

Board Meeting 30 March 2023

**TOURISM NORTHERN IRELAND
MINUTES OF BOARD MEETING
HELD AT MAGHERAMORNE ESTATE, LARNE
ON THURSDAY 30 MARCH 2023**

Participating:

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

In attendance:

- David Roberts, Director of Strategic Development
- Mr Jim Daly, Executive Support Team

Apologies:

- Mr John McGrillen, Chief Executive
- Ms Naomi Waite, Director of Marketing

1. Introduction / Standing Items

The Chair welcomed participants and reminded them that minutes of the meeting will be published. On behalf of the Board, she sent best wishes for a speedy recovery to Tourism NI's Chief Executive John McGrillen and Director of Marketing Naomi Waite, who were unable to attend the meeting due to illness.

Attendees were asked if they wished to declare interests or conflicts in relation to agenda items. No declarations were made at this point. The Chair invited comments on the previous evening's dinner discussion with local stakeholders, and Members agreed that this had been a very positive and constructive engagement.

1 (i) Minutes of Previous Board Meeting

Minutes of the Board Meeting held on 26th January 2023 were presented for the Board's approval. Members requested an amendment to item 2 (ii) in respect of the HR report and staff engagement survey, asking that an update be given in six months on progress against an action plan (**ACTION: LF**).

1 (ii) Matters Arising – Actions from Previous Meeting

The Board noted the status of actions agreed at its last meeting, most of which were either complete or ongoing. Members received an update on the timeline for completion of a partnership agreement between Tourism NI and the Department for Economy (DfE).

2. Items for Discussion

2 (i) Tourism NI Budget 2023-24

The Board was presented with a draft budget for the delivery of activity in 2023/24, taking account of the advice from the Department that a reduction in budget was inevitable and that it was likely to be significant. In this scenario, the proposals focused on the key areas to be prioritised and the implications of receiving a much lower budget allocation than in previous years.

Board Members were advised that the planning undertaken by the SMT was based on a potential reduction in the resource budget of 20% in 2023/24, compared to the 2022/23 opening budget. Given that the resource budget contains inescapable commitments including salaries and administration costs, it was highlighted that such an allocation would mean there is likely to be a substantially greater impact on programme activity and support to the industry. It was also highlighted that SMT had worked through each budget line in detail in order to identify those areas of greatest impact and also to specify where further efficiencies could be generated. As a result Members were advised that whilst further modest savings may be possible on some operating costs, the room for budget transfers was limited given that proposed activity in many areas had already been significantly pared back.

At the outset of the discussion, Colin Neill highlighted a potential interest as Hospitality Ulster receives support from Tourism NI. It was not felt to be necessary for him to withdraw from the discussion, given that it was considering the overall shape and focus of the draft budget.

A wide-ranging discussion ensued on the draft budget and proposals presented in the paper and the underlying assumptions.

The Board stressed the need for the 2023/24 budget and activity to deliver against a number of key principles:

- Focusing on those areas of activity with the greatest impact
- Ensuring that staff resource was aligned to key activities, including moving to in-house delivery where appropriate in order to generate savings
- Identifying new ways of working or different ways of achieving outcomes, including leveraging the resources of stakeholders.

- Ensuring that activities were fully aligned with partners including DMOs and Councils with any remaining duplication eliminated.

Members also stressed the need to ensure that staff resource is properly aligned to activity and deployed to best effect, which might involve staff taking on activity that is currently outsourced but can be brought in-house to create savings. They also urged the use of digital and other channels to create efficiencies and highlighted the need to think innovatively.

Members were advised that no plans were envisaged currently for a redundancy programme and that a broader resourcing and alignment review was underway. The Board identified that it will be necessary to manage staff resources very tightly and consider measures such as a recruitment freeze or Board approval of significant new hires which are not in the current recruitment plan.

Members also emphasised the need to be more explicit in the Operating Plan about what can be done differently. In this regard, the Board felt there was activity that Tourism NI might step back from to permit delivery by DMOs and other partners, including Tourism Ireland, Visit Belfast, Visit Derry, VisitBritain, the local authorities and the heritage trusts. Other activity could benefit from a more collaborative approach that maximises the impact of pooled resources. Additionally, bodies such as NITA would need to consider how they can become more self-supporting and less reliant on Tourism NI's support. Rationalising activity in this way would also benefit Tourism NI by reducing duplication of effort.

Turning to marketing, the Board commented that the impetus needs to be maintained on the Republic of Ireland market, particularly those segments which are characterised by higher levels of spend, longer stays and visits in the shoulder season. The Board discussed what the impacts of pausing some marketing activity might be and the channels that could be kept open in order to maximise outcomes from a reduced budget. It was noted that pausing external activity would potentially free up staff resource to focus elsewhere on actions that generate more immediate, high-level returns. The Board also commented that it was essential that the impact of the Tourism NI funding to Tourism Ireland be maximised.

The Board noted the proposals for much more limited promotional activity in golf tourism and suggested that any changes were considered in light of the activity leading up to the return of The Open to Royal Portrush in 2025.

The Board recommended that industry development programmes should focus on one-to-many delivery, making the best use of online channels where possible. As part of the one-to-many support, the Board suggested there is still a need to consider a Tourism Conference, to maintain Tourism NI's reach and visibility with the industry. It was agreed that the Giant Spirit Awards should be paused.

Discussing non-major events, the Board agreed that Tourism NI should only seek to operate the International Tourism Events Funding Programme this year, and not proceed with the National Tourism Events Sponsorship Scheme in 2023/24. In particular, the Board felt that Councils could have a greater role in the funding of local events and that options should be considered for any future sponsorship or similar scheme for events from 2024/25 and beyond.

While the principle is already built into Tourism NI's event schemes, the Board agreed that event organisers should be required in Letters of Offer to do more to become self-sustaining and

commercial. The Board also urged the need to have strong PR messaging in place to manage the expectations of event organisers and other interested parties. Members noted that 'in principle' support had already been approved for a number of international events, subject to budget being available.

Bringing the discussion to a close, the Board asked the Senior Management Team to update the draft budget proposals (including a helicopter view) on the basis of the Board's feedback and to present an updated paper at the next Board Meeting once an allocation had been received from the Department (**ACTION: DR**). It was also agreed to circulate to the Board a briefing document presented to the Marketing Sub-Committee (**ACTION: NW**).

2 (ii) Tourism NI Draft Operating Plan 2023-24

A draft of the Tourism NI Operating Plan for 2023-24 had been presented for Board consideration. However, the Board agreed that in view of the need to revisit and update the Plan in the context of the preceding discussion and the forthcoming budget allocation from the Department, that the draft Plan should be presented again and considered at the next meeting. (**ACTION: DR**). The Board also discussed completion dates for key performance indicators and it was noted that these would be set out within unit plans. Members also suggested there was a need to seek to influence campaigns for the Scottish market and were advised that this issue can be picked up with Tourism Ireland.

2 (iii) Risk Management

The Board was presented with the new draft Risk Register, which had been developed following a recent workshop in which members of the Audit and Risk Assurance Committee had participated. The aim of the workshop had been to develop a narrower and more focused set of risks, relevant to Tourism NI specifically. The Register is to be further discussed at the next meeting of the Audit and Risk Assurance Committee on 26 April 2023 and Members were asked to provide feedback on the draft register to the Committee's Chair, ahead of this date. It was noted that the earlier budget discussion might also affect the direction of the Risk Register as well as development of the Operating Plan. Members commented on the need to be assured that the assumed level of risk attached to each issue is reasonable.

Members also asked if there was a need for Tourism NI to consider developing its own climate change policy and suggested looking at other organisations' work on sustainability / responsible business (**ACTION:DR**).

2 (iv) Independent Review of Invest NI – Implications for Tourism NI

The Board received a presentation that summarised the findings of the recent independent review of Invest NI, which had made a number of recommendations with implications for the work of Tourism NI, including proposals to transfer functions to Tourism NI. It was noted that, as all government bodies are facing the same budgetary issues, there is a need for clarity on what resources, if any, would transfer to Tourism NI along with these functions. It was suggested that the planned appointment of a new Director of Corporate Services for Tourism NI could assist in the smooth transfer of the relevant functions and help to embed the associated governance structures.

To support taking on these functions, the Board emphasised the need to have a comprehensive list of the current key clients. Members also felt that the recommended transfer of functions yet again highlighted the need for an overarching strategy which informs everything that Tourism NI is already required to do including delivery of events. Members discussed the need for a greater focus on the commerciality of events and the need for them to properly become self-supporting and less reliant on assistance. Discussion also touched on the need to promote green growth and the regional spread of benefits in a meaningful way. It was felt that Tourism NI's relationship with local authorities presents opportunities in this regard, reinforced by engagement that has taken place in recent months. Additionally, a great deal of work had been done to embed a compliance culture within Tourism NI that would help avoid legacy issues highlighted in the Invest NI report.

The Board also felt there were opportunities to better promote and communicate services that Tourism NI offers and to align this activity to strategic priorities and to 10X. It was agreed that further consideration will be given to these issues in the coming months (**ACTION: DR**).

3. Papers for Decision

3 (i) Bank Mandate

The Board was presented with a request to approve a new list of authorised cheque signatories for Tourism NI. Members asked if the Senior Management Team was assured that the pool of signatories is sufficiently large to allow for payments to continue in the case of staff absences, and whether there were any limits above which payment could only be authorised by more senior members of staff. It was agreed that clarification would be provided on these issues following the Board Meeting in order for the Board Members to consider whether approval should be granted (**ACTION: LS**).

4. Reports

4 (i) Chair's Report

Members noted the detail of engagements undertaken by the Chair in the period since the last Board Meeting. The Chair provided an update on the appointment of new Board Members, noting that a submission is currently with the Secretary of State for NI for consideration in the absence of an NI Economy Minister.

A report was also provided on the recent participation of the Chair and CEO in a Tourism Ireland sales mission to the USA. This had involved a comprehensive programme of engagements, with a great deal of interest in and positivity about Northern Ireland, focused primarily on the anniversary of the Good Friday Agreement and the continuing peace dividend.

The Board was advised that Deloitte had commenced work on a review of its effectiveness and that a questionnaire would be circulated to Members soon.

The Chair also advised the Board of issues discussed at a meeting with the CEO and Mayor of Armagh, Banbridge and Craigavon Council, including the promotion of the Game of Thrones Studio Tour.

The Board was advised of very positive feedback received following Tourism NI's assistance in staging a recent engagement at Titanic Belfast to promote the work of the Lord Lieutenant.

The Chair also gave feedback on her attendance at Tourism NI's Meet the Buyer event.

4 (ii) Chief Executive's Report

The Board noted the content of the report. David Roberts advised the Board of an ongoing issue in respect of the power to charge fees for Tourism NI's grading scheme for accommodation, which was noted also to affect the grading scheme for visitor attractions and experiences. As a result, Tourism NI had been asked by DfE to pause its grading activity. A submission proposing a way forward is with the Department for consideration. It was noted that the issue did not affect the programme of inspections for the certification of visitor accommodation which was remained live. The Board was also advised that a review of relevant sections of the Tourism (NI) Order is already underway.

4 (iii) Sub-Committee Reports

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

Marketing Sub-Committee – the Committee met on 6 March 2023 and approved revised terms of reference together with a forward work programme. The key agenda item had been the discussion of a strategic approach and new ways of working, in anticipation of the significant reduction in marketing budget for 2023/24.

Geoff Wilson left the meeting briefly to permit the next item to be discussed.

Finance & Casework Committee – the Committee had met twice in the period since the last Board Meeting. Its meeting on 24 February 2023 was attended by a majority of the Board Members, to allow the Board to consider an Outline Business Case for NI to be part of a five-nation bid to host the 2028 Euro Football Championship Finals. After detailed consideration, the Board agreed to endorse the OBC for onward consideration by DfE and DoF, subject to a number of recommendations.

The Committee met again on 10 March 2023 to discuss recommendations for support from the International Tourism Events Funding Programme for 2023/24. The Committee had granted 'in principle' approval for two projects within its delegated limits (NW200 and Derry Halloween) and noted the SMT recommendations on support for nine other events, subject to the availability of budget once Tourism NI's allocation is confirmed. The Committee also approved a recommendation of sponsorship for the ISPS Handa World Invitational and requests for partnership support for the NI Tourism Alliance and the Titanic Maritime Trust, stressing that clarity was urgently needed on Tourism NI's budget allocation.

Audit and Risk Assurance Committee – The Committee had not met in the period since the last Board meeting, but its members had participated in a workshop to develop the new corporate risk register as covered in Item 2 (iii) above.

5. Papers for Noting

5 (i) Market Outlook

The Board noted the content of a report on current visitor trends and the market outlook for coming months.

5 (ii) Draft Agenda for Next Board Meeting

The Board noted the draft agenda for its next meeting scheduled for 4 May 2023.

6. Any Other Business

6 (i) Appointment of Interim CEO

The Board was asked to approve the appointment of David Roberts as interim CEO to permit Tourism NI to carry on its functions during John McGrillen's absence due to ill health. The Board approved the appointment and also approved a letter to DfE requesting that David Roberts be designated temporarily as Tourism NI's Accounting Officer.

6 (ii) Boardroom Apprentice

The Board was advised that the organisers of the Boardroom Apprentice programme had indicated that the Department of Finance will not be able to fund the programme in 2023/24. Consequently, the organisers had written to host Boards participating in the programme asking them to indicate if they are willing to continue to participate if resource becomes available, or alternatively to host the current Board Apprentice for a further year. The Board agreed that Tourism NI was willing to continue with its participation in the programme, as this had been hugely worthwhile. The Chair highlighted that it was evident that individual apprentices clearly benefitted from and valued the experience gained. The current Apprentice attached to Tourism NI, Stephen Garvin, indicated his willingness to continue his involvement in the Tourism NI Board, subject to the agreement of his employer.

6 (ii) Learning Journey to Slovenia

A short report was given on the recent learning journey to Slovenia which had been attended by David Roberts from the SMT alongside Anya O'Connor and Michelle Shirlow from the Board. It was suggested that the Board would benefit from a longer discussion with the facilitators of the learning journey ahead of its next meeting - either at dinner on the evening before the next Board Meeting, or as an extended "deep dive" session immediately prior to the meeting (**ACTION**: DR).

It was also noted that Windsor Park had offered the use of its corporate facilities for a Board Meeting in Belfast.

6 (iii) Quality & Standards – Redesignation of Advisors From Home

The Board received an update on a long-running issue whereby Tourism NI's Quality & Standards advisors experience a financial detriment due to the substantial mileage required to undertake physical inspections at visitor accommodation across NI and the extent to which the mileage policy

enables them to claim back the costs incurred. Tourism NI's proposed solution had been to re-designate the inspector's homes as their places of work. The additional cost was estimated to be approximately £6,000 per annum. This cost, based on the team's analysis, would be more than offset by efficiency savings as well as the benefits of employee engagement and retention.

However, DfE had indicated that, in its view this approach would be deemed novel and contentious, and any associated expenditure would be treated as irregular without its approval. Tourism NI had sought legal advice on the matter and would bring this advice to the Department. The Board agreed that the matter needed to be resolved as soon as possible and suggested an audit opinion should be sought (**ACTION: DR**).

6 (iv) Sustainability

The Board briefly discussed the need for a plan that would apply sustainability principles to all Tourism NI activity, including criteria for the selection of Board Meeting venues. It was agreed that this item should be considered more fully at a future meeting.

7. Date of Next Meeting

The next Board Meeting will be held on Thursday 4 May 2023.