

**MINUTES OF THE 470th MEETING OF THE
BRITISH TOURIST AUTHORITY (BTA) BOARD**
HELD ON TUESDAY 19th March 2024 at 10.00
Tag., 1-5 Poland Street, London W1F 8PR

Present:

Nick de Bois CBE (Chair)	BTA Board Chair
Dame Judith Macgregor DCMG LVO (JM)	Board Member
Rt Hon Viscount John Thurso (JT)	Board Member / VisitScotland Chairman (ex-officio)
Karin Sheppard (KS)	Board Member
Peter Gowers (PG)	Board Member
Beth Knight (BK)	Board Member
William Burton (WB)	Board Member
Lady Victoria Borwick (VB)	VEAB Chair
Mark Taylor (MT)	London and Partners, Observer
Duncan Parish (DP)	DCMS (Observer)
Aileen Martin (AM)	Tourism NI (Observer) (virtual attendance)
Kaveh Navid (KN)	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
Geoff Hawker (GH)	Interim Director of Finance
Andrew Stokes (AS)	VisitEngland TXGB & Retail Director
Henry Bankes (HB)	General Counsel and Company Secretary
Tracy Otabor (TO)	Company Secretarial Executive (minutes)

In Partial Attendance

Louise Bryce (LB)	Head of Commercial Partnerships
Suzy Faulkner (SF)	Head of Product Development and Distribution
Anna Sawbridge (ASa)	Head of Google Tourism
Paul Lenanne	DCMS, Cyber Security
David Hodges	Head of Central Government Resilience and Strategy

Apologies

Ian Edwards (IE)	Board Member / Wales Representative (ex-officio)
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Welcome and Introductions

1.0 Welcome

1. The Chair warmly welcomed Geoff Hawker, the new interim finance director and announced that it was JT's last BTA meeting. Stephen Leckie was announced as JT's replacement and was due to attend his first BTA board meeting in June this year. The Chair noted that this was also SJ and MT's last BTA meeting and thanked them for their support during their time on the Board.

1.2 Apologies for absence

2. Apologies for absence were recorded for:
 - Ian Edwards – Board Member

1.3 Declarations of Interest/Conflicts

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

1.4 Minutes of the Meeting on 30th January 2024 (For approval)

4. The minutes from the last meeting were approved.

1.5 Matters Arising / Action Tracker

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

1.6 Chair's Update

6. The Chair reported on his key activities since the last Board:
 - Birmingham Office: The Chair announced that VB had now signed the contract on the new Hub Office in central Birmingham. It was noted that the next BTA Board meeting in June was likely to take place in the new office with details to be circulated to members shortly.
 - Minister Lopez: The Chair updated the board on a follow up meeting with the Minister where a number of matters were discussed including policy areas where the government could help support UK sector competitiveness. The Minister also prompted a discussion on the GREAT marketing campaign and impact on inbound tourism.
 - The Chair attended the VisitBritain Association Conference 2024, "*Impact Beyond the Plenary*" in early February in Edinburgh. The event, hosted in partnership with MeetEngland, Meet in Wales, VisitScotland Business Events, convened 80 industry professionals including nations, city convention bureaus, associations and professional conference organisers to explore how the events industry can maximise the positive impact of a congress, whilst making sustainable choices. The event was an opportunity for VisitBritain to soft launch its Impact Framework, to support cities, congress organisers and associations embed positive societal objectives into event design. Alongside the educational programme, city convention bureaus had the opportunity to network and discuss new business opportunities with the attending associations and congress organisers, currently resulting in eight new conference enquiries.

2.0 Strategic Matters for Discussion

2.1 Political Update:

7. The CEO updated the board on the following:
 - Opposition Engagement; The CEO advised that in light of the upcoming election, no contact from opposition was permitted and that DCMS was to be contacted immediately if any contact was made. The CEO confirmed that this only applied to pre election matters.
 - Short Term Lets: Although the Government was yet to publish its response to the recent consultation, it had announced its intention to implement a national, mandatory registration scheme across England which did not include hotels, hostels and B&Bs. In the consultation

response, VisitBritain (VB) had advocated for their inclusion, echoing industry sentiments. Their exclusion was likely to create grey areas where businesses and consumers were unclear of requirements. DLUHC also announced that there would be a new use class in planning for short-term lets with all existing let properties being automatically reclassified, in light of this, the CEO noted that the ministers, with a number of VEAB members in attendance, would be hosting a round table to discuss the issue.

- English Tourism Week: The CEO noted that she would be joining the Minister in Oxfordshire for English Tourism Week taking place from 15 to 24 March 2024.
- Meeting with Ambassadors: The CEO attended a meeting with Edward Hobert CMG, British Ambassador to the United Arab Emirates, while in the UAE. The key focus of the meeting was to discuss attracting investment from the UAE into British major infrastructure.
- The CEO had met with Caroline Wilson, the British Ambassador to China. She also reported that the new Chinese team in China was working well.

2.2 CEO Report, Engagements and Dashboard

8. The CEO took the reports as read and highlighted the following key activities:

- Delivery against KPIs: VB continue to be a high performing and valued GREAT partner with VB exceeding their targets set by the GREAT Campaign. The CEO noted that this was celebrated by Baroness Neville-Rolfe, Minister of State at the Cabinet Office with responsibility for the GREAT Campaign, and JM commended the team for their efforts in achieving the set KPIs.
- The recut Tea campaign with more destination content, was now delivering 49% awareness against a target of 46%. The CEO reassured the Board that VB were now confident that the campaign would now deliver against its financial targets going forward.
- VB had piloted co-op campaigns in the US that enabled smaller companies to buy into the campaigns. This activity focused on conversion rather than the more inspirational main investment. The CEO noted that the campaign had proven to be very popular with VB's commercial partners. Fifteen private sector partners invested a total of £325k against VB's target of £250k in a campaign that generated around £4 million. This contributed towards the 23:1 ROI on media investment for the total US spend. Building on that success, VB had launched a second co-op with a combined investment of \$1m in the US with plans to roll out the concept in Europe.
- The BTA was still subject to a number of Government reviews. As well as the ALB review the team had completed the return to Cabinet Office looking at all roles in key functions. DCMS had just notified us that we were to be reviewed on our Functional Standards: And Esther McVey, Minister without Portfolio, had written to the CEO advising VB that ALBs were to be audited on their offerings to the public – the CEO did not know if the BTA was in scope for this. This activity required considerable effort from the finance and HR teams in particular on top of day to day operations.
- The Saudi Futures GREAT Campaign: The CEO announced that this would be taking place on 14-15 May in Riyadh and VB would be running three strands of engagement to help promote and forge partnerships across a number of sectors of the UK's most creative and innovative companies with their Saudi business and Government counterparts.
- GCC: The CEO updated the Board on her recent regional meeting in the GCC. The CEO noted the confidence expressed by the Indian Team in the economy there. The CEO explained that VB were not greatly investing in India as campaigns there have historically not delivered the required RoI, however, a suggestion to focus on the Indian high net worth sector to encourage spend was welcomed.
- The Chair noted and the board agreed, that he would seek to include at a future board meeting a review of the GREAT Campaign, its impact on the role of VB strategic priorities and asses impact of any policy changes with a new administration to enable the board to provide direction for the executive prior to the election of a new government. He asked that this was noted on the Forward Look.

ACTION: The Chair requested that a deep dive on GREAT in a post election world be noted as an agenda item on the Forward Look.

2.3 ALB Review:

9. The CEO confirmed that the ALB Review was still ongoing and a response was not expected before April at the earliest.

3.0 Corporate Updates

3.1 VEAB Update

10. VB updated the board on the recent VEAB Meeting which took place on 12 March:
 - The VEAB took place in Coventry where members also met with Andy Street MBE, Mayor of The West Midlands.
 - VE had launched a new training module on wine tourism. The Business Tourism strategy for England and Workplan for 2025 was also reviewed.
 - AS noted that the LVEP accreditation programme was progressing well and that VE now had 31 accredited LVEPs.
 - It was also confirmed that VEAB were working in close collaboration with the West Midlands Growth Company (WMGC) to establish a second DDP for England which was a valuable opportunity to prove the value of the DDP concept and demonstrate the impact that the model will have on the growing the visitor economy, strengthening the case for future funding. JM asked if the WMGC could also present at the next BTA board meeting in June.

ACTION: BTA to invite the West Midlands Growth Company for a presentation at the June BTA Board Meeting in June.

3.2 ARC Update:

WB updated the Board on matters discussed at the recent ARC meeting:

- Geoff Hawker was welcomed to his first ARC meeting and SJ was thanked for her hard work and significant contribution to ARC over the years.
- The cost of the new HR system was discussed. WB noted its high cost of over £5m and questioned whether VB's current retail activity justified the need for the new finance system.
- ARC had met Rob Bailey who was the new lead from the National Audit Office (NAO) and endorsed the audit plan which was presented to them from the NAO.
- The internal audit report on the data transfer programme was also discussed. It was recommended that the programme adopt the VB approach to risk management.
- The foreign exchange policy was endorsed, however WB advised the board that the Middle East were an exception to the policy due to their regulations on usury.
- Information Security: WB reassured the board that the Committee was on track to have the cloud transfer as cyber essentials and its cost implications were a priority for the Committee. JT reminded the board that there was no foolproof solution to cyber security and suggested that the organisation keep a duplicate set of information that was not connected to the live operational system to mitigate the risk of attack. The physical separation of the duplicated files would ensure that there was always a backup. The board agreed with this approach.
- WB also noted the difficulty of remote working and asked if investment in better quality IT equipment was something to be considered.

4.0 Papers for Approval/Decisions

4.1 2024/25 Budget – Approval:

11. The CEO introduced the item and advised that the 2024/25 Budget was a fairly cautious and deliverable budget. It was projected that VB were on course to be within 1% of the underspend target agreed with DCMS.
12. SJ took the paper as read and set out the budget for 2024/25 for approval noting the changes in resource and capital income, the year on year variances in expenditure and the key risks. The budget included funding for dilapidations at 3 Grosvenor Gardens (£600k); planned reduction to Transformation funding and a reduction in contribution from Retail.

IT WAS DECIDED THAT the 2024/25 Budget be approved.

4.2 Financial Forecast:

13. SJ took the paper as read and provided a summary of the organisation's financial performance. Key areas of focus were on risk and VB's targets for the next financial year. SJ announced that the Visa data purchase had been completed which eliminated the risk of the £200k becoming an underspend. It was reported that VE had also put a grant programme together to ensure delivery against their budget. This was positive news as the expectation was to be within 1% of target.
14. SJ noted that VB's financial forecasting accuracy was improving and that the team would be undertaking a Lessons Learned exercise and continuing with their monthly reporting.
15. SJ also briefed the board on the topic of irrecoverable VAT and focused on three key areas: (i) when UK VAT was applicable (ii) what VAT was recoverable and (iii) how irrecoverable VAT was forecasted.

4.3 Annual Report & Accounts 2023/24 (AR&A)

16. SJ introduced the 2023/24 AR&A themes paper to the board. Early board input into the draft sections of AR&A 2023-24 covering the Chairman and CEO Introductions and Tourism Landscape was requested.
17. A discussion followed in which a number of constructive comments were given by members by way of feedback., SJ thanked all for their feedback and agreed to take away and incorporate as appropriate.
18. JT commended the executive for its progressive approach in allowing the board to discuss the AR&A before it had been finalised. The prior input was very much welcomed. JT suggested that the addition of infographics in the beginning of the report would be key to get the key messages of the AR&A across effectively. JT noted it was an extremely useful tool to hold the attention of the reader as they skimmed through the first few pages of the report.

4.5 Risk Management Annual Review:

19. **IT WAS DECIDED THAT** the Risk Management Annual Review paper be approved.

4.6 Pensions Committee TOR:

20. **IT WAS DECIDED THAT** the Pensions Committee TOR be approved.

SF joined the meeting.

4.7 Retail Activity Review:

21. The CEO introduced the paper to the board and explained that the purpose of this paper was to summarise the outcome of a strategic review that had been undertaken of the VisitBritain Shop and to seek the board's approval to one of the options for next steps listed.
22. The CEO asked members to note in particular that the Shop had been impacted by Covid and that

recovery, post pandemic, had been slow. However, that said, she was pleased to report that the Shop was in profit. The CEO then invited the Board to consider the various options presented in the paper and expressed her wish, shared by the executive team, that the Board support Option A.

23. A discussion took place and the Board endorsed the recommendation of option A, subject to the caveat that the Shop's performance be revisited on a quarterly basis..

IT WAS DECIDED THAT the board approve Option A with quarterly updates on performance.

SF left the meeting.

PL and DH joined the meeting.

5.0 Security Briefing

24. PL briefed the board on current departmental security concerns including advising that the government had been liaising with parliamentary and technical security centres to combat industry security threats. Ten ALBs, which included VB, had been chosen to take part in the new Functional Standards Commission, which aimed to provide a security assurance across all ALB networks. PL also touched on key threats to the UK which included Terrorism, protests & demonstrations and espionage from social media accounts and from across continental Europe.
25. DH presented his paper on cyber security and the function of the NCSC which was formed in 2016, bringing together six separate Government bodies working on cyber security. It was noted that Nation state actors posed the greatest cyber threat to His Majesty's Government. Commercial cyber proliferation was also noted as almost certain to expand over the next 5 years. Remedial solutions such as backups, patching, exercising, registering for NCSC services and CISP was advised to help mitigate the risk of industry cyber-attacks.

6.0 Deep Dive

6.1 Industry Engagement

26. LB took the paper as read and shared her presentation with the Board. LB briefed the board on the breadth and successes of VB's industry engagement over the last year following the implementation of a new stakeholder strategy which addressed key challenges and opportunities of the time. She advised the Board of VB's engagement priorities for the year 2024/25 which included the launch of "Starring GREAT Britain" industry prospectus at the revamped Annual Review event being held on 22 May 2024, detailing sales and marketing opportunities and embedding the Strategic Partner Framework to ensure strong alignment between international sales and marketing and sustainable growth goals of different parts of the country.

LB left the meeting.

ASa joined the meeting.

7.0 Guest Speaker

7.1 Google AI and Tourism Innovation

27. ASa introduced her item and briefed the board on three key topics: current travel trends, influencing consumers and competitive inspiration.
- Travel Trends: ASa noted that the tourism sector continued to grow, with global inbound arrivals doubling every 15 years. This growth was driven by middle class growth and the AI/technology boom. While there was a stronger appetite to travel internationally vs domestically, growth momentum of the UK as a destination was slowing.

- Influencing Consumers: Research showed that Google and YouTube were used at every stage of the customer's journey (100B+ travel searches p.a. on the Google and YouTube platforms), this significant number had seen many travel and tourism companies integrate AI into their working systems.
- Competitive Inspiration: ASa highlighted that DMOs were now using AI powered advertisements to increase impactful reach. Film tourism was also significant; with DMO's leveraging films to reach on average 72m people globally to highlight and inspire tourist destinations. The Chair thanked ASa for a well-informed presentation.

ASa left the meeting.

8.0 Papers for Noting/Information

28. The Chair noted these papers and no comments were brought to the board.

9.0 AOB

29. The Chair presented SJ, JT and MT with parting gifts to show VB's appreciation for their contributions to the BTA Board and wished them well in their future endeavours.

30. No further business was brought to the board for discussion.

There being no further business to discuss, the meeting was declared closed at 14.30.