

**MINUTES OF THE 468<sup>th</sup> MEETING OF THE  
BRITISH TOURIST AUTHORITY (BTA) BOARD  
HELD ON TUESDAY 5<sup>th</sup> December 2023 at 10.00  
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
Beth Knight (BK)	Board Member (virtual attendance)
William Burton (WB)	Board Member
Lady Victoria Borwick (VB)	VEAB Chair
Mark Taylor (MT)	London and Partners, Observer
Duncan Parish (DP)	DCMS (Observer)
Rodrigo Voss (RV)	Boardroom Apprentice (Observer)

**In Attendance:**

Patricia Yates (CEO)	CEO/ Accounting Officer
Debra Lang (DL)	Director HR and Professional Services
Serena Jacobs (SJ)	Director of Finance
Tracy Otabor (TO)	Company Secretarial Executive (minutes)

**In Partial Attendance**

Richard Nicholls (RN)	Head of Research & Forecasting
-----------------------	--------------------------------

**Agenda Item 1: Welcome and Introductions**

**1.0 Welcome**

1. The Chair welcomed Tracy Otabor, the new Company Secretarial Executive, to the BTA Board. The Chair also announced that this was RV's last meeting with the BTA Board and thanked RV for his contribution and commitment as a board apprentice.

**1.1: Apologies for absence**

2. Apologies for absence were recorded for:
  - Henry Bankes – General Counsel and Company Secretary.

**1.2 Declarations of Interest/Conflicts**

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

### **1.3 Minutes of the Meeting on 18<sup>th</sup> September 2023 (For approval)**

4. The minutes from the last meeting were approved.

### **1.4 Matters Arising / Action Tracker**

5. Each action was reviewed and the tracker updated accordingly.

### **1.5 Chair's update**

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

- Trade Sales Mission in China: The Chair reported that it was VisitBritain's largest trade mission, and reportedly the first British mission to China since Covid lockdown was eased. He met with the Embassy in Beijing and had constructive discussions on the topic of Chinese tourism to the UK. During discussions with the representatives, it was noted that tourism not only brought economic benefits but also helped develop strong people to people relationships supporting the relationship between Britain and China.

The Chair also met with 4 key OTAs and various social media platforms. The meeting discussed the latest trends in lifestyle, entertainment and travel for Chinese audiences. The meeting explored opportunities to work with influencers on RED (a leading Chinese social media platform with over 69 million subscribers), to inspire Chinese visitors to plan a trip to Britain.

The trip highlighted the rapidly evolving, data-driven direction that tourism was moving in. In a response to this, the Chair asked if there were ways that BTA could develop the ability to harness the power of real-time data streaming which has become increasingly essential for organisations seeking a competitive edge. The Chair observed that to remain valuable to ministers with unquestionable authority, the need for BTA to develop up to date data was imperative. The Chair expressed his deep appreciation for the VB China team for staging such a successful event and programme of engagement.

The Chair took the opportunity to recommend a review of trade mission program development to expand the reach and depth of participants.

DP asked the Chair if he could share his findings of his visit to China with other ministers to which the Chair was happy to do so.

- The Osaka Expo Creative Steering Group: The Chair attended the second meeting of the Steering Group and reported that the steering group were constructively engaging with ministers, departmental leads and the creative agencies to ensure the UK Pavilion met the key practical and creative objectives for Osaka 25. He was pleased with the direction the proposals were moving in.
- Manchester Conference Ambassador Programme: The conference celebrated the important role experts play in securing prestigious conferences and events for the city-region. The Chair reported that Marketing Manchester pulled together a successful event which brought together ambassadors in key areas to drive new business events in Manchester as a destination of choice. The Chair congratulated the VisitBritain events team on their efforts to deliver an extremely effective day.

## **2.0 Strategic Matters for Discussion**

### **2.1: Political Update**

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

- Sir John Whittingdale OBE who was covering the Ministerial portfolio of Julia Lopez, will finish in the post of Minister for Media, Tourism and Creative Industries on 17 December as Julia Lopez returns from maternity leave.

- The following ministers had been appointed on 13 November: James Cleverly as Secretary of State for the Home Department and former Prime Minister, David Cameron returned as Secretary of State for Foreign, Commonwealth and Development Affairs. The CEO reported no changes to ministers at DCMS.
- The Secretary of State and Minister joined VE's LVEP Strategy Day and took part in a round table. As a result of the discussions, the Secretary of State had invited all the Chief Executive Officers of all the local authorities across England to discuss the LVEP programme and ask for their support for the LVEP programme.
- VB co-hosted a stand at the World Travel Market in November with UKInbound and welcomed the Minister as he engaged with businesses and destinations. The CEO noted that it was a very useful way to network with partners.
- The CEO met with Thangam Debbonaire [Shadow Secretary of State for Culture, Media and Sport].
- The CEO updated the Board on her attendance at the DCMS Select Committee where she was on a panel with Kate Nicholls [CEO of UKHospitality] and Sarah Green [CEO of Newcastle Gateshead Initiative]. Topics included pace of recovery and Britain's competitive position in the tourism industry.
- The General Election: The CEO reported that Labour was now preparing for a May election. In the event of a May election, there was likely to be a three year comprehensive spending review (CSR) programme but an October election would mean a one year rollover for the CSR programme.
- DCMS: Emma Squire who was Director for Arts, Heritage and Tourism has now left to join English Heritage with Nicola Hewer as her replacement.
- The GREAT Reception: The CEO reported that it was a successful event. The Prime Minister's Business advisor also contacted her to ask for a briefing in the New Year.

## 2.2 CEO Report, Engagements and Dashboard

8. The CEO took the reports as read and highlighted the following key activities:
  - The Ministerial GREAT Programme Board agreed with VB's allocation of £18.73m for 2024/5. Proposed target markets are USA, France, Germany, GCC and Australia with an anticipated ROI of 14:1 giving £262m in additional value. Disappointment was also expressed with the full year results for the Current Campaign (being 11:1 ROI against a target of 10:1). The disappointing results were attributed to the engagement metrics which were used; however, it was noted cuts had now been made to refocus on achieving the target.
  - The GREAT Advisory Team had been reviewing VB's evaluation in GREAT and concluded that they had "a high degree of confidence in what VB were doing". It was advised that in VB's communications to GREAT and upwards to Treasury, there should be discussion about optimisation as Treasury is keen on this and it would be an opportunity for VB to demonstrate their work. Processes of continuous improvement was noted.
  - The GREAT Tentpole Moment has been moved from the US to Saudi and is now planned for March 2024. VB is planning activity to bring destinations and businesses to meet Saudi suppliers and promote travel across Britain.
  - Film & TV: The CEO reported that the new film & TV campaign was starting to take shape and that by the end of December, VB would have a clearer idea of how the new campaign would roll out. It was also noted that negotiations were currently taking place with studios around intellectual property rights, leveraging VB's partnership with the British Film Commission (with whom VB are signing an MOU on 6th December).
  - The India Trade Mission: The India Trade Mission went well. The CEO mentioned that historically VB's Indian Missions did not do too well due to complex contracts but as India is a growth market, VB were now looking at revising their strategy to ensure focus on the high-end market following the Strategy Day. Suppliers were keen for new product information and experiences and open to new destinations in the UK. The Chair thanked the team for their efforts in making the Mission a success.
  - People and Places: The selection approach for a replacement of VB's current Financial

Director (“FD”) had commenced. It was noted the current FD would be leaving VB at the end of March 2024.

- The Organisational Design (“OD”) consultation had ended and it was hoped that staff at risk would either have been placed into a role or given notice of redundancy by this Christmas. The new structure would take effect from 31 December 2023.
- The CEO informed the Board that the Secretary of State had written to her asking if VB could take part in the Summer Jobs Programme, which offered employment to young people across England at risk of becoming involved in youth violence and crime. The CEO was delighted to support the programme.

### **3.0 Papers for Approval/Decisions**

#### **3.1 Financial Planning**

9. SJ took the paper as read and noted the following:

- VB were still in an overspend position by approx. £370k due to the following material movements: Retail had revised their forecast down to a contribution of £355k, from a budget of £1m. VB were unable to deliver the expected £350k for accommodation and have experienced a four-month delay in rolling out gift cards due to delays while state aid concerns are reviewed by Government lawyers. In addition, overhead costs were £100k above budget due to a TUPE agreement on a warehousing contract variation and increased customer services costs from the Camelot campaign.
- There had been an increase to the Organisational Design (OD) cost from the original budget of £400k to £650k, however VB were running at a 7% staff vacancy rate this year which delivered savings above budget, but this is likely to settle down as OD concludes, with no more savings anticipated.
- Looking forward, SJ was confident that overall VB would come out in an underspend position.
- PG asked how a scenario analysis could be built into the financial planning process to tighten up the forecasting discipline to deal with the uncertainties. SJ explained that while there will always be difficult areas to forecast, there is now a closer working relationship with VB’s business partner and the retail team making SJ more confident that forecasting will be more accurate going forward.
- It was asked that the Board approve the authorised signatories required to complete foreign currency purchases with Allied Irish Bank.

**Action:** The Chair asked SJ and the Executive to prepare a report on the risk and benefit of continued commercial activity, including opportunities for undertaking other government programmes.

**Action:** The Chair asked SJ to provide an assessment of the impact of cuts to the balance budget on other operations for the next ARC Committee with agreement from the ARC Chair.

**Action:** The Chair asked DL to provide a summary of any impact the increased costs of the OD will have on the business case.

**DECISION:** The Board considered and agreed that Tim Pemberton and Nick Khinchikashvili are authorised to act on behalf of BTA as "Authorised Dealers" or "Authorised Signatories" to complete and execute transactions with Allied Irish Bank (AIB) as per the registration form and its terms and conditions as signed by the Chair of the Board, Nick de Bois and Chair of the Audit Committee, William Burton on behalf of the BTA at the Board meeting. The two authorised individuals can complete any Treasury Deposit transactions, spot FX transactions, FX forwards transactions or Other Derivatives transactions entered into between the BTA and the Bank pursuant to instructions given by BTA to the Bank prior to the date of this agreement and after this date. These transactions will be in accordance with BTA’s Framework Agreement with DCMS, Managing Public Money and any Government, HM Treasury or DCMS regulation or requirements.

Tim Pemberton and Serena Jacobs were authorised to complete and execute the Registration Form for and on behalf of the BTA. BTA agrees to indemnify the Bank, for the Bank providing Treasury

Services to BTA, in accordance with the terms of such indemnity as set out in Part 6.3 of the Registration Form as well the Relevant Treasury Terms and Conditions.

### **High Level Budget**

10. SJ took the paper as read. The Board were updated on the high-level budget for 2024/25 noting the changes in resource and capital income, the year-on-year variances in expenditure and the key risks and opportunities.

SJ also noted that VB were agreeing the results of the triennial valuation of the Closed Defined Benefit Pension Scheme. The scheme is in surplus and no deficit contributions are proposed. Trustees had initially requested that VB increase their expense contribution, however SJ informed the Board that following a counter proposal from VB, the Trustees agreed that VB would not need to increase their contributions due to the creation of an expense reserve, however there are some low risks associated with this. The Board noted that VB has a Crown guarantee which further strengthens its position and VB has taken advice from its advisors, PwC, throughout the process.

- The BTA Board noted the Trustee's proposal for the creation of an expenses reserve and that there was no longer a requirement for VB to increase its contribution.

### **Spending Review**

11. SJ updated the Board on the timelines of the CSR process.

### **3.2 Corporate Priorities.**

12. The CEO briefed the Board on each of VisitBritain's/VisitEngland's corporate priorities for 2024-25 which included International Visitor Value, Building Our Future and the English Visitor Economy.

### **3.3 Inbound Forecast for 2024**

13. RN took the paper as read. He noted that visits and real spend were expected to grow in 2024 but to be just below 2019 levels. VB's estimate for the full year of 2023 was 37.8 million visits and £31.7 billion spend. This would set a record for spending in nominal terms. In 2024, it has been projected that VB visits would be in the region of 39.5 million visits and £34.1 billion spend. Compared to 2023, this would be a growth of 5% in visits and 7% in nominal spend.

- As a result of extensive discussions on the factors affecting the figures of Britain's Inbound Tourism, PG asked if RN could think about synthesising the Inbound Forecast data for the Board to capture a 'helicopter summary' for the year ahead.
- The Chair noted that documents produced should focus on the fact that VB is a growth opportunity and the forecast should state forward trends and strategic outcomes for consideration.

**DECISION:** The BTA Board approved the Inbound Tourism Paper subject to the inclusion of a helicopter view of the narrative for inbound tourism.

*RN left the meeting.*

## **4.0 Corporate updates**

### **4.1 VEAB update**

14. The VEAB Chair shared a summary of the activity at the last VEAB meeting, held on 21<sup>st</sup> November and noted VEAB's first Visitor Economy Partnership ("VEP") meeting, with the Secretary of State in attendance. Key areas of focus at the VEP meeting were funding of the LVEPs and the England Visitor Economy Strategy.

## **4.2 ARC update**

15. WB briefed the Board on recent ARC activity:

- WB recently participated in an ARC Chair's Forum where the British Library and its cyber issues were discussed.
- ARC meeting: (i) the BTA Chair had been transferred from an ARC board member to an observer (ii) it was noted that counter fraud would be discussed in January's meeting (iii) ARC agreed to hold deep dive sessions into certain subjects such as AI, digital strategy, grants management and India, on a rotating basis and, (iv) plans for the annual report and the internal audit plan were discussed.
- It was noted that minor amendments had been made to the ARC Terms of Reference.

**IT WAS RESOLVED that** the BTA Board approve the amendments made to the ARC Terms of Reference.

## **5.0 Discussion**

### **5.1 ALB Review**

16. A discussion was held by the BTA Board on the ALB Review.

### **6.0 Papers to Note**

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

### **7.0 AOB**

18. There was nothing to note under AOB.

The agenda closed at 1230.