

Board Meeting 18 March 2021

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD REMOTELY BY VIDEO CONFERENCING ON THURSDAY 18 MARCH 2021

Participating:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Mr John West
- Ms Patricia Corbett
- Ms Michele Shirlow
- Mr Colin Neill
- Mr Geoff Wilson
- Mr Terry McCartney
- Ms Denise McAnena, Boardroom Apprentice
- Mr John McGrillen, Chief Executive
- Ms Lesley McKeown, Director of Finance
- Ms Aine Kearney, Director of Business Support and Events
- Ms Lesley-Ann O'Donnell, Director of Strategy and Policy
- Mrs Dorothy Erskine, Director of Strategy and Policy
- Mr Jim Daly, Executive Support Team

1. Introduction / Standing Items

The Chairman welcomed participants and reminded them that minutes of the meeting will be published. No apologies were recorded.

Participants were asked if they wished to declare interests in relation to agenda items. No declarations were made at this stage.

1 (i) Minutes of Board Meeting held on 28 January 2021

Minutes of the Board Meeting held on 28 January were approved as an accurate record.

1 (iii) Matters Arising – Actions from Minutes of Previous Meetings

The Board noted updates on the schedule of action points completed or in hand following its previous meeting.

2. Discussion Items

2 (i) Tourism NI Draft Operating Plan 2021-22

The Board was presented with a draft Operating Plan setting out Tourism NI's key objectives for the coming year. The Plan had been developed to reflect priorities identified in the Board's discussions held at its virtual 'awaydays' in January and at its recent strategy workshop. The Plan had been costed against an assumed flatline budget of £18.6m consisting of a £10.8m programme budget and £7.8m administration budget, pending confirmation of the budget allocation from DfE. The Board was advised that the plan set out both the activity that Tourism NI would seek to carry out within the parameters of a normal yearly budget, as well as other things that the organisation will be in a position to do if sufficient resource is made available. Development of the plan also reflected the Board's request that the Senior Management Team should identify a series of outcomes that might cut across multiple objectives.

Members remarked that the Plan represented an impressive piece of work and asked what the key risks would be to delivery. It was observed that in 2020-21 Tourism NI had delivered a programme of work worth almost £30m, some three times the usual annual programme budget; mostly this activity aimed to support the tourism industry in survival and recovery against the backdrop of the COVID-19 pandemic. Activity set out in the new Plan would rely on specialist support remaining available from Whole School and BBDO, as well as implementing the senior posts in the new organisational structure.

The Board suggested that there was a need to evaluate how Tourism NI's interventions over the past year had 'shifted the dial' in terms of macro-outcomes, and influenced the industry's survival. Also emphasised was the need for a new baseline from which future success can be measured, with the main measure of economic success shifting from visitor numbers towards value. Members also commented that in the context of a greater focus globally on sustainable tourism, there was a need to balance air access and connectivity to the island of Ireland with the drive towards a carbon-neutral economy.

The Board approved the draft Operating Plan and proposed budget allocation, and was also advised that there is a need to be realistic about timelines for getting human and financial resources in place to implement work.

2 (ii) Consultation on draft Programme for Government

The Board was presented with a copy of Tourism NI's suggested response to a consultation on proposals for a new set of strategic outcomes in the new draft Programme for Government. In its response Tourism NI sought to reflect the Board's recent discussions of future tourism strategy. In particular it was felt that a focus on growing visitor numbers was at odds not just with the general move towards a more sustainable and value-based tourism model, but with other outcomes set out elsewhere in the PfG document. Although input had been supplied to a submission from DfE, the Department had recommended that Tourism NI should make its own separate submission in order to make the points that it feels are of importance.

The Board was supportive of the comments in the Tourism NI response and of the approach adopted to consultation. Members suggested that if the strategic focus is to shift away from visitor numbers towards value, there was also a need to consider the appropriateness of

continuing to position Northern Ireland as a short breaks destination. It was also observed that work is still needed to embed with government the importance of tourism to the economy. The Board also asked if the £1bn figure set as a growth target was inclusive of VAT. The Board was advised that as the figure represented turnover it was VAT-inclusive, and therefore any reduction in VAT would impact on such a target.

2 (iii) Brexit Impact and Issues

The Board had previously requested a report on the impact on tourism of the UK's exit from the European Union. At the outset it was observed that recent public discourse in respect of the NI Protocol had been unhelpful. Separately, there were supply issues for the hospitality sector. Although the EU exit had not appeared to present any significant barriers to travel into Northern Ireland, the effects of the COVID-19 outbreak made this harder to assess in the short term. Barriers to travel appeared in the main to be perception-based rather than grounded in reality.

The paper set out findings of the latest sentiment analysis research in the ROI market. Responses expressed reservations about visiting Northern Ireland related to perceptions of delays at the border, the ability to use EHIC cards, mobile roaming charges and negative attitudes towards visitors. It was stressed that these do not reflect the reality and can be addressed by appropriate messaging; however a significant challenge to getting such messages across is that COVID restrictions make it inappropriate to encourage travel. The Board was advised of the broad thrust of the marketing and engagement messages that will be put in place once it is permissible.

Tourism NI continues to liaise with DfE to keep abreast of the latest information and ensure that visitor information remains relevant and accurate. It was felt that work still needs to be done to encourage a shift in perceptions generally in the ROI. Additionally, there was a feeling that engagement must take place with the Executive Office to encourage political leadership that moderates heated rhetoric and highlights the risk posed to visitor messaging.

The Board suggested that a set of frequently asked questions and answers might prove useful in messaging. Discussion moved on to supply issues; it was noted that the most important issue for the hospitality sector was the exodus of foreign labour, which was associated more with the COVID outbreak than the EU exit. Additionally, it was unclear how many workers remain in employment as a result of ongoing furlough and the scale of any labour shortage will only be fully apparent once the sector reopens. Since future recruitment from outside the UK is likely to prove difficult, this will present a huge challenge should the tourism sector bounce back as predicted.

The Board commented that while the focus of government's economic strategy was largely on creating high-value jobs, there was a need to also to galvanise the economically inactive which might address the shortage in hospitality workers. It was proposed that the Board should receive a presentation from Graeme Wilkinson on the skills strategy at its next meeting (**ACTION: AK**).

2 (iv) City and Growth Deals Update

The Board was provided with an update setting out progress on developing tourism projects associated with the City and Growth deals, and the key elements of the appraisal process for these. Outline Business Cases had been submitted for the four tourism projects associated with the Belfast City Region Deal; the timeline for appraisal was set out and the Board was advised that

Tourism NI's role is to act as project sponsor for these on behalf of DfE as the responsible Department.

The Board was advised that work was underway to recruit a number of new Tourism NI staff with responsibility for overseeing the development and delivery of the projects. The Board also discussed how the new projects could be linked with existing clusters and visitor assets. Although the projects required no formal approval from the Board, it was recommended that the Finance and Casework Committee should have an oversight role, and its membership might be augmented for this purpose. It was agreed that the Committee Chair should discuss with the Chief Executive how best to achieve this (**ACTION**: JMcG).

The subsequent agenda was reordered to accommodate the presentation by Genesis.

3. Reports

3 (i) Chief Executive's Report

The report was taken as read and the Chief Executive highlighted the following issues:

Bed & Breakfast, Guesthouse and Guest Accommodation Scheme – around 430 payments were being made as a result of applications to the scheme. This would result in a total drawdown of circa £2m and DfE had been advised of this.

Tourism Recovery Action Plan – the Board was advised that the DfE Minister had launched the Economic Recovery Action Plan in February, ahead of the announcement of other Departmental initiatives including the Tourism Recovery Action Plan. Tourism NI had provided input to ERAP and was hopeful that the Finance Minister would give a favourable response to resource bids to support the proposed activity. The Board was advised that the Minister would be invited to launch the Tourism Recovery Action Plan at a forthcoming virtual Tourism Conference planned for late April, and that the Board will receive invitations to this once the date is agreed.

ISPS Handa – the event had been launched and it was confirmed that at this stage, support is being made available for one year only.

Discussing air access, the Board asked if it was possible to identify the numbers of returnees from overseas holidays and it was agreed this would be looked at (**ACTION**: DE).

The Board also discussed membership of the High Street Taskforce and commented that a smaller, more focused group would be more likely to achieve progress.

Members were advised that the new tourismni.com is due to go live with a soft launch on 28 March and will be showcased at the Tourism Conference.

In noting the report, it was stressed that there was a need to ensure that the huge range of intensive activity taking place across the organisation is supported by robust governance structures. It was also agreed that the Board should be given a preview of the layout of Tourism NI's new Dublin office, which will be a hub facility shared with Invest NI (**ACTION**: DV).

The Board was also advised of discussions with the National Trust regarding the reopening of the Giant's Causeway Visitor Centre and Carrick-a-Rede Rope Bridge. Both sites are likely to have significant restrictions on visitor numbers, driven in part by COVID suppression measures modelled by the Trust, but also by its focus on the future sustainability of such highly popular destinations. The Board agreed there was a need to liaise with the Trust to ensure that priority tour groups are facilitated and discussed options to promote less well-known visitor routes and sites through media opportunities such as RTE's *Tracks and Trails* and a forthcoming venture with Channel 4.

3 (ii) Sub-Committee Reports – Risk and Audit Committee

Angelina Fusco reported on the Committee meeting held on 8 March. Internal Audit Service had issued a report on Tourism NI's payroll giving a satisfactory opinion. An IAS report on familiarisation visits gave a limited opinion, related to the timeliness of completing business case paperwork and approval. The Senior Management Team was taking steps with business units across the organisation to improve performance in this area. The Board was advised that IAS would extend its audit plan from 50-100 days, to incorporate consultancy support to Tourism NI on governance matters.

The Committee had also discussed a historic payroll issue relating to the remuneration of staff deputising in more senior roles, which presented a potential liability. The Board was advised that this would be addressed as part of the ongoing review by the HR team of organisational policies. The Chairman suggested that Tourism NI should write to the Department seeking a better mechanism whereby DfE can ensure that proper notification is given of changes to align its policies with those of the rest of the NI Civil Service (**ACTION: JMcG**).

The Committee had also reviewed the corporate Risk Register and had recommended that this should be reviewed annually by the full Board (**ACTION: JMcG**).

3 (iii) Chairman's Report

The Board noted the list of engagements undertaken by the Chairman since the last meeting, most of which had involved the Board as a whole. The Chairman gave a report on the debrief meeting with DfE following the last Board Meeting, at which he had highlighted the implications of budget cut scenarios. The Board also discussed engagement with those Departmental officials charged with oversight of tourism.

4. Items for Discussion - Continued

4 (i) Republic of Ireland Strategy Refresh

Genesis Dublin representatives joined the meeting to present findings of research to inform a revised strategy for unlocking growth in the ROI market. Although there had been significant growth in volume and value from ROI since the original review was conducted, the market, consumers and destination had all evolved and there was a need to fully establish the impacts of COVID-19 and Brexit.

While interest in and intent to visit Northern Ireland from various markets had largely held firm, the Great Britain market had weakened and further work was needed to encourage interest from the ROI. Health and safety, hygiene and vaccination were noted to be at the forefront of

consumers' thinking. Other data was positive with no statistical difference identified across influencing factors, showing that Northern Ireland was delivering almost in line with ROI, and scoring well. However, the value for money distinction had disappeared. Gaps were also noted in confidence about COVID measures, with NI and GB moving ahead of ROI. The management of messages around reopening would therefore be of critical importance. Market segmentation had also evolved to focus on a smaller number of groups.

Discussing the findings, the Board was advised that although work was still needed to address perceptions in ROI around barriers to travel, it was uncertain that this related solely to Brexit. The true picture was obscured by the ongoing pandemic but while there was a need to monitor matters affecting the destination's reputation, there had been a perceptible shift in attitudes over time and Northern Ireland was viewed more favourably. The Board noted that the narratives from those who had visited were always extremely positive about the welcome they received and commented that there was an opportunity to incorporate such stories into promotion.

The Board also discussed the greater popularity of outdoor activity. It was noted that this was a macro-trend driven by interest not just in health but green issues, and was unlikely to be a temporary shift. However, there were also latent desires for people to return to socialising and nightlife and opportunities to drive differentiation by meeting those needs. The Board commented that the reopening of the industry would provide a brief window in which to push the value for money message to a 'captive audience' on the island, before international travel resumes. Terry McCartney advised that the Marketing and Communications Sub-Committee had reviewed the findings in depth and commended the great deal of work that had been covered in a short timeframe. It was also emphasised that attention to the service that visitors receive remains as important as the messaging. The Board thanked Genesis for the presentation and congratulated all involved in work on the review and was advised that the findings will now be used to shape the agency response.

Denise McAnena left the meeting at this point.

4 (ii) Finance and Casework Committee

Michele Shirlow gave a report on the Committee meetings held on 25 February and 11 March.

The Committee held an emergency meeting on 25 February to deal with a number of pressing issues. Approval was granted to proceed with an extension to the Bed and Breakfast, Guest House and Guest Accommodation support scheme, aimed at supporting the hostel and bunk house sectors. The Committee also approved an approach to dealing with projects in the Experience Development Programme which were facing difficulties caused by significant increases in costs within the construction sector.

Geoff Wilson declared an interest and left the meeting temporarily to permit the next issue to be discussed.

Also, on 25 February the Committee had considered a submission seeking approval to make a final payment associated with the 2019 Ulster Grand Prix, which had been withheld by Tourism NI pending the resolution of a number of issues. These had now been resolved, documentary evidence had been submitted and approval granted to release the payment. The Board was

advised that the Committee had recommended a number of additional conditions which would need to be fulfilled, should the organisers seek funding from Tourism NI for any future events.

Geoff Wilson re-joined the meeting and a report was given on the Finance and Casework Committee meeting held on 11 March. The first item had been a Finance Report covering the budget position as at the end of February and the predicted final spend picture. It was expected that £2m of the resource allocated for the B&B, Guesthouse and Guest Accommodation programme would be unspent. It was emphasised that Tourism NI had received these resources at a very late stage in the financial year. Aside from this it was expected that just £200k of the programme budget would be unspent at the year end. In spite of these it was stressed that given the significant additional resource which Tourism NI had been required to administer during the year, the final budget picture was positive.

The Committee had also considered a paper setting out proposal for a revised Conference Support Scheme, aimed at events which might have to operate with reduced delegate numbers or in a hybrid live / online format. The Committee's recommendation was that the Board should approve the Scheme.

(The following section is exempt from disclosure under 'Section 43 – Commercial Interests' of the Freedom of Information Act (2000)).

[REDACTED]

[REDACTED]

[REDACTED]

4 (iii) Agency Procurement

The Board was presented with a paper setting out proposals and specifications for the recruitment of a framework of specialist agencies to support Tourism NI's work, with expertise in corporate communications, stakeholder engagement, destination PR and influencer marketing. It was proposed to adopt a similar approach to that taken to procure marketing and design services. The contracts would be for five years with an option to review after year 2. The Board granted approval to proceed.

4 (iv) Data Hub Direct Award Contracts (DACs)

A submission was presented seeking the Board's approval to award two contracts to enable delivery of the Tourism Data Hub to provide insights into visitor behaviour for use by Tourism NI and its stakeholders. The data services supplied by Visa and ReviewPro had been proven to supply real-time information permitting Tourism NI and its partners to make much more informed and evidence-based decisions. An undertaking had been given to seek the Board's approval annually to continue with the service.

The Board granted approval to award the contracts and suggested that it would be useful to receive a report highlighting the ways in which the data was used and the value being derived from it (**ACTION: DE**).

5. Papers for Noting

5 (i) Agenda for Next Board Meeting

The Board noted the proposed agenda for its next meeting.

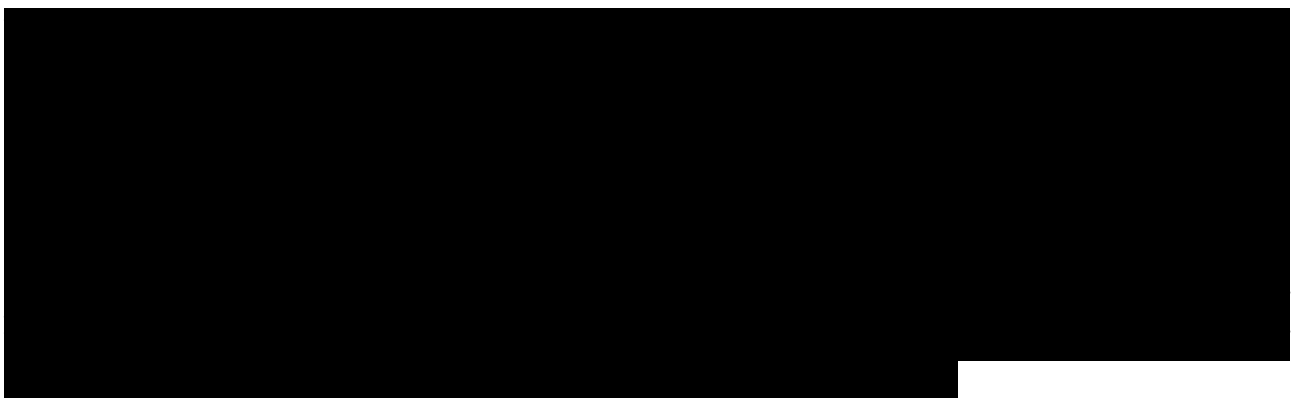
6. Any Other Business

6 (i) Boardroom Apprentice

The Board agreed that Tourism NI should continue to participate in the Boardroom Apprentice programme and suggested that it would be useful to have input to any performance review process at the end of a candidate's year with the Board (**ACTION: JD**).

6 (ii) Succession Planning

(Exempt from disclosure under 'Section 36 – prejudice to effective conduct of public affairs' of the Freedom of Information Act (2000))





8. Date of Next Meeting

The next scheduled Board Meeting will be on Thursday 6 May 2021.