CITY OF CARDIFF COUNCIL
CYNGOR DINAS CAERDYDD

CABINET MEETING: 2 APRIL 2015

CARDIFF TOURISM STRATEGY AND ACTION PLAN

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM: 3

PORTFOLIO : LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

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 Local Authority 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 is 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

<u>Legal Implications</u>

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 (Appendix A)

NEIL HANRATTY
DIRECTOR
27 March 2015

The following Appendix is attached

Appendix A: Cardiff Tourism Strategy and Action Plan

Appendix A

CARDIFF TOURISM STRATEGY AND ACTION PLAN: 2015 – 2020

CARDIFF TOURISM STRATEGY AND ACTION PLAN: 2015 – 2020

INCREASING COMPETITIVENESS THROUGH COLLABORATION

AIM

The development of a unique tourism and day visitor offer based upon innovative and especially curated experiences and high levels of service standards that reflect the great cultural, heritage and sporting strengths of Cardiff as the capital city of Wales.

This will allow tourism to make a significant contribution, in terms of economic value, enhanced profile and reputation, social and cultural benefits, to Cardiff becoming one of the most appealing cities in Europe as a place to live, invest, work, study and visit.

THE OBJECTIVES OF THIS PLAN

The **main objectives** of this plan are:

- Enhancing the appeal of the city for all visitors, but especially those discretionary tourists – both business and leisure - who will make Cardiff their destination of choice by greater differentiation in the offer, creating unique products and visitor experiences, encouraging longer stays (especially by working with the wider region)thus stimulating greater levels of visitor expenditure;

- Creating a fresh and innovative environment that will allow tourism investment and the hospitality and retail sectors to flourish by: having a sharper focus on key markets and sectors, reducing bureaucracy, speeding up decision making, greater levels of collaboration and establishing a streamlined approach to the organisation of tourism and its delivery;

- Delivering innovation and creativity in everything we do associated with tourism and the visitor economy.

As a result, the **key outcomes** by 2020 will be:

(a) the doubling of the value of overnight tourism in commercial accommodation in the city and the wider city region by 2020 to c£800m;

(b) growing the value of the day visitor economy by 50% by 2020 to c£1m;

(c) achieving a set of agreed targets (relating to job creation, business development, attracting, retaining and nurturing talent and cultural diversity.

The **key targets** for 2020:

- Establishment of the DMMO and a new structure by March 2015
- Benchmarking Cardiff's performance against an international competitor set and, internally, in the context of (a) Wales and tourism in Wales and (b) the UK's Core Cities by Winter 2015.
- Agree MoUs with WG and other key stakeholders to deliver this action plan and program by Spring/Summer 2015
- Help secure £500m of new tourism investment for the city by 2020
- Increase the number of hotel and hostel bedrooms in 4 and 5 * properties by 1,500 by 2020
- Deliver service training courses for 1,000 persons by 2020
- Increase the number of new apprenticeships in tourism –related work by 50 per annum by 2017
- Deliver 15 number of participants on the Leadership Academy program per annum commencing 2015/16.
- Create 20 New VAT registered businesses in tourism per annum
- Creation of three signature events by 2018 working with the WG's Major Events Unit
- Creating a number of distinctive and unique Cardiff experiences based on an amalgam and fusion of heritage, culture and language
- Secure an enhanced profile of visitor perception of Cardiff as the capital city for Wales in conjunction with Visit Wales, the City-Region Partnership and others
- Becoming much more international in everything that happens and becoming part of regional, national and international networks.

CARDIFF – THE MOST IMPORTANT TOURISM DESTINATION IN WALES

Cardiff is the most important tourism and visitor destination in Wales in terms of reputation, profile and impact – especially for business and major event-led activity. It is the Capital City and if Cardiff does well in developing its profile, status and appeal as a destination then Wales as a whole benefits. Cardiff drives leisure, business and international tourism into Wales. The city contributes over 25% of all visitor generated expenditure in Wales and has a higher spend per head per visitor than anywhere else in Wales.

Cardiff is the hub for an accessible, fascinating and highly diverse city region, that includes: high quality coast and country side with easy access to the Brecon Beacons National Park, the Wye Valley AONB and the Vale of Glamorgan Heritage Coast; a diverse range of cultural and heritage sites; and, sources of quality local food and drink produce.

Developing a close relationship with the wider region, with Cardiff being both the hub and the gateway to this wider destination it will be possible to become more competitive, more appealing to emerging markets and result in increased length of stay, repeat visitation and, ultimately, greater economic benefits for the region. However, in order to successfully grow the value of tourism over the next five years there has to be energy, commitment and collective effort in order to meet the challenges of increased competition and the impacts of reducing public sector finance.

THE CHALLENGE AHEAD

The key to meeting the challenges ahead is developing a dynamic approach to tourism development, management and marketing that will allow Cardiff to achieve its full potential as a leading European capital city destination for leisure and business tourism by 2020. Realising the potential has been long coming. There have been several false dawns. But, there is now a commitment and a desire across the city to make this happen.

Now more than ever before there is a need for collaboration and partnership working between all stakeholders if tourism growth is to be secured. This means agreeing a fresh vision with a clear action plan defined and driven by the private sector that is fully supported by the public sector. It means ensuring that the current assets are managed to their full potential, such as the Millennium Stadium, the SWALEC Stadium, the Cardiff City Stadium as well as the WMC, the RWCMAD and other key venues across the city and the city region. It means 'not throwing out the baby with the bath water'. The city must remain a great venue for major sporting events and cultural events. These must continue to occupy the city's diary of visitor activity and will provide the corner stone of future success.

However, there does need to be a shift of emphasis. This will mean a significant shift in terms of branding, marketing and product development. It will need funding and investment over the five year period of the Plan.

It will require a collegiate approach amongst all stakeholders and it will demand strong leadership. This must embrace a close working relationship with Visit Wales (and with VW with Visit Britain) with the British Council, the Universities and others.

CONTEXT

Cardiff is the powerhouse of tourism within the wider city region. It has to lead the wider destination's tourism ambitions and competitive positioning. The city must continue to thrive as a destination of choice and further develop its leisure and, especially its business, tourism appeal.

At the same time it must **act as a hub and as a gateway** to the wider city region. Consequently, whilst the emphasis of this strategy HAS TO BE the city of Cardiff, the strategic plan must be relevant to the opportunities for growth in the Cardiff city region, and indeed, the broader context of the future of the Cardiff/Bristol Severnside conurbation.

Over the past 24 months there have been a number of strategic plans and studies produced for the City on aspects related to tourism and the visitor economy[1]. There is a strong desire to avoid duplication of effort and resources and to build upon the body of research and knowledge work that already exists.

This will be supported by the Council's on-going commitment to the annual monitoring of visitor attitudes and behaviour in the city through annual surveys as well as the annual STEAM analysis that examines the volume and value of tourism to the City.

BACKGROUND

- In 2014 the tourism strategy for the city of Cardiff[2] became redundant and a new strategy is required to give direction to tourism development in Cardiff over the next 5 years;
- The Welsh Government has recently published it's new strategy for tourism growth up to, and including, 2020[3]; this strategy prioritises the development of products, places and people;
- In March 2014, Welsh Government also announced that they would replace the existing Regional Tourism Partnerships (Capital Region Tourism), they will be replaced by stronger 'in-house' regional engagement;
- However, in January 2014, the existing regional tourism partnership for Cardiff and south east Wales published its new tourism strategy for the south east Wales 'Capital City Region'[4];
- The Welsh *Government* has established a task force to develop the concept of the *'Cardiff City Region',* a branding exercise is also about to be commissioned for the proposed city region; and, last year Welsh Government purchased Cardiff

[1] These include strategies about the new Enterprise Zone, Cardiff city centre and the arrival of the BBC, Cardiff's maritime heritage, contemporary art and design, visioning for Cardiff Bay as well as feasibility studies for a new arena and convention centres.
[2] "Capital Gains: The Tourism Strategy for Cardiff 2009 – 2014", produced by Blue Sail (May, 2009).
[3] "Partnerships for Growth", Welsh Government, (October, 2013).
[4] "South East Wales City Region Tourism Action Framework 2014 – 2020", RJSW Associates, (January, 2014).

Wales Airport in a strategic move designed to re-vitalise this important tourism and business asset;
- In October 2014 the City of Cardiff Council organised a Futures Conference and workshop to explore the vision for the city[5];
- The 2020 vision for the city will see an enhanced and elevated role for tourism as a driver of the economy and as a fundamentally important aspect of shaping the image of the city;
- Over the past few years there have been a number of important and ground-breaking studies[6] completed by the Council; these have all focused on determining those aspects of the city where there is particular scope to develop a unique tourism 'offer' and 'competitive positioning';
- The Council is now moving to the master planning phase for how many of these studies will be implemented over the next 10 years within the framework of the recently adopted 'Local Plan';
- International branding specialists, Heavenly, have also completed a review of the possible positioning for the city and Welsh Government has commissioned a branding study for the City Region[7];
- Alongside these studies the Council has invested in a number of benchmarking studies to shed light on the tourism performance of the city[8]; these allow the city to undertake relevant comparative analysis with its competitor set;
- In 2013, the Council instigated a new approach to the engagement of the private sector through the establishment of the *'Cardiff Business Council'*; this group leads the strategic promotion, marketing and competitive positioning of the city;

The brief for this strategy is clear, it has to be:

- Ambitious, bold and realistic
- Dynamic and proactive
- Integrated with the wider economic, business development and cultural ambitions for the city and the city region
- Relevant to emerging markets
- Action focused AND results driven
- Innovative and creative

The Action Plan is the result of extensive literature, market and trend research, benchmarking and widespread consultations capped by three specific events together with feedback from a variety of stakeholders and the Council's Economy and Culture Scrutiny Committee:

- A key stakeholders forum / discussion
- A workshop with key organisations in the city
- An open workshop as part of the Cardiff Convention

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[5] Launch event to take place on 30th October, 2014.
[6] For example: "A strategy for Contemporary Arts in the City" (2012), "A review of the Maritime heritage of the city" (2012), "A Vision for Cardiff Bay as a World Class Visitor Destination", (2013).
[7] Being undertaken by the Cardiff and Amsterdam based studio: Smorgasbord.
[8] Including for example: STEAM tourism statistics analysis and membership of the European Cities Marketing Group.

THE IMPORTANCE OF TOURISM

Tourism is a vibrant, dynamic, resilient growth sector in the global economy.

According to the World Bank (WB), The UN World Tourism Organisation (UNWTO) and The World Travel and Tourism Council (WTTC), tourism is the largest and fastest growing industry in the world today accounting for 9% of global GDP, employing 8% of the working population and accounting for over 1bn international arrivals around the world in 2013. The prospects for continued global growth in terms of international tourism arrivals are extremely positive over the next 10 years. The UNWTO is predicting that international tourism arrivals will increase to 1.6bn by 2020.

Over the past five years The European Travel Commission (ETC) has consistently reported growth of between 3% - 4% per annum across the EU28 countries and its latest *"Trends and Prospects"* report maintains this optimism over the medium to long term.[9] Tourism is also a positive force for promoting positive images of the city, of supporting local businesses, of stimulating civic pride and helping to sustain services, events and facilities that are highly valued by the local community (arts centres, museums, transport services, restaurants, bars and markets). Tourism marketing and the tourist experience is fundamentally important for attracting inward investment as well as nurturing and retaining talent. Consequently, there has to be a much stronger and closer link between tourism and investment / business development activity. The Cardiff Business Council is the ideal vehicle to ensure that this happens mirrored by a further strengthening of the Council's Economic Development tourism team.

THE RISE OF CITY TOURISM

Within this optimistic picture, the UNWTO, the City Mayors.com, European Cities Marketing (ECM) and Tourism Intelligence International (TII) are all highlighting the fact that over the next twenty years it will be **CITY TOURISM** that will drive tourism growth.

"Cities will continue to lead the formidable European tourism industry as a result of their greater capacity of beds and demand (bednights) increasing at rates higher than elsewhere being driven by international tourist demand."

European Cities Marketing 2013[10].

The UNWTO's latest report on *"City Tourism"* (2012), and the recently published TII report *"Cities on the Rise"* (2014), identifies a number of new drivers of demand fuelling this growth in city tourism. They include:

- The renaissance of the city;
- The dominance of young markets and those 'young of heart';
- The importance of business tourism (the MICE markets);
- New enlightenment – moving beyond experiences;
- World citizenship(sustainability, responsibility and diplomacy);
- The rise of new forms of urban sports and adventure tourism;
- The importance of signature festivals and events;
- The need for the local narratives – heritage, culture, language, products, etc;
- Innovation and creativity to deliver hybrid products and services;
- Designing the city with the visitor in mind.

[9] *"European Tourism 2013 and 2014: Trends and Prospects*", 2014, ETC.
[10] "The European Cities Marketing Benchmarking Report – 9th Edition", 2013, MODUL University Vienna for ECM.

CARDIFF – THE STRATEGY

(1) VOLUME AND VALUE

- The visitor economy in South East Wales (i.e. overnight and day visits) is worth some £2bn to the region, (50% from day visitors), supporting 31,000 FTE direct and indirect jobs and incidentally generating £237m in VAT for the UK Government;
- Cardiff generates some 50% share of tourism revenue in the region (as compared with 36% in 2007); and 25% of all tourism revenues in Wales as a result it is the leading LA area in the Wales visitor economy.
- 66% of all business tourism and 50% of all overseas tourism to Wales is generated in South East Wales – the majority of this in Cardiff
- 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;
- There are 4,875 hotel bedrooms in 57 establishments plus 4,600 bedrooms in other forms of accommodation;
- Hotels are reports high levels of occupancy in recent years (72.2% in 2013) and increasing RevPARs (revenues per available room) - £41.18 in 2013 compared to £39.24 in 2012.

(2) KEY ISSUES

Despite this picture of slow but sustained 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.

Table 1: KEY ISSUES ASSOCIATED WITH THE DEVELOPMENT OF TOURISM IN CARDIFF AND THE REGION

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.

(3) KEY OPPORTUNITIES

We need to get more discretionary tourist visits especially in terms of overnight guests using commercial accommodation and staying longer and spending more. There has to be a concerted effort to develop business tourism and year-round visits in both leisure and business markets. At the same time the day visitor markets must continue to be developed.

We cannot ignore the existing markets and the power of the city's reputation for hosting major sporting and entertainment events.

That means having a clearly differentiated offer, a commitment to raising the quality of service and standards as well as a consistent brand and communications / marketing plan aimed at key markets.

It means encouraging investing in the development of key products to meet their needs and aggressively branding and marketing the city accordingly.

Market trends associated with city leisure breaks and business tourism gives considerable optimism for the future if we can get this equation right.

Getting it right means addressing the three most important aspects of destination development:

- Reputation management
- Capacity building
- Product development

TABLE 2: KEY REQUIREMENTS FOR CARDIFF 2015 - 2020

DESTINATION DEVELOPMENT CRITERIA	**OPPORTUNITIES**
REPUTATION AND REPUTATION MANAGEMENT	• Working together to the same vision and agenda; • Development of ambitious brand and positioning as a capital city region for Wales (building upon NATO, international sporting events, diplomacy, universities, etc); • Establish strong, well-resourced, DMMO • Internationalisation and benchmarking
CAPACITY DEVELOPMENT	• Development of new generation of leaders • Invest in development of skills and expertise (international hotel school, learning journeys, etc.) • Stimulate cross discipline creativity and innovation in tourism sector
PRODUCT DEVELOPMENT	• Invest in market focused product development especially: accommodation, iconic attractors, music and food, maritime heritage, conferencing facilities • Develop signature events
SPECIAL ACTIONS	• Address air access • City region collaboration • Wider Severnside collaboration with Bristol • Create a 'pooled' investment fund

(4) SUMMARY OF THE CURRENT SITUATION

The UPS:

- Strong retail base
- High profile international sporting events
- Highly respected national arts and culture sector
- Good cultural and sporting infrastructure (facilities and teams)
- Accessible to all core domestic markets
- Fast improving restaurant sector
- Increasing investment in infrastructure
- Strong ethic of ‘welcome’ amongst city residents
- Growing reputation of the Universities and creative talent in the city
- Powerful and influential national institutions
- Significant reputational uplift with NATO
- High profile business and political activity in capital city
- Strong interest in potential international events including a Roald Dhal Festival (2016) alongside existing major events

The DOWNS:

- Over-reliance in stadium based events
- Dominated by day visitor markets
- Perception as ‘party city’ – over reliance on leisure visitors
- Feast or famine patterns of activity
- Piecemeal approach to growing business tourism
- Fragmented city visitor experience
- Absence of a strong focal point for tourism marketing and management
- Limited range and scale/capacity of commercial bedstock
- Need to enhance the professionalism of the hospitality industry
- Absence of a world class contemporary attractions
- Weak interpretation of the heritage of the city/region
- Absence of a signature international event(s)
- Weak brand and positioning
- Low level of political and diplomatic driven tourism
- Difficult times for public sector investment

THE APPROACH - WHAT NEEDS TO BE DONE?

These are tough economic times. Now as perhaps never before there is a need for a total integrated and collaborative approach to tourism development in Cardiff.... TEAM CARDIFF!!!! We have done it before to deliver a success story in terms of one off and annual events now we must deploy this approach on a year-round basis.

There must be more joined up activity inside the Council as well as amongst all stakeholders.

We are all in this together. The competition is not with each other but with the other 4,000 competently managed destinations across Europe, especially the 150 or so established city-break destinations. There must be a greater focus of collective effort on a more limited number of actions in order to make a difference.

It is about addressing the **three core elements of destination development:**

1. **Reputation management;**
2. **Capacity building;**
3. **Product development.**

This action plan addresses each of these elements in a balanced, market, focused way.

‘HOT CITIES ARE COOL’ - THE IMPERATIVE FOR ACTION

There an urgent need to inject pace in the implementation of an agreed action plan to grow tourism in Cardiff over the next 5 years. Tourism is an important contributor to the city’s economy and a major driver of the city’s image and reputation.

The market demand for city tourism for both leisure and business is in growth across Europe. Markets are changing and it is becoming increasingly competitive. Every sector and business involved in tourism and hospitality in Cardiff must become more organised, more collaborative, more joined up and be prepared to operate in a collegiate way if the city and the wider region is succeed in becoming a leading capital city tourism destination in Europe. These conditions demand new, fresh, approaches to developing tourism.

There is a need to shift from far too many meetings and talking shops to a new focus on getting things done. Austerity must become the midwife of innovative and creative solutions, new forms of strategic partnerships and alliances and new ways of working.

This action plan reflects these needs.

AN ACTION PLAN WITH STRATEGIC DIRECTION

The action plan is being 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 is being 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 in this plan complement and will support the longer term vision and development of the city and its region as a tourism destination.

LEADERSHIP AND COLLABORATION ARE ESSENTIAL

The successful delivery of this action plan will require:

- **Strong political and industry leadership** together with a well resourced, highly focused destination management and marketing organisation (DMMO);
- A level of collaboration and partnership working across all sectors and stakeholders founded upon a common vision, shared priorities and integrated approach **delivered with common trust and transparency;**
- **Clear roles and responsibilities** amongst all stakeholders and an effective organisational structure for the industry in the city that will make for efficient and unambiguous communications as well as creating, ownership for the delivery of key projects.

At the heart of this collaborative effort must be a close working relationship between Visit Wales and the Cardiff DMMO.

There has to be synergies between product development priorities as well as the branding and positioning of Wales, the Capital City Region and that City.

The city and the Bay has to be at the heart of stimulating tourism growth for the wider city region with a CARDIFF PLUS approach. The City of Cardiff Council must ensure that it creates an environment that will stimulate investment, be a catalyst for innovative ideas and ensures that tourism is high on the Council's corporate agenda.

There has to prevail an approach that recognises that we are all in this together. Get it right and the community, the economy and everyone's business benefits.

Tourism makes a major and significant contribution to many other aspects of city and community development beyond jobs, economy and image creation. It stimulates civic pride, it supports facilities for culture and leisure, it assists the transport services.

Equally, a city that is a good place to live, work and study is also a great place to visit.

This means that tourism development and place-making should be assured a central role in the future of the Cardiff.

KEY MARKET TRENDS

City tourism is in growth. The UN World Tourism Organisation (UNWTO) predicts that city tourism (for leisure and business) will grow at a rate that is double that for rural and coastal tourism. All the market research is pointing to the renaissance of the city as a focal point for tourism. In most countries the UNWTO reports that it is city tourism that is driving a country's tourism economy.

City tourism is multifaceted and appeals to many different groups. However, city tourism markets are increasingly dominated by the under 35s… *the Millennials….* And the over 55s…. *the baby boomers.* This is the case for both leisure and business tourism. These are high spending, high yield, well travelled and increasingly discerning tourists….and, both of these core segments are willing to try new highly customised experiences by exploring all aspects and areas of the city.

As a capital city, Cardiff must work very closely with Visit Wales, to lead in the development of international tourism (both business and leisure). Visit Britain has just announced (24th December, 2014) its forward projections for tourism in 2015 and highlights an expected up lift in overseas tourism numbers, including the traditional international markets (North America, northern Europe and Ireland) as well as the fast emerging BRIC markets. In this context Cardiff's relationship with its twin cities and other networks needs to be fully exploited.

They are motivated by lifestyle trends and products:

- Contemporary culture – visual and performing arts
- Urban sports and adventure activity – beyond the stadium
- Unique highly personalised, curated, experiences
- Opportunities to discover the local – produce, stories, heritage, culture language and people

They expect:

- Great shopping
- Diversity and range of dining and drinking out venues
- A mixed and varied program of entertainment
- A constant program of interesting events
- Excellent service standards
- A city that welcomes visitors
- Choice of places to stay
- Ease of getting around the destination
- Safe, secure and clean
- Year round appeal

SO, BY BEING MARKET FOCUSED, ON TREND AND SUCCESFUL IN DELIVERING OUR PLANS WHAT WILL BE WHAT WILL BE ACHIEVED BY 2020?

- 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 CBC, LOCAL NEIGHBOURHOODS AND THE ASSETS OF THE WIDER REGION
- A COLLECTION OF UNIQUE SIGNIATURE CARDIFF-BASED EXPERIENCES AND EVENTS / FESTIVALS
- A STRONG, COLLABORATIVE, CARDIFF +, CITY REGION + WALES APPROACH TO MARKETING AND CO-BRANDING / POSITIONING
- A NEW APPROACH TO RESEARCH, MONITORING AND BENCHMARKING

THE IMPACT OF THIS WILL MEAN

- DRIVING UP VALUE BY GENERATING INCREASED LEVELS OF SPENDING AMONGST ALL VISITORS THROUGHOUT THE VISITOR ECONOMY
- GROWING OVERNIGHT STAYS IN COMMERCIAL ACCOMMODATION: GREATER NUMBERS, LONGER STAYS, HIGHER VALUES, YIELDS AND RevPAR AND ENCOURAGING FURTHER INVESTMENT
- DEVELOPING A NUMBER OF SIGNATURE CARDIFF EVENTS THAT WILL ATTRACT OVERNIGHT STAYS
- DEVELOPING THE MICE MARKETS AROUND PARTICULAR THEMES THAT REFLECT THE STRENGTHS OF THE CITY, ITS COMPETITIVE POSITIONING AND ITS MARKET FOCUS
- CREATING MORE JOBS, BUSINESSES AND HELPING TO RETAIN AND NURTURE TALENT

TABLE 3: THE ACTION PLAN AND ITS DELIVERY

COMPONENT OF DESTINATION DEVELOPMENT	ACTION	LEAD + PARTNERS
REPUTATION MANAGEMENT	Establish leadership group and DMMO within CBC with supporting product and service clusters	CBC by March 2015
	Establish an agreed positioning and branding for Cardiff and the region with a detailed marketing plan	Council, Region and VW/WG by April 2015
	Implement new research program for monitoring and benchmarking	Council with VW and Cardiff Business School by March 2015
	Agree and implement a City and region guest card	Council and CBC with VW by June 2015
	Agreed program of collaborative marketing and cross selling to maximise the existing assets	Council to facilitate
	Create a series of Cardiff itineraries based on the city's Neighbourhoods and its themes to include: maritime heritage, art and architecture, local craft and design and shopping and promote the neighbourhoods of the City and links to the Wales Coast Path and SUSTRANS Routes	City centre management
	Establish a CARDIFF+ marketing campaign to promote Cardiff as a base to explore the wider region	CBC with the Capital City Region
	Fully develop a range of social media platforms and apps that exploit the 'digital and SMART' city ambitions	CCC and VW
	Develop a specific initiative to convert leisure travellers and visitors into potential business tourists, especially during RWC and the Six Nations	CCC

CAPACITY BUILDING	Organise intense program to upgrade hospitality and service standards, bilingualism and knowledge across the city, including as a priority: taxi drivers, hotel and hospitality staff	Council with Cardiff and Vale College, VW, WLC, People First, Chamber to commence June 2015
	Establish a high level, young executive leadership academy with international partners (such as Cornell, IDEC, and William Clinton Leadership Institute in association with Belfast and Liverpool	CBC with the Council to lead in conjunction with Belfast and Liverpool coordinated by S&A
	Establish a new engagement structure across the city and region based upon product groups	CBC to be fully operational by Autumn 2015
PRODUCT DEVELOPMENT	Establish and manage City Hall as dedicated conference venue supported by the Mansion House and Castle providing a unique Cardiff offer and a complement to the new Convention Centre in Celtic Manor and a market taster for the proposed new Centre in Cardiff	Council + CBC by August 2015 for marketing starting July 2015 supported by dedicated MICE team
	Create a Summer long program of music and events in Oval Basin	Bay partnership with WMC and HA and others starting July 2015
	Prepare an investment portfolio of sites and opportunities for hotel / hostel and other project development supported by research / info package	Council with CBC and WG
	Establish at least THREE signature Cardiff events and festivals that will generate bed nights and times of low occupancy. These to include: Roald Dhal, shopping and fashion festival, restaurant and food festival, sounds of the city (music, literature, language) festival and also strengthen the existing Cardiff Contemporary Arts event.	CBC to facilitate task groups for each with events introduced on a phased basis over next three years. These must be fully linked to and integrated with the VW emerging thinking on 'themed years'.
	Fully exploit the opportunity presented by (a)Rugby	Council with VW to facilitate a team

	World Cup in 2015, (b) the 150th Anniversary of the sailing of the Mimosa to Patagonia in 2015, (c) The Roald Dahl Anniversary in 2016 and (d) The Volvo Round the World event in 2018 to develop a unique city wide festival of art and culture	approach with all partners: program for each of these events beginning with the Rugby World Cup to be agreed by end January 2015 and a program for the Roald Dahl Festival by Summer 2015 using brainstorming sessions
	Opening of a Welsh Language and Cultural Centre in 2015	Council with WG and local partners
	Establish floating stage on the Bay	WMC with HA
	Creation of a BUTE collection of properties across the region	CCC with National Trust and Cadw
	Developing urban sports adventure activities including: zip lines, mountain biking, BMX and skate boarding, cycling routes, Parkour, urban running, mass participation activities, geocaching, associated urban camping and festival sites	CCC, White Water Centre, HA, VW, Sport Wales, local clubs, private sector
	Development of maritime heritage related activities including a three city program involving Liverpool and Belfast with Cardiff	Maritime Wales, MHT, CCC, other city councils, WG

STRATEGIC AND TRANSFORMATIVE PROJECTS AND INVESTMENTS

The actions listed above give focus for the collective efforts over the next five years. It will be essential for the city to increase its activity and commitment to identifying, attracting and securing investment in further, major, capital projects to ensure that the destination remains competitive, differentiated and highly appealing over the next 10-15 years.

This means an unrelenting and aggressive approach to create an economic, cultural, planning and political environment that is good for growing tourism and attracting investment.

There are a number of strategic and, potentially transformative projects already under consideration: some have progressed to the feasibility and business planning stages of their development, others are at the concept stage. All have been borne out of careful research and analysis, of both need and demand, in a raft of studies commissioned over the past three years.

TABLE 4: THE STRATEGIC PROJECTS:

PROJECT	DESCRIPTION	STAGE OF DEVELOPMENT
International Arena	Large capacity, multi-purpose arena	Concept prepared and business case tested, site near city centre.
International convention centre	International standard conferencing and meetings centre	To be reviewed.
Creatures of the Bay	Major world class visitor attraction and cultural animation of the Bay area	Concept and feasibility study to be completed, business case prepared. Target Phase One completion 2018, Phase Two open by 2020.
The Science of the Seas and the World of Water incorporating a maritime heritage centre/museum	Major world class science attraction for the Bay area	Concept being prepared prior to business case
Contemporary	Major world class art gallery	Concept being prepared

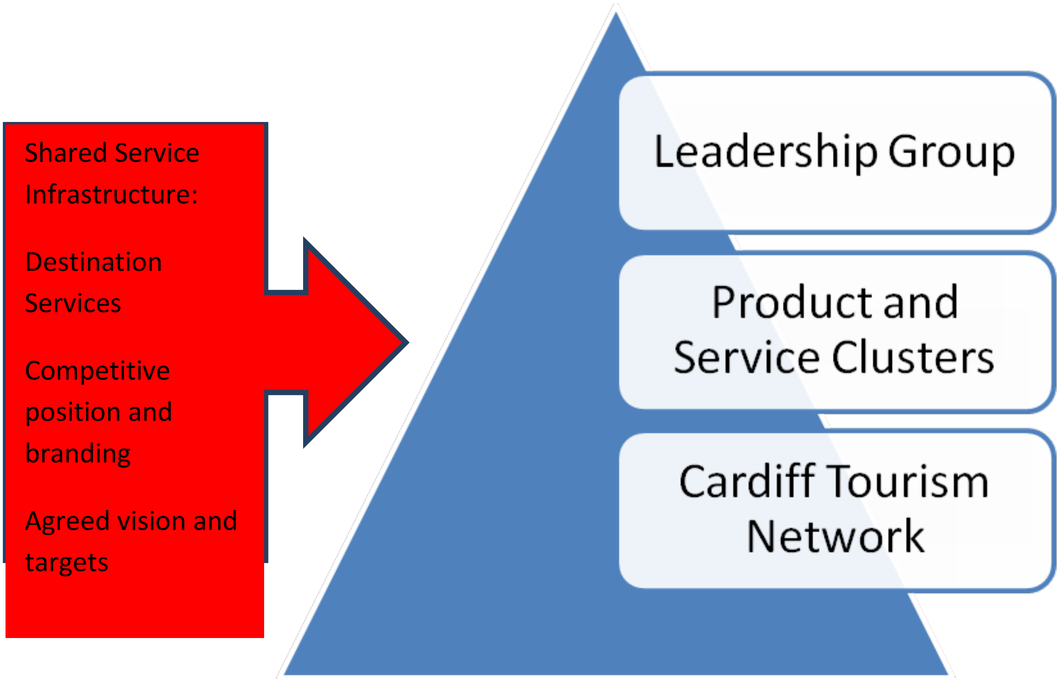
Art Gallery with associated outdoor sculpture park	for permanent and touring exhibits in Bay area	prior to business case
Welsh National History Museum (refurbishment	Major investment at St Fagans	Funding secured, project designed, work commenced, opening in 2017/18
World of Sports Hall of Fame and Welsh Sporting Legends	Celebration of Welsh sporting legends and heroes and their global achievements	Concept proposal being prepared
Restoration of The Coal Exchange and regeneration of Mount Stuart Square	Potential hotel with restaurants, specialist retail and entertainment	Plans and discussions underway to secure investor and developer
Hotel and 'poshostel' development	Various locations	Review of existing planning permissions and design of new investment program
Chapter Arts Centre	£6m planned extension and modern art spaces	Plans announced and fund raising underway
A Brewery Attraction	New city centre attraction	S A Brains as potential partner
Viewing Platform or high level roof garden and view point	Opportunity for city centre and / or the Bay	Opportunities to be explored
Completion of the International Sports Village	Inject momentum for completion	Review and renew existing plans
Roald Dahl festival and attraction	Work with RDFoundation, VW and others to create world class festival and potential for permanent attraction	Review

THE ORGANISATIONAL APPROACH

The delivery of these actions depends upon:

- A strong leadership group
- Strength of the mandate to deliver
- Collective and integrated efforts through a effective Cardiff tourism network AND core tourism and investment team approach within CCC
- Ownership of the actions through product and service clusters
- Common understanding of who does what
- Pooling of resources
- Political support at all levels
- Monitoring and evaluation by the leadership group
- Community involvement and support

A recommended organisational approach is described below.



The product and service clusters have to be self-regulating and based on current groupings where these exist and are deemed to be fit for purpose. They require a multi-interest and departmental approach ensuring innovation, creativity and integration at all times.

Service Clusters:

- Transport: Airport, Metro, Rail, Bus, Highways, Parking,
- Safety and Streetscene: Blue light services, public realm, environmental services, city 'dressing'
- Investment and Enterprise: Property, business, finance
- Training and Skills: FE, HE, Training providers, DWP, Sector Skills

Product Clusters

- Culture and Creative: Cadw, Castle, Cathedral(s), WMC, NMW, RWCMD, NOW, WNO, ACW, LW, NTW, Sherman, LUMEN, Artes Mundi, FFoto Gallery, Cardiff Contemporary partners, Chapter, BBC, No Fit State Circus, Universities, Accommodation, etc
- Retail and Entertainment: St David's Two, Mermaid Quay, Arcades, Brains, Cinema chains, Hospitality, Mermaid Quay, ISV
- Business Tourism: Venues, Accommodation Providers, Universities and colleges, Airport,
- Sport: WRU, FAW, Cardiff Blues, Cardiff City, Harbour Authority, Sports Council, Cardiff Devils, Glamorgan Cricket, sports clubs, Accommodation etc
- Urban Adventure: Activity Providers, cycle hire, Rights of Way, Parks, Hostels, White Water Centre, Sport Wales, private sector
- Events and Festivals: Cardiff Contemporary, Artes Mundi, WRU, FAW, City Centre Management, Major Events Unit WG
- A RESIDENTS or COMMUNITY Forum

These clusters MUST BE ACTION FOCUSED and will be tasked with providing:

- Product development requirements
- Implementing key actions
- Campaign content
- Campaign delivery
- Events stimulation (public, corporate or association)
- Liaison with other clusters to deliver campaigns/ events
- Investment needs
- Every cluster must aim to develop products in association with at least one other cluster

The shared destination services are delivered by the City of Cardiff Council for and on behalf of all partners:

- Destination Manager (i.e. named individual)
- Secretariat and support for the Leadership Group
- Support services and coordination of the cluster groups
- What's On Listing and Forward Clash Diary for the City (Region)
- Visit Cardiff Website
- Major Event support unit
- Branding Toolkit
- Research Observatory

Leadership Group

This will be established as a destination management and marketing organisation (DMMO) within the Cardiff Business Council.

The group will be a Board with an independent Chair. It will consist of 8 other persons including: nominated representatives of each the FIVE service and product clusters together with: representatives of Cardiff Council's SMT, Visit Wales and Cardiff Capital Region Board.

The independent Chair should have strong leadership skills and be widely regarded as the 'Mr/ Ms Cardiff tourism' both internally and externally.
Tasked with:

- Being the acknowledged point of contact for all aspects of tourism in the city and the city region
- Working closely with Visit Wales
- Articulating and stewarding the brand 'narrative' and ensuring synergy between the city/city region brand and that for Wales
- Prioritising investment for tourism in the city and ensuring their alignment with the priority markets and brand proposition for Wales
- Signing off campaigns and action plans
- Setting headline targets (e.g. 'Double Overnight Tourism Value by 2020')
- Monitoring and Evaluation
- Developing the strategic vision for tourism
- Leading Cardiff TBID
- Identifying resourcing and financing of the programme
- Developing KPIs.