

To Mr Mark Drakeford MS, First Minister,

Due to the seriousness of the current restrictions on the tourism and hospitality sectors, a group of industry leaders representing well in excess of 10,000 businesses from across the sectors, met up to consider the First Minister's announcement on 19 June.

Whilst there was the acknowledgement that a small portion of the industry may be able to return in a limited way from 13 July, the overwhelming feeling was that the announcements did not extend far enough. Furthermore, there is a lack of clarity in the wording which is causing confusion and further uncertainty.

The visitor economy in Wales is already competitively hindered by high business rates, a high VAT rate, restrictive planning conditions and poor transport and digital infrastructure. Our somewhat unpredictable weather and strong competition from nearby markets are major concerns for the sustainability of the sector which, as we all know supports well over 100,000 jobs and countless number in consequence.

The resurgence of the Welsh visitor economy is grounded in the provision of the whole package: accommodation, hospitality, attractions, activities and events set against a backdrop of landscape and culture. It is simply not possible for businesses to partially open in a profitable manner, whilst major elements of our product mix are missing, and still offer a quality experience for guests.

The Welsh Government, via the First Minister's recent announcements, has set up the perfect storm to cause long-term scarring to our ability to attract and retain visitors. We now see a perception that Wales does not want visitors, especially from our nearest and largest market. The actions of the First Minister do not appear to be based on the current scientific advice or a demonstrable understanding of the visitor economy.

When referencing 'the community', the First Minister should reflect on the fact that tourism employs vast numbers of people from within communities, especially in rural areas, and many thousands more in the supply chains. Castell Howell's recent announcement on redundancies will be one of many. Without this vital income, many of these communities will be disadvantaged and residents, many in the vulnerable 18 – 30 age group, forced to look for work elsewhere.

Our greatest concern is over the lack of movement on the provisional opening of hospitality businesses which is key to providing a successful tourism product in Wales:-

- The Hospitality sector is vital to the overall visitor experience and to local economies.
- Hospitality is integral to the recovery of the High Street upon which our communities depend.
- Hospitality is used mainly by local residents from within their communities but also forms an essential part of the visitor experience and its supply chain is crucial to the economy.

- Self-contained accommodation still requires restaurants, cafés and pubs. to make the visitor experience function.
- Attractions depend on their hospitality activities for much of their income.
- The announcement from Westminster this Tuesday, has reduced the social distancing model from two metres to one metre in England and in so doing should make hospitality and retail more manageable and profitable and allow indoor attractions and activities to reopen..
- Hospitality is preparing to open in England on 4<sup>th</sup> July 2020. To avoid falling further behind we need parity.
- The main holiday season is almost upon us. All attractions, indoor and out, activities, accommodation and hospitality providers need to maximise this short window of opportunity in the tourism calendar. If they can't open within weeks, they may never open again.

Much has been made about the need to follow the science. The same science upon which more courageous decisions are being taken in other parts of the U.K.

Currently, Wales has the lowest R rate in the U.K at 0.5 (quoted from a document posted by Eluned Morgan MS). This should enable Wales to ease restrictions in hospitality before anyone else but as yet we lack indicative dates for some sectors. The rhetoric is that hospitality may be the last to reopen.

The consequences of this failure to deliver notional dates are grave. Within the next few days many hospitality businesses and indeed those businesses which are contingent on them, will start to take decisions to start making employees redundant with little or no prospect of re-employment. Such action damages prospects for the short and medium term recovery of our visitor economy with the loss of a skilled workforce that has taken years to train and develop and that will be difficult to replace.

Failure to act in a decisive manner and offer key dates to the hospitality sector and indoor attractions upon which they can plan their re-emergence and recovery is inconceivable and largely avoidable. We all appreciate that some jobs will inevitably have to be sacrificed as 'the new normal' evolves, but we can avoid a large scale collapse of the sector and long term economic scarring by providing notional dates and we would urge you to do so at the earliest opportunity.

Hospitality businesses are already experts in hygiene, environmental health practices and cross contamination. They are well placed to respond to the challenge of operating in a Covid secure way and understand that it is in their interests and those of their teams and guests to do so. They want to work with and assist government in the plan for a safe recovery.

Failure to provide dates and reassurance to the hospitality sector within the next few days will require a massive financial stimulus to businesses to ensure their survival or we will see business failures on a scale not seen in our lifetime. Will Welsh Government have the funds and the inclination to support those businesses that are being restricted by its actions?

We respectfully request consideration and action on the following points :-

- a) Immediate engagement with the hospitality sector to establish a timeline and the safe operational conditions for reopening.
- b) Now that the social distancing measure is reduced to one metre in England will this now trigger a similar response in Wales and facilitate business profitability.
- c) Indoor elements of attractions be given opening dates and thus the opportunity to open in time for the season to start.
- d) Consideration be given to the repurposing the second phase of the ERF to support the visitor economy until restrictions are completely removed and profitability restored.

On behalf of the following organisations

Brecon Beacons Tourism  
Carmarthenshire Tourism Association  
North Wales Tourism  
Swansea Bay Tourism  
WAVA  
Activity Providers

Dated 25/06/2020