

Board Meeting 9 November 2023

**TOURISM NORTHERN IRELAND
MINUTES OF BOARD MEETING
HELD AT THE EBRINGTON HOTEL, DERRY-LONDONDERRY
ON THURSDAY 9 NOVEMBER 2023**

Participating:

- Ms Ellvena Graham OBE (Chair)
- Ms Áine Gallagher
- Ms Linda MacHugh
- Mr Colin Johnston
- Mr Ciaran O'Neill
- Ms Aileen Martin

In attendance:

- Mr John McGrillen, Chief Executive
- Ms Diane Edgington, Boardroom Apprentice
- Ms Aine Kearney, Director of Events (item 2 (i))
- Mr Adrian Doherty, Director of Corporate Services (item 2 (ii) on)
- Mr John West, Strategic Adviser to the Board
- Mr Jim Daly, Executive Support Team

1. Introduction / Standing Items

The Chair welcomed those present and welcomed John West to his first meeting in his role as the Board's strategic adviser. Attendees were reminded that minutes of the meeting would be published and were asked to declare any interests in respect of agenda items. No declarations were made at this point.

1 (i) Minutes of Previous Board Meeting

Minutes of the last Board Meeting held on Monday 2nd October 2023 were approved as an accurate record.

1 (ii) Matters Arising – Actions from Previous Meeting

The Board received updates on the status of actions agreed at its last meeting and those still ongoing from previous Board Meetings. At its last meeting the Board was notified that, on advice from Internal Audit Service (IAS), a contract with the NI Hotel Federation would be required to support the operation of a Co-operative Marketing Fund. The Interim CEO advised this would most likely require a Direct Award Contract and approval would be requested by correspondence from the Board Members who had not declared an interest in relation to the matter. Tourism NI is awaiting the full draft IAS report along with approval from Construction and Procurement Delivery

(CPD). Any DAC is likely to be within the CEO's delegated limit. The CEO advised the Board that he was awaiting the recommendations of the IAS report before deciding on proceeding with the fund this year and advised that resource remains available to run the scheme until 31 March 2024. It was emphasised that there is a need for continued focus on attracting business from the ROI market.

Linda MacHugh gave an update on discussions with the Director of Strategic Development in relation to Tourism NI's role as the Investment Decision Maker on the City and Region Deals projects. The Board was advised that further legal advice is being sought. Members expressed a wish to see progress on the issue as soon as possible and asked for this to be expedited. **(ACTION: DR)**

2. Items for Discussion

2 (i) Events Funding Programmes 2024-25

The Director of Events joined the meeting to present a paper setting out recommendations on events funding programmes for the 2024-25 financial year. It was emphasised that Tourism NI expects to have a similar budget to this year, and to be faced with the same time constraints in trying to operate programmes within a twelve-month period. The paper presented a range of options for consideration. It was emphasised that to operate a National Tourism Events Sponsorship Scheme, in addition to the International Tourism Events Funding Programme, a level of investment is required that will help to drive additionality. Such resource is not available and indications from DfE are that the future funding environment will be one of significant challenge for some time to come.

The recommendation presented to the Board was that Tourism NI should again operate only the International Events Funding Programme, with refinements including a reduced upper threshold of support that will encourage more realistic funding requests and makes better use of available resource to support a larger number of applicants. It was emphasised that the National Events Scheme would be paused rather than discontinued. This would require applicants moving from the national to the international scheme to frame applications and funding models differently, with the key criterion being their capacity to demonstrate how the events generate out-of-state visits. The Board discussed ways in which the value of the programme might be maximised such as raising the social media profile of events or establishing an advertising equivalent value (AEV) for the events, to better demonstrate their impact.

Members noted that the Department is continuing with the development of a new events framework for Northern Ireland and commented on the need to see this work completed urgently.

The Board approved the proposal to operate a modified International Tourism Events Funding Programme and to continue to pause the National Tourism Events Sponsorship Scheme given the ongoing budgetary pressures.

The Board thanked the Director of Events for the paper, and she left the meeting. The Director of Corporate Services joined the meeting for the subsequent items.

2 (ii) People and Organisational Development Report

The Board was presented with a report giving details of resourcing activity, staff absence levels and staff training, engagement and other HR issues and initiatives in the six months from April to September. As part of this, verbal updates were also given on a number of claims lodged with the Industrial Tribunal and an outstanding equal pay issued which has now been resolved. The Board noted that in approving the Grade 5 evaluation of the post DfE had indicated that it wished to see a review of Tourism NI's management structures being carried out.

Members noted that the level of staff sickness absence had increased significantly during the reporting period and spent some time discussing the reasons for this. It was noted that these relate to disparate factors including anxiety, stress, depression and bereavement, the causes of which were factors external to the workplace. It was also emphasised that as a small organisation absence level can be affected by a relatively small number of staff on long-term illness. The Board suggested it would be useful to see a more detailed breakdown of the causes.

Members also noted figures on completion by staff of mandatory training courses and asked for additional detail to be included in the next report (**ACTION: AD/LF**).

The Board was pleased to note the very positive score in the index of staff engagement in the report's appendix. These scores were noted to be significantly higher than those for the mainstream Civil Service and it was suggested that other high-performing arms-length bodies might represent a better benchmark. The Board was advised that a number of staff working groups had been established to progress actions arising from the staff engagement survey. The Board noted that the survey had not evaluated inclusion and fair treatment and was advised that for Tourism NI a key issue requiring attention is the low number of employees with disabilities.

2 (iii) Sub-Committee Structures

The Chief Executive provided a verbal update on Tourism NI's sub-committees. It had been proposed to present a paper with options for the membership of new permanent Board sub-committees however, three vacancies remain to be filled on the Board and the timing of these appointments remains uncertain.

As an interim step it was proposed temporarily to form an interim Finance and Casework Committee with a membership consisting of Linda MacHugh as Chair, Ciaran O'Neill and Aine Gallagher and an interim Audit and Risk Assurance Committee with Colin Johnston, Aine Gallagher and Ellvena Graham. John West would join meetings of both interim committees as adviser. It was emphasised that this represented an interim measure until a full complement of Board Members is available to finalise sub-committee structures, and meetings should be minuted to reflect this. It was also agreed that Diane Edgington would be invited to attend meetings as the Boardroom Apprentice.

The Board also asked the Director of Corporate Services to ask DfE to confirm any cut-off date beyond which the current list of prospective Board appointees becomes void (**ACTION: AD**).

2 (iv) Policies Considered By Board

At its meeting in December 2022, the Board had discussed Tourism NI's policy position in relation to windfarm proposals. Arising from that discussion, a list of policies considered by the Board over the previous ten years was provided to the Board. It was emphasised that this list did not represent all policies that Tourism NI holds, only those that the Board had cause to discuss during the period. There were other policies, for example on white-on-brown road signage, which it might now be timely to review to ensure they remain fit for purpose.

Members commented that it would be useful for Tourism NI to develop a directory of all its policies, to be able to review these in a systematic way. Aine Gallagher offered to share a document that could be serve as a template for such a directory and it was agreed that the Director of Corporate Services would look into the policy review cycle (**ACTION:** AD).

The Board also discussed options for commissioning a review of accommodation demand across Northern Ireland and suggested that this should be outsourced (**ACTION:** AD).

2 (v) Partnership Agreement with DfE

The Board was presented with a draft Partnership Agreement with the Department for the Economy, for approval. Members were advised that this will replace the existing Management Statement and Financial Memorandum and is part of a process that the Department is undertaking with all its arms-length bodies. The Board was advised that there were no significant differences between the new agreement and the MSFM. The group spent some time discussing the respective roles of the Department and Tourism NI and the concept of 'proportionate autonomy'. Members commented that this needs to be meaningful and that the Board must have a role in setting the organisation's strategic direction. It was confirmed that duties and functions set out in the agreement are consistent with those defined by the Tourism (NI) Order 1992, and that Tourism NI's role will be picked up in future interactions with DfE.

Members also commented that the agreement should be worded to permit Board appointments to be approved by an appropriate equivalent official in the absence of a Minister, to avoid prolonged vacancies similar to those in recent months. The Chair advised the Board that she will write to the Permanent Secretary asking for the remaining Board vacancies to be filled as soon as possible to ensure that the Board and its sub-committees can function effectively, and to underline the ongoing need for the appointments process to supply Members with a mix of skills and experience that is relevant and appropriate to Tourism NI's requirements.

The Board asked for terms of reference for the sub-committees to be circulated (**ACTION:** JD).

Members also discussed the need for communication between Tourism NI and DfE to be a two-way process that reduces duplication of effort and promotes more effective use of resources. The Board commented that it would be useful to see the Department's Operating Plan and Risk Register, in order to better understand how Tourism NI can contribute to the fulfilment of DfE's strategic objectives. It was noted that some of these issues would be covered by the annual engagement plan set out in the agreement and reviewed on a yearly basis.

The Board asked the Director of Corporate Services to draft a response to DfE from the Chairman that set out the key points of the discussion, for further discussion with the Department (**ACTION: AD**).

3. Governance

3 (i) Quarter II Performance Reports – Operating Plan 2023-24

A report was presented setting out progress against Operating Plan objectives as at the end of September. The Board was pleased to note that in most instances, planned activity was progressing well and that areas where work is not proceeding as expected are largely outwith Tourism NI's control. Members also commented that it was positive to see the Department applying urgency in areas that it needed to address.

3 (ii) Quarter II Performance Reports – Risk Management

The Board noted the detail of a report on the management and mitigation of corporate risks during the second quarter. It was suggested that the register may need updated to reflect the impact upon international travel, especially from the USA, of the current conflict in the Middle East. The Board also discussed risks relating to organisational structure and people resource, in particular the potential for single points of failure due to retirement or critical illness. Members also commented on the need for a risk that reflects the impact of budget available to Tourism NI on its capabilities, by comparison with the resources that its nearest competitors can draw upon. It was also suggested that a risk relating to the ongoing impact on Tourism NI of political uncertainty in Northern Ireland needed to be reworded, to more clearly define what the impacts are likely to be.

It was agreed that the detailed risk report should be uploaded to Decision Time for the Board's information (**ACTION: AD**).

Members also agreed that once the remaining Members have been appointed, the Board should review the Risk Register in detail (**ACTION: AD**).

3 (iii) Quarter II Performance Reports – Finance

The Board was presented with a report on financial management to the end of September. This set out Tourism NI's current budget allocation from the Department and its performance on budget spend. Spend was noted to be lower than the forecast but this was emphasised to be the result of timing of a time lag in claims and payments. The Board was advised that while significant additional resource had been allocated by DfE to Tourism NI for Promotion & Marketing and City Deals, a bid for additional resource to meet salary pressures had not been successful. While recruitment had not been paused, the ongoing requirement is that each vacant post is considered by ELT and some vacancies are being prioritised over others.

Noting an update on historic debts, the Board asked that options should be considered for resolving those that are long-standing. The report also included updates on recommendations by Internal Audit and the Board suggested that these should be covered separately from the Finance Report (**ACTION: AD**).

4. Reports

4 (i) Chair's Report

The Board noted the detail of engagements undertaken by the Chair in the period since the last Board Meeting in October.

4 (ii) Chief Executive's Report

The Board noted the content of a report by the Chief Executive on current issues. Members were advised that DfE had commenced a public consultation on the draft Northern Ireland Tourism Strategy. Tourism NI is leading the process of industry consultation, through a series of facilitated industry workshops in coming weeks. Dates would be shared with Board Members who may wish to attend. It is hoped that the Strategy will be published by 31 March 2024.

The Board also warmly commended Naomi Waite and Tourism NI's Marketing team on their recent receipt along with BBDO of a prestigious Effie Award in the Leisure, Media, Sport, Travel and Gaming Category, for 'putting Northern Ireland on the holiday map and driving giant growth'.

The Board also discussed how stronger links might be forged with DfE by scheduling regular knowledge sharing sessions. It was also recommended that briefing sessions should be held to support induction of the incoming Permanent Secretary and for any new Economy Minister, should the Assembly return. Members also discussed how corporate reporting might be reframed to more clearly demonstrate Tourism NI's contribution to delivery of 10X objectives.

Updates were also given on progress and challenges with a number of the City and Region Deals projects including the Mourne Gateway Project and Belfast Stories. It was suggested that an alternative two-stage approval process might be a more appropriate way to progress the approval of these large-scale, complex capital projects. The Chief Executive advised that this suggestion had already been put forward but had not been adopted.

5. Papers for Noting

5 (i) Market Outlook

The Board noted the content of a Market Outlook update highlighting key visitor trends.

5 (ii) Draft Agenda for December Board Meeting

The Board noted the draft agenda for its next meeting. Members were advised that while it had been hoped to bring the draft 2022-23 Annual Report and Accounts to this meeting, these are still with the audit manager.

6. Any Other Business

6 (i) Direct Award Contract – Support for CRM System

The Board ratified for the minutes its decision taken by correspondence on 13 October, to approve a Direct Award Contract (DAC) for specialist support to implement the new Customer Relationship Management (CRM) system for Tourism NI.

6 (ii) Future Deep Dive Presentations

The Board considered a list of stakeholders that it might wish to invite to deliver 'deep dive' presentations ahead of Board Meetings in the coming months. It was agreed that Northern Ireland Screen should be invited to present ahead of the December Meeting and that Sport NI should be added to the list of proposed presenters.

Separately, the Board agreed that it would be useful to have a joint engagement with representatives of the Northern Ireland Tourism Alliance (NITA), the NI Hotels Federation and Hospitality Ulster. It was suggested that a better format for this engagement would be a dinner discussion and the Board asked for this to be arranged (**ACTION:** JMcG). The Board also discussed some ways in which the format of dinner engagements might be improved.

As there was no other business, the Chair thanked Members and drew the meeting to a close.

7. Date of Next Meeting

The next Board Meeting will be held on Monday 18 December 2023 at Tourism NI headquarters.