

## The Highland Council

### Planning, Environment and Development Committee

Minutes of Meeting of the **Tourism Project Group** held in the Second Floor Committee Room, the Town House, High Street, Inverness on Wednesday, 22 April 2009 at 10.30a.m.

#### Present

Mr W J Ross

Mrs H Carmichael

Mr T Prag

Ms J Douglas

#### Officials in attendance:

Mr S Black, Director of Planning and Development

Mr G Robson, Head of Environment and Development

Mr C Simpson, Tourism Co-ordinator, Planning and Development Service

Mr G Ireland, Tourism Officer

Ms F Hampton, Director Highland 2007, Education Culture and Sport Services

Ms L Lee, Committee Administrator

Mr W J Ross in the Chair.

#### 1. Apologies for Absence

Apologies for absence were intimated on behalf of Mrs I McCallum (OCB), Mr D Hendry and Mr A Torrance.

#### 2. Minutes of Previous Meeting

There had been circulated and **NOTED** Minutes of the Tourism Project Group held on 13 February 2009, previously approved by the Planning, Environment and Development Committee on 18 March 2009.

With reference to Item 6 of the Minutes, the Tourism Co-ordinator tabled a copy of VisitScotland's full report for 2008/09, "VisitScotland: Delivering for the Highlands 2009", which would also be issued to all Council Members, other public bodies and MSPs etc. The Tourism Co-ordinator drew attention to an undertaking by VisitScotland to carry out a visitor survey in 2008/09, for which the Council had provided funding. It had proved not possible to complete this survey and the Council had withheld the £10,000 from its final payment to VS for 2008/09. Negotiations were ongoing at a national level and it was anticipated that the survey would now take place in the current financial year.

With reference to item 7 of the Minutes, the Director of Highland 2007 advised that Highlands and Islands Enterprise's (HIE) position with regard to events funding had now been clarified, to the effect that HIE would focus its funding on Business of Growth. This meant that, whilst there was scope for an event-promoting business to receive funding from HIE, monies would no longer be spent by HIE on events. Following discussion, the Director of Highland 2007 was asked to find out the reduction in financial terms that this would mean for events funding in the Highlands, to consider the impact this could have and to suggest possible solutions, and then to liaise with the Tourism

Co-ordinator and the Head of Environment and Development, prior to submission of a report to the Education, Culture and Sport Committee on the Highland Events Calendar.

The Project Group **NOTED** the information given and the action being taken following the change in HIE's events funding strategy.

### **3. Partnership Agreement with VisitScotland**

At its meeting on 18 March 2009, the Planning, Environment and Development Committee had agreed to authorise the Director of Planning and Development, in consultation with the Chairman and the Council's Tourism Project Group, to conclude a Partnership Agreement with VisitScotland for 2009-10.

There had been circulated Report No. TPG2/09 dated 14 April 2009 by the Director of Planning and Development setting out proposals for a Partnership Agreement with VisitScotland for 2009/10 and 2010/11. The report also summarised the main findings of the recently completed study into the Council's Tourism Development spend that had been taken into account in developing the proposals. A copy of the executive summary of the study was attached to the report, and the full study report had been made available in the Members' library and was displayed on the Tourism Development section of the Highland Council website.

The Consultants' research had initially focussed on analysing pre-existing data. The report acknowledged that the factors determining visitors' destination choices were complex and that this made it difficult to quantify returns from specific activities, but the research had nonetheless indicated that the greatest return on tourism expenditure was realised through marketing – i.e. expenditure on bringing people to the Highlands increased tourism spend more effectively than expenditure on enhancing visitors' experiences once they were here. Due to the current exchange rate position and financial climate, the UK was a relatively cheap destination for visitors from Europe, and UK residents were less likely to holiday abroad. This provided an ideal opportunity to attract visitors to the Highlands – the Council's investment in tourism would be maximised through increased expenditure on marketing.

The Consultants had also carried out a survey, questioning roughly 20 representatives from public bodies and the tourism industry to test their initial findings, which had been borne out. Other findings from the survey included that there was strong support for research into the market and for seasonal campaigns, and that return on investment should not be the Council's only measurement criterion when deciding whether or not to fund a particular activity. In response to Members' concerns regarding the credibility of the survey findings, given the small sample size, the Project Group was advised that the survey had not comprised the main part of the Consultants' research activities. Consideration could be given to surveying a wider audience at the Council's Tourism Seminar in the autumn.

Appendix 3 to the report set out a draft Partnership Agreement for 2009/10, with an indicative programme for 2010/11. The Consultants' findings had been taken into account in drawing up the draft Agreement, in which expenditure on marketing had been increased. The Tourism Co-ordinator briefly drew attention to a number of the actions VS was being asked to carry out during 2009/10:

- three seasonal campaigns for UK and Ireland marketing - autumn, winter and spring (compared with two in 2008/09) - VS was of the view that it was important

to build relationships with customers, and contacting them more often contributed towards this. One of the campaigns would be evaluated.

- additional funding towards advertising adventure sports.
- expenditure on international markets to focus on new inbound routes – broader international marketing required very large budgets. £10,000 had been allocated to the new Düsseldorf route, and would be used to lever in additional funding
- £15,000 expenditure on research.

He also commented that:

- expenditure on VS Website activities was projected to reduce by £10,000 in 2010/11 as VS should have by then completed its Website development. In future, if the Consultants' advice was followed, the Council might decide not to fund activities which would take place without Council funding – this might include Web development and also the main VS brochure, the latter being supported by income from tourism businesses
- the cost of carrying out evaluation surveys was high – if a promotion had a budget of £10,000 it was not an efficient use of that budget to allocate perhaps half to an evaluation survey. VS was considering the possibility of identifying, at a national level, perhaps one or two campaigns for analysis each year, and building up a picture over time
- feedback as to visitor numbers was difficult to obtain from partnership VICs (those situated within a private businesses premises) – there was no obligation on the businesses to keep records. The Consultants' report recommended that the Council ask VS to introduce this practice
- the Consultant's report also advocated that the Council focus more closely on the returns it wished to see from its investment, and on measuring these.

In response to points made in discussion, the Tourism Co-ordinator advised that:

- he was meeting with VS in May to discuss Web issues, and would take forward Members' suggestions as to the possibility of a pro-active web-search being carried out to ensure that for example archaeological, historic or cultural sites contained links to the main tourism websites
- whilst not mentioned in the draft Agreement, Highland Geoparks featured in VS Guides - the Düsseldorf area was believed to have several Geoparks and advertising the Highland Geoparks could help promote the new route
- the previous Badenoch and Strathspey Guide had become the Cairngorms National Park (CNP) Guide in 2004 – VS liaised directly with the CNP Authority

Whilst the draft Agreement proposed an increase in funding for marketing, this could only be achieved by reducing expenditure in other areas, particularly as there had been a £50,000 reduction on the previous year's budget. If the marketing expenditure was to increase as proposed, expenditure on Visitor Information Centres (VIC) would need to be reduced by £32,000 in 2009/10. VisitScotland had been asked to put forward options as to how this reduction might be implemented. The Tourism Co-ordinator gave a presentation on VS' response, illustrating the net operating costs, business activity levels and potential for reduced operating hours during the off-season for the different categories of VIC. Members were asked to consider (a) whether the redirection of funding away from VICs and towards additional marketing was acceptable in principle, and (b) if so, how the Council would like to see any reduction to VIC funding implemented, eg whether large or rural VICs should be targeted, bearing in mind that, ultimately, such operational decisions were a matter for VS.

Earlier suggestions had been made to VS that the Council decrease its funding of category 1 VICs (Inverness and Fort William), but retain its funding of category 3 (rural) VICs. However, VS had indicated that they would wish to see a contribution to the VIC network as a whole, rather than directed towards specific centres.

It was stressed that VICs in the Highlands were performing well in terms of both visitor numbers and the quality of service provided. Options which might minimise any reduction in VIC opening hours included increased use of shared facilities such as service points, libraries or leisure centres. However, these changes would take time and were unlikely to be achievable in the current financial year.

In the course of full discussion, a number of points were raised, including that:

- there were immense opportunities at present from increasing the marketing of the Highlands – however, it was not possible to take advantage of these without a reduction in spend in other areas
- changes to the level of VIC provision were likely to attract comment from the press, public and Ward Members – the arguments for the changes needed to be robust and the positives, including that the Highlands had the most extensive network of VICs in Scotland, be emphasised
- the value of a VIC should not be judged solely on the number of bookings it handled or sales figures – the main role of the VIC was to make people welcome; the visitor experience was very important
- savings to be gained through sharing premises should be maximised, although it was recognised that this could leave some high street units empty
- on some occasions VICs sharing with business premises paid a fee to the operator but it could be argued that as the business benefited from increased footfall to their business such arrangements should be revisited
- the principle of having some information in other premises in the winter, but in a VIC in the summer, should be investigated; this arrangement was already in place in some areas.
- reducing operating hours in the winter was contrary to efforts being made to extend the season – the importance of shoulder months should be stressed
- a small decrease in expenditure on a VIC with a small budget could have a disproportionate effect compared with the same sized budget reduction on a larger operation – VS should be asked to try to avoid unduly large impacts on smaller VICs
- any cuts should take account of local events – for example, if there was a festival in a particular month, the operation of a VIC should not be reduced during that time
- the timing of Easter affected figures for the months of March and April and caution was required when basing decisions on visitor numbers for these months
- some smaller VICs, such as Strontian, covered a vast geographical area
- small changes, such as opening at 9.30 rather than 9.00 am, might help to achieve reductions in cost with minimal detriment to service
- the high costs of the Inverness and Fort William VICs were due to property costs – reductions in opening hours would not impact on these costs

Having been advised that the early finalisation of the Agreement would provide VS with security of funding which would assist in their achieving the targets, the Project Group

**NOTED:**

- i. the information given, including that the implementation of any reduction in VIC funding would be an operational matter for VS; and
- ii. that the proposals for 2010/11 were in outline and would be fine tuned to take account of any changes in circumstances.

In accordance with the powers delegated to the Group at the meeting of the Planning, Environment and Development Committee on 18 March 2009, the Project Group **AGREED** the draft Partnership Agreement as set out in Appendix 3, subject to recommending that VS take into account the comments raised in discussion above, in particular that in making any reduction to VIC operations the Council would wish VS to:

- exercise caution when making any reductions to the budget of smaller VICs, so that, as far as possible, this did not result in a disproportionate impact on operating hours
- take cognisance of the timing of Easter, and also local information which impacted on the nature or use of a VIC, and to hold discussions as appropriate in this regard
- continue to seek ways of making longer term savings, such as by shared use of buildings, including libraries and leisure centres.

The Project Group also **AGREED**:

- i. that the Council's Tourism Seminar in the Autumn be used to expand the Consultants' survey findings, with delegates being asked to respond to the survey questions; and
- ii. that the Consultant's recommendations with regard to the Council's in-house tourism expenditure be considered at the next meeting of the Project Group.

#### **4. Tourism Signposting – Iconic Viewpoints**

There had been circulated Report No. TPG3/09 dated 14 April 2009 by the Director of Planning and Development outlining the proposed project management plan for signposting and interpretation at a number of iconic tourist sites in the Highlands. A project management plan for visitor signage was tabled.

Sites had been identified at:

- Five Sisters of Kintail / Ratagan pass
- Cuillin Mountains
- Neist Point
- Ben Nevis (at Banavie)
- Buachaille Etive Mor
- Glen Garry
- Loch Maree / Glendocherty

The majority of these sites were in lay-bys or picnic areas, so were unlikely to present a road safety issue. Work to identify sites was ongoing at Ardnamurchan Point, Inverness Castle, John O'Groats and Loch Ness. Whilst "Welcome" signs were being erected in villages around Loch Ness, siting of locations signs was more problematic, as the Loch had a 70 mile shore line.

Further stages of the project included ensuring the site choice was suitable; discussion with TECS/Trunk Roads authority and landowners; liaison with Community Councils;

notification of Ward Managers; ascertaining planning and Gaelic requirements; design; issuing tenders; and submission of an application for LEADER funding.

The Chairman stressed the importance of early liaison with TEC Services to resolve any road safety issues, and Members recommended that Ward Members be involved in the process as early as possible.

The Project Group **NOTED** the information given and **AGREED** that:

- i. Ward Members be apprised of proposals in their area early in the process; and
- ii. a progress update be brought to the Project Group in due course.

## **5. Tourism Development Budget**

There had been circulated and **NOTED** Report No. TPG4/09 dated 14 April 2009 by the Director of Planning and Development outlining the current status of the Tourism Development Budget.

The implications of the Consultants' report (item 3 above refers), that the Council should not fund projects which would happen without Council support, were considered in relation in particular to the provision of subvention funding for political conferences. It was recognised that television coverage of such conferences helped raise the profile of the host town/city, and the withdrawal of subvention funding might result in the Highlands losing out to other areas. One approach might be to liaise with the other Scottish Local Authorities with a view to encouraging all Councils to cease funding political conferences. Any change to the current arrangements would need to demonstrate a consistent and objective approach, and comply with Council policy

The Project Group **NOTED** the information given.

## **6. Future Meetings**

The Project Group **AGREED** that:

- i. the Education Officer (Events and Promotions) be invited to make a presentation to a future meeting of the Project Group; and
- ii. the next meeting would take place towards the end of June 2009, date to be confirmed.

The meeting ended at 12.15 p.m.