

Cross-Party Group Tourism

Monday 23 September 2024

Minute

Present

MSPs

- Evelyn Tweed MSP
- Murdo Fraser MSP
- Audrey Nicoll MSP

Invited Guests

- Sheila Gilmore, CEO VisitArran
- Chris Foy, CEO VisitAberdeenshire

Non-MSP group members

- Beth Thoms
- Carolyn Churchill
- Cath Wright
- Cathy Craig
- Catriona Melville
- David Weston
- Elaine Wilson
- Gavin Mowat
- Jordan Burns
- Lawrence Durden
- Scott McMurray
- Peter Ovenstone
- Ross Pollock
- Sarah Allanson
- Stephen Duncan

Apologies

- Alexander Burnett MSP

Welcome

- Evelyn Tweed MSP (ET) welcomed attendees to the meeting. ET thanked Murdo Fraser MSP (MF) for chairing the previous meeting.
- Ivan McKee MSP has now left the CPG as he is now a Minister.

Approval of previous CPG minutes

The group approved the previous CPG minutes.

Presentation from Sheila Gilmore (SG), CEO VisitArran (VA)

SG offered an overview of what Destination Management Organisations (DMOs) do, highlighting that they:

- Drive Scotland Outlook 2030
- Foster strategic alliances with key stakeholders
- Destination focused marketing, promotion and visitor information
- Support sustainable economic development
- Engage with business and community
- Offer business support and advice
- Promote sustainable and responsible tourism, driving towards Destination Net Zero

SG updated that VA has 250 partners including retail, services, producers and community, employs 1.6FTE staff and 9 voluntary directors. VA do a lot with very little.

The VA partners get Business Support & Advice, including: Marketing, Social Media & PR; Collaboration and training opportunities, Representation into CalMac; VisitScotland; STA etc.

SG also highlighted the ArranCard – all-in-one destination card. First island to create one of these. Pre-paid visa card that visitors can spend on the island. SG said the visitor information they produce is extremely varied – VA produces an island guide magazine; can be hard copy or digital.

VA has a visitor gifting scheme (Arran Trust) – it's not a levy, it is completely voluntary – people can give something back to the island. Funds access, education, heritage, wildlife and wider community projects. So far raised approximately £400,000 and it's helped leverage additional funds. Campaign on just now, 'Make Arran A Million!'. Asking each visitor to donate £2.68

Arran Geopark has applied to be UNESCO geopark. It has an amazing microclimate and the goal is to bring visitors who will respect our environment.

VA helps economic development by delivering key DMO activities that will stop in next 12-14 months if no funding secured. It was highlighted that 33% of DMOs are currently unable to deliver all critical activities. Many DMOs, especially rural and island, also participate in destination management not just marketing and promotion.

DMO survey was completed by 22 Destinations who collectively welcome 36 million visitors per annum. Island and Remote Rural DMOs were found to be at higher risk of financial issues and funding cuts than BID/Chamber of Commerce DMOs.

VisitArran Q&A

ET asked about the wide range of partners and about community involvement. SG said that VA runs a community survey every year – residents see VA as one-stop-shop on providing data and advice on tourism. If initiatives and activities are good for residents, they will be good for visitors. Long-term residents are more likely to understand tourism as an economic driver.

MF asked about funding pressures and wanted to know where the public funding cuts were coming from. SG said that VA doesn't receive any public funding. North Ayrshire Council gave VA was given a small amount of money last year and previously via the DMO fund but that is now closed. Core costs are paid by businesses, so the model is privately funded, but always looking for additional funding. Many DMOs are finding it difficult now that DMO funds have stopped.

David Weston (DW) asked about short-term lets impact and potential visitor levy impact on Arran's visitor economy. On STL, SG said the principle to generate more housing for residents is understandable, but only 7 properties on the island didn't get a STL licence and those properties have not gone back on the market to grow the housing stock. On the levy SG said the Arran Trust will be impacted by that and at present it is still not clear what exactly the monies raised would go to.

Benjamin Carey (BC) said he was struck by funding loss and concerned about stopping work on net zero – querying why that is. SG said the will is there, but the capacity to work for the long-term is challenging in current circumstances. People are looking to build personal resilience rather than net zero.

Stephen Duncan (SD) pointed out that HES manage assets in Arran. There is an opportunity to drive travel trade awareness and would welcome discussion with teams on unlocking potential for assets on Arran.

Presentation from Chris Foy (CF), CEO VisitAberdeenshire (VAb):

CF introduced VAb as covering a different geography, different challenges, different funding model to VA.

VAb is a regional solution to a fragmented DMO landscape. It has a pioneering financial model with support via Opportunity North East, match funded with local authority investment. Currently looking at diversifying funding model. Team of 14 full time; marketing and development teams.

Key objectives are driving demand to visit and supporting local businesses to meet that demand and grow. Activities include running growth programmes; supply chain development; delivery of marketing campaigns; volunteer meet and greet cruise passengers. Convention bureau exists to support venues.

Evaluation and ensuring ROI is key. For campaigns VAb can show what each pound has delivered.

Tourism in the NE is an area where Scottish tourism can grow sustainably, at scale. Growth in city and shire in terms of economic impacts. Visitor economy was worth £1billion in 2023.

Aiming to shift perceptions of Aberdeen being oil capital to being energy capital – driving the energy transition. Due to the legacy of the industry, infrastructure exists but needs investment.

DMOs are a vital element to the tourism eco-system but there are a number of unique challenges and opportunities for VAb as the DMO in the north east:

Key opportunities – plans, capacity, talent - including supporting career pathways.

Challenges – finance, connectivity - rail in particular.

Visitor levy – opportunity (if implemented well) and challenge too; key is it needs to add to the visitor experience and not burden businesses.

Q&A

Peter Ovenstone (PO) asked about the decision by VisitScotland to close iCentres. Gavin Mowat (GM) and Carolyn Churchhill (CC) spoke about the rationale for the decision, in terms of the changing consumer landscape - how visitors book and plan trips, and where they get their information from has shifted over time. Reiterated points about recognising community tourism and there being strong examples of community-led tourism in Scotland.

Audrey Nicoll (AN), welcomed VAb contribution, saying there are particular issues for small businesses and this is the 50th anniversary of the Small Business Federation. What are the challenges that VAb is seeing and what can MSPs do support business? CF responded that there is not one simple answer – demand is strong, margins are getting tighter. Could be business rates, general costs but the issues are different for different businesses. Common feature is maintaining profit margins. Key is not affecting quality of the tourism offer.

MF asked about the interrelationship between City and Shire in the context of VAb. CF said there had been a merger 9 years ago. The city is the heart of the geography but symbiotic relationship between the two.

AOB

No AOB raised