

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 9TH MAY 2005
**REPORT ON: VISITSCOTLAND - THE SCOTTISH NETWORK 2 TOURIST BOARD
FUNDING ARRANGEMENTS FOR 2005/2006**
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 294-2005

1 PURPOSE OF REPORT

1.1 The purpose of this report is to seek the Committee's approval for Council funding of tourism arrangements in Dundee provided by VisitScotland.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee agree to provide funding of £246,000 for the current financial year, ie 2005/2006, on the basis of the Heads of Agreement attached as an appendix and remit the Director of Economic Development to formalise the Heads of Agreement with VisitScotland.

3 FINANCIAL IMPLICATIONS

3.1 Allowance of £246,000 has been made in the approved Economic Development revenue budget for 2005/2006.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 There are none.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are none.

6 REPORT

6.1 Reference is made to the Economic Development Committee Report of 16th August 2004 (reference no 548-2004), which outlined the Scottish Statutory Instruments prepared by the Scottish Executive as a first step in implementing the proposals outlined in the Executive's Review of the Area Tourist Boards.

6.2 The Angus and the City of Dundee Area Tourist Board was wound up on 1st April 2005 and its staff, assets and liabilities were transferred to the Scottish Network 2 Tourist Board.

6.3 It is intended that from 1st April 2006, the City Council will enter into a formal Partnership Agreement with VisitScotland to ensure that its tourism and associated economic development and social priorities are delivered for the Council area.

6.4 However, in the interim, it is proposed that the Council continue to provide the same level of funding that was provided to the previous Area Tourist Board.

6.5 To enable this to be done a Heads of Agreement has been prepared (see attached as appendix) which outlines the services and activities that VisitScotland will provide to support tourism in the City during the year 2005/2006.

6.6 The document largely preserves all of the services and activities provided by the previous arrangements and allows the Council full scope to negotiate a satisfactory long term Partnership Agreement with VisitScotland for future years.

6.7 Accordingly, it is recommended that the Committee agree to fund VisitScotland for the current financial year and remit the Director of Economic Development to formalise the Heads of Agreement with VisitScotland.

7 CONSULTATIONS

7.1 The Chief Executive, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services) were consulted in the preparation of this report.

8 BACKGROUND PAPERS

8.1 The following Background Papers were relied upon in the preparation of this Report:

- The Scottish Network 2 Tourist Board Scheme Order 2004 (SSI 0392)
- Economic Development Committee Report 548-2004 (Scottish Executive Area Tourist Board Review - The Scottish Network 1 & 2 Tourist Board Scheme Orders)

DOUGLAS A A GRIMMOND
DIRECTOR OF ECONOMIC DEVELOPMENT

DATE: 28TH APRIL 2005

DRAFT

HEADS OF AGREEMENT

between

Dundee City Council (“the City Council”)

and

The Scottish Network 2 Tourist Board (part of the VisitScotland Network) (“VisitScotland”)

1. These Heads of Agreement provide the basis on which the City Council will provide funding to NTB2 during the year ending 31st March 2006 and the services and activities that VisitScotland will provide to support tourism in the City of Dundee during that year.
2. The City Council will provide grant in aid to VisitScotland of £246,000 [scheduling of payments has to be agreed]. By mutual agreement, all or part of this sum may be allocated as a payment for specific services provided to the City Council, and any such allocated payments will be subject to VAT. Core grant is not subject to VAT.
3. VisitScotland will operate the Dundee Tourist Information Centre with opening hours of not less than those provided in 2004-5. VisitScotland intends to carry out a review of its tourist information and sales operations throughout Scotland during 2005-6, and undertakes to consult with the City Council in relation to this review. The review will explore how to maximise the impact of the Dundee TIC as a gateway to the East of Scotland.
4. VisitScotland will continue to provide staff effort and practical involvement in joint tourism related projects, including:
 - The Destination Dundee initiative
 - Cruise Dundee
 - Tayscreen
 - Dundee Walking Trails projects
5. VisitScotland will continue to maintain and operate the Angus and Dundee tourism website www.angusanddundee.co.uk. The design and layout of this site will be reviewed during 2005 and VisitScotland will consult with the City Council on this review.
6. VisitScotland will produce and distribute a local accommodation guide for Angus and Dundee during 2005 to support area marketing for the 2006 season.
7. VisitScotland will continue to actively market the City of Dundee as a tourism destination, building on the ongoing range of marketing activities previously delivered by Angus and Dundee Tourist Board. Future marketing activity will be developed in close consultation with the City Council and other partners.
8. VisitScotland will ensure that all appropriate City Council facilities and services are listed on both the Angus and Dundee website and on www.visitscotland.com. No charge will be made for these listings in addition to the grant in aid referred to in paragraph 2, except that VisitScotland (and visitscotland.com, which is the operating name of a separate company, eTourism Ltd, reserve the right to charge a listing fee for any accommodation services that may be offered by the City Council, including caravan and camping facilities.
9. VisitScotland will continue to operate a Convention Bureau specifically for the marketing, promotion and support of discretionary business tourism and conventions in Dundee and Angus. The Bureau will be based in Dundee. VisitScotland makes the following undertakings with regard to the Convention Bureau:

- The Bureau will have a minimum staff of two during 2005-6.
 - Staff will be employees of VisitScotland or the Scottish Network 2 Tourist Board. Staff will be under the management of VisitScotland's Area Director in Dundee and will be responsible to VisitScotland's national business tourism unit so far as appropriate to co-ordinate Bureau activity with national business tourism strategy and for the professional development of staff.
 - The current Sales Executive post in the Convention Bureau is part funded by the European Regional Development fund. The future of this post after European funding ceases will be discussed with the City Council.
 - Although the Convention Bureau is an integral part of the VisitScotland network, VisitScotland undertakes that the local team will be allowed to maintain confidentiality in relation to bids for events where these bids are in competition with other destinations in Scotland.
 - The intellectual property rights in customer, prospective customer or contacts inherited by VisitScotland from the Angus and Dundee Convention Bureau will be retained in a separate data store and will be used solely to support business tourism activity in Angus and Dundee unless otherwise agreed in writing with the City Council.
 - The resources and expertise of VisitScotland's Business Tourism Unit will be made available to support the activities of the Dundee Convention Bureau.
10. VisitScotland will lead in establishing an Area Tourism Partnership for Dundee and Angus. This Partnership will develop and carry forward an Area Tourism Partnership plan. The City Council will have representation on the Partnership.
 11. VisitScotland and the Scottish Network 2 Tourist Board have registered with the East of Scotland European Funding Partnership. The Network board is therefore able to draw down funding as successor to Angus and Dundee Tourist Board.
 12. Assets transferred from Angus and Dundee Tourist Board to the Scottish Network 2 Tourist Board will be used solely for the benefit of tourism in Angus and Dundee. Any cash assets available after discharging debts and liabilities from the former tourist board will be managed by the Area Director in Dundee under the guidance of the Area Tourism Partnership.
 13. VisitScotland undertakes to maintain a substantial presence in the Dundee Network Office. Every effort will be made to avoid compulsory redundancies among the staff of the former Angus and Dundee Tourist Board. VisitScotland will keep the City Council informed on staff levels and any prospective redundancy situations.
 14. VisitScotland will provide an Area Business Plan setting out the activities and budget for the Dundee Network Office, and will consult with the City Council on any changes in this business plan proposed during 2005-6 and on the development of Area Business Plans in future years.
 15. VisitScotland will provide information as required to demonstrate that grant in aid has been expended in accordance with the agreement with the City Council. VisitScotland will also provide performance data on its Dundee based activity using Key Performance indicators to be agreed with the City Council.