

## The Highland Council

Lochaber Area Committee - 26 August 2013

Agenda Item	<b>6</b>
Report No	<b>LA 2/13</b>

### Tourism in Lochaber / Lochaber Tourism Business Improvement District Proposal

#### Report by Director of Planning & Development

#### Summary

This report outlines the importance of tourism to the Lochaber area and describes the roles played in developing tourism by the Highland Council, other public sector agencies and the tourism industry including describing current proposals to create a Tourism Business Improvement District (BID) to develop tourism in Lochaber. It concludes by considering how the Council's work can support the growth of tourism in the area. The activity described and recommended will support the Council's commitment "*Working with the Scottish Government, Highlands & Islands Enterprise and private sector partners, the Council will maximise the tourism potential of the Highland area.*"

#### 1. Introduction

- 1.1 Tourism is identified as one of Scotland's key growth sectors in the Government's Economic Strategy and is one of the most important industries for the Highlands. It is also a sector that has shown some degree of resilience through the UK economic recession. Latest full year figures (2012) show overnight tourism in Lochaber is worth over £175m. Further details on tourism in the area are included in **Appendix 1**.
- 1.2 Although it is widely understood that tourism brings direct benefits to certain businesses such as hotels or visitor attractions, the mantra "tourism is everyone's business" is as accurate in Lochaber as anywhere else. Tourism also:
  - acts as a key economic driver, generating business for other sectors e.g. the construction sector or suppliers;
  - supports local facilities such as village shops or leisure facilities that may not be sustainable based on local usage alone, and
  - supports transport routes that also benefit local people e.g. the West Highland rail line.

#### 2. The Highland Council's Tourism Role

- 2.1 In recognition of the importance of tourism to the economy the Council employs a Tourism Coordinator, based within the Economy & Regeneration section of the Council's Planning & Development Service. This role involves developing tourism strategy, advising and supporting tourism industry groups and their initiatives, managing a service delivery agreement with VisitScotland, helping develop the cruise ship market in the Highland area and managing the Glen Nevis Visitor Centre (see section 6 below.)
- 2.2 However, the Council also delivers a wide range of services both through other parts of the Planning & Development Service but also through other Council Services.

These activities include:

- Development Planning
- Environmental Health
- Public transport
- Roads and cycle routes
- Long distance routes, paths and trails
- Licensing e.g. liquor and taxi licences
- Business Gateway
- Visitor facilities e.g. toilets
- Countryside Ranger Service
- Event support and funding

A number of other services, previously provided by the Council and now provided by Highlife Highland, are also important in helping to develop tourism including:-

- Leisure facilities
- Heritage centres
- Museums and Galleries
- Archives and genealogy

Further support for tourism initiatives can be provided at a local / Ward level e.g.

- Supporting the Sail West initiative to develop marine tourism
- Support for local events

### **3. Other public sector roles**

3.1 A number of other public bodies such as VisitScotland, Highlands and Islands Enterprise (HIE), Scottish Natural Heritage and Forestry Commission Scotland also play a role in tourism. As the two other organisations with the most significant roles in developing tourism are VisitScotland and HIE, more detail is provided below on their roles.

3.2 VisitScotland has three core activities:-

- Marketing Scotland and its outstanding assets to visitors in all parts of the world. This also includes promoting Scotland to resident Scots and encouraging visits to different parts of their own country.
- Providing information and inspiration to visitors through our literature, websites and Visitor Information Centres.
- Providing Quality Assurance to visitors and quality advice to tourism businesses.

Through EventScotland (a directorate of VisitScotland), VisitScotland also attracts events to Scotland and assists in the development of home grown events. For example, EventScotland supports the Mountain Bike World Cup in Fort William.

3.3 The legislation that created VisitScotland in 2005 outlined a funding structure for VisitScotland that included central government funding for national activities and local authority funding that would go towards the cost of providing local services. Since then, the Highland Council has provided funding to VisitScotland to support additional Highland activity that would not take place without this funding. This activity is split into two areas:-

- Regional marketing activity
- Running a network of VisitScotland Information Centres (VICs)

The services that VisitScotland is expected to deliver and the level of funding to be provided are detailed in an annual service delivery contract which is approved by the Planning, Environment and Development Committee.

- 3.4 HIE focuses on helping stimulate growth through close working with a number of individual tourism and tourism-related businesses. This account management role helps identify specific business needs and solutions to achieving growth in the sector. HIE also provides support to help grow the Tourism sector. This focuses on developing world class destinations, accelerating inward investment and developing support mechanisms to enhance business leadership and productivity. HIE also work on a select number of larger, strategic projects that offer significant growth opportunities such as development of marine tourism.

#### **4. The Tourism Industry and Local Tourism industry groups**

- 4.1 Across the Highlands there are a number of industry led tourism groups – some are sectoral groups but predominantly these groups exist to develop or promote a particular geographic area. Most operate on a fairly small scale and undertake smaller local projects which generally require little funding support. Recent years have also seen the rise of destination organisations that take more of a lead in developing tourism in their areas (also referred to as Destination Management Organisations or DMOs). In Lochaber, the Outdoor Capital of the UK group can be considered as a Destination Management Organisation but there are also well established and active local marketing groups in a number of areas across Lochaber.

- 4.2 The Highland Council works closely with the Outdoor Capital of the UK group and has recently concluded a service delivery agreement with accompanying funding of £10,000. This agreement outlines a range of activities which they will undertake to develop tourism in the area including:-

- Organising networking events for local tourism businesses.
- Destination marketing activity.
- Social media activity to promote Lochaber.
- PR activity including supporting press trips by travel writers.
- Representing the interests of the local tourism industry.
- Development work to establish a Tourism Business Improvement District.

#### **5. The future development of tourism - a Tourism BID for Lochaber?**

- 5.1 A Business Improvement District (BID) or a Tourism Business Improvement District (Tourism BID) is a private sector-led initiative where businesses, within a clearly defined geographical area, work together, invest and collectively deliver projects over an agreed period (no more than 5 years) that will have an impact on their area. The money raised is ring-fenced for the use of the BID Company to deliver the projects and services as detailed in their Business Plan. A Tourism BID also ensures that everyone that benefits also contributes.

- 5.2 In the UK and Ireland there are currently 135 BIDs. In Scotland there are 19 established BIDs with a further 17 being developed. Of the 17 in development, 2 are Tourism BIDs and they are being developed for Lochaber and for Loch Ness and Inverness. The Highlands are therefore in the vanguard of Tourism BID development.

- 5.3 With a Tourism BID the focus could be on activities that increase tourism visits and spend. This could include area marketing and promotion but a Tourism BID can also

improve the tourism environment of the area and the health of tourism businesses.

- 5.4 As with any other BID, Tourism BID projects do not replace statutory services that are already provided by the Council or other public bodies. However, local government, along with other agencies, play a major role in working alongside BIDs and a Tourism BID will need to enter into an agreement with organisations such as the Highland Council or VisitScotland to ensure all services the Tourism BID provided will be additional.
- 5.5 A Steering Group composed of Lochaber business members is currently undertaking development work with a view to creating a Tourism BID for Lochaber. The Steering Group and its activities have been supported with funding from BIDs Scotland (the national organisation for BIDs in Scotland and delivering the Scottish Government's BID programme), the Highland Council and HIE.
- 5.6 Members of the Steering Group, along with the BID project officer have consulted with businesses in the Tourism BID area through a business questionnaire, public events, presentations to business groups and through one to one meetings. Responses from this have been used in developing a draft business plan.
- 5.7 Once the final business plan has been produced it will be put to a ballot involving all the eligible businesses in the proposed Tourism BID area. If the majority who vote, vote 'Yes' then all eligible businesses contribute towards it. A Tourism BID can only proceed if 1) there is a minimum 25% "turn out" by the total number of businesses eligible to vote, and 2) of those who vote, over 50% must vote in favour and they must represent more than 50% of the rateable value in the Tourism BID area.
- 5.8 The Planning etc. (Scotland) Act 2006, Part 9 – Business Improvement Districts, gives the Council the Power of Veto over a BID proposal and the Council is required to consider a BID proposal within a prescribed period (70 days before the day of the ballot) and give notice that it is or is not going to veto the proposal. The circumstances when a local authority can exercise its veto are prescribed in the Act and the Business Improvement Districts (Scotland) Regulations 2007. At the time of writing this report the formal BID proposal has not been received but this is due to be issued to the Council by Thursday 22nd August. Following this, a report along with a recommendation on whether the Council should exercise its right of veto will be presented to the Planning Environment and Development Committee on 18th September 2013.
- 5.9 Separate to the consideration of the legislative right of veto, the Council will also have to consider the BID business plan and as a property owner / occupier, decide whether or not it will vote in favour of the creation of a BID at the ballot. As this decision has implications for a number of Council Services, this will be considered by the Council at their meeting on 24 October 2013.
- 5.10 Because work is still under way to finalise the Business Plan prior to submission to the Council it is not possible to provide the full business plan prior to the Area Committee meeting. However, to give Members of the Committee an indication of the aims of the BID and the main areas of activity, the BID Steering Group have provided a brief summary which is included as Appendix 2 to this report. The Steering Group has also indicated it would welcome the opportunity to present information directly to Members as soon as possible after the Business Plan is completed so Members are in a position to contribute views for inclusion in the report being submitted to the

Highland Council.

## **6. Ben Nevis and Glen Nevis**

- 6.1 Whilst there are many different reasons that visitors come to Lochaber and many areas of Lochaber that they might subsequently visit, it is appropriate to take this opportunity to inform Members of some specific aspects in relation to one area - Ben Nevis and Glen Nevis. Ben Nevis is undoubtedly one of Scotland's national icons and as such is a key driver of the Lochaber tourism economy. However, this brings with it a range of pressures and results in the need for a different approach to "visitor management" - an area of work where the Council is heavily involved. Through a mix of providing information, encouragement and education the Council attempts to minimise impacts on the area while also enhancing the visitor's experience.
- 6.2 Much of this work is undertaken through the Council's Glen Nevis Visitor Centre which celebrated its 20<sup>th</sup> anniversary in June 2013. As well as being a visitor attraction the Visitor Centre staff also provide information and advice to visitors - particularly those planning an ascent of Ben Nevis. Staff also provide a booking and support service for the many charity groups that come to Ben Nevis - numbers can reach around 20,000 participants a year, many of them visiting as part of a national 3 Peaks Challenge that also takes Snowdon in Wales and Scafell Pike in England. The use of a booking system helps avoid having too many groups on the mountain at any one time while also offering enhanced services to the groups such as rubbish collection and extra toilet cleaning cycles to cope with the large numbers. Groups are asked to contribute to these costs and earlier this year money raised through these charges was used to undertake a substantial upgrade of the toilets at the Glen Nevis Visitor Centre including increasing capacity so as to cater better for group visits.
- 6.3 The Glen Nevis Visitor Centre is also one of the bases for the Council's Countryside Rangers in Lochaber and the Long Distance Route team that manages and maintains both the West Highland Way and the Great Glen Way. The Rangers provide a wide-ranging service for local communities (including schools) as well as visitors to the area. These include guided walks and events which feature and support the protection of the natural, cultural and social heritage of the area while the Long Distance Routes attract tens of thousands of visitors providing a significant boost to the area's economy.
- 6.4 Along with other public sector organisations, landowners, community and business groups, the Council is a partner in the Nevis Landscape Partnership. The Nevis Landscape Partnership represents a shared vision amongst local communities, organisations and stakeholders to celebrate and conserve the iconic landscape character of Ben Nevis and Glen Nevis. Having been successful with a bid to the Heritage Lottery Fund the partnership will deliver projects with a total value of £3.9 million between 2014 and 2018 that cover conservation, community participation, skills training, access and learning.

## **7. Conclusion**

- 7.1 While promotion of the area will be undertaken by VisitScotland, Outdoor Capital UK and individual tourism businesses; and much of the development of tourism will be undertaken by HIE, business groups and businesses themselves, there is still a significant role in supporting tourism to be played by the Council. Many of the ways in which this can be done are outlined in sections 2 and 6 above but it is worth

concluding by noting examples of how this Committee, local Members sitting on Highland Council Strategic Committees and local officers can help develop tourism through their day to day activities and decisions. In practice the Council's biggest impact can be indirect – by other Services, not simply through the work of the Planning & Development Service. It is clear that additional resources will often be difficult to identify and access but if it is possible to “bend spend”, then improved outcomes that benefit our tourism industry can be secured by:-

- Focussing on areas of opportunity such as outdoor activities, wildlife tourism, arts & culture and ancestry.
- Using influence on other Council Committees to ensure the needs of tourism are considered and that tourism benefits can be derived from their activities
- Using the Council's influence on external groups to ensure tourism initiatives are delivered or that wider initiatives also recognise tourism needs.
- Considering how funding, including capital investment, can be used to benefit tourism – in particular, including tourism benefits as well as benefits to local communities in assessments. For example, the assessment of projects for inclusion in the Planning & Development capital programme includes the use of tourism criteria.
- Continuing to offer business support (including supporting industry groups) so as to allow the tourism sector to develop and to assist businesses in this area to be competitive.

## **8. Implications**

8.1 There are no Resource, Legal, Equalities, Climate Change or Risk implications arising directly as a result of this report.

## **9. Recommendation**

9.1 The Committee is invited to:-

- i. note the value and importance of tourism to the Lochaber economy;
- ii. note public and private sector roles and the partnership working that supports tourism development in the area;
- iii. note the proposal to develop a Tourism BID for Lochaber and consider how local Members might contribute views for inclusion in the report being submitted to the Highland Council; and
- iv. consider how tourism growth can best be supported by the Area Committee, both directly and indirectly through the planning and delivery of other Council services.

Designation: Director of Planning & Development

Date: 12 August 2013

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## Summary

Tourism is identified as one of Scotland's key growth sectors in the Government's Economic Strategy and is one of the most important industries for the Highlands. It is also a sector that has shown some degree of resilience through the UK economic recession. Latest full year figures (2012) show overnight tourism in Lochaber is worth £175.5m

## Volume and Value

Although tourism is recognised as one of the most important industries in Lochaber, the exact economic benefit can be difficult to quantify as tourism is not a standard industrial classification used for government statistics. Instead tourism spend is spread across a number of sectors e.g. retail, food service or transport.

However, the Scottish Tourism Economic Activity Monitor (STEAM) gives an indication of tourism expenditure and trends. The main Highland area STEAM reports give detailed figures on tourism expenditure for the Highlands with key 2012 figures being:-

- £738m of direct expenditure
- £174m of indirect expenditure
- 19,895 jobs (including the tourism related self employed and indirect employment)

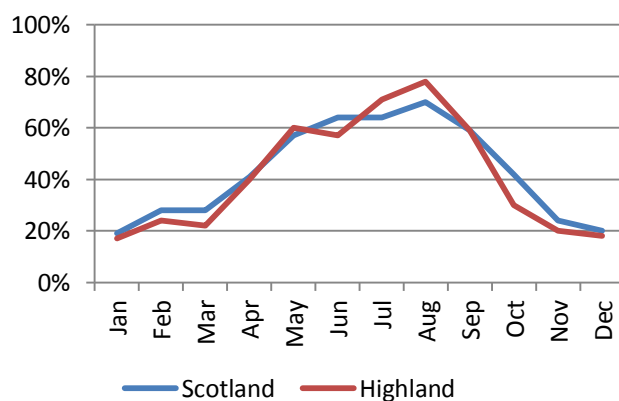
At regional level only a figure for total revenue is available which shows that tourism in Lochaber was worth £175.5m (excluding day visits). Using a proportional analysis and applying this to the Highland wide figures it can be estimated that day visitors account for a further £12m and that tourism sustains around 4090 jobs.

## Key issues

Tourism is not evenly spread across the Highlands with some areas getting substantially more visitors than others. People increasingly take more but shorter holidays and this tends to mean less accessible areas see fewer visitors as travel times become disproportionately long. Areas such as Glencoe can benefit, being readily accessible from Central Scotland while business is lower in more remote

areas such as Ardnamurchan. Seasonality is another issue which is well illustrated in the graph of Guest House / B & B occupancy levels above. The fact that many trips outside the main season tend to be shorter breaks means seasonality is often more marked in remoter areas, however the winter sports opportunities available in Lochaber does mean some areas benefit from better off season business than many other parts of the Highlands. Variable quality is another issue and while Lochaber does have some of the best businesses in Scotland there are also reports of poor service and / or unreasonable prices particularly in some hotels catering for organised tours.

Guest House / B&B occupancy



## **Appendix 2: BID Summary as prepared by Tourism BID Steering Group**

### **The Objectives of the BID**

The BID will deliver a series of projects and services designed to make Lochaber a better place to live, work and do business. Accountable to local businesses, the BID will invest in the improvements which the business community feel will deliver greatest benefit to the area and build on our iconic natural assets.

In preparing this business plan, we've engaged in extensive consultation to understand how best a BID can meet the needs of businesses in Lochaber.

The BID will work to attract footfall and increase customer spend, especially in the shoulder and off season when we need visitors most. It will safeguard and build upon the established Outdoor Capital of the UK (OCUK) brand, raise the profile of the area through co-ordinated and effective marketing campaigns, improve perception and educate visitors about everything we have to offer in our spectacular landscape and diverse local economy.

The BID will work hard to leverage investment, providing core services and seed capital to secure even more substantial investment in our area. Four areas of focus will form its core strategy:

- It will generate the investment needed to make meaningful improvements to our infrastructure, making the area more attractive to businesses, residents and customers.
- It will deliver strong, effective marketing and the tools and management resources to ensure that everyone feels the benefit of that marketing activity.
- It will support and develop local events that bring in the visitors who play such a vital role in our local economy – and provide dedicated resources to join up all these different strands of activity and make them work together for everyone's benefit.
- Be better for business

### **Enhance our infrastructure**

There are a number of practical projects that can improve the area for everyone, from improving parking facilities to reopening our public toilets, integrating walking routes and supporting better launch sites for the sailing and kayaking communities - the list goes on. Without an investment strategy for our infrastructure, it will decline and make the area less attractive for both visitors and residents.

### **Promote local events**

The BID will work to maximise visitor numbers, enhancing the visitor experience and maximising returns by bringing events and visitors to all parts of Lochaber at the right times of the year - particularly the shoulder and off peak periods. The BID will develop and fund an ongoing events development strategy for each area in partnership with existing area marketing associations.

### **Marketing**

Mentioned by almost everyone engaged with during the consultation process, dedicated marketing support for Lochaber was the single most requested priority for local businesses. The BID will not only fund a series of targeted campaigns, but also invest in meaningful market research to understand our target customers and how best to reach them. This information will be shared with local marketing groups and local businesses.

### **Be better for business**

The BID will bring the benefits of BIDs Scotland membership, ensure that local providers are engaged in the delivery of BID services and secure Chamber of Commerce membership for all BID businesses which in turn will become the third largest Chamber of Commerce in Scotland. Through this approach providing cost benefits the BID levy will be cost neutral to many businesses.