

MINUTES OF THE 455th MEETING OF THE VISITENGLAND ADVISORY BOARD (VEAB)

TUESDAY 13th June 2023 at 1000

Boardroom, 3 Grosvenor Gardens, SW1W 0BD

Present: Fiona Pollard (Chair), Interim VEAB Chair
Sarah Fowler (SF), Board Member
Allan Lambert (AL), Board Member
Nadine Thomson (NT), Board Member
Dr Andy Wood (AW), Board Member
Nigel Wilkinson (NW), Board Member
Laura Backhouse (LB), DCMS Observer (part attendance)
Andrew Huggins (AH), Board Apprentice

In Attendance: Patricia Yates (CEO), Chief Executive/ BTA Accounting Officer
Andrew Stokes (AS), England and Commercial Director
Serena Jacobs (SJ), Finance Director
Lyndsey Turner-Swift (LTS), Deputy Director England
Janet Uttley (JU), Head of Business Support and VE Partner Engagement
Rachel McCaffery (RM), Senior Sustainability Manager
Samee Mohammed (SM), Head of England Marketing VE
Sophie Dinsdale (SD), Senior Marketing Manager VE
Henry Bankes (HB), General Counsel and Company Secretary
Evelyn White (EW), Company Secretarial Executive (minutes)

1.0 Welcome and Introductions

1.1 Apologies for absence

1. There were no apologies recorded at this meeting.

1.2 Register of Interests

2. There were no comments made on the register of interests.

1.3 Minutes from the last meeting (14th March 2023)

3. The minutes from the previous meeting were approved.

1.4 Action Tracker

4. All actions on the action tracker were reported as complete.

2.0 Review of Strategic Matters

2.1 BTA

5. The Chair reported on highlights from the BTA Board on 21st March:
- The BTA Chair had met with Julia Lopez, Tourism Minister.
 - The 2023-24 budget was approved in principle, subject to DCMS final sign off.
 - Methods to improve the BTA VAT status were being considered.
 - The Delegated Approval Policy was approved.
 - The annual review of risk appetite was approved.
 - The Estates Strategy was discussed at length with agreement on the direction.
 - There was a deep dive on the Commercial strategy that mirrored that which VEAB had also received in March.
 - External speakers were being encouraged at Board meetings, which had been well received. It was recommended that the future VEAB Chair may also want to consider this for the VEAB.

2.2 Audit and Risk Committee (ARC)

6. NW shared an overview of the priorities raised at ARC on 6th June:
- The primary focus was in relation to the 2022-23 Annual report and Accounts document. The internal audit report gave “moderate” assurance. SJ was commended for the timely delivery and robust consultation process.
 - The Equantiis Review on Cyber Security was shared and endorsed by ARC; the outline recommendations would be considered by the BTA Board for implementation in due course.
 - Board members gave recognition to Carol Hui, the current Chair of ARC due to finish her term 30th June 2023, for her excellent leadership. NW was appointed as interim Chair of ARC for a period of 6 months to allow for the selection process of permanent Chair to conclude.

2.3 Remuneration and People Committee (RPC)

7. The Chair reported on the key points from the RPC on 9th May:
- The proposed pay remit was deliberated and recommended for approval and will be presented to the BTA Board next week.
 - The Estates Strategy recommendations discussed at length and would go to the BTA Board next week for final approval.
 - The UK Pension schemes had undergone a review of its governance structure and funding and investment strategy and SJ had instigated better advice provision. The US and other international pension schemes (if any) would now also form part of this review.
 - The progress on the People Strategy was tabled and the scope of the People deep dive at the BTA Board (June) was agreed.
 - There was a review of the following policies: Diversity, Equality and Inclusion; Travel and Expenses; and Redundancy.

3.0 Review of Strategic Matters

3.1 Political

8. The CEO reported on the current political activities:
- Sir John Whittingdale has been appointed Minister of State for Media, Tourism and Creative whilst Julia Lopez is on maternity leave.
 - The last Inter-ministerial Group (IMG), due to focus on international competitiveness, was postponed; this topic was being addressed through consultation to determine the key asks.

- Dame Caroline Dinanage has been elected Chair of the Culture, Media and Sport Committee and gave evidence last week underlining the value of tourism, noting economic and soft power impact; some of the topics touched upon were VAT free shopping, ease of travel at the border, implementation of the de Bois review, and skills shortages.
- The BTA response to the consultations on short term rental compulsory registration scheme has been submitted; a detailed discussion took place at item 4.3.
- The Electric Travel Authorisation (ETA) was being piloted in Qatar and the fee announced was £10. Assuming a successful pilot, it was believed that this would be rolled out globally by the end of 2024.
- The ALB Review was now at the external engagement stage; questionnaires had gone out to stakeholders and meetings were taking place with trade bodies. The outcome of the review was due to be published in the autumn.

3.2 CEO Report

9. The CEO gave an outline on her key activities since the last meeting:
 - The remaining two directors had been appointed; Louise Bryce as Partnership Director, who was already in post having been interim director, and Liz Karrage as Transformation Director who was due to start at the end of August. The CEO thanked the Chair for her time and expertise in supporting the selection process.
 - The Senior Leadership Team (SLT) was close to full complement now that most Deputy Directors were in post. The first SLT meeting of this new structure took place in May to review the strategy and priorities for this year, and the new purpose and value statements were discussed and agreed.
 - Andy Pike, Director of the GREAT Campaign had announced his retirement at the end of August. It was anticipated that an interim successor would be appointed pending a permanent appointment.
 - The Sustainability Tourism Industry Council (TIC) working group was progressing well on their deliverables - the newly appointed Sustainability Manager, Rachel McCaffery, was to take the lead in the secretariat and management of the group.
 - The Building Our Future programme was on track; a major milestone to move to the Cloud had commenced.
 - 15 LVEPs have now been accredited and 8 were in the pipeline for consideration. The first joint meeting took place in May and the next meeting was scheduled in November.
 - The contract for the new Camelot voucher campaign had been signed and this was due to launch in July, with a forecast of 18,000 bookings and £350,000 income.

3.3 Strategy and Business Plan update

10. LTS tabled the new format KPI dashboard, which was confirmed as being consistent with the information shared at the BTA Board, and its purpose was to demonstrate how performance is being measured against VE strategic priorities. The dashboard will evolve as new measurable data becomes available shaping the development of new KPIs. It was noted that the introduction of some sustainability measurements was a priority. LTS highlighted that the England Strategy workstream was currently showing red due to having not been initiated and proposed scheduling a deep dive in September to ensure input from the Board before any external consultation took place.

ACTION: to add England Strategy to the Forward Plan as a deep dive in September.

11. Board members welcomed the introduction of the dashboard and the focus on measurable performance and looked forward to the expansion of deliverables. The Chair identified the

importance of ensuring due structure for the LVEP programme and gaining measurable data as to its performance as it evolved. It was cautioned that our impact may not always be very measurable but rather as a result of our involvement.

3.4 Subsidy Control

12. HB said that at the BTA Board in March a query had been raised about the applicability of the recently introduced Subsidy Control Act 2022 (“the Act”). HB reminded members that the purpose of the Act, which came into effect in January 2023, is to implement a domestic subsidy control regime in the United Kingdom that reflects the UK’s strategic interests and particular national circumstances, providing a legal framework within which public authorities make subsidy decisions. It replaces the EU State Aid Rules. The Act had potential effect in relation to the award of grants out of public funds by the BTA, and the commercial operations conducted by the BTA, principally through the VisitBritain Shop (“the Shop”).
13. In relation to the award of grants, the Act provides that public authorities must upload details of their grant schemes and individual subsidies awarded to the Subsidies Database managed by the Department for Business & Trade (DBT). Interested parties then have 30 days from the date that the relevant grant scheme management board approves the award, in which to determine whether or not they want to challenge it. Exempt from this requirement are grants of low value subsidies called Minimum Financial Assistance (“MFA”) and defined as subsidies with a value of up to £315,000 in total over the current and previous two financial years, which can be given provided that the recipient makes a self-declaration that they have not exceeded their 3 year MFA allowance.
14. HB confirmed that it was the practice of VE to not release any awards until either, in the case of larger awards, the 30 day time limit had elapsed, and in the case of lower value MFA awards, the appropriate declaration had been obtained.
15. In relation to the commercial operations, since 2011, the Shop has made an operating profit every year bar 2020. This has been set against Resource (RDEL) GIA received each year. The capital investments have, in turn, been paid from Capital (CDEL) GIA. In relation to the most recent investment – except 2020/21 when the Shop made an operating loss due to Covid and 2022/23 where investment was greater than profit – the operating profit has acted to reduce the GIA by a greater amount than the capital investment i.e. no public funds had been used to finance the Shop.
16. 2020/21 was the first year of the pandemic and several temporary Covid related frameworks were put in place that amended state aid rules in light of the impact of Covid. HB said that it was considered that the likelihood of any challenge being made concerning the amount of GIA utilised in relation to the Shop in 2020/21 is very low – Covid causing a totally unforeseen drop in revenue at a time when the commitment to capital investment had been made.
17. In relation to 2022/23, HB said that it is also considered unlikely that the capital investment paid from GIA would be seen as a subsidy. Legally, there can only be a question of applicability of the Act where all the tests under the Act for when a subsidy is given are met. There were strong legal grounds to argue that the Shop did not meet all the tests – in particular, the Shop is not an enterprise as such given that it is legally part of the BTA and the core functions of the BTA are non-economic in nature, and nor can the Shop reasonably be said to have an effect on competition or investment at a national or international level. AS reminded Board members that the issue of whether there were any public policy issues concerning the Shop starting to sell accommodation remained an open item with DCMS.

3.5 Board members recruitment

18. HB reminded members that there were currently two campaigns being run by the DCMS Appointments team:
- For two new members of the BTA Board – This campaign was awaiting the appointment of an independent professional member to the appointments panel to proceed. This was expected to take place shortly and DCMS were hoping that new members would be appointed to allow them to join the strategy day in October.
 - For a new Chair of the VEAB – interviews for this had recently taken place and DCMS had confirmed it was hoping to have a new Chair in place by 31 July, this being the date that the interim appointment of FP was due to end.

4.0 Activity for Board Feedback

4.1 Sustainability

19. Janet Uttley (JU) introduced Rachel McCaffery (RM), the newly recruited Senior Sustainability Manager to the Board.
20. RM followed with an overview of the research and planning being developed to encourage greater consideration for sustainability across the sector. She highlighted that a significant area of development was to build better data collection tools to identify gaps where focus could then be brought. She said that there was a growing sense coming from consumer feedback that not all areas were being met. Considerable research into how other countries deliver on sustainability had been undertaken, to gain learning and inform the optimum framework for VE. Forums had also been set up to discuss sustainability - the Tourism Industry Council had formed a sub-group, led by the CEO and supported by RM and a new Internal Sustainability Working Group has been established with Serena Jacobs as the SLT Sustainability Lead.
21. RM sought views on the approach that was being adopted and whether there was appetite for Board members to provide additional support. The following comments were made:
- SF, who was already a Board advocate in this area, was enthused by the progress being made and underlined the importance of introducing measurable performance, whilst recognising that it would take time to deliver in this area. She also felt that the LVEP programme was a key area which could be utilised to promote sustainability.
 - NW added that he would welcome consideration as to whether there were more opportunities to integrate sustainability into business as usual; either through accreditation, Award events or DMO platform as some examples.
 - AW encouraged the research of other models, either how other countries approach this or via engagement with universities.
 - AL volunteered to offer support and wanted to bring perspective from an operator lens where possible and also encouraged linking this to the LVEP Programme.
 - NT commented that sustainability should be considered in context of social and economic matters as well and should not be seen in isolation.
22. Board members were encouraged by the progress and plans to develop this area. The Chair summarised the key areas of feedback as; clarification of the focus; to lead through the LVEP structure; building measurable performance and creating strong partnerships; and, to consider the broader impact of sustainability.

4.2 DMO Review

23. LTS took the paper as read which gave a detailed report on the progress of the LVEP Programme. The first 15 LVEPs had been announced in April and further applications were expected from other organisations at the next selection panels, in July and October. Plans were in place to jointly agree action plans with each LVEP, and that plan would then be tracked and measured. The first LVEP meeting had taken place on 7th June and was felt to have been very positive in nature. A detailed discussion to consider key principles and development of the LVEP landscape was scheduled to take place at a directors meeting in August.
24. It was suggested by the Board that the benefits of being a VE partner by reason of the LVEP Programme needed to be suitably emphasised as a means to address any concerns over the lack of financial support available.

4.3 Compulsory registration of Short Term Lets

25. JU shared an overview of the reasons that had given rise to this proposal – namely to seek to address the lack of affordable housing for workers in areas of the country with a large number of short term lets - and took the paper as read. She reminded members that there had been a consultation on a registration scheme for short term lets, including introducing a new use class, which closed on 7th June, and which VE had submitted a response to. LB confirmed that there has been more than 5,000 responses to the consultation.
26. Observations from Board members was as followed:
- There was concern expressed by all at what role VE might have in any registration scheme, and the need for that role to be clear and achievable.
 - NW acknowledged that feedback from the industry supported the introduction of a registration scheme, and was seen as a way to remove fraudulent activity in the short term letting market, but cautioned this approach may not have the intended consequence of benefiting local residents in all areas e.g. in the Late District many property owners are retirees who have bought second homes in the area and registration would not release that housing stock.
 - The overall view was that whilst the benefits of a national registration scheme were acknowledged, it was important to ensure it achieved what was set out.
27. The Chair thanked JU for this detailed discussion and concluded that the Board should be kept informed on developments, specifically the role of VE.

ACTION: to share the submission to the consultation made by VE with Board members.

ACTION: to share further developments, specifically where a role was envisaged for VE.

5.0 Deep dive

28. Samee Mohammed (SM) and Sophie Dinsdale (SD) joined the meeting to provide an update on the England Brand project and to seek observations on the direction of the project. Members were reminded that this was a 3 year project that last reported to the Board in November 2022. It was now in year 2 where development of the brand proposition had begun. SD reflected on the progress and findings in year 1 discovery phase, which involved research via market modelling, online listening, stakeholder focus groups and a consumer survey. This analysis was being used to inform the themes and questions being considered in year 2.

29. Board members commended the evidenced based research, testing and thorough engagement process, and were alerted to the challenges to bring together the right balance of unique heritage and modern environments whilst building on more regional attractions situated outside London. The complexities of brand architecture were recognised, noting that the approach would differ between domestic and international markets. SM confirmed that the aim was to create a brand with a long term shelf life and which would be capable of evolving in different markets whilst maintaining a consistent brand proposition.

6.0 Papers for noting/ comment

30. SJ flagged that the risk register may see minor changes after review at ARC later this week.

7.0 Any Other Business

31. The Chair confirmed the venue for Strategy Day on 16th-17th October as Edinburgh and advised timings would be notified soon to aid travel plans.
32. DCMS recently launched a selection process inviting candidates to apply to become an ALB Reviewer, which the Chair highlighted could be of interest to Board members.
33. The Chair advised that the applications process to join the UK Board Apprenticeship scheme 2024 was shortly to open and VB/VE were planning to apply to join for a second year subject to Board approvals. AH shared his experience of the scheme so far, that observing firsthand was invaluable, and as he was now becoming more familiar with the business, the insight was proving even more beneficial. The committee confirmed their agreement to going forward with the apprenticeship Scheme in 2024.
34. The Chair was mindful there were activities and deadlines that could need consultation with VEAB prior to the next meeting in September and encouraged the team to alert the Chair of this to decide how support can be provided during this time.

The meeting closed at 1300.

The date of the next meeting is 12th September 2023 at 1000.