

TOURIST BOARDS (SCOTLAND) BILL

POLICY MEMORANDUM

INTRODUCTION

1. This document relates to the Tourist Boards (Scotland) Bill introduced in the Scottish Parliament on 20 March 2006. It has been prepared by the Scottish Executive to satisfy Rule 9.3.3(c) of the Parliament's Standing Orders. The contents are entirely the responsibility of the Scottish Executive and have not been endorsed by the Parliament. Explanatory Notes and other accompanying documents are published separately as SP Bill 60-EN.

BACKGROUND

2. Until April 2005, tourism promotion was delivered at a national level by the Scottish Tourist Board and at a local level by 14 Area Tourist Boards. An Ad Hoc Group of Ministers chaired by the former Deputy First Minister, Jim Wallace, was set up during the summer of 2003 to examine how the public and private sectors could work better together to achieve the long-term vision for Scottish tourism, within the context of growing competition and changing/increasing demands. It also looked at evidence from the review of Area Tourist Boards. To compete in an increasingly competitive market, Ministers concluded that Scotland needs more good marketing, with a strong brand identity that matches the products that Scotland has to offer its visitors; consistently high quality across every aspect of our visitors' experiences, including higher levels of staff skills and training; and an integrated support mechanism for tourism, so that everyone pulls in the same direction.

3. It was agreed that Scotland, as a small player, needs to play as one team, i.e. the public and private sectors working together in partnership. Ministers concluded that, to achieve the aim of a joined up public sector support mechanism, Scottish tourism needed an integrated network, similar to the Enterprise Networks, which can deliver for the whole of Scotland.

4. The VisitScotland integrated tourism network was therefore established on 1 April 2005 by a merger of the operations of 14 Area Tourist Boards and VisitScotland, the operating name of the Scottish Tourist Board. In practice, the area tourist board 'network' ceased to exist when the existing boards were dissolved and replaced by 2 boards (called Network Area Tourist Boards), each serving approximately half of the country. It was necessary to create these 2 boards to fulfil the duty imposed by section 172 of the Local Government etc. (Scotland) Act 1994 that there were to be Area Tourist Boards. However, the Scottish Tourist Board and the network tourist boards, though legally separate, have effectively functioned as a single, national tourism organisation.

5. The VisitScotland network has brought together local, national and international marketing, information, quality assurance and sectoral development services. It builds on the skills and expertise of the staff of the 14 previous Area Tourist Boards and VisitScotland. The priority of the staff in the offices across the tourism network is to provide high quality information to visitors, and to work closely with tourism related businesses of all kinds, helping them to grow by linking directly with national and local marketing and quality strategies, and by offering commercially attractive marketing and other opportunities. Each of the 14 VisitScotland area offices has delegated powers and budgets to respond to circumstances in its own area, and at least 80% of industry engagement with tourism businesses by VisitScotland is delivered through them.

6. As a result of these changes, the VisitScotland network now has over 1,000 staff comprising 200 original staff and additional staff in excess of 800 who transferred from the 14 area tourist boards. Its Board has to deal with a much wider range of issues than before, including partnership working with Scotland's local authorities which have an important function in relation to tourism. The size of the VisitScotland Board is currently limited by statute to 7 members, but this limit now needs to be raised to reflect broader role of VisitScotland.

POLICY OBJECTIVES OF THE BILL

Removing the requirement in the Local Government (Scotland) Act 1994 that there shall be Area Tourist Boards

7. The Bill is intended to remove this mandatory requirement for area tourist boards. This would enable the 2 Network Tourist Boards to be dissolved.

Abolishing the current 2 Network Tourist Boards to enable VisitScotland to operate as a single legal entity.

8. The Bill is intended to enable VisitScotland to operate as a single legal entity by winding up the 2 Network Tourist Boards, with their liabilities and staff transferring to it. This would place VisitScotland on a secure legal footing enabling the organisation to operate as a single legal entity.

Increasing the limit on the size of the VisitScotland Board from 7 members to a maximum of 12 members

9. The Bill is intended to raise the statutory limit of 7 Board members to 12 members; although Executive policy is that the Board should be as small as possible and not exceed a maximum of nine members in the foreseeable future. The increase of the limit on the size of the Board will allow additional expertise to be brought to the Board to reflect the broader role and responsibilities of the new organisation, particularly in relation to the partnership role of the tourism network across Scotland.

Changing the legal name of the Scottish Tourist Board to VisitScotland

10. Following a review of the Scottish Tourist Board in 2001 it was recommended that the organisation should be renamed and operate as VisitScotland. The Scottish Tourist Board now operates under that name whilst retaining its legal identity as the Scottish Tourist Board. The Bill is intended to change the legal identity of the organisation to VisitScotland.

ALTERNATIVE APPROACHES

Removing the requirement in the Local Government (Scotland) Act 1994 that there shall be Area Tourist Boards and abolishing the current 2 Network Tourist Boards to enable VisitScotland to operate as a single legal entity

11. The alternative would be to leave the current temporary tripartite legal structure of VisitScotland unchanged. Although these 3 organisations have effectively functioned as a single body in practice since April 2005, the proposals in the Bill will formalise this arrangement.

Increasing the limit on the size of the VisitScotland Board from 7 members to a maximum of 12 members

12. One alternative would be to leave the Board at its current size. However, there is a good deal of support, especially from local authorities, to increase the size of the VisitScotland Board to reflect the broader range of issues included in VisitScotland's wider remit. Retaining the current board size would restrict the efficiency of the more complex tourism network. Another option would be for an even larger board but Executive policy is that the Board should be as small as possible and not exceed a maximum of nine members in the foreseeable future. A further option proposed in a number of consultation responses would be to guarantee membership to local authorities and other specific sectors. However, there will be no reserved seats as this would contravene the Commissioner for Public Appointments in Scotland's code of practice on Ministerial Appointments to Public Bodies. Board members will be recruited on individual merit to complement the expertise and skills of current board members.

Changing the legal name of the Scottish Tourist Board to VisitScotland

13. To leave the name unchanged would ignore the recommendations of the review of the Area Tourist Boards 2001. Whilst it is true that VisitScotland could retain its legal identity as the Scottish Tourist Board and continue to operate under the name of VisitScotland, changing the name at the same time as the new structure is blended into a single entity will formally recognize and identify the tourist body for Scotland.

Consequential amendments to UK legislation

14. It is likely that a section 104 order under the Scotland Act 1998 will be required to make minor consequential changes to UK legislation, and discussions are ongoing with the UK Government.

CONSULTATION

15. The consultation document on the Bill's proposed provisions, "Tourism is Everyone's Business", invited views about the changes proposed for inclusion in the Bill. Twenty seven written responses were received, fifteen from local authorities and twelve from the tourism industry and other interested groups and individuals. The proposals were well received in general.

16. VisitScotland raised concerns about the transfer of staff and liabilities to VisitScotland when the 2 Network Boards are dissolved, and these have now been resolved in the drafting of the Bill, which will provide for staff currently employed by the Network Tourist Boards to transfer to VisitScotland under terms similar to TUPE.

17. The proposed increase in the size of the VisitScotland Board prompted the strongest support, with most respondents in favour of the proposal. Local authorities and others from the tourism industry requested additional membership specifically reserved for representatives of their sector. However, this would not comply with the Commissioner for Public Appointments in Scotland's code of practice on Ministerial Appointments to Public Bodies. The Chair and members of the Board of VisitScotland must continue to be appointed on merit through a fair, open and transparent process that fully complies with the code. A larger Board will enable its membership to reflect the broader role of the new VisitScotland, but members will continue to be recruited on individual merit and expertise rather than sectoral representation.

18. The changes in the organisational structure and formal name change were mainly accepted without comment.

19. The consultation document, responses and summary of responses are available on-line at www.scotland.gov.uk/Publications/2005/09/tourism-consultation/contents and <http://www.scotland.gov.uk/Publications/2006/01/31123151/0>

EFFECTS ON EQUAL OPPORTUNITIES, HUMAN RIGHTS, ISLAND COMMUNITIES, LOCAL GOVERNMENT, SUSTAINABLE DEVELOPMENT ETC.

Island communities

20. Three of the 14 Area Offices which form part of the integrated tourism network are based in island communities. Orkney, Shetland and the Western Isles have VisitScotland Area Offices. These Area Offices are able to respond to local circumstances whilst drawing on the resources and expertise of VisitScotland as a national organisation. Local identities will be preserved through local authorities working closely with the integrated tourism network to secure partnership agreements for the delivery of services which suit their own particular circumstances. In addition local businesses and stakeholders contribute to decisions and initiatives at national level through area tourism partnerships. The Bill will not change these arrangements.

Sustainable development

21. The Bill itself will have no direct impact on sustainable development. However, VisitScotland will be setting up a Sustainable Development Unit which will help to drive more sustainable tourism practices across Scotland.

Equal opportunities

22. The Bill will have no impact on equal opportunities. When considering equal opportunities, staffing issues were considered to have a potential impact. However, employees will transfer from the Network Tourist Boards to VisitScotland under terms similar to TUPE and as such there will be no change in terms and conditions or length of service. The Bill will not result in the relocation of staff or a decrease in the number of employees.

Human rights

23. The Bill will have no impact on human rights.

Local government

24. 21. Local authorities previously provided funding to Area Tourist Boards and have continued funding 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 Partnership Agreements which set out what tourism services local authority funding will buy from VisitScotland. Local authorities engage with Area Tourism Partnerships to help drive tourism at a local level and engage at a national level through the National Tourism Convention.

*This document relates to the Tourist Boards (Scotland) Bill (SP Bill 60) as introduced in the
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