

## Board Meeting 7 November 2019

**TOURISM NORTHERN IRELAND  
MINUTES OF BOARD MEETING  
HELD AT TOURISM NI HEADQUARTERS, LINUM CHAMBERS, BELFAST  
ON THURSDAY 7 NOVEMBER 2019**

Present:

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

In Attendance:

- Mr John McGrillen, Chief Executive
- Ms Jill McKee, Director of Finance
- Ms Aine Kearney, Director of Business Support and Events
- Ms Rosemarie McHugh, Director of Product Development (from item 4 (i))
- Ms Naomi Waite, Director of Marketing (from item 4 (ii))
- Ms Jill O'Reilly, Acting Director of Human Resources
- Mr Jim Daly, Executive Support Team

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 wished to declare any interests in relation to agenda items. While no declarations were made at this point the Chairman advised that Geoff Wilson would arrive late to the meeting and had indicated his intention to declare an interest.

Minutes of the Board Meeting held at the Beech Hill Country House Hotel on 3 October 2019 were approved as an accurate record and signed by the Chairman during the meeting.

## **1 (ii) Matters Arising from Previous Meeting**

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

*Belfast International Airport* – The Chairman advised that the meeting scheduled with the Airport’s Chief Executive had yet to take place.

*Migration Advisory Committee* – Details were given of Tourism NI’s input to a submission to the Committee by the Head of the Northern Ireland Civil Service. This outlined the likely effects on the tourism and hospitality labour market of proposals to set a minimum required income for migrant workers. The Board was advised that Tourism NI will also provide input to the Committee directly to reinforce its message and it was agreed that the submission should be uploaded to the Decision Time app for the Board’s reference (**ACTION**: JD).

Geoff Wilson joined the meeting and declaring an interest, advised that he would withdraw during discussion of the Events programme.

*Board Expenses* – the Director of Finance provided an update on work to implement a new online system of claiming expenses.

*Fermanagh and Omagh District Council* – reporting on recent engagement with the council and local tourist industry in Fermanagh, the Chief Executive advised that Tourism NI and Tourism Ireland agreed to fund development of a strategic action plan for tourism delivery in the area.

The Chairman reported on the previous evening’s discussion with stakeholders involved in tourism and hospitality skills, which was arranged at the Board’s request following its last meeting. He invited feedback from those present. Members commented that while the new Tourism and Hospitality Skills Hub at Belfast Met represented a positive step and two curriculum programmes had engaged the industry to some extent, more could be done to engage proactively with the tourism trade. It was also felt that a clearer understanding of the overall plan for the hub is still needed. It was proposed that Belfast Met representatives should be invited to a Board Meeting in the near future for a further discussion (**ACTION**: JMcG).

Members also observed that the ‘part-time’ nature of some tourism businesses inhibits progress on skills development and commented on the particular need to focus on improving the performance of micro-businesses. It was acknowledged that smaller businesses have difficulty in releasing staff from their jobs in order to undertake training.

## **2. Governance**

### **2 (i) Quarter II 2019-20 Reports: Tourism NI Operating Plan**

The Board was presented with a report on progress against objectives in the Tourism NI Operating Plan. These were noted to be largely on track and the detailed updates focused on objectives where progress was not being made as expected. With respect to organisational restructuring the Board was advised that the Department for Economy had asked that in addition to the PA Report, a business case be submitted in support of the bid for staff resources. The Chief Executive gave an update on a meeting with DfE’s Permanent Secretary to discuss the issue subsequent to which a detailed business case had been submitted to the Department. Since that meeting the

Department had written to all its arms-length bodies, including Tourism NI, indicating that there were likely to be substantial budget pressures across all areas of business. It was agreed that the business case would be shared with the Board for information (**ACTION: JMCK**).

The Board was also advised that a number of submissions had been provided at the request of the Department, in support of their bid for resources to help mitigate the impacts of the UK's exit from the European Union, particularly in the event of a 'no deal' scenario. It was observed that Brexit was already having an effect, with consumer confidence down across all markets and tourism businesses reporting increased costs. The Board noted that a consultation on business rates is underway and suggested that Tourism NI should submit input to that (**ACTION: JMcG**).

## **2 (ii) Quarter II 2019-20 Reports: Finance**

The Board received a comprehensive report on budget performance at the end of the second quarter. The updated budget allocation was presented including the outcome of the October Monitoring Round, from which Tourism NI had received some additional resource for capital funding programmes but no revenue. Bids were in preparation for the January Monitoring Round, but given the Department's recent communication to arms-length bodies highlighting budget pressures, it was felt unlikely that additional resources will be available. The Board enquired about resources for new marketing campaign material and were advised that some video content had been prepared using capital funds. The Board was also advised of a transfer of funds to Invest NI, to support the relocation of Tourism NI's ROI office to a new shared facility in Dublin.

An update was given on implementation of the new finance system. This had affected September's budget figures, as there was a gap while the old system was shut down, to allow the migration of data. This would also be reflected in reports on October's invoice payments. The Board was advised that a technical transfer of funds to PSNI would take place during the current monitoring round, in connection with policing costs for the 148<sup>th</sup> Open. A report was also given on a comprehensive re-profiling exercise undertaken during September, with budget holders urged to release funds they were unlikely to spend for use in other business areas. The Board discussed spend on IT and was advised that Tourism NI has a number of twelve-month licences for software and IT infrastructure that include a pre-payment element.

Progress on capital funding programmes was reported, with work largely on target. Visit Derry was noted to have appointed a contractor for the relocation of the Tourist Information Centre. Accruals were also detailed and there was a discussion of how released funds might best be used.

Board expenses were also detailed. Members were advised that while the new online expenses system is being set up, they could temporarily submit claims in the old format. The Board noted a differential between the level of claims submitted in this period in 2018-19 and the 2019-20 year.

## **2 (iii) Quarter II Reports: Risk Management**

The Board noted a report on risk management during the quarter. The most significant risks remain the impact of the EU Exit and the lack of progress on organisational restructuring. As a review of the schemes was underway, a risk relating to the fitness for purpose of Tourism NI's certification and classification schemes had reduced; however it was stressed that any change in legislation governing the schemes will need to be signed off by a Minister.

### 3. Reports

#### 3 (i) Chairman's Report

The Board noted a report on engagements undertaken by the Chairman since the last meeting. Reflecting on the Experience Brand launch at World Travel Market, the Chairman welcomed the extremely positive reception from the industry, from media, from Tourism NI's strategic partners and from prospective buyers and visitors. On behalf of the Board the Chairman offered his congratulations to all involved in the design of the brand and the execution of the launch. He warmly commended the Tourism NI staff involved, remarking that the Tourism Ireland stand on which the brand was prominently featured appeared to be one of the busiest and most popular in the entire show.

The Chairman also acknowledged that constructive challenges from the Board during the development process had helped to strengthen the brand and commented that the real proof of its success had been the enthusiastic response from the prospective visitors that the brand seeks to engage. It was noted that a further discussion is needed around the process for beginning to align Tourism NI's corporate identity with the experience brand. He also passed on the Board's congratulations to the ROI team, who along with Jago Communications had received a gold award for Best PR Campaign at the International Travel and Tourism Awards held on 5 November at World Travel Market.

#### 3 (ii) Chief Executive's Report

The Board noted the content of the report and the Chief Executive gave updates on a number of matters as follows:

*Public Engagements* – The Chief Executive reported on a number of recent high-profile speaking engagements highlighting Tourism NI's work on recent landmark activity such as the 148<sup>th</sup> Open. The annual round of presentations to the investment teams of the major banks had commenced, offering them an insight into forthcoming trends and opportunities within the tourism sector. A report was also given on a meeting with the NOW Group to discuss the potential for positioning Belfast as an accessible city.

The Chief Executive added his own thanks to all involved with the experience brand launch. Observing that it had represented an excellent example of partnership and collaboration between the two organisations, he expressed a wish that further opportunities would be found for Tourism NI staff to be represented on Tourism Ireland platforms.

The Board was advised that a report on the Chinese market is in preparation and will be brought to a Board Meeting in the next few months for discussion (**ACTION: AK**).

*Taste the Island* – an update was given on the programme, which was receiving excellent feedback from tourism businesses, event organisers, food producers and visitors.

The Chief Executive introduced Jill O'Reilly as the acting head of HR while a permanent replacement is sought for Louise Kearney. He also advised that a new Executive Support Team had been established to provide a comprehensive service to the Board and Senior Management Team.

### **3 (iii) Other Reports**

As sub-committees had not met in the interval since the last Board Meeting, there were no other reports to deliver. It was noted that the new Finance and Casework Sub-Committee would hold its first meeting immediately after the Board Meeting concluded.

## **4. Items for Discussion**

### **4 (i) Business Tourism**

Rosemarie McHugh joined the meeting during the course of the following discussion.

The Board was joined by the CEO of ICC Belfast, for a presentation on the opportunities and challenges facing the business tourism sector. ICC's activity in its first few years of operation as the Belfast Waterfront was outlined. More recent work aligned it with other UK business tourism brands, emphasising its conference rather than entertainment product with a new vision, mission and values proposition. Business tourism was noted to be worth around £80m per annum with 47% of delegates typically from out-of state; past research showed that business visitors spend up to £488 per day but fresh data is needed to present a more up-to-date picture.

The sector's potential was best exemplified by the largest conference held to date in Northern Ireland, the Royal College of Nursing Congress, which delivered a return of £4.8m over the space of five days. More generally, a greater proportion of international events would help to further maximise the economic impact. The Board discussed the challenge presented by the UK's exit from the EU and was advised that the sector was seeing tangible evidence of a negative impact.

There was a discussion of the lead-in time from booking to delivery of conferences and the Board was advised that as many as 30 business leads are required to secure a single conference. The ICC's business model was therefore geared towards securing as much repeat business as possible. Efforts continue to win European conferences, but this requires the sales teams to be present in-market to secure them. The Board was advised that while the UK association market is being actively targeted, it has become increasingly competitive with many other UK destinations promoting new or reinvigorated venues. In the longer term there will be a need to focus on the US and Asian markets.

Tourism NI's support, along with that of Visit Belfast, was acknowledged as critical in helping to secure conference business and there was a discussion of funds that might be available to support some events which the ICC is currently pursuing. In addition to subvention, it was noted that further investment in transport infrastructure and connectivity would make Northern Ireland a more attractive conference destination. The Board suggested that the universities might have a role to play in helping to secure valuable medical conferences and it was noted that the ICC works with teams at Ulster University and Queens University to that end. Support from Visit Belfast and the Meet in Ireland platform was discussed and the Board noted the disparity between the funds available to attract conferences to Northern Ireland and to ROI, where the budget for such activity is ten times higher.

Summarising the discussions the Chairman stated that the key issues appeared to be leadership and structures to support business tourism, the improvement of infrastructure and connectivity, and the targeting of larger, game-changing international events. Also discussed were challenges

to business travel from the political trends around climate activism and protectionism and the technological advances that might help to mitigate their impact by doing business in different ways. The Board thanked the ICC CEO for the presentation and suggested it would be useful to invite senior DFE officials to attend an ICC board meeting to hear some of the issues for themselves. It was agreed that ICC should also seek to liaise with Tourism NI on better use of digital assets and bids for funding.

#### **4 (ii) Assurance Framework**

Naomi Waite joined the meeting at this point.

Earlier in the year Tourism NI's Audit and Risk Committee had discussed the benefits of assurance mapping activity which might provide useful perspectives on the market outlook for tourism, or highlight potential future obstacles to the achievement of long-term strategic goals. The Board had asked the Executive Team to look into this and a paper was now presented which had been produced by the Insights and Intelligence Team, drawing together relevant information from a number of sources. The picture that this information presented was noted to be a mixed one, with potentially difficult times ahead for tourism in terms of consumer confidence. Bookings in Belfast appeared to be holding up well, but in the longer term it was felt that visitor performance similar to last year's would represent a positive outcome. Consumer sentiment and in particular, perceptions of the political climate around the UK's exit from the EU were noted to be influencing visitors' intentions.

The Board commented that the report represented an excellent piece of work and recorded its thanks to the Insights and Intelligence team. Members agreed that regular reports of this nature would be useful in informing the Board's work and would complement discussions on strategy and targets, and suggested that these should be provided every two months (**ACTION**: NW/DE).

#### **4 (iii) Tourism Event Funding Programme (TEFP)**

A paper was presented outlining a new Tourism Events Programme, split into an International Tourism Events Funding scheme (ITEF) and a National Tourism Events Sponsorship scheme (NTES). This recommended that the ITEF scheme should return to a multi-year funding model and operate both open and closed calls for applications. The proposals were informed by recommendations arising from DfE's review of the Events Funding Programme from 2011-16 and the Events Strategic Vision to 2030 recently approved by the Board. It was noted that events supported under the National Sponsorship scheme would be expected to align more closely with the experience brand.

Given the likelihood that no additional resource will be available throughout the year, careful allocation of funds will be critical and it was emphasised that events must fully demonstrate their capacity to yield good returns in overnight stays and spend. The Board also stressed the need for transparency and strong adherence to funding principles. This would require willingness to resist lobbying by applicants and public representatives, with events being supported only where they can present robust business cases. The Board was advised that a number of potentially significant events proposals at differing stages of development are already seeking significant support, which will require difficult decisions to be made.

The Board approved the proposals in the paper for the Tourism Events Funding Programme including the adoption once more of multi-year funding.

#### **4 (iv) HR Policy Review**

As part of a comprehensive ongoing work programme reviewing all of Tourism NI's HR policies and procedures, the Board was presented with a draft Remuneration Policy and a draft Leaving Employment Policy. The Board was content to approve both documents and commended the HR team for the work done to date on the review.

### **5. Papers for Noting**

#### **5 (i) Draft Agenda for Next Board Meeting**

The Board noted a draft agenda for its next meeting, to be followed by an engagement with Tourism NI staff. Members were advised that the Corporate Communications team is working on a presentation for staff at this engagement highlighting Tourism NI's significant achievements during the course of the year. The Board asked the Executive Team to consider holding this engagement at an external venue nearby (**ACTION: JO'R**).

#### **5 (ii) General Data Protection Regulation – Awareness Session for Board**

Noting diary pressures on some Members and the Chief Executive, the Board agreed to defer this session until its December meeting, to permit the Finance and Casework Committee to meet early.

### **6. Any Other Business**

#### **6 (i) MIPIM 2020**

The Board had previously agreed that Tourism NI should be represented again at MIPIM 2020. As the dates coincided with that proposed for the March Board Meeting, it was agreed to delay the meeting by a week to take place on the new date of Thursday 19 March.

### **7. Date of Next Meeting**

The next Board Meeting is due to take place at Tourism NI Headquarters in Belfast on Thursday 12 December.