

**MINUTES OF THE 459<sup>th</sup> MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD  
HELD ON TUESDAY 25<sup>th</sup> JANUARY 2022 AT 10:00AM  
VIDEO CONFERENCE**

**Present:**

Dame Judith Macgregor DCMGLVO	BTA Chair
Patricia Corbett	Northern Ireland Tourist Board, (Observer)
Ian Edwards	Board Member / Wales Representative (ex-officio)
Robin Frewer	Board Member
Peter Gowers	Board Member
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
Andrew Stokes	Director VisitEngland
Robin Johnson	Europe Director
Debra Lang	Director of People and Transformation
Serena Jacobs	Director of Finance
Andrew Jackson	Board Reviewer (present during item 20)
Evelyn White	Company Secretarial Executive (minutes)

**Agenda Item 1: Welcome and Introductions**

1. The Chair welcomed the Board and thanked everyone for switching to a virtual meeting. She hoped the next meeting in March will be in person given the easing of Plan B measures this week.

**Agenda Item 2: Apologies**

Nick de Bois	Board Member / Chairman of the VisitEngland Advisory Board
Carol Hui	Board Member / Audit & Risk Committee Chair

**Agenda Item 3: Declarations of Interest/Conflicts**

2. There were no declarations of interest and conflicts raised.

#### **Agenda item 4: Minutes of the Meeting on 14<sup>th</sup> December 2021 (For approval)**

3. The minutes from the last meeting on the 14<sup>th</sup> December 2021 were approved. The Chair however noted that the March meeting would now be held in London not Wales as previously stated. The opportunity would be taken at this to hold a wider reception to thank Sally Balcombe for her work as CEO over the past 6 years.

#### **Agenda Item 5: Matters Arising / Action Tracker**

4. Each action was reviewed and updates were added to the Action Tracker (attached).

#### **Agenda Item 6: Political update including 2022 events**

5. The Chair gave an overview of recent ministerial meetings and activity:
  - The Chair, CEO and Chair VEAB had met with the Secretary of State on 14 December to discuss the visitor economy and the outcome of the Strategy Day in October. The Secretary of State had regretted that the Spending Review outcome had not been more favourable but noted that work continued on business planning resource allocations. She had been in New York and had been impressed by events to raise tourism demand in the US. She expressed an interest in being involved in efforts to reinvigorate tourism and promote the 2022 Jubilee and other events.
  - An inter-ministerial meeting hosted by the Secretary of State had been held on 12<sup>th</sup> January with senior representatives from a wide range of departments including HMT, Transport, DIT, BEIS and Levelling Up. The theme focused on how tourism, and the visitor economy more widely, could enhance the levelling up agenda. Nick de Bois as a guest speaker had pointed clearly to the growth, employment and community benefits engendered by business, leisure and family visitors. Ministers also noted the importance of matching infrastructure with demand, removing barriers to travel and linking services. Nick de Bois had proposed a pilot project should be undertaken to test the thesis in the North East, in consultation with all relevant Government departments. (This was now being pursued).
  - Nigel Huddleston had requested a meeting in February with the Chair and Sally Balcombe (now scheduled for 23<sup>rd</sup> February).
  - The Chair reported that she would visit Dubai on 9<sup>th</sup> February for the launch of the new VB International Campaign as well as to represent VB at the UK National Day at the Dubai Expo and promote the Birmingham Commonwealth Games.
6. The Board endorsed the benefits of testing. Robin Frewer asked whether there was appetite to test further the demand for inbound tourism in particular key markets, and how we could better align funding against demand. The CEO confirmed this was being explored. Clare Mullin noted there was interest in this from the GREAT campaign who were seeking to increase their budget to £100m pa.
7. Patricia Yates gave an update on wider emerging political activities and provided an overview of 2022 activity. It was anticipated that the outcome of the Sue Gray report could trigger a vote of no confidence, but is not known at this stage what timeline this would follow. On 2022 events, Patricia Yates reported a number of additional requests made by DCMS: to set up a hub on website (similar to COP); hosting roundtables for stakeholders with international offices (first in Dubai); and, improving the connectivity of DMOs particularly with our overseas networks.
8. Duncan Parish noted the importance of the BTA evidencing international demand to support its case for funding. DCMS had been pleased with attendance on 12 January and felt understanding was growing among Ministers of the importance of the visitor economy. There was an opportunity to join up across government departments to consider tangible measures, to remove blockages and promote the Visitor Economy - a term which was gaining traction. There were still challenges to linking with the Levelling Up agenda. But progress was starting e.g. the UK Prosperity Fund had now introduced a workstream addressing the Visitor Economy.

#### **Agenda Item 7: CEO Report and BTA Dashboard**

9. Sally Balcombe noted that the dashboard would be reviewed ahead of the next meeting with greater concision and focus introduced. The following observations were made:

- Milestones were mixed - in part a reflection of the challenging times. It was recognised that the lifting of travel testing would now begin to generate demand and increase productivity.
  - There was a continued struggle in VB/VE with implementation of the planned digital transformation. A risk analysis had established there were not enough skills and that it would take time to implement any resource e.g. freed up by in year underspends; a situation not assisted by recent staff departures.
  - There had been no development on the DMO review. Possible funding discussion continued with DCMS.
  - Camelot stage 2 was due to commence on the 31<sup>st</sup> January in time for the February half term. Lessons from Stage 1 had been identified and implemented e.g. the streamlining of processes.
  - Staff morale and working practices – it was clear that a number of factors, including the CSR Outcome and departure of the CEO, were fuelling uncertainty amongst staff. This was being mitigated by sharing detailed communications on the intranet with clear timelines, identifying priorities and the benefits to be gained through organisational change and design. The hybrid working 3:2 pattern was being reintroduced from next week. It was evident that the prolonged period of remote working had impacted on the organisational culture of the organisation and that increased office presence was essential to building this back, although the limited desk space available had to be managed when promoting the return to the office.
10. Robin Frewer queried whether there would be benefit in reviewing the last two years to tease out lessons that had been learnt what had gone well and what could be done differently in future. Board members emphasised that progress on digital transformation was critical to the organisation's future design. Sally Balcombe confirmed that digital transformation was being prioritised and steps taken to build the talent required. But it would take time to achieve programme goals.

#### **Agenda Item 8:CSR and Strategy update**

11. Duncan Parish confirmed no additional funding had been agreed. Areas under consideration were; business events, an accreditation process under the DMO Review and the North East pilot (referred to above). A process was underway by DCMS and Ministers that was expected to conclude in February.
12. Sally Balcombe summarised that the purpose of this item was to seek endorsement from the Board on next steps based on the themes agreed at the strategy day, noting that a business plan was currently being developed on these assumptions. More analysis was needed, including on the international network. She noted the following challenges:
- Building a radical agenda while mitigating challenges around compliance including looking to see how other ALBs had more freedom and adapting these approaches.
  - Seeking expertise to address the lack of inhouse skills to deliver organisational design and transformation.
  - Balancing capacity to deliver with urgency the organisational change whilst recognising that benefits may not be realised for 2-3 years into planning. In addition, managing differing agendas between government and delivering for the industry.
13. Duncan Parish confirmed that DCMS were open to radical new strategies from the BTA. He emphasised the importance of submitting proposals that were supported by research and evidence e.g. to explore other countries' alternative methods of building commercial revenue (reference slide 29).
14. Serena Jacobs confirmed that an interim year one letter had been received from DCMS with a flatline budget. Main areas of uncertainty under business planning were the DMO Review and Business Events, which were likely to be less than expected. The funding gap was still estimated at £2.9m over 3 years and the following activities were to assist with reducing this; optimising retail contribution, transformation and marketing activity related to tiering. Rigorous stress testing had taken place to ensure reasonable cost estimates without cutting activity. This process enabled a reduction of the funding gap by £1.2m but was under constant review.
15. Peter Gower welcomed the comprehensive vision and agreed BTA should explore other ALBs funding mechanisms and creative freedoms. He noted, however, that adding another tax on industry would not be well received. He saw scope for more radical thinking with the need to test future options. Sally Balcombe advised that Directors were already exploring different scenarios. There was appetite to develop a model where we could offer expertise and become an enabler and that more granular financial detail would be presented in the business plan at the March Board.
16. Karin Sheppard embraced the need to consider other commercial models and stressed the importance of delivering bold digital transformation and that business events and the DMO review recommendations were considered important

by the industry. There was concern regarding the restricted core budget.

17. Patricia Yates emphasised the need for the leadership team to support transformation and show staff how this would improve our organisation. Debra Lang was leading on identifying the expertise externally to start the project, to then build a platform to train and upskill staff inhouse. Data and digital transformation were deemed capabilities that would be prioritised but the scope would also include a review of all functionality e.g. analysing competitors' models, pilots and testing, joint procurement, trading subsidiaries etc.
18. The Chair concluded that the Board were supportive of the work to take forward strategic priorities - whilst noting there were funding uncertainties and the staff turnover and skills shortages were concerning. Uncertainty over the change of CEO and the direction of the new appointee was inevitable. The Board were nevertheless keen to ensure that lessons learned, testing and full benchmarking with our competitors was being built into this planning, with a heavy emphasis on delivering the inbound recovery and the digital transformation programme. Commercial options should be pursued prudently but with clarity on the benefits and disadvantages.

#### **Agenda Item 9: Marketing Campaign and progress update**

19. Clare Mullin gave an overview of the latest news and a look forward at activity in 2022/23. Quarter 4 domestic marketing was on track and an international campaign launched on the 8<sup>th</sup> February. A senior cross-government press release was being developed with partners to promote inbound travel. A subsequent international campaign was being developed to be launched in April but was currently facing challenges from the increased scrutiny by the Cabinet Office on the creative process. The 'emergency pass approval' designed to ease large scale events had received support by GREAT and DCMS and she hoped this would continue into 2022/23.

#### **Agenda Item 10: Social Tourism Plans**

20. DCMS are funding £600k to undertaken this project with the Family Holiday Charity. This would award over 830 holidays to families who had not taken a holiday in 4 years, had a household income under £24k and had been recommended by a professional body. The funding model was based on a similar initiative carried out by VisitScotland and VE were linking in contacts to enhance the experience e.g. transport element and supermarkets. The project had commenced delivery and would run until June. The Chair recognised this as an excellent opportunity which could enable future projects in Social Tourism to be developed.

#### **Agenda Item 11: DMO Marketing Fund**

21. This proposal is being funded by the underspend from the Britrail project and as a way to enable DMOs to develop their own version of the 'Escape the Every Day' campaign. The ambition was to reach fewer DMOs in order to deliver greater impact. The Chair highlighted the risk of rewarding only a select number of DMOs. Andrew Stokes advised that particular consideration would be given to DMOs working in partnership with smaller DMOs to provide a broad reach.

#### **Agenda Item 12: Domestic Marketing**

22. The paper was taken as read.

#### **Agenda Item 13: DEF Lessons Learnt**

23. Andrew Stokes recalled that the initial objective of the DEF had been to increase regional tourism spend by increasing the partnership working of DMOs and driving international visitors across the country. But it was realised that DMOs did not have the expertise or product knowledge to deliver this. The project evolved into a one year 'test and learn' phase to improve the knowledge base and create sustainability. The final delivery stage was put on hold due to lockdown, which enabled the DMO fund to provide support throughout the first year of the pandemic but had meant that full benefits of the DEF were harder to measure.
24. The key enablers identified were; reprofiling timelines; the benefits of early funding oversight; and establishing a sector capacity to guide future activity for VE. The key barriers identified were around scale and variable quality. An evaluation report was in process which emphasised the strength of relationships amongst DMOs, resulting in over 700 bookable products that had not been aligned before. Progress continued: TXGB had recently brought onboard Tourism NI, and Visit Wales was close to finishing their procurement process.

25. The Board welcomed the strengthened performance, learnings and access to traceable data that had been identified in this process. Sally Balcombe reflected that there had been no reference points when implementing TXGB with the key learning that the distribution of product was as important as product development.

**ACTION:** To bring back to the Board more analysis on capturing the success in developing bookable products and how this could be further progressed with TXGB.

#### **Agenda Item 14: VisitScotland update**

26. Lord Thurso gave an overview on activity in VisitScotland. Funding distribution plans had been successfully completed over the Christmas period. Early indications were that funding for the next financial year would be a flatline budget. There was a continuing strategic focus on responsible tourism and sustainability, which had been well captured recently in an article on Slow Tourism in The Times, Scotland.

#### **Agenda Item 15: Wales update**

27. Ian Edwards reported that the Level 2 Alert announced on 26<sup>th</sup> December had had a devastating impact on tourism in Wales. The announcement of change on 28<sup>th</sup> January was therefore extremely welcome. The Welsh government were consulting on ways to promote the visitor economy, with proposals including possible changes to school terms. TXBG procurement was in its final stages with excitement on how this could change the landscape for SMEs. Media promotions were being launched on the 15<sup>th</sup> February ahead of St. David's Day and the Welsh coastal path 10<sup>th</sup> anniversary, with advertising campaigns in France and Germany.

#### **Agenda Item 16: Northern Ireland update**

28. Patricia Corbett noted that NI Tourism had hosted a successful retreat for CEOs in December, amidst widespread difficulty for the sector from Covid restrictions. The 2021/22 tourism budget was expected to show a 10% reduction; Tourism NI would appeal against a bid for £1 million for business events investment. The Games of Thrones studio tour was due to launch on the 13<sup>th</sup> February alongside a particular focus on attracting international and major events for 2022-27. TXGB was currently being rolled out and a pilot was planned in Spring.

#### **Agenda item 17: Remuneration and People Performance (RPC) Committee update**

29. Fiona Pollard gave a readout from the RPC on the 18<sup>th</sup> January. The People Strategy was progressing successfully and the 3:2 hybrid working pattern had been reintroduced. It was noted that the current hot employment market was impacting on recruitment and retention. An updated Estates Strategy had been tabled and recommendations put forward for a spoke office in London, with possible hubs in other major cities, including collaboration with other ALBs. HR policies were currently undergoing a review and a non-consolidated pay reward to all staff (that met the criteria) was agreed and was with DCMS for sign off. A closed session had been held on the remuneration of a new CEO.

#### **Agenda item 18: Director of Finance Update**

30. The update was noted. Key points were:

- VBs Indian subsidiary now had procurement approvals to move forward at pace to achieve the March 2023 deadline.
- The DMO fund had now been agreed but awaited clearance from DCMS to switch funding from admin to programme.
- The Directors continued to review year end outturn and would meet the next day to finalise underspend proposals.

#### **Agenda item 19: Risk Register Review**

31. The Board noted the risk register which was unchanged from December. They were reminded that the register was currently undergoing a review led by the ARC. An update would be presented to the Board in March.

### **Agenda item 20: Board Effectiveness**

32. Andrew Jackson from Stanton Maris joined the meeting to present a revised paper that factored in the comments from the December Board. Each section was discussed in detail to provide an opportunity for the Board to give feedback.
33. The Board made the following comments:
- The proposal for Board members to shadow particular briefs was accepted by a majority while recognising that Board members were Non-executive roles. There was a need to manage expectations and define formal lines. Henry Bankes confirmed that a limited time commitment had been taken into consideration.
  - To ensure there was full clarity, it was agreed that the Chair and Sally Balcombe would speak with each Board Member to ascertain their individual level of involvement and contribution.
  - The Board agreed the use of a forward plan to apply focus to the Board agenda and discussions, and to provide an opportunity for deep dives. A plea for concision and clarity in terms of papers was underlined.
  - Role of the devolved nations. There was agreement on the shared wish to ensure greater value from Board discussions - both for the devolved nations and VB/VE needed further consideration. It was concluded that this would be taken forward in subsequent discussions between the Chair and the Nation representatives.
34. The Chair thanked Andrew Jackson for the report and confirmed that an Action Plan to implement the recommendations would now be taken forward.

### **Agenda item 21 - 23: Papers for Noting/Information**

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

### **Agenda item 23: Any other business (AOB) and closed session**

36. The Chair announced that the next meeting would launch the Annual Review and would be followed by a wider stakeholder event to mark Sally Balcombe's last Board meeting.
37. There was a closed session to discuss senior appointments that was not recorded.

Date of next meeting: Tuesday 29<sup>th</sup> March 2022.