



UKINBOUND

THE VOICE OF INBOUND TOURISM

UKINBOUND ANNUAL GENERAL MEETING - MINUTES

22 February 2022

National Gallery

1. WELCOME - JAMES AITKEN, CHAIRMAN

1.1 James Aitken (JA) welcomed attendees to the first in-person AGM since Covid, noting that members are reporting quiet optimism for the year ahead. JA reported that UKinbound has had a difficult two years but has emerged in relatively good shape, with thanks to the strength and hard work of the Board, Secretariat and CEO. Whilst member recruitment is gaining traction and in-person events have returned, the industry still faces many challenges, including the recent news from Ukraine.

JA noted an assumption amongst parliamentarians and the public that the tourism industry is in a period of rapid growth, and although many businesses had a strong domestic season, it will be difficult to compete with outbound flights and low package prices once outbound travel fully reopens. Other challenges include: businesses facing significant levels of debt, inflation, staffing, and rising flight costs.

JA advised members to review their technology infrastructure to help drive efficiencies within businesses and to review hybrid working policies which may work better for some businesses than others. JA emphasised the importance of working with the travel trade to aid the industry's recovery, and thanked members for their continued support.

2. MINUTES OF PREVIOUS ANNUAL GENERAL MEETING - 4 February 2021

2.1 Chris Ball (CB), General Secretary of UKinbound, presented the minutes of the previous Annual General Meeting. Daryl Bennett, Go City, proposed that the minutes are a true and accurate record of the meeting. The motion was seconded by Helen Peters, Shakespeare's England.

2.2 Jennifer Cormack, Windermere Lake Cruises, proposed that there were no matters arising. The motion was seconded by Andrew Guthrie, JacTravel.

3. MEMBERSHIP UPDATE - CHRIS BALL, GENERAL SECRETARY

3.1 Chris Ball (CB) gave an overview of current membership numbers, which stand at 289, down around 25% over the last two years - although new members continue to join the Association. Around 25% of members are based in Scotland, Wales or Northern Ireland,

representing a fairly good regional spread. UKinbound will continue to recruit new members from across the UK, but also target areas where there is less representation. South West England, North West England, and Scotland will also be targeted as these are regions that have seen strong growth in previous years.

3.2 CB reported that tour operators / DMCs / OTAs continue to make up the largest membership category (30%), followed by attractions (26%), service providers (22%), DMOs (13%) and accommodation (9%). CB noted that the fall in accommodation providers is due to factors including brand consolidations, changes in franchise and management contracts; UKinbound continues to seek new opportunities in this sector.

3.3 CB noted that 40 members have resigned over recent months – many of whom have ceased trading due to the impact of Covid. However the Association hopes some of these will re-join in due course. CB noted that the resignation figure remains in line with previous years and the rate of resignations has slowed.

3.5 CB reminded attendees of key membership benefits, which include: networking, access to insights and expertise, marketing opportunities and hosting events to showcase products and offerings. CB encouraged attendees to engage with the team so that the Association can ensure services are relevant.

4. EVENTS UPDATE - ANDREW GUTHRIE, EVENTS COMMITTEE CHAIR

4.1 Andrew Guthrie (AG) outlined the department's activities over 2021, which included a range of webinars, virtual destination updates and fam trips, virtual sector and CEO roundtables, general meetings, virtual membership masterclass and virtual charity quiz event. A return to in-person events saw the return of members networking evenings, Annual Convention, and World Travel Market. UKinbound also took part in the Travel Day of Action event and held a Save Inbound Tourism lobbying event during the summer. AG noted that although in-person events have returned, the Association will continue to hold virtual events to maximise accessibility for all members.

4.2 AG outlined the key priorities for the Events team and Committee for 2022 which include: delivering events that provide opportunities for members to reconnect and generate new business, webinars, regional educational and B2B events, maximising the EventsAir platform, and growing sponsorships for flagship events.

4.3 AG gave an overview of upcoming events, including: virtual Membership Masterclass on 2 March, US market webinar on 8 March, Members Networking Evening at Harry Potter Photographic Exhibition on 10 March, and Discover Windsor workshop on 13 March, and Members Networking Evening at the View from The Shard in partnership with VisitAberdeenshire on 31 March.

4.4 AG thanked the Events Committee for their support, and to Head of Events Saara Vuorela-Valladares and Events Manager Morganne Abou-Haydar, and the wider Secretariat.

5. PUBLIC AFFAIRS & COMMUNICATIONS UPDATE – JENNIFER CORMACK, COMMUNICATIONS COMMITTEE CHAIR

5.1 Jennifer Cormack (JCo) gave an overview of the Association's marketing, communications, PR and advocacy activities over the past year. Highlights include securing five changes to Government policy which directly and positively impacted industry and three grants for UK's inbound tourism businesses. The Association also secured the DCMS Select Committee Inquiry into the Promotion of UK Abroad, which many members helped feed into.

JCo thanked members for contributing to calls for evidence and surveys, which allow the Association to form data-led arguments, and for writing to their MP to bolster lobbying efforts. Over the year UKinbound wrote 41 letters to Parliamentarians and met with over 60 MPs, Peers and civil servants to push for the reopening of borders and for grants. UKinbound contributed to 15 Government evidence submissions in collaboration with other tourism bodies to highlight the value of tourism and its role in the UK's economic recovery.

JCo reported a record year for media coverage for the Association, with 556 pieces of press coverage including 48 broadcast interviews secured.

JCo reported that the Association has grown its digital audience by 20% and has continued to help members raise their profiles and market to the travel trade and wider industry, through a variety of opportunities such as the members newsletters, print publications and sponsorship of flagship events.

5.2 JCo outlined the department's priorities for 2022, which include: supporting the industry's recovery, maintaining a seat at the table, continued industry collaboration, and continuing to represent members. A new recovery hub will shortly be launched on the website with links to policy updates, grants and other information. Advocacy priorities include: maintaining relationships with the Prime Minister's Office, DCMS, Department for Transport, Cabinet Office and Treasury; and lobbying on issues including demand side marketing, visa improvements, tax free shopping and ID cards.

6. TREASURER'S REPORT – LANA BENNETT, TREASURER

6.1 Lana Bennett (LB) presented the year end accounts, noting that the audit went well with no qualifications and that it was prepared in accordance with applicable legal requirements. Overall, the Association came in under budget for the year and UKinbound is a going concern.

6.2 LB reported that total membership income made up 32% of the budget, with better than anticipated retention and recruitment. Total event income made up 29% of budget, with restricted ability to deliver, whilst event costs came in 50% under budget. Operational expenses were 2% over budget. The total deficit for the year was 53% under budget at £126,000.

6.3 LB explained that a further deficit was projected for 2022 before moving back into surplus for 2023. Key reasons for budget deficit were a fall in membership numbers due to impact of pandemic, and lack of face-to-face events leading to reduced turnover. LB highlighted that the surplus built up over previous years places the Association in a strong position, helped also by the CBILs loan of £200,000 and bank transfer dividend of £25,000.

6.4 LB highlighted key financial risks for the next year which include: new Covid variant, further Government restrictions or restrictions in source markets that dampen demand, and

damaged balance sheets of members which may impact ability to invest in UK inbound activities. Mitigations against these risks include: monthly reforecast after Q1, monthly cashflow reports, and management accounts produced within a week of month end to allow agility in case of any issues.

7. CEO UPDATE – JOSS CROFT, CEO

7.1 Joss Croft (JC) thanked the Board members for their updates and presented the findings of the latest Business Barometer in January, which show a steady growth in business confidence which stands at 56%, the highest since the start of the pandemic. JC noted that the recovery follows significant damage to inbound tourism and that recovery will be slower than competitor destinations, in part due to strong restrictions that also favoured outbound tourism, as well as a lack of government support.

7.2 JC outlined the recent VisitBritain Inbound Tourism Forecast for 2022, which predicts a total of 21.1 million international visitors and £16.9bn in spend – two thirds of 2019 levels. JC noted that the forecast is predicated on no more new Covid variants or widespread disruption due to potential war in Eastern Europe. A key challenge is a lack of demand-driving marketing spend from the industry due to depleted reserves and little to no income over the last two years. In 2019 UK operators spent £98m in overseas marketing – this is predicted to fall by 55% in 2022.

7.3 Other challenges include: overseas perception of the UK which has fallen to 5th place in the Nations Brand Index, damaged consumer confidence, in-market travel restrictions due to slower vaccine rollout, high cost / low access to visas, ending VAT-free shopping, ending use of ID cards at the borders for EU nationals, VAT increases from 1 April 2022, depleted reserves within the industry, reduced access to adequately skilled staff, capacity constraints, inflexible terms and conditions within the supply chain.

7.4 JC outlined the Association's priorities for 2022, which include: better insight and key account management through implementation of a new CRM, delivery of relevant and valuable events, exploring alternative revenue streams, building on successes in advocacy and influence, and continuing to provide insights, business opportunities and guidance to members.

7.5 JC thanked members for their continued support, and the Board and Secretariat for their hard work and dedication.

8. AOB

There was no other business arising.

JC thanked all members and closed the meeting.