
FSB Wales

NAfW
Enterprise &
Business
Committee
Inquiry into
Tourism

11 June 2014





Enterprise and Business Committee inquiry into Tourism FSB Wales

Background

FSB Wales welcomes the opportunity to present its views to the Enterprise and Business Committee's Inquiry into Tourism. FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees, FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

According to independent research carried out by Research By Design undertaken using a self-completion methodology (online only) in November and December 2013 hotels, catering and leisure accounted for 17% of FSB Wales membership. According to the same poll a further 14% are engaged in retail activity.¹

Partnership for Growth

FSB Wales supports the Wales Tourism Alliance's written submission to the Committee's Inquiry, in particular the timing of the inquiry which began less than a year after the launch of Welsh Government's Strategy for Tourism 2013-20 – 'Partnership for Growth' – on 17 June 2013.

Visit Wales has recently made two key senior appointments that, in our view, have not been in post long enough to judge their impact. Mari Stevens, Head of Marketing, and Jane Richardson, Head of Partnerships and Policy, both only took up posts at Visit Wales on 3 February 2014.² The announcement on 1 April 2014 that a regional team was being created at Visit Wales replacing the Regional Tourism Partnerships (whose funding ceases from September 2014) also makes it hard to assess the suitability and effectiveness of Welsh Government support, including regional support, for tourism.

There may have been a hiatus period within the relevant department that is now being addressed by the new appointments. More importantly FSB Wales believes that the coordination of regional and local tourism initiatives by a body based within the civil service is further evidence of a departmental bias towards centralisation rather than facilitation locally. Looking forward therefore we believe that it is best to focus on what is now being put in place and to ensure that regular reporting and monitoring of this vital service is maintained.

¹ 'The FSB "Voice of Small Business" Member Survey" Annex and Key Findings'. 1 March 2014 Available at <http://www.fsb.org.uk/policy/assets/publications/wales-member-survey-2014-annex.pdf>

² 'New appointments to Visit Wales', 14 November 2013. Available at <http://visitwalesindustry.co.uk/t/FO5-1Z9WU-776Q1M4T78/cr.aspx> [accessed 2 June 2014].



Regional support, national focus

While Visit Wales needs to ensure that Wales is visible and actively promoted as a tourist destination to a wide variety of potential visitors in both a domestic and international market, FSB Wales is also keen to see specific geographical areas of Wales promoted to appropriate markets. Local authorities and the support they can offer to tourism businesses will be vital here. The promotion of regional attractions fits better with regional activity more widely rather than being directed by a national government agency.

On a regional level, partnerships like the North Wales Economic Ambition Board, recognise the importance of tourism and have set up a specific work-stream to focus more strongly on tourism issues and partnerships in the area, including the development of Destination Management Partnerships and Plans. PR activity is also coordinated with stakeholders across the region in order to allow optimal impact.

FSB Wales would also like to see a better understanding of how the City Regions will interact with the development of tourism and their role in promoting tourism.

Reporting and accountability

Wales Tourism Alliance will be better placed to comment on many of the specific issues relating to Wales' tourism 'brand', Visit Wales and its relationship to Visit Britain. FSB Wales is aware that Mike Ashton Associates were commissioned by the Welsh Government to undertake a brand evaluation exercise. FSB Wales looks forward to seeing the results of this, which might also be helpful to the work of the Committee. The Committee might like to consider reviewing this evaluation report in particular when it becomes available if it has not already decided to do so.

There does not appear to be an annual report for Visit Wales which again makes its impact and activities hard to assess. Similarly, it is difficult to ascertain how much funding Visit Wales is allocated from the Visit Wales or Welsh Government websites. Within the Economy, Science and Transport budget, there is a figure for 'Sectors' within a 'Sectors and Business' section (£36,264,000 revenue and £72,819,000 capital for 2014/15) but no indication of how much of this is allocated to individual sectors, including the tourism sector.³

It is also our belief that scrutiny of the budget for 'Major events' is also relevant but it is not possible to tell from the information currently how much of the spend available is allocated to tourism and how the major event spend for one-off or recurring set piece events is evaluated. This makes it difficult to assess whether the level of financial resources allocated

³ Welsh Government, Final Budget Main Expenditure Group Allocations, December 2013. Available at <http://wales.gov.uk/docs/caecd/publications/131203budget1415-meg-en.pdf> [accessed 2 June 2014].



to tourism (including those for promotion and supporting Welsh tourism businesses) is sufficient or if Welsh Government funded activities represent value for money.

Outcomes

In mid-2012, research carried out on behalf of FSB Wales found that less than 15 per cent of tourism businesses identified themselves as belonging to a Welsh Government priority sector.⁴ The same research indicated that around 46 per cent had experienced problems in accessing Welsh Government business support.⁵ This suggests that more action is needed by the Welsh Government to increase awareness of the fact that tourism is a priority sector and make it easier to access Government support. These issues might be addressed by 'Partnership for Growth' but as yet, it is difficult to tell. More recently, an FSB Wales survey from late 2013 showed that a quarter of tourism businesses in Wales had used government-funded business support over the previous 12 months and of those, 68 per cent had found it helpful.⁶

In order to maximise the value of both the domestic and international tourism markets, ensuring those working in the area have the right skills is essential. Small businesses often do not have time to research what is on offer. A problem identified by businesses is that the majority of schemes are based in colleges and universities, making it difficult for small businesses in rural areas in particular to send staff on courses because of the distance and transport issues. The impact on a small business of having one or two people away on courses is greater than for larger companies. Often, on site or very local training is preferable. The timing of courses needs to take into account the seasonal needs of tourism businesses.

Tourism businesses need access to training in a variety of different types of skills. One FSB member business, a tea shop based in North Wales, commented that:

'As a Tea Shop, we require very specific skills:

People skills - the ability to be polite, have smileability, have the knowledge to be able to deal with Joe Public

Technology – Facebook and twitter are used in addition to the normal IT as marketing tools.

Food preparation and Service

Presentation – both in terms of food and beverage service and also personal, how we look and how we relate to our customers.

*Communication – Using the right language, both oral and body, make our customers feel comfortable in their surroundings.'*⁷

⁴ Dr Andrew Crawley *et al* (Cardiff Business School), *Small Businesses in Priority Sectors*, FSB Wales, 2013, page 12.

⁵ *Ibid.*, page 18.

⁶ Data from FSB Wales, 'Voice of Small Business' Member Survey: Key Findings – Wales 2014. Available on request.

⁷ FSB Members, Geoff and Jan Cole, Cemlyn Tea Shop, Harlech.



This highlights the vast range of skills identified and required by just one business. Further engagement with tourism businesses on this issue would help to ensure training needs are identified and met, whether these are industry-specific or captured within 'employability skills' in the education system more widely.

Summary

FSB Wales:

- Acknowledges that the new tourism strategy needs time to demonstrate impact but should be reviewed regularly
- Calls for greater visibility and accountability of Visit Wales and government support for tourism in the public domain
- Would like to see improved promotion of services available and for these to be made relevant to SME tourism businesses
- An ongoing review of the balance between national, regional and local promotion.

Prior to appearing before the Committee, FSB Wales will be visiting member businesses in the Pembrokeshire area to gather their most recent views and experiences.



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The Federation of Small Businesses

The FSB is non-profit making and non-party political. The Federation of Small Businesses is the UK's **largest campaigning pressure group** promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has **200,000 members across 33 regions and 194 branches**.

Lobbying

Our lobbying arm - led by the Westminster Press and Parliamentary office - applies pressure on MPs, Government and Whitehall and puts the FSB viewpoint over to the media. The FSB also has Press and Parliamentary Offices in Glasgow, Cardiff and Belfast to lobby the devolved assemblies. Development Managers work alongside members in our regions to further FSB influence at a regional level.

Member Benefits

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business Organisation in the UK.

Vision

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

Associate Companies

We have two associated companies, FSB (Member Services) Limited (company number 02875304 and Data Protection Act registration number Z7356601) and NFSE Sales Limited (company number 01222258 and Data Protection Act registration number Z7315310).