

Capital Region Tourism

UWCH RANBARTH TWRISTIAETH



Business Plan 2011/12

Capital Region Tourism Business Plan 2011/12

1. Purpose of business plan

The purpose of this Business Plan is to set out how Capital Region Tourism (CRT) will deliver against the Regional Tourism Strategy for South East Wales, wider Welsh Assembly Government strategy and our funding agreement with WAG over the period 1st April 2011 to 31st March 2012.

2. Content of business plan

The Business Plan details:

- What CRT is going to do
- How CRT is going to do it
- How our success will be measured

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A. Introduction

A.1 Regional Tourism Strategy

The regional Tourism Strategy was reviewed in 2008 with this vision, shared with our partners, for South East Wales:

South East Wales is the lively city region, the nation's capital region for tourism and the gateway to Wales. It will compete with the best in the UK and Europe to win a growing share of the UK short breaks, overseas, events, meetings and conference markets.

It will build upon and promote its special strengths:

- *Our sense of place, our culture, our people, our heritage and our traditions*
- *The special places - Cardiff - one of Europe's great capital cities, the Brecon Beacons and the Wye Valley, the Welsh Valleys and the Coast*
- *The great choice of outdoor activities that are easy to get to and not too extreme*
- *The success of the Ryder Cup*
- *The capacity and appealing location for events, meetings and conferences*

The offer will be strongly branded, with clear links to the Welsh identity that is authentic and contemporary. Perceptions of the region as a desirable destination with an excellent mix of leisure, sport and shopping will continue to rise.

The region will strive for quality that delights visitors, through ready access to information, booking and transport, and by delivering outstanding service and hospitality at all times.

The prizes will be:

- *More visitors with higher spending patterns*
- *More and better jobs within the Welsh economy*
- *Greater pride within the Welsh communities*
- *More appreciation of Welsh culture, heritage and environment*

Key players in all sectors will remain committed to genuine partnership and will work together to secure and co-ordinate the resources and skills to achieve this vision and sustainable success for the industry.

GUIDING SUSTAINABLE PRINCIPLES

All tourism in South East Wales should seek to be sustainable. Hence, there are four key guiding principles behind the strategy:

- **Promoting local economic prosperity**
- **Supporting community well being and involvement**
- **Minimising tourism's environmental impact**
- **Protecting and giving value to natural heritage and culture**

There are seven components of the strategy for the Capital Region which are reflected in this business plan

- **Focused Marketing**
- **Distinctive Branding**
- **Higher Quality**
- **Easier Access**
- **Better Skills**
- **Stronger Partnerships**
- **Measuring Success**

The strategy identifies as priorities for the region **business tourism** and 5 leisure tourism 'experiences':

- **City Breaks**
- **Countryside and scenery**
- **'Easy' (highly accessible) Activities**
- **'Browsing' (Towns and villages, retail, food)**
- **Culture and Heritage**

A summary of the Regional Tourism Strategy is attached at appendix 2

A.2 Links to National Strategy

1. Strategic Context and Remit from Welsh Assembly Government

One Wales offers a progressive agenda for improving the quality of life of people in all of Wales's communities, from all walks of life, and especially the most vulnerable and disadvantaged. Tourism is specifically referenced:

Tourism is vital to economic prosperity and job creation in many parts of Wales. Tourism should therefore be developed across Wales **on a regional basis** in order to make the most of local resources and assets.

- We will continue to promote Wales actively in external markets, drawing on our unique assets in **culture, history and the environment**.
- We will make strategic investments in facilities and employee **skills**.
- We will support the tourism industry as the market moves increasingly towards **shorter and activity-based breaks**.

Wales Spatial Plan: People, Places, Futures

The Plan identifies the importance of developing tourism in SE Wales e.g.

...A lively city region that provides a “buzz” in culture, tourism, shopping and leisure...

Concepts such as the Valleys Regional Park - extending across the South Wales Valleys - will promote the heritage and tourism of the Area. ... The tourism sector within Cardiff continues to grow, complemented by large scale development projects such as the Cardiff Bay waterfront development, the Millennium Stadium and the Wales Millennium Centre. Cardiff's profile has been raised as a major destination for domestic and international sporting and cultural events. The Area needs to... seize opportunities to create jobs in tourism, creative industries...

The Capital region accounts for a third of all tourism revenue to Wales. The Heads of the Valleys programme will support development of the economy of the mid and upper valleys, including the sustainable tourism and leisure sector, which has the potential to contribute to a much greater extent than is currently the case. Visit Wales and Capital Region Tourism are leading work to link key settlements to tourism hotspots such as Tintern, Caerleon, the Blaenavon World Heritage site and the Glamorgan Heritage Coast. In addition, canals and waterways support and generate tourism. Landscapes such as the Usk and Wye valleys have an important role to play in developing sustainable tourism and leisure opportunities.

There are action plans for the Heads of the Valleys, Valleys Regional Park and the Western Valleys which have contributed to this Business Plan. They highlight in particular the potential of both activity and cultural tourism in the Valleys.

Economic Renewal: A New Direction sets out a vision for economic renewal based on a Welsh economy built upon the strengths and skills of its people and natural environment; recognised at home and abroad as confident, creative and ambitious; a great place to live and work.

While DET will concentrate on a reduced number of key sectors (6) responsibility for leading tourism development has been given back to Visit Wales. CRT is expected to contribute to the Assembly Government's key economic development priorities and activities to: increase employment; raise the quality of jobs; regenerate communities and stimulate economic growth; help businesses to grow and increase value-added per job and earnings; and ensure all economic programmes and policies support sustainable development.

Achieving Our Potential, WAG's Tourism Strategy, sets out an agreed action plan to guide a co-ordinated response to the high level challenges which will face the tourism industry up to 2013. Five strategic challenges have been identified for tourism in Wales:

- To develop and communicate a distinctive brand for Wales
- To raise the quality of the tourism experience in Wales
- To improve the accessibility of Wales as a destination
- To encourage higher skill levels in tourism
- To develop effective collaboration within the industry

At a project level the plan supports specific actions identified for RTPs as lead bodies arising from AOP as follows:

Branding:

- Increase the emphasis given to marketing Wales to off-peak visitors and to growing niche markets (eg activity, business and cultural tourism), working closely with the industry

Quality:

- Undertake research to understand competitor/ market/ product trends and disseminate intelligence to the industry
- Prepare a national events/ festivals action plan to encourage effective event development and promotion, and a wider distribution of activity throughout the year

Access:

- Encourage public transport providers to develop transport services and packages that attract more travel to and within Wales
- Develop joint marketing initiatives with international airports serving all parts of Wales

Skills:

- Ensure that the skills development elements of the regional tourism strategies are delivered

Partnership

- Encourage the formation of local business partnerships to help market, manage and develop tourism, utilizing business clusters and networks where appropriate
- Integrate the development and marketing of activity based tourism and encourage the formation of business clusters
- Prepare a coastal tourism strategy as identified in the Wales Spatial Plan

Strategic Marketing Action Plan

VW has developed an innovative way of taking priority products for Wales forward in the future linking development and marketing through the concept of product 'champions':

- Family Attractions

- Walking
- Mountain Biking
- Fishing
- Adventure Activity
- Golf
- Green
- Food
- Culture/ Heritage
- Business Travel

These 'read across' to the regional strategic priorities easily other than in the area of 'City Breaks' where it is suggested regional stakeholders need to take a lead.

Since 2009/10 CRT has fulfilled the role of product champion for off-road/ mountain biking. This is particularly helpful as the Valleys area is developed as a Centre of Excellence for off-road cycling under the VW-led EU funded Sustainable Tourism project.

The 'champion' concept has been taken forward by Visit Wales into its next 5 year Strategic Marketing Action Plan (SMAP), although there will not be specific VW led campaigns for each of the champion products which will, by contrast, be 'mainstreamed' into the overall brand campaigns.

SMAP also identifies that VW will focus in future on building awareness and advocacy for Wales in key markets. Conversion, sales and repeat business will become the responsibility of other partners (regions and destinations).

Destination Management

Visit Wales led a consultation on the future designation, development, management and marketing of destinations in Wales. This has implications in the short and medium term for the role, responsibilities, status and resources of CRT. The study which prompted the consultation identifies 10 key tasks to be discharged at a regional level:

- Facilitating communication between VW and Tourism Areas (TAs).
- Administering funding from VW.
- Facilitating and brokering joint working between TAs to realise economies of scale.
- Co-ordinating theme and product marketing which isn't justified at local or national level.
- Liaising with regional agencies and ensuring tourism is covered in the Spatial Plan area policies and structures.
- Preparation of regional tourism strategy / framework to provide a link between local and national plans.
- Developing and rolling out training opportunities.
- Supplementing local expertise and capacity building.
- Research and monitoring.

- Supporting TAs in fighting their corner for tourism.

These tasks provide a useful summary of CRT's activities and have informed this plan.

The extensive consultation process has now identified agreed principles for supporting destination development going forward in which RTPs have a significant role:

1. The central role in leading brand building and national awareness campaigns for Wales and in developing effective partnership working within tourism, at all levels, aiming to ensure that the quality of the visitor experience underpins the marketing promise to improve and sustain Wales' competitive position will be undertaken by Visit Wales.
2. Destination management will present a challenge across all sectors of the destination community. The engagement of all partners at the destination level will be led by Local Authorities.
3. Destination marketing will need to be delivered alongside the arrangements for destination management in line with local needs. This may involve a clustering of local authorities to support more efficient use of resources.
4. Destination communities at the local level will comprise public/private and third sectors. The public sector will include all departments of national and local government whose roles and responsibilities impact on tourism and the destination. Visit Wales and Local Authorities will seek the assistance of the Wales Tourism Alliance and the Wales Council for Voluntary Action to ensure effective representation of those sectors within the partnership framework at the destination level.
5. **To enable successful functioning of the new approach, Visit Wales will provide funding, via the Regional Tourism Partnerships to facilitate effective adoption of the national framework agreement at the destination level.**
6. Better integration and coordination is needed to ensure that the new framework arrangements support opportunities for more, rather than less, funding in support of sustainable socio-economic benefits from tourism. In order to target achieving that aim, all sources of funding to support the development, management and marketing of tourism in Wales are to be identified.
7. Parties within the Wales Tourism Partnership Framework will agree the functions, roles and responsibilities expected of destination communities.

VW has made clear however that no new resources will be available for RTPs to discharge the role identified at 5 above but rather that the existing RTP funds should be demonstrably deployed to assist the destination management principles. As part of this process CRT during 2009/10 redefined the roles of Vivienne Wilfred and Alice Brown to cover Destination Marketing and Destination Development issues respectively.

Visit Wales Remit letter to CRT for 2011/12 is attached at appendix 3. It asks us to focus on the following priorities:

Strategic:

Skills Development - including

- i. Proven additionality of £40k ring-fenced funds
- ii. Close working with the National Skills Coordinator
- iii. Sense of Place/ Croeso Cynnes Cymreig

Marketing - preparation of an integrated delivery plan for the region and its destinations ready for 2012/13 bearing in mind the new allocation of roles implicit in the Strategic Marketing Action Plan

Quality - including:

- **Destination management and marketing**
 - a. support the Wales Tourism Partnership Framework,
 - b. broker partnership working
 - c. encourage engagement with www.dmwales.com ;
- **Grading:** support industry participation in the UK harmonised grading schemes and any alternative arrangements that may arise
- **Tourism Investment Support Scheme:** provide advice and guidance on TISS applications and encourage investment in new and improved tourism facilities
- **Action Plans:** support implementation of thematic and spatial action plans

Research - participate fully in the Wales Tourism Research Partnership to ensure that funds allocated to research activities are used to best effect.

Evaluation - Key Performance Indicators aligned to support those of Visit Wales.

Partnership - CRT to develop strong partnership working at all levels (regional, national and local) and seek innovative ways to engage with the wider tourism network via:

- **Communication** - develop regular and effective two way communication channels with the tourism industry and other key stakeholders;
- **Coordination** - develop stronger integration of activities with Visit Wales and other key partners;

- **Capacity building** - support the industry in taking more responsibility for the marketing, management and development of tourism

Operational:

Business Plan -

- Integration of CRT and VW business planning processes
- Quarterly and year end reports
- SMART objectives and targets
- Additional sources of funding identified

EU projects -

- Provide match funding through planned activities
- support for Digital Tourism, E4G and any potential Interreg projects;

Tourism advocacy - promote tourism's economic and wider socio-cultural benefits to increase funding and support for the sector;

2. Priorities

The business planning assumptions for 2011/12 are therefore that:

- Our core activity is the continued delivery of the Regional Tourism Strategy which is aligned to national strategies and priorities
- We need to identify clearly the onward devolution of funds to destination areas in line with the Tourism Partnership Framework
- The core funding from VW will reduce by c.6% from 2010/11 to a total of £567k with further similar cuts possible for the following 2 years
- Additional responsibilities for and commitment to skills are to be maintained
- The legacy skills funding from VW remains split equally between the 4 regions and is held at £40k for CRT
- 'Clean' funds/ activities need to be identified to match wider EU bids - Digital Tourism, Valleys Regional Park etc
- Additional project funds are identified where known e.g. VRP, E4G
- Additional project staff will continue to be required to deliver an enhanced programme of activities and safeguard CRT's financial administration
- CRT will minimise its exposure to any cashflow implications of European Funded projects

B. CRT's Objectives

B.1 CRT's Mission

CRT's enduring purpose or mission is simple: "Through genuine partnership working, to lead South East Wales in fulfilling its tourism potential as both the essential gateway to Wales and a destination of world-class quality in its own right, in ways which bring clear, lasting and increasing benefits to the resident communities and businesses of the region."

B.2 CRT's Objectives

Our first strategic objective is to oversee the development, implementation and monitoring of the Regional Tourism Strategy, (reviewed in 2008), through coordinating the activities of individual partners and other key stakeholders.

Our second strategic objective is to undertake specific tourism activities which help deliver the strategy.

C. Operating context

C.1 Regional Tourism Profile

- 30%+ of Wales' visitor economy (£1.76bn in 2009)
- M4/ M5 corridors most important UK markets
- 50% of Wales' overseas tourism revenue
- Ireland, Germany, France most important European markets
- N. America most important non-European market
- 64% of all Wales' business tourism value
- 40%+ of UK visitors stay with friends and relatives
- 39% tourist days/ 40% tourism revenue October - March
- Average length of stay 2.5 days
- 70% staying visitors not on main holiday
- 95% visitor satisfaction level
- 2500+ businesses on regional database
- 10/22 LA areas
- 57% of Wales' Communities First Wards

(Sources: UKTS, IPS, STEAM, South East Wales Visitor Survey, WAG, CRT)

C.2 Key Challenges

C.2.1 Internal:

- Proportion of directors new to CRT
- Small core team
- Reduced RDF core funding
- Wider remit and performance measures
- Destination Review and SMAP impact on future RTP role, responsibilities and status
- National product 'champion' role for off-road cycling
- Cashflow implications of project funding

C.2.2 External:

- Short and medium term Impacts of recession and fragile recovery
- Some stakeholders' financial resources for regional action plan reducing in real terms
- New tourism funding opportunities from Tourism Investment Support Scheme, Strategic Regeneration Areas, Rural Development Programme, Convergence and Competitiveness to be optimised
- Increasing competition for the region's markets (from overseas and UK destinations)
- Industry skills shortage (quality and quantity)
- Need to integrate with WAG national branding work as it continues to evolve
- Wider strategic agenda (AOP, Wales Spatial Plan, Economic Renewal Programme, One Wales, South East Wales Regional Development

Framework, Regional Transport Plan, Heads of the Valleys Initiative, Western Valleys, Valleys Regional Park etc.) and need for tourism to demonstrate its positive contribution to that agenda: quality of jobs; sustainability; social inclusion; spatial targeting

- Wider implications of destination review and SMAP for LA and industry partners
- Changing market behaviour not least in terms of access to and sharing of information
- Changing attitudes to travel and tourism in the light of climate change and need to demonstrate genuine sustainability
- Security concerns maintained for long-haul travellers

D. Performance measurement

D.1 Measurement of CRT Performance

A suite of “soft” and “hard” performance measures has been agreed with Visit Wales. These are attached at appendix 1.

Targets for CRT supported marketing projects will be leverage based e.g.

- campaigns generating an agreed return on investment (up to 25:1)
- partner matching contributions to CRT activity (as indicated in the Action Plan)

Tracking/ conversion studies will be undertaken in respect of marketing projects in partnership with VW and others

Each of the activities outlined in the action plan have targets attached

[NB we are working with VW on a new set of performance indicators for future years based on contribution to wider WAG priorities and shared evaluation of campaigns]

Visit Wales Strategic Priorities	2011/12 RDF	Destination Support	Regional Activities	Projects £k	Project Support £k	Total	Targets
Branding	Destination Marketing	100	Activity Tourism; Cultural Tourism; Food Tourism	125	40 Project Manager + oncosts	165	20:1 RoI on marketing activity supported by CRT Integrated marketing delivery plan for 4 area destinations in the region in place
		Direct Marketing Initiatives; Business Tourism; Southern Wales					
	Destination Management			236	50 Project Manager +	277	

					oncosts + cover		
Quality	Quality	41	20				Information on 700 Events coordinated through DMS during the year
		Product Development Initiatives linked to key regional 'experiences'	Coordination and distribution of events information				
Access	Access	35	6				75% of DMS records updated monthly.
		Roll-out of regional DMS; Support for alternative TIPs	Regional Tourism Transport Plan				Regional Tourism Transport Plan completed
Partnerships	Partnerships	47	20				At least 6 Destination plans agreed and supported
		Support for Destination Planning;	Industry Communication Network;				

		Capacity building for TAs	Regional networking events				4 meetings of regional tourism forum held
Skills	Skills	11	40				50 training events held with 500 beneficiaries
		Skills Training through local clusters	Support for National Skills Coordinator and activities				
	Monitoring and Evaluation		6				STEAM results distributed to stakeholders
			STEAM reports for region and sub-regions				Develop brief for review of regional tourism strategy ahead of 2013
	Core Running Costs				156	156	Maintain positive cashflow Fulfil 'champion'

							role
	Total			361	246	607	
Additional Projects				0	90	90	Contact made and maintained with 30 community tourism groups
EU Funded Projects	VRP	Community Tourism Officers (x3, CRT employed)		200	0	200	All eligible claims paid and processed within 1 calendar month
		Community Tourism/ Heritage Projects					
		Training and Networking		400	0	400	150 community tourism ambassadors recruited and trained

		Administration (CRT based)		0	30	30	95% first time success in terms of claims submitted
	Environment for Growth (E4G)	Monitoring and Evaluation Contract		35	0	35	All parties invoiced and payments made in line with agreement
		M&E Admin		0	1	1	
Heads of the Valleys Strategic Regeneration Area	Heart and Soul Marketing	Destination Area Campaign and DMS Costs		140	0	140	Eligible claims and supplier payments turned round within 1 calendar month
Total				775	121	896	

F. Monitoring and evaluation

F.1 Measurement of Destination Performance

Trends for volume, value and employment will be monitored through STEAM which will continue to be informed and enhanced through local surveys and improved occupancy surveys (in conjunction with VW). Disaggregated UKTS and IPS values, and Government employment figures will provide more detailed information on volume, value and market analysis. STEAM will also be used to benchmark Region against comparator regions of UK.

F.2 Measurement of CRT Project Performance

Subject to the outcome of WAG's revised approach to business planning, work is underway with Visit Wales and the other RTPs to develop a suite of common evaluation standards against which projects will be assessed pre- and post-implementation.

These will include contributions to sustainability and other WAG cross-cutting themes

G. Communication plan

G.1 Internal Communication

The standard method of internal communication of information between partners, including the transmission of documents, papers, agenda etc. will be electronic. Hard copies will only be sent, by exception, where the partner is not able to receive e mail or where the item is not available in electronic form. Electronic communication is, of course, supplemented by the information exchanged in scheduled meetings. In addition the RSD will keep open “one to one” channels of communication with each partner. It is assumed that LA partners will be reporting back to their authorities as a matter of course. For trade partners this is more difficult as none has a formal “constituency”.

G.2 External Communication

The following **formal** communication channels with external stakeholders are operating currently:

South East Wales Economic Forum - RSD sits on the Forum and chairs the joint CRT/ SEWEF Tourism Implementation Group. RSD also sits on the SEWEF Inward Investment Marketing Group.

CRT is represented on the strategic group for the **Valleys Regional Park** and chairs the Valleys Tourism Group. (The latter is *inter alia* the mechanism for delivering the interpretation and community tourism programmes)

CRT sits on the **Food Tourism Group** for the region.

WAG VW - RSD attends Quarterly Management Meetings of Tourism and Marketing. VW is invited to attend CRT Board and Management Meetings.

Other **RTPs** - the 4 RSDs meet together, and with VW’s nominated liaison manager, on a regular basis to exchange information and pass on best practice. The Chairs of the 4 RTPs have agreed to meet together at least once per annum.

Formal and direct links e.g. representation, item on agenda, copying in of minutes and/or bilateral meetings are established between the partnership and the following key stakeholders:

- Wales Tourism Alliance
- South East Wales Tourism Forum
- Local Tourist Associations
- Cultural Tourism Partnership
- Coastal Tourism Partnership
- Sustainable Tourism Forum

- adventa local action group
- Wye Valley AONB
- Creative Rural Communities
- Cardiff Airport Consultative Committee
- Bridgend Regeneration and Environment Partnership
- Vale of Glamorgan Regeneration Partnership
- Reach (Bridgend RDP group)
- Caerphilly RDP Group
- Torfaen RDP Group

Full use is made of directors' personal networks with individuals taking on recognized liaison roles. Once this matching exercise is completed for 2010/11 the RSD will seek to put links in place where none are currently available.

A wider circle of stakeholders within and outside the region also need communication with the Partnership:

- All tourism and visitor related businesses in the Region
- Business organizations e.g. Chambers of Trade, CBI, FSB etc.
- Elected members of local, Welsh and UK Government and European Parliament
- South East Wales Transport Alliance and leading public transport operators eg Airport, Arriva, Great Western
- Suppliers to the industry
- Higher and Further Education
- Sector Skills Councils
- Professional Bodies e.g. Tourism Society/ TMI, IMSPA
- Other tourism bodies
- Assembly Sponsored Public Bodies and Agencies: Sports Council, Arts Council, Countryside Council for Wales, Cadw

Again, personal contacts are important, but CRT has to rely heavily on more remote communications. CRT has set up a simple information **website**, on which CRT will be able to report on progress, publish its working documents and minutes, seek consultation and receive feedback. CRT has a **project communications** contract in place.

CRT has also entered a contract to maintain liaison with c.150 "**key accounts**" or tourism business leaders (who in turn provide the **South East Wales Tourism Forum**) to gain informed opinion and provide a platform for regional representation on and accountability from the Wales Tourism Alliance

CRT maintains a "**register**" of its trade electorate open to all those with a genuine business interest in tourism in the region and communicates formally with those on the register at least twice per annum. This register is currently embedded within VW's CMS system.

Appendix 1

Performance Measurement: Key Performance Indicators (KPIs)

1. **Business Plan outputs** Aggregate performance in achieving the output target values defined in RTP annual business plans (this will require measurement tools such as tracking/conversion studies and ROI calculations);
2. **Leverage** Aggregate value of partner contributions (agreement will need to be reached on eligibility - possibly defined as partner funding which would not have been generated without RTP involvement);
3. **Inclusive trade involvement** Ability to engage with inclusive constituency of trade interests (through support of tourism associations/marketing areas);
4. **Business plan priorities** Ability to focus on the effective delivery of the key funded activities identified in RTP annual business plans;
5. **Funding Agreement** Ability to adhere to the undertakings and targets as contained in the annual Funding Agreement;
6. **Organisational Efficiency** Ability to operate effective internal governance arrangements - integrity, probity, efficiency;
7. **Joint working with WAG** Ability to work and communicate effectively with WAG at all levels;
8. **Centres of Excellence/Regeneration Areas** Performance in undertaking designated reporting, monitoring and attendance role;
9. **Tourism Investment Support Scheme** Performance in undertaking designated consultative role
10. **Regional Strategy** Ability to maintain a relevant and up-to-date regional strategic framework through review and monitoring;

THE SOUTH EAST WALES STRATEGIC TOURISM FRAMEWORK

SUMMARY

CAPITAL REGION TOURISM

AUGUST 2008



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This is a summary of the South East Wales Tourism Strategy. It gives a short and snappy overview of the direction we are recommending.

1 INTRODUCTION

This is the tourism strategy for South East Wales which will guide the work of partners in Capital Region until 2013 and beyond.

The vision we are pursuing is

South East Wales is the lively city region, the nation's capital region for tourism and the gateway to Wales. It will compete with the best in the UK and Europe to win a growing share of the UK short breaks, overseas, events, meetings and conference markets.

It will build upon and promote its special strengths:

- *Our sense of place, our culture, our people, our heritage and our traditions*
- *The special places - Cardiff - one of Europe's great capital cities, the Brecon Beacons and the Wye Valley, the Welsh Valleys and the Coast*
- *The great choice of outdoor activities that are easy to get to and not too extreme*
- *The success of the Ryder Cup*
- *The capacity and appealing location for events, meetings and conferences*

The offer will be strongly branded, with clear links to the Welsh identity that is authentic and contemporary. Perceptions of the region as a desirable destination with an excellent mix of leisure, sport and shopping will continue to rise.

The region will strive for quality that delights visitors, through ready access to information, booking and transport, and by delivering outstanding service and hospitality at all times.

The prizes will be:

- *More visitors with higher spending patterns*
- *More and better jobs within the Welsh economy*
- *Greater pride within the Welsh communities*
- *More appreciation of Welsh culture, heritage and environment*

Key players in all sectors will remain committed to genuine partnership and will work together to secure and co-ordinate the resources and skills to achieve this vision and sustainable success for the industry.

There are four key guiding sustainable principles for this strategy:

- Promoting local economic prosperity
- Supporting community well being and involvement
- Minimising tourism’s environmental impact
- Protecting and giving value to natural heritage and culture

2 context

In the decade since the first tourism strategy was produced the region has seen major changes supported by publicly funded investment in infrastructure and marketing. And the decade has also seen radical changes in the political environment, approach towards sustainability and visitor behaviour and expectations.

The region has done well to exceed its 6.5% growth rate target as measured by national statistics but the landscape is changing.

Looking outside

Here are a few of the most important drivers:

<p>Political</p> <ul style="list-style-type: none"> • Wales Tourist Board integrated into WAG within the Heritage and Culture Department • New Spatial Plan and Tourism Strategy for Wales (as well as many other strategies) • EU funding changes • EU enlargement expanding the labour market. 	<p>Economic</p> <ul style="list-style-type: none"> • Economic growth and affluence for a decade but now a slow down • Consumers are becoming much more ethically aware • Climate change - aspirations to reduce carbon footprints and local impacts of changing weather patterns - drought, risk of flooding, etc • Expansion of low cost airlines • Big urban renewal schemes changing the way people think about and use cities
<p>Social</p> <ul style="list-style-type: none"> • Ageing but affluent and agile population • Increasing desire for more authentic holiday experiences and greater interaction with local people • Time constraints placing greater expectations on the tourism sector • Growing interest in self-development, indulgence and reward 	<p>Technological</p> <ul style="list-style-type: none"> • The internet has changed everything - for marketers and consumers

Looking inside

Here is a snapshot of the market to South East Wales¹:

UK Market	International market
<ul style="list-style-type: none"> • 2.8 M trips • 8.5 M nights • £439 M spend • Average length of stay is 3 nights • 60% of nights are for holiday, 21% to visit friends and relatives, and 14% on business • 70% of trips are from England • 75% of trips are by car • 70% of trips are by people aged 16 to 44 	<ul style="list-style-type: none"> • 0.47 million trips • 3.4 million nights • £152 million spend • Average length of stay is 7 nights • 25% of nights are for holiday, 36% to visit friends and relatives, and 14% on business • 20% of trips are from Ireland, 12% USA and 12% Germany • 30% of trips are from people aged 16 to 44
Occupancy	Visitor Survey
<ul style="list-style-type: none"> • Hotel bedrooms 61% (Wales average 57%) • Guest house and B&B 51% (Wales average 43%) 	<ul style="list-style-type: none"> • 53% are on a day out from home • 46% come from Wales with over a third from the immediate locality • 85% have been to the area before • Scenery, landscape and countryside are the motivators - then shopping and friends and relatives • 96% score the visit as excellent or good

Strategies

Many strategies have influenced our strategy - in particular the Spatial Plan and Achieving our Potential, the Wales Tourism Strategy. The Spatial Plan identifies three sub-areas (City Coast, Connections Corridor and Heads of the Valley). These do not always necessarily correspond with tourism destinations which are market-driven. But one that will have a major impact is the national review, commissioned by Welsh Assembly Government (WAG), on the Marketing Area Partnerships, Tourism Growth Areas and Destination Management. The outcomes are due in late summer 2008 and will be critical for the region and future funding. This regional strategy needs to inform and influence the national review where possible.

¹ Source VisitWales 2005 and 2005 Visitor Survey.

3 FOCUSED MARKETING

The priority for regional marketing should be on supporting the promotion of the five leisure experiences within the UK market and a unified approach to discretionary business tourism.

Local authorities have the lead role in local marketing to local residents, their friends and relatives and day visitors - and tourists who are already staying in and around the region. Visit Wales will lead international marketing supported by regional consortia and Cardiff in particular.

Moving forward there is a need to get rid of the current fragmentation in how the region is taken to market regional marketing messages and a lack of a consistent look and feel in communication. There is also a need to move much more into digital marketing.

RECOMMENDATIONS

Market Planning: Develop a Regional Marketing Plan	
<p>Leisure</p> <ul style="list-style-type: none"> • Select priority target segments using VisitWales segmentation approach • Target the 2 to 3 hour travel time with priority for M4 corridor, Midlands, Hampshire and the West Country • Focus regional marketing support around the strong experience propositions of the region and tailor their promotion to target segments • Support VisitWales' international marketing with Cardiff in particular as a key destination • Focus on seasonal campaigns rather than annual guides 	<p>Business</p> <ul style="list-style-type: none"> • Target small to medium sized meetings, conferences exhibitions and business events • Identify market segments in the longer term for a potential conference / convention centre within the region
Routes to Market	
<ul style="list-style-type: none"> • Create first class web sites for each of the experience propositions, linked to all partner sites • Develop digital marketing - exploit web 2.0 approaches, encourage user-generated content and peer reviews and recommendations with e-newsletters and promotions 	<ul style="list-style-type: none"> • Develop PR activity through press stories and press trips - focusing in particular on film and TV (such as Torchwood, Dr Who and Gavin & Stacey); and the Ryder Cup

4 DISTINCTIVE BRANDING

The brand strategy framework should ideally lead with a few priority destinations, under-pinned by the constant elements of *City + Coast + Country*, and enhanced with themes and experiences, using clear and consistent messages, and wrapped in the national branding.

The elements of the visitor experience where South East Wales is particularly strong are:

- A capital city in Cardiff
- Beautiful and appealing countryside
- Easy activities in that appealing countryside
- Attractive towns for ‘pottering’
- Some very high quality restaurants and gastro-pubs
- Strong - and distinctively Welsh - heritage and culture, including events
- A good business tourism offer

We propose this is what the region should focus on.

RECOMMENDATIONS

<p>Brand Planning</p> <ul style="list-style-type: none"> • Adopt a branding strategy that uses the Wales brand guidelines to give a consistent tone of voice and distinctive personality in the promotion of product experiences and destinations - and promote these as in “Wales” rather than Southern or South East Wales 	<ul style="list-style-type: none"> • Focus regional marketing support around five experiences: <ol style="list-style-type: none"> 1. City breaks 2. Countryside and scenery 3. Easy and accessible outdoor activities 4. Browsing (towns, villages and food) 5. Culture and heritage • Co-ordinate the five experience brands to pull the regional offer together
<p>Brand Building</p> <ul style="list-style-type: none"> • For leisure tourism: build the destination brands through closer marketing relationships with other regions of Wales based around the Brecon Beacons and the coastal offer, and with English partners for the Wye Valley • For business tourism: develop a unified regional offer led by Cardiff and Newport partners 	<p>Brand Communication</p> <ul style="list-style-type: none"> • Develop a ‘brand manual’ for the region, taking the Wales branding approach and applying it to the South East Wales propositions, to provide the visualisation and stakeholders guidance on how to use the branding appropriately and consistently

5 HIGHER QUALITY

The need for higher quality applies across the region and it relates to the overall visitor experience and satisfaction levels. It does not mean five-star. It means regularly exceeding visitor expectations across the experience.

Our findings show

- Quality of the environment is one of the main motives to visit the region
- Accommodation is too often of poor quality and lacks the distinctiveness and quality sought by today’s market
- The sourcing and presentation of quality Welsh food and drink is not a key part of the visitor offer yet could enhance distinctiveness and cultural appeal.
- The region has few premier league visitor attractions and there is a case for focusing resources on these as key attractors of visits
- Few events are conceived and promoted for visitors

- There is a need to support the case for projects that are truly sustainable and transformational e.g. Convention Centre in Cardiff, Exhibition Centre in Newport and Tropical Rainforest near Bridgend

RECOMMENDATIONS

<p>Strategic Planning</p> <ul style="list-style-type: none"> • Raise tourism’s profile in the South East Wales Spatial Plan and ensure the rural and coastal areas are well placed to benefit from inward investment • Support initiatives to protect / maintain / improve those parts of the environment at risk - natural habitats and wildlife, designated areas, beaches, footpaths and underwater environments 	<p>Visitor Experience</p> <ul style="list-style-type: none"> • Focus excellent public realm and customer service at visitor hubs (attractions, town centres, rural hubs, waterfront areas, gateways) • Encourage visitor dispersal from the hubs • Improve the level of visitor awareness and quality of the visitor experience in newly designated and emerging destinations such as Blaenavon World Heritage Site, Valleys Regional Park and the Heritage Coast
<p>Investment and Infrastructure</p> <ul style="list-style-type: none"> • Stimulate transformational and sustainable visitor projects and major infrastructure schemes which boost the tourism • Secure investment in Cardiff to ensure the city meets its image of a capital city and regional gateway • Develop new air routes to Cardiff International Airport • Develop additional quality self-catering accommodation in the northern part of the region and in tandem with outdoor activity facilities 	<p>Local Distinctiveness</p> <ul style="list-style-type: none"> • Encourage partnerships between local food producers, suppliers and tourism operators • Improve the marketing quality of locally produced goods to visitors • Encourage local communities and businesses to present and promote local features to visitors - such as local events, arts, crafts, cuisine, customs and language
<p>Events</p> <ul style="list-style-type: none"> • Create a tier of tourist events, underpinning the cultural offer, and plugging the gap between community events and major commercial venue events 	<p>Business Clusters & Investment</p> <ul style="list-style-type: none"> • Promote networking, good practice and collaboration by working with local clusters of tourism businesses • Stimulate business investment to improve quality and increase capacity in line with market demand

6 EASIER ACCESS

Access has many facets - online and new technology, traditional information systems, transport, travel and access for all.

The region’s visibility online is fragmented and there is a focus on print rather than on other routes to market. South East Wales is significantly lagging behind other areas of the UK which have invested in Destination Management Systems. South East Wales has none and this is holding back a raft of potential opportunities linked to business databases, customer databases, web content management, business-to-business communication and customer relationship activities.

Progress here, and on the implications for TICs will require regional leadership, significant investment and genuine local authority collaboration.

Visitor orientation, signage, transport and road links are vital for a successful visitor economy and yet are the responsibility of others. Reducing car dependency continues to be a goal.

RECOMMENDATIONS

E-Tourism	Transport Planning
<ul style="list-style-type: none"> • Produce an e-tourism strategy with an investment plan to create a Destination Management System that underpins the information service and supports the marketing • Assess the implications of e-tourism for the future structure and roles of Tourist Information Centres 	<ul style="list-style-type: none"> • Develop closer strategic relationships between the tourism sector and transport operators and planners to ensure tourism is better understood and higher on their agendas • Encourage tourism businesses to make visitors more aware of transport options and actively promote sustainable transport options

7 BETTER SKILLS

Investment in tourism product and promotion must go hand in hand with investment in better skills, to create that virtuous circle of a prospering industry able to offer higher levels of pay and career prospects.

Four issues have been defined by People 1st (the sector skills body) for Wales as a whole:

- Retention
- Management and leadership skills
- Customer service
- Craft skills (especially chefs)

All of these apply in South East Wales and require both local and national action.

Businesses need to continually improve and develop their products to meet the evolving tastes and needs of visitors. Small enterprises require business support and access to finance to overcome skills gaps and improve staff recruitment and retention.

RECOMMENDATIONS

Skills Planning	Business Support
<ul style="list-style-type: none"> • Develop closer strategic relationships between the tourism sector and the educational sector to ensure the needs of tourism is better understood and higher on the agenda 	<ul style="list-style-type: none"> • Develop a new regional SPICE programme to cover on the ground operational support and training, start-up measures, access to finance, business support websites and toolkits on business management, ICT,

	<p>environmental impacts and operations</p> <ul style="list-style-type: none"> • Introduce an annual Regional Tourism Award Scheme to showcase best practice in sustainability and boost the overall profile and awareness of tourism to decision makers and local communities
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8 STRONGER PARTNERSHIPS

Capital Region Tourism has a history of success and achievement within a short timescale and operating with limited resources.

Capital Region Tourism’s role is to:

- Enable and support those initiatives which are being implemented at the national level
- Deliver activity where there is a business case for intervention and where there is sufficient critical mass at the regional level
- Co-ordinate local initiatives which is primarily undertaken by local organisations - councils, trade associations, specific venues, etc

Closer partnerships are required between tourism and regeneration, tourism and transport, and tourism and education to stimulate some of the recommendations elsewhere in this strategy.

It is uniquely placed to take ownership of this strategy and seek buy-in from partners, persuading and finding consensus within the region and across boundaries. And speaking out on tourism on behalf of the region.

REGIONAL LEADERSHIP

Advocacy	Local Engagement
<ul style="list-style-type: none"> • Provide the powerful voice for tourism in, and for, the region ensuring local authorities at high and political levels are engaged with tourism and strategic priorities are shared and understood • Provide regional input into national tourism reviews 	<ul style="list-style-type: none"> • Encourage local authorities to focus on things they uniquely can do - place-shaping and the public realm, support for culture and heritage, proper visitor management with provision for access and amenities, local information and TICs, and their planning framework to encourage investment in the visitor economy
Collaboration	
<ul style="list-style-type: none"> • Closer collaboration between tourism and the wider regeneration agenda with CRT acting as a bridge between Communities First, Next and DE+T • Create the climate for more collaboration across external boundaries with South West Wales, Mid-Wales, Herefordshire and the Forest of Dean where it strengthens the visitor offer 	

- | | |
|--|--|
| <ul style="list-style-type: none">• Support ongoing partnership development work with and between the Brecon Beacons and the Welsh Valleys | |
|--|--|

9 MEASURING SUCCESS

The vision identifies success as

- Growth in the annual volume and value of tourism to the region
- More jobs created and maintained
- Greater community pride
- Greater visitor satisfaction

Monitoring and evaluation is already in place for Achieving our Potential, the Wales Tourism Strategy. It makes sense to tie this Strategy to the same things creating a single set of tracking indicators and avoiding duplication.

- Perceptions of South East Wales as a destination in advertising tracking exercises
- Number of responses to campaigns, cost per response, additional spend generated and return on investment
- Total number of businesses being marketed via regional web sites
- Value of business tourism as a percentage of total tourism spend
- Average quality assurance grading scores
- Percentage of trips and spend occurring in the shoulder months
- Number of Green Dragon accredited businesses
- Number of registered accommodation properties in the context of a potential statutory registration scheme
- Number of visits to specific regional web sites
- Percentage of total visits that are booked through the regional DMS
- Number of overseas visitors flying direct to Cardiff Airport
- Number of visitors using public transport to and within the region



Appendix 3

Peter Cole
Capital Region Tourism
Dyffryn Gardens
North Lodge
St Nicholas Vale of Glamorgan
CF5 6SU

March 2011

Dear Peter

Capital Region Tourism Remit letter: 2011/12

1. This letter sets out the strategic priorities and operational activities that I want Capital Region Tourism to focus upon and deliver during 2011/12 in return for the core funding devolved from Visit Wales. It also confirms your funding allocation for 2011/12 and, for planning purposes only, provides indicative budgets for the next two years.
2. The Appendix to this letter sets out the terms and conditions applicable to the provision of funding to Capital Region Tourism by the Welsh Assembly Government and constitutes a legally binding agreement in relation to that funding.

Policy Context

3. The role of the public sector is to support the tourism industry and to provide the conditions and framework to enable the private sector to flourish. A number of key policies are in place to guide coordinated action to support economic and social prosperity. I expect Capital Region Tourism to work within this framework and ensure that its activities are aligned with the aims, policies and programmes of the Welsh Assembly Government.
4. **One Wales** sets out a progressive agenda for the government of Wales over the current Assembly term, and aspires to transform Wales into a self-confident, prosperous, healthy nation and society, which is fair to all.
5. **Economic Renewal: a new direction** sets out a vision for economic renewal based on a Welsh economy built upon the strengths and skills of its people and natural environment; recognised at home and abroad as confident, creative and ambitious; a great place to live and work.
6. The **Wales Spatial Plan – People, Places, Futures** is the consideration of what can and should happen where. It sets a strategic framework to guide future development and policy interventions.
7. **Making the Connections: Delivering Beyond Boundaries** sets out an action plan which seeks to change the way that public services work, built around the needs of citizens. The aim is to bring about a new era in the way public services work together as a team, responsive to citizens, focussed on meeting people's needs and in driving up performance.

8. **Achieving Our Potential** – the national tourism strategy for Wales, sets out an agreed action plan to guide a co-ordinated response to the high level challenges which will face the tourism industry up to 2013. Five strategic priorities have been identified for tourism in Wales:
- To develop and communicate a distinctive brand for Wales
 - To raise the quality of the Tourism experience in Wales
 - To improve the accessibility of Wales as a destination
 - To encourage higher skill levels in tourism
 - To develop effective collaboration within the industry
9. Your regional tourism strategy is aligned with Achieving Our Potential and identifies the strategic priorities which need to be delivered to achieve sustainable growth in tourism in your area. I consider the Regional Tourism Partnerships to have an essential role in driving forward partnership opportunities through coordination, communication and capacity building to ensure that the resources available for the tourism sector are applied to best effect. We must all seek to support tourism growth through better integration of activities and by minimising duplication. Capital Region Tourism will be expected to contribute to the Assembly Government's key economic development priorities and activities to increase employment; raise the quality of jobs; regenerate communities and stimulate economic growth; help businesses to grow and increase value-added per job and earnings; and ensure all economic programmes and policies support sustainable development.

Budgets in the public sector are unlikely to rise during your next business plan period. It is even more important, therefore, for your programme of activities to be focussed on the delivery of key strategic priorities.

Priorities

10. **Strategic:** In helping to deliver the aims of Achieving Our Potential, I want Capital Region Tourism to focus on:
- Skills** – the lack of specialist skills and staff shortages impact upon business performance, quality of service and the overall visitor experience. By diverting additional funding to Capital Region Tourism, Visit Wales is demonstrating its continued support for skills training in the tourism sector in line with industry needs. The additional funding (£40k in 2011/12) should be ring-fenced for skills training activities. You will need to demonstrate to Visit Wales that these additional funds are not substituted for funding you already commit to training in your region. You and the other RTPs will need to work closely with the National Skills Coordinator to agree and implement an integrated skills activity plan for 2011/12 which applies these additional funds effectively and efficiently. You and the other RTPs will also need to foster the development of a Sense of Place among businesses in your region and actively encourage them to achieve Croeso Cynnes Cymreig;
 - Marketing** – the Strategic Marketing Action Plan sets out a radical reform of the way that we in Wales should organise our collective Marketing effort – around customers and destinations rather than institutions. I expect you to be actively involved in the preparation of an integrated delivery plan during 2011/12 for implementation in 2012/13 and beyond;

iii. **Quality** – there is a need to improve the quality of the visitor experience in all parts of Wales. I expect you to support the following initiatives which seek to enhance quality:-

- **Destination management and marketing:** Destination management and marketing are closely linked, i.e. delivering the marketing promise is the key to encouraging visitors to stay longer, come again and recommend Wales to others. I want Capital Region Tourism to continue to support the seven principles set down under the Wales Tourism Partnership Framework, the implementation of which will support more integrated working between the public, private and third sectors in your region. A key requirement will be to promote awareness of and engagement with the Destination Management portal at www.dmwales.com;
- **Grading:** support Visit Wales in encouraging industry participation in the UK harmonised grading schemes and any alternative arrangements that may arise
- **Tourism Investment Support Scheme:** provide advice and guidance on TISS applications and encourage investment in new and improved tourism facilities
- **Action Plans:** support the implementation of action plans for sustainable tourism, coastal tourism, cultural tourism and ensure that tourism's contribution to the spatial regeneration agenda is championed

iv. **Research** – there is a need to ensure that resources devoted to research are used effectively and efficiently. Opportunities exist to adopt a more strategic approach to the planning and programming of tourism research in Wales. I want Capital Region Tourism to participate fully in the Wales Tourism Research Partnership to ensure that funds allocated to research activities are used to best effect. In future, all research planned by Capital Region Tourism will need to be agreed by Visit Wales in advance of activity taking place;

v. **Evaluation** – it is necessary for Capital Region Tourism to demonstrate the effectiveness and efficiency of its programme of activities funded by Visit Wales. Following a review of RTP research and evaluation in 2010, you will need to ensure that your Key Performance Indicators are aligned to support those of Visit Wales.

vi. **Partnership** – I expect Capital Region Tourism to develop strong partnership working at all levels (regional, national and local) and seek innovative ways to engage with the wider tourism network via:

- **Communication** – develop regular and effective two way communication channels with the tourism industry and other key stakeholders;
- **Coordination** – develop stronger integration of activities with Visit Wales and other key partners;
- **Capacity building** – support the industry in taking more responsibility for the marketing, management and development of tourism

11. **Operational:** In leading the implementing of your regional tourism strategy by working closely with Visit Wales and other partners I want Capital Region Tourism to focus on the following priorities:

- **Business Plan** – ensure that Capital Region Tourism/Visit Wales business planning is fully integrated, focussing on delivering best returns for Wales. You will be expected to provide quarterly and end year reports that detail your spend against budgets and achievement of targets. Your business plan should define SMART targets/objectives and ensure that all sources of additional funding over and above Visit Wales core funding are identified;
- **EU projects** – I want Capital Region Tourism to provide match funding, where appropriate, to ensure that we are able to maximise potential funding available from EU sources to benefit the tourism sector. You will also be expected to support the effective delivery of the Digital Tourism, E4G and any potential Interreg projects;
 - **Tourism advocacy** – promote tourism’s economic and wider socio-cultural benefits to increase funding and support for the sector;

Welsh Mainstreaming

12. The Assembly Government's duties towards sustainable development equality, partnership working, and promoting the Welsh language need to be fully integrated into all business practice, procurement and programme design and delivery. Your business plan needs to set out how these statutory duties and principles will be mainstreamed in 2011/12.

Outputs

13. Capital Region Tourism Business Plan for 2011/12 will include challenging targets and other key indicators of performance. I will be requesting in-year progress reports against these targets and indicators, in addition to an end of year report. The development of new evaluation approaches during the year will facilitate this task.

Funding

14. The Welsh Assembly Government agrees to provide Capital Region Tourism with core funding to a maximum amount of £567,000 for the period 1 April 2011 to 31 March 2012 subject to the terms and conditions set out the Appendix to this Remit Letter.
15. In addition, an additional ring-fenced sum of £40,000 will be available to support skills training in the tourism sector.
16. In order to guide your future planning of activities, I would indicate at this stage that your budget for the following two financial years would be based on a minimum 2% cut year on year.

Yours faithfully

Director, Visit Wales
for and on behalf of Welsh Assembly Government

Appendix

This Appendix to the 2011/12 Remit Letter ("Appendix") sets out the terms and conditions applying to the provision of funding to Capital Region Tourism by the Welsh Assembly Government and constitutes a legally binding agreement between the parties.

Welsh Assembly Government agrees to provide Capital Region Tourism with funding ("the Funding") of £607,000 for the period 1st April 2011 to 31st March 2012 ("the Period") upon the terms and conditions set out below.

1) Purposes

Capital Region Tourism shall use the funding to promote the marketing and development of tourism in its region in accordance with the agreed Business Plan for the Period or for such other purposes which the Welsh Assembly Government has agreed to in writing in advance of expenditure being incurred for such purposes.

2) Acceptance

The Welsh Assembly Government will be under no obligation to provide the funding until it is in receipt of a copy of this Letter duly signed by Capital Region Tourism by way of acceptance together with a certified copy of the Capital Region Tourism board minutes confirming acceptance of the Remit Letter and the terms set out in this Appendix.

3) Availability of Funding

- (a) Subject to clause 2 of this Letter the grant funding shall be paid to you in 4 quarterly instalments, on 1 April, 1 July, 1 October and 1 January or if any of those dates is not a business day, on the first business day thereafter the amount of each such instalment to be agreed in writing between the parties.
- (b) The Welsh Assembly Government shall notify Capital Region Tourism in writing not later than 15 March 2012 the level of regional development funding if any to be made available for the year commencing 1 April 2012.

4) Repayment of Funding

- (a) Capital Region Tourism will not be required to repay any of the funding unless the Welsh Assembly Government is satisfied that :-
 - (i) Capital Region Tourism has not used the funding for the relevant specified purposes referred to in clause 1 above and/or
 - (ii) repayment is required under European Community State Aid Laws and/or
 - (iii) any event of default (as set out in clause 6) occurs.

If the Welsh Assembly Government is so satisfied then the Welsh Assembly Government shall notify Capital Region Tourism of this fact in writing. Capital Region Tourism shall, within 10 working days, respond to the demand either agreeing to it, or giving reasons why a different sum, or a nil sum, should be repaid. If the sum is disputed the parties shall have a further period of 21 days in which to seek an agreed figure, or agree a nil figure. Any sum agreed shall be deducted from the next quarterly payment due from the Welsh Assembly Government to Capital Region Tourism.

If a repayment is required under European Community State Aids Laws, the Welsh Assembly Government shall advise Capital Region Tourism whether it requires Capital Region Tourism to take action to recover the funds from a third party. If permitted under European Community State Aid rules or other laws, regulations or

public governance, should the Welsh Assembly Government deem such action to be necessary it shall issue authorisation under Clause 1 for funds to be expended in furtherance of this recovery. All repayments shall bear interest at the annual rate of 2% above the base rate of Barclays Bank plc or such other rate required under European State Aid Laws from the date of Welsh Assembly Government's notice requiring repayment to the date of payment or such other period as is required under European State Aid Laws.

5) Undertakings

Capital Region Tourism agrees that during the Period it will:-

- (a) give to the Welsh Assembly Government, forthwith upon the same becoming available, its audited accounts for the Period;
- (b) furnish a quarterly report in a format acceptable to both parties within 30 days of the end of each quarter, and an annual performance report in a format acceptable to both parties within 60 days of 31 March 2012 detailing progress against the Business Plan for the Period;
- (c) meet with such representatives of the Welsh Assembly Government at such times as the Welsh Assembly Government reasonably requests to discuss how the funding provided under this Appendix is being used by Capital Region Tourism to fulfil the relevant purpose in accordance with clause 1 and provide any documentation reasonably requested in respect thereof;
- (d) provide to the Welsh Assembly Government, as soon as Capital Region Tourism become aware of them, details of any material litigation or arbitration proceedings issued or threatened against Capital Region Tourism, which has or could have an adverse effect on its ability to perform and comply with any of its obligations under this Appendix Letter;
- (e) forthwith inform the Welsh Assembly Government of the occurrence of any event which is listed in clause 6 of this Appendix, or the occurrence of any event which with the giving of notice and/or lapse of time or other applicable condition, might constitute an event under clause 6 of this Appendix;
- (f) at all times use its best endeavours to comply with all applicable laws or regulations or official directives including without limit those derived from the European Union (including without limit European Community State Aids Laws) and maintain and not contravene such consents, approvals or authorisations as are required of Capital Region Tourism for the due performance of the terms of this Appendix and its business
- g) maintain clear accounting records identifying all income and expenditure in relation to the funding (including without limit the methods of procurement used pursuant to clause 5 (h)). Capital Region Tourism shall permit staff or agents of the Welsh Assembly Government (including without limit the Welsh Assembly Government's internal auditors and the Wales Audit Office) to examine the accounts at any reasonable time requested to take copies, and shall furnish written or oral explanation as required;
- (h) ensure that all third party suppliers/services are competitively procured and will follow the procurement policy, current from time to time, including without limit EU Procurement rules;
- (i) not change its Memorandum or Articles of Association without prior discussion and agreement with the Welsh Assembly Government, which agreement should not be unreasonably withheld;
- [(j) submit to the Welsh Assembly Government a draft business plan for the 12 months commencing 1 April each year not later than 15 January of the same

year. The Welsh Assembly Government will forward to Capital Region Tourism a written response to the draft by 15 February and both parties will seek to endorse a final business plan by 15 March.

- (k) acknowledge the support of the Welsh Assembly Government in such format as approved by Welsh Assembly Government in all publicity press releases and marketing materials which are intended to be used in relation to the activities for which the funding is provided.
- (l) keep confidential all information/data collected in connection with the activities and store and use such information only in accordance with the provision of Data Protection legislation.
- (m) assist and co-operate with Welsh Assembly Government to enable Welsh Assembly Government to comply with its obligations under the Freedom of Information Act 2000.

These undertakings shall remain in force during the Period. Following the termination of this Appendix for whatever reason these undertakings shall remain in force as long as any amount remains outstanding either to Capital Region Tourism or to Welsh Assembly Government or for a period of 3 months following termination whichever is the longer save for clause 5(m) which will remain in force indefinitely. For the avoidance of doubt Welsh Assembly Government shall not be required to make any further payments under clause 3 following the termination of this Appendix.

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6) Events of Default

If any of the following events arise the Welsh Assembly Government shall with immediate effect be relieved from making any further payments to Capital Region Tourism under this Appendix:-

- (a) Capital Region Tourism fails to comply with any provisions of this Appendix; or
- (b) any petition is presented or resolution passed or other action taken for the winding-up of Capital Region Tourism or a petition is presented for and administration order against Capital Region Tourism; or a receiver or an administrative receiver is appointed in respect of Capital Region Tourism or in respect of all or any part of its assets; or a moratorium in respect of all or any of its debts or a composition or an agreement with its creditors is agreed, applied for, ordered or declared; or it is unable, or admit in writing its inability, to pay its debts as they fall due; or any distress, execution, attachment or other process affects any of its assets; or a statutory demand is issued against it; or
- (c) Capital Region Tourism ceases, to carry on all or a substantial part of its business; or
- (d) Capital Region Tourism fails to achieve the performance targets as set out in the Business Plan for the Period.

7) Notices

- (a) All notices shall be in writing and sent to Capital Region Tourism at its address stated at the beginning of the Remit Letter and to the Welsh Assembly Government at the address stated at the first page of the Remit Letter (or such other address notified to the other party in accordance with the provisions of this clause).

Any notice shall be served by hand or first class post and marked for the attention of the Director, Visit Wales and the Regional Strategy Director of Capital Region Tourism and shall be deemed duly served on the day of delivery if sent by hand or 24 hours after posting provided that the notice is sent postage prepaid and the envelope is correctly addressed in accordance with this clause 9 provided always that if the day of deemed delivery is not a business day (meaning a day on which the major clearing banks are open for full range of banking transactions in Cardiff but excluding Saturdays, Sundays and public bank holidays in Wales) then the next business day shall be the deemed day of delivery.

8) Attendance at Board Meetings

Capital Region Tourism shall permit the attendance of one or more Welsh Assembly Government representative as an observer at its meetings of the board of directors and shall give him/her notice and a copy of the agenda for such meetings at the same time as it notifies the directors of a forthcoming meeting and provide a copy of the minutes of the directors' meetings. The purpose of a Welsh Assembly Government's representative attending such meetings is so that the Welsh Assembly Government can monitor Capital Region Tourism progress. For the avoidance of doubt it is confirmed that Capital Region Tourism shall be solely responsible for all business and decisions taken by Capital Region Tourism.

9) Mediation

- (a) In the event of dispute between the parties such as a failure to agree a sum under Clause 4 (a) or disagreement about whether an Event of default has

occurred under Clause 6 such dispute shall be referred to the Chair of Capital Region Tourism and the Director, Visit Wales, respectively for resolution.

In the event that such dispute is not resolved within 14 days of its referral then the matter will be referred to the Director of Strategy and Partnerships for review and resolution in consultation with the Chair of the Tourism Advisory Panel and the Director, Visit Wales. The decision of the Director, Visit Wales shall be final and shall bind the parties.

- (b) The provision of this clause 9 shall not apply in relation to any requirements to repay funding where the Welsh Assembly Government has no discretion as to whether to require repayment in accordance with the terms on which the funding was made to the Welsh Assembly Government or under law, regulation or public governance.

10) General

- (a) If at any time any provision in this Appendix is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.
- (b) No failure or delay on either party's part to exercise any power, right or remedy hereunder shall operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) The terms of this Appendix may only be amended or varied in writing signed by both parties.
- (d) Capital Region Tourism, except without the prior agreement of the Welsh Assembly Government, shall not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under this Appendix.
- (e) Without prejudice to the Welsh Assembly Government's accrued rights and liabilities under this Appendix, the Welsh Assembly Government will be entitled at any time to assign the benefit or delegate the burden of this Letter without Capital Region Tourism prior consent.
- (f) This Appendix shall be governed by and construed in accordance with the laws of Wales and England and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

Signed by

_____ Signature

_____ Name

for and on behalf of Welsh Assembly Government
Director, Visit Wales

Signed by

_____ Signature

_____ Name

For and on behalf of _____

Date

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Appendix 4

Guide to abbreviations and acronyms used in this plan

AONB	Area of Outstanding Natural Beauty
AOP	Achieving Our Potential (National Tourism Strategy)
TMI	Tourism Management Institute
BHA	British Hospitality Association
CBC	County Borough Council
CBI	Confederation of British Industry
CC	County Council or City Council
CMS	Client Management System
CRM	Customer Relationship Management
CRT	Capital Region Tourism
DH	Department of Heritage (WAG) inc. Visit Wales
DCELLS	Department of Children, Education, Lifelong Learning and Skills (WAG)
DMS	Destination Management System
FSB	Federation of Small Business
GoSW	Greens of Southern Wales (regional Golf campaign)
HoV	Heads of the Valleys Initiative
IMSPA	Institute for Management of Sport and Physical Activity
IPS	International Passenger Survey
KPI	Key Performance Indicator
LA	Local Authority
MICE	Meetings, Incentives, Conferences, Exhibitions
RDF	Regional Development Fund
RDP	Rural Development Programme
ROI	Return on investment
RSD	Regional Strategy Director
RTP	Regional Tourism Partnership
SEWEF	South East Wales Economic Forum
SEWTA	South East Wales Transport Alliance
SRA	Strategic Regeneration Area
STEAM	Scarborough Tourism Economic Activity Monitor
TS	Tourism Society
UKTS	United Kingdom Tourism Survey
UWIC	University of Wales Institute Cardiff
VW	Visit Wales
WAG	Welsh Assembly Government
WASCO	Wales Association of Self Catering Operators
WAVA	Wales Association of Visitor Attractions
WSP	Wales Spatial Plan
WTA	Wales Tourism Alliance