

TOURISM SECTOR PRIORITIES

1.0 INTRODUCTION

This document provides a concise outline of the key tourism sector investment priorities that have been drawn from Visit Wales' Investment Strategy 2008 -2013. The conclusions have been drawn from investigating the current trends, the size and qualitative profile of the sectors and Visit Wales' historic investment in the tourism industry in Wales.

The tourism sector makes a vital contribution to the economic and social well-being of Wales. The direct and indirect impact of tourism accounts for an estimated 5.6% of whole economy value added in Wales and supports 80,000 f.t.e. jobs or 7.5% of Welsh f.t.e. employment.

Tourism, because it impacts on a wide range of related sectors such as transport, construction and retail is well placed to act as a catalyst for wider regeneration. It can reflect and promote the cultural values and characteristics of Wales such as food and drink, personality, language and heritage. In this respect, tourism has a key role to play in reinforcing a distinctive national identity for Wales which can bring significant political, social and economic benefits and help to raise the profile of Wales internationally as a place to visit, to invest in and a place to do business.

Wales attracted over 11 million UK staying visitors and over 1 million overseas visitors in 2006, generating a total spend of £2 billion. Additional spending of £1.5 billion from day visits gave rise to a total tourism economy of £3.5 billion, equivalent to over £9 million of tourism spending being injected into the economy on a daily basis.

2.0 INVESTMENT PRIORITIES

The sector priorities outlined are aligned to a project policy matrix and funding table set out on page 5.

Serviced Sector

- Continue to encourage investment in new and existing serviced accommodation facilities linked to:-
 - Business Tourism
 - Activity Markets
 - Golf courses
 - Boutique/food related
 - Wales' coastal resorts
 - Wales' coastal path
 - Strategic regeneration areas (SRAs)
- Focus on destination hotel sites that can make a difference, including brands, boutique, spa and food related products.
- Focus on hotels that build on Wales' distinctiveness and have a strong sense of place.

- All new bedrooms and existing bedroom improvements should aim to reach at least a good four star standard within the hotel sector. Investment in some three star product may be considered, as appropriate, and in line with regeneration priorities.
- The target standard within the B&B, Guest House and Restaurant with Rooms Sector will be high four/five star.
- Aim to secure higher levels of business profitability and improve productivity (value added) through value added initiatives linked to capital investment.

Self Catering

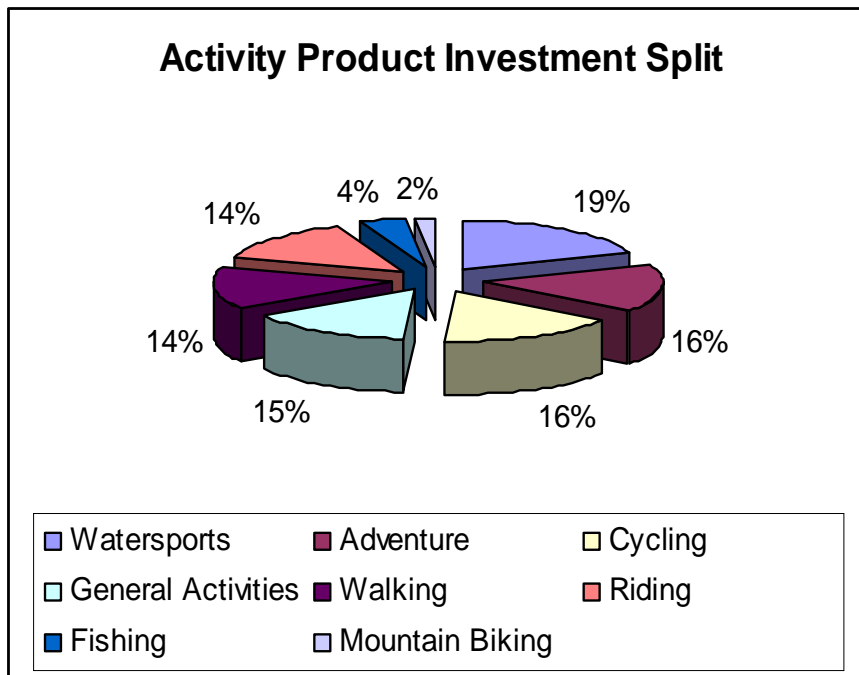
- New development will only be supported where it is demonstrated that significant additional business will be generated from growth target activity market sectors.
- A main objective is to improve occupancy rates in the off peak and winter season, therefore developments linked to spas/leisure and central amenities at 4/5 star complexes. Developments aiming to create distinctive products based on culture/heritage should also be supported.

Golf Development

- Increase the number of 4* and 5* bedrooms within 30 minute drive of 18 hole golf courses
- To increase the number of bedrooms on existing 18 hole golf courses.
- Any new resort must provide a minimum of 18 holes of golf to championship standard with a large clubhouse and hotel capable of hosting a major championship.
- Investment required for upgrading the size and quality of clubhouses and surrounding areas utilised by visitors. Priority areas include:-
 - Approach to clubhouse and car park area
 - The Professional shop (Golf reception)
 - Changing rooms
 - Bar /informal eating area
 - Restaurant
 - Practice areas (range type areas with automatic collection)
- Investment in hotels associated with golf should consider ancillary facilities to support the golf visitor e.g. lifts, dry rooms.
- Operators must be encouraged to improve ancillary facilities and exterior /interior signage.

Activity Products

Develop activity product related to cycling, walking, riding, watersports, adventure and fishing consistent with Activity Product Plans. Investment should also target accommodation/attractions linked to the activities. The following table based on a report by ACK Ltd outlines Visit Wales' development allocation for 2007/2008. It is fair to assume that future investment should be reasonably correlated with these splits, therefore the future activity product investment split by activity should be as follows:-



Individual activity priorities are outlined below:-

Water Sports/Marina

- Support network of safe havens around Wales
- Cruise/marina developments will be linked to the objectives of the 'Coastal Tourism Strategy'

Cycling

- Within cycling investment should be focused towards Traffic Free product
- The development of linear and circular touring short break products to include the development of the Cambrian Trail

Walking

- Investment within the walking product should be linked to the Coastal path – and improving coastal access.
- Focus investment in the South Wales Valleys towards developing a world class network of walking and cycling product.

Horse Riding

- Investment should be targeted to support bridle way development through information provision.
- Support for the emerging riding and carriage driving product.

Fishing

- Support should be linked to investing in accommodation and fishing-friendly accommodation in particular
- Develop freshwater fisheries

Mountain Biking

- Mountain bike objectives are not to create any new centres but to develop (add facilities) to the ones already established (showers, bail out trails).
- The management, maintenance and development of mountain bike trails is not the responsibility of Visit Wales. Visit Wales does, however, have a clear interest in supporting partners to ensure that trails are maintained to a high standard and that the trails product continues to develop in line with market requirements.

Attractions

- Further innovative low impact developments should be promoted where it is demonstrated they are demand led and can provide a strong Welsh branding presence.

Caravan & Camping

- Support will be available for camping and touring caravan parks linked to key activity/culture/heritage products.
- Support for schemes to improve the visual layout of camping and touring caravan parks, in particular parks which are particularly intrusive on the landscape on/or near the coast and which can detract from the overall appeal of a destination. Any investment within the static caravan park sector will need to be focused on landscaping schemes

For a more detailed and updated version of the Caravan & Camping sector priorities refer to the 2011 Caravan & Camping Accommodation Sector Priorities document

Food & Drink

- Support will be available to restaurant/brasserie style products. Business plans must show high visitor content and a sense of place (food sourcing and character).

Cultural Tourism

- Cultural tourism projects can be significant, given that some are represented by large attraction style proposals that add value and sense of place within a destination.

Sustainable Development

- Improve the quality of the overall visitor experience through the promotion of Tourism Destination Management linked to the principles of Integrated Quality Management (IQM).
- Ensure that future investment schemes adopt truly sustainable principles.
- Assess the sustainability of key developments via the economic/environmental impact model.

3.0 PROJECT POLICY MATRIX

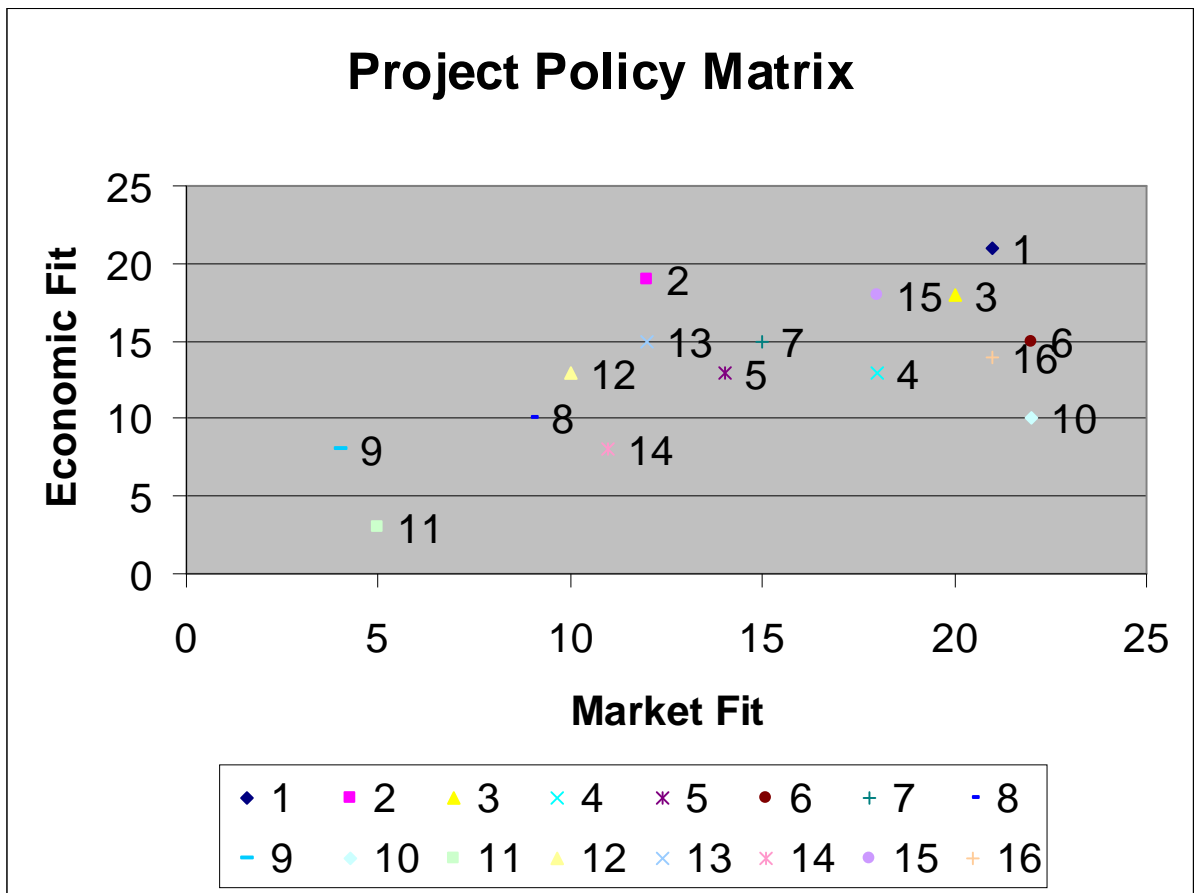
The project policy matrix below will help inform investment decisions based on 'market fit' and 'economic fit' to determine the focus of a project's position in terms of investment priority. The example below seeks to position sixteen possible project investment options according to their market/economic fit.

Project 1	Provision of new high quality hotel accommodation bedrooms (Linked to Business/Golf Tourism)
Project 2	Refurbishment/upgrade to a mid market hotel
Project 3	Provision of a Boutique style hotel
Project 4	Creation of a new high quality bed & breakfast establishment
Project 5	High Quality Refurbishment/upgrade to a Guest House
Project 6	Improvement to central facilities at golf clubs
Project 7	Development of a high quality restaurant facility
Project 8	Development of central facilities at self-catering complex
Project 9	Creation of new self-catering units
Project 10	Improve central facilities within activity related businesses
Project 11	Provision of camping facilities
Project 12	New attraction
Project 13	Upgrade to an existing attraction
Project 14	New visitor centre
Project 15	Improvements to activity product facilities
Project 16	Development of Bunkhouse/Activity Centre

Scoring	
0 = poor fit	1 = reasonable fit
2 = good fit	3 = very good fit

PROJECTS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Market Fit Factors																
Meet priority market needs (weighting x 2)	6	4	6	4	4	6	2	2	2	6	2	2	2	2	6	6
Stimulate growth markets (weighting x2)	6	2	4	4	2	6	4	2	2	6	2	2	2	2	6	6
Support seasonal spread of tourism	3	2	3	2	2	3	2	3	0	3	0	2	1	2	3	2
Strengthen Wales' competitive advantage	2	2	2	2	2	2	1	1	0	3	1	1	2	2	3	3
Improve image of Wales	3	2	3	3	2	3	3	1	0	2	0	1	2	1	2	2
Consolidate distinctive Welsh experience	1	1	2	3	2	2	3	0	0	2	0	2	3	2	2	2
Total Score	21	13	20	18	14	22	15	9	4	22	5	10	12	11	22	21

PROJECTS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Economic Fit Factors																
Ability to influence investment decisions	3	2	3	2	2	3	2	2	1	1	0	2	2	1	3	2
Economic Value	3	2	3	1	1	2	2	1	1	1	0	1	2	1	2	2
Cost per job	3	3	2	1	1	2	2	1	1	1	0	2	2	1	2	1
Provide year round employment opportunities	3	3	3	2	2	3	3	2	1	1	0	2	2	2	2	2
Support improved profitability	3	3	3	3	3	3	2	2	2	2	1	2	3	1	3	1
Fit with Spatial Plan Priorities (weighting x2)	6	6	4	4	4	2	4	2	2	4	2	4	4	2	6	6
Total Score	21	19	18	13	13	15	15	10	8	10	3	13	15	8	18	14
Overall Score	42	32	38	31	27	37	30	19	12	32	8	23	27	19	40	35
RANK	1	6	3	8	10	5	9	13	15	6	16	12	10	13	2	4



The matrix concludes that the top five key investment priorities with regards to ideal economic and market fit are:-

- Provision of new high quality hotel bedrooms linked to Business/Golf Tourism (Project 1)
- Improvements to activity product facilities (Project 15)
- Provision of Boutique style hotel (Project 3)
- Development of Bunkhouse/activity centre (Project 16)
- Improvement to central facilities at golf clubs (Project 6)

Using the conclusions from the project matrix in conjunction with the sector profile and previous investment outlined within the main Investment Strategy document the ideal sectoral split for future tourism investment should be:-

	Serviced	Attraction	Self Catering / Caravan & Camping	Restaurants (Food)	Total
Ideal Split	60%	15%	15%	10%	100%
Activity Tourism	60%		40%		100%
Business Tourism	100%				100%
Golf Tourism	80%			20%	100%
Cultural Tourism		100%			100%

Based on historic investment performance and priorities emerging from the Spatial Plan process the favoured regional split of investment would be as follows:-

	South East	South West	North	Mid
Percentage of Total Investment	20%	30%	30%	20%