

THE HIGHLAND COUNCIL

CITY OF INVERNESS AREA COMMITTEE – 2 SEPTEMBER
2014

Agenda Item	22b
Report No	CIA/51/14

Inverness & Loch Ness Tourism BID: Progress Report

Joint Report by Inverness City Manager and BID Chief Executive

Summary: Inverness & Loch Ness Tourism BID was established following the successful ballot result on the 14th March 2014. This report describes the progress made since then with particular reference to the transition from destination management organisation (DMO) in to a Tourism BID, the setting up of the operational structure and the beginnings of project activity.

1. The ballot result and transition from DMO in to Tourism BID

- 1.1 The declaration of the ballot result, announced on 14 March 2014, was to approve the creation of the Tourism BID (under the Planning etc. (Scotland) Act 2006. The four conditions required to be met along with the results of the Ballot were as follows.

A minimum 25% turnout by 'headcount' is achieved

The turnout by headcount was 40.82%

A minimum 25% turnout by rateable value is achieved

The turnout by rateable value was 56.95%

Of the votes received, a numerical majority by number of ballots must vote in favour

123 votes in favour out of 152 votes cast

Those voting in favour must represent a majority by rateable value of the rateable properties exercising their vote

56.95% of rateable value of those voting in favour

The result was therefore positive and the BID established.

- 1.2 The development of the Tourism BID had been lead by a Steering Group and immediately following the result it was the task of the Group to act as a 'Shadow Board', and establish the new Tourism BID organisation before passing control over to a new Tourism BID Board and ensure minimal delay in beginning the process of implementing project activities outlined in the Business Plan.

- 1.3 The first task was to transfer the assets and liabilities of the DMO (Destination Loch Ness -DLN) to the ownership of the Tourism BID. This had been agreed between the Board of DLN and the Tourism BID Steering Group at a meeting on the 7th January 2014. DLN ceased trading on the 31st March 2014 and the Tourism BID took ownership of these assets and liabilities on the 1st April 2014.

The net figure transferred taking in to account all DLN assets and liabilities, was -£2,452. 52. This is broken down as follows:

Opening bal introduced from DLN acct	+ £9,246.40
DLN Debtors	+ £3,896.07
Creditors	- £13,532.69
Accruals	- £2,062.30

- 1.4 Also on the 1st April the two employees of DLN were transferred across to the Tourism BID under TUPE regulations, and Graeme Ambrose appointed Chief Executive of the Tourism BID.

2. Operational Structure

- 2.1 Between April 1st and 22nd May, the Tourism BID company, Uniqueness Tourism BID Ltd, was registered and a number of key operational tasks were completed including the setting up of the Tourism BID office in the Forestry Commission offices at Smithon and establishment of key legal requirements. The office set up costs were £5,200.
- 2.2 Election of Directors: A Board of ten Directors for the Tourism BID was elected following a ballot of all levy payers. The ballot was an online/postal ballot and the results were declared on the 29th April. The results were verified by three independent witnesses. On the 22nd May, the Steering Group, which had been acting as the 'Shadow Board', was formally dissolved and the newly elected Board took control of the Tourism BID. Colin Marr (Eden Court Theatre & Cinema) was elected chair and Nicol Manson (The Waterside Hotel) as vice chair. The new Board reflects reflect the various business categories included in the Tourism BID, as well as the geographical areas.

For a full list of directors, please see **Appendix 1**.

- 2.3 Following the election of the Board, to meet the requirement of the Articles and Business Plan for 12 directors 1) a formal request was made to Highland Council to nominate a councilor to join the Board as a co-opted director 2) the Board invited applications from the local tourism organisations in Inverness & Loch Ness to represent the interests of opt in members. This position has subsequently been filled. The co-opted directors need to be approved each year by the Tourism BID members at the annual general meeting. However, for their first term the co-opted directors are approved by the other company directors.

3. Project Activity

- 3.1 One of the first tasks of the new Board has been to establish three sub groups. The first, Finance & Governance, will assist the Board in its oversight responsibilities. The other two sub groups are Marketing & Promotion and Business Tourism
- 3.2 Marketing & Promotion: The commitment to establish a portal website for all levy payers has been taken forward and the Tourism BID will tender the contract in early autumn. A number of other smaller marketing projects are being considered to ensure that all businesses in the Tourism BID can benefit from the marketing activity in the first year. To date spend on this activity has been small (approximately £4K) but it is estimated that by April 2015 the budget of £58,000* will have been spent
- 3.3 Business Tourism: The Tourism BID is now the actively recruiting for an experienced business tourism manager to focus on bringing more of the lucrative national and international conference and business tourism market to the area. As with Marketing & Promotion spend to date has been small (less than £1,000) but, assuming a suitable candidate is appointed, the expected spend on Business Tourism by April 2015 is £17,500
- 3.4 Access & Infrastructure projects: Good progress has already been made in this area. On South Loch Ness, in partnership with the Forestry Commission, two lay bys which allow visitors access down to the loch shore have already been transformed from an overgrown tangle of trees and bushes to good open clear picnic spots. The cost to the Tourism BID of this activity when complete will be £17K. A further £1,600 has been spent on a report outlining improvements in the South Loch Ness Trail over a 3km stretch at Dores. This will form the basis of a Leader application when this funding source becomes available. The total Access & Infrastructure budget through to April 2015 is £20,000
- 3.5 Business Development: The Tourism BID is presently taking forward plans for a number networking meetings, business workshops and procurement opportunities which it is hoped to start rolling out to members in autumn 2014. One networking lunch has though already taken place on the 28th May, which was well attended by businesses. Budget for this area of activity is £6,000 through to April 2015
- 3.6 Events & Festivals: To date there has been no spend in this area of project activity. The budget to April 2015 is £3.5K

* These figures do not include the apportioning of staff costs to the areas of project activity

4. Implications

- 4.1 Resource Implications. There are no resource implications directly arising from this report. The Council is expected, however to contribute to a number of the initiatives being undertaken by the Tourism BID. To date £10,000 has been committed to Tourism BID activities from the Development &

Infrastructure Services Tourism Development Budget. Any future applications for Council funding towards Tourism BID activities will be subject to the appropriate governance process for the funding stream concerned.

- 4.2 There are no Legal, Equalities, Climate Change/Carbon Clever; Risk, Gaelic or Rural implications arising directly from this report.

Recommendation

Members are recommended to endorse the continuing work and activities of the Tourism BID

Signature:

Designation:

Author: Graeme Ambrose, Chief Executive, Uniqueness Tourism BID Ltd.

Date: 15 August 2014

Background Papers:

Appendix 1: The Board of Directors, Uniqueness Tourism BID Ltd

Colin Marr (Chair), Eden Court Theatre and Cinema

Nicol Manson (Vice Chair), The Waterside Hotel

Mike Dunthorne, Boots nPaddles

Claire Christie, Morag's Lodge

Andy Holt, 'The Old School' S/C apartment,

Rosie Wylie, Historic Scotland

Robbie Bremner, Loch Ness Centre & Exhibition

Donald Somerville, Inverness Leisure

Graeme Bell, Inverness Airport,

Frank Spencer-Nairn, Culligran Cottages,

Margaret Hutcheson (co-opted director), Daviot Lodge B&B