

MINUTES OF THE 452ND MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD
HELD ON WEDNESDAY 2ND DECEMBER 2020 AT 10:00 VIA TELECONFERENCE

Present:

Rt Hon Lord McLoughlin CH	Chairman
Nick de Bois	Board Member / VisitEngland Advisory Board Chairman (Ex-officio)
Katy Best	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
Dame Judith Macgregor	Board Member / Remuneration & People Performance Committee Chair
Duncan Parish	Deputy Director of Tourism and Cultural Diplomacy, DCMS (Observer)
Karin Sheppard	Board Member
Rt Hon Viscount Thurso	Board Member / VisitScotland Chairman (Ex-officio)

In Attendance:

Sally Balcombe	Chief Executive / Accounting Officer
Peter Mills	Business Services & Finance Director
Patricia Yates	Director of Strategy & Communications
Andrew Stokes	England Director
Richard Nicholls	Head of VisitBritain Research (Agenda item 10)
Henry Bankes	General Counsel and Company Secretary
Dale Rustige	Governance Executive (Minutes)

Apologies:

Mark Taylor	London and Partners (Observer)
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Agenda Item 1. Chairman's Update and Introductions

1. The Chairman welcomed the BTA Board to the meeting.

Agenda Item 2: Apologies

2. Apologies were noted from Mark Taylor.

Agenda Item 3: Declarations of Interest/Conflicts

3. There were no new declarations of interest to note.

Agenda Item 4: Minutes of the Last Meeting

4. The minutes of the meeting held on 30th September 2020 were approved.

Agenda Item 5: Matters Arising / Action Tracker

5. There were no matters arising or actions due.

CORPORATE MATTERS

Agenda Item 6: BTA 2020/21 Forecast and Finance Update

6. The Board had noted the paper and received a verbal update from Peter Mills.
7. The 2019/20 Annual Report & Accounts were now sat with DCMS for review. There were some matters regarding bonus and awards that were under review and in the process of being resolved.
8. There has been an overspend reported in the budget totalling £226k. There should be some money from the Grosvenor Gardens property that could help cover the overspend. Furthermore, in previous years the BTA had requested that DCMS agree to a budget switch from resource to capital and expect this to be agreed.
9. BTA Pensions Update
The Board noted the paper and took this as read. The Board was asked to review and agree the actuarial valuations, and note that it is content with the assumptions and contributions proposed. It was noted that a deficit of £830k has been covered off by return from investments.

DECISION: The Board accepted the actuarial valuations outlined.

10. The Board had a discussion regarding the process for the Board signing off the Annual Report & Accounts. It was noted that ample time should be provided to review the draft ARA ahead of meetings, particularly for the Board to review the governance statement section. It was noted that the review cycle of the ARA would be looked over to ensure a smoother transition in its review cycle from the Audit & Risk Committee then the BTA Board. It would also be ensured that it is reviewed by the BTA Board at one of its meetings, instead of via email correspondence.

Agenda Item 7: Remuneration & People Performance Committee (RPC) Update

11. The Board noted a verbal update from Judith Macgregor, Chair of the RPC. A paper was also noted and taken as read on the People Strategy work.
12. The RPC has been impressed with all the work the organisation and the HR team has done so far, particularly on the People Strategy and the continued engagement with staff. The People Strategy looked very good and it was positive to see full endorsement from senior management. The continuing pressures on HR staff and finances however were noted and the RPC had advised careful prioritisation and phasing of objectives as the People Strategy was taken forward
13. The initial flexible working plans had been reviewed by the RPC. It looked good so far and the RPC will be inputting into the shape of the future policy. The Diversity & Inclusion (D&I) work has been reviewed and the work was looking very good, particularly the implementation of D&I networks across the organisation.
14. The RPC had reviewed senior staff and CEO outcomes for 2019/20 and approved the pay policy proposals for consolidated and non-consolidated remuneration for all staff in 2020/21. Differences in the pay review procedures for senior staff and other staff were discussed and clarified as well as the need for some minor variations in pay adjustments for overseas staff.
15. **ACTION: The Board had a question regarding the cost and value of delivering L&D days for all staff. It was agreed that this data would be put together and shared with the Board at a future meeting (Owner: Debra Lang)**

Agenda Item 8: Audit & Risk Committee (ARC) Update

16. The Board received a verbal update from Carol Hui, Chair of the Audit & Risk Committee.
17. Overall adequate assurance has been received from the internal auditors, with no risks crystallising at present. The ambition was for the BTA to work towards having a green assurance rating. Internal audit's focus areas for future

audits would include going concern, VAT, and impact of Covid-19; the audit proposals also include an audit on the general ledgers and control environment.

18. The payroll audit work has showed that there were adequate controls in place. There were some areas of improvement as part of the recommendations, such as the payroll team having regular meetings with the payroll provider.
19. The corporate risk register was reviewed by the ARC, including the relevant risk controls. An update was received from the Compliance Action Group and work has been progressing well. Work has been underway and progressing in lining up the internal audit plan with the assurance map.
20. The Register of Policies was reviewed and the ARC had looked at the GDPR policy and Contract Management Policy in particular. On the litigation front, there has been a copyright infringement case in Germany against the BTA, which is still ongoing.
21. The Chairman thanked the Chair of the ARC, the ARC, Finance Team and everyone involved in getting the Annual Report & Accounts completed.

Agenda Item 9: CEO Report and BTA Board Dashboard

22. The Board noted the Dashboard and took this as read. Sally Balcombe provided a verbal update and the following key points were noted:
 - 22.1. The BTA's role in advising and engaging with government continues.
 - 22.2. There was a sticking point on the delivery of activity. The process of PAS forms has been a major cause of delay. The ability to deliver next year very much dependent on ability to get through cabinet office.
 - 22.3. There have been particular challenges in the DMO landscape in the VE side. Emergency funding had been provided to DMOs to support their continued operation.
 - 22.4. The accommodation move is just around the corner and the BTA has to move out of 151 BPR by late February 2021, due to BEIS stipulating that a month of dilapidation work has to be done.
 - 22.5. Plenty of work has been done to strengthen the finance team's capability particularly in the transformation area.
 - 22.6. Overall, things appear to be in a good place and mostly RAG rated green.
23. The Board commented that it would be good if ways could be found to speed up the PAS form process, as this all takes place within government. Duncan Parish noted that the process was under review and that more can be done with improving timelines and minimising delays. The Board noted that this does cause difficulties with the BTA's core work and results in unneeded disruption, particularly in work with partners.

BRITAIN MATTERS

Agenda Item 10: 2021/22 International Tourism Industry Forecast

24. The Board noted the paper and received a verbal update from Richard Nicholls.
25. The Board were shown the topline results of the Domestic Tourism forecast. There has been a significant reduction in tourism spend from 2019 (at £75.9bn) to 2020 (at £28.5bn). 2021 Domestic spend is set to be at £51.6bn. The forecast is modelled on the assumption that January-March 2021 would start to see a gradual increase in Domestic Tourism, with a step change in April and continued recovery through mid-2021. The roll-out of the vaccine should also positively impact on recovery.
26. The Board noted the summary of the Inbound Tourism forecast. In 2020 there had been 9.7m visits with a total visitor spend of £5.7bn (down 80% compared to 2019 spending figures). Forecasts for 2021 show a potential of 16.9m visits, up 73% on 2020, but only 41% of the 2019 level; spend figures for 2021 are estimated to reach £9bn, up 59% on

2020 but 32% of the 2019 level. Inbound visits in 2021 are forecasted to have 50% of its 2019 shorthaul numbers back (i.e. Europe), and 24% from long haul destinations.

27. The notes and assumptions taken for the inbound forecast includes the same medical situation as the domestic forecast. A Brexit deal has been assumed. Exchange rates have been ignored. The pattern assumed for 2021 is a gradual increase of inbound tourism in January-March, with a step change in April as the UK opens up, and a gradual recovery throughout the year. There has also been an assumption on some significant air connectivity loss in the short term, with restrictions in place throughout 2021. Short haul travel from Europe was also forecasted to recover quicker than long haul. IPS data had been suspended since March 2020, but there are indications of this returning again by the end of the year.
28. **DECISION: The Board agreed and approved the forecast report.**

Agenda Item 12: CSR Outcome and Budget Assumptions

29. The Board received a verbal update from Sally Balcombe. It was noted that following the BTA Board and VisitEngland Advisory Board's Strategy Sessions, the senior management team will be moving towards crystallising the plans immediately.
30. There would be a focus on transformation and building back better. This has been captured in the people strategy, with priorities that should be deliverable within a year. Can always build more into this based on capacity and progress.
31. The BTA would continue to be an authority on tourism. Recovery in Europe has been forecasted, but campaigns would continue to drive back tourism from there. Although it was noted that there was an expectation of a downturn of youth travel from Europe due to the impact of Brexit.
32. Market investment would need to be flexible, but there is the caveat of not having the full flexibility due to government constraints.
33. Staff resources and potential trade-offs in this area would be reviewed. However, this would be balanced to ensure that the organisation has no skills gaps to enable it to deliver on priorities.
34. The impact of the pandemic on London was noted as it is dependent on international visitors. It is also a feeder to the rest of the country for tourism.
35. The proposals and plans would be brought together for final review and approval of the Board.

Agenda Item 13: England Update

36. The Board noted the paper and received a verbal update from Andrew Stokes. The following key points were noted:
 - 36.1. The We're Good to Go industry standard has been a success overall and has been received positively across the industry. DCMS has been very supportive of the initiative.
 - 36.2. The messaging for England would be evolved and adapted based on the result of consumer research and sentiment.
 - 36.3. There had to be some flexibility with DEF projects and activities this year. There are still 12 projects and audits have been undertaken to ensure that the businesses were still operational and that the products still exist.
 - 36.4. The second round of DMO emergency funding is underway with lots of applications received. DMOs that were supported in the previous round could not be supported in this round. Due to reputational risks on DMOs, the identities of DMOs that would be awarded funding will not be published.
 - 36.5. A partnership has been agreed for the Rugby World Cup with Ticketmaster. Ticketmaster will be using the TXGB platform to sell packages.

37. Nick de Bois thanked Andrew for his update and added that England activity is very dependent on the existence of DMOs. The challenges faced by DMOs would be closely monitored, including the development of the future of the DMO landscape.
38. The Board noted that VB and VE would be involved in upcoming events in 2021/22, such as the Commonwealth Games in Birmingham, COP26, including the City of Culture campaign for Coventry.
39. The Board queried whether there have been any issues or complaints received so far in relation to the We're Good to Go initiative. It was noted that there had been some complaints relating to a major hotel chain. VE have since contacted the business concerned and the hotel issued a response and is reviewing the complaint.

DEVOLVED NATIONS

Agenda Item 14: VisitScotland Update

40. The Board received a verbal update from the Rt Hon Viscount Thurso. There have been several tiers in Scotland, with the highland areas mostly in tier 1 and major cities under higher tier levels. It was forecasted that short haul recovery should begin in summer 2021.
41. Brand maintenance would be the focus of the Scottish government in its tourism marketing. Sentiment research has shown that the desire to come to Scotland was still strong, however there were key challenges in travel concerns regarding health and capability. VisitScotland intends to hold a virtual expo in 2021, following the success of the recent expo. There were concerns regarding air connectivity being delayed for Scotland and that some airlines would be going permanently bust.

Agenda Item 15: Wales Update

42. The Board received a verbal update from Ian Edwards. The sentiments in Wales were very similar to Scotland. VisitWales has been working hard on brand advertising, however marketing has been reigned back in the meantime. It has been working closely with partners.
43. There has been confusion in the public regarding the new restrictions. Currently, restrictions have been put in place so alcohol cannot be sold by the hospitality industry. Residents of other nations are not allowed into Wales and residents cannot leave unless it is for essential travel or business. £340m of industry support has been announced by government. The impact of the vaccine roll-out on economic recovery has received positive sentiments.

Agenda Item 16: Northern Ireland Update

44. The Board received a verbal update from Katy Best. Additional funding has been confirmed to towards domestic UK marketing. There would be a big focus next year on enticing the rest of GB to Northern Ireland. A voucher scheme has been launched for the public to spend towards accommodation and attractions, with the aim to boost spending. A retail voucher scheme for £100 was proposed to be introduced in the new year.
45. Belfast Airport are only predicting a return of 50% of passengers for 2021. The NI government had announced a £80m support package for the aviation industry. Furthermore, it was noted that an air connectivity consultation would be launched next year, which would be an opportunity for the tourism industry to provide its input into the consultation.

PAPERS FOR NOTING / INFORMATION

46. The Board noted the following papers for information and took these as read:
 - **Agenda item 17:** BTA Risk Register
 - **Agenda item 18:** Domestic Tourism Trends and Market Sentiment
 - **Agenda item 19:** International & Inbound Tourism Trends and Forecast Update

- **Agenda item 20:** State of the Market Snapshot
- **Agenda item 21:** Audit & Risk Committee Minutes, 15th September 2020 (unconfirmed)
- **Agenda item 22:** Remuneration & People Performance Committee Minutes, 18th June 2020 (unconfirmed)
- **Agenda item 23:** Wellbeing at VisitBritain/VisitEngland

Agenda Item 24: Any Other Business

47. The Board had no other business to report.

Agenda Item 25: Date of Next Meeting

48. The Board noted the next meeting will be on Tuesday 26th January 2021.

Agenda Item 26: Close

49. The meeting was closed at 12.40pm.