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Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism



Llywodraeth Cymru  
Welsh Government

William Graham AM  
Chair of the Enterprise and Business Committee  
19A East Street  
Newport  
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Dear William

14 January 2015

**Response to the Report by the Enterprise & Business Committee on its inquiry into Tourism (published 20 November 2014)**

I am writing to you in your capacity of Chair of the Enterprise and Business Committee, with responsibility for the scrutiny of Tourism.

I welcome the Enterprise & Business Committee report on Tourism which acknowledges the significant progress that has been made in meeting the tourism strategy's growth targets, in fact exceeding them in the first year of the strategy, with an increase in visits and spending by tourists.

Tourism makes a significant contribution to the Welsh economy both directly and indirectly in terms of jobs and expenditure generated. The 2013 Deloitte report *Tourism: Jobs and Growth* indicates that tourism directly contributes £3.1million or around 5.4% of Gross Value Added for the Welsh economy. Welsh Government sector statistics indicate that some 121,400 people are directly employed in tourism in Wales, an increase of 19% since 2005, a greater increase than in any other sector in Wales.

The Welsh Government is strongly committed to developing the visitor economy by promoting Wales as a high quality destination, extending the tourism season, improving infrastructure and supporting investment in training to support quality products and enhance the visitor experience.

In terms of visitor numbers and associated spend results for both our UK and overseas markets shows that Wales is outperforming the rest of the UK.

There were 6.96 million overnight visits to Wales by GB residents in the January-July 2014 period, 4.9% higher than in 2013 and well ahead of results for GB as a whole (4.8% down).

Expenditure during these visits (£928 million) was 4.0% up, while for GB as a whole, spending was 2.5% down.

In terms of overseas visitors to Wales, figures from the ONS's International Passenger Survey for the first half of 2014 show that Wales had an increase of 21% in the volume of visitors from abroad (415,000); and 1% in related expenditure (£149 million), compared with the first half of 2013.

The corresponding figures for the UK as a whole were 9% up in terms of visits and 2% up on expenditure. There were increases in visits to Wales from all world regions, with visits from North America 6% up, from the European Union 31% up and from the Rest of World 3% up.

The Welsh Government will continue to deliver against the targets and objectives contained in the tourism strategy and its related framework action plan and will report annually on progress.

I have set out below my responses to each of the Committee's twenty-eight recommendations.

## **Recommendations**

**Recommendation 1.** The Welsh Government should build upon the work of the Ashton Brand Consulting Group to develop a strong, cohesive Wales tourism brand. (Page 19)

**Response: Accept.**

As said during Welsh Government oral evidence the key branding principles established by this work, along with the overarching product-led brand approach recommended, is already being taken forward through marketing campaigns and other Tourism and Marketing activities.

**Financial Implications: None.**

**Recommendation 2.** The Welsh Government should improve coordination between departments that contribute to Wales's tourism appeal, such as culture and heritage, to strengthen the Wales tourism brand and offer. (Page 19)

**Response: Accept**

This will be strengthened now that Cadw and Culture are within the same portfolio as tourism. Restructuring within the department will also help work underway to create a much closer working relationship between all those working within the culture and heritages sectors.

**Financial Implications: None**

**Recommendation 3.** The Welsh Government needs to communicate clearly to businesses the key Wales tourism brand messages that it is pursuing following the Ashton Brand Consulting Group branding review. This should include improving the *Wales the Brand* website. We also recommend that tourism businesses in Wales be directly involved in the work the Welsh Government is undertaking to develop its "in-depth delivery strategy for Wales's tourism marketing". (Page 19)

**Response: Accept**

There were a series of industry roads shows in November 2014 which shared Welsh Government's plans for marketing Wales in 2015 reflecting the key branding principles established by the branding review. The Tourism Advisory Board has also hosted events in the regions to meet tourism businesses and stakeholders in the area to inform them of the Board's work and the activities of tourism and marketing team, and listen to any issues they may wish to raise directly with the Board and officials. We will refresh the online Wales brand portal during 2015.

**Financial Implications: None**

**Recommendation 4.** Welsh Government should involve tourism businesses more closely with its advertising campaigns, so they understand better what Welsh Government is trying to achieve, and can co-ordinate their own work accordingly. (Page 20)

**Response: Accept**

As indicated above, there were a series of industry roads shows in November 2014 which shared our plans for marketing Wales in 2015 and there are more planned for next year as part of a regular programme of shows. Visit Britain also attended to explain their PR work and how it links into Welsh Government tourism and marketing activities.

**Financial Implications: None**

**Recommendation 5.** The Welsh Government should do more to sell what is unique about Wales as a tourism destination, including its scenery, history, industrial heritage and language. (Page 22)

**Response: Accept**

The Welsh Government is very much aware that Wales's countryside, coastline, culture and history comprise a major asset and strength in attracting visitors to Wales. This is being promoted and marketed effectively across many elements of the 'Have You Packed For Wales?' marketing campaign; with detailed information on how to visit and experience many of these unique Welsh assets on the Visit Wales website. More is being done to build on this promotional work through coming campaigns and improvements to the Visit Wales website.

**Financial Implications: None**

**Recommendation 6.** The Welsh Government should do more to encourage joint promotion of heritage assets, including those outside of its care, building upon existing examples of good practice. (Page 24)

**Response: Accept**

As acknowledged during Welsh Government oral evidence, work is underway to further develop the pan-Wales heritage interpretation plan. There are opportunities to link smaller and unlisted sites with Cadw sites to help join up and complete historic stories for example. Opportunities like this, along with accompanying cross-promotional work will be taken forward working with Cadw, site owners/managers and stakeholders.

**Financial Implications: None**

**Recommendation 7.** The Welsh Government should do more to maximise the tourism impact of major events and ensure that Wales's success in hosting major events feeds through into a strong Wales tourism brand. (Page 27)

**Response: Accept**

Although we accept more could be done we reject any implication that Welsh Government is not already striving to maximise the impact of major events. Hosting major events throughout Wales is increasingly important in terms of raising Wales' profile across the world and attracting people to visit and stay in Wales.

As set out in Welsh Government written evidence to the committee this is already being taken forward strongly through the Welsh Government's Major Events Unit (MEU) which sits within the department of the Economy, Science and Transport. It is estimated that the programme of MEU supported events in 2014 will attract around 280,000 visitors to Wales and generate a direct economic impact of £50 million. In 2014 we supported a diverse range of sporting and cultural events including the Machynlleth Comedy Festival, Pembrokeshire Fish Week, The Senior Open Championship, the IPC Athletics Championships, The UEFA Super Cup Final and Festival No.6.

Plans are underway for maximising the impact of future events such as the Ashes Test, and Rugby World Cup in 2015; the World Half Marathon Championships in 2016; Senior Open Championship in 2017; and the Volvo Ocean Race in 2018.

**Financial Implications: None**

**Recommendation 8.** The Welsh Government should explain how it is continuing the work carried out by the Welsh Music Foundation, in terms of promoting Wales and Welsh culture internationally (e.g. WOMEX 2013), following its disbandment. (Page 28)

**Response: Accept in principle**

Officials are working with key stakeholders to ensure that Wales and Welsh culture continue to be promoted internationally. This will be strengthened by closer integration between Culture and the Creative Industries, Marketing and Tourism portfolios.

**Financial Implications: None**

**Recommendation 9.** The Welsh Government should publish an economic impact assessment of the immediate benefits of Wales's hosting of the NATO summit, including its impact on the tourism industry. The Government should in due course also publish a longer term evaluation of the impact of hosting the summit, and confirm the timescale for doing so. (Page 29)

**Response: Accept**

A written statement on the costs and benefits of Wales NATO 2014 was issued by the First Minister on 16 December.

**Financial Implications: None**

**Recommendation 10.** The Welsh Government should publish an assessment of the success of the Dylan Thomas centenary events, and ensure that this experience influences its work on similar events in the future, such as Roald Dahl's centenary in 2016. (Page 30)

**Response: Accept**

A report on Dylan Thomas 100 will be published early 2015 and lessons from the centenary are already being fed into future events including plans for the recently announced annual Dylan Day on 14 May and proposals to celebrate the centenary of Roald Dahl's birth in 2016.

**Financial Implications: None**

**Recommendation 11.** The Welsh Government should keep under review its growth target in view of the good performance of the sector. If growth continues to exceed that needed to meet the target, a new and more challenging target for the sector should be set. (Page 34)

**Response: Accept**

This is reviewed on an annual basis – we will consider the 10% growth figure again for 2015-16.

**Financial Implications: None**

**Recommendation 12.** The Welsh Government should identify tourism sectors with major growth potential and develop specific strategies and growth targets for these sectors. (Page 36)

**Response: Accept**

This is already done within the tourism strategy 'Partnership for Growth 2013-2020' which identifies sectors for growth which in turn underpins the product-led brand approach.

**Financial Implications: None**

**Recommendation 13.** The Welsh Government should simplify the process for organisations to get a brown and white sign, in light of concerns about bureaucracy and cost. (Page 37)

**Response: Accept**

Welsh Government has introduced revised guidelines that tourism businesses can benefit from in relation to white on brown tourism signage. If the signs are permitted, there is also access to grant support through the Tourism Investment Support Scheme. The application process has already been simplified to a minimum requirement.

**Financial Implications: None.**

**Recommendation 14.** The Welsh Government should recognise the importance of broadband to tourism businesses whilst it is prioritising broadband roll-out under its Superfast Cymru and Access Broadband Cymru schemes. (Page 38)

**Response: Accept**

The Welsh Government fully recognises the importance of the exploitation of superfast broadband to tourism businesses. Having already delivered tourism specific activities under pathfinder project deliverables, work will continue to support tourism businesses through

support that dovetails with Superfast Cymru roll-out and the forthcoming national programme of exploitation support for businesses.

**Financial Implications: None**

**Recommendation 15.** The Welsh Government should work with Ofcom to increase broadband and mobile phone coverage in order to improve Wales's tourism offer. (Page 38)

**Response: Accept**

Work is already well underway on the Superfast Cymru working to give, when combined with commercial roll-out, 96% of premises in Wales access to fast fibre broadband by 2016. In addition, the Access Broadband Cymru scheme provides funding for alternative broadband connections where broadband speeds of greater than 2Mbps cannot be achieved.

We also intend to deliver a new project to bring fast fibre broadband to areas not covered by either Superfast Cymru or by telecommunications companies' own roll-out projects. Procurement is underway for phase one of this two phase Superfast Broadband Infill project.

We are working with the mobile industry, Ofcom and UK Government to improve mobile coverage across Wales. A key focus is to ensure that Wales benefits from the UK Government's Mobile Infrastructure Project, a £150 million investment, to address mobile notspots.

We also are working with the Mobile Operators following the 4G spectrum auction. The licence which was awarded to Telefónica O2 carries a coverage obligation of at least 95% of the population in Wales by the end of 2017.

**Financial Implications: None.**

**Recommendation 16.** The Welsh Government must do more to engage the tourism industry with the work of the Welsh Government. This should include establishing whether the Welsh Government publishes sufficient information about its activity including that of the Major Events Unit) to enable the industry to assess and engage in its work. (Page 40)

**Response: Accept**

In accepting that more could always be done, tourism officials already engage with the tourism industry in a variety of ways: regular Road Shows, a new Regional Engagement team within Welsh Government, Regional Fora, a Visit Wales e-newsletter (now with four regional newsletters from December 2014); social media accounts; with tourism statistics published on the Welsh Government website along with an annual publication of progress against the tourism strategy.

**Financial Implications: None**

**Recommendation 17.** The Welsh Government should work with the tourism industry in Wales to improve its online presence. This should include a more user friendly, dynamic and interactive website. Consideration should also be given to developing apps that could help tourists get the most from their visit to Wales. (Page 41)

**Response: Accept**



The Visit Wales website was re-launched in June 2013 and it is seeing increased visits. The next stage, which is currently being taken forward, is redevelopment of the tourism product search data base which already involves close working with the industry. As with all new websites we are constantly monitoring and reviewing and making necessary improvements

The EU funded Digital Tourism Business Framework Programme has already assisted the development of 20 Mobile Apps specifically for the tourism sector.

**Financial Implications: None**

**Recommendation 18.** The Welsh Government should work more closely with the tourism industry in Wales to communicate the changes made to the regional tourism support structure, and to ensure that new structure is a success. (Page 43)

**Response: Accept**

The new regional engagement team is now in place and officials have been tasked with engaging with the industry within their respective regions to ensure the changes are communicated effectively.

The first round of the new regional engagement tourism fund has been completed and regional stakeholders have been awarded funding to continue to take forward actions within the relevant destination management plans.

Members will soon be invited onto the new regional forum with the inaugural meetings to be held in January/February of 2015, the forum will be a key communication channel for communicating with the regions. Officials will also be producing regional newsletters to improve the communication with regional stakeholders.

**Financial Implications: None**

**Recommendation 19.** The Welsh Government should take steps to improve the level of knowledge that Visit Britain staff have of Wales and the Welsh tourism offer. (Page 44)

**Response: Accept**

We already have clear working relations at CEO and Chair level with Visit Britain. In addition, the Welsh Government now has a secondee in place working within the Visit Britain team in London; the Tourism and Marketing team recently hosted a number of familiarisation visits for Visit Britain staff around Wales to help develop their product knowledge of Wales; and Visit Britain have also been involved with recent Welsh Government roadshows presenting on their PR work for Wales.

**Financial Implications: None**

**Recommendation 20.** The Welsh Government must do more to increase and improve Visit Britain's promotion of Wales. (Page 48)

**Response: Accept**

In addition to the response to recommendation 19 above Welsh Government is working closely with Visit Britain at an operational level - contributing to the development and roll out of major campaigns, including the global Countryside is GREAT campaign, which launches in January 2015. Welsh Government also contributes significantly to 'always on' Visit

Britain programmes – especially PR initiatives and Travel Trade programmes in overseas markets.

The GREAT campaign, which is delivered by the UK Government, underpins Visit Britain's work and in addition to working with Visit Britain to inform tourism related GREAT projects, Welsh Government officials have significantly strengthened our relationship with the central GREAT campaign team, and produced over 15 new GREAT campaign Wales assets to help international partners to promote Wales around the NATO Summit. These are now available for longer-term use.

**Financial Implications: None**

**Recommendation 21.** The Welsh Government should work with Visit Britain to establish challenging growth targets for Visit Britain to increase tourism in Wales. (Page 48)

**Response: Accept**

This was strongly called for in Welsh Government written evidence to both a recent Welsh Affairs Committee report on tourism and the Department for Culture, Media and Sport's Triennial review of Visit Britain.

**Financial Implications: None**

**Recommendation 22.** The Welsh Government should work with the industry to improve provision of timely, impartial research into tourism activity and trends in Wales. (Page 50)

**Response: Accept**

A Task and Finish Group (chaired by Tourism Advisory Board member Professor Nigel Morgan and comprising industry representatives) is currently reviewing Research and Market Intelligence. A final report, with recommendations, will be presented to the Tourism Advisory Board early in 2015.

**Financial Implications: None**

**Recommendation 23.** The Welsh Government should develop a strategy explaining how Tourism and Marketing will work with the Department for Education and Skills to improve the provision of training for the tourism industry, including delivery dates and intended outcomes. (Page 51)

**Response: Accept**

A workshop on the implementation of the skills action plan was held on 30 September 2014 involving DfES, Tourism Advisory Board Members and the industry produced a number of collaborative actions to take forward. These include developing a shared and evidence based understanding of the skills issues that need to be addressed in achieving the tourism strategy, promoting careers opportunities in the sector, building networks of excellence and enabling greater take up of customer service training opportunities.

**Financial Implications: None**

**Recommendation 24.** The Welsh Government should maintain a capital funding scheme (such as the Tourism Investment Support Scheme) for tourism businesses to improve their facilities. (Page 52)



**Response: Accept**

The Tourism Investment Support Scheme will continue to support the industry to develop.

**Financial Implications: None**

**Recommendation 25.** The Welsh Government should re-evaluate whether participation in the Visit Wales grading scheme needs to remain a prerequisite for TISS funding, considering the contemporary, social media driven way in which tourism accommodation is now marketed. (Page 52)

**Response: Accept**

Welsh Government, in partnership with Visit England and Visit Scotland is reviewing the way in which quality assurance is delivered. The requirement for grading in the context of Tourism Investment Support Scheme (TISS) funding will be considered as part of this review.

**Financial Implications: None**

**Recommendation 26.** The Welsh Government should improve the transparency of funding information by publishing a breakdown of the £20 million “total funding” for Wales’s tourism industry and comparative figures to enable stakeholders to make an objective assessment of how funding for Wales’s tourism industry compares with other parts of the UK. (Page 54)

**Response: Accept in Principle**

Comparisons on tourism spend with other parts of the UK have historically been difficult to make due to different government structures and portfolio responsibilities and how related budgets/expenditure is utilised across a wide range of activities within portfolios. The 2014-15 funding is £20m which primarily supports the Tourism Investment Support Scheme; development work, marketing for domestic, business and international activity and support for major events. There is flexibility within this to enable us to respond to tourism priorities and opportunities that may emerge during the year. The core budget also levers in additional European funding and private sector match funding.

**Financial Implications: None**

**Recommendation 27.** The Welsh Government should recognise the substantial return on investment for tourism funding and the budgets of other competing nations. In light of this, it should review whether its tourism budget is sufficient to enable Wales to fulfil its tourism potential. (Page 55)

**Response: Accept**

Welsh Government fully recognises the value of tourism to the Welsh economy and budget accordingly. As demonstrated throughout the year additional resources can be found from other Economy, Science & Transport budgets for priority capital projects.

**Financial Implications: None**

**Recommendation 28.** Given the value of tourism to Wales’ economy and the rich range of natural, cultural and other assets in Wales, we believe the Welsh Government, working

closely with key stakeholders across Wales, should ensure that tailored support is available to maximise EU funding opportunities to help grow the industry in Wales. (Page 56)

**Response: Accept**

Welsh Government is currently developing a tourism infrastructure programme via 2014-2020 structural funds. It is working in partnership with key stakeholders on a suite of projects that will be taken forward building on previous investment where possible and continuing to develop a high quality offer based on the range of natural and cultural assets Wales has to offer. Welsh Government is also developing an access to finance scheme as part of a wider Enterprise, Science & Transport department bid.

**Financial Implications: None**

Yours Ever,

A handwritten signature in black ink, appearing to read 'Ken', with a long, sweeping horizontal stroke above the letters.

**Ken Skates AC / AM**

Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism