
CARDIFF TOURISM STRATEGY AND ACTION PLAN

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM: 3

PORTFOLIO : LEADER

Reason for this Report

1. To approve the Cardiff Tourism Strategy for Cardiff.
2. To approve an Action Plan for the Cardiff Tourism Strategy.

Background

3. A new Tourism Strategy has been developed for Cardiff to support the development of the sector in the city. The aim of the strategy is to increase the economic impact of Tourism in Cardiff and ensure that the city can compete with leading UK destinations, as well as developing as the gateway destination for Wales as a whole.
4. Tourism is a vital part of the Welsh and Cardiff economy. The visitor economy in South East Wales is worth some £2bn to the region, with 50% from day visitors, and supports 31,000 FTE direct and indirect jobs. Cardiff generates a 50% share of tourism revenue in the region and 25% of all tourism revenues in Wales, and as a result it is the leading LA area in the Wales visitor economy.
5. In 2013 the visitor economy was worth £1.05bn to Cardiff's economy from 1.91m overnight trips and some 18m day visitors. Overnight tourists stayed for a total of 3.92m nights in the city and spending almost £400m. Tourism directly supports over 13,700 FTE jobs in the city.
6. Given the size of the sector, and the place based competition that exists between cities and other destinations it is important that Cardiff can get an understanding of its tourism offer, provide an analysis of its strengths and weaknesses, and outline how it can capitalise on opportunities and address threats to the sector through the development of a coherent Tourism Strategy.

7. The previous Tourism Strategy for Cardiff run until 2014, and a new strategy was required to provide direction to the development of the tourism sector. The new strategy must be prepared in the context of a changing environment of the organisation of tourism in Wales and in the Cardiff city region.

Issues

8. Despite the picture of growth over the past ten years there are a number of major issues associated with the underlying structure and performance of the tourism industry in the city. A summary of key issues is give below.

From a MARKET perspective	From an INDUSTRY perspective
Low levels of awareness in UK and overseas	No brand or clear positioning - – this is now being addressed via the Cardiff City Region
Lack of marketing and promotion	Absence of strong and well resourced DMO (destination management and marketing organisation); fragmented and disjointed industry structure; lacks strong leadership; needs vision; confused roles and responsibilities
Demand driven by events – mostly sporting, few cultural events but no ‘signature event’ of international status capable of driving overnight stays	Events are stadium based and mostly sport, involve short stay and fosters image of a ‘party city’; ‘feast or famine’ economy
Have no reason to visit; seen as a ‘one night stand’; no reason to stay overnight; no strong differentiation; very reliant upon retail offer	Lack of icons and major attractors; city does not have an attraction of international standard; absence of innovation; over dependent on day visitors (relatively low spend); supports middle of the road product
Very limited direct air access to city	Absence of strong airport (NB European research shows optimum number of 60 direct flights to sustain conference and business tourism; collaboration with Bristol
Cost of Severn Crossing and congestion issues on M4	Competitive disadvantage
Limited choice of hotels (range and price); few hotels to meet emerging market needs	Over supply of budget hotels driving prices down
Very limited business tourism activity, especially conferences and meeting	Lack of conference centre and exhibition space / arena; absence of an alternative ‘offer’ at present
Distance between city centre and the Bay	City needs to be developed as a whole and as gateway to region
Lack of major attractions	Dominated by ‘free’ public attractions limits commercial operations, lack of investment in contemporary facilities (egg Contemporary Art Gallery, Science Centre, Aquarium, Maritime Heritage Museum, etc)
Absence of innovation, limited appeal, no stand out; far from being a must visit destination	Overly dependent upon the public sector; too many bodies getting in the way; needs private sector leadership; needs to be more dynamic.

9. The Tourism Strategy looks to address these issues by identifying actions as part of an Action Plan that will help to address

- Reputation and reputation management
- Capacity development
- Product development
- Special actions

10. The Action Plan has been informed by the work being undertaken by the Council to shape a vision for the future of the city and the master planning currently taking place to give spatial form to these ideas. This in turn has been influenced by the work of the Cardiff Capital Region working group, the Welsh Government's strategies for tourism and major events and the shared program of investment in infrastructure. As a result, the actions included complement and will support the longer term vision and development of the city and its region as a tourism destination.

11. The identified actions will, by 2020, look to achieve:

- A balanced year round profile of tourism activity especially the discretionary leisure:business ratio
- An increased range, quality and diversity of hotels and hostels in the city centre and in the bay
- A stronger cultural and urban adventure offer
- At least three established signature events
- More conferences and conventions suitable for the venues that exist in the city centre
- A highly skilled and professional hospitality workforce
- A strong destination management and marketing body within the Cardiff Business Council
- Making the existing tourism assets work harder to deliver more impact, especially: Cardiff Castle, Dr Who, Millennium Stadium tours, National Museums, the new marketing suite for the Cardiff Business Council, local neighbourhoods and the assets of the wider region
- A collection of unique signature Cardiff-based experiences and events / festivals
- A strong, collaborative approach to marketing and co-branding / positioning
- A new approach to research, monitoring and benchmarking.

12. The full Tourism Strategy and Action Plan is attached as Appendix A.

Reasons for Recommendations

13. To approve the Cardiff Tourism Strategy and Action Plan

Legal Implications

14. Tourism is relevant to the economic development of the administrative area and the approval of a strategy and action plan is designed to promote the economic well-being of the area pursuant to the powers of the Council under section 2 of the Local Government Act 2000.

15. The exercise of the well-being power must be exercised having due regard to the community strategy of the Council, being the “What Matters Strategy”. The strategy recognises the importance of economic progress of Cardiff as a key driver of economic growth of the South Wales region and the ability to put Wales on the international map by promoting the experience of people coming to Cardiff to be part of major sporting and cultural events.

Financial Implications

16. The financing of the Tourism Strategy will be based upon working within existing budgets and identifying new additional funding streams to support activities. This will include collaborating with partners including the private sector, and looking at alternative financial mechanisms.

RECOMMENDATIONS

The Cabinet is recommended to approve the Cardiff Tourism Strategy and Action Plan.

NEIL HANRATTY
DIRECTOR OF ECONOMIC DEVELOPMENT
2 April 2015

The following Appendices are attached

APPENDIX A: CARDIFF TOURISM STRATEGY AND ACTION PLAN