



Subject:	Tourism Delivery Plan 2018/19
Date:	7 March 2018
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none">• Provide Members with an update on the key issues emerging from the mid-term review of the Integrated Tourism Strategy (2015-2020)• Seek Members' approval to progress a number of priority actions in the 2018/19 financial year.

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the content of the report, in particular the role of tourism as a key priority for City Development and Growing the Economy themes of the Belfast Agenda • Note the key findings of the mid-term review of the Tourism Strategy and the priority areas of focus for the coming years • Consider and agree the priority actions for 2018-19, as set out in sections 3.17-3.27 • Agree a budget allocation of £170,000 towards local tourism development support activities. A further report on this matter will be brought back to this Committee for information and approval • Agree to proceed with the data challenge in order to improve data capture and enhance the level of intelligence on visitors to the City, in order to support future marketing investment within the budget allocation of £50,000. • Agree to continue the budget allocation of £200,000 towards the Tourism Conference Subvention Scheme as in previous years, in order to support the growth of the business tourism sector in the City. This was built into the budget during the rate setting process.
3.0	Main report
3.1	<p><u>Key Issues</u></p> <p>The Integrated Tourism Strategy was approved by the Strategic Policy and Resources Committee in May 2015. The Strategy was developed in tandem with the City Centre Regeneration Strategy and Investment Plan and the proposals are aligned to support the future development, economic growth and profile of the city.</p>
3.2	<p>The vision is to develop Belfast as a City that wants to welcome the world and share its history by creating a destination that the world wants to experience first-hand. The strategic goal is to double the value of tourism by 2020 with the focus on achieving this by generating discretionary tourist overnight stays, especially higher value leisure and business tourism.</p>
3.3	<p>Since the publication of the Strategy, the tourism economy has continued to grow in the City and in Northern Ireland as a whole. Statistics published by NISRA on 1 February 2018 show that, in the 12 months to September 2017, tourism trips in Northern Ireland generated circa £951m to the local economy with 72% coming from external visitors, making tourism worth</p>

£679m as an export business. This is an increase of 18% in overall visitor spend and a 17% increase in external visitor spend when compared with the 12 months to September 2016. Overall visitor numbers increased by 11% to 5million compared with the 12 months to September 2016. Increases in bed nights and spend have been driven by a continued growth in external visitors, particularly from ROI, GB and overseas.

3.4

In terms of Belfast's performance in 2017, the rise of tourism was clearly evident through:

- 81.6% room occupancy in our hotels throughout the year, with occupancy levels exceeding 90% at some points
- 94 cruise ships docked in Belfast, bringing 158,000 cruise visitors to the City (+10%)
- The City hosted 71 conferences in 2017 - these conferences generated 79,300 bed nights for our hotels – up 7% on the previous year – and generated more than £45million for the local economy
- More than 837,000 visitor enquiries were handled at the Visit Belfast Welcome Centre, visitor information points at the two airports, and self-service kiosks at key locations, showing an increase of 16% on 2016.

3.5

The Belfast Agenda has at its core a commitment to inclusive economic growth. “Growing the Economy” and “City Development” are the two pillars that set out our ambitions for growing tourism in the City. Under these pillars, the priority is to increase tourism spend as well as the number of bed nights.

3.6

Additionally, the importance of tourism as a priority business sector is evident in a number of key documents including the draft Programme for Government. One of the indicators in the PfG is “to improve Northern Ireland’s attractiveness as a destination”. This relates to improving the profile of the region as a business and tourism location, as well as improving the quality of life for those that live here. While the draft Industrial Strategy was limited in its reference to tourism and hospitality as a key growth sector, this oversight was identified by many commentators and by the tourism sector itself. The UK Industrial Strategy does identify tourism as a key growth sector and – along with other key growth sectors – commitments are made around a “Sector Deal” which will underpin investment in the infrastructure, skills, product development and marketing to realise the potential growth prospects.

3.7

Mid Term Review of the Integrated Tourism Strategy

Members will be aware that one of the activities agreed as part of the Tourism Action Plan

	<p>last year was a commitment to undertake a mid-term review of the Integrated Tourism Strategy to ensure that it provided a relevant framework for co-operation between the key partners responsible for tourism development and promotion in the City. The review also took account of factors such as:</p> <ul style="list-style-type: none"> • The potential impact of Brexit on the tourism economy, including currency fluctuations • The recent growth in hotel developments in the city and the continued push to grow the tourism accommodation provision in Belfast • The ongoing investment in the City Centre and the buoyant private sector investment profile, illustrated by the recent public-private partnership approach of MIPIM. • Council proposals for a new City Centre visitor attraction to complement the existing infrastructure.
3.8	<p>The review was completed in February 2018. It provides a series of independent, evidence-based recommendations against the backdrop of Council's target of doubling the value of tourism by 2020.</p>
3.9	<p><u>Integrated Tourism Strategy Review: Summary Findings and Key Recommendations</u></p> <p>The report reinforces the growth of tourism globally. The UN World Travel Organisation (WTO) highlights that tourism accounts for 7% of global exports, that there has been a 50% growth in tourism over the last 10 years and tourism accounts for 1 in 10 jobs globally. Global trends highlight the importance of unique and authentic experiences, the growth of city-based tourism, business travel and emerging markets e.g. China, as well as the increasing role of technology (analytics and data, augmented and virtual reality, etc.) in the tourism industry and visitor experience. On a local/UK level, issues such as Brexit have changed tourism demand as a result of currency fluctuations (positive for the NI market at this stage) and wider concerns about future travel and accessibility.</p>
3.10	<p>At a local level, the review notes the absence of strong political and industry leadership for the tourism industry. Members will be aware of the commitment to support the newly-formed Northern Ireland Tourism Alliance – an industry body that will take responsibility for improving the profile of the sector. It is interesting to note that, despite the recent growth of the sector, it still account for only around 6% of jobs in the City – as opposed to the 10% global average.</p>
3.11	<p>Capital development is significant in the City. The surge in hotel investment (over 1,000</p>

additional hotel rooms during 2018), the extension to the Belfast Waterfront to provide additional conference and exhibition space and the ongoing investment by Visit Belfast, Tourism Northern Ireland and Tourism Ireland in getting the product to market means that the City's global presence across a number of key target markets has improved. However, there are deficits: there is a need, in particular, for additional high quality visitors experiences and products to encourage spend and dwell-time in the City. The positive plans for Destination Hub (Belfast Story) as well as commitments to new product developments across the City and within the neighbourhoods can help redress the deficit. The opportunity presented by the recent City Deal announcement to help bring forward new visitor experiences is very positive.

3.12 The review suggests that tourism development is essentially made up of two elements: supply side and demand side interventions. The supply side covers issues such as:

- Research/data/insights
- People and skills
- Product development
- Experience development
- Destination development
- Enabling infrastructure
- Public realm improvements.

3.13 The demand side covers issues such as marketing, sales and visitor messaging. This is, in essence, the role that Visit Belfast plays on behalf of the City – working with partners in Tourism Ireland and Tourism Northern Ireland as well as the private sector and industry partners.

3.14 The supply side is much less cohesive and there is no one organisation in the lead for the City. Tourism Northern Ireland does play much of that role at a regional level but the review notes that there is a need for committed leadership to join up the various elements of the supply side of the tourism industry in Belfast in order to derive maximum benefit and to ensure that Visit Belfast, Tourism Northern Ireland and Tourism Ireland have a clear, fully-aligned, high quality proposition to take to market. While there has been some recent progress on issues such as skills development and product development, the ability to make inroads in some of the other areas has been more limited. The review recommends a strategic partnership involving – in the first instance at least – Belfast City Council, Visit Belfast, Tourism Ireland and Tourism NI – in order to get a handle on the relevant “supply

	<p>side” elements and consider how each can be brought forward to enhance the Belfast tourism offer. This is likely to require a much more “involved” role by Belfast City Council – moving from coordination of activities towards stimulating interesting and building new partnerships to make things happen.</p>
3.15	<p>A review of approaches to tourism support in other cities echoes the need to move from a tourism marketing approach towards a more holistic approach that takes account of both supply-side and demand-side measures. One interesting evolution in global tourism has been the recognition that it is necessary to ensure that tourism is a positive experience for locals as well as tourists. The UNWTO (UN World Tourism Organisations) notes that “only a city that is good for its people can be good for visitors”. Belfast still generates significant interest from the “culturally curious” who come to visit the City’s unique cultural offer. That offer exists not only in the City Centre but also in the City’s communities. The Council has undertaken some early engagement work around the opportunities for local tourism development and it is clear that there is significant interest in developing this further in the coming years. This is one of the key areas of investment that is proposed for 2018/19.</p>
3.16	<p>The review concludes that, if Belfast is performing strongly on promotion and marketing (the demand side), the City needs to strengthen activity on product and experience development as well as the development of people and skills to bring this up to a comparable level. It identifies a number of areas in need of targeted investment and partner engagement, namely:</p> <ul style="list-style-type: none"> • People and Skills • Product Development/ Quality and Standards • Data, Insights and Innovation • Infrastructure Development.
3.17	<p><u>People and Skills</u></p> <p>Members will be aware of the scale of investment in the sector in recent years (particularly in the hotel sector) and the ongoing industry concerns about potential skills shortages at all levels across the industry. The Council has already engaged in a range of Hotel and Hospitality Academies but it is recognised that there is a need to take a much wider approach to addressing this issue. It will involve considering the attractiveness of the sector to potential new entrants (including those just thinking about their future careers at this point). This needs to be a collaborative approach – leveraging resources and support from other public and private sector partners.</p>

3.18	<p>It is proposed that the Council will continue to work with key strategic partners such as Tourism NI, Department for Economy, Hospitality Ulster and the Hotels Federation and local schools and colleges to develop a joint plan which will tackle the skills shortage within the industry and improve its profile and reputation. The funding for these activities will come from the Employability and Skills and Economic Development budgets – these will be brought to the April meeting of this Committee for endorsement.</p>
3.19	<p><u>Product Development/Quality and Standards</u></p> <p>If Belfast is to be internationally competitive, it needs to invest in the visitor experiences that attract more people and gives them reason to stay longer and spend more. The Destination Hub including the Belfast Story can be a real “anchor” and there are also opportunities for new developments in a number of areas including maritime heritage, screen tourism and the “Beyond Peace” narrative.</p>
3.20	<p>As tourism is becoming increasingly accessible, and the global industry becomes more competitive, it is critical that the City endeavours to differentiate itself on a number of levels. Ensuring high quality standards must be a key driver for investment in the local tourism industry. This will require investment to ensure that individual products and the overall city offer remains ahead of the curve in meeting and exceeding visitor expectations.</p>
3.21	<p>In order to respond to these challenges, it is recognised that there is a need to focus investment on the key tourism assets and the development of new assets (including the planned City Centre visitor attraction). This will also include support for the development of local tourism products across the City in order to ensure that the benefits of tourism growth are felt across Belfast. Members will be aware that the SP&R Committee has recently approved up to £4million of Council resources from the Social Outcomes Fund to support a series of local tourism investments, subject to them meeting a series of feasibility tests. In addition, at the February meeting of this Committee, it was agreed that the Council would commit resources to test the viability and feasibility of new and emerging tourism products across the City with a view to improving the volume and quality of local tourism products and exploring new mechanisms for investment. This piece of work – alongside learning from some earlier investment in local tourism product in the east and west of the City – will help inform the opportunities for development for the coming year. A budget of £25,000 has already been approved for this work.</p>

3.22	<p>In terms of support for new product development opportunities that emerge, these may include the development of tourism trails, support for marketing, improvements in Quality Standards and management of online presence. A budget of £170,000 has been set aside with Departmental budgets for this work and Officers will also engage with partners including Tourism NI to lever additional budgets to increase the investment. Further work will be undertaken to consider how this funding is distributed and managed and a report will be taken back to Committee in due course. The development work on the City Deal will also consider opportunities for leveraging resources for additional investment in local tourism product.</p>
3.23	<p><u>Data, Insight and Innovation</u></p> <p>Like most cities, Belfast struggles to get valuable visitor insights which can inform future investment and track the impact of previous investment. As the tourism and hospitality sector in the City grows, the need for improved research and analysis, including real-time data becomes more critical. The Council has been working with partners including Tourism NI, Visit Belfast and the Smart Cities team to develop new technology-based solutions to improve data collection in order to provide the tourism industry with improved insights into visitor numbers as well as qualitative feedback on their experiences of the City. Following engagement with the private sector through a range of technology-based challenges in 2017/18, additional investment will be made to bring forward some solutions to improve insights in the coming financial year. A budget of £50,000 has been set aside for this work. Resources will also be levered from other public sector and research partners to support delivery of this activity. Officers will take this project forward with strategic input from the Smart Cities Team, together with Visit Belfast (to ensure statistics are available at a city level), Tourism NI and Tourism Ireland (to have corresponding but related statistics at a regional level). This initiative will also ensure that tourism statistics will be available at a City Region level to support investment decisions related to the City Deal. Officers will engage with colleagues in the other five Councils that are party to the ongoing City Deal negotiations to ascertain if they are willing to provide some additional funding to support this important area.</p>
3.24	<p><u>Infrastructure development</u></p> <p>The original Strategy identified that access was one of the key challenges for the City. While we have access to two airports (with easy access to Dublin airport for international visitors), there is a concern that it may be viewed that Belfast is difficult to get to. The City Deal offers an opportunity to look at new investment opportunities in infrastructure. It will be important</p>

to maintain a focus on air route access to the City's airports, given that the majority of the GB and European visitors (who make up the most of our overnight stays) will access the City by air. This is likely to be one of the key areas of engagement for the proposed Belfast Tourism Co-ordination Group (see below). There are no specific financial requirements for the Council on this matter at this point.

Governance

- 3.25 The review considers that current governance and management around tourism and proposes the establishment of the Belfast Tourism Co-ordination Group (BTCG) with the Council as Chair. The group should oversee, co-ordinate, facilitate, and integrate all action programmes being undertaken by public and private agencies in support of tourism development in Belfast. Given the importance of the issue to the City's future growth, it proposes senior level representation on this group.

Maintaining a focus on City Marketing

- 3.26 Members will be aware from the presentation by Visit Belfast (at this Committee), that the organisation receives an annual financial contribution from the Council of £1.9million. This funding levers resources from the private sector as well as other public sector partners. It is recommended that the Council continues to support the organisation (see separate report) and that it uses its influence to ensure that there is ongoing engagement between Visit Belfast, Tourism Ireland and Tourism Northern Ireland in order to maximise the impact of the collective investment. Tourism marketing is likely to be another priority area for engagement by the Belfast Tourism Co-ordination Group.

Supporting Business Tourism Investment

- 3.27 Members will be aware that the Council and Tourism NI have, for a number of years, co-invested in a Conference Support Scheme for the City. This has been a key element of the business tourism support activity over recent years and will be critical if the growth ambitions are to be achieved in the coming years. It is proposed that the Council makes an investment of £200,000 in this scheme for 2018/19. This allocation will be matched by investment from Tourism NI. In addition to the Conference Support Scheme, the Council will continue to provide access to City Hall for key functions such as conference receptions as this is a critical element of added value and a unique selling point for the City.

Financial & Resource Implications

- 3.28 Activities identified will be resourced from the agreed Departmental budget allocations for

3.29	<p>the current financial year. These have already been approved by the Committee as part of the estimates process.</p> <p><u>Equality or Good Relations Implications</u></p> <p>The Tourism Strategy was screened out and any major projects will be taken forward in consultation with the Council's Equality and Diversity Officer.</p>
4.0	Appendices – Documents Attached
	None