

**REPORT TO:** ECONOMIC DEVELOPMENT COMMITTEE - 16TH AUGUST 2004  
**REPORT ON:** SCOTTISH EXECUTIVE AREA TOURIST BOARD REVIEW  
THE SCOTTISH NETWORK 1 & 2 TOURIST BOARD SCHEME ORDERS  
**REPORT BY:** DIRECTOR OF ECONOMIC DEVELOPMENT  
**REPORT NO.:** 548-2004

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to enable the Committee to comment on the draft Scottish Statutory Instruments which have been prepared by the Scottish Executive as the first step in implementing the proposals outlined in the Executive's Review of the Area Tourist Boards.

**2 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee remits the Director of Economic Development to inform the Scottish Executive that, while the City Council has no objection to the draft Scottish Statutory Instruments, the current negotiations looking at the new integrated tourism network must ensure the various outcomes outlined in paragraph 6.10 of the report.

**3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications associated with this report.

**4 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 There are none.

**5 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 There are none.

**6 REPORT**

- 6.1 The Scottish Executive announced in March that it intended to merge Visit Scotland, the national tourism body, with the 14 existing Area Tourist Boards. The Executive has now issued for consultation two draft Scottish Statutory Instruments entitled "The Scottish Network 1 and 2 Tourist Board Scheme Orders" as the first step in implementing the proposals.
- 6.2 All that the draft Scottish Statutory Instruments (SSI's) do is wind up the existing 14 ATBs and transfer their staff assets and liabilities on 1st April 2005 to 2 new ATBs which would be called network tourist boards. These network tourist boards would be controlled by Visit Scotland.
- 6.3 When Parliamentary time permits, the Executive intends to bring forward primary legislation to formalise the abolition of the ATBs and create a single Scotland-wide network of hubs. The Executive has two reasons for introducing the SSI's in advance of the primary legislation, viz: -
- The Executive is keen to move as quickly as possible to the new network structure. It wants to build on the acknowledged skills and expertise of the ATBs and to offer their staff employment in the new structure at the earliest opportunity. The Executive feels that the SSI's are the best way to do this.
  - The Executive wishes to minimise possible disruption to the tourism industry. It believes that the SSI process is the best way to achieve "business as usual" during the transition process.

- 6.4 The SSI's are intended to create 2 network tourist boards, from the previous ATBs as follows:-
- Scottish Network 1 Tourist Board (South of Scotland)
    - Edinburgh and the Lothians
    - Dumfries and Galloway
    - Greater Glasgow and the Clyde Valley
    - The Scottish Borders
    - Ayrshire and Arran
  - Scottish Network 2 Tourist Board (North of Scotland)
    - Aberdeen and Grampian
    - Angus and the City of Dundee
    - Argyll, the Isles, Loch Lomond, Stirling and Trossachs
    - Highlands and Islands
    - The Kingdom of Fife
    - Orkney
    - Perthshire
    - Shetland
    - Western Isles
- 6.5 Apart from areas that they cover, the new network tourist boards will be identical. They are merely a "stepping stone" to enable the new hub-based network to come into being as quickly as possible. The Executive intends that the new network tourist boards will not be prominent either to visitors or to tourism businesses, and in order to facilitate the new integrated network, it intends that the Boards of the new network tourist boards will be made up of Visit Scotland Board members. They will not be membership organisations like existing ATBs.
- 6.6 In the memorandum accompanying the draft SSI's, the Executive stresses that this step will not detract from the consultation process which is currently underway to provide a more streamlined visitor and business focused tourism network which can respond well to the challenges of international tourism in the 21st Century.
- 6.7 Cosla is represented on the project group which is working to implement the new arrangements and while no details are yet available, the Executive has made the following statements:-
- Under the new arrangements, local authorities will negotiate Partnership Agreements with Visit Scotland in the form of their local tourism hub to ensure that each Council's tourism and associated economic development and social priorities are delivered for their area.
  - Partnership Agreements will also be the mechanism that ensures that any local authority expenditure provided to the new tourism hub is spent on local marketing, information provision or other agreed tourism activity that the local authority stipulates.
  - Visit Scotland is clear that all funding or other assets at the area level will stay at that level, and will not be used to fund work at the national or international level, unless that is specifically agreed.
  - The Executive is committed to maintaining - and increasing if possible - real local authority involvement in tourism both at local and national levels. This is currently being discussed with Cosla and the Executive will provide further proposals on this issue later this summer.
  - The Executive is currently consulting with businesses in the tourism industry to try to make the new network simpler and easier for businesses to use, and is establishing a Business Focus Group with key players from the tourism industry to respond to ideas and proposals as the new network planning develops.

- 6.8 Given that the draft SSI's represent an initial first step in the process of developing the new tourism network proposals and that the Council will be given every opportunity to comment on the details of these proposals as they emerge, it is recommended that the Council indicate that they have no objections to the draft SSIs.
- 6.9 However, it remains important that local authorities have a strong role in the way the tourism industry operates in future under the new network arrangements.
- 6.10 It is also recommended, therefore, that the Council inform the Scottish Executive that the current negotiations looking at the nature of the new integrated tourism network must ensure that:-
- real local authority involvement in tourism will increase at both local and national levels;
  - all funding or other assets at the local level will stay at the level, and will not be used to fund work at the national or international level, unless specifically agreed;
  - the proposed new local tourism hubs will be budget holders with the power to use assets locally and participate in local strategy and joint projects;
  - any local authority expenditure provided to the local tourism hubs will be subject to a local service delivery agreement.
- 6.11 It should be noted that any comments have to be made to the Executive by 25th August 2004.

## **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 1 Tourist Board Scheme Order 2004 (draft SSI 0376)
- The Scottish Network 2 Tourist Board Scheme Order 2004 (draft SS1 0392)

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**DATE: 9TH AUGUST 2004**