

TOURIST BOARDS (SCOTLAND) BILL

EXPLANATORY NOTES

(AND OTHER ACCOMPANYING DOCUMENTS)

CONTENTS

1. As required under Rule 9.3 of the Parliament's Standing Orders, the following documents are published to accompany the Tourist Boards (Scotland) Bill introduced in the Scottish Parliament on 20 March 2006:

- Explanatory Notes;
- a Financial Memorandum;
- an Executive Statement on legislative competence; and
- the Presiding Officer's Statement on legislative competence.

A Policy Memorandum is printed separately as SP Bill 60-PM.

EXPLANATORY NOTES

INTRODUCTION

2. These Explanatory Notes have been prepared by the Scottish Executive in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by the Parliament.

3. The Notes should be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

SUMMARY AND BACKGROUND TO THE BILL

4. The Scottish Tourist Board is established by section 1 of the Development of Tourism Act 1969. The Board's main functions are to encourage people to visit and holiday in Scotland and to encourage the provision of tourist amenities and facilities in Scotland. In addition, section 172 of the Local Government etc. (Scotland) Act 1994 required the establishment of area tourist boards. Originally, there were 14 such boards. In April 2005, the existing 14 boards were wound up and 2 new boards (called network tourist boards) established in their place. The Scottish Tourist Board and the network tourist boards operate under the banner of VisitScotland. The Bill is intended to abolish the network tourist boards, to rename the Scottish Tourist Board as VisitScotland and to increase its maximum number of board members.

COMMENTARY ON PROVISIONS

5. Section 1 of the Bill changes the name of the Scottish Tourist Board to VisitScotland and substitutes occurrences of the name change in the Development of Tourism Act 1969.

6. Section 2 of the Bill extends the limit on the size of the VisitScotland Board from a maximum of six appointed board members and an appointed Chair to eleven appointed board members and an appointed Chair. It does this by changing the limit set in the Development of Tourism Act 1969 on membership of national tourist boards from "six" to "eleven"

7. Section 3(1) repeals sections 172 to 175 of the Local Government etc. (Scotland) Act 1994. The effect of this is to remove the requirement that there be area tourist boards. Section 3(2) dissolves the 2 network tourist boards thus enabling VisitScotland to operate as a single entity. Section 3(3) introduces schedule 1, which provides for the transfer of staff, property and liabilities from the network tourist boards to VisitScotland so that staff transfer on exactly the same terms and conditions as those on which they were previously employed.

8. Section 4 of the Bill introduces schedule 2 which modifies primary and subordinate legislation which refers to tourism matters affected by the Bill. Paragraphs 1 to 10 of schedule 2 make consequential amendments to a number of existing Acts as a result of the name change. Paragraph 11 of schedule 2 revokes the Scottish Statutory Instruments which established the network tourist boards.

9. Section 5 of the Bill provides a short title for the Act and enables the provisions of the Act to come into force on a specific date by Scottish Ministers making an order in the Scottish Parliament.

FINANCIAL MEMORANDUM

INTRODUCTION

10. The Tourist Boards (Scotland) Bill does not itself have financial implications for the Scottish Executive, local authorities or tourism businesses. However, the operation of the VisitScotland integrated tourism network as 2 Network Tourist Boards plus VisitScotland since 1 April does have financial benefits. One of the reasons for the creation of the VisitScotland integrated tourism network is to create a more stable financial basis for the public sector support for tourism. The Area Tourist Boards had an overall deficit of some £1.7 million per annum. The deficit of the new merged organisation is being managed down and it is anticipated that the integrated tourism network will be financially sustainable by 2007/08 through realising efficiency savings and boosting its commercial income.

11. The resources available to VisitScotland in 2005/06 total £77 million. The budget is funded through grant-in-aid of £50m that has been made available from the Scottish Executive, as well as £6.5m being invested by local authorities, with the remaining funds coming from the income from commercial activities. Included in the funding made available by the Scottish Executive is a ring-fenced amount of £5m that has been specifically made available to fund EventScotland, a joint venture between the Executive and VisitScotland, which aims to secure major events to Scotland. Also included in the total funding made available by the Scottish Executive in 2005/06 is the transitional funding set out in paragraph 12, below.

COSTS ON THE SCOTTISH EXECUTIVE

12. The Scottish Executive has provided transitional funding to assist in the creation of the integrated tourism network. These funds total £7.4m over 2 years; £2.5m in 2004/05 and £4.9m in 2005-06. This investment is intended to merge the operations of the Scottish Tourist Board and the 14 Area Tourist Boards, to deliver a fully operational integrated tourism network by 2006/07, which will provide a greater support to the tourism industry in Scotland at both local and national level through the integration of local tourism activities with national priorities and strategies. The investment will also deliver ongoing efficiency savings of £1m thereafter, which will be used to increase the VisitScotland marketing budget. There are no additional costs to the Scottish Executive as a result of the proposed changes in this Bill.

COSTS ON LOCAL AUTHORITIES

13. Local authorities previously provided funding to Area Tourist Boards and have continued funding the Network Tourist Boards at the same level during 2005/06 by voluntary agreement. The Bill will not impose any additional costs on local authorities. Local authorities and

VisitScotland have entered into agreements to detail what tourism services local authority funding will buy from VisitScotland. The Bill does repeal the specific enabling power for local authorities to provide funding to Area Tourist Boards, but local authorities will continue to have equivalent powers to provide financial assistance to VisitScotland under their power to promote wellbeing in their areas under section 20 of the Local Government in Scotland Act 2003.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

14. The Bill does not impose costs on other bodies, individuals and businesses. Rather than a flat membership fee, under VisitScotland's integrated tourism network businesses can now opt to buy a range of business opportunity packages, at a variety of costs, to best suit their marketing needs. VisitScotland will incur no additional costs associated with changing the name of the Scottish Tourist Board. The existing Network Tourist Boards are already subsidiaries of VisitScotland so dissolving the Network Tourist Boards and transferring their staff, property and liabilities to VisitScotland will have no cost implications. The proposed increase in Board membership and remuneration will cost approximately £16,000 per annum and will be met from within the VisitScotland budget from 2007-08 and beyond.

EXECUTIVE STATEMENT ON LEGISLATIVE COMPETENCE

15. On 20 March 2006, the Minister for Tourism, Culture and Sport (Patricia Ferguson MSP) made the following statement:

“In my view, the provisions of the Tourist Boards (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”

PRESIDING OFFICER'S STATEMENT ON LEGISLATIVE COMPETENCE

16. On 9 March 2006, the Presiding Officer (Right Honourable George Reid MSP) made the following statement:

“In my view, the provisions of the Tourist Boards (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”

These documents relate to the Tourist Boards (Scotland) Bill (SP Bill 60) as introduced in the Scottish Parliament on 20 March 2006

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