



Subject:	Tourism Update
Date:	12 August 2020
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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 checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	<p>At a meeting of City Growth and Regeneration Committee in April 2020 the work programme to support tourism development was agreed. Given the current circumstances and the specific ongoing challenges for tourism, the purpose of this report is to update Members on:</p> <ul style="list-style-type: none">- The current status of the work programme relating to tourism development in the city.- The early forecast relating to the short, medium and longer term impacts of Covid-19 on tourism.- The initial response and emerging priorities to help stabilise and grow tourism in the city.

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> - Note the contents of this report and the contribution that the work programme for 2020/21 will make to supporting the recovery of the tourism sector. - Approve the development of a ten year tourism plan for Belfast and agree to receive a draft of this plan in November 2020. - Approve participation in the Global Destination Sustainability Index led by Council in partnership with Visit Belfast.
3.0	Main report
3.1	<p>Members will be aware that at a meeting of City Growth and Regeneration Committee in August 2019 the new ten year cultural strategy for Belfast, <i>A City Imagining 2020-30</i> was agreed. This was further supported by implementation plans for the period 2020-23 and a work programme for 2020-21. Included in each of these documents was a series of priority actions relating to tourism support and development. The intention was that this would be developed out into a specific tourism action plan. It is now necessary to re-examine these priorities in light of Covid-19.</p>
3.2	<p>Tourism Growth Pre Covid-19</p> <p>In August 2019 Belfast City Council agreed a new ten year cultural strategy, <i>A City Imagining 2020-2030</i>, to drive transformation in the city. For the first time, the scope of this strategy brought together under one compelling vision a number of areas including tourism, culture, heritage, arts, events and festivals.</p>
3.3	<p><i>A City Imagining</i> acknowledges that whilst Belfast has enjoyed relative growth in tourism over recent years that in turn has supported regional development, it is necessary for the city to push the development of tourism on to the next level. Belfast's first community plan, the <i>Belfast Agenda</i>, also articulates the importance of delivering a culturally vibrant city both for residents and visitors as well as acting as an attractive driver for inward investment. It is anticipated that citywide investment in a culturally vibrant place will support changing perspectives of Belfast as a place to visit, live, work and invest. In order to continue to build on the value of out-of-state tourism and welcome more overnight stays in our visitor accommodation it is essential that we collaborate with our tourism sector to evolve, broaden, deepen and expand the tourism offer currently available in Belfast.</p>
3.4	<p>Despite significant growth and the success of flagship projects such as Titanic Belfast there is still a gap in scale and maturity of the local industry when compared with other regions.</p>

Notably, Northern Ireland lags behind UK regions and Republic of Ireland with respect to tourism as a driver for Gross Value Added. However the positive trajectory in place before Covid-19 had identified tourism growth as both feasible and a necessary part of inclusive economic growth.

3.4 It was in this context that Tourism NI set the ambitious target of doubling the value of the tourism industry to £2 billion by 2030. A key element of opportunity further reinforced by ambitions of the Belfast Region City Deal was getting a bigger share of the international visitors coming to the island of Ireland to travel to Belfast and the Belfast region.

3.5 **Impact of Covid-19**

While the full impact of Covid-19 is as yet unknown what is clear is that recovery will require new and innovative approaches in an increasingly competitive market. As the regional driver, Belfast will be hugely significant to this growth ambition, both in terms of visitor spend and the creation of new jobs. It is therefore imperative that our city break destination is developed in a strategic way which maximises the economic benefits which can be derived from tourism for local industries, businesses and communities, as well as increasing visitor numbers and spend and improving overall satisfaction levels.

3.6 An initial report on the impact of Covid-19 on Belfast has been commissioned from EY which has made a number of key observations as summarised below. These are important to consider when seeking to understand the potential level of impact on the city and how the response should be a strategic and sustainable approach to recovery.

3.7 Belfast's role in regional tourism

- Belfast is an important attractor for international, high value tourists to the region.
- Belfast's share of out of state tourism spend has been significantly higher than the NI-wide share (83% v 72%).
- Spending by tourists in Belfast has outpaced the NI average, growing by 20% year on year compared to 4.5% regionally.
- Belfast has grown at a faster rate than the rest of NI mainly because of its attractiveness in two high value markets – city breaks and business tourism.

3.8 Covid Impact

As a result of the dominance of these two high value markets, Covid could have a stronger impact on the tourism and hospitality sectors in Belfast for 4 reasons:

1. Belfast tourism relies more heavily on overseas tourism than on domestic staycations.
2. City breaks are less attractive than rural tourism during a sanitary crisis.
3. Cruise tourism is likely to be very adversely affected by Covid.
4. Business tourism is a key driver for Belfast and likely to take longer to recover.

3.9

The recovery forecast for tourism is based on 3 scenarios:

1. Slow and steady: Under this scenario, Covid is considered primarily as a health crisis with underlying economic implications. A phased reopening with restriction measures in place until early 2021. By this date the hospitality industry would be in a position to be fully operational. International travel restrictions would mean reliance on RoI and GB markets. Even in this optimistic scenario, Belfast's tourism market is significantly affected due to the reliance on the international market for growth in recent years.
2. Extended health crisis: Under this scenario restrictions on the hospitality sector continue for longer than in scenario 1. By virtue of restrictions, there is even more focus on an all-island and domestic market. Under this scenario the all-island spend is predicted to rise from 26% (2019) to 37% (2020). In this scenario GB tourism is not predicted to recover its 2019 level until 2022 with spending falling by 41% in 2020.
3. Structural health, economic and tourism crisis: This scenario considers a continued health crisis with a second wave in the pandemic. This would result in a period of further closure of tourism and hospitality industries. Travel by plane or cruise ships would not be permitted. This represents a year on year loss of over £31M to the tourism industry in Belfast. This scenario would disproportionately affect Belfast which is more dependent on out of state tourism than the wider region. The UK and RoI markets would be a key driver of demand for the foreseeable future. The crisis will have led to behavioural changes with consumers opting for safer staycations which align to their values (sustainability, authenticity, local values).

3.10

Regardless of which of these scenarios play out, what is clear is that the response must be phased recognising short, medium and longer term priorities within an overall recovery plan. A multi-layered approach will be required that builds on the city's strengths and successful growth in recent years whilst recognising the need to adapt existing models where required as well as introducing new innovative and at times disruptive solutions.

3.11	<p>The report sets out a number of recommendations and next steps including the need to target the right market at the right time in order to support tourism demand placing a short term focus on domestic tourism.</p> <p><i>Immediate steps</i></p>
3.12	<p>What is emerging is a clear need to support the stabilisation of tourism up to 2022 with a need to then plan for longer term sustainable growth including the recovery of the two priority markets for Belfast, business tourism and city breaks. Council will be working in partnership with TNI and VB to develop and implement a new hybrid business tourism model to secure Belfast's future in a competitive market through combining digital capability with onsite offer.</p>
3.13	<p>Work to develop local tourism continues as a priority and is critical to supporting inclusive growth. This includes a significant programme of capacity building and information sharing to improve the quality of existing products, bringing forward new products and helping develop coherent packages and experiences that are aligned to visitor needs.</p>
3.14	<p>It is proposed that the focus of activity for 2020-21 continues as:</p> <ul style="list-style-type: none"> – Use of local conduits where possible to increase engagement and promote the benefits of participation as well as identifying new and emerging partners. – Capacity building and development work on cluster approach, in conjunction with Tourism NI - involvement of industry experts and practitioners who have first-hand experience of this activity. – Supporting and commissioning robust evidence base to increase understanding of the market.
3.15	<p>As well as these immediate steps it is also necessary to plan for the future. It is therefore recommended that two longer term pieces of work are initiated. These are:</p> <ul style="list-style-type: none"> - Ten year tourism recovery plan - Global Sustainability Index
3.16	<p><i>10 year tourism recovery plan</i></p> <p>Following the completion of the ten year cultural strategy a detailed tourism action plan was due to be developed. It is recommended that this work proceeds with a focus on tourism recovery through identifying key actions that will support stabilisation, innovation and sustainable growth. This plan will be developed in partnership with key stakeholders</p>

including the establishment of a strategic oversight group. A draft plan will be presented to Committee in November 2020.

3.17 *Global Destination Sustainability Index*

The Global Destination Sustainability Index is the world's leading benchmarking and performance Index for cities, their events and their visitor economy. Its purpose is to engage, enable and inspire cities to become more sustainable places to visit, meet and thrive in. In addition to benchmarking a city's environmental strategy and social sustainability performance, the GDS-Index assess criteria that are industry specific: industry supplier support (restaurants, hotels, conference centres) and convention bureau strategy and initiatives. Alongside benchmarking it helps destination management organisations, convention bureaus, key industry associations suppliers and clients to develop effective strategies and practices in support of sustainability goals.

3.18 Since 2019, over 60 cities have started the process of benchmarking and assessment. The goal is to have 300 cities collaborating by 2023. The Index is based on 69 Indicators broken down into four categories:

- City Environmental Performance
- City Social Performance
- Supplier Performance
- Destination Management Performance

3.19 Once the initial benchmarking is complete – Belfast will receive a detailed report with performance improvement recommendations as well as a ranking; however, it should be noted that the first year's ranking will not be publicly released, giving the city a full year to review and implement initial recommendations.

3.20 It is also recommended that Belfast develops a tourism supply to foster a sustainable economic model creating jobs and improving local quality of life with specific actions including:

- Launch a wide consultation with key stakeholders and locals regarding the role tourism can play in a city like Belfast (e.g. urban regeneration, housing, sustainability, jobs, social inclusion, international attractiveness)
- Focus on the development of resilient tourism attractions (e.g. mix of outdoor and indoor spaces, online content, attractive to locals)

	<ul style="list-style-type: none"> - Identify ways for Belfast or some specific attractions within the City to be distinguished internationally in order to remind domestic tourist about the attractiveness of the region (e.g. awards, UNESCO, travel guides)
3.21	<p>Given the need to differentiate the Belfast offer it is also important to consider key strategic opportunities that could bolster investment in the sector in order to support recovery and future growth. These will be given full consideration as part of the ten year plan and could include:</p>
3.22	<p><i>Strategic Initiatives and Campaigns</i></p> <p>Commitment to long-term initiatives contained in cultural strategy with additional consideration including 2023 and UNESCO City of Music.</p>
3.23	<p><i>Infrastructure</i></p> <p>Delivering tourism pillar of the Belfast Regional City Deal including Destination Hub focusing on:</p> <ul style="list-style-type: none"> - Commitment to inclusive growth, ensuring the economic benefit of the Belfast Destination Hub development is spread across and connected into the rest of the city. - Commitment to the creation of secure and sustainable employment and skills development. - Commitment to local engagement and participation to ensure that Belfast residents are actively engaged and supported to access opportunities throughout the development and realisation of the project.
3.24	<p><i>Integration and connectivity</i></p> <p>Delivering a long-term fully integrated tourism development model for the city that includes:</p> <ul style="list-style-type: none"> - Adopting a place-based approach to the development of our neighbourhoods through local tourism framework and investment that supports product development, jobs creation and destination management. - Enhancing civic pride and cultural vibrancy to attract locals and visitors. - Developing a marketing and communications approach that recognises the breadth and authenticity of the city's tourism offer.
3.25	<p>The success of tourism in the city is interdependent on the resilience of the city's culture, arts, heritage and events. A report will be presented to Committee in September to update</p>

	Members on the impact of Covid-19 on these sectors with proposals on how Council can work with other funders and stakeholders to support recovery.
3.26	<p><u>Financial & Resource Implications</u></p> <p>There are no new financial implications. The activities outlined in this report will be resourced from the 2020/21 budget for the Culture and Tourism section of the Economic Development division of the Place and Economy Departmental budget in line with existing approvals.</p>
3.27	All existing programmes are subject to ongoing review with cost savings identified where projects cannot proceed due to Covid-19.
3.28	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>The cultural strategy, <i>A City Imagining</i> has been subject to an Equality Impact Assessment (EQIA) and a Rural Needs Assessment (RNA). Any further investment or significant programmes will include equality screening as appropriate including a new tourism recovery plan and the recommendations set out in the Global Destination Sustainability Index.</p>
4.0	Appendices – Documents Attached
	None