

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 19TH AUGUST 2002
REPORT ON: SCOTTISH EXECUTIVE REVIEW OF AREA TOURIST BOARDS
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 609-2002

1. PURPOSE OF REPORT

1.1 To enable the Committee to make a response to the consultation process in the Scottish Executive's review of Area Tourist Boards.

2. RECOMMENDATIONS

2.1 It is recommended that the Director of Economic Development be remitted to write to the Scottish Executive giving the Council's views on the issues involved in the review, based on the suggestions outlined in para 8 of the report.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications directly arising from this report.

4. LOCAL AGENDA 21 IMPLICATIONS

4.1 Tourism is a significant and growing sector in the local economy. It can therefore have a positive impact on one of Local Agenda 21's key themes:-

"The opportunity to undertake satisfying work in a diverse economy".

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1 By ensuring that tourism remains a buoyant sector of the economy, more employment opportunities should be available to all sectors of the community.

6. IMPACT ON ANTI-POVERTY STRATEGY

6.1 A buoyant tourism sector will help improve overall job levels, allowing more people to be employed and thereby raise income levels.

7. BACKGROUND

7.1 On 27th May 2002, Tourism Minister Mike Watson published the terms for the long awaited review of Area Tourist Boards.

7.2 The Minister indicated that he did not wish to constrain in any way the scope of the review nor to pre-empt what the outcome might be. He has therefore decided not to consult on the basis of specific options for change, but to leave it to respondents to suggest the support arrangements that they believe to be necessary.

7.3 However, he did mention some of the issues that had been raised with him over recent months, and about which people may wish to submit views.

7.4 These issues include:-

- What is the future role of the Boards? What should their relationship be with Visit Scotland?
- The present structure of the 14 Boards - is it the correct structure, or is it of greater importance that the Boards work more closely together, particularly on marketing campaigns?
- The importance of the cities as gateways for tourism to Scotland - should there be special arrangements and if so, what should these be?
- The role of local authorities in Area Tourist Boards and in particular, whether that role should include funding. Or should ATBs perhaps be funded from a simple source, such as Visit Scotland?
- The relationship with Local Enterprise Companies - should the marketing and business development function at the local level be combined within a single local organisation, or is the key to success greater partnership working?
- How best can the ATBs engage with business? Is the principle of membership still appropriate?
- The ways in which information is provided to visitors - should this be a more local level, perhaps issuing local franchises or other existing local facilities, such as libraries?

7.5 The Minister is allowing a full 3 months for receipt of views, that is until the end of August 2002.

8. **ISSUES**

8.1 Prior to local government re-organisation in 1996, when the new ATB structure was created, local authorities had a much more direct and greater involvement in tourism-related activity. This is therefore an appropriate time to make comments to the Minister on the failures and successes of the new arrangements as compared with the old against the background of future trends.

8.2 The key issues are seen as:-

- the roles of difference organisations
- the structure/remit of ATBs
- funding arrangements
- the roles of cities
- marketing/business development
- ATB/businesses relationship

8.3 The Roles of the Different Organisations

- 8.3.1 The re-organisation of the ATBs in 1996 has not been a resounding success. The need to set up fourteen new administration functions, pursue marketing campaigns and cater for visitor/information services has proved too great for the resources available.
- 8.3.2 There is therefore a need to introduce efficiencies and re-visit the various remits of the relevant organisations.
- 8.3.3 It is suggested that a more appropriate re-allocation of remits would be:-
- ATBs - should concentrate on regional marketing (ie in our case the East of Scotland) and have strong relationships with Visit Scotland (for national branding linkages) and the local level.
 - Local Authorities - should be given the remit to provide visitor servicing facilities to an agreed national standard using the most up-to-date computerised information. This would enable both efficiencies in administration costs and a better spread of information points (using existing local authority facilities).
 - should also be given remits to participate in local marketing campaigns (eg specific destination marketing, conference bureau operations etc).
 - Local Enterprise Companies - should be given a clearer remit in relation to business development which is likely to be delivered via the on-going expanded Business Gateway process. It would also enable Scottish Enterprise to concentrate more effectively on the training needs of the industry.

8.4 The Structure/Remit of ATBs

- 8.4.1 As outlined in para 8.3.3, it is suggested that ATBs should concentrate on regional marketing initiatives. This is already an increasing trend - the East of Scotland ATBs have a joint ERDF project covering regional marketing.
- 8.4.2 In such circumstances, the ATB network will have to become far more involved in partnership working at all levels. Administration efficiencies could be introduced by sharing certain services with Visit Scotland, similar to the processes being introduced at Scottish Enterprise in relation to certain LEC services.

8.5 Funding Arrangements

- 8.5.1 If the remits were re-organised as outlined earlier, it would be more appropriate for ATBs to be funded directly from a single central source, say Visit Scotland.

8.6 The Roles of Cities

- 8.6.1 Scotland's cities are destinations in their own right, due to the concentrations of visitor centres, leisure and shopping facilities, visitor and conference accommodation, spectator events etc. It is therefore important that they are able to have a large-scale involvement in marketing and promotion. Local authorities are best placed to lead this activity and city-based local authorities should be given an enhanced remit in this area.

8.7 Marketing/Business Development

8.7.1 Marketing initiatives and business development functions are clearly separate issues requiring difference skills and resources. It would be difficult to combine them across Scotland in a single organisation. As outlined earlier, it would be more appropriate to remit marketing to the ATBs and business development to the Local Enterprise Companies. The framework for partnership working is being developed via the enhanced business gateway and local economic forums.

8.8 ATB/Business Relationship

8.8.1 ATBs can best engage with businesses via joint public/private marketing and promotional projects and campaigns, on both geographical and activity/theme subjects. In this context, the existing set up of local businesses being members of the ATB would no longer be appropriate. It is suggested therefore, that the principle of membership be abandoned.

9 **CONSULTATIONS**

9.1 The Chief Executive, Director of Finance and the Director of Support Services have been consulted in the preparation of this report.

10 **BACKGROUND PAPERS**

10.1 No background papers were relied upon in the preparation of this report.

DIRECTOR OF ECONOMIC DEVELOPMENT Date.....