review – the Board addressed additional areas that could contribute, the scope of gift cards and the points in which a tourist journey could be optimised.
 - II. Organisational Design & People – the Board received a detailed brief from Debra Lang on this activity; the VE structure was to undergo review now Lyndsey Turner-Swift had been appointed Deputy Director.
 - III. DMO Review – the first LVEP contracts were signed. Further applications were being considered. It was clear that there was demand from DMOs to be appointed and the focus should now be on how the programmes would work in practice.
 - IV. Accessibility – the Board received a deep dive from Ross Calladine of the work in this space;

Sarah Fowler volunteered to be ambassador, with support from all Board members.

- V. English Tourism Week – an extensive programme was underway; the Chair VEAB was attending the Tourism Alliance Parliamentary Reception on Thursday.

4.2 ARC update

- 26. In the absence of Carol Hui, SJ gave a precis of the last ARC meeting, that took place on 17th March, noting that the delegated authority policy and corporate risk register review were already items on this agenda:
 - I. Annual accounts – ARC reviewed the assurance of year end processes.
 - II. Annual Performance Report – this first draft of this report was shared with ARC and BTA Board members for views; this early consultation was a new approach following feedback from last year.
 - III. Review of international offices – there was an action to identify the risks in each office; ARC suggested to share the overview with BTA Board members.
 - IV. Internal audit – this was reported to be on track for overall moderate assurance rating.
 - V. Annual Effectiveness Review – the questionnaire was asked to go to management to provide on ARC performance.
 - VI. Indian Subsidiary position – BTA management agreed to terminate the contract with VFS, which was considered would be helpful to ensuring that the operations in India were duly compliant. A paper for review and approval by Board would come to the June 2023 meeting.
 - VII. Sarah Williamson, DCMS Finance Business partner noted to ARC that BTA management continue to demonstrate that enhancing control and assurance is a core part of their activities.

4.3 RPC update

- 27. JM advised that since the last Board the RPC Terms of Reference had been approved, and that the next meeting on the 9th May would focus on the annual Pay and Reward remit and the Estates Strategy.

5.0 Themed discussions/ Deep Dive

5.1 Commercial Strategy

- 28. AS took the paper as read and recapped the three-year commercial ambition that was approved in March last year. It was reported that there were currently two types of commercial activity; one of net cash contribution; and, the other, to amplify government funding. It was highlighted that the retail contribution had previously seen a large contribution because of the TFL Oyster card contract, but was now considered a sunset contract. As work developed on Digital Transformation, it was expected this would also identify additional opportunities. Board members were asked for their views on the current approach and ambition, to highlight any challenges, and to share any views on future activities:
 - I. PG encouraged a focus be given to identifying the optimum position, rather than attempting to compete with the private sector, given the funding constraints.
 - II. KS referenced the pace at which VB product could grow and whether this exposed any risks, and also whether the skillset was in place to ensure delivery.
 - III. JT sought clarity on where there were additional costs from the Retail shop that could impact the cash contribution. The different approaches to commercial activity was also underlined, whether the activity actually earned money or was an internal cost.
 - IV. JM recognised that the Camelot Voucher Scheme and Britrail project were driven by the Government's Tourism Recovery Plan, and that the ALB Review had been clear there was appetite to grow the commercial space.
 - V. The Chair highlighted the benefits of learning from other models to understand more on how this could evolve, and whether the partnership model would develop in parallel to provide the support needed.

29. AS advised that TXGB had successfully set the speed at which products could grow, and that this sharp increase was due to the volume of regional dispersal. The partnership with Camelot had identified a space in which VB/ VE could work in conjunction with the private sector e.g. as an aggregator of product. It was confirmed that the retail contribution, other than minimal overheads, was net revenue. The CEO clarified that the approach to the commercial strategy was aligned to the strategic priorities to offset costs, and was proportionate to the return on financial gain. The ALB Review was considered key to setting the future commercial direction.

5.2 GREAT Campaign

30. The Chair warmly welcomed Andy Pike, Director of GREAT and RJ, Marketing Director to the meeting. Andy shared an overview on the GREAT journey and how it had evolved over the past 11 years, which now operated in 164 countries. It was considered across Government to be an area that was agile and gave a strong Return on Investment, and that would continue to grow in alignment with the Prime Minister's priorities. The strong professional relationship between VB/ VE and GREAT was underlined. VB/ VE were recognised as masters in this space and were encouraged to further boost this leadership and advocacy. VB were commended for their valued contribution to creativity, and the aspiration was to continue to expand this. It was recognised there was a good working relationship with devolved nations, particularly from an international perspective, and that there was openness to grow this partnership even further.

31. Chair, on behalf of Board members, were sincerely grateful to Andy for his insightful views and looked forward to building further the relationship in the future.

6.0 Papers to note

32. The Chair noted these papers and no comment was brought for discussion at the meeting.

7.0 AOB

33. The Chair provided an update on the planning for the Joint Strategy day in October, that enquires were progressing to host this in Edinburgh with support from both JT and KS with regards to venues and accommodation; Board members agreed to accommodate this proposed plan.

34. The Chair turned attention to the paper outlining suggested speakers at future Boards. KS was interested to see input from another Tourist Board with similar challenges, in addition to the proposal. JM was keen to hear views from operational individuals, and candidates that were particularly innovative. The Chair agreed with these suggestions, and embraced the opportunity to learn from a range of perspectives.

The agenda closed at 1300. Board Members resumed for a closed session at 1315.