



Visitor Levy Consultation Response

FOR Cardiff is the business improvement district (BID) for Cardiff's city centre, representing 800+ businesses trading in the city centre. Via those businesses the BID raises an annual fund of around £1.4million which is reinvested in a range of projects and services to strengthen and support the trading environment. There are significant over-lapping opportunities between the aims of FOR Cardiff and the proposed aims of the visitor levy.

Views on the introduction of a visitor levy from the sector, and the businesses FOR Cardiff represents, remain mixed. Despite this FOR Cardiff recognises the significant opportunity that the visitor levy poses for the city. The conservative estimate of a £3.5million a year fund produced by the levy and ring-fenced for specific priorities in a sector which has contended with low levels of funding for many years should not be understated. In order to address the concerns of businesses and organisations that are unsure about the levy, it is vitally important that this opportunity is properly and transparently capitalized on, taking into account the expertise of the tourism industry in the city and taking bold steps with an appropriately managed attitude to risk. The visitor levy will function most effectively in collaborative partnership with the tourism sector, not at odds with it. This spirit of collaboration is evident in these proposals which is good to see however there are potential opportunities to more closely align priorities.

The overall vision of the levy is strong. Throughout the Welsh Government's consultation process on the visitor levy, a key concern for FOR Cardiff has been ensuring money is retained for its stated uses and is not reallocated to non-tourism related areas of council delivery. The vision as laid out in the consultation will be a strong tool for ensuring the appropriate hypothecation of the funds raised. It is clear that Cardiff's particular circumstances mean the levy should be used for encouraging more staying visitors to the city and creating a more welcoming environment for those visitors rather than for discouraging visitors as has been a concern raised in other locations. The spirit of additionality is vitally important for the administration of the levy and Cardiff Council and other key partners should remain vigilant to the risk of the success of a visitor levy leading to a reduction in funding available to the city from elsewhere, for example from Welsh Government funding sources.

The consultation proposes 8 pillars of potential project delivery for the money raised. In general FOR Cardiff is supportive of all of these pillars although the council's role in tourism product investment is potentially questionable, with this gap potentially being better filled by the private sector. Whilst the events pillar of delivery is understandable, a consistent theme in feedback from tourism operators in the city is that Cardiff needs to move beyond the 'feast and famine' of major events followed by more fallow periods and build a

consistent tourism trade year-round. A key lever for addressing this imbalance is increasing the quantity of business events that take place in the city, creating mid-week staying visitors. FOR Cardiff and Cardiff Council are both committed to expanding this market in the city via the Cardiff Business Events Partnership however there is currently no direct mention of business events under the delivery pillars. Business event attendees are listed as a metric for monitoring and evaluation and should be more specifically targeted elsewhere in the proposal. The key pillars of investment from a FOR Cardiff perspective are place promotion, visitor infrastructure and service delivery, the clean and safe elements of place management, and the destination management pillar. Under the place management pillar the document makes reference to covering a budget gap left by the Shared Prosperity Fund to cover the costs of the city centre warden service. Covering the costs of existing projects in this way, particularly a project which is not directly tourism related, is contrary to wider spirit of these proposals.

Establishing a Visitor Levy Partnership Forum or similar was a key part of FOR Cardiff's feedback to the Welsh Government during the development of legislation. It is FOR Cardiff's view that this is a vital piece of the scrutiny of visitor levy spend, and the inclusion of the BID in the proposed membership of the forum is heartening to see. In general the proposed membership of the forum is a strong cross section of the relevant bodies delivering for the industry. The proposal sets out the advisory role of the forum, with final decisions on the allocation of these funds to be made by cabinet after taking the views of the forum under advisement. It is important that as this arrangement develops the views of the forum are protected and taken seriously. There is a clear role for democratically elected representatives to play in the allocation of this funding, but the expertise and insight of industry should not be sidelined. As this element of delivery evolves a close watching brief must be kept on this relationship. It is vitally important that the forum is a genuinely influential body whose views are respected.

As an organization funded by a levy FOR Cardiff has a strong understanding of the importance of transparency and reporting. Ensuring the reporting is proactive, accessible, and authentic will be a key element of ensuring buy-in and respect from the sector and the public once levy funds begin to be spent. Whilst the legislation sets out statutory requirements for reporting there is a key opportunity here for Cardiff Council to build trust with tourism industry businesses, and with the general public, by going over and above these requirements in reporting on the use of this funding. The visitor levy is an innovative new strand of public revenue generation in Wales and provides a key opportunity for clear communication and building trust in project delivery.

Finally it should be noted that it is FOR Cardiff's understanding that the visitor levy will attract VAT when an accommodation provider is a VAT registered business. This is not clear from the proposal documentation and the figures of £0.75 and £1.30 quoted in the document have also been largely reported in the media. Whilst Cardiff Council cannot impact the realities of VAT it is important that the actual costs to the end user become a part of the conversation on the levy as soon as possible to avoid damaging public trust.