

Board Meeting 9 August 2018

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD AT GALGORM RESORT, BALLYMENA ON THURSDAY 9 AUGUST 2018

Present:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Mr Colin Neill
- Mr Michael McQuillan
- Mr Geoff Wilson

In Attendance:

- Mr John McGrillen, Chief Executive
- Ms Jill McKee, Director of Finance
- Ms Naomi Waite, Director of Marketing
- Ms Aine Kearney, Director of Business Support and Events
- Mr Jim Daly, Corporate Communications

Apologies:

- Ms Michele Shirlow
- Mr Terry McCartney

1. Introduction

1 (i) Introduction

The Chairman welcomed those present and reminded attendees that minutes of the meeting would be published. He asked if anyone present wished to declare interests in respect of agenda items. Geoff Wilson declared an interest and advised that he would excuse himself from any discussion of the Events Programme Update.

1 (iii) Minutes of Last Meeting

Minutes of the Board's meeting held on Thursday 7th June at Tourism NI's headquarters were approved as an accurate record and signed. The Board also approved a note of a workshop held on 20th June, again at headquarters.

1 (iv) Matters Arising from Previous Meeting

The Board noted actions completed since the previous meeting and updates were noted as follows:

Local Authority Tourism Strategies – it was confirmed that where available, council strategy documents had been uploaded to the secure app for the Board's reference.

Chief Digital Officer – The Chief Executive reported that following the digital transformation workshop held for Board Members on 20 June, he discussed with Invest NI and the Strategic Investment Board a proposal that the Chief Digital Officer's role would be expanded from working two days per week on behalf of Tourism NI to full time. To demonstrate that this represents value for money, a business case was being prepared for the Board's consideration and it was agreed that this could be shared for approval by correspondence (**ACTION: JMcG**).

2. Governance

2 (i) Quarter 1 2018-19 Performance: Operating Plan

A report was given on performance against key Tourism NI Operating Plan objectives. Discussion focussed on partially complete or incomplete actions. These included the delayed launch of the experience brand, with the Board having already agreed to revise the timelines for delivery. Development of a new Events Strategy had been delayed as Tourism NI is re-tendering to appoint specialist advisors to undertake the work. It was also emphasised that ministerial approval would be required to run any further funding schemes.

Members noted in respect of a backlog of quality assessments that demand is exceeding Tourism NI's capacity to deliver within existing resources. Targets relating to the organisation's restructuring to support delivery of the Tourism Strategy were also incomplete at this stage in the year. While acknowledging that a number of appointments were being made in areas requiring urgent action, the Board remarked on the difficulties presented in progressing key areas of work such as the experience brand in the absence of ministerial oversight, with increasing pressures on both staff and financial resources. In particular there was a need for an additional qualified individual at a managerial level, to assist the Director of Business Support and Events in delivery of the elements of the skills action plan that fall to Tourism NI. An update on the restructuring proposals is to be presented to the Board in September (**ACTION: LK**).

2 (ii) Quarter 1 2018-19 Performance: Finance Report

The Director of Finance delivered a report on the budget position as at the end of June. The Board noted details of the budget allocation, which incorporated approved bids to the June Monitoring round for capital projects including an IT analytics platform, a relocated visitor centre in Derry-Londonderry and a number of shared assets with Tourism Ireland and Failte Ireland. The Board was advised that DfE had just commissioned bids for the October Monitoring Round. A capital sum of £2.5m earmarked for a screen tourism project had been surrendered. The Board asked if Tourism NI intends to bid again for these funds, and was advised that requests for capital funding are likely to be made for product development to support the experience brand and, dependent upon its outcome, the Belfast City Deal.

A discussion of progress on the City Deal followed, and in particular how the benefits might be extended to western regions. The Board was advised that local authorities had been asked to develop outline business cases for projects that they wished to progress.

Michael McQuillan joined the meeting at this point and confirmed that he had no interests to declare in respect of agenda items.

The Board was also notified of a capital bid to close out on the HMS Caroline project and bids for revenue funding to support the experience brand and golf. Progress was outlined on expenditure against the budget, with Quarter 1 noted to be a quiet period in terms of spend. The Board discussed the outcome of a profiling exercise, with 70% of budget profiled for expenditure in the second half of the financial year. While presenting no concerns at this stage of the year the Board was advised that this would continue to be tightly monitored, with each manager expected to report on a monthly basis their profile versus spend and to explain any significant variances. It was emphasised that Central Procurement Directorate processes represented a further challenge in quickly progressing spend against an annual budget.

2 (iii) Quarter 1 2018-19 Performance: Risk Register

The Board noted a report on risk management in the first quarter. Members were advised that a new risk had been added in relation to the current certification legislation being fit for purpose. It was proposed that a paper should be brought to the next Board Meeting setting out a recommendation to the Board on the available options for reviewing the legislation (**ACTION: AK**).

Reports were also given on risks identified against resource to support the immersive technology scheme and Tourism NI's ability to issue the draft Tourism Strategy for consultation in the absence of a Minister. These issues are to be raised with DfE at the forthcoming debrief meeting.

The Board also enquired about a tax issue in relation to staff pay and was advised that this is likely mainly to affect senior management.

3. Reports

3 (i) Chairman's Report

The Board noted a report on engagements undertaken by the Chairman since the last meeting. A key focus of discussion at the last post-Board debrief with DfE had been the priority skills action plan. With a significant number of actions in the plan having been assigned to Tourism NI, it was emphasised to the Department that there was no capacity to deliver these unless additional resources were made forthcoming. The case was also made for adequate funds to support events and delivery of the experience brand.

A report was given on the recent Hosts Global Forum, which had been a significant success and an excellent showcase for the destination. While the event's full value to Northern Ireland is still being assessed, it had already generated expressions of interest from delegates worth £1m. The Chairman warmly commended Tourism NI staff involved in arrangements for the event.

The Chairman also reported on the outcome of a meeting with the organiser of the Northern Ireland bid to host the Commonwealth Youth Games.

The Chairman gave a report on his attendance as an observer at a recent meeting of the Northern Ireland Tourism Alliance (NITA). As a board member of the Alliance, Colin Neill declared an interest and left the room. Jill McKee also left the meeting at this point.

The Chairman advised that he had asked if interests declared by NITA board members would be published. NITA had indicated that it was not its intention to do this. The Board suggested that the Chief Executive should investigate processes adopted by similar bodies in respect of disclosures and transparency (**ACTION**: JMcG).

NITA's engagement of consultants to develop a tourism strategy for the industry was felt to represent a positive step. Members commented that the industry had shown goodwill and commitment in establishing the Alliance, and recent visitor performance presented a springboard for positive messages about tourism's value to the economy. The Board remarked that it was disappointing that NITA was not more visible and vocal during its first few months. It was noted that NITA had now appointed a PR agency and the procurement process for this was discussed. The Board suggested that the Alliance needed to convene an annual general meeting urgently to reconstitute its Board and agree a communications plan, aims and objectives. It was agreed that the Chief Executive would raise these concerns in a forthcoming meeting with NITA's CEO (**ACTION**: JMcG).

Colin Neill then rejoined the meeting. The Chairman advised that he would update the report with a few additional details.

3 (ii) Chief Executive's Report

The report was noted and issues highlighted as follows:

Financial Forecasting – The Board's attention was drawn to a recent exercise undertaken by arm's-length bodies within DfE. The Department asked its agencies to plan for a potential 5% reduction in budgets in the next year, which to Tourism NI would represent a cut of £926k. In presenting its breakdown to the Department, Tourism NI had highlighted the potential impact on programme delivery and tourism performance. Additionally there had been discussions around who should be responsible for funding policing costs for the 148th Open, expected to be £700k. Tourism NI's response to the Department had indicated that it would have no resource to cover this.

Brexit Planning – the Board was advised of Tourism NI's participation in a working group established to plan for all scenarios, including the prospect of no deal. The potential impact for tourism is significant as 80% of visitor growth in the last year came from the domestic and ROI markets. Tourism NI's submission to the Department had indicated that additional staff and resources would be required to undertake a programme of additional destination PR activity to mitigate impacts. The submission is to be shared with the Board (**ACTION**: JMcG).

Tourism Statistics – a report was given on the establishment by DfE of a working group to look at better sourcing of data. It is hoped that this work will be complete by the end of the year.

The 148th Open – a detailed report was given on progress with arrangements. Members discussed reports of accommodation providers significantly raising prices for the duration of the event, and the potential harm to promoting Northern Ireland as a value for money destination. Tourism NI was already working closely with the R&A but Members agreed the NI Hotels Federation and other

representative bodies had a role to play in ensuring fair and reasonable pricing. Participation in promotional activity around the 147th Open at Carnoustie had given Northern Ireland PLC agencies assurance that arrangements for next year are well advanced.

The Board was pleased to note the position on ticket sales. With the prospect of a complete sell-out approaching, the transport plan and event capacity were being reviewed. Members asked if scope existed to increase capacity and were advised that although that option would be examined, it must be balanced against the logistics of event management and importantly, the quality of the visitor experience. The Board enquired about the position on re-sale of tickets and was advised that all such queries were being referred to the R&A, which had already issued a statement.

The Board also asked how other sporting events might benefit from the 148th Open and was advised of discussions with the Department for Communities, the R&A and Sport NI about how the event might promote greater participation in sport. Consideration was being given to what Tourism NI's future role in such events should be and whether it should move from supporting the events themselves towards developing sustainable capacity for hosting.

Tourism Ireland GB Market Review – Tourism NI's Director of Marketing was noted to be participating in the Working Group and Steering Group for the review. It was agreed that a fuller report should be presented to the Board when work is at a more advanced stage (**ACTION: NW**).

3 (iii) Sub-Committees and Other Reports

As sub-committees had not met in the period since the last Board Meeting there were no updates.

4. Discussion Items

4 (i) Skills Action Plan Update

At its last meeting the Board requested an update on the Skills Action Plan, following industry workshops convened by DfE during the spring. The Department had sought to progress towards an implementation phase and the workshops aimed to identify priority actions within the plan. The Board's own more recent discussions focused primarily on short term actions needed to address urgent capability issues within the industry and there was a need to consider long-term strategic activity.

The Board discussed a suggestion for an industry-led Tourism Hospitality Skills Network to galvanise the industry. Members felt that this was not merely an industry problem and emphasised that SMEs would not have the capacity to drive this forward.

The action plan identified a number of actions for Tourism NI to take forward. It was reiterated that Tourism NI does not have capacity to address these unless additional financial and human resource is put in place; the scale of the issue would require a directorate dedicated solely to skills. The Board also observed that absolute clarity was required on the next steps. Collaborative networks were felt to represent the best option, but would require a strong framework for funding and co-ordination in order to be effective. It was suggested that if resource was made available, Tourism NI with support from NITA could implement a three-year phased process.

The Board asked Michael McQuillan to convene a Skills Sub Group meeting to consider the issues in more detail and to bring a recommendation to the Board which could then be proposed to DfE (**ACTION:** AK). It was agreed that the Chief Executive and Chairman should update the Department at the forthcoming debrief meeting and emphasise the need for added resource to support a structure taskforce in order to deliver the required actions. The Board also suggested a bid for resource should be prepared as part of the October Monitoring Round.

4 (ii) Sub-Committee Structures

As part of its recent review of effectiveness the Board had considered how to best fulfil its functions, in light of two vacancies in Board membership which remain unfilled in the ongoing absence of a Minister. The Board was noted to lack a member with specialist knowledge in financial issues. A paper was presented setting out options and draft terms of reference for a sub-committee framework which would include a new Finance and Resource Committee. Members were asked to consider whether the Board might wish to operate fewer sub-committees and seek to appoint independent committee members.

Discussing the proposal for a Finance and Resource Committee Members proposed that it would be preferable to separate the two functions, with Finance coming within the ambit of the Casework Committee and resources being encompassed within a more ad-hoc Transformation Taskforce. The Board also suggested that the Marketing Committee should be retained with amended terms of reference underlining its scrutiny role. The proposed new structure of Committees agreed by the Board was:

- Audit and Risk Committee
- Casework and Finance Committee
- Marketing Scrutiny Committee
- Transformation Taskforce

(**ACTION:** SMT)

4 (iii) Tourism Performance

A report was presented with data on visitor performance in 2017. The Board noted in particular the huge growth in spend by ROI visitors (+29%) emphasising the importance of the market to Northern Ireland. Spend by European visitors was noted to be down, with significant rises in other markets. The Board commented that this underlined the need to be armed with robust figures when making the case for resources to sponsor agencies, partners and stakeholders. Members asked if figures were available for what visitors spend their money on; it was noted that NISRA statistics do not supply this information which is where Tourism NI's own Visitor Attitude Survey has value.

In the context of the figures the Board commented that there was a need to consider the hypotheticals of either an increase or reduction in marketing resource and suggested that the impact of an increase or decrease of £1m should be modelled and brought back to the Board (**ACTION:** NW).

It was also suggested that performance should be a key topic for discussion at a proposed Board dinner with the Tourism Ireland Board when it next visits Belfast (**ACTION:** JMcG).

4 (iv) Board Review of Effectiveness Action Plan

The Board was presented with a copy of the action plan arising from its review of effectiveness. A number of actions had already been implemented. The Board agreed that further training in handling conflicts of interest should be arranged as soon as possible (**ACTION: JD**).

It was proposed that the action plan should be reviewed on a quarterly basis together with the other performance reports and the Chief Executive will ask the Business Planning and Improvement Manager to assist in facilitating this (**ACTION: JMcG**).

4 (v) Draft Agenda for Board Meeting on Thursday 20 September

As part of the review of effectiveness the Board had requested input into future meeting agendas. A draft agenda was presented for the Board's next meeting and it was proposed that an item should be added in respect of Board input to Tourism Ireland's review of the GB market. Members suggested that Katy Best might supply some useful insights from the VisitBritain perspective and asked if she might be invited to participate (**ACTION: NW**). There was a discussion of clustering work and Michael McQuillan offered to facilitate introductions with industry figures who might prove helpful in progressing that work.

4 (vi) Northern Ireland Experience Brand – Update on Market Research

The Director of Marketing presented the key results of initial market testing of the experience brand, including options for the brand name. The methodology was an online panel survey with a sample of 3,000 people. Tourism Ireland had supported testing of the brand in European markets with attention paid to the nuances of language translation.

Aspects of the brand that stood out with respondents were its emphasis on Northern Ireland as warm and welcoming, vibrant and modern and its strong food and drink offering. The name options which polled most strongly were discussed and a strong response was received to an accompanying video clip, which while remaining a work in progress shifted interest significantly towards a desire to visit. This was also felt to reinforce the need to have all the brand collateral developed and in place. On the basis of the consumer response it was agreed that the theme "Northern Ireland – Embrace a Giant Spirit should be progressed. (**ACTION: NW**)

The Board was advised that Colin Davidson had been engaged to by Genesis to assist with the development of the design brand graphics and the options were displayed for initial comment by the Board. Members agreed that it would be useful to meet with Colin Davidson to understand the thinking behind the imagery and to that end a meeting was proposed to follow Audit Committee training scheduled for Wednesday 15 August (**ACTION: NW**).

5. Items for Noting

5 (i) Corporate Communications Update

The Board noted the content of a report on corporate communications activity during Quarter 1. Members commented on the wide range and scale of activity undertaken in this period.

5 (ii) Tourism NI Events Fund

The Board noted a paper confirming details of support provided under the International and National Events Programmes. Having previously declared an interest in relation to events funding, Geoff Wilson confirmed that he had not been included in the circulation list for this document. As the paper was noted, there was no discussion and he was not required to leave the room.

6. Any Other Business

6 (i) Belfast International Airport

The Board discussed recent media coverage and commentary on social media relating to the experiences of customers travelling through security at Belfast International Airport. It was agreed that the Chief Executive should write to airport management about this (**ACTION: JMcG**).

7. Date of Next Meeting

The next Board Meeting is due to take place on Thursday 20 September.