

Board Meeting 7 March 2019

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD AT THE DUNADRY HOTEL, ANTRIM ON THURSDAY 7 MARCH 2019

Present:

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

In Attendance:

- Mr John McGrillen, Chief Executive
- Ms Aine Robinson, Acting Director of Finance
- Ms Aine Kearney, Director of Business Support and Events
- Ms Naomi Waite, Director of Marketing
- Ms Rosemarie McHugh, Director of Product Development
- Ms Susie Brown, Director of Corporate Development
- Mr Jim Daly, Corporate Communications

Apologies: None

1. Introduction and Minutes of Last Meeting

1 (i) Minutes of Last Meeting

The Chairman welcomed those present and reminded attendees that minutes of the Board Meeting would be published. He asked if anyone present wished to declare interests in relation to agenda items. It was agreed that Michele Shirlow should leave the meeting during discussion of the Food Month item.

The Chairman invited feedback from members on the previous evening's dinner discussion with local tourism stakeholders. The Board felt that this had been a productive and useful engagement, touching on existing and emerging tourism product, the wider employment that tourism sustains in sectors such as agri-food and the need to consider what factors drive accommodation occupancy in the Antrim and Newtownabbey Council area. An update was requested on correspondence from Tourism NI to Belfast International Airport, raising the Board's concerns about recent issues with security arrangements. No response had been received and Members

commented that visitors' impressions of such an important gateway to Northern Ireland could have a significant impact upon Tourism NI's strategic ambition. It was agreed that the Chairman should seek a conversation with the airport's CEO (**ACTION:** TB). Colin Neill declared an interest as the Airport holds membership of Hospitality Ulster.

Minutes of the Board Meeting held on 31 January 2019 were approved and signed.

1 (ii) Matters Arising from Previous Meeting

The Board received updates on actions arising from previous meetings as follows:

Infographic – The briefing materials requested by Members were complete and had been added to the Board's secure app.

Tourism Ireland – Members were advised that Tourism Ireland's Chair had suggested options for an engagement to follow up on the recent lunch between the two Boards. The Board agreed that a private dinner between the two would represent the most suitable forum and proposed that Tourism NI should seek to host this, on the periphery of one of the forthcoming Tourism Ireland Board Meetings, perhaps at the end of April (**ACTION:** JMcG).

Skills – As proposed by the Skills Sub-Group, Tourism NI met with officials of the Department for Economy (DfE) on 15 January to progress the Skills Action Plan. DfE had recognised that Tourism NI does not currently have the financial or staff resources to fulfil actions that the Plan identifies as being its responsibility. It was agreed that Tourism NI should submit a bid for resources to deliver these priority actions, and reflect these within the proposed new organisational structure. The Board welcomed the progress made and was advised that further thought is needed on how to progress the Action Plan in full. It was suggested that the Department should publish the priorities so that the broader industry was aware of the progress that was being made with regard to progressing skills issues.

Risk Register – Since the last meeting, the Chief Digital Officer had provided a written update to the Board on actions to resolve recent IT outages and prevent recurrences. The Board was also advised that new permanent office accommodation had been secured for Tourism NI's ROI team, in a central Dublin location. Members suggested that once the team is settled in its new location, consideration should be given to holding a Board Meeting in Dublin with a visit to the new premises as part of the itinerary.

Events Strategic Vision to 2030 – it was confirmed that no further feedback had been received from Members on the draft document since the last Board meeting.

2. Governance

2 (i) Finance Report

A report was given on budget management and spend as at 31 January, with no change in the overall budget allocation since the last Board Meeting. The Board was advised that the Department for Economy (DfE) had informally confirmed that Tourism NI's 2019-20 budget would remain the same as for 2018-19, with an adjustment specifically to support work on the 148th Open. A separate bid had been submitted for resources to mitigate the impact of Brexit.

Expenditure against the budget was highlighted and noted to be on track, and a further re-profiling exercise had been carried out at the end of January. In relation to the capital budget, it was reported that Newry, Mourne and Down District Council would not now be in a position to progress its Narnia Immersive Trail project, as it was unable to find a suitable procurement route. This was despite repeated assurances to Tourism NI that the project would proceed. The Council had decided to defer the project, but Tourism NI had emphasised that it would not be in a position to supply funds in the next financial year. This resulted in a potential underspend of £150k, but the Board was advised that £100k had been reallocated to IT expenditure. Outlay on Board expenses was also highlighted.

At the request of the Audit Committee, the Board had been asked to endorse the Senior Management Team's approval of expenditure under the Strategic Partnership Grant Fund. To that end the Board approved expenditure of £15,000 to support activity at London's Borough Market, promoting Northern Ireland's recent Food Destination Award.

The Board thanked the Acting director of Finance for the report and she left the meeting.

3. Items for Discussion

3 (i) Tourism NI Draft Operating Plan 2019-20

The Board was presented with a draft Operating Plan for 2019-20 which had been drawn up with input from the Board and Senior Management Team at a strategic workshop held in Belfast on 28 February. The new draft Operating Plan focused on a series of priority areas of activity for the organisation during the coming year. Further comments were now invited from the Board. It was suggested that an objective relating to work to support the industry following the exit from the EU should be included only if the bid was met for additional resources to support the objective. While Members indicated that they were broadly happy with the content of the Plan, it was also recommended that the priorities should be reordered in line with a discussion held at the conclusion of the strategic workshop.

The Chairman requested an updated version of the Plan before the next debrief meeting with DfE, following which it could be circulated to the Board (**ACTION:** JMcG / SB). The Board approved the Operating Plan for 2019-20, subject to the requested amendments.

3 (ii) The 148th Open Update

The Directors of Business Support and Events and Marketing delivered a comprehensive presentation outlining the ongoing preparations for the 148th Open at Royal Portrush. This covered the Epic Journey promotional campaign, ticket sales and opportunities that these presented to drive other activity, public transport, parking, visitor orientation and other infrastructure on the site. Industry training and volunteering activity was also outlined. The presentation also took in marketing and communications activity, designed to assure consistent and co-ordinated messaging. The activation programme for Portrush and other hub towns was detailed, including dressing with the destination brand. Noting the proposals for gateway signage at airports, the Board asked if Dublin was included and was advised that this was cost-prohibitive. Members suggested that options to share the cost with Tourism Ireland should be explored.

Commenting on the very positive coverage that the first Epic Journey roadshow had attracted, Members recommended that the Board should receive advance notice of future such events and it was suggested that an updated programme plan could be added to MinutePad (**ACTION: SB**). The Board requested top lines to take to assist them both in attendance at the Open and in the weeks approaching it (**ACTION: NW / SB**). It was also proposed that Members should be copied in on any significant media coverage of events (**ACTION: SB**).

In the context of activity to boost golf sales and promotion, the Board registered concern at proposals by some major golf clubs to reduce the number of players or restrict access to club members only during certain periods, with a significant impact on the tee times available to visitors. Raising recent media coverage, the Board also asked about the likely impact of exit from the EU upon the event. Members were advised that the organisers are relaxed about the prospect as most of the contractors involved now have firm mitigating plans in place. The Board also discussed legislative issues that were likely to present challenges in relation to the event, including licensing hours and taxi regulations. Members suggested that conversations were needed with local politicians who might bring influence to bear on the Secretary of State to intervene.

The Board thanked the Directors of Business Support and Events and Marketing for the update.

3 (iii) Brexit Update

The Board was presented with a paper setting out details of Tourism NI's involvement in preparations for the UK's exit from the EU, and issues likely to be associated with the departure such as the impact on the hospitality industry's ability to attract skilled workers. Activity falls into three broad strands – driving business from new markets that are less sensitive to the impacts of Brexit; keeping a watching eye on the implications for the tourism industry and providing suitable support and advice to address those; and seeking advice from government that will assist future visitors to Northern Ireland, particularly from the ROI or the international marketplace.

VisitBritain had produced communications on the issue and it was proposed that any Tourism NI messages should reflect that. A plan was already in place to uplift the number of travel writers producing pieces on Northern Ireland and a recent Irish Times article was cited as an example. The Board noted the content of the update.

3 (iv) Key Messages: The Case for Investment

Key messages were presented on the economic importance of tourism and making the case for sustained investment. The Board had requested these messages be compiled with the aim of ensuring that any newly appointed Minister will have a clear and easy understanding of tourism's significance, currently bringing £1bn per year into the economy and supporting 65,000 jobs in Northern Ireland (one in every eleven). The Board suggested there was a need for further data on the nature and location of those jobs, to highlight the spread, depth and type of opportunities available and counter negative perceptions of the worth of tourism employment.

The Board discussed how the draft tourism strategy targets (£2bn per year and 25,000 additional jobs by 2030) had been arrived at. Regional disparity was considered and the need for greater growth outside Belfast. Addressing this and seasonality would require commitment from (and collaboration between) local authorities. The Board also commented on the need for up to date figures on tourism's contribution to GDP. The Board commended the content of the presentation.

Members also recommended that the presentation should be made to the Permanent Secretaries Group to secure their support for tourism objectives (**ACTION:** JMcG / SB).

As previously agreed Michele Shirlow left the meeting for the duration of the next discussion item.

3 (v) Best Food Destination and Taste the Island Programme

The Chief Executive had previously reported on his attendance at a meeting with the ROI Tourism Minister and a Senate member, together with a number of figures from the Northern Ireland tourism industry, to discuss their proposals for an all-island 'season of food' initiative. In this context, Northern Ireland's recent award as Best Food Destination at the International Travel and Tourism Awards provided a springboard for activity to showcase its food offering. The Board was advised that DfE had now agreed in principle to make £300k available from forthcoming monitoring rounds in order to support a joint "Food Island" initiative between Tourism NI, Failte Ireland and Tourism Ireland. The initiative is intended to promote awareness of the food and drink experience, provide impetus for the industry to create memorable and authentic food experiences, and help to extend the visitor season.

The Board was advised of the work that is planned and already being undertaken by Tourism NI to capitalise on the ITTA food destination award. Work is also taking place to define governance arrangements and the roles of the respective agencies for the all-island initiative. Commenting on the plans, Members observed that there is a need to define what the initiative will achieve for Northern Ireland in terms of overseas visitors and spend, as well as where Tourism NI's activity should be focused. Consideration would also need to be given to how Northern Ireland will differentiate itself from the ROI within the scheme; to some extent the ITTA award provided this, but it would also be determined by what activity Tourism Ireland programmes. The Board agreed to support the proposal. Members remarked however that while they were content that it fits in with strategic objectives, Tourism NI had already delivered a successful year-long food initiative itself and is being put in a position where it has no alternative but to devote resources to participate in similar activity initiated by other interested parties.

3 (vi) Staff Pension Arrangements – ROI

The Board was advised of legislative changes in the ROI which would affect the pension arrangements of Tourism NI staff based in Dublin. Willis Towers Watson had been engaged by Tourism NI as consultants to advise on these changes. They had recommended the appointment of a corporate trustee to assist Tourism NI. It was also proposed to establish a pensions committee with membership drawn from the Senior Management Team. The Board noted that the recommended trustee (Trustee Principles Ltd) was a subsidiary of Willis Towers Watson and asked if this represented a conflict of interest. Members also asked if the pension committee should include a representative of the Audit Committee. While the Board was in broad agreement with the idea of appointing a pension trustee, they asked the Chief Executive to look into the matters raised and assess the appropriateness of the committee with Tourism NI's legal advisers as a first step (**ACTION:** JMcG).

4. Reports

4 (i) Chairman's Report

The Board noted a report on engagements undertaken by the Chairman. He commended Tourism NI staff warmly for their delivery of the exceptional Eyes on the Open red carpet event in January.

4 (ii) Chief Executive's Report

The Board noted the content of the Chief Executive's report and specific updates were highlighted as follows:

Budget 2019-20 – the Chief Executive reported on the indicative budget advised by DfE, with an allocation of £19.52m with some adjustments specifically to support The 148th Open. The Board was advised that a separate submission was being made for urgently needed staff resources, and that the Department had agreed to treat the food initiative discussed earlier as an inescapable pressure and to support it via monitoring rounds.

Northern Ireland Affairs Committee – Tourism NI had been notified of the Committee's intention to conduct an inquiry into the economic and social impact of tourism. This was likely to create a significant demand upon staff resources and time, when preparations for Brexit and The Open were already placing significant additional demands on workloads. To that end the Board granted consent for the CEO to request that the inquiry be deferred.

VisitBritain Sector Deal Roundtable – a report was given on the roundtable event facilitated on behalf of VisitBritain by Tourism NI, and the work that it is doing with the Northern Ireland Tourism Alliance (NITA) to provide input to the sector deal bid.

Skills – A report was given on a useful meeting held with DfE to progress the Skills Action Plan and the proposals for a Collaborative Network. The meeting had achieved some real progress and the Board's influence was acknowledged in helping to achieve this. It was also felt that in taking this work forward, there would be an important role for the new permanent NITA Chief Executive.

Tourism Ireland / VisitBritain – A report was given on a meeting held in London between Tourism NI, Tourism Ireland and VisitBritain officials. Central to discussions was a bid to bring VisitBritain's Explore GB event to Belfast in 2020 and hold a one-off event merged with Meet the Buyer.

Game of Thrones / Screen Tourism – an update was given on the legacy projects and it was proposed that the next Board Meeting should be held in and around Banbridge to permit members to see work in progress (**ACTION:** JMcG).

IT Systems – An update was given on work to enhance system security following recent outages.

4 (iii) Other Reports

Audit Committee – Colin Neill gave a report on his last meeting as Audit Committee Chair. The Board was advised that the Strategic Partnership Grant Fund had been used as a vehicle to support two projects. There was a discussion of whether the HMS Caroline project should be audited as part of Tourism NI's accounts. The Chief Executive informed the Board of a liability developing in respect of HMS Caroline in relation to ongoing running costs, for which the Department was to have established an endowment fund. The Board felt strongly that the project

should more properly be audited within DfE accounts, given that the issues raised by the C&AG did not relate to Tourism NI, which had fulfilled all its obligations in respect of HMS Caroline.

An update was given on work to resolve pay and pensions issues, following the payment of all monies outstanding to staff. The Board was also advised of a dispute in respect of a new mileage policy across the NI Civil Service, which was placing Tourism NI's Quality and Standards inspection team at a disadvantage. A temporary policy had been proposed for field staff in order to deal with the issue while a longer term solution was sought.

The Board was advised that Angelina Fusco would assume Chairmanship of the Audit Committee from the beginning of the 2019-20 financial year. The independent Audit Committee member had now retired, and an approach had been made to a suitable replacement. It was agreed that the Chief Executive should write to the new independent member to formally confirm the appointment (**ACTION: JMcG**).

There were no other committee updates.

5. Papers for Noting

5 (i) Draft Agenda for Next Board Meeting

The Board noted the draft agenda for the next Board Meeting. Noting that papers for the current meeting had issued late as a result of an IT outage, Members asked the Executive Team to make every effort to issue papers as soon as practicable and made a few other suggestions about arrangements for future meetings.

6. Any Other Business

There were no other items of substantive business.

7. Date of Next Meeting

The next Board Meeting is due to take place on Thursday 18 April, venue TBC.