

**DRAFT MINUTES OF THE 458th MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD
HELD ON TUESDAY 14TH DECEMBER 2021 AT 10:00AM
VIRTUAL CALL**

Present:

Dame Judith Macgregor DCMG LVO	BTA Chair
Nick de Bois	Board Member / Chairman of the VisitEngland Advisory Board
Patricia Corbett	Northern Ireland Tourist Board, (Observer)
Ian Edwards	Board Member / Wales Representative (ex-officio)
Robin Frewer	Board Member
Peter Gowers	Board Member
Carol Hui	Board Member / Audit & Risk Committee Chair
Duncan Parish	Deputy Director of Tourism and Cultural Diplomacy, DCMS (observer)
Karin Sheppard	Board Member
Mark Taylor	London and Partners (observer)
Rt Hon Viscount Thurso	Board Member / VisitScotland Chairman (ex-officio)

In Attendance:

Sally Balcombe	Chief Executive / Accounting Officer
Patricia Yates	Director of Strategy & Communications
Henry Bankes	General Counsel and Company Secretary
Clare Mullin	Marketing Director
Robin Johnson	Europe Director
Debra Lang	Director of People and Transformation
Serena Jacobs	Director of Finance
Tricia Warwick	Director of APMEA, china and NE Asia
Andrew Jackson	Board Reviewer
Anna Adrien	Executive Assistant to Deputy Chief Executive and Director VisitEngland (minutes)

Apologies:

Gavin Landry	Director America
Andrew Stokes	Director VisitEngland

Agenda Item 1. Chairman's Update and Introductions

1. The Chair welcomed members and thanked them for switching to a virtual meeting at short notice. She welcomed Patricia Corbett from Tourism Northern Ireland as a new Board Observer and Serena Jacobs attending as the new VisitBritain/VisitEngland Finance Director. The Chair also welcomed Andrew Jackson of Stanton Marris who was observing the meeting as part of the ongoing Board Effectiveness Review.

Agenda Item 2: Apologies

2. Apologies were received for Andrew Stokes.

Agenda Item 3: Declarations of Interest/Conflicts

3. The Board noted a Declaration of Interest from Karin Sheppard, who has taken on the role of Co-Chair of the Tourism Industry Council in 2022. The declaration will be added to the Register of Interests.

Agenda item 4: Minutes of the Meeting on 28th September 2021 (For approval)

4. The draft minutes were noted and approved.

Agenda Item 5: Matters Arising / Action Tracker

5. Updates were recorded on the action tracker- including the update on the Lessons Learnt from the DEF which would now not be taken as Item 11 but be circulated as a paper to the Board.

Agenda Item 6: Political Update

6. The Board received a verbal update from Patricia Yates on the latest announcements from government relating to Plan B and the severe impact the new virus had had on travel bookings, transport arrangements and Destination Management Companies plans.
7. Duncan Parish advised that DCMS is currently working with Treasury and other departments on the impact of the most recent changes on the sector. He also reported that a first cross Whitehall officials' meeting had taken place on Monday 13th December regarding the newly formed inter-ministerial group addressing the visitor economy, which was due to meet on 12 January. He encouraged Board Members to provide examples of particular impact. He also noted the request from Government to the BTA for volunteers to help with vaccination giving.
8. Board Members noted that the recent travel restrictions had resulted in the cancellation of an international congress in London in January which was a major setback for the travel sector. There was growing concern that the perception of travelling to Britain, from the business events sector, was too difficult given the multiple testing requirements, which placed the U.K at a competitive disadvantage with e.g. the European Union. Government should address the uncertainty caused by abrupt policy change and give more thought e.g. to trusted traveller schemes to mitigate the damage. Cancellations now were being made partly to protect Christmas gatherings, it would be important to see how bookings for the New Year were holding up.
9. Patricia Yates assured the Board that the questions raised via TIER and various other meetings were being fed back to DCMS. A close eye was being kept on prospects for the New Year and the planned campaign launches. The Chair asked members to feedback to Patricia Yates any data and comments they had on how the latest changes had affected their organisations and asked that DCMS continued to feed into Government the need for the greater continuity and consistency on travel advice possible at this time.

Agenda Item 7: CEO Report and BTA Dashboard

10. Sally Balcombe confirmed that Covid cases within the BTA are higher than they have been over the last 18 months. Following government advice and maintenance issues, 3 Grosvenor Gardens has been closed until 4th January. The Cannon Bridge House office, shared with Historic England, is still open for those people that prefer to work in the office for wellbeing reasons. The HR team will continue to monitor this situation.
11. On the dashboard, discussion focused on the issues affecting the transformation project. Sally Balcombe underlined that there were serious concerns about resourcing the delivery of major transformation projects. The content management system was proving very challenging in terms of its scope, timelines and results. After carrying out a risk review, it had been identified that there was a need to access specialist resource to assist with the component projects to ensure delivery. Further reflection was required to focus on the key parts as a priority.
12. Sally reported that DCMS had agreed to a bid for funding to help the recovery of Destination Marketing Companies (DMC). Throughout the pandemic, DMCs did not qualify for government support as they often operated outside of the UK but of course valuably provided UK product to international tour operators. At present, there was little or no business coming in due to the travel restrictions although the demand was believed to be there. A marketing fund which could be accessed immediately would help to promote ongoing and future activity.

13. Clare Mullin gave a verbal update on the international marketing campaign planned by the BTA for January 2022. Working with GREAT and the Cabinet Office, this campaign would go live in January regardless of the domestic situation to ensure we were showing support for the industry and aiding with recovery for the summer. Changes to the creative content was with Cabinet Office for final approval. The campaign would be run in the US, France, Germany, Netherlands, Spain and Italy.
14. VisitBritain was currently awaiting approval for the BritRail Pass Project (a recommendation from the Tourism Recovery Plan) to be carried out in the next financial year. There were still a large number of issues to be resolved.
15. The Board was informed that Debra Lang, who had been on secondment to the BTA from DCMS, had now joined BTA as HR and Professional Services Director in a permanent position. The Chair congratulated Debra on her appointment and thanked her for her ongoing work.

Agenda Item 8: CSR and Strategy – options and recommendations

16. Sally Balcombe introduced the item and advised that the aim of this discussion was to seek endorsement from the Board on our current priorities in light of the impending budget constraints. HR had procured a Civil Service organisational development and design team to aid with the changes that need to be made in the organisation as a result of this streamlining of activity and capability.
17. Patricia Yates gave an update using selected slides that were tabled at the meeting. Although finalised details of the three-year settlement would not be available until late January, there was a predicted funding gap by year 3 of £3 million in the best case scenario increasing to just under £6 million in the worst case scenario (reflecting further business planning outcomes and continuing uncertainty over Great funding.) In light of this and the Strategy Day discussions encouraging the BTA to focus on fewer projects of greatest value to the Sector and its statutory duties, various options were identified for the Board's consideration. There would be difficult trade-offs. The staffing and organisational consequences of the settlement would be set out at a later stage.
18. Nick de Bois commented that he understood and accepted the need for change against the constraints outlined. He did query whether further change might be necessary e.g. continuing business events with insufficient resource. He was unclear how effective VisitEngland could be with little or no funding. There was a huge appetite for VisitEngland to engage in upskilling of SME sectors by developing educational tools needed, and without funding this would prove challenging. There had been no formal response yet to his independent report on the DMOs.
19. Carol Hui sought clarification regarding transformation and added pressures to the core budget. She underlined the continuing importance of this area for the BTA and urged very careful focus on maximising impact from the resources available. Patricia Yates confirmed the focus would be on activities that were critical for the compliance agenda, and where necessary, expected it would be the digital and data programmes that were paused temporarily to bridge the funding gap. There was an option to bid for more funds from DCMS to resolve immediate issues, but the BTA would need to consider staff capability to deliver this. As mentioned in the papers, capital needs had been secured but activity and staff resource was insufficient over the three year period.
20. Peter Gowers recognised our challenging landscape and the need to prioritise our main statutory obligation to deliver incremental international inbound spend. There was a need to measure clearly this activity and impact so we could be more informed of our market returns and apply focus. He also argued for a more radical approach to our work in order to understand better what really mattered in terms of market return and where the chief advantage lay. Lord Thurso endorsed the need for transformation to strengthen our strategic priorities and highlighted the importance of rebuilding business events. Karin Sheppard highlighted the importance of awareness of ongoing change in the tourism market and how we compared with other organisations and countries. Were there techniques and policies that we could learn from others? She was concerned about the potential downsides of not developing greater data and digital capability.
21. Ian Edwards underlined the urgency to gain financial backing from the government in order to fully support the recovery of the tourism industry without having to pause on crucial projects. Focus needed to be given to business events to promote investment. It was hard to understand why the government were putting the BTA under such tight pressure when the Visitor Economy was so important and had suffered so markedly. Mark

Taylor concurred and added that planning for business events in the market was underway for 2024, 2025 and 2026 which VisitBritain needed to be poised to act on now.

22. The Board were agreed that the BTA should act to strengthen and enhance its advisory role to the government and enable a stronger and more effective industry voice.
23. Patricia Corbett supported the need for step change rather than a piecemeal approach and saw opportunity for collaboration across the market with regards to digital transformation. Robin Frewer agreed that digital transformation was our top strategic priority and this required modernisation in order to move forward. There was continued uncertainty in the market making it difficult to prioritise our international investment just now and suggested this variable spend should be better redirected into digital transformation.
24. Duncan Parish welcomed the papers and the discussion. The focus on priorities, and the order of these carried over from the Strategy Day, was the right one. It was very helpful to set out scenarios and their trade-offs so that these could be as clear as possible and he encouraged further strengthening of this argumentation and the Board's priorities. During the pandemic attention had been focused on supporting supply - and this was still valid. But equally attention needed to be directed to enhancing demand. Our bid could be strengthened longer term by greater attention to possible alternative funding models and how we could generate greater commercial income. We should also be more explicit on how we were investing to save.
25. Sally Balcombe responded that the BTA was prioritising transformation and she would revert with the team to look at ways of strengthening their approach within the given budgets. Industry looked to the BTA to grow international demand but again there were options on how to maximise the network. Our business was currently spread across a number of markets and this breadth had value but focus was also key. She would review the BTA funding model and consider alternative bold solutions. It would be beneficial to learn how other tourist boards operated under different models, raising funds through membership or sponsorship. This was a very challenging time where we needed to balance statutory duty to promote Britain with a flatline budget. Greater attention would be given to business events and she would work through the options. The Chair thanked Sally Balcombe and Patricia Yates and asked that the Board be kept abreast of funding outcomes and the business and organisational design planning in the light of the opinions expressed by the Board. She noted there would be a further opportunity to reflect on these at the Board in January: balancing the necessarily plural role of the BTA with the Board's appetite for more radical analysis.

Agenda Item 9: England Update

26. Nick de Bois gave an update on two partner engagement programmes. The Social Tourism programme has received Government go ahead. This programme has been created to support families who had not been able to holiday for four years or more due to challenging personal circumstances. The programme will be implemented by the Family Holidays Association.
27. As part of the Tourism Recovery Plan there is a new scheme called the Registration of Accommodation Businesses. A round table discussion was taking place on Wednesday 15th December to enable an effective way of engaging with Local Authorities on this proposal.
28. Nick de Bois reminded the Board that the DMO Review recommendations were still outstanding and as things stood, unfunded by Government. He noted that VE were still considering ways in which they could assist with the Review findings, not all of which required new financing, but which remained valuable in their own right.

Agenda Item 10: Camelot Update

29. Robin Johnson provided a short commentary on the Camelot project. There had not been as much demand for the scheme as anticipated despite a major marketing campaign by Camelot. There would now be further investment in phase two in January/February 2022. This had been the first joint campaign for VisitBritain, DCMS and Camelot with the potential to lead to more opportunities. A detailed review would be carried out in April 2022 to fully evaluate the benefits of the campaign. There was a call scheduled this week to review phase two plans and performance testing on the website, in advance of any further campaign. The Chair thanked Robin for his update stressing the importance of learning why demand had been over estimated and the lessons learnt for our digital transformation programme. She looked forward to further reports on these points in due course.

ACTION: Robin Johnson to report on the review of the Camelot campaign in April 2022 and lessons learnt.

Agenda Item 11: DEF Lessons Learnt

30. The paper for this item will be circulated and tabled at the next board meeting.

ACTION: Andrew Stokes to provide an update on DEF Lessons Learnt at the next Board meeting.

Agenda Item 12: VisitScotland Update

31. Lord Thurso gave a verbal update for VisitScotland. The United Nations Climate Change Conference in November had showcased Scotland's capability on an international stage in terms of events. Ministers were now considering how big events could be good for wider investment in Scotland. The budget settlement for VisitScotland had now been agreed by the Finance Secretary, noting there was a separate funding stream for the Event Scotland Directorate. 'Scotland is Calling 2022' was launched in November which focused on how people could visit Scotland with minimal impact on the environment.

Agenda Item 13: Wales Update

32. Ian Edwards gave a verbal update for Wales. The budget would be announced on the 20th December 2021. Wales were still progressing with their 'This is Winter This is Wales' campaign. The restrictions that England were going into had been in place for the last eight weeks in Wales with significant business losses. There had been a delay joining TXGB due to an issue with procurement and a possible risk of legal challenge. The team were working hard to resolve this. Wales had announced a £400,000 tourism fund for DMC tour guides, English language schools and inbound tour operators. Ian confirmed that he was very happy for the March BTA Board Meeting to take place in Wales as previously discussed with the Chair.

ACTION: Henry Bankes to lead on coordination of the March board meeting to be in Wales.

Agenda Item 14: Northern Ireland Update

33. Patricia Corbett gave a verbal update for Northern Ireland. The proposed budget for 21/22 had gone to public consultation and it was anticipated that not all bids would be met. Ernst and Young were carrying out a review on the impact to tourism from Covid to enhance engagement with Ministers. Tourism Northern Ireland (TNI) was working hard to secure European businesses in light of the negativity around Brexit and the sentiment in relation to GB. The Games of Thrones experience would open in February 2022 which provided connectivity to the UK creative industries, as well as opportunities for collaboration and partnership in marketing and other areas.

34. Tourism Ireland had been granted an additional £30m and would be investing £5m into their Northern Ireland only campaign in the first quarter of 2022. A number of large business events had been secured for the next two to three years as a result of competitive subvention delegate rates.

35. The non-acceptance of the EU identification card meant from 2025 you will need a visa to come from the Republic of Ireland into Northern Ireland. 75% of international trade goes through Dublin. This was having an impact on language students who would normally come through England, Scotland, Wales and Northern Ireland because they don't need a passport with a visa. The English language schools in the Republic of Ireland were already seeing an increase in bookings.

Agenda item 15: Audit & Risk Committee (ARC) Update

36. Carol Hui gave a verbal update. Henry Bankes had been asked by the ARC to refine and create a new format to report on the Declaration of Interests to improve the way the ARC and the BTA Board could assess and monitor such declarations by individuals in terms of their other organisational connections and memberships.

37. An internal audit report had been produced by Mazars in relation to the China office marketing processes which had defined our assurances as 'moderate'. The two main recommendations from this were; to review and update various organisation wide policies; and increase reporting to the central IT and digital Board.
38. The contract with Mazars was agreed to be extended by a year to March 20203. Serena Jacobs had suggested and the ARC agreed with exploring other cost effective and efficient ways of securing internal auditors.
39. The risk process, policy and risk registers were subject to a deep dive review by ARC in March 2002 and these findings would be brought to the March board. One action likely to be proposed was a new programme of deep dive examinations by the Board of individual risks on a set timetable. More widely the ARC was reflecting on its role, to more proactively diagnosing and recommending actions to mitigate risk. The Board welcomed this review.

ACTION: Carol Hui to report on the findings of the risk deep dive in due course.

40. Carol Hui noted that Nigel Halkes had now stepped down from the ARC as his term with VEAB had come to an end. A new member for the ARC with the right qualifications and experience was being actively sought. The Committee remained quorate. The Chair commented that this perhaps raised a wider issue of succession planning for the Board and Committees which needed to be addressed and approved by the Board.

ACTION. Chair/ Henry Bankes to review succession planning for the roles that need to be approved by the Board.

Agenda item 16: Director of Finance Update

41. Serena Jacobs had tabled a paper which was taken as read. Key points were that we now had secured a set of unqualified 20/21 accounts for the India subsidiary which was a significant step forward for the BTA group account. Over the next couple of months further work would be carried out on the approvals and permission issues outstanding with the Reserve Bank of India.

Agenda item 17: BTA Corporate Risk Register

42. A verbal update was given by Carol Hui under the ARC item.

Agenda item 18: Board Effectiveness

43. A short paper had been presented for discussion by Andrew Jackson summarising some initial findings emerging from the ongoing Board Effectiveness Review. These included securing a clearer strategic focus to the Board's agenda and discussion. Following on from the recent Away Day, greater delegation of responsibility to Committees, especially on governance accountability, greater individual engagement of Board members in subject areas, and consideration of how better use might be made of the contributions from the nations on the Board. This direction of travel was generally supported by Board Members, whose comments were noted by Andrew Jackson; a final report will be presented at the next Board meeting in January.
44. The Chair thanked Andrew Jackson for his paper and a lively discussion. She also noted the proposal by DCMS for a quarterly meeting to review compliance going forward and the continuing prospect in 2022 of an ALB Review - presenting the opportunity to review the shrinking length of the ALB arm, the position and role of Visit Britain and the BTAs current funding structure, amongst other issues. A new Framework Agreement with DCMS would also be due in the new year. She looked forward to the finalised report in January and an action plan to take forward the review's findings.

ACTION: Henry Bankes/ Andrew Jackson to present the finalised Board Effectiveness report and action plan.

Agenda item 19 - 22: Papers for Noting/Information

45. All papers were noted and were covered in the earlier discussions. These items are now closed.

Agenda item 23: Any other business (AOB)

46. Karin Sheppard asked that the number of acronyms are kept to a minimum in the papers or that an explanation was given.

The Chair confirmed that the next meeting would be held on Tuesday 25th January 2022 at 10:00am.

The meeting closed at 1400.