



Welsh Affairs Committee

Oral evidence: [International Representation and Promotion of Wales by UK bodies](#), HC 1013

Tuesday 13 May 2014

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Written evidence from witnesses:

- [Adrian D. Greason-Walker](#)
- [Roger Burgess](#)
- [Mandy Davies](#)

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Members present: David T. C. Davies (Chair); Guto Bebb; Glyn Davies; Jonathan Edwards; Nia Griffith; Mrs Siân C. James; Simon Hart; Jessica Morden; Mr Mark Williams

Questions 42-102

Witnesses: **Adrian D. Greason-Walker**, Executive Director, Wales Tourism Alliance, **Roger Burgess**, Chairman, Wales Association of Self Catering Operators, and **Mandy Davies**, Chairperson, Vale Tourism Association, gave evidence.

Q42 Chair: Good morning. Thank you very much for coming along today. As you know, we are the Welsh Affairs Select Committee. We are a fairly friendly bunch and are just looking to improve our knowledge of the tourism sector in Wales. We are grateful to you for coming along. I am slightly worried about the time today, so if I start to cut people off, please do not take offence—I just want to try to get through as many questions as possible.

Can I start by asking about the number of overseas visitors coming into Wales? We have been given evidence to suggest that it has been declining over the last 10 years. If that is the case, have you any understanding of why that might be and what we could do to reverse it?

Adrian D. Greason-Walker: Our understanding is that the numbers have been declining very gradually over the last eight to 10 years. The figure dropped from just over a million visitors to about 823,000 between 2007 and 2011, which is quite a substantial fall. The key point to note, of course, is that international visitors tend to be higher-spending visitors, so they are incrementally that much more important to us. Even though they make up roughly 5% of all visits to Wales, they probably equate to about 8% or 9% in terms of value.

On the reasons for that decline, I do not need to tell you that internationally a lot of it is to do with the current financial crisis, which kicked off in 2008; hopefully, we are starting to emerge from that. The way in which our visitors see us and interact with us internationally has also changed markedly due to developments with the electronic media and the internet, so things have changed substantially. I do not know how that has impacted on Wales. Perhaps we have fallen behind in terms of the way in which we have been able to communicate with those visitors; we certainly need to do some catching up. Hopefully, some of the work that is being done at the moment and is ongoing will do that.

Roger Burgess: Last week, the ONS released some figures that gave me cause for concern. Its figures for last year were that Scotland's international visitors went up by 10%, England's went up by 6% and Wales's went up by 3%. There is a direct correlation between how much we attract and how much we spend.

Q43 Chair: You represent bed and breakfasts.

Roger Burgess: No—self-catering.

Q44 Chair: What percentage of international visitors stay in self-catering accommodation?

Roger Burgess: If you take it across Wales, it is fairly low. It is much higher in the south-east—around the Cardiff area—where most international visitors are located, but I could not give you the exact percentage. I do not have that figure.

Q45 Nia Griffith: You said that you thought it was directly related to the amount you spent—in other words, if you advertise well and invest, you will bring back better returns. Could you expand a little on what you meant by that? Where and how do you think the money should be spent?

Roger Burgess: If you have a finite pot, it is very difficult. It would be wrong to try to spread a small amount thinly. The anecdotal information that I have is that the expenditure on tourism in Scotland, which we see as one of our main competitors, is much higher than it is in Wales. If you have the money, you can spend more in international markets to create your presence.

Q46 Nia Griffith: Do you think it needs refining as well? Are you saying that they need to decide which are the most important targets?

Roger Burgess: They have identified that in some ways. If you look at the tourism strategy that Visit Wales produced, it identified Europe—Germany, in particular—and the US. However, it is very difficult to develop your presence—it is not going to happen overnight. These decisions were made by Visit Wales and the Welsh Government last year in their tourism strategy until 2020. The judgment on those decisions is ongoing.

Q47 Nia Griffith: Do you think that it is a bit unambitious to target Germany and the United States? People from those countries have been coming to us for ever. Just look at the colour of football in Cardiff now, for example. Are there other markets we should be going to?

Roger Burgess: You could argue that, but if you take money away from the areas that are currently our biggest market—England—without finding additional resources to fund that wider representation, you run the risk of having a negative impact overall in terms of the economy.

Q48 Mr Williams: I should declare an interest, as the chair of the all-party group on tourism and the hospitality industry in Wales. The question does not explain your competitive relationship with Scotland, but to what extent has a VAT rate of 20% in the UK impaired competitiveness across Europe, given that we are one of only two countries not to reduce VAT on, for example, the beds available?

Adrian D. Greason-Walker: I could not agree more. The 20% VAT rate is a disincentive to our visitors and has obviously had an impact. As you rightly point out, there are only two other member countries that have this VAT rate, which is really too high. If we want to attract international visitors, we have to offer them incentives, be they financial, be it making sure that we have the right product in place or be it making sure that we link up with the right markets. HMRC's own modelling has shown that if we dropped the VAT rate, in two years' time we would get more money back than the Exchequer would lose in the short term.

Mandy Davies: A drop in the VAT rate would affect the national tourists as well as the international ones, because it would make things more affordable. One thing that has been noted is the drop in spending that has taken place. That is because people genuinely cannot afford to go out to restaurants as much as they used to. If their holiday price, whether they come from the UK or from overseas, is less, their spend gets greater incrementally. It affects everybody.

Q49 Mrs James: Much has been made of needing to create a successful brand to attract overseas tourists. Do you feel that Wales currently has that?

Mandy Davies: No.

Adrian D. Greason-Walker: Let us go back to the Scotland and Ireland scenario that was mentioned earlier. They have very strong, iconic brands. It is still important to ensure that we have a presence with VisitBritain. VisitBritain is important because there is still a need for Wales to be part of that brand. It is very difficult for us in Wales to start tackling the distant emerging markets of China and India. As Roger has already pointed out, with our budget, for us to try to start tackling those in any situation where we would get a decent return on the investment would be exceptionally difficult, so we do need VisitBritain and the GREAT brand. That has been going for four years and is important.

In terms of brand awareness abroad, there is a brand awareness of Wales, certainly in the Low Countries and shorter-haul destinations in Europe. It is not a particularly strong one and is certainly not as strong as the UK brand. Where we have repeat custom, they do have a sense of us. Someone asked about the stereotypes. I do not think we have that many international visitors who have a stereotype of Wales. Some recent research showed that the only place where there was some stereotyping, which was still very weak, was France, where they associate us with rugby and mining. The stereotypes probably sit more with your domestic audience.

Do we have a brand overseas? I do not think so. Brands take a long, long time to build up. Doing that would take a lot of money and political will and would mean years and years of work for us. Also, what do we hang our hat on? At the moment, we tend to hang it on things like countryside and culture. That is a very important part of the Great Britain campaign, but what we need are strong, iconic things. It is very difficult for us to do that. It is also about targeting the audiences very specifically. The Germans, for instance, are very keen on culture and want to see what Wales's place is in European culture in a wider sense. They may be

interested in Owain Glyndŵr, for example, but it takes a long time to get that story known and to make some money out of it, not to put too fine a point on it.

We do have a brand, but it is probably a weak one. I know that the Welsh Government have embarked on a two-year piece of branding work. We are waiting for the results of that, which are due to be released shortly. When that brand comes out, it needs to address various things, such as the perception of what is Wales—what are we coming to do? In the domestic market, there has been the issue that there is not enough to do in Wales. Those sorts of things need to be brought out, but at the moment the answer is yes and no.

Q50 Mrs James: Ms Davies, you were very emphatic in your answer. You say in your evidence that there are inaccurate stereotypes.

Mandy Davies: The problem with Wales is that it is multifaceted, so whenever any of these branding exercises come around, people seem to want to find something to have as the hook. It is very difficult, because if you choose one thing you miss the others and so on. I think that is why in many cases branding has failed for Wales.

What we need to do is probably more along the lines of creating a curiosity about Wales—that it is worth a visit and that we should come and have a look to find out what is there—rather than trying to sell it through what it has got, other than things such as the Wales coast path, which gets a high amount of press and has helped us a lot. You need to create an interest. The curiosity side of it—getting people out of London—is really important. We need, first, the idea that it is worth visiting, and secondly, the connectivity, so that it is easy to get to. If we can do that, we are more likely to pull people down the M4 and down on the train.

Q51 Mrs James: Are there any inherent tensions between developing a brand suitable for the tourism market and developing one that works for inward investment?

Adrian D. Greason-Walker: In that instance, you need something that is very generic. What we are talking about initially is encouraging people—new people—to come to Wales. For all of us—that includes you as well—to go out and sell Wales, we need to be clear about what we are telling people about.

You are talking about two different audiences. They want similar things, but when you are talking to an inward investor, you are trying to lure somebody here. You are trying not just to bring in their money, wealth and ability to set up a factory unit or a large tourism business, but to get at that individual person. You are trying to sell them a vision—a lifestyle. Going on holiday is very different from wanting to go and live somewhere. When you are talking to an inward investor you are talking to a person. That person wants to be very clear about what exactly they are bringing their family to—where they are going. They want to know that they are going to have a similar lifestyle—probably, a better one. A lot of what we have to show is that Wales is an excellent, lovely, fantastic place to live. We all have to sell the fact that we offer a great lifestyle, whether you are coming for a week or whether you are coming for a lifetime—that is what we are selling overall.

Underneath that, of course, selling a holiday is very different from trying to sell to someone so that they bring their resources—so that they come to live and set up a business in a country. Those are two very different audiences. There is an overall vision—correct—but, underneath that, we are aiming at lots of different targets and we have to offer them very different things. That is one of our strengths. Because we are made up of so many small micro-businesses, we can tailor our product very specifically to particular individuals.

Q52 Chair: What do you think, Mr Burgess? I thought you were trying to come in on that issue.

Roger Burgess: Basically, I agree with what Adrian has said, because we have been discussing this issue. The two are not incompatible, but they need supplementing for their different perspectives at a lower level. What we need is a strong, consistent image and brand that can be utilised by the private sector in its marketing so that the activities of the public and private sector complement and supplement one another, rather than acting in total isolation. As a small nation, we have to work together. At a time when public finances are under significant pressure, it is even more important that we develop a real spirit of partnership to move ahead, otherwise we will just fall further behind the game.

Q53 Simon Hart: I am very sorry for being late and having to go early, as this meeting coincides with something else. This is not really a scripted question, but how does devolution help you? Does giving further powers to the Welsh Assembly make your life as organisations trying to sell Wales to a wider international public easier or harder?

Roger Burgess: I believe that it has the potential to make the people making decisions more accessible. You will notice that I said “it has the potential.”

Q54 Simon Hart: I know what you are saying, which is helpful, but more accessible to whom?

Roger Burgess: To the private sector—groupings such as ourselves. We were more than happy to come here to give evidence to you, but basically it is a day and a half of our time to come to speak to you for 30 minutes. If you are in the north of Wales and travel to Cardiff, it will still take a fair whack of time, but not the same amount. It is more accessible.

Q55 Simon Hart: Is that a shared view? You can be different.

Adrian D. Greason-Walker: Yes, I suppose that it is—in terms of physical accessibility.

Mandy Davies: Yes, but it is all about communication channels, isn't it? It is fine as long as the communication channels are working. If you are talking on behalf of the private sector, it is really important that the conduits for information are working both ways. Geographically, it is much easier for us, but we have to ensure that those conversations are not taking place in isolation, are including the information coming from the private sector and are connecting Visit Wales and VisitBritain for the larger platform. It is all about communication.

Q56 Simon Hart: What I was getting at is that a significant number of powers that affect your ability to attract tourists to Wales are retained by the UK Government and a significant number of powers over issues that may have an impact, such as aspects of planning, are with the Welsh Assembly. In a perfect world, would you rather drift in the direction of having to deal with one Parliament or another?

Adrian D. Greason-Walker: It is more complicated, isn't it? It is more difficult, in a way, but as time goes on with the Assembly and its powers increase, hopefully, the communication channels will be quicker and we will be able to react much better. I would like to see a lot more involvement, certainly by our sector, with the new Bill as it progresses. I think that is happening. We feel that it is more accessible and that there is a better process for consultation in terms of the progress and passage of the Bill through to Royal Assent. That certainly happened with the Food Hygiene Bill, where we had an input. It is more about a process of negotiation now.

To legitimise the proceedings of the Welsh Government—in effect, to legitimise the Assembly—we have to start ensuring that the consultation process is robust. When a consultation takes place, we must truly give it enough time, because if it is too short you will not get the responses. There also needs to be a recognition that there are limited resources out there to engage with businesses. Businesses are more concerned with their day-to-day running and being profitable; they are not as concerned, to be polite, with dealing with consultations and consultation responses. It is important that we make sure that the time is there and that there are the resources on the other side to respond. Just because you do not get a certain number of responses, it does not necessarily mean that everyone agrees with what is being proposed. It has the potential to be better.

Roger Burgess: Can I expand briefly on the point about potential? Adrian will not say this, but as a constituent member of the Wales Tourism Alliance, which is the body that would be the first port of call for consultations, we know that this year it is being expected to undertake the same level of activity with almost a third of the funding that it previously received. Given the increasing tendency to take things out to consultation, which is praiseworthy, that makes the work load of somebody in Adrian's position almost impossible.

Adrian D. Greason-Walker: I will not necessarily back that up, but we need to be very wary about the number of consultations that are coming out, who is being consulted and the process that needs to be undertaken to make them really legitimate and to give us really robust pieces of legislation. As you all know, once they are enacted it is very difficult to change them. In that consultation process, discussion and debate—communication, as Mandy said—are very important.

Q57 Jessica Morden: I was going to ask about that, but I also wanted to ask about Visit Wales and how effective you think it is. Mr Burgess, you mentioned the web presence and things like that. Would you like to expand on that a bit?

Roger Burgess: The website has been problematic since I first had any involvement with WASCO in 2004. I know my immediate predecessor spent a considerable amount of time in discussions on it. It has been handicapped by changes in the personnel who have been handling it. Currently, the problem is that there may be the technical expertise but there is not the knowledge of the tourism industry to make the website work properly. All of my customers tell me that the first place they go when they want to find information is the website. In terms of international tourism, that must be even more true, I would have thought.

Q58 Jessica Morden: What, practically, is wrong with it?

Roger Burgess: At a practical level, it was the search facility with the booking arrangements on it. There was third-party involvement controlling certain aspects of the site, so there was a conflict between the two. Incorrect data were loaded on to the site. Last August, we made representations and had written e-mail exchanges with those in Visit Wales. We invited them to attend a face-to-face meeting with us, which did not occur, but then, in November, the self-catering agents were able to facilitate a meeting with the people in Visit Wales doing this, who agreed that it had been very beneficial and that they would like to have regular meetings. "Regular" is an interesting word—it is not the same as "frequent." My latest information, received this week, is that the next meeting is imminent, but there has not been one since last November. One of our members who contacted the team working on it said that it is currently running 12 months behind schedule.

Q59 Jessica Morden: Are there any other practical things that the other two witnesses think Visit Wales should be doing better? Are there any improvements that it could make?

Mandy Davies: To the website specifically?

Q60 Jessica Morden: No, just generally, in terms of its performance.

Mandy Davies: There have been quite a lot of changes in the structure of Visit Wales lately, so we are waiting to see what comes out of that. It has been fairly disruptive. From my point of view—and the private sector’s point of view—it comes back to working in partnership and communication. As I said in my written evidence, Visit Wales and VisitBritain work on behalf of our work force, not the other way round. Our industry is the people who run these businesses. That can make it very difficult, because they are all independent thinkers. They are business owners—they did not go into it to be part of a club. What we do through partnership is make sure that they feel that they have a buy-in to what is going on. It is all about developing really strong relationships, partnerships and communication channels. There is a lot of work still to be done on that.

Adrian D. Greason-Walker: I think—

Chair: Can I bring Jonathan in quickly? Feel free to work your answer in, if that is all right. I am getting a bit nervous about the time.

Q61 Jonathan Edwards: I have a quick question about the website, because that is very interesting. I have just booked my summer holiday for the family at a self-catering cottage in Ireland. You are more than welcome to attend—there is plenty of room in the cottage. It was so convenient and easy. If you want to go to Ireland, you log on, get the ferry booked and get the cottage booked—within a matter of hours, they are all sorted. Are you saying that there is no such facility for Welsh self-caterers?

Roger Burgess: A facility is there, but it does not work adequately. Some of our members tried to use the Visit Wales website, just as a theoretical exercise; they said that they gave up. Mandy’s point is the correct one—it needs to be done in partnership. It is always far harder to change something once it is in place than to be involved at the origination stage. If the industry had been asked what was needed, the product we have at the moment might have been better.

With IT, things move so quickly that what was modern last year is veteran now. Many self-caterers are small micro-businesses. In the last five years, all of them have developed an online presence. Nearly all of them have an online booking system. One that is particularly popular was specifically designed by a self-catering group, around self-catering, so it meets their needs perfectly. Is it sensible to spend time, effort and, therefore, money recreating that on Visit Wales, when with the click of a button you could access something that is already in existence and works perfectly well?

Q62 Jonathan Edwards: We have had a very interesting discussion about the weakness of the Welsh brand. All the evidence that we have had in the inquiry seems to indicate that, yet in 2011 VisitBritain did a poll of 10,000 potential overseas visitors that said the Welsh castles were more popular than Buckingham palace as a potential destination. We have a huge strategic asset in the Welsh castles, so what is going wrong with Welsh tourism strategy?

Roger Burgess: It is always easy to throw criticism and much harder to make constructive comment. As an incomer to Wales 10 years ago, I think it has so much to offer. It has culture, history and landscape. There is a tremendous amount of factual stuff that you can present—you do not need impressionistic “We’ve got the best mud.”

Adrian D. Greason-Walker: It is about more than just saying, “We’ve got lots of castles,” and “We’ve got the best castles.” It is hiraeth, isn’t it? It is very difficult to establish exactly what it is with Wales that is so special. We know it is so special, but it is about finding the USPs that come together in that brand.

On your other point, Visit Wales has a very difficult job to do. It is exceptionally difficult to make a website that does everything for everyone and that everyone likes. Visit Wales has an exceptionally hard job to do there. Those things consume a lot of money. Not only that, technology just moves on; it is moving apace at the moment. In some ways, it is getting more and more difficult to do a brand that does everything for everyone and a website that does everything for everyone. We are not dealing with the days when you printed 1,000 publications and sent them out or got a number of conversions from a website where people filled in their names to say, “I want a brochure.” It does not work like that any more—it is instant, last minute and really complex. It is also very difficult when we are up against really big, multinational corporates. A lot of our micro-businesses now have to sign up with a big agency, so they are doing that.

Visit Wales is there, but things have moved around it. We still need a one-stop shop, but that one-stop shop is a very difficult thing to create at the end of the day—and it is very difficult to get consensus on it. We have to keep moving forward with it, but it is a big challenge; it will take lots of money and effort. To be fair to Visit Wales, it has a new team and a new strategy. In some ways, this is a bit premature, because we need to give that time to work before we can be—

Roger Burgess: The essential thing with any marketing is that you understand your audience. We were particularly pleased by the latest “Have you packed for Wales?” campaign—some of the TV advertisements create a superb impression—but it is all in Welsh. What if you are trying to attract the English, the French or the Germans? There is no subtitling or voiceover, so what is it trying to convey? It seems that they are almost asking too much of their audience—that they have a knowledge of Wales, rather than that they need to have that knowledge developed.

Q63 Guto Bebb: Before I move on to question the relationship between Visit Wales and VisitBritain, I want to clarify the discussion around the consultation process. Before I was elected to this place, I used to do a lot of consultations. I became quite cynical and came to the conclusion that you went out to consultation only when you knew the answer you wanted. The written evidence that you have given implies that there is not enough consultation, yet in the verbal evidence that you have just given you have almost implied that there is too much consultation going on. For example, was there a significant amount of consultation before the recent abolition of the regional tourism companies?

Mandy Davies: There was a lot of consultation and a lot of opinion. Speaking personally, I am not sure that the results of that consultation were taken into consideration enough. The only point of consultations is that people are consulted and listened to, otherwise they are a waste of time. Hand on heart, I think that particular consultation did not work in favour of what we wanted, but consultations are very important. They need to listen to the private sector—the people at the end of this chain whose income and businesses rely on the system working well for them.

Q64 Guto Bebb: The clear implication is that you do not believe that they are listening particularly well.

Mandy Davies: It varies. You mentioned particularly the recent one on the regional tourism partnerships. People will disagree with me, but I honestly do not think it reflected what we wanted. On that particular occasion, it was undermined, but I certainly believe in consultations.

Roger Burgess: It is an example that shows it is very important that, from our side of the fence—if you are going to talk about the Government and the private sector—we get our act together. Obviously, you make a much more effective response in a consultation if you are sending the same message. When they get conflicting messages, they can pick up the ones that suit their argument.

Credit also needs to be given that, where representations have been made and the Welsh Assembly Government have subsequently gone out to consultation, we have achieved what, from our perspective, was a very successful result. There have been one or two instances of that with self-catering in the last 24 months. One was on council tax on second homes, which was potentially going to affect some of the micro-businesses. The Welsh Assembly adjusted the legislation to make it clear that they were excluded from it. They do listen, but—like all of us—sometimes they hear what they want to hear. We are as guilty of that as anybody else.

Adrian D. Greason-Walker: There is an awful lot of consultation surrounding new regulations and new Bills—that sort of consultation. Reading between the lines, with Roger and Mandy it may be more about consulting the industry, perhaps more on a project-by-project basis. There are different levels, and different levels of communication. It all comes down to resources and the number of people who are able to engage in that and do that. Sometimes, you need to make quick decisions because the timing is all wrong, so it is horses for courses.

Because it is so important when a Bill is passed, Government consultations really do need to have a lot more resource put into them, to make sure that we get a robust response at the end of that. Roger gave a good example of where it has been good that the Assembly has been there. We have been able to go to the Assembly and to discuss the issues—there is a 70-day rule, for instance—so we get a response and a result. It is not always the one we want, but it is happening.

Roger Burgess: Earlier, Adrian alluded to one of the weaknesses, which is that the current system dictates that we have to find out that there is a consultation going on. It would be much better if, when people such as yourselves instigated an inquiry or consultation—the same applies to the Welsh Assembly Government—you invited responses from what you could clearly deduce were interested parties who would give you an informed response.

Q65 Guto Bebb: I move on to the issue of VisitBritain and Visit Wales. There have been some issues about the performance of Visit Wales. For clarity, what is supposed to be the relationship between VisitBritain and Visit Wales, and how do you think it is currently working? There are two questions: how is the relationship supposed to work, and how is it working?

Adrian D. Greason-Walker: We have the GREAT campaign, which is the core of everything that VisitBritain does. That is a £100 million campaign, so it is very important. It is important that Wales has a presence in that. It is also important that Visit Wales has an input into the content of those campaigns. I know there has been criticism of the amount of content that goes into VisitBritain campaigns. Part of that is probably due not to Visit Wales but to VisitBritain, which had a large budget cut some years ago. It has this £100 million campaign, but it has to find match funding for that. It is very concerned with the return on investment and has to fund-raise and to get big sponsors involved. On that basis, it is being skewed more

towards those sponsors, because that is the way it works—that is what happens at the end of the day.

I have heard that there have been good and bad things about the Visit Wales relationship. I am not involved in it—to be perfectly honest, I really do not know. What I do know is that things are improving. For the new relationship, they are going to get somebody seconded from Visit Wales into VisitBritain; we look forward to seeing what happens with that. I believe there is also greater communication in terms of the marketing plans that are being drawn up and the various country strategies. As I said earlier, we still need VisitBritain to work effectively for the long-haul markets we are aiming at. Visit Wales cannot do that—it just does not have the resources to do it. It has to concentrate very much on the Low Countries and Europe.

Q66 Guto Bebb: Do you think that recently it has been working effectively or that there is significant room for improvement in the way VisitBritain serves Wales?

Adrian D. Greason-Walker: There is definitely room for improvement; there always is. At the moment, our involvement is through the British tourism industry group, which meets quarterly. We are presented with the figures; VisitBritain's statistician, David Edwards, is exceptional at doing that. We are also shown the latest material with regard to the GREAT campaign and its progress. That needs to move more into the project area, for example, so that we have more of a say in what is coming up—what is going to occur and how we can have a greater input into that, both as the industry and as Visit Wales. I hope that that will happen. There is definitely room for improvement in the future.

Mandy Davies: I do not want to come across as the critic in this group, but if I am critical, I hope it is constructive. In the VisitBritain campaign, particularly the GREAT campaign, Wales was not focused on enough. I do not know what that came down to—whether it was a lack of communication or whether we and Visit Wales did not get in there quickly enough to provide product knowledge and things like that. If you look at it, we were not represented terribly well there. As Adrian said, VisitBritain is incredibly important to us for our international market, because we cannot do it on the budgets we have. We need to be very sure that we give it the product knowledge that it can include in those campaigns. That is really down to us—we need to pass that information across.

Adrian D. Greason-Walker: We have to move beyond just a few pictures of Welsh castles and a couple of golf courses in its marketing material—we need real content. That comes back very much to getting individual businesses engaged at that level, getting that throughput of information on to the VisitBritain TV channel and making sure that we get in there. I do not know what the problem is at the moment; I do not think it is necessarily VisitBritain's fault—or anyone's fault, for that matter. We must try to make it simple. The internet is very complex and it is difficult to get that throughput of really good content, but we as Welsh businesses also have a duty to do that and to get it working right.

Mandy Davies: We should not be pushing VisitBritain in its international campaigns to attract the whole of China to Wales—in a lot of cases, it will be London first and Wales will be an afterthought. Coming back to the curiosity thing—what is out there and everything else—maybe we should look more at the demographic that we attract, regardless of what countries they come from, and feed that into the VisitBritain campaign. I am talking about the sort of people who we know would come to Wales—the more adventurous and more curious.

Adrian D. Greason-Walker: We all need to get a lot better at selling ourselves and what we have. We have to work with the tools we have at hand. It is important that we do that.

Roger Burgess: It is true that the changes to VisitBritain's funding meant that it had to review its internal structures, which inevitably meant that there had to be an adjustment in external relationships. That has taken time, and those external relationships are probably still being clarified in some ways. We are now in a position where the impact of that dislocation a few years back is still relatively evident in the performance that we are seeing. One would hope that the establishment of effective relationships between VisitBritain and Visit Wales would start to have a positive impact.

Q67 Mrs James: Going back a step, you talked about our having to move away from the images of castles, rugby, choirs and mining.

Adrian D. Greason-Walker: We still need them, of course, but it has to go beyond that.

Q68 Mrs James: How does it work for Ireland, then? I am tired of seeing adverts where I am offered the craic, Dublin bay prawns and Guinness, yet it seems to work for them.

Mandy Davies: And it does not rain.

Adrian D. Greason-Walker: There you go. It is about getting that uniqueness, so that right down to the core I relate to it as a consumer and to Mrs Whoever who is going to serve me fresh prawns—I do not know what you saw.

Q69 Mrs James: It works.

Adrian D. Greason-Walker: It is about doing that and making sure that we can do it. We have a fantastic product. So far, nobody has mentioned quality. I am glad to hear that, because we all know that the quality of our product is fantastic now—it is world class. We have a heck of a lot to offer the British campaign, but it does come down to doing that. I guess some of it is down to money, at the end of the day. Some of it is down to time. As I said earlier, a lot of business managers are very concerned about making sure that all of their paperwork is in place; there is still a lot of regulation they have to abide by. It is also about the day-to-day running of their business. As Roger said earlier, they are more concerned with the domestic market. To some degree, international tourism may be the icing on the cake. I hope it is not, but I suspect it probably is. There is no research to back that up.

Q70 Jessica Morden: In some of the written evidence, people refer to problems with transport infrastructure and overseas visitors. Is there anything you wish to add to that?

Adrian D. Greason-Walker: First, London dominates; there is no doubt about it. Actually, the area inside the Circle line dominates. Two thirds of visitors to the UK come to London; it is about trying to get them out. If we are talking about the customer journey, it is about trying to make it as easy as possible for the customer to get out to Wales.

One thing that cropped up in a recent piece of research—I cannot remember where it came from—was the fact that a lot of Europeans who come over here do not like to hire a car, because they do not like driving on what they see as the wrong side of the road. That is a big problem for us. It is a really obvious one, but has anyone really thought about it? The fact of the matter is that we need to be able to make it as easy as possible for someone to get there. As Welsh and as British, we are now quite happy to go overseas and drive on the other side of the road—we have to—but it is a big psychological barrier to a lot of people.

Q71 Chair: I see what you are saying, but we will definitely not be making a recommendation that we change sides—that would get us a headline we do not want. Can I bring in Mandy Davies? I know she wanted to say something.

Mandy Davies: On the communication issue, a lot of it is about ticketing as well. If you can get an all-encompassing ticket that allows you to jump on a train or a bus that will take you on the two-hour trip down to Wales, it is really helpful. At the moment, even we find it tricky to buy a rail ticket and to know whether or not we have got a good bargain. We need to do something very concrete about how easy it is to have a national Oyster card or something that allows people to travel.

Q72 Jonathan Edwards: A yes or no answer will suffice. Some tourism strategists in London have been making the case that Welsh money would be better spent on enticing people to London and then trying to trickle them down, rather than on trying to promote Wales. Do you agree with that or not?

Mandy Davies: No. London entices on its own anyway. There are products that do not need much more investment because they are globally known. London is one of them—people will come regardless. When you have private funding, obviously, you have to go with what your funders want, but core funding should not be London-centric. Core funding should be pan-UK.

Adrian D. Greason-Walker: Get them to Cardiff airport, offer them a day down here and get them back as quickly as possible.

Roger Burgess: Welsh money needs to be spent on attracting people into Wales.

Chair: I thank all three of you. We are really grateful to you for taking the time to come down to talk to us.

Examination of Witnesses

Witnesses: **Simon Gibson OBE**, Director, and **Ian Edwards**, Chief Operating Officer, Celtic Manor Resort, gave evidence.

Q73 Chair: Mr Gibson, it is very nice to welcome you back here. Mr Edwards, I do not think we have met before, but thank you for coming along. I ask Jessica Morden to start the questions with something that will be close to your hearts.

Simon Gibson: Thank you.

Q74 Jessica Morden: I know there are more general questions coming, but we want to kick off with the NATO summit. Congratulations on being chosen to host the NATO summit in a few short months—it is approaching faster and faster. Can you talk a bit about how it happened—how you secured the event?

Ian Edwards: First and foremost, it is a hugely exciting win not just for Celtic Manor but for Wales as a whole—and also for Newport. Simon has said, “Keep it brief,” but it is quite exciting, so it is hard to do that. The bid was won through our relationship with the FCO. We have had a huge and long relationship with the FCO over many years. We had the 2005 conference, which it brought to Celtic Manor in Newport. We were close to winning the G8 summit—it was between us and Ireland, but Ireland just edged us on that.

Then the big event came. We had many site visits from the Foreign and Commonwealth Office. We also had many visits from NATO itself, with people coming over to see how we could host the event. The sales team at Celtic Manor put the bid together and said how we could do it. We looked back on what we had done successfully previously. The Ryder cup

was a prime example. If we hosted 40,000 people a day in and out of south Wales, we can definitely host a NATO conference. The legacy of the Ryder cup certainly helped us to win the NATO conference.

Q75 Jessica Morden: Obviously, it is an FCO event, but there will be involvement from the Welsh Government and local councils as well. How does that all work? How are the arrangements coming together?

Ian Edwards: It is very complicated. The way in which decisions are made is very complicated because there are so many people involved; there is no one lead on the whole event. The Foreign and Commonwealth Office is putting the event on but it is NATO's event, so NATO is really the one that pulls the strings. We are all peripheral. Celtic Manor, Newport city council and the Welsh Government are all waiting for the go-ahead saying, "Yes, this is what you can do." We are all asking questions. Sub-committees have been formed and are ready to pounce when we get the okay in terms of "This is what you can do and when you can do it." We need to get that okay soon so that we can act. On 28 May there will be 100 days to go until the NATO summit, so we have to have all of our ducks lined up and ready to go.

Simon Gibson: Let us understand—this event is twice the size of the Ryder cup in economic impact. In Chicago, where it was held last, the economic impact post the event was measured at \$120 million. Thousands of journalists will come to south Wales; we estimate that there will probably be five times the number of journalists who were at the Ryder cup. If you saw the media village and tent at the Ryder cup, there were 900 workstation positions, but we are talking about having to produce facilities for thousands. It is unprecedented and a massive opportunity.

Of course, there are 60 world leaders, so it is not only a big event for Wales but a huge event for the UK; I understand that it is the largest political gathering for 30 years. It is easy to get beguiled by the fact that the US President will arrive; I think it is the first time that a serving US President will ever have come to our country. My point is that there will be 60 world leaders. Air Force One will arrive in Cardiff and there will be a massive ruck around him. Let us think about the 59 other world leaders on the list. Some of those represent some of the fastest-growing economies in the world; perhaps we can talk about that when we talk about brands. Wales needs to be very selective about whom we really go after in that list of 59 underneath the President. We must really grab the opportunity to create friendships and associations.

Q76 Jessica Morden: How else, practically, should we be grasping that huge opportunity to promote Wales?

Ian Edwards: Let us look at Newport first and then at Wales. I am very passionate about Newport because it is on our doorstep.

Q77 Jessica Morden: Good answer.

Ian Edwards: I am conscious that the legacy of the Ryder cup is not seen across the whole of Wales. It is seen in golf courses, but beyond that the view was, "It was painful for me to get my children to school because of the Ryder cup." We do not want that. There are three key opportunities for Newport. As Simon said, there will be 60 world leaders. One will be almost untouchable, but there are 59 others. You could put on an outreach programme into Newport. We need to push the name and brand of the Newport university. How great would it be if we got one of those world leaders to talk at the university on the world economy and how they

are bringing their country through the crisis we are in at the moment? How great would it be if we got an outreach programme into the schools of Newport?

It is about not just the negative side in terms of transport and how it is going to block my way to work, but how great it was that we had this world leader at the university and these people come into our schools. We—Newport—are spending £250 million on regenerating the city. We want people to know that so that we can bring them into our city. Cardiff is already on the world map and is a great place to be. We will talk about the brand of Wales shortly. We can be pushing that with all of the outreach programmes, but if we do not do it now and do not line everything up, we will miss that opportunity—it will have come and gone.

Simon Gibson: Let us understand that the Celtic Manor will be locked down for two days. There may be ideas of trying to get people in and out of the Celtic Manor for events during the NATO summit, but that is not going to happen—the poor security guys really have their work cut out. We should be extending invitations to these world leaders either to visit us before the summit or to stick around afterwards.

There was one other party that absolutely played a blinder in our winning the bid—Gwent police. There were 60 starters in the competition; we ended up with three competitors. The two competitors against us were major English cities—significant, well-organised big cities. At the end of the day, we kind of got the nod that we were going to get it, but it was dependent on the police delivering a confident pitch that they were up to the task of doing it. Gwent police did that. We briefed them well and they went to Downing Street and gave a really good presentation. Without their help, we would not have got the event.

Ian Edwards: The great thing from that was that they wanted the business. They were looking at it commercially as well—they wanted to win this business for Wales. Again, that is the legacy of the Ryder cup. They did a great job of policing the Ryder cup. They had that experience, so it was a perfect opportunity to do the NATO event.

Q78 Glyn Davies: What about capacity for people to stay? If there is an international rugby match in Cardiff, you cannot get a hotel room. Where on earth are all these people going to be staying? I know there are plans for a couple of new hotels in Cardiff, but that is a pinprick.

Simon Gibson: The catchment area encompasses pretty much Swindon to Swansea. As you know, we have plans to build a new convention centre at the Celtic Manor. I know people will look at it and say, “It is a Celtic Manor gig,” but think about it. With our expansion plans, we can accommodate about 600 people. The convention centre will accommodate 4,000. That means that every time we have a convention we will be decanting more than 3,000 people into the hinterland. I hope that when confidence levels go up with regard to the certainty of the convention centre, hoteliers will invest in new buildings and those who have hotels will up their game; let’s face it, some of them are a little tired and need to be improved. It is a good opportunity for people with B and Bs and smaller hotels—the restaurant hoteliers who exist in Monmouthshire—to enlarge their product, too. The NATO world summit and the convention centre should be economic engines for the entire region.

Ian Edwards: There are 8,000 bedrooms along the strip between Chepstow and Cardiff.

Q79 Glyn Davies: So the capacity is there. There is another thing that interests me. Years ago, I was a member of the WDA; you may have been as well. Because it was a straightforward quango looking for commercial opportunity, if an event like this was coming along, we would have targeted virtually the whole operation at taking advantage of NATO coming in; there would have been a complete change of direction for 12 months beforehand. Is there the capacity to do that sort of focus in the

Welsh Government, as well as the Foreign Office? Is there the capacity to do that sort of attack on probably the biggest market we have ever had?

Ian Edwards: We heard earlier that Visit Wales is under new leadership, is going in a new direction and is still finding its feet at the moment. The NATO event is a different event because it is organised by NATO. Manon has been there for only a few months, but once she has brought her team together, we have a marketing director and we have pulled everything together, we will have the right team to move things forward. At the moment, we are in our infancy. However, we will absolutely be ready for NATO. We have to be—it is not an option. The Welsh Government are working hard, but we are still waiting for instruction from the Foreign and Commonwealth Office.

Q80 Jonathan Edwards: Glyn has already touched on this to some extent. You have talked about the press corps, and there will be a huge media profile. If I am somebody living in the United States and am watching the news, how will I know that this summit is being held in Wales? Every time I drive back on the M4, go past the resort and see that giant Welsh flag, it fills me with pride. If I am watching the news in the States, how will I know that the summit is in Wales? Who is responsible for pulling that together?

Simon Gibson: A combination of all of the different agencies. We cannot underestimate the challenge that the security services and the police have in making sure that they deliver a safe summit, so there are some restrictions. Personally, I would have liked some events to take place at places such as Tredegar House, but it is not really suitable. The iconography in the event organisers' minds with regard to Wales is not castles, dragons, coal miners and ladies with wide-brimmed hats—it is a modern, iconic, contemporary nation. The images that the world will see of Wales will be of a modern Wales—the Royal Welsh college of music and drama, the Senedd and the bay. We will not revert to the old, classic, stereotypical images that are pumped out about the country. That probably leads us to the question of the brand.

Q81 Chair: Shall we go to that now? We can then come back to Nia's question on the Ryder cup. I was going to ask about the brand, but you have led me towards it, Simon. Do you want to tell us more about that and, perhaps, the contradiction between what some people might feel is appropriate in terms of tourism and what might be appropriate in terms of attracting inward investment?

Simon Gibson: Let us step back for just a minute and talk about brand. You establish brand through consistency—by not changing it every five minutes. A brand needs to stick around. With 3 million people and a limited budget, we are not a country that can afford two brands. What I mean by that is a brand for tourism and a brand for the economy—there should be one brand for Wales. It should be projected everywhere and we should stick with it.

It needs to reflect something new. Over the weekend, I was sitting and wondering what I would do if I were King of Wales. I would introduce a brand like “Wales—a breath of fresh air,” because it plays to two of our greatest strengths: the environment, its beauty and its heritage; and our people. It works in terms of economics as well. You would say, “Come to Wales. You will get a loyal work force, which is a breath of fresh air.” It is a small country with its own autonomous decision-making processes, to a large extent. We have a lot of advantages from being a smaller nation, which is a breath of fresh air. I remember having a meeting with Henry Engelhardt and David Stevens when they came years ago to establish Admiral in Wales. They had grants from everybody. As you will remember, I had come back from Canada to set up Ubiquity. They said to me, “Why did you do that?” I said, “Because of the quality of the work force—well-educated people who are extremely loyal.” At Ubiquity, we had 200 people in the work force, and only one person left in 10 years. By anyone's

reckoning, that is loyalty. The way in which the Welsh economy works is a breath of fresh air.

So is the environment, which is just stunning. I do not want to get the Chairman too big headed, but I live in Monmouth, which has been given the accolade of the third best place in Britain to live. Many Welsh towns were in the top 100. Not only do we live in a place people want to visit; increasingly, we are living in a place where people want to live. That is a business and economic opportunity to bring people here. I can tell you now that the biggest decision-maker in an inward investment is the wife of the chief executive. If we want to up our game, we need to have a message that works for tourists but also works for people who want to invest in, and make a longer term commitment to, the country. The brand is really important. We need to get our act together and to do it quickly.

Q82 Chair: Can that work with the tourism sector as well?

Simon Gibson: It is like anything else—you throw something into the pot and see whether it sticks. One of the things that we used in the NATO bid process was “Wales—we deliver” because it was really important that they understood that if they gave us this massive event we would deliver. The whole of our pitch was around a contemporary, exciting new country that delivered.

Ian Edwards: We had proof of that through the Ryder cup, which went away saying that it was the best Ryder cup that had ever been organised. That was done through the infrastructure, the organisation and everything else that went on around it. I agree with Simon that it is a breath of fresh air and that we deliver.

We have been speaking about whether it can cover both brands and talking about tourism. One thing that has frustrated me so far is that we have not spoken about business tourism. It spends three times the amount leisure tourism spends, but we have not even touched on it. We talk about how Ireland does it and how Edinburgh does it. Look at Edinburgh. Since Edinburgh international convention centre has been open, it has brought in excess of £500 million into the economy. I do not know whether you have been to Glasgow, but I was there when we started building the convention centre there. I went back last week, and it has acted as a catalyst; what has grown around the Glasgow convention centre is incredible. The convention centres in Dublin and Belfast are putting those cities on the map. That is what is making the difference between Wales, Scotland and Ireland, because business tourism is hugely important. Once you get them there for an international conference, they will come back. The international market will start travelling to Wales.

Where is our convention centre in Wales? It does not exist. Unfortunately—or fortunately—Celtic Manor is the biggest convention centre in the area. Someone said that we do not talk about quality, but to me quality is hugely important. It does not matter whether it is a quality five-star hotel—it can be a quality bed and breakfast or a quality caravan park—but quality is important. If you go away on holiday, no matter where you are staying or what your budget is, you want a quality experience: that is important. I think we are missing the point on business tourism.

Q83 Nia Griffith: You are coming on to some of the areas I want to pick up. Do you feel that there were missed opportunities with the Ryder cup? What should be done better now with the NATO summit? Would you like to expand a bit on the issue of business tourism and how we could roll that out?

Simon Gibson: Locally, ironically, we did not benefit as much as we should have from the Ryder cup. That is particularly true of the city of Newport; for whatever reason, it never really came together. However, let us not underestimate the effect the Ryder cup had on the international profile of Wales. That is demonstrated by international travel. When Terry or I go to places in the world such as India, China and Latin America, people say, “How is the Celtic Manor, Terry? How is Wales doing?” Before that, in many of those countries people thought Wales was spelled with an h and it swam in the sea. They had no conception that Wales was a country and identity all by itself. The Ryder cup did achieve that for us internationally and has raised the profile, but whether we have followed up on it—and how we follow up on it—on an international basis is another question.

I do not know whether we are going to talk about UKTI and our international presence, but in the middle of the 20th century 70% of the world’s GDP existed within the G7. By the middle of this century 70% of global GDP will be outside the G7. I have the top 10; I wrote it down outside. According to Goldman Sachs and its economists, the top 10 in 2015 looks like this: China, the US, India, Brazil, Russia, Indonesia, Mexico, the United Kingdom, Turkey and Japan. That is a big change. Are we focusing on those countries? Indonesia has 300 million people—as many people live in Indonesia as live in the United States of America. My bet would be that if we are going to take a punt, to spend some money and to build a brand, we should build it in those economies, because of the spending power and sheer populations of those places. There are more people living in Mexico City than in the whole of Canada. These are really interesting times, with a big change. It means that we need to change our marketing strategy, not keep flogging the same old thing and wondering why we are not getting the results.

Ian Edwards: Simon is absolutely right—on an international stage, for golfing, Wales did well from the Ryder cup. Could we have done better? Absolutely. That is what we have to do—to learn the lessons from the Ryder cup and to make sure that we do not make the same mistakes with NATO. We must talk about the positives and make sure that they happen through outreach programmes, so that it is not seen just as a negative—that it took me half an hour more to get to school or an hour and a half more to get to work. We can definitely learn lessons from that. The Welsh Government know that, we know that from the Celtic Manor’s point of view and Visit Wales knows that. We just have to make it happen now.

Q84 Guto Bebb: Going back to the discussion with the previous panel, what sort of relationship do you as an organisation working on an international basis have with VisitBritain, through your relationship with Visit Wales?

Ian Edwards: To be honest, the relationship with VisitBritain is not fantastic.

Q85 Guto Bebb: It is not fantastic?

Ian Edwards: It is not fantastic.

Q86 Guto Bebb: Is there a reason for that?

Ian Edwards: We became part of the GREAT campaign only because of the NATO summit. Before that, it did not exist. What Wales got out of the GREAT campaign was minute. Even though there was a huge budget, Wales was not in the ballpark.

Q87 Guto Bebb: Why is that? How can we influence that to greater effect?

Ian Edwards: Visit Wales can influence that and needs to do so. We have already said that the whole of Visit Wales is now under new leadership and that it will take time to get it to where we want it to be. There are businesses that cannot afford to take that time—we need to make those changes now.

Going back to business tourism, there is a prime example of what VisitBritain could do in the international market. There are huge events that happen in Europe, such as EIBTM in Barcelona and the international travel market in Frankfurt. We—Wales—have no representation there. These are international markets with 15,000 buyers who want to bring international events into the UK, but we have no presence there. VisitBritain will have a presence, but Wales has no presence within that VisitBritain stand; we do not even have a stand of our own. If you go to a conference show in London, visit Yorkshire has a bigger stand than Visit Wales, which is ridiculous. We are not in that league by any stretch of the imagination.

Q88 Guto Bebb: Is the reason for that financial?

Ian Edwards: Absolutely.

Q89 Guto Bebb: Is that a reduction in spending on tourism in the Welsh context?

Ian Edwards: Yes—and they need that. Visit Wales also needs to up its game when we do attend these shows. You have to be a salesperson. You cannot just sit there and hope that people will come and visit your stand—you have to be there, pushing for that business. I have had that conversation with Visit Wales in terms of the people we send and how they go about their business when they are there. There are lots of lessons to be learned going forward on that.

Q90 Jonathan Edwards: Both Governments are making the case that Welsh performance on inward investment has increased in recent years. Do you agree with their assessment?

Ian Edwards: Welsh performance has increased?

Q91 Jonathan Edwards: In terms of attracting inward investment.

Simon Gibson: If they say that is the case, who am I to say that it is not? An interesting exercise would be to count in and count out, because we have people leave as much as we have people come in. I experienced the WDA, which did some good work and some not-so-good things. One of the things I always struggle with is the concept of paying people to come to Wales. My passion would be around creating fantastic Welsh companies, some of which will be acquired by overseas companies. When that happens, they tend to stick, because the overseas companies are buying intellectual property, not just property. You end up with a really interesting economy where you have foreign inward investors and indigenous companies as well.

A case in point is our campus in Canada. We now have 3.5 million square feet on the campus. There is a blend of companies. Some are companies we have grown—there are now 101 companies that we have created. However, probably half of those 101 companies have been sold. You can say, “It is a shame that they were sold,” but it is not. Those companies that have been acquired have been acquired by Ericsson, Alcatel, Huawei, Dell—the list goes on. I look at the years of the WDA and think, “What high-tech company did the WDA ever bring to Wales?” It all goes quiet—we did not get an Apple, a Microsoft or anything else.

If I take you around our campus in Ottawa, all of the world's great brands are there. They did not come in under a grant to put up a building and employ people to manufacture things—they came into an economy where they purchased intellectual property, and they are still there. From what I understand, the most profitable division of Alcatel is the one that it purchased in Ottawa. It is still there—it has grown and has not shrunk. The rest of Alcatel seems to be going through shrinkage everywhere, but that presence has continued. I do not go with the traditional approach of “Let's count the score by how many people we can give money to so that they come to our country.” If we have money to give, let us spend it on our own indigenous talent and population and create wealth in that way. We will create wealth either way—either we will create companies ourselves that become headquartered in Wales or we will create companies that other people acquire. Either way, Wales wins.

Q92 Jonathan Edwards: What dealings have you had with UKTI? What is your general impression of how it helps to promote the Welsh economy?

Simon Gibson: I can see a functioning relationship between the Welsh Government and UKTI—that works. What I do not see is UKTI really impacting on Welsh companies. There are some instances that have happened to me personally where I have felt a little uncomfortable with what I witnessed. A series of sovereign funds have come into the UK. The last one I am aware of was the Emirati Government, with £13 billion. They go out and want to invest in public projects. As soon as I heard about this, I was up to London like a shot. I took some officials from the Welsh Government with me. When we walked into the room, the guy had a folder. I have been around long enough to realise that that was the deal book, so we were entering the fray when the deal book was done. That is not the time to be entering the fray, is it? You want to be there when the deal book is being put together. I do not think we are always at the front of the queue at UKTI when it comes to opportunities.

If there is an opportunity with a sovereign fund, whether it is the Chinese or the Emirati Government, it is for billions. An opportunity like that might have paid for the M4 relief road, the metro or a regeneration project connecting Cardiff airport to the city. It could have done all sorts of projects of a large nature, but if we are at the back of the queue all the time we will lose.

I understand that there was an agreement that a UKTI secondee would be seconded to the Welsh Government. I think the offer was made 15 months ago, but I am not sure that that person is here yet. We need to start pushing stuff like that. A squeaky wheel gets the most oil—we need to start squeaking and getting those things in place. I would be more impressed if the UKTI opened an office in Wales.

Q93 Chair: You have mentioned before the issue of having planning-ready projects to attract sovereign funds.

Simon Gibson: One of the civil servants here in London could see that I was a bit agitated in the meeting about the fact that we had been invited so late, so he said, “If I did invite you and there was an opportunity to invest—bearing in mind that this overseas Government want to invest next year—what would you have?” That did make me think. We need to have pre-packed opportunities, as Manchester clearly did. Manchester went there with the planning in place, projects, contractors, investment returns—the whole pack. I understand that they went into the room with three of those, saying, “How about this one? If you don't like it, how about this one? By the way—if you sign there, we start work tomorrow.” Let's face it—I do not think we could do that right now in the economy, as those projects have not been scoped and pre-packed. There is an example of how we could work better with UKTI.

If I compare my experiences in Britain with those in Canada, the Canadian Government are far more proactive in giving their overseas assets over to the private sector. If you go to a country, the Canadian embassy is very keen to open its doors. The ambassador is very much available to host little trade shows or dinners—whatever he needs to do to help companies to secure business in those countries. I do not get a sense that Welsh companies are involved in a process like that.

Q94 Mrs James: In the evidence that you have given so far, you have touched on the role of the Welsh Government. I am interested in hearing a bit more about that and about the role of the Wales Office. We have these two entities. The Secretary of State for Wales travels a great deal overseas; he has been on various trade missions and so on. Do you think that the Wales Office and the Welsh Government are working well enough in partnership? Are we sufficiently fleet of foot? I am picking up that we could be a bit sharper. I am thinking about Swansea university here. I remember going to a meeting where they told me all about their university expansion plans. I thought, “This is great, but how are they going to pull it off?” By golly, they have done it. It is a really good exemplar.

Ian Edwards: There are many aspects. For example, the Welsh Government are doing what they can to move the NATO event forward and to make the most of it. So is the Wales Office, with a voice on how they can push NATO. We are keen to push forward the convention centre, with the help of the Welsh Government, but it is very slow. There is no entity in Cardiff that sells conference business in Wales—it does not exist. Cardiff & Co used to push conference business, with the help of the Welsh Government, but no one pushes that now. No one in the whole of Wales is trying to sell to that conference market. As I said earlier, it produces three times the spend of a normal leisure guest, but we do not have anyone in the Welsh Government, the Welsh Assembly or anywhere else trying to push that market.

Looking at the international market, the Welsh Government bought Cardiff airport to try to bring lines into Wales. At the moment it is more viable for us to have an alliance with Bristol airport to put on an international campaign because there are more routes coming into Bristol than into Cardiff. How shameful is that? We’ve just said that, when you enter Wales, you see the flag at the Celtic Manor and are coming home, but at the moment we are aligning ourselves more to Bristol than to Cardiff. There is definitely more to be done on that front to bring in the international market and more that the Welsh Government could do to make a difference.

Simon Gibson: I will address your question in terms of organisational structure. You would hope that the Wales Office would be pushing federal issues here on behalf of Wales. The UKTI issue could be solved by an aggressive Wales Office pushing harder to do that. We do not need a larger public sector in Wales, do we? It is big enough as it is. It has all of the resources that it needs in terms of manpower—what we need is velocity. Everything just takes too long. Decisions take too long. There is a reluctance to make a decision—a fear of making a decision. We need to cut it out, to be decisive, to make some decisions and to crack on with it.

Ian Edwards: That is the crucial part.

Simon Gibson: We are 100 days away from the biggest event that Wales will ever host, certainly in my lifetime. We should be over this like a rash and running at 100 miles an hour; anything less than that in terms of performance should not be tolerated.

Q95 Mrs James: Mr Edwards, that links up with one of your earlier comments about trade promotion overseas. Where do you see this lack of velocity? Is it with the civil servants? Is it further down the line? Have you identified where the sticking point is?

Simon Gibson: It is about the capacity to sign off on decisions.

Ian Edwards: It is. I will give you an example of that. We went to a golf show in Europe and were entertaining 20 to 25 international golf tour operators. You should bear in mind that golf is only a very small element of our business—probably the smallest part of our business. We were at this trade show in Europe and wanted to entertain 25 tour operators who would bring in-bound guests into Wales—not to Celtic Manor, but to the whole of Wales. We said to the Welsh Government, “We are doing this. Would you like to come along and host it with us? It is not about giving us any cash for it—you are talking about £500 to entertain a group of people who can bring business to you.” It took until an hour before that dinner for them to get the okay to say that they could come and host a drinks reception. That is ridiculous. The Welsh Government got nothing out of that, because they got no branding out of it. It was all about our invite: “Celtic Manor—come and join us for dinner.” An hour before that, they got the go-ahead to come.

Simon Gibson: There is an issue that is not unique to the public sector—it exists in the private sector as well. In fact, the bigger a corporation is, the more it is being afflicted with this ailment; I talk about this in terms of innovation as well. If you went to large companies 10 or 20 years ago, they pumped out product. If you go to large companies today, many of them are struggling to get products out of the door. The reason for it is threefold. In the last decade, there has been a massive increase in three things: governance, risk management and compliance. We all know why they are there—you need only to look at the banks to understand why they were put in place. None the less, all of those three things are enemies of innovation, because innovation is uncertain, by its very nature. Innovation in branding, strategy and product development is currently being crushed by governance, risk management and compliance. You can see it at its most prevalent in government. It is a very scary place for a civil servant to make a decision when he knows that he might be audited four times for that decision—not just by his own auditors but by another Government’s auditors or European auditors. It is a very complicated environment that is riddled with those three things.

Q96 Jonathan Edwards: You seem to be indicating that there is a lack of urgency in Welsh politics in relation to the summit, with fewer than 100 days to go. Who do you think should be leading this from the front? The Prime Minister? The First Minister?

Simon Gibson: Let me qualify that. I do not believe there is a lack of urgency politically. I sense that there is a political desire for these things to push forward—it is the machine that lies underneath that entity that is causing the latency. This is the Prime Minister’s gig, effectively, through the Foreign and Commonwealth Office and through NATO. Ian can talk to it, but the Prime Minister is going to hold a conference after the event in Wales to check how we have benefited from hosting the NATO world summit. Everyone is interested in making a success of it, but someone has to oil the mechanism a little. It is not just the NATO world summit, is it? It is a whole bunch of issues where we need to inject velocity into the Government and the civil service.

Q97 Jonathan Edwards: With 100 days to go, who are you looking to to drive that urgency to make sure that you maximise the summit’s potential? Should it be the First Minister or the Prime Minister?

Simon Gibson: It is a double-act between the Prime Minister and the First Minister.

Ian Edwards: The First Minister has to say to the Prime Minister, “Look, we have 100 days to go. We have nothing nailed down in terms of outreach programmes and how we are going

to benefit from this, so who is going to make this decision?” That is where it has to come from.

Q98 Nia Griffith: A lot of what you have said to us has been really inspiring. Do you think we have the right sort of people at the right sort of level of skill? Do we need to upskill? Do we need an injection of entrepreneurship? Is there something lacking?

Simon Gibson: Yes, let’s shoot the lawyers—no, you are not supposed to minute that! The payroll is big enough, so you cannot tell me that there is not enough money in the system to hire the right people to do the job. It would be inappropriate for me to comment on whether those people are the right people for the job.

Q99 Chair: It would not be inappropriate at all—feel free.

Glyn Davies: Go and shoot the lawyers.

Simon Gibson: That is not the thing to say in Parliament, is it? More of a demanding entrepreneurial spirit would help.

Q100 Nia Griffith: Should we be bringing in people or having a bit more cross-fertilisation?

Simon Gibson: It is interesting that seconding people does not always work either. I have seen that with people who were quite creative and full of vigour and passion. I was speaking to one recently. On his first day, when he put his bike in the bike rack someone said to him, “Leave your spirit with your bike.”

Q101 Glyn Davies: I have a philosophical question, as I think you are in quite a philosophical mood on occasions—you can drift off into velocity a little here. Do you think there is a real issue—it is a modern issue—about the fear of an error and the negative publicity that goes with the slightest little error? People are crucified, so they are petrified of taking any kind of decision. I have been around for a long time in the public sector. There used to be a “can do” attitude, particularly in Wales. You would take the odd risk, and it would not always come off. Today, it seems to me that everyone is absolutely petrified of taking a decision that might have a 1% chance of not working. Until you change that whole attitude and approach to failure, it will be tough.

Ian Edwards: You are absolutely right. My example of £100 of spend for drinks to entertain journalists and tour operators to bring business to Wales is ridiculous. I do not want to sit here singing the praises of the Celtic Manor, but at the Celtic Manor we are allowed to be entrepreneurs. We do not need to be fearful of the decisions that we make. During the biggest recession the world has ever seen, in five years our occupancy has gone from 48% to 89%. That is because we make important decisions, look at our marketplace and attract people to the Celtic Manor, Newport and south Wales for something different.

Simon Gibson: Our chairman’s very first business—the lawnmowers—failed; Mitel was Mike and Terry’s Lawnmowers. If he had been a public servant, he would probably have been black marked for the rest of his career. In fact, he has gone on to be a fabulously successful person. We have done 101 start-ups and have lost six. Those six hurt, but you crack on. In a civil service career, I am not sure that you are allowed to have one of those, are you?

Ian Edwards: You see civil servants are fearful. If you ask, “Can we do this? Can you do that?” they cannot make that decision. By the time they have made the decision, you have missed it.

Q102 Glyn Davies: It is not only the civil service, is it? It affects the private sector as well, largely because of the disconnect we now have among the public between what is actually happening and the appetite for devouring people who have made the slightest mistake.

Ian Edwards: Yes.

Chair: We have reached the end of this. It has been absolutely fascinating to hear from everyone this morning. I thank you and our other witnesses, who are still here, and bring the meeting to a close.