

Board Meeting 19 August 2021

**TOURISM NORTHERN IRELAND
MINUTES OF BOARD MEETING
HELD AT W5, ODYSSEY PAVILION, BELFAST
ON THURSDAY 19 AUGUST 2021**

Present:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Mr John West
- Ms Patricia Corbett
- Ms Michele Shirlow (by remote call)
- Mr Colin Neill
- Mr Terry McCartney
- Mr Geoff Wilson
- Ms Denise McAnena, Boardroom Apprentice

In Attendance:

- Mr John McGrillen, Chief Executive
- Mr Dave Vincent, Chief Digital Officer (to item)
- Ms Dorothy Erskine, Director of Strategy & Policy (item)
- Mr David Roberts, Director of Strategic Development
- Ms Naomi Waite, Director of Marketing (item)
- Ms Lesley McKeown, Director of Finance
- Mr Jim Daly, Executive Support Team

Apologies: None

1. Introduction / Standing Items

The Chairman welcomed participants and reminded them that minutes of the meeting will be published. He advised that the agenda would be reordered to permit the cyber security presentation to be delivered at the start of the meeting.

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 Previous Board Meeting

Minutes of the Board Meeting held on 24th June 2021 were approved as an accurate record.

1 (ii) Matters Arising – Actions from Previous Meeting

The Board noted the status of actions agreed at its last meeting. For the most part these were complete or would be dealt with as part of the agenda. The Board had previously requested a list of critical posts at Tourism NI, that require vacancies or gaps in experience to be addressed urgently. Work is continuing to identify these and a report is due to come to the next Board (**ACTION: JMcG**).

Members were advised that in recent recruitment Tourism NI had sought to prioritise posts in the new organisational structure that are urgently needed to progress delivery of the Economic Recovery and Tourism Recovery Action Plans. The pressures facing the organisation and the need to recruit over 10 people on a temporary basis to deliver the programme of work has highlighted the need to fill all nineteen new posts in the structure as soon as possible. The Board agreed that as a result the Department for Economy (DfE) should also be required to meet its commitment to provide half of the funding necessary to support these posts.

2. Items for Discussion

2 (i) Cyber Security Briefing

The Chief Digital Officer presented a briefing on online threats to Tourism NI in the remote working environment and measures in place to protect systems and data. Post pandemic, cyber attacks had grown in frequency and sophistication. The range of security measures and monitoring tools were set out. It was emphasised that for Tourism NI a balance must be struck that provides robust online defence in a way that still permits the organisation to perform all its functions. In that respect the key risk remains that individuals may inadvertently access malicious links with serious consequences for the entire organisation. A rolling programme of training was in place to keep online security at the forefront of staff awareness.

The Board asked if there might be economies of scale in Tourism NI joining with the security infrastructure of NI Direct, in place for the rest of the NI Civil Service. Members were advised that the cost of joining was prohibitive and as it is a closed system, it would not provide Tourism NI with sufficient flexibility to deliver all its functions. In addition to awareness training, the Board recommended that the Senior Management Team should consider disciplinary sanctions in cases where a staff member is found by negligence to have left the organisation vulnerable to attack.

The Board was also advised that daily maintenance and oversight of online security effectively represents a full-time job and discussed the need for continuity of experience and sufficient capacity to cope with unexpected absence. It was noted that Tourism NI is not in a position to offer salary commensurate with the market standard, to recruit and retain such expertise. It was agreed that options should be considered as part of the resource plan and brought back to the Board. The Board also asked if Tourism NI was undertaking any activity to make the industry aware of online risks and it was confirmed that this was being done via the TED programme.

In respect of staff awareness the Members recommended a communication to staff advising that the Board had recommended that disciplinary measures be put in place to deal with breaches (**ACTION: JMcG**). As the Audit and Risk Committee had requested the briefing for the Board, it was agreed that the presentation should also be shared with the Committee (**ACTION: LMCK / DV**).

The Board thanked the Chief Digital Officer for the presentation and he left the meeting.

2 (ii) Resource and Delivery Plan

The Board was presented with proposed governance structures to manage spend of the significant resources allocated to Tourism NI, to deliver programmes of support under the Economic Recovery Action Plan and the Tourism Recovery Action Plan. With an overall allocation to DfE of £220m, the Department wishes to see resource is committed and potential underspends are identified as early as possible in the financial year. To that end Tourism NI needs to establish the scale of demand for support throughout the industry and ensure appropriate resource is in place to implement programmes quickly, while being realistic about the timescales for approvals and procurement and the ability to deliver within a very tight timeframe.

To oversee this work Tourism NI had established a Programme Board comprised of members of its Senior Management Team, and the Board was asked to grant the Finance and Casework Committee the authority to take decisions on the allocation of resources on its behalf to ensure that work can proceed at pace.

Key risks were noted largely to relate to capacity to deliver programmes, in particular administrative resource to process applications. To mitigate this Tourism NI proposes to extend four existing current temporary staff contracts, and has identified a need for ten additional posts for which it proposes to recruit temporary staff on one-year contracts. The Board was also advised of the need for external expertise to support procurement and programme delivery and the opportunity to access support for other functions via existing service contracts.

Other challenges were outlined including the need for Department of Finance approval for the levels of support proposed under some programmes. The Board was also advised that some sectors of the industry – for example conferences and coach operators – remain badly impacted by restrictions but have no clear path to support as government's focus is now upon business recovery rather than survival.

Whilst coach tours are now operating on the island of Ireland, business in Northern Ireland has been negligible due to the differing regulations in NI and ROI for those visiting from overseas. To that end a submission has been sent to DfE seeking for this issue to be addressed by the NI Executive.

The Board was also advised that some resources earmarked for supporting business attending overseas exhibitions would need to be surrendered or reallocated as Tourism Ireland has since decided to fund this activity from within its core budgets.

The Board was asked to approve the governance process, with oversight by the Programme Board and approval via the Finance & Casework Committee. Members recommended that as a first step key principles that will underpin all the support programmes should be defined and presented to the Finance & Casework Committee for approval (**ACTION:** DR/LMcK).

It was also agreed that the Finance and Casework Committee should be augmented to support its increased workload and that John West should join it specifically to support consideration of ERAP / TRAP casework. The Board also discussed the ways in which DfE could be kept informed of

progress in a timely fashion and the Chairman undertook to raise this at the forthcoming debrief meeting.

The Board approved the proposals for recruitment to support delivery and agreed that the Finance and Casework Committee should be the vehicle for approving casework, subject to the additional recommendations on bolstering its membership and agreeing key principles.

The Board also approved proposed staffing arrangements to fulfil Tourism NI's obligations in relation to certification and classification schemes and deal with additional workload in relation to accreditation under the We're Good To Go scheme. Members again emphasised that this underlined the need for the Department to review legislation at the earliest opportunity, to ensure it remains fit for purpose.

Discussing the composition of the Programme Board, Members were advised that this will consist of the Senior Management Team and as required, relevant managers and staff. The latest position with recruitment of senior posts was outlined and the Board requested a revised organisational chart showing the new SMT structure (**ACTION: JO'R**).

2 (iii) Tourism NI Social and Digital Media Policy

The Board was presented with a new draft policy for staff use of social and digital media, as part of an overall review of Tourism NI policies. While broadly content with the policy Members recommended that the text should emphasise that the policy also applies to Board Members including the Boardroom Apprentice. They also recommended that a 'future proof' amendment should be made to the policy's provisions to reflect use of online channels and platforms that Tourism NI does not use at present, but may do in future (**ACTION: JO'R**). Subject to these amendments, the Board approved the policy.

2 (iv) Charity Commission – Implications of Ruling for Tourism NI Activity

The Board was advised of the substance of a ruling against the Charity Commission by the Court of Appeal, which potentially had implications for how Tourism NI conducts some of its statutory duties set out in the Tourism (NI) Order 1992. As a result of that ruling DfE had asked Tourism NI to make an assessment of the activity that might be affected and how this could be conducted differently. The findings of this evaluation were set out with recommendations for a number of adjustments to processes.

The Board commented that the ruling underlined the urgent need for a comprehensive review by DfE of the 1992 Tourism Order to ensure that it becomes fit for purpose, and agreed the recommendations set out in the paper.

As some time remained before lunch the order of the agenda was altered to permit consideration of reports.

3. Reports

3 (i) Chairman's Report

The Board noted the engagements undertaken since the last meeting. The Chairman reported on recent discussions with DfE regarding the new Tourism Strategy and how a focus on sustainable and regenerative tourism might relate to delivery of the 10X economic vision for a decade of innovation. He said that he would share with Board Members a paper drawing together some initial thoughts on this. The Chairman reflected on discussions at the previous evening's Board dinner with stakeholders and commented that these had been very productive. The Board discussed tourism satellite accounts and the establishment of a metric that reflects the full picture of tourism's contribution, not just in economic terms but also its social value. It was noted that whilst the Department had considered developing a Satellite Account this was unlikely to happen in the foreseeable future. It was noted that the Centre for Local Economic Studies had done some useful work elsewhere in this respect and the Director of Strategic Development is to follow this up (**ACTION: DR**). The Board also discussed how the format of dinner discussions might be refined.

3 (ii) Chief Executive's Report

The content of the report was noted. The Chief Executive reported that he had recently undertaken several rounds of engagement with the industry on the ground. Anecdotally the industry had been performed extremely well over the summer months but concerns remained about autumn and winter. Many businesses had been hugely positive about the advice and support they received from Tourism NI throughout the pandemic with a good deal of productive collaboration taking place. In particular the industry in Derry-Londonderry was hugely enthusiastic about the uplift in trade resulting from a city-specific campaign operated by Tourism NI.

3 (iii) Sub-Committee Reports

Chairs of the Board's sub-committees reported on recent meetings as follows:

Audit Committee – while the Committee had not met in the period since the last meeting, the Board was advised of a revised timetable for production of Tourism NI's Annual Report and Accounts for 2020-21. It is expected that these will be presented for approval at the November Board Meeting.

Marketing Sub-Committee – Terry McCartney reported on the Committee's meeting held on 12 August, which had considered the proposals for the Holiday At Home voucher scheme. The Board discussed how uptake of the scheme could be encouraged and how the high street voucher scheme might also benefit tourism and hospitality businesses. The Board also considered how participation in the programme by businesses might be linked to We're Good To Go accreditation. The Board further suggested that there would be value in encouraging visitors to book direct with businesses rather than through third party sites.

It was agreed that the Finance and Casework Committee report would be deferred until later in the meeting. Following a break for lunch Naomi Waite and Dot Erskine joined the meeting.

4. Items for Discussion - continued

4 (i) Republic Of Ireland Strategy Presentation

The Board received an update on work to finalise a strategy for growth in the Republic of Ireland market. A recap of the process to date was given. The previous ROI market strategy generated significant growth between 2016 and 2019, in overnight trips (up by 66%) and visitor spend (rising from £70m to £142m). In the same period Northern Ireland substantially grew its share of external visitors to the island of Ireland, from 17.5% to 25%. The headline target for 2026 was to achieve a 10% value share of ROI trips in the island of Ireland, equating to 1.08m trips, 2.65m bednights and £191m in value.

Refined segmentation reflected changes in demographics and visitors' preferences, in particular a dramatic increase in active maximisers who now represent 33% of the overall market. This was accompanied by an increase in desire for outdoor activity, time with extended families and shared experiences. Another key dynamic was being comfortable with travelling. The growth strategy centres on collective effort, compelling communications and constant purchasability, making it easy to achieve conversion and sales. Next steps involve populating the strategy and developing communications to engage the industry. Significant growth had taken place since 2016, and in particular a shift in the attitudes of ROI consumers who had never before considered Northern Ireland as a destination. It was observed that sustaining this growth would be more challenging. Work was ongoing on the research findings to inform an action plan arising from the report and it was agreed that this should be presented to the Board at its next meeting (**ACTION: NW**).

It was noted that the industry is showing greater confidence in Tourism NI's activity and as a result, is more willing to invest and collaborate; the new Hastings Hotels campaign using the experience brand was cited as a good example. The Board also stressed the need to carefully monitor what the industry in ROI might be doing post-pandemic and benchmark against that.

Following the presentation Geoff Wilson, Naomi Waite and Dot Erskine left the meeting.

4 (ii) Sub-Committee Reports - Finance and Casework Committee

The Board received a report on a meeting of the Finance and Casework Committee held on 5 August. The Committee had considered its role in the budget reporting process on the Economic Recovery Action Plan. It had agreed that reporting could be carried out by correspondence, with the Committee having discretion to call a meeting to discuss any variances greater than 15%.

The Committee also agreed to recommend that the Board should increase the overall funding available under the National Events Sponsorship Scheme from £400k to £420k, in order to support three additional events which had scored highly in the assessment process. The Board was content to approve the increase.

The Board also received an update on the Mourne Gateway Project as part of the Belfast City Region Deal. Following the receipt of a report from Central Procurement Directorate (CPD) which highlighted the impact of inflation in construction costs, the economic appraisal of the project was updated. This review had established that the value for money case remained unchanged; Newry, Mourne and Down District Council had given an undertaking to fund any cost overruns. In that

context, the Board was asked to reaffirm its previous recommendation that the project can progress to DfE's Casework Committee for approval. The Board gave approval to proceed.

The Board was also advised of changes to the budget for the forthcoming Antrim Coast Half Marathon, which would affect the eligible costs for the event and the support available from Tourism NI. The Board noted the update and emphasised that the limitations on the support scheme should be made clear to the promoter.

At this point Denise McAnena took her leave and as this was her last meeting as Boardroom Apprentice, she extended thanks to the Board and Senior Management Team for their support during her year with Tourism NI. The Chairman and Board offered warm best wishes to Denise for the future.

5. Governance

5 (i) Quarter I 2021-22 Reports: Operating Plan

The Board noted the content of the spring / summer edition of Tourism 360, setting out the latest tourism industry trends, insights and performance both globally and locally.

5 (ii) Quarter I 2021-22 Reports: Risk Register

The Board noted a summary report on the corporate risk register. Work is ongoing to review this and as part of that a meeting had taken part with the Department for Communities to look into its risk management processes. It was stressed that at present the key risk for Tourism NI relates to delivery of ERAP / TRAP programmes. Members commented that recent weeks had shown that in the current working environment, there was also an increased risk either of serious illness or burnout amongst senior staff.

6. Papers for Noting

6 (i) Market Outlook Report

The Board noted the content of the latest Market Outlook update provided by the Research and Insights Team.

6 (ii) Draft Agenda for next Board Meeting

The Board noted the proposed agenda for its next meeting. The Chairman advised that he would not be available to attend and as a number of other Board Members are due to be away it was agreed to explore options for a hybrid physical / online meeting. It was also agreed that in the Chairman's absence Terry McCartney would chair discussions at a dinner with the Board of the Incoming Tour Operators' Association, planned for 29 September.

7. Any Other Business

7 (i) Bank Mandates

The Board approved the addition of David Roberts and a number of new members of the Finance team to the bank mandate, as approved cheque signatories for Tourism NI.

Michele Shirlow declared an interest and left the meeting at this point, in order to permit the Board to discuss the next item.

7 (ii) Sponsorship Request from Food NI

It had previously been agreed that where an organisation with which a Board Member is involved seeks sponsorship from Tourism NI, the request should be presented to the full Board for consideration. Accordingly the Board was presented with a request from Food NI for sponsorship for a Food Pavilion at the forthcoming Balmoral Show. The purpose of the platform is to showcase Northern Ireland's food and drink offering as an integral part of the Embrace A Giant Spirit brand.

Noting that the proposal aligned with Tourism NI's strategic goals the Board indicated that while supportive, more detail should be requested on value for money and to give an indication of the proportion of the overall costs that Tourism NI's support would represent (**ACTION: NW**).

8. Date of Next Meeting

The next scheduled Board Meeting will be on Thursday 30 September 2021.