

Board Meeting 7 May 2020

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD REMOTELY BY VIDEO CONFERENCING ON THURSDAY 7 MAY 2020

Participating:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Mr Colin Neill
- Ms Michele Shirlow
- Mr Geoff Wilson
- Mr Terry McCartney
- Ms Colette Brown, Board Apprentice
- Mr John McGrillen, Chief Executive
- Ms Jill McKee, Director of Finance
- Ms Jill O'Reilly, Acting Director of Organisational Development and HR
- Ms Aine Kearney, Director of Business Support and Events
- Ms Naomi Waite, Director of Marketing
- Ms Rosemarie McHugh, Director of Product Development
- Mr Dave Vincent, Chief Digital Officer
- Mr Jim Daly, Executive Support Team

1. Introduction

1 (i) Minutes of Last Meeting

The Chairman welcomed participants and reminded them that minutes of the meeting will be published. No apologies were recorded. He advised that the meeting agenda had been altered slightly to permit an earlier discussion of the Operating Plan and budget. He also asked if anyone wished to declare interests in relation to agenda items. It was agreed that Geoff Wilson should withdraw from discussion of events casework submissions by the Finance and Casework Committee.

Minutes of the Board Meeting held at Tourism NI headquarters on 19 March 2020 were approved as an accurate record.

1 (i) Matters Arising from Previous Meeting

The Board reviewed a schedule of action points from its previous meeting. A number of agreed actions had been postponed until further notice in light of the Covid-19 outbreak. These included

discussion of a report on the China market and a presentation by the Odyssey Trust. The Chief Executive advised that while the strategic landscape had changed almost entirely, it was felt that a presentation by Anna Pollock of Conscious Travel might prove of benefit to the work of the Minister's new Steering Group overseeing tourism recovery.

The Chairman gave an update on the process to appoint three new Board Members. He took this opportunity to record his personal thanks to Michael McQuillan for his support and contribution to the Board's work over the past seven years. The Board warmly endorsed the Chairman's remarks and agreed to arrange a presentation to Michael from his fellow Members.

The Chief Executive stated that it was no longer felt appropriate to proceed with the Northern Ireland Tourism Awards and the process, which had already been postponed, was now cancelled. Members were also advised that organisers of the Board Apprentice initiative had been in touch to ask if Tourism NI wished to proceed with its previously agreed participation in the scheme for a further year. The Board ratified its earlier decision and agreed to continue.

2. Discussion Items

2 (i) Tourism NI Operating Plan

The new draft Operating Plan for 2020-21 was presented. At a workshop in February the Board agreed a number of priorities for the coming year, taking into account factors such as the expected impact of the UK's exit from the European Union and an environment of budgetary constraint. This initial work was ahead of the full impact of the Covid-19 outbreak becoming apparent; the strategic and economic environment had since changed to such an extent that the Operating Plan needed to be reconsidered in its entirety.

Tourism NI had received correspondence from DfE advising of its initial budget allocation for the year. This is broken down into £10.792m for programme activity and £7.757m for administration, the latter including a small increase to cover pensions and salaries. A subsequent letter from DfE's Permanent Secretary asked Tourism NI to review its Operating Plan to identify activity that would not proceed as a result of the Covid-19 outbreak, with the expectation that the associated resources would have to be surrendered. Accordingly the Senior Management Team had undertaken a review of the Operating Plan and workstreams potentially under question included events, business tourism, golf marketing and media familiarisation visits. In total a sum of £1,014,000 had been identified. The Chief Executive acknowledged the efforts that Tourism NI's directors had made to respond positively to the Permanent Secretary's request and establish quickly those areas where resource might be released.

The Board was also advised of a bid to the Department for resource specifically to address the impact of the Covid-19 outbreak over the next year, taking in activity to support destination competitiveness, a research and market intelligence programme to monitor fast changing visitor preferences, and an extended marketing campaign. Failte Ireland was understood to have secured a substantial budget for such activity in the ROI. It was observed that DfE urgently needs to understand the need to maintain Northern Ireland's share of voice on the island, given that the tourism sector's recovery will be driven almost entirely by demand from close to home markets.

Asking if the bid of £0.5m for research was considered essential, Members were advised that there is a need for regular market reviews and testing of consumer sentiment, to understand

where, when and how marketing messages must be deployed and keep pace with visitors' motivations in what had become a volatile environment. The Chief Executive stated that each element of the bid for resource would be supported by a robust rationale. Other Members supported the proposal, commenting that the industry needs a clear understanding of visitors' intentions so that it can respond with appropriate activity in terms of offers and services. To that end research has a critical role to play in informing business and industry support. The Chairman remarked that Tourism NI was best placed to advise the Department how resources to support the industry should be used.

The Board was advised of the proposed measures to support industry competitiveness. It was observed that Tourism NI's role would be to identify and support those businesses most likely to survive. However as analysis and stress testing carried out so far indicated that the failure rate for businesses is likely to remain high, there would be a need also to support business owners in making prompt and possibly difficult decisions as to their future. It was emphasised that product development activity would also need to continue, to enhance Northern Ireland's competitiveness in the new operating environment. The Tourism Enterprise Development (TED) programme would also be expanded to further support the development of businesses' capabilities.

The Board was advised that there was no clear timeline for a decision on the bid but all information is due to be delivered to DfE by 13 May. The Minister's commitment to establishing a Tourism Recovery Steering Group was also felt to be a reassuring sign. Members thanked the Senior Management Team and in particular the Directors of Marketing and Product Development for their work on the Operating Plan and the Resource bid. The Board approved the Operating Plan and the associated budget allocation, and the detail of the additional resource bid.

2 (ii) Covid-19 (Coronavirus) Update

The Chief Executive presented a report highlighting action since the last Board Meeting to respond to the Covid-19 outbreak, to support the industry and to protect Tourism NI staff and ensure business continuity. He paid tribute to the commitment that staff had shown in supporting the industry while adjusting to working from home, often while caring for dependents. He also singled out Hospitality Ulster, the Northern Ireland Hotels Federation and the Northern Ireland Tourism Alliance for their roles in helping to co-ordinate the early response to the crisis and facilitating Tourism NI's industry survey which provided an evidence base for tourism-specific intervention.

The helpline established by Tourism NI and supported with specialist business and legal advice had played a crucial role in supporting businesses during the early days of lockdown and while calls had tapered off this represented a valued resource. In addition Tourism NI had extended its Tourism Enterprise Development programme with webinars and workshops offering practical advice to businesses impacted by the outbreak. Work had already been underway to upgrade Tourism NI's online platforms and had been accelerated; with the launch now due in a few weeks this had proven indispensable in positioning Tourism NI to lead the drive to support the industry.

The Board was also advised that ten staff from the Funding and Monitoring team had been redeployed to support the Department in processing the £25k emergency grants to businesses impacted by the outbreak. Members suggested that the Department should be asked to cover the salary costs of seconded staff and it was agreed that this should be investigated (**ACTION:** JMcG). An evaluation was undertaken of tourism businesses in receipt of emergency support; from this it was estimated that some 77% of tourism businesses were unlikely to receive assistance.

The Board was also advised that Tourism NI's Chief Digital Officer had been seconded to support the NI Executive in establishing the infrastructure supporting its Covid-19 response hub.

The Chief Executive also reported on the first meeting of the Working Group which the Minister had asked him to chair, in order to harness the key issues emerging across the industry and feed these back to the recovery Steering Group. Regular analysis would be essential to the effectiveness of these groups and through a government framework already in place, Tourism NI had engaged EY to undertake a wide-ranging economic evaluation to support this work.

It was observed that Tourism NI's work with the industry had been characterised by a positive spirit of support and collaboration at all levels of the organisation, and the Board expressed the hope that this would persist beyond the current emergency. Collective communications with staff had been maintained through remote briefings and a series of well-received weekly blogs and it was agreed that these would be shared with the Board. A survey of staff attitudes conducted a few weeks after the transition to home working had returned favourable results.

A great deal of groundwork had been done in recent months to establish Tourism NI's capacity for flexible working of this nature. It was acknowledged that this preparatory work had played a critical role in ensuring business continuity. The Board echoed the Chief Executive's remarks commending staff for the speed and ease with which they had transitioned to working from home. In particular the IT and HR teams had played a valuable role by putting in place a robust and stable digital infrastructure that underpinned the change. It was likely that the current working arrangements would be in place for some time to come and consideration was being given to the long-term implications for the office environment.

The Board also noted that one member of staff had become seriously ill as a result of the outbreak and extended their best wishes for a speedy recovery.

3. Reports

3 (i) Chairman's Report

The Chairman gave a short verbal update on his engagements since the last Board Meeting. He advised that he hoped that the process to appoint new Board Members would be complete within the next few weeks. He advised he had been appointed to the Minister's Tourism Recovery Steering Group, as had Colin Neill, representing Hospitality Ulster. He also reported that ongoing engagement with prospective investors had paused pending greater clarity on recovery plans.

3 (ii) Chief Executive's Report

The Board noted the content of the Chief Executive's report. In addition to setting out key areas of work being undertaken in response to the Covid-19 outbreak, updates were given as follows:

Peace Plus Programme – The Board was advised that Tourism NI and Failte Ireland both had input to this new programme of European support, which is expected to include a tourism element.

Belfast City Region Deals – Work was underway to reassess the extent of market demand for the tourism projects associated with the deal. The projects had been paused for the time being and

the outline business cases will require revision, given that the business landscape had changed so significantly.

Game of Thrones Legacy Project – (this section is exempt from disclosure under ‘Section 43 – Commercial Interests’ – of the Freedom of Information Act 2000)

The Chief Executive advised the Board of the publication of the latest visitor statistics. These indicated that prior to the outbreak Northern Ireland had been on course to achieve record visitor numbers and £1bn tourist spend, reinforcing the case for tourism’s potential to act as a driver of economic growth. The Board asked if this represented an opportunity to move NISRA towards the production of more meaningful data by placing a dedicated people resource within Tourism NI; however the Board was advised that NISRA’s focus was on its statistical and statutory role and there would be no appetite for an arrangement of this nature, or to take on management of the planned data hub.

3 (iii) Sub-Committee Updates

Audit and Risk Committee - The Board was advised that the Committee is next due to meet on 8 June and a report will be given at the June Board Meeting.

Finance and Casework Committee – The Committee Chair, Michele Shirlow gave a report on two meetings held in the last week. At the meeting on Thursday 30 April, the Committee received a report on the final budget position at the end of Quarter 4 2019-20. The issues relating to the opening budget allocation for 2020-21, were touched upon but the Committee had agreed that this needed to be considered by the Board. The Committee had also approved new Terms of Reference to permit the addition of its new independent member Catherine Doran.

At its second meeting the Committee discussed options for running the events programme in the current circumstances and considered a number of events casework submissions in that context. The Committee had agreed that for the National Events Sponsorship Scheme, Tourism NI could proceed with making offers of sponsorship on the basis that the events would proceed and the agreed benefits will be delivered. For the International Events Programme, the Committee discussed the risk associated with the likelihood that large-scale events might not be permitted to proceed. It was agreed that the Committee should propose to the Board that the programme should be paused and event organisers encouraged to suspend their plans where possible. A number of events had indicated their intention to proceed and the Committee recommended that where offers of support had issued, Tourism NI would work with DfE on issuing amended Letters of Offer guaranteeing support for eligible costs already incurred. Where possible, offers would be made providing ‘in principle’ support for events rolled over to 2021-22. One other option being discussed with DfE although not agreed as yet was the potential to increase the rate of support.

Noting that there was still no clarity on the public health guidance for events, it was agreed that the Board should write to seek this. It was noted that the Chief Medical Officer would be unlikely to permit large scale events for some time. The Board was advised that with significant numbers

of events not proceeding it was expected that at least £430k would be saved from the programme.

The Board endorsed the Committee's recommendations and agreed that the urgent priorities were to ask event organisers to pause work where possible, and to seek guidance from DfE whether events will be permitted and if so, on what scale (**ACTION**: AK).

4. Governance

4 (i) Quarter IV 2019-20 Reports – Operating Plan

The Board was presented with a report setting out performance at the end of the financial year against the objectives in the 2019-20 Operating Plan. In what had been an exceptionally busy year Tourism NI had achieved most of its objectives, with key areas of work including the successful delivery of the 148th Open at Royal Portrush and the launch of the Northern Ireland: Embrace A Giant Spirit experience brand. Statistics for the year to date indicated that prior to the emergence of the Covid-19 novel coronavirus, Northern Ireland had been on course to achieve record visitor figures and spend.

Areas where Tourism NI had not achieved its objectives related to activity in preparation for the UK's exit from the EU, for which it had not been possible to secure additional resource from government, and a number of targets impacted by the coronavirus outbreak.

4 (ii) Quarter IV 2019-20 Reports – Risk Register

A summary report was presented on actions to manage risk as at the year end. The Board was advised that the Audit and Risk Committee would be reviewing a more detailed report at its forthcoming meeting and it was agreed that this could be shared with the Board. Reporting on the later part of the year had been dominated by the new risk associated with responding to the Covid-19 outbreak. Members commented that they were reassured by the actions taken by the Senior Management Team to address the urgent risk.

5. Items for Noting

5 (i) Draft Agenda for Next Board Meeting

The Board noted a proposed draft agenda for its next meeting and agreed that for the foreseeable future, the Board's work is likely to focus on action to mitigate the impact of the industry on the Covid-19 outbreak and support market recovery. The Board suggested that in the interim it might be useful to receive short, remote verbal briefings at the Chief Executive's discretion and agreed that it would not be necessary to provide papers in advance of any such briefing (**ACTION**: JMcG).

5 (ii) Market Recovery Presentation

The Board agreed to defer until a suitable future date a presentation on planning for a marketing campaign to support industry recovery (**ACTION**: NW).

6. Any Other Business

Prior to closing the meeting the Board held a short discussion of preparations for the eventual reopening of the industry and the messages that Tourism NI should consider. In particular it was felt that consideration must be given to how ongoing restrictions on movement of people might impact the normal Quality and Standards requirements and that businesses should not be penalised for issues outwith their control. The Board was advised that while no clarity had yet been forthcoming from the government, Tourism NI was looking carefully at a common standards approach being implemented by other UK regions and activity by Failte Ireland.

The Board commented on the need for messages that will reassure the industry and this is to be followed up in discussions with DfE (**ACTION:** JMcG). It was observed that there was no certainty that the NI Executive would follow central government's approach and indications were that it might adopt a more cautious approach to reopening, influenced by the Chief Medical Officer's advice.

7. Date of Next Meeting

The next Board Meeting is due to take place on Thursday June 2020 by videoconferencing if required. The Chairman closed the meeting by thanking the Board, the Senior Management Team and Tourism NI staff for their continuing efforts to support the industry's survival and to prepare for recovery.