

Board Meeting 8 February 2024

**TOURISM NORTHERN IRELAND
MINUTES OF BOARD MEETING
HELD AT TOURISM NI HEADQUARTERS, LINUM CHAMBERS, BELFAST
ON THURSDAY 8 FEBRUARY 2024**

Participating:

- Ms Ellvena Graham OBE (Chairman)
- Ms Áine Gallagher
- Ms Linda MacHugh
- Ms Karly Greene
- Mr John Hood
- Mr Michael Counahan

In attendance:

- Mr John McGrillen, Chief Executive
- Ms Diane Edgington, Boardroom Apprentice
- Mr Adrian Doherty, Director of Corporate Services (item 2 (ii) – Item 3 (ii))
- Mr David Roberts, Director of Strategic Development (item 2(i))
- Mr John West, Strategic Adviser to the Board
- Mr Jim Daly, Executive Support Team

Apologies:

- Mrs Aileen Martin
- Mr Ciaran O’Neill
- Mr Colin Johnston

1. Introduction / Standing Items

The Chairman welcomed those present. 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 Thursday 18th December 2023 were approved as an accurate record.

1 (ii) Matters Arising – Actions from Previous Meeting

The Board noted updates on the status of actions agreed at its last meeting and those ongoing from previous meetings. It was agreed that recommendations arising from the review of effectiveness of the Board should be added to the tracker and their progress monitored (**ACTION: JD**).

2. Items for Discussion

2 (i) Learnings from Invest NI Review – Considerations for Tourism NI

In March 2023 the previous Board discussed the findings of a comprehensive review of Invest NI and asked the Executive Team to consider its recommendations where they had implications for the work of Tourism NI, particularly in relation to the proposed review of Tourism NI as part of the Department's review of all its ALB's and the delivery of 10X objectives. A paper was now presented setting out the key issues.

In general, it was noted that Tourism NI is in a reasonable position in respect of compliance with the report's recommendations. The Board discussed commentary relating to non-repeatable high-level support. Members were advised that while Tourism NI is reviewing instances where it provides such support, there are instances in which repeatable support is necessary and warranted, citing the real economic benefit that is derived from events programmes. Additionally, it was noted that the Department is developing a new events framework for Northern Ireland which should define the parameters for supporting major events more clearly, and there is an urgent need to see this work completed.

The Board agreed there was also a need to manage expectations of the industry and public in terms of the support available from Tourism NI and the role that it plays and discussed the suggestion of a reputation audit. It was suggested that there is a need to simplify the range of schemes available and in particular to move away from the delivery of pilot programmes if it is unlikely that these can be continued longer term due to a lack of resource. The Board also discussed how Tourism NI's client base might be able to access Invest NI programmes in the future given its renewed focus on the growth of local SMEs.

Noting DfE comments on the regularity of funding programmes, it was stressed that the core issue remains a need to review the existing legislation and regulatory framework to ensure Tourism NI more effectively to support the industry.

Members observed that there appeared to be a difference of perspective between Tourism NI and the Department about the adequacy of systems of control which was discussed at the Induction Session with Departmental Officials. It was recommended that the Board should remain sighted on governance issues through the Audit and Risk Assurance Committee.

The Board agreed that issues raised by audit should be logged and evaluated in a methodical and consistent way to give assurance that effective controls are in place, but also emphasised that the Board itself needed to continue to press the case for amending legislation to permit Tourism NI to undertake its functions effectively.

The Board was also advised of the background to a long-standing issue relating to pay and pensions of Tourism NI staff. The Board discussed support for sub-regional economies and council areas, noting that this is currently monitored for the purpose of responding to Assembly Questions and Freedom of Information requests. The Board also noted the arrangements for reporting to the Department on key projects through mechanisms such as oversight and liaison meetings and other regular engagements with DfE officials and was advised that early engagements with the new interim Permanent Secretary had been very positive.

2 (ii) Organisational Development / Human Resources Report

A report was presented setting out progress on HR and Organisational Development workstreams as at the end of December. The Board noted the status of recruitment activity. Members were advised that Tourism NI had engaged a new recruitment provider and that for recent vacancies, numbers of applicants had increased. The Board also noted absence rates – while long term absences were due to a number of factors including bereavement and anxiety, only two staff had cited stress as a factor. Career progression and salary increases had been the main reason given by staff who had left the organisation.

The Board was advised of the commencement of a review of the corporate values, and asked for an assurance that they would have input to the process (**ACTION: AD**). Also noted were completion rates for mandatory staff training – the Board stressed the need to continually refresh cyber security awareness and recommended that the Audit and Risk Assurance Committee should monitor this, given that cyber security is now a standing item on its agendas.

The Board also discussed fire safety, and the need to ensure that an appropriate pool of staff fire wardens is present at all times in the new hybrid working environment. Members were advised that the HR team is carrying out a review of these procedures. The Board also discussed what alternative uses might be made of vacant office spaces.

2 (iii) Partnership Agreement with DfE

The Board was presented with an updated version of a draft Partnership Agreement between Tourism NI and DfE. This had been discussed initially at the December Board Meeting, following which the Chairman had written to the Department providing some feedback from the Board on a number of areas including future-proofing the Board appointments process, ensuring an adequate skills balance in Board membership and the definition of the concept of 'proportionate autonomy'. The Board's comments had been broadly accepted in the Department's response. A number of new amendments to the agreement were highlighted. It was noted that the Permanent Secretary will seek to meet with the Board every six months.

The Board asked if Tourism NI was compliant with the proposed agreement, noting that it draws largely on the existing sponsorship agreement, and it was confirmed that this is the case. The Board discussed the approvals process for major casework projects and asked the Director of Corporate Services to confirm the detail of delegation levels under the Tourism Development Scheme, suggesting that this should read '**...up to 30% of eligible costs or £0.75m**' (**ACTION: AD**).

The Chairman noted at this point that the proposed date of the May Board Meeting coincides with an engagement at the Balmoral Show and asked that consideration be given to moving the meeting date forward (**ACTION: JMcG / Executive Support Team**).

3. Governance

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

The Board was presented with a report on progress against Operating Plan objectives at the end of Quarter III. Most objectives were on track to be fully completed. Discussing those that displayed amber status at this stage the Board commented that it was important to establish a baseline for determining progress and that individual metrics are required where the amber status may be attributable to one area of work. The Board noted that in the case of the Experience Development Programme, one project is not expected to spend all the capital resource allocated to it and discussions are underway with other bodies that might absorb the underspend. The Board also noted the status of the TXGB project, which is not expected to achieve its spend target. Members were advised that a paper will come to the Board with proposals for how this should move forward (**ACTION:** JMcG). The Board was also advised that a backlog of certification / classification visits is expected to be dealt with by the year end.

3 (ii) Quarter III 2023-24 Reports – Risk Management

The Board noted a report on management of corporate risks at the end of Quarter III. Members discussed how other potential risks might be identified and suggested there was a need to include a measure monitoring the City Deals delivery model. Members suggested that a risk referencing the impact on operational activity of political instability needed to be re-evaluated and framed in a different way. It was also felt that risks associated with the introduction of Electronic Travel Authorisations needed to be treated as a separate item. It was recommended that a review of the risk framework should be undertaken to ensure that it aligns with the Tourism Strategy and Corporate Plan, once these are finalised.

4. Reports

4 (i) Chair's Report

The Board noted the list of engagements undertaken by the Chairman since the last Board Meeting. She asked for her attendance at the Belfast launch of Tourism Ireland's 2024 marketing plans in January to be added and commended this as a very professionally staged event.

The Chairman invited feedback on the previous evening's dinner discussion with representatives of the NI Hotels Federation, Hospitality Ulster and the NI Tourism Alliance. Members felt that this was a positive engagement with everyone sharing a willingness to collaborate and a shared purpose to communicate the real value of tourism in a co-ordinated way. The Board commented that Tourism NI needs to develop and disseminate messages that underline the value of the industry to the local economy, highlighting levels of investment and the numbers of jobs / new hotel rooms created year-on-year. Board members noted that these messages needed to be shared with Departmental officials as well as the public.

It was agreed that the planned Tourism Conference would present an ideal platform for such messaging and that this could be made most impactful by inviting the new Minister for Economy to speak at the event (**ACTION:** DR). The Board also discussed the role of NITA as a voice for the tourism industry.

4 (ii) Chief Executive's Report

The Board noted the content of the Chief Executive's report on current issues. They discussed the time commitment required of new Board Members since their terms commenced, in routine Board and sub-committee meetings as well as the strategic awaydays and initial meetings with key stakeholders. The Board agreed that the remainder of the induction process should be completed as quickly as possible, including introductory sessions with the rest of the Executive Team.

The Board also discussed its programme of meetings for the rest of the year and agreed to visit the Newry, Mourne and Down District Council area for its March meeting, with Killeavy Castle as the proposed venue. It was suggested that the Minister could be invited to attend the dinner on the prior evening. There was a discussion of the costs associated with Board Meetings and it was noted that the Finance & Casework Committee would have a role in monitoring Board expenses to provide assurance that these are reasonable and demonstrate value for money.

The Chief Executive provided an update on a review of the fee structures for the classification scheme and the statutory certification scheme operated by Tourism NI. DfE has indicated that DOF requires the charges to be such that there is full cost recovery. This will require substantial increases in fees given that these have not been reviewed for quite some time. The Board requested that a detailed report be brought back to the Board in due course. It was noted that while the three Board Members with backgrounds in the accommodation sector were absent from the current meeting, they will be likely to have to declare an interest in respect of any future discussion of the issue.

Members were advised that a paper is in preparation for their consideration. The Board asked that this should include a side-by-side comparison of the current scheme costs and those proposed under the new fee structure. **(ACTION: DR)**.

The Chief Executive also gave updates on a number of other issues, including the staff pay remit and preparations for the return of the Open Championship in 2025. The Board was also notified of the outcome of a request for a judicial review of the decision to pause the National Tourism Events Sponsorship Scheme.

4 (iii) Sub Committee Reports

The chairs of the sub-committees reported on recent meetings as follows:

Audit And Risk Assurance Committee – the Committee had met twice since the last Board Meeting – a brief initial meeting was held on 8 January to consider the Terms of Reference, with a full meeting being held on 31 January.

There was a discussion of areas of potential overlap in the work of the ARAC and the Finance and Casework Committee. The ARAC chair commented that it was important for her Committee to review the management accounts on a quarterly basis, to have assurance on financial management and reporting, including spend against budget. It was suggested that this could be in the form of a simple high-level update, the format of which could be agreed with the chair of the Finance & Casework Committee.

The ARAC also recommended that Tourism NI should carry out an assurance mapping exercise and agreed to add data security updates to its agendas as a new standing item. Succession planning was discussed, to ensure that Tourism NI's IT services continue seamlessly in the event of the departure of key personnel. A review is being commissioned to explore the future options for the delivery of IT support services. Another topic of discussion was the risk framework and the need to ensure that this reflects strategic priorities. An update was given on Internal Audit Service's audit strategy for Tourism NI which is expected to be on track by the financial year end. The Board was asked to suggest areas of activity where it was felt greater scrutiny or advice would be of benefit; one subject that Members suggested it would be useful to look at was the City and Region Deals.

The Board was also advised that final IAS reports on corporate governance and risk management had resulted in satisfactory opinions. It was noted that the Annual Report and Accounts are expected to be available for approval by late March and that the accounts will be qualified due to the ongoing issue of the absence of the NSMC and the approval of Tourism Ireland's budget.

The Board commended the good results in achieving a satisfactory opinion in the review of corporate governance and it was agreed that final audit reports should be shared with the Board (**ACTION: AD**).

Finance & Casework Committee – a report was given on the Committee's meeting held on 25 January. Terms of Reference had been reviewed but it was felt that there were a few matters within these that required further clarification, including specific detail of the limits of delegated authority for approval. As an example the Board was advised that the Committee had authority to approve £500k of sponsorship for the Irish Open and it had discussed the option of approving a further £250k if resource were to be made available by DfE in next year's budget. It was suggested that the relevant wording within the Terms of Reference should be changed to define the Committee's role as being to 'scrutinise and recommend to the Board'. The Board agreed that the appropriate time to make a decision on any additional expenditure on the Irish Open would be when the budget for next year was known.

In discussing the Terms of Reference the Finance & Casework Committee had also considered its role in reviewing Board expenses. Members agreed that the purpose should be to give an assurance that these are reasonable. This should take into account the cost of meeting venues and stakeholder engagements as well as members' travel and subsistence. It was agreed that a regular summary report would be sufficient for this purpose. Members also noted that the Chair of the ARAC had previously reviewed the Chairman's expenses prior to approval; it was no longer felt that this was necessary and the process could be amended to permit their approval by the Chief Executive.

It was agreed that the minutes of meetings could be included with Board papers subject to their availability, and that the papers from Committee meetings could be made available to the whole Board on Decision Time for information, after meetings had taken place.

5. Papers for Noting

5 (i) E-Learning Platform

The Board noted the content of an update on industry support provided via Tourism NI's new e-learning platform.

5 (ii) Market Outlook

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

5 (ii) Draft Agenda for March Board Meeting

The Board noted the draft agenda for its next meeting and agreed that as the proposal is to visit the Newry, Mourne and Down District Council area, it would be useful to have a deep dive presentation from the Council on its Mourne Gateway City Deal Project. In addition the Board agreed it would be useful to have a tour of a local visitor attraction and proposed a visit to NearyNógs.

The Board discussed the selection process for meeting venues. Noting that a business case was drawn up for this purpose, Members considered the measures by which progress should be evaluated.

6. Any Other Business

6 (i) Board Engagements Planner

The Board discussed its programme of forthcoming engagements. Members were asked to note the proposed date of the NI Tourism Conference on 23 April and the rescheduled dinner with the Board of Tourism Ireland on 1 May. Arrangements were outlined for the forthcoming Meet the Buyer workshop on 9-10 April.

6 (ii) Recruitment and Selection Training

The Board was advised of the requirement to have a pool of members trained in recruitment and selection, for possible participation on interview panels should senior posts become vacant. The Chairman and Linda MacHugh advised that they had already undertaken recent relevant training, and John Hood and Karly Greene agreed to participate in training subject to suitability of dates.

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

7. Date of Next Meeting

The next Board Meeting will be held on Thursday 21 March in the Newry and Mourne area.