

Joint NILGA / SOLACE Submission to The Committee for the Economy

The Role of Local Government in Tourism Strategies

Foreword

NILGA, the Northern Ireland Local Government Association, is the collective, representative voice of NI's 11 councils. NILGA co-ordinates policy development and training, communicates all council, evidence-based lobbying, provides capacity building, investment and strategic partnership advice within and between councils, working with wider government, social, business and community partners, instils best practice and negotiates pay and performance terms for councils' 12,500 workforce.

SOLACE is a national organisation made up of Council Chief Executives and senior managers. In Northern Ireland, the 11 Council Chief Executives work together to develop and implement services across Northern Ireland. SOLACE has set up an economic recovery group across the 11 councils with the intention of feeding into regional thinking and implementation and the individual councils have local groups for tourism recovery.

Both organisations are working together to mitigate the impact of the pandemic on the tourism sector. We are pleased to offer evidence to the Committee and we would welcome further engagement opportunities in partnership.

Governance of tourism in Northern Ireland

The Department for the Economy is responsible for delivering the tourism targets set out in the Programme for Government and determining the strategic framework within which Tourism Northern Ireland operates. At present a tourism strategy for Northern Ireland remains outstanding since 2013.

Tourism Northern Ireland's remit is to encourage tourism; encourage & improve tourism accommodation and amenities; and advise the Department for the Economy on policy formulation. It does this through research & intelligence, business support schemes, destination development and industry events.

Tourism Ireland is responsible for marketing the island of Ireland overseas in collaboration with Tourism NI and Failte Ireland.

In April 2015 a number of tourism powers were conferred on local councils – small scale tourism development; business support / start up advice / training / customer care schemes; and providing advice to developers on tourism issues. Councils are also responsible for preparing local development plans; the enforcement and control of planning issues; delivery of the rural development programme which supports rural tourism; and licencing & environmental health responsibilities.

Councils have set out their priorities and plans to grow and manage tourism in their local areas within their local tourism strategies, focusing on marketing & promotion, product development, visitor servicing, capacity building for the sector, improving access, infrastructure & connectivity, development of cultural assets, protection of natural assets and developing clusters.

As well as establishing partnerships with other councils through regional tourism partnerships, Councils have developed relationships with a range of partners to grow and promote tourism in their area and oversee the delivery of local tourism strategies including: Tourism NI, Tourism Ireland, DAERA, Northern Ireland Tourism Alliance, NI Hotels Federation, Hospitality Ulster, key attractions, private sector providers, local cluster groups, colleges, National Trust, Waterways Ireland, Translink and Sport NI.

Impact of Tourism in Northern Ireland

The economic impact of tourism is huge. Over 5 million overnight trips were taken in NI in 2018, resulting in expenditure of £926m. Tourism accounts for approximately 5% of NI's GDP and has the potential to be a £2bn industry by 2030, creating employment opportunities and generating wealth in supply chains and supporting sectors. For society, the enhancement of tourism facilities and associated infrastructure is also important locally and regionally as tourism provides opportunities to get maximum benefit from our environmental and heritage assets.

Despite significant growth and the success of flagship projects such as Titanic Belfast, The Giant's Causeway and The Gobbins, there is still a gap in scale and maturity of the local industry when compared with other regions. 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.

Local government's response to the pandemic

During the pandemic, councils have been at the forefront of providing hands on support to the tourism sector to ensure local providers survive. Task Forces & Recovery Groups have been established to coordinate efforts locally and more frequent communication has been put in place on dedicated webpages & social media.

Councils have been the first port of call for businesses looking for advice on operating under new regulations & guidelines as well as for assistance with funding opportunities.

All councils have assisted DFE with the business grant programmes in terms of confirming eligibility and they are currently managing the grant funding provided by DFC/DAERA for towns and villages. All councils have adapted their own funding programmes to take account of the pandemic – this fast and responsive action has been a lifeline for many tourism businesses as they seek to market themselves to attract visitors. Councils have put in place specific business mentoring programmes for the tourism sector and are delivering webinars & training courses on finance, training, human resources, digital business, connecting to customers and risk assessment.

Councils have delivered targeted marketing campaigns, both locally and targeting visitors from NI and the Republic of Ireland and developed new Destination marketing websites in conjunction with TNI. This has resulted in growth in visitor numbers from the Republic of Ireland in particular.

While almost all events have been cancelled, councils have offered virtual events to allow celebrations and key commemorative events to continue. Some have continued to host and raise the profile of key events, including the Irish Open, NI Open and Mo Farah's participation in the Larne half marathon. Councils are already considering a post-2020 strategic approach to tourism events in their local areas – collaborative partnerships with the private sector and Tourism NI will be critical to successful outcomes.

Instilling consumer confidence has been a priority for the local government sector. Through lobbying for guidelines for the industry, a Quality Mark was agreed and councils are managing the rollout of this.

The outlook for tourism

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. Understanding the potential level of impact on the tourism sector is crucial if we are to develop a strategic and sustainable approach to recovery. Research commissioned by Belfast City Council modelled a recovery forecast for tourism based on 3 scenarios:

1. **Slow and steady:** Under this scenario, the pandemic 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 Republic of Ireland and GB markets. Even in this optimistic scenario, the reliance on the international market for growth in recent years is a concern.
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 the all-island and domestic market. Under this scenario the all-island spend is predicted to rise but GB tourism is not predicted to recover its 2019 level until 2022 with spending falling dramatically.
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 alone. 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).

Immediate priorities

Through close collaboration with their tourism partners, councils have identified a range of initiatives which should be put in place to assist the tourism sector in the short term.

Direct Financial support

There is an immediate need to provide support for small experience providers and tour guides who have not been able to access funding to date. Direct support to the tourism sector, particularly over the winter months to allow as many businesses as possible to open for the 2021 season is seen as essential for their survival.

Funded programmes

Funding which supports public-private collaboration for recovery is time critical. When designing new programmes (including EU funding successor programmes) departments must remove the bureaucracy, make grants easier to apply for, reduce the match-funding requirement and focus on outcomes.

Research

We have a real opportunity to develop the staycation market and get feedback from consumers on what the experience is currently like and how that can be improved going forward. It is unlikely that the international market will return to business as usual for some time and it is essential that in the meantime we offer our local visitors a range of high quality, diverse attractions to ensure business sustainability and meet the current appetite for compliant entertainment as the pandemic continues. Research on visitor experiences and consumer sentiment specific to Council areas is required to

ensure that expectations are being met and potential gaps in the market are exploited to meet their full potential.

Marketing

Central government departments should provide sustained investment to marketing NI as a tourist destination. We have seen an increase in visitors from the Republic of Ireland as tourists chose to holiday on the island – we must capitalise on this and make a sustained investment in marketing NI heavily in the South and in GB with a focus on the “Staycation” message as the pandemic will affect travel on the near future.

In today’s digital age small tourism businesses can easily & quickly market themselves in key markets, particularly if they offer niche products and experiences - but support in the form of providing businesses with key marketing collateral (e.g. videos, Imagery allowing them to better market themselves) should be provided.

Medium term priorities

In the medium term, councils view the development of tourism as an important growth sector for Northern Ireland. There are developmental opportunities across Northern Ireland which local councils are ready to lead on, in collaboration with the private sector. These include:

Collaboration

There is a need to incentivise collaboration between local product to provide itineraries, promote linked experiences and maximise economies of scale. The development of local tourism hubs and clusters to provide visitors with a range of experiences in one locality will increase visitor spend locally and encourage visitors to extend their stay.

There is also potential for greater collaboration between operators on the Wild Atlantic Way and the Causeway Coastal Route. The Walled City experience in Derry City & Strabane District Council is in a prime location to take advantage of this. Similarly joined up experiences & campaigns between Ireland’s Ancient East and the Mourne / St. Patrick’s trail offers opportunities to increase visitor numbers and spend.

Experiences

By focusing on “the experience” and providing support to enable tourism businesses to offer their product more consistently over a longer season, tourism revenues can be maximised. Visitors often comment on the lack of night-time economy in many towns & villages and the lack of places to stop, eat and (crucially) spend money – especially along the Causeway Coastal Route. There are opportunities for councils, local communities and the private sector to work together to deliver tourism experiences locally.

Accommodation

The lack of quality accommodation in some areas is restricting the opportunity to grow overnight stays. Investment in quality accommodation that meets the needs of the range of visitor segments should be encouraged.

Sustainable Tourism

We must embrace & develop sustainability and innovation within tourism, for example the development of eco-friendly experiences along greenways & blueways. An electric bike hire scheme would allow visitors to move from place to place easily and environmentally or a baggage movement system to allow people to walk / cycle between locations with their bags being delivered to the next location. There is a need for a flexible planning policy that encourages sustainable economic growth and sustainable tourism development.

Natural Assets

Alongside investment in our natural assets like Lough Neagh, the Gobbins & Fermanagh Lakelands, there is a need for a sustainable access strategy for NI. Incentives for farmers and landowners to open up their land for visitors to experience via walking tours etc should be considered, for example by providing a system of support for farmers to access Public Liability Insurance. Recreational activity providers such as sailing & fishing providers should be encouraged to open up membership and embrace business opportunities presented by the domestic market.

Skills development

Enhancing skills is critical to recovery, in particular digital and customer service skills. A campaign to encourage people into the sector should be considered particularly in light of the planned immigration rule changes from 2021.

Policy & Regulation

A tourism strategy for Northern Ireland is long overdue. In the current context we would suggest a short-term plan is agreed urgently with true collaboration between the Departments, councils, private & third sectors. We note the proposed legislation on licensing laws and would also suggest it would also be advisable to consider the appropriateness of the tourism (brown) signage regulations.

City & Growth Deals

The game-changing potential of the City & Growth deals is all the more crucial as we find our way through these challenging times and look towards recovery and regeneration.

All of the city & growth deals will include tourism projects, however the funding is for capital projects which have the capacity to deliver new and better jobs, boost tourism & regeneration, connect people to opportunity & services and increase GVA. These projects will help to create new types of jobs for the future, underpinned by re-skilling programmes, by focusing on the region's competitive strengths. They will also have a positive impact on the most deprived communities, delivering a balanced spread of benefits across the region.

We must put in place revenue programmes to complement this, for example marketing, skills development and visitor servicing.

Conclusion

The economic crisis is a current and immediate threat to our tourism sector and its supply chains. The central – local Government Partnership Panel should instigate discussions on a new tourism strategy for Northern Ireland that addresses the recovery and growth potential of the sector as outlined in this paper. NILGA & SOLACE would welcome opportunities to discuss the issues raised through the NLGA policy & learning networks.

21 October 2020

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