

Board Meeting 6 May 2021

TOURISM NORTHERN IRELAND MINUTES OF BOARD MEETING HELD REMOTELY BY VIDEO CONFERENCING ON THURSDAY 6 MAY 2021

Participating:

- Mr Terence Brannigan (Chairman)
- Ms Angelina Fusco
- Ms Anya O'Connor
- Mr John West
- Ms Patricia Corbett
- Ms Michele Shirlow
- Mr Colin Neill
- Mr Geoff Wilson
- Mr Terry McCartney
- Ms Denise McAnena, Boardroom Apprentice
- Mr John McGrillen, Chief Executive
- Ms Lesley McKeown, Director of Finance
- Ms Aine Kearney, Director of Business Support and Events
- Ms Lesley-Ann O'Donnell, Director of Strategy and Policy
- Ms Naomi Waite, Director of Marketing
- Ms Orla Farren, Corporate Communications Manager
- Mrs Dorothy Erskine, Director of Strategy and Policy
- Mr Jim Daly, Executive Support Team

1. Introduction / Standing Items

The Chairman welcomed participants and reminded them that minutes of the meeting will be published. No apologies were recorded.

Participants were asked if they wished to declare interests in relation to agenda items. No declarations were made at this stage.

2. Items for Discussion

2 (i) Skills Strategy

The Department for Economy's Director of Skills joined the meeting for a presentation setting out principles and timelines for development of a new Northern Ireland Skills Strategy, and a discussion of the issues particularly affecting the tourism and hospitality sector. At the outset it was emphasised that skills will be central to economic recovery from the COVID-19 pandemic, in a

strategic environment already complicated by constraints on public expenditure and the EU exit. Competitiveness was noted to remain an ongoing societal challenge in Northern Ireland with low productivity, high numbers of low / unskilled workers and very high levels of economic inactivity.

Design principles for the new strategy were outlined with emphasis on its relationship to Programme for Government outcomes and the need for a joined up, cross-government approach. Strategic priorities included digital skills, addressing the skills imbalance and lifelong learning.

The timeline for completion and implementation was set out, with an action plan already in place and underway. Members discussed resources required to implement the strategy and commented that the necessary investment would only be achieved by addressing associated issues such as integrated education. The Board also discussed how the low-skills, low income sectors could be engaged and noted that work is taking place on this with trade unions and the Department for Communities, and through greater use of social media as a communications channel. It was observed that the pandemic had demonstrated the value of alternative models of training delivery, such as short-term courses and online learning rather than long apprenticeships.

Discussion turned to the particular skills needs of the tourism and hospitality sector, which the Board felt must be reflected within the new action plan. Members discussed all-age learning and the difficulties that tourism and hospitality SMEs encounter in sourcing training that is appropriate for them and which can be fitted in around the other challenges that they face. This was noted to be one aim of the Skills Focus Programme and other schemes that supply training that is free and completely adaptable to the needs of specific businesses. It was also recommended that small businesses engage with the HATS network to ensure that suitable training is available.

The Board also discussed the impacts that low productivity and economic inactivity have on each other and commented that the forthcoming economic vision appears to focus mainly on high skill, high value jobs which will not address these fundamental issues. Members felt that the tourism and hospitality sector could play a critical role in creating jobs which galvanise the economically inactive and create an impetus for lifelong learning, which would go a great way to fulfilling the skills strategy's objectives. The Board also observed that the industry's skills requirements might change in future to reflect the evolving tourism strategy as it shifts towards a regenerative model.

The Board thanked the DfE representatives for the presentation and they left the meeting.

2 (ii) Stakeholder Engagement Strategy

Tourism NI's Corporate Communications Manager delivered a presentation seeking the Board's feedback on the principles and direction of travel on a new strategy for engaging with Tourism NI's key stakeholders, within the tourism industry and across government. The COVID pandemic had impacted on Tourism NI's ability to engage properly with partners and the strategic focus of such engagement. The presentation outlined new key messages aligned to strategic pillars identified by Tourism NI. A suite of assets had been designed and developed for use on social media channels and examples of the short films were screened for the Board.

Members suggested that the 'survive, revive & thrive' theme adopted for engagement was ideal for promoting the regenerative tourism agenda. They also remarked that it would be worth highlighting tourism's contribution to the recovery of other sectors such as specialist / artisan food.

Noting that government and the NI Executive represent key audiences, the Board suggested that the engagement plan should also underline tourism's contribution to delivering outcomes in the Programme for Government. The Board also emphasised the need for messaging to be consistent across all channels, whether engagement is digital or face to face and it was noted that the Senior Management Team would have oversight of this.

The Board also commented that the filmed material should have emotional resonance and appeal as well as a business / policy focus, and should highlight the role tourism plays in enhancing wellbeing and quality of life. The Board thanked Angelina Fusco for her particular contribution to shaping the stakeholder work to date. It was agreed that the presentation would be circulated to the Board so that Members could supply further feedback if they wish (**ACTION:** JD).

2 (iii) Minutes of Board Meeting held on 18 March 2021

The Board returned to review the Minutes of the Board Meeting held on 18 March. The minutes were approved as an accurate record, subject to amendment of a typographical error.

2 (iv) Matters Arising – Actions from Minutes of Previous Meetings

The Board noted the status action points completed or in hand following its previous meeting, with updates given as follows:

Odyssey Trust – as the scheduled presentation had been postponed it was proposed that the option should be explored of holding a physical meeting in August at the Odyssey Pavilion, with Members taking a hard hat tour to see new works in progress at the venue (**ACTION:** JMcG).

Finance and Casework Committee – the Chief Executive advised that a shortlist of potential independent Committee members was in preparation and that they were being sounded out on their interest.

Risk Register – it was proposed to programme a review of the Risk Register on the agenda for the Board Meeting following the next Risk and Audit Committee (**ACTION:** JMcG).

Succession Planning – the Board was advised that discussions are ongoing with the Department regarding the recruitment and selection process for Board Members.

2 (v) Business Tourism Strategy

The Board was presented with the latest version of a draft strategy for the business tourism sector. Work on this had begun pre-pandemic with the establishment of a steering group but following the outbreak, research was further refined to gauge COVID's impact on the sector and its long-term plans. The Board was advised that revenue generated by business tourism was worth £37.4m in 2019; if implemented in full the sector could be worth £102m by 2030 but the targets to achieve that outcome were ambitious, even without the challenges presented by COVID. Further research on delegate expenditure would also be required once conference business resumes; however it is likely to be 2024 before the sector returns to pre-pandemic levels.

Key actions within the strategy were detailed, including brand and asset development, training and certification, the development of additional product and a sustainable legacy programme.

Discussing the paper, the Board noted that spend in the meetings, incentive, conference and exhibition (MICE) market tends to be higher than in other sectors, and the focus should be on increasing dwell time and spend, in order to deliver revenue targets and regenerative tourism goals. Connectivity and access to Northern Ireland represented another key issue.

Members considered the role of destination marketing organisations (DMOs) in delivering the strategy. In the instance of Visit Belfast, the Board was advised of a number of areas where its activity overlaps with Tourism NI's established role and responsibilities, which require resolution to ensure that resources are being used effectively. The new strategy would give DMOs such as Visit Belfast a greater role so ahead of any bid for resources to support it, there will be a need to ensure that there is a clear demarcation of responsibilities. The Board remarked that there would be a need to ensure that DMOs adhere to the principles in the strategy and that this should be reflected in the wording of any offers of support or service level agreements. It was also noted that there would be a need for ongoing subvention to support the sector, given the likelihood of increased competition to host conferences post-COVID. In that context that the Board had recently approved changes to the Conference Support Scheme recommended by the Finance & Casework Committee, reflecting the need for different models of conferencing in future including hybrid, digital and 'conscious' conferencing; further capital bids might be necessary to put in place the infrastructure to support these ambitions.

The Board thanked the Director of Marketing for the update and it was noted that the final strategy would be brought back to the Board following approval by the Steering Group.

3. Reports

3 (i) Chairman's Report

The Board noted the engagements undertaken since the last meeting and received updates on the most recent debrief meeting with DfE officials and development of the Tourism Strategy.

3 (ii) Chief Executive's Report

The Board noted the content of the report and the Chief Executive gave updates on emerging issues as follows:

Economic Vision – The Board was advised that the Minister for Economy is expected to shortly launch a document setting out a future economic vision for Northern Ireland. The Board noted that early iterations of the vision had made only limited reference to tourism, under the heading of 'Place'. Members asked if it was expected that following previous feedback, the document would more fully reflect tourism's economic impact and its further potential, given the jobs and revenue growth of recent years. The Board expressed disappointment on learning that this did not appear to be the case and commented that, as with the discussion of skills earlier in the meeting, this risked resources required to develop the tourism sector going elsewhere.

Members were emphatic that a better understanding of the true worth of tourism was needed, and in particular the contribution it could make to fulfilling PfG outcomes and addressing

economic inactivity. The Chairman stated that he would take this up with the Department at the next debrief meeting and convey the Board's views.

Tourism Conference – The Board was advised that the Department had asked Tourism NI to postpone the Tourism Conference scheduled for 19 May in order to permit further work by the Department on an agreed Tourism Recovery Action Plan. Details of a revised conference date would issue to the Board as soon as possible. As this delay had a knock-on effect on other areas of work it was also proposed to postpone the next meeting of the Board's Tourism Strategy workshop, to permit the Senior Management Team to focus on a number of urgent matters.

Spring Campaign – The CEO advised that the Minister is expected to take part in a photocall marking the launch of a new Tourism NI domestic campaign.

Charity Commission – It was noted that a recent ruling in respect of the powers of the Charity Commission would potentially have implications for some of the statutory activity which Tourism NI is required to undertake. A fuller report on the issues in question is to be brought to the next meeting of the Board (**ACTION: JMcG/AK**).

3 (iii) Sub-Committee Reports

Chairs of the Board's sub-committees reported on recent meetings as follows:

Marketing Committee – the Committee met on 14 April and received a presentation from the inter-agency teams that covered activity to date and the future work programme, taking into account changing market conditions. Research had shown that consumers are now receptive to marketing messages on holiday intentions, while acknowledging that decisions remain some way off. The Board was advised that good creative and collaborative work was taking place between agencies.

Finance and Casework Committee – reports were given on two meetings of the Committee. The Committee met on 31 March to consider and approve updates to the International Events Funding Programme, dealing with the approach to events that are cancelled. At the meeting on 21 April the Committee had met to review the finance report for Quarter 4 of the 2020-21 financial year. This had highlighted that as anticipated, it had not been possible to spend £2m of the resource allocated at a late stage in the financial year for the Bed and Breakfast, Guesthouse and Guest Accommodation Support Scheme. Setting that underspend aside Tourism NI's final budget spend position was well within the 1% tolerance set by the Department, despite being required to administer programme funding that was three times that for a normal year. The Committee paid tribute to the efforts that Tourism NI staff at all levels had made to achieve this outcome.

The Committee had also considered and approved the proposed budget allocation for Tourism NI for the 2021-22 financial year. As mentioned earlier in the meeting Tourism NI had received confirmed resources of £18.7m associated with delivery of the Economic Recovery Action Plan, and would be required to submit bids for up to a further £10m. It was agreed that this should be raised at the debrief meeting with DfE; however taking into account programme, administration and capital budgets the Board was advised that Tourism NI would be administering a total budget of at least £36m in 2021-22.

The Committee also agreed to hold a meeting in late May to consider a number of the tourism projects associated with the Belfast City Region Deal, and approved a request making a small increase to support offered to Belfast Maritime Trust's Sound Yard project under the Experience Development Programme. This was to reflect a change in circumstances which meant VAT on construction costs could no longer be reclaimed.

The Committee had also considered a request to grant a Direct Award Contract to BDO, to provide Tourism NI with specialist assistance in the design and delivery of its COVID support programmes. The Committee had made a positive recommendation and accordingly the Board approved the award of the contract.

4. Governance

4 (i) Quarter IV 2020-21 Reports – Operating Plan

The Board noted the content of a report setting out the year-end performance against objectives in Tourism NI's 2020-21 Operating Plan. The Board was pleased to note that sixteen objectives (84%) in the Plan had been achieved in full, against a very challenging background of remote working. Two further objectives had been met in part, relating to collaborative networks and support for events. Only one objective (promotion of Northern Ireland as a world-class short break destination) had not been achieved, since it had not been possible to carry out normal promotional activity in light of COVID restrictions. Instead, Tourism NI had sought to engage the industry in selling via online platforms.

The Board commented that taken together with the final budget position for the year reported elsewhere in the meeting, the Operating Plan outcome represented an impressive record of delivery within a set of unique and very difficult circumstances. Members warmly commended staff for their efforts in achieving this and agreed that the Chairman should write to staff to pass on the Board's thanks (**ACTION:** JD).

4 (ii) Quarter IV 2020-21 Reports – Risk Register

The Board noted a report summarising the position on risk management at the end of Quarter IV. Members were advised that residual scores had been reduced in a number of areas where risk was no longer felt to be critical, including the ability of Tourism NI staff to work effectively in the remote environment.

The Board was advised that there were a number of other instances where new emerging risks had been identified, or required escalation. These included the Tourism Recovery Action Plan and the delivery of strategic objectives, and some impacts of the EU exit which were now becoming more apparent, leading to the removal of Northern Ireland from some tour operators' itineraries. An additional challenge was presented by the negative coverage generated by civil unrest and protests associated with the NI Protocol. A further issue was the availability of the specialist support that Tourism NI needs in order to effectively deliver its programmes. The Board suggested that some further work was needed on target risks, based on risk appetite. It was agreed that the Chief Executive should convene a meeting with John West to discuss these issues further (**ACTION:** JMcG).

5. Papers for Noting

5 (i) Market Outlook

The Board noted the content of a paper setting out the latest intelligence on tourism markets.

5 (ii) EY Projections

The Board noted a paper setting out updated projections produced by EY for tourism's pathway to recovery. Taken together with the findings in the market outlook paper, these demonstrated that the most likely scenario remains a long period of recovery which will be characterised by extended restrictions and inevitably by job losses.

The Board commented that both reports would be of use in making the case for a higher profile for tourism within the economic vision, and for further resource to bolster the industry's recovery.

5 (iii) Agenda for Next Board Meeting

The Board noted the proposed agenda for its next meeting.

6. Any Other Business

6 (i) Events

The Board asked for an update on the likely arrangements for the reopening of events. It was noted that these remain under consideration at a high level within the NI Executive, but any reopening of the sector is likely to involve strict limits on attendance for some time.

7. Date of Next Meeting

The next scheduled Board Meeting will be on Thursday 24 June 2021.