

## Board Meeting 7 July 2020

### TOURISM NORTHERN IRELAND MINUTES OF EXTRAORDINARY BOARD MEETING HELD REMOTELY BY VIDEO CONFERENCING ON TUESDAY 7 JULY 2020

Participating:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Mr John West
- Ms Patricia Corbett
- Mr Colin Neill
- Ms Michele Shirlow
- Mr Geoff Wilson
- Mr Terry McCartney
- Ms Colette Brown, Board Apprentice
- Mr John McGrillen, Chief Executive
- Ms Rosemarie McHugh, Director of Product Development
- Mr Dave Vincent, Chief Digital Officer
- Mr Jim Daly, Executive Support Team

## 1. Introduction

The Chairman opened the meeting with a reminder that the minutes would be published. There were no apologies and no conflicts of interest declared in relation to agenda items.

The Chairman advised that the purpose of the extraordinary Board Meeting was to discuss in greater detail the impact of the Covid-19 outbreak upon the tourism sector and the role that Tourism NI should play in actions to mitigate this, as well as proposals for how Tourism NI should use its resource for capital programmes.

Additionally, the Board was asked to consider a nominee to the Audit and Risk Committee.

## 2. Items for Discussion

### 2 (i) Impact of Covid-19 Outbreak on Tourism Industry

The Chief Executive delivered a presentation that set out the expected impacts of the pandemic. This includes a potential expected double digit economic contraction, in which the tourism and hospitality sector will be particularly affected. Projected job losses were also set out with the impact expected to be felt by young and low income families especially, with 50% of the population being expected to spend less on holidays. The studies presented showed the sector

recovering in 2022 or more likely 2023. As a result, recommendations were that the priority for promotion during 2022 should be the all-Ireland market, with communications focused on holidays at home.

It was recommended that the over-riding focus should be on supporting SMEs and protecting jobs.

The Board was also advised that DfE's published COVID-19 Recovery Programme centres on high growth sectors and higher paid jobs with only a fleeting reference to the tourism and hospitality sectors. The Board noted that the business support available from government had been of limited benefit to the tourism sector to date however with the right sort of intervention, it was observed that tourism and hospitality have the potential to be sectors of the economy to recover most quickly.

Members discussed the challenges faced by Tourism NI and the sector in general. The Department's focus on a productivity-led response was considered and it was suggested that attention should also focus on the job creation potential of the tourism sector post COVID and the role that tourism plays as a driver of balanced regional growth.

The Board debated how best to articulate tourism's contribution to the wider outcomes set out in the Programme for Government so that Tourism NI can influence strategy and policy more meaningfully. Members suggested there was a need to be intelligent about presenting messages and how to emphasise tourism's contribution at a local level in order to secure political support. The Republic of Ireland's post-crash economic recovery was noted to be an exemplar of tourism's capability to quickly stimulate revival.

It was felt that a dual approach was required that could demonstrate tourism's immediate impact in saving jobs, while making the strategic case for its importance in the longer term.

The draft Recovery Plan produced by the Tourism Recovery Working Group and the Task & Finish Groups was noted. It was emphasised that the recovery plan remains a work in progress and that not every issue highlighted within it will be regarded by Government as a priority. Any bids for funding that do eventually get identified as a priority will need to be supported by a detailed business case.

The Board moved on to discussing next steps. The Board felt it had an advocacy role to play so that those within government departments fully understand the value of tourism and there was a need for a sustained and co-ordinated media campaign of messaging that emphasises this in a clear and concise way.

Members commented that tourism also sustains access and transport links which is important in the context of the UK's exit from the EU. The Board also commented on the need for sustainability to be central to any future strategic thinking.

The Chairman summarised the issues as being money, messaging and mobilisation. It was noted that promoting the case for tourism is the role of the Board and the industry's representative bodies, rather than the executive team.

The Chairman is continuously making this case with the Department, the issue is how to effectively gain traction. He believed that whilst the Minister and her team clearly understood the

importance of tourism and showed a willingness to support it, this was not reflected in the policy documents being produced by policy makers within the Department. The Chief Executive advised that he has regular meetings with the Permanent Secretary who understood the potential and importance of the tourism sector. The Board again suggested that the contribution to meeting PFG objectives might represent a more effective means of getting messages across.

Key issues arising from the discussion were noted to be the contribution that tourism makes to fulfilling PFG objectives; the need for action that secures jobs; the potential to identify key influencers who might make an impact in pressing the tourism case with government and the audiences likely to be most responsive to such messages.

It was noted that stakeholder engagement had been discussed at the Board's awayday in February and there was scope to move that work forward. This might include offering familiarisation activity to new senior officials expected to be incoming at DfE.

The Board agreed that the stakeholder engagement work begun at the awayday should be revived and completed with a view to identifying key audiences and messages, and creating an action plan for implementation – it was agreed that Angelina Fusco could support this work as the Board's representative (**ACTION:** JMcG).

## **2 (ii) Role of Tourism NI in Supporting Recovery**

The draft Tourism Recovery Action Plan had been alluded to during the previous discussion and was now considered in more detail. It was emphasised that this is a work in progress collating the findings and requests from the Task and Finish Groups. The Board was invited to give its input to the plan and advised that work still needed to be done in refining the plan and identifying priorities, including understanding what the Minister's priorities will be and those areas of activity most likely to attract support and resource. The Board also noted the announcement of a tourism kickstart fund by Westminster, which would include resource for Northern Ireland.

## **2 (iii) Tourism NI Capital Programmes**

The Director of Product Development set out recommendations for a new capital investment programme. In December 2019 Tourism NI sought £4m from DfE to operate an Open Call Programme aimed at delivering new or significantly enhanced visitor attractions. DfE notified Tourism NI in May that it would receive the full £4m, but a separate bid to the Department for capital resource to support a draft Covid-19 Recovery Programme had not been met.

As a result of the outbreak, the market and planning environment had changed fundamentally with many projects now on hold or unlikely to proceed, and businesses less willing to invest as they are more focused on survival strategies. The Board's support was sought for a proposed two strand approach to capital investment by reallocating the £4m and in parallel, seeking a permanent change in legislation to permit Tourism NI more flexibility in the levels of support that it provides to businesses. Approval had already been sought from the Department of Finance through to increase the upper limits on capital support, on a temporary basis, to support action to mitigate the impact of Covid-19.

An outline was given of the proposed reallocation of capital funds with £3m assigned to an Experience Development Programme providing support for new and enhanced demand generator experiences.

It was proposed that support should be provided at rates of up to 80% for projects in the private and voluntary sector, and at a rate of up to 50% for public sector projects. Other resource would be allocated to extending Tourism NI's online platforms for use by local authorities and destination marketing organisations to support the bedding in of the experience brand; to investing in marketing assets and installations; and to a Website Development Programme improving the bookability and attractiveness of experiences.

Discussing the proposals Members asked if the proposed upper limit of 80% support could be justified and if it might mean that resources cannot be distributed more widely. It was emphasised that this level of support will not be provided in all instances but only where it is deemed appropriate.

Additionally, the existing legislation is almost thirty years old and designed with different market conditions in mind. Securing a change would grant Tourism NI greater flexibility in supporting worthwhile projects and in all cases these will be subject to rigorous testing in order to demonstrate that higher levels of intervention are necessary. Any offers of support at the enhanced level would be time limited and specific to the current circumstances, while longer term changes to legislation are sought. The Board was also advised that projects would have access to a limited amount of funding from DAERA with a similar level of contribution.

The Board approved the proposals for reallocating the £4m capital fund and also approved the proposal to seek a permanent change to legislation that will permit Tourism NI greater flexibility in how it supports businesses in future.

## **2 (iv) Risk and Audit Committee**

The Chairman advised that following the departure of Michael McQuillan there was a need to appoint a new member of the Risk and Audit Committee. As Chair of the Committee, Angelina Fusco gave an overview of its functions and work programme. John West offered his services and the Board was content to endorse his nomination to the Committee.


## **3. Any Other Business**

### **3 (i) HMS Caroline**

The Chief Executive advised the Board that HMS Caroline had been closed to visitors since 17 March and that DfE had proposed to the National Museum of the Royal Navy that the attraction's closure should be extended to 31 December, in order to resolve issues in relation to its running costs and management. It was confirmed for the Board that this would not represent a breach of the Letter of Offer issued to the project. The Board noted the update.

### 3 (ii) Game of Thrones Legacy Project

(Exempt from disclosure under 'Section 43 – Commercial Interests' of the Freedom of Information Act 2000)



## 4. Conclusion

As there was no further business, the Chairman thanked the Executive Team for the papers supplied to support the discussions and brought the meeting to a close.