

Enterprise & Business Committee
Inquiry into Tourism

Evidence from the Welsh Local Government Association

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, the three national park authorities and the three fire and rescue authorities.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. The WLGA welcomes this opportunity to contribute to the Enterprise and Business Committee's Inquiry into Tourism. Comments are offered against a number of the issues that the Committee is considering as part of the terms of reference.

The sufficiency and effectiveness of Welsh Government resources targeted at promoting tourism and supporting Welsh tourism businesses, and whether it represents good value for money;

4. Local authorities in discussion with tourism-related businesses have identified that these businesses require general business support in addition to IT, Marketing and using social media specifically tailored to the tourism business sector. Traditionally, local authorities have operated business grant schemes that target start up businesses and manufacturing based businesses. There would be merit in further developing targeted financial support for the tourism sector which would have different tiers of intervention by local government and Welsh government based on the level of tourism operation and level of financial support required.
5. All local authorities have prepared Destination Management Plans and these should inform resource allocation at a regional and local level. With limited

resources available nationally, there is concern that future funding could be directed at the high profile traditional tourism areas and the areas in Wales with a smaller tourism sector are under funded and as a result remain under-developed.

How the Welsh Government monitors and evaluates the effectiveness of its tourism support and marketing activities;

6. There are inherent difficulties in measuring the effectiveness of marketing activities and indeed defining marketing activities. Local authorities have a key role to play in promoting their council area, events and the facilities that they and other stakeholders provide. This promotion should complement regional and national promotion. There are opportunities for greater co-ordination in evaluating marketing activity by working with tourism-related businesses to understand their customers and the effectiveness of marketing activities. The information that Welsh Government has on the effectiveness of marketing activities is not routinely shared with local authorities.
7. The WLGA is aware of a specific report into the economic benefits of the Wales Coast Path and the desire to widen the benefits to more businesses (tourism and retail) and this is welcomed and is considered good practice.
8. Measuring success and effectiveness also depends on being able to ascertain exactly what the value of domestic or overseas tourism is actually worth. Measuring the volume and value of tourism in Wales is problematic as it needs to be model based with a number of variables fed into that model such as accommodation occupancy statistics. The Wales occupancy survey undertaken on behalf of Welsh Government is a small sample size and cannot be used reliably for sub-national analysis to inform future initiatives.

The use made of opportunities for funding and other support from the EU;

9. In the current programme, EU funding has been used to support tourism related initiatives including Digital Tourism programmes. Projects such as Valleys Regional Park have accessed significant levels of ERDF funding which has benefited a specific geographical area. Further, local authorities have benefited from ERDF funding via the Visit Wales led projects within the West

Wales and the Valleys Convergence Programmes' Environment for Growth theme.

10. It is anticipated that future EU funding for tourism will be locally targeted through the Rural Development Plan and that funding will be available from the other ESI Funds (Structural Funds & Fisheries) when linked to the Jobs & Growth agenda. Rural areas rely heavily on the tourism sector and RDP funding through Priority 6 – Promoting social inclusion, poverty and economic development in rural areas – and via the new Rural Community Development Fund will be crucial in supporting tourism based activities and businesses. It will be important that tourism related activity developed for RDP funding complements tourism related activity to be funded by ERDF. We would encourage further discussions between Visit Wales, and the wider Welsh Government Department for Economy and Transport, and local authorities as potential projects evolve for ERDF funding in order to ensure that activity developed nationally complements what is emerging regionally, sub-regionally and locally and vice-versa in order to maximise the impact of the funding available.
11. It is not clear whether Welsh Government will match EU funds at source thereby establishing financial support for tourism related businesses or whether this will be a more locally based approach. Locally the Destination Management Plans prepared by local authorities provide evidence for future funding applications.

The success of Welsh Government efforts to increase the quality of Wales's tourism offer;

12. Local authorities and the former Regional Tourism Partnerships have/had a key role to place in increasing the quality of Wales's tourism offer. It is not clear yet how the new arrangements will work with Visit Wales having a regional role; however we strongly advocate the need for enhanced partnership working to deliver programmes and projects at a local level. This localised approach should be inclusive of local government and local businesses and linked to the priorities with the Destination Management Plans which all local authorities have prepared.

13. Direct funding support such as Tourism Investment Support Scheme (TISS) has improved the tourism offer. However, the quality grading scheme for accommodation providers for which participation is a prerequisite for TISS funding is likely to become less effective in the future. In the past the most effective route to market accommodation was through Visit Wales and marketing area destination brochures. As more accommodation providers use the internet for marketing, there is no incentive for them to participate in the quality grading scheme and therefore do not receive feedback on how to improve their offer.

The extent to which the marketing and development of tourism in Wales makes the most of Wales's cultural, historical and natural assets;

14. The Destination Management Plans seek to capitalise on the local cultural, historical and natural assets. They set out key strategic priorities including products and themes for further development. It is important to recognise the important role local authorities play in the co-ordination, account management and guidance in developing iconic visitor destinations and the expertise that exists in local authorities; expertise that can be utilised by Visit Wales and Welsh Government to support the marketing and development of tourism in Wales.
15. There are existing partnerships and organisations that can be supported by Welsh Government to market and develop tourism; these include local authority partners, third sector and other public bodies. For example Cadw are proposing the preparation of a Strategic Plan for the historic environment as part of the forthcoming Heritage Bill and tourism opportunities should feature strongly in this plan. Natural Resources Wales are developing their thinking on the ecosystems approach to natural resource planning and using natural assets for tourism should be incorporated within this approach.
16. In 2013, the WLGA and the 3 National Parks commissioned a study to consider the economic value of the three National Parks. The study found "The economic benefits of the National Parks are felt outside the Park boundaries. Nowhere are the 'spillover' benefits of the National Parks more evident than with regard to the tourism sector. The Parks receive 12 million visitors each year spending an estimated £1bn on goods and services. This greatly exceeds

the turnover of tourism related businesses within the National Parks themselves, highlighting the fact that visitors to the Parks also stay and spend time in other parts of Wales.” “The Parks provide strong tourism ‘brands’ which are recognisable to both domestic and international visitors and convey positive messages about Wales as a place to live, work or visit.”

17. Further to the abolition of the Regional Tourism Partnerships, the WLGA is keen to ensure that the regional engagement teams within Welsh Government have a hands-on role across Wales. Local authorities are keen to engage particularly on destination marketing and in many areas existing partnerships such as the Destination Pembrokeshire Partnership would benefit from Visit Wales support. In times of restricted budgets, it is crucial that joint working is strengthened and that any funding is used to maximum effect at a local, regional and national level.

The impact of major events on Wales’s tourism economy, and the success of Welsh Government attempts to maximise this

18. Major Events can have a big impact on local areas and provide a significant boost to local economies. A number of local authorities have worked very closely with the Major Events Unit in Welsh Government to support and attract national and international events to different parts of Wales. Conwy County Borough Council, for example, has worked well in partnership with the Unit to secure a number of high profile events to their area, which have benefited the wider North Wales region as a whole, such as the Wales Rally GB and the Tour of Britain and World Mountain Championship in 2015.
19. We are keen to see such joint working increasing in the future, and are encouraging local authorities to progress their regional working to develop a more strategic approach to supporting, resourcing and coordinating major events across Wales.
20. This will be a key feature of the new regional working relationships to be developed following the demise of the Regional Tourism Partnerships. Local government is looking forward to working with the Welsh Government to develop the appropriate arrangements across Wales.

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