

Executive Summary

Introduction

In July 2006 the Welsh Economy Research Unit of Cardiff Business School were commissioned to undertake a review and evaluation of the Regional Tourism Partnerships. The research aims were to:

- determine whether the RTPs are fit for purpose in fulfilling their original objectives;
- evaluate whether they offer value for money services;
- assess if alternative regional delivery mechanisms would deliver a better outcome for tourism.

The review arose from a recommendation by the Welsh Assembly Government's 2002 Quinquennial Review of the Wales Tourist Board that an independent evaluation of the RTPs' be carried out during the following three years. After the Welsh Assembly's announcement in July 2004 of the WTB merger, it was decided to delay the evaluation until after the April 2006 merger took place.

Research Methodology

A detailed programme of work was designed to establish the following:

- The extent to which the RTPs are understood and accepted by key stakeholders;
- The extent to which the RTPs duplicate the work of other organisations;
- The need to amend, rationalise or extend RTP functions to ensure best value;
- The extent to which they reflect the original intention for establishing the RTPs;
- The extent to which they contribute to the delivery of Welsh Assembly Government policy priorities;
- To explore if there is a continuing need for the functions and objectives of RTPs, and whether evidence suggests alternative arrangements could deliver better outcomes.

This included reviewing the effective performance of the RTPs to see if the services they provided offered value for money, whether there were appropriate monitoring arrangements in place, the effectiveness of working relations with partners, whether the services they provided could be undertaken more effectively by others and whether the strategic performance measures were fit for purpose. Corporate governance arrangements that are in place for the RTPs were also reviewed.

Documents relating to the setting up of the RTPs, their business plans, progress reports, stakeholder agreements and WTB board papers together with the report by Terry Stevens Associates that recommended the creation of the RTPs were each examined.

A detailed consultation process was also undertaken targeted at the groups listed below:-

- The RTP managing directors/operational staff;
- RTP trade and LA board members;
- LA tourism officers;
- Tourism Advisory Panel
- Regional stakeholder organisations;
- A sub sample of tourism businesses
- Economic Fora
- Visit Wales
- Wales Tourism Alliance

The consultation process comprised examination of three principal and two subordinate areas, guided by consistent but bespoke interview schedule. These areas were:-

- The conceptual basis of the RTP model;
- The performance (effectiveness of strategic delivery) of the RTPs;
- Corporate governance conduct.

The subordinate areas were the characteristics of beneficiaries and tactical (output related) progress.

Conclusions and Recommendations

The tourism industry in Wales is characterised by a relatively high proportion of small operators with a number of 'lifestyle' businesses, operating on low margins and with low relative levels of investment. This is why tourism is vulnerable to market failure and why interventions are required. One of the conclusions from our report is that many of the activities delivered by the RTPs would not be delivered commercially, or would not be delivered efficiently. There is a continuing need for bridging information asymmetries between the tourism industry, the local authorities and the public sector at the all-Wales level.

Are the RTPs Fit for Purpose?

The evaluation team concluded that the RTP model was fit for purpose and there was a continuing need for RTP-led interventions. However, it was recommended that their strategic responsibilities should be explored and developed further with Visit Wales, and that they should discharge their responsibilities with a more closely defined remit from Visit Wales. A strengthening in this relationship is required in order to give national and regional strategies total coherence and to ensure greater accountability.

Do the RTPs offer value for money services?

The evaluation team were of the view that the RTPs offer value for money.

A number of factors were considered in coming to this conclusion, including the current level of the RTP budgets compared to outcomes achieved, and the extent to which a reduction in core funding would constrain progress towards Business Plan objectives. It was also noted that RTPs were commissioners responsible for redistributing expenditure from the centre to the regions, generating local economic impact. The RTP teams were very tightly managed and small. The RTPs do recycle some of their marketing spend back to VW, when appropriate. Finally, the organisations are young and still evolving. It was recommended that within the new strategies the RTPs show clearly what can be achieved at different budget levels so that VW can examine the additionality of marginal increases in core-funding.

Would Alternative Regional Delivery Mechanisms Deliver a Better Outcome for Tourism?

The evaluation team was unable to identify an alternative regional delivery mechanism:

The consultation did not produce a credible challenge to the current delivery mechanism. Furthermore, uncertainty at the grass roots level regarding the effects of recent rationalisations in WAG/VW/DEIN on the tourism sector was an aggravating factor against introducing further change at the current time. The option of embedding RTP activities in WAG regional offices had the potential opportunity loss of political freedom, and loss of partnership working. Meanwhile, a return to core-funded membership bodies was not an option. Experiences from the rest of the UK were not sufficiently advanced to suggest robust exemplars.

Other Recommendations

A number of additional recommendations relating to the operational, monitoring and governance aspects of the RTPs are made. These recommendations are summarised below:-

- That the RTPs and VW work together to more clearly communicate the purpose of the RTPs to key stakeholder groups.
- That the flexibility of the RTP model is fully recognised and utilised
- That new RTP strategies are developed to take into account all-Wales strategic developments.
- That the regional strategy directors clarify the concept of market failure with their boards, with support from VW, and that a series of tests be derived to verify its presence and relevance to commissioned work.
- That evaluation programmes are jointly resourced by the RTPs and VW to achieve cost efficiencies, consistency of approach and improved benchmarking of performance.
- That the Policy and Strategy Group with the RTPs, TAP, WTA, VW, and the WLGA work in partnership to clarify roles and responsibilities in terms of market, product, people development.
- That consideration is given to the merits of appointing independent chairs.
- That the RTPs and VW work with the industry to identify the most appropriate, fair and effective system of populating trade membership of the RTP boards.
- That the Annual Review process should retain the existing scoring system but that it focuses entirely on the achievement of key Business Plan outputs (i.e. KPI 1 in the current system).
- That undue weight is not given to ROI and CRI estimates provided by the individual RTPs in performance reviews, and that the value of qualitative targets is not discounted.
- That in deciding future allocations, care is taken when deriving inference on performance from the UKTS and International Passenger Survey, and that consideration is given to other measures of regional dependence on tourism activity (activity in tourism-characteristic industries such as accommodation providers), whilst noting problems in each of the key data sources informing the significance of tourism in Wales.

- That the RTPs take steps to refresh their selective tender lists on a regular basis, via public notice, and the project bidding process be reassessed.
- That the RTPs show clearly what can be achieved at different budget levels so that VW can examine the additionality of marginal increases in core-funding, in any new strategies.
- That the RTPs provide assurances of the care taken to avoid duplication, as appropriate.
- That the RTPs give consideration to a performance measure which reports the quality and quantity of new contacts made with tourism businesses and individuals.
- That the RTPs work with TTFW to devise ways of securing and expanding the HRD element of RTP supported work.