

Board Meeting 10 November 2022

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD AT MOUNT STEWART ON THURSDAY 10 NOVEMBER 2022

Participating:

- Ms Ellvena Graham OBE (Chair)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Ms Patricia Corbett
- Mr John West
- Ms Michele Shirlow
- Mr Geoff Wilson
- Mr Colin Neill
- Mr Terry McCartney
- Mr Stephen Garvin

In attendance:

- Mr John McGrillen, Chief Executive
- Ms Naomi Waite, Director of Marketing
- Ms Lesley Shannon, Head of Finance
- Mr Jim Daly, Executive Support Team

1. Introduction / Standing Items

The Chair welcomed participants and reminded them that minutes of the meeting will be published. Attendees were asked if they wished to declare interests or conflicts in relation to agenda items. No declarations were made.

1 (i) Minutes of Previous Board Meeting

Minutes of the Board Meeting held on 6th October 2022 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. Members had previously asked for an economic outlook briefing. As Tourism NI hopes to engage EY to deliver a regular tourism-specific economic forecast, it was proposed that they could provide this. Approval to proceed is still awaited from Construction and Procurement Delivery (CPD) and the Board asked the Chief Executive to look into options for expediting this (**ACTION**: JMcG).

An update was given on the proposal to invite the DfC Permanent Secretary to a forthcoming Board meeting for a discussion of skills.

Papers on proposals for the draft Tourism Strategy had been circulated to Board Members for information. Members discussed the corporate risk relating to delay in producing a new strategy.

Members also raised the issue of expenses and asked if management could explore the possibility of raising the daily subsistence limit, as inflationary pressures mean that the current maximum allowance is insufficient to meet the needs of staff travelling away with work (**ACTION: JMcG**).

2. Items for Discussion

2 (i) Marketing Impact

The Director of Marketing presented a paper quantifying the impact and reach of Tourism NI's marketing and promotions activity. The Board was advised of the Department for Economy's (DfE) interest in the issue, given that Tourism Ireland had established a 'Return on Marketing Investment' Sub-Committee to assess the effectiveness of its own such activity. It was stressed that quantifying the impacts is not straightforward given the range of influences on consumers' decisions.

The Board commented that Tourism NI should simply present the evidence already available, to set out what its marketing investment had achieved. In that respect it was emphasised that the performance has been very positive, with activity over the last five years of official visitor statistics demonstrating a £1.86bn return for the economy.

When discussing future targets, the Board suggested that the ambition of Northern Ireland securing 10% of all trips taken on the island of Ireland by ROI residents was too low and requires a more stretching target. Members also commented on the need for the industry to be more active in converting Tourism NI's promotional activity into business. To help achieve this, Tourism NI should choose how and where it targets its support. It was noted that Covid support programmes, both with the industry and local authorities, had demonstrated the value and effectiveness of collaborative working. The Board was advised that the ROI Steering Group had agreed to a further mini-review at the eighteen months point and this is due to take place next year.

Members also discussed data collation and the need for Tourism NI to assess how to make best use of limited resources for the activity that it undertakes so it may target specific messages at clearly defined markets and segments. The Board discussed how the outcomes achieved by Tourism NI can best be benchmarked against those for other destinations, to better demonstrate the effectiveness of its marketing activity.

In that regard it was noted that with just a quarter of the budget that Tourism Ireland has for the same activity, TNI had helped Northern Ireland to secure 60% of all its visitor revenue from the ROI. Members agreed there was a need to communicate such messages more succinctly to TNI's key stakeholders. It was stressed that consideration also needed to be given to the 'lifetime' value of ROI visitors and their potential for return visits.

The Board also discussed the lag factor between PR activity and the realisation of the benefits of this work, emphasising that the benefits of marketing investment results in greater brand awareness which delivers longer-term impacts.

Members commented that these issues would merit further discussion at the Board's forthcoming dinner with the Board of Tourism Ireland, in particular the need to ensure that the Department fully understands the purpose and value of destination marketing. The Board emphasised that these messages need to be presented simply and with clarity in order to make the point as forcefully as possible.

There was also a discussion of how the impact of marketing and promotional activity can often be negated by unhelpful imagery of Northern Ireland and civic unrest that was difficult to overcome and it was noted that fluctuations in visitor spend could potentially give a real-time indicator of the impact of this activity.

3. Items for Decision

3 (i) Tourism Exchange

The Board was presented with a request to approve a Direct Award Contract to continue with the Tourism Exchange (TXGB) online marketing and sales platform for a further year, subject to approval from CPD. This followed a twelve-month pilot of the platform and while initially take-up by the industry had been slow this was now gaining momentum with more businesses taking part with a demonstrable uplift in online sales as a result.

The Board approved the proposal and suggested that to more fully evaluate the benefits that businesses derive from participation a two-year contract with a break clause after one year would be a more effective arrangement. (**ACTION:** NW).

3 (ii) Ratification of Approval – DAC for Finance Team Support

The Board ratified its approval by correspondence of a Direct Award Contract to secure additional resource to temporarily support the work of Tourism NI's Finance Team.

3 (iii) Conference and Incentive Pilot Support Scheme

The Board was presented with a proposal to extend Tourism NI's current Conference Support Scheme on a pilot basis to 31 March 2022, to include support to secure corporate and incentive meetings.

The Board granted approval for the investment, subject to the proposed approach being acceptable to the Internal Audit Service and on the understanding that any recommendations made by IAS would be built into the scheme's governance arrangements.

3 (iv) Tourism NI Annual Report and Accounts 2020-21

A verbal update was given on the latest position in relation to approval of the accounts. Tourism NI's Audit and Risk Assurance Committee met on 26 October and received an update from the Audit Office regarding the issue of payments to Tourism Ireland, which still requires resolution.

The approach proposed by DfE to this and future payments would result in Tourism NI having to accept a technical qualification of its accounts as the Tourism Ireland business case must be approved by the NSMC and this is not possible given the current political impasse.

The Committee agreed that this should be presented to the Board for decision and the Chair and CEO had subsequently met with DfE to discuss the issue further and seek clarification of the Department's proposals, and its expectations of Tourism NI's role in oversight of the payments to Tourism Ireland. It was noted that Tourism NI is reliant on the Department for the allocation of the resource to be paid to Tourism Ireland and there is no risk of an overpayment taking place.

Having considered all the relevant factors, Members indicated that the Board would agree to sign off on the 2020-21 Annual Accounts and reluctantly accepted that this would result in a technical qualification of the accounts. Members emphasised that it was important that the Department agreed to find an early resolution to the circumstances which necessitated this arrangement so that it could make direct payments to Tourism Ireland in the future. It was felt that the additional meeting with DfE had been helpful in ensuring that Department officials more fully understand the Board's role in decision-making and that it underlined the requirement for better partner working in the future.

4. Governance

4 (i) Quarter II Reports - Operating Plan 2022-23 Performance

The Board noted a report detailing progress made against Operating Plan objectives at the end of Quarter II. Members commended the Senior Management Team and staff for the performance during the quarter.

4 (i) Quarter II Reports – Risk Management

A report was presented on management of corporate risks at the end of Quarter II. The Board was advised that one new risk had been added to the register, relating to the potential for substantial reduction in Tourism NI's budget as a result of the public expenditure deficit. It was felt that in general there were too many risks were included on the register and that there was a need to review the content of the register. Members felt that the register should focus on those risks which the organisation could control and used to progress issues such as strategy development and legislative reform. It was agreed that this could be considered at the Board's forthcoming awayday planned for February (**ACTION: DE**).

5. Reports

5 (i) Chair's Report

The Board noted a list of engagements undertaken in the period since the last meeting. Reflecting on the Giant Spirit Awards the Chair commended Tourism NI staff for the work they had put into making the event a great success. An update was also given on the process to recruit new Board Members in the absence of a Minister to approve appointments.

The Chair also gave a short update on her attendance at World Travel Market and observed that while some NI tourism businesses do use the event well, there is scope for many more to make better use of the platform to boost their profile. It was suggested that councils should be asked to consider how they can better collaborate with local experience providers for this purpose (**ACTION: NW**).

5 (ii) Chief Executive's Report

The content of the report was noted and the Chief Executive provided updates on a number of issues. An update was given on the current budget position and measures that can be taken to ensure Tourism NI's full budget allocation is spent by the financial year end. The Board was advised that the Department had also asked Tourism NI to urgently identify any uncommitted spend in order to help address the deficit in public finances.

The Board was also advised that the CEO and Chair will attend a meeting with DOF to help scope out the parameters of a review of Tourism NI as part of a comprehensive review of arms-length bodies across Government.

Members also received a report outlining issues associated with the recovery of costs for Tourism NI's certification and classification schemes. The Department had advised Tourism NI that it may need to charge fees for certification activity undertaken during the COVID period and had also asked that TNI temporarily suspends the delivery of its classification scheme. The Board commented that this again underlined the urgent need for a review of the relevant legislation.

The Board also was asked to note the date of a forthcoming dinner with the Board of Tourism Ireland and it was agreed that an agenda should be drawn up with Tourism Ireland in advance of the dinner.

An update was also given on a grievance case.

5 (iii) Sub-Committee Reports

Reports were given by the sub-committee chairs as follows:

Audit and Risk Assurance Committee – following on from the update given earlier in the meeting on the annual Report and Accounts, Members noted the minutes of the meeting held on 26 October.

Finance and Casework Committee – Michele Shirlow reported on a meeting held on 1st November. The Committee reviewed a Finance Report as at the end of September and discussed options for dealing with potential areas of underspend. In respect of capital budgets the Board was advised of a proposal to surrender resource earmarked for the Experience Development Programme. The action was felt to be necessary as many projects being funded under the programme were experiencing substantial cost increases and delays in material supplies and would be unlikely to be complete by the end of the financial year. Given that no assurances could be provided that funding would be available next year should projects overrun some project promoters have reluctantly withdrawn from the scheme. The Board was advised that the Committee had scrutinised the issue closely to examine alternatives and endorsed the approach.

The Committee had also noted the current expenditure profile following the latest budget profiling exercise. Board Members also noted a report on expenses and were reminded of the need to submit claims within the set timeframe.

Marketing Sub-Committee – the Board was advised that a meeting of the Marketing sub-Committee scheduled for 9 November had been postponed.

6. Papers for Noting

6 (i) Market Outlook

The Board noted the content of the latest Market Outlook update prepared by the Insights and Intelligence team.

6 (ii) Draft Agenda for December Board Meeting

The Board noted the draft agenda for its next meeting. It was suggested that the start time of the meeting should be brought back to around noon, with a 'deep dive' session preceding that from 11.00 am, with the Department being asked to present on its work to date on the tourism strategy.

Other topics were suggested for future deep dives including presentations from National Museums NI, VisitBelfast, the National Lottery Heritage Fund and the Department for Communities.

7. Any Other Business

As there were no other items of substantive business, the Chair thanked members and brought the meeting to a close.

8. Date of Next Meeting

The next Board Meeting will be held on Thursday 15th December 2022.