
Tourism Development

Strategy and Action Plan 2002-2006

1. Background

Derry City Council's Economic Development Strategy "One Integrated Economic Development Strategy" identified, as a priority objective, the need:

"To realise the potential contribution of tourism and leisure to the economy, building the role of the City both as a tourism destination in its own right but also as the regional hub and gateway for the north-west of Ireland."

To advance this objective, Derry City Council commissioned Tourism and Transport Consult to carry out a review of the tourism sector within the district. This review involved extensive research and consultation and was completed in June 2001.

An Economic Development Advisory Panel was set up in January 2002 to advise Council on its economic development policies and programmes. A Tourism Sub-group was established, with representation from Derry Visitor and Convention Bureau, Londonderry Chamber of Commerce, Local Strategy Partnership and Derry City Council, to develop a Tourism Strategy and Action Plan. The purpose of this Strategy and Action Plan is to provide a robust and co-ordinated framework within which tourism in the area will develop over the next four years.

A number of local policy documents and research reports have informed this strategy, particularly:

- "One Integrated Economic Development Strategy" Derry City Council, January 1999
- "River Faughan Tourism & Recreation Strategy", PIEDA 1997
- "Cultural Industries and Evening Economy", Colin Buchanan, Urban Cultures, June 2000
- "Strategy for the City Centre, 2002-2005", City Centre Initiative, March 2002
- DVCB Marketing Strategy 2000, Derry Visitor and Convention Bureau
- "Business Enhancement Plan for the Tourism Sector" Tourism and Transport Consult, June 2001
- "Derry, Londonderry, Doire; The Cultural City, A Strategy for Action" Derry City Council, Recreation and Leisure Department, May 2002

Consideration has also been given to a number of review processes that affect tourism policy at the Northern Ireland level. These include the NI Assembly Inquiry into Tourism, consultation on NITB Corporate Plan, consultation on Invest NI Corporate Plan, and NITB Review of Tourism Support Networks.

2. Strategic Context

Recent government policy stresses the potential contribution of the sector to the Northern Ireland economy:

“Tourism and the whole of the hospitality industry, together, hold out the prospect of phenomenal growth, both in the number of people employed and in the massive financial investment which can be attracted”

Sir Reg Empey, Minister of Enterprise Trade and Investment, March 2002.

The Northern Ireland Tourist Board also recognises tourism as a key part of developing the NI economy:

“The Northern Ireland Programme for Government sets out the following vision: of a dynamic, competitive economy that creates opportunities for all, assisting the creation of entrepreneurship and innovation...NITB will work towards this vision.”

NITB Draft Corporate Plan May 2002

The NI Regional Development Strategy recognises the City and region as a major tourism development opportunity and suggests that policy should be directed to:

“promote the city as a major tourism destination and gateway based on the international attraction of its City Walls and heritage resources; its linkages with Donegal, north Londonderry, the Sperrins and the North Antrim coast.”

Strategic Planning Guideline LNW 2.3, Regional Development Strategy for NI 2025

3. Where are we now?

Tourism and Transport Consult carried out a detailed review of the performance of the tourism sector within the district. The main findings were:

- The district has **performed credibly well** as a tourism destination in the past five years and by many indicators is outperforming its competitors in Northern Ireland in pure tourism terms, but by a short distance.

Baseline Indicators 1999	District Performance	Share of NI Performance
Tourism spend	£17.2m	5.3% of total tourism spend in NI
Visitor share	101,600 visitors	4.3% of all visitors to NI
Visitor nights	538,000 visitor nights	5.1% of all visitor nights spent in NI
Employment	908 FTE jobs	5.34% of total tourism supported employment in Northern Ireland
Accommodation	587 hotel rooms	7% of the NI total
	361 B & B rooms	6% of the NI Total

- There is **significant potential** within the city and its sub-regional hinterland which is partly being met, but which can be developed much further.
- The **investment record** in the past decade has been substantial and continues to be at a high level especially from the private sector.
- The **strategic weaknesses** tend to lie in the broad areas of image, marketing, management and presentation, all of which can be addressed effectively.

A SWOT analysis prepared by TTC is detailed at Appendix 1.

4. Where do we want to go to?

The Northern Ireland Executive is committed to promoting destinations within Northern Ireland as part of an integrated all-island marketing programme.

“NITB will provide a clear positive image of what Northern Ireland has to offer within the context of the marketing strategy of Tourism Ireland Limited”.

DETI Draft Corporate Plan 2002 - 2005

“Tourism Ireland Limited (TIL) is now marketing the island internationally.”

NITB Draft Corporate Plan May 2002

In the past, the challenge was to ensure that Derry and the North West were adequately profiled within a Northern Ireland context. However, with the creation of Tourism Ireland Limited, the challenge is now to ensure that the City and region is adequately profiled within an all-island marketing strategy.

The overall conclusion of the TTC Tourism Review was that:

“Major investment in Tourism is critical to the restructuring of the Derry and the North West economy.”

Tourism and Transport Consult, June 2001

This tourism strategy responds to these issues and its overall **aim** is:

To make Derry and the North West the premier tourism city and region within Northern Ireland and on the island of Ireland.

The **immediate goal** is:

To enhance the tourism sector as it currently operates within Derry and the North West.

This goal will be achieved by securing the financing and effective implementation of a £10m “**first step action plan**” (2002-2006). This would bring the performance of the sector in line with the growth targets identified in the Northern Ireland Tourist Board's Corporate Plan.

- Visitor spend – 9% increase per annum
- Visitor numbers – 7% increase per annum
- Share of all Ireland visitors – 1% increase per annum

The **medium term goal** is:

To create a dynamic and trend setting tourism offering which will position Derry and the North West to the fore of tourism.

This goal will be achieved by the preparation at an early stage of a £100m “**step change action plan**” (2006-2012). Such a plan is necessary to significantly increase the tourism sector's contribution to the economy. The comparison of worldwide industry data on travel and tourism share of GDP shows how far Derry and Northern Ireland have to go:

- Northern Ireland 1.9% of GDP
- Republic of Ireland 4.2% of GDP
- Scotland 5.0% of GDP
- Worldwide 11.5% of GDP

In line with the City Vision 2020, the tourism vision is to:

Create a vibrant international city set in an attractive environment, embracing also a vibrant river and rural area, all with a welcoming user-friendly tourism infrastructure.

This vision embraces that of an **historic city with an acknowledged world status**; of a **cultured city** noted for its performing and visual arts and of a **key tourism centre essential to the exploration of and experience of the North West of Ireland**. The primary appeal of the district will be based on its historic essence and on its key location. The discerning domestic and overseas tourist will find it essential to have visited the area and the experienced the developing quality tourism products. A **well-managed environment both urban and rural** will be coupled with **a variety of new and refreshed products, delivered by enthusiastic and well-trained staff and giving good value for money**.

5. How are we going to get there?

Principles

The guiding principles for the development of the strategy and the future management of the industry's development are widely accepted and based on the following core beliefs:

Sustainable Tourism:

The worldwide acceptance of this concept is an essential principle of all future tourism development. The future management of natural, man-made and human assets is critically important for the long-term sustainability of any tourism industry. Developments which adversely impact the environment, which are short-term, high volume, and opportunistic in nature should be avoided. Key aspects of a sustainable tourism policy include land use; management of the physical environment; conservation of natural and cultural heritage sites; development of market led products; and investment in human resources.

Profitability:

The tourism industry in Northern Ireland has had poor investment returns for many years and only in the past decade – particularly the latter half – has there been a welcome rise in profitability. Businesses must derive an adequate profit to ensure continued expansion through investment. Profitability needs to be improved through increased utilisation of the assets within the sector – for example increased occupancy rates of accommodation providers or more visitors through an attraction. Profitability can be assisted through the introduction of greater efficiencies – for example co-operative marketing, or through ensuring that increases in volume sales are not achieved on low price competition strategies.

Selective Investment:

Future investment strategies will need to be highly selective and clearly targeted. In an area where there has been substantial investment by both the public and private sector and where there is currently more taking place, care must be exercised in the direction and scope of what is to follow. With future Selective Financial Assistance uncertain from both NITB and the EU Programmes, the need for careful selection is underpinned. So too is the issue of comparison with investment priorities across the Border where differing regimes may be in place and where duplication of effort is possible. Identifying clear market gaps is essential.

Targeted Marketing:

It must be stated that this has to be a clear guiding principle, although it is necessary to point out that this principle is demonstrably already in place through DVCB as set out in their Marketing Action Plan. However, complacency should be avoided especially as fast changing delivery mechanisms become the norm, through the continual change in IT capabilities. The choice of markets, products and segments for the future must not be assumed to be as it is today. A continuous review process is necessary to determine the appropriateness of the products in the area and the type of tourism sought. The rate of change elsewhere may render a product obsolete much more quickly than the provider thinks. An outward looking industry well informed of trends and new products is essential for future success.

Public Private Sector Partnership:

It is generally recognised in the tourism world that successful destinations are those where a partnership has been built up between the public and private sectors. The Derry Visitor and Convention Bureau, established following the 1993 'Friel Report', is a model of good co-operation between public and private sectors and also follows the NITB guidelines for Regional Marketing bodies. Partnership may however need to extend beyond marketing and into strategic planning / development issues. It may also need to develop a more effective two way process to ensure that the balance of risk does not seem to lie disproportionately on any side – public or private.

Principles into Action

To achieve a substantial and sustainable increase in tourism revenue while reflecting the five guiding principles, there is a need to take strategic action in four key areas. They are:

Product development

To ensure the continued development of the range of 'attractors' within the area and provide new 'things to do' for the visitor. Much of the effort in this will be focused into improving the existing attractions to make them accessible and to fulfil their tourism role as magnets for the area. Some limited accommodation work will also be required.

Marketing

To continue to develop the destination marketing capacity for the DVCB and other support agencies to ensure that best practise continues, while implementing changes that an All Ireland approach may require. Beyond destination marketing lies the need for the existing attractions to devote the appropriate effort and budget to undertaking their own marketing role.

Quality assurance

To ensure that the quality of the product delivered lives up to the expectations of the visitor. In a world that is so competitive for tourism this becomes increasingly important. This is true of the public, private and voluntary sectors and embraces issues ranging from signposting, to litter, to unhelpful staff and to opening hours. This is an important issue in the delivery of tourism growth in a sub-region surrounded by high quality competition.

Management and co-ordination

The Friel Report left the Derry Visitor and Convention Bureau as a legacy and the achievements of the Bureau have been notable and substantial. There is however a gap in the tourism delivery mechanism, in that the development role in tourism must be addressed. The links with other agencies and new Government Departments are now more complex than ever and therefore co-ordination for tourism must be given a higher priority and resource.

6. First Step Action Plan

The immediate goal of enhancing the tourism sector as it currently operates within the Derry and the North West will be achieved by securing the financing and effective implementation of a £10 m **“first step action plan”** (2002-2006). This would bring the performance of the sector in line with the growth targets identified in the Northern Ireland Tourist Board’s Corporate Plan. This “first step action plan” is detailed at Appendix 2.

The Council, in conjunction with the Derry Visitor and Convention Bureau will keep the Action Plan under review to ensure that it is implemented and effectively resourced. The process will be carried out in consultation with the Economic Development Advisory Panel. Further work will be carried out to prepare the **“step change action plan”** (2006-2012).

The Economic Development Section will devise a key set of economic indicators by which progress on the strategy can be measured. Updates on the indicators will be published to stakeholders as a Tourism Development Briefing on a bi-annual basis.

Partners

Key partners in the delivery of the “first step action plan” (2002-2006) and in the preparation of “step change action plan” (2006-2012) are identified as:

Locally based	Central Government
Derry Visitor & Convention Bureau	Northern Ireland Tourist Board
Cruise Initiative/Londonderry Port & Harbour Commission	DETI and Invest NI
Sperrins Tourism Limited	DOE Environment & Heritage Service
Rural Action Partnership in Derry	Department of Agriculture and Rural Development
Local Strategy Partnership	Foyle and Carlingford Loughs Agency
NW Region Cross Border Group and other local authorities	DSD Londonderry Development Office
City Centre Initiative	DOE Planning Service
The Honorable the Irish Society	Department of Arts Culture and Leisure
Private/Voluntary Sector – Hotels, Tour Operators, Attractions, Restaurants, Retailers etc	DRD Roads Service

Financing the Action Plan

In addition to resources provided by Derry City Council, funding will be sought from the following sources to finance the first-step action plan:

Funding Programme	Responsible Body
Building Sustainable Prosperity – Measure 1.4: Local Economic Development	DETI/DCC
Peace II Economic Renewal – Measure 1.2a: Water Recreation Development Programme	DCAL
Peace II Economic Renewal – Measure 1.2b: Sustainable Tourism development based on natural resources (NRRTI)	DARD
Peace II – Outward and forward looking tourism – Measure 4.2a: marketing the region as a tourism destination	NITB
Peace II – Outward and forward looking tourism – Measure 4.2b: enhancing the region as a tourism destination (Cultural Tourism)	NITB
INTERREG IIIA	North West Cross Border Group
INTERREG IIIB North West Metropolitan Area and Atlantic Arc	European Commission
PEACE II – Measure 3.1 and 3.2	DFP/Local Strategy Partnership
Leader +	DARD/RAPID
Tourism Development Programme	International Fund for Ireland

Appendix 1: SWOT Analysis

Assessment carried out by TTC 2001

The Tourism Offer has a number of strengths, and weaknesses:

STRENGTHS	WEAKNESSES
<p>Historic Walled City</p> <p>Possible world heritage site;</p> <p>River location;</p> <p>Proximity to Giant's Causeway and Donegal;</p> <p>Recent and current investment;</p> <p>Cultural heritage and tradition;</p> <p>Events and festivals;</p> <p>Pleasant rural hinterland; and</p> <p>Lively night life</p>	<p>Memories of violence;</p> <p>Uncertain image;</p> <p>Mixed marketing message;</p> <p>Attraction availability;</p> <p>Shutter city;</p> <p>Street environment;</p> <p>River unused;</p> <p>Rural area underused;</p> <p>Lack of identification and welcome</p>
OPPORTUNITIES	THREATS
<p>the ability of the area to appeal to the various market segments by providing appropriate 'attractors', accommodation and services in order to compete effectively with other destinations;</p> <p>the competitiveness of the area in terms of value based quality delivered for the price paid by the visitor; and</p> <p>marketing effectiveness in attracting visitors to the area.</p>	<p>the overall level of popularity and demand from outside the country for Northern Ireland, and Ireland;</p> <p>the prevailing exchange rate;</p> <p>the level of political stability and perceived level of peace in the community;</p> <p>demand for day – trips and holidays within Northern Ireland reflecting the state of the economy, life – style patterns and the socio-demographic mix of the population.</p>



Appendix 2: A First Step Action Plan

1. PRODUCT DEVELOPMENT ACTIONS

Strategic Objective: To ensure the continued development of the range of ‘attractors’ within the area and provide new ‘things to do’ for the visitor so increasing the distinctiveness of the area so that it becomes a “must visit” stopping point or touring base.

Action	Lead responsibility	Cost
1 Preparation and implementation of management plan for the City Walls with the ultimate objective of achieving international designation such as World Heritage Status	ED	£750K
2 Improve the Public Realm within the city centre to make the change from ‘contentious city’ to ‘welcoming city’ – viz. creating neutral/festive spaces, changing security focused streetscapes, designation of the Walled City and adjoining neighbourhoods as the “Cultural Quarter”	ED	£1m
3 Upgrade key visitor attractions such as Tower Museum and ensure integration of existing cultural/heritage attractions with Tourism Product	Museum Services/DVCB	£1.5m
4 Implement programme for Marine Tourism to maximise potential of the Foyle viz. development of pontoon, river-based events, cycle route development along river banks, angling	Cruise Development	£1m
5 Enhance current events programme to maximise their tourism impact and create a biennial festival of culture to position the city internationally as a Cultural Destination	R & L	£1m
6 Improve rural tourism product in the District to include welcome signage, environmental improvements in villages, archaeological sites and country parks, development of walking, cycling, riding paths, driving routes and improvement of tourist related signage, ensuring integration with the tourism programmes of both the City and the Sperrins	ED	£0.5m
7 Ensure the development of sub-regional tourism infrastructure to develop ‘north west’ product – e.g. cycling, walking, cultural trails and water based activities	ED/North West Councils	£0.5m
8 Carry out feasibility study on a family centre tourism attraction for the city/maintain prospectus of tourism development opportunities	ED	£25K



2. MARKETING ACTIONS

Strategic Objective: To package and present the “reasons to visit” in a way that appeals to growth segments abroad and at home. This will be achieved through continuing to develop the destination marketing capacity for the DVCB and other support agencies to ensure that best practise continues, while implementing changes that an island of Ireland destination marketing approach may require.

	Action	Lead responsibility	Cost
1	Identify clear brand development plan for the city which builds on the city’s reputation for creativity and its cultural/heritage resource and builds on the city’s role as a gateway to the attractions of the north west	City Marketing	300K
2	Implement an international destination marketing programme based on market intelligence	DVCB	£1.2m
3	Implement a domestic marketing programme focusing on the educational tourism market and niche city-break market, based on market intelligence	DVCB	£1.2m
4	Collaboratively market new key sub-regional assets such as the Magilligan – Greencastle Ferry and the Ballyshannon - Ballycastle cycle route	DVCB and Causeway Coast and Glens RTO and Donegal County Tourism	250K
5	Implement a destination marketing programme for niche products such as cruise and conference tourism	Cruise Development/DVCB	200K



3. QUALITY ASSURANCE ACTIONS

Strategic Objective: To ensure that the quality of the product delivered lives up to the expectations of the visitor. This will be achieved through the maintenance and standard of the environment, the way in which service is provided and delivered and the perceived welcome.

	Action	Lead responsibility	Cost
1	Ensure implementation of an information and signage strategy to maximise visitor satisfaction	ED	£100K
2	Implement a programme within the city centre to make the change from 'contentious city' to 'welcoming city' – namely rangers service and welcome signage and banners on the main approaches to the city	ED	£200K
3	Ensure visitor attractions are made more 'consumer-friendly' in terms of opening hours and access	DVCB & Operators	£10K
4	Small business training including welcome host	DVCB	£200K



4. MANAGEMENT AND CO-ORDINATION ACTIONS

Strategic Objective: To manage the tourism products and associated assets in such a way that the visitor finds a “tourist friendly” experience, championing the delivery of the “*first step action plan*”(2002-2006) and ensuring the preparation of “*step change action plan*”(2006-2012).

	Action	Lead responsibility	Cost
1	Consolidate Council’s existing tourism development activities by establishing a Tourism Development Unit, maintaining links with other agencies and new Government Departments, co-ordinating the implementation of the first step action plan and the preparation of a step change action plan	ED ¹	£500k
2	Maximise opportunities for the rural areas, parks and habitats through the creation of a post for Countryside Access Officer	R & L ²	£75K
3	Creation and implementation of monitoring system to report twice yearly on progress	DVCB, ED and NITB	£30K

¹ CAPITA are currently undertaking a review of the City Marketing Department.

² CAPITA are currently undertaking a review of the Recreation and Leisure Department.

