

ECONOMY, ENERGY AND TOURISM COMMITTEE

Monday 10 March 2008

Session 3

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CONTENTS

Monday 10 March 2008

Col.

TOURISM INQUIRY	511
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ECONOMY, ENERGY AND TOURISM COMMITTEE 5th Meeting 2008, Session 3

CONVENER

*Tavish Scott (Shetland) (LD)

DEPUTY CONVENER

*Brian Adam (Aberdeen North) (SNP)

COMMITTEE MEMBERS

*Gavin Brown (Lothians) (Con)
*Christopher Harvie (Mid Scotland and Fife) (SNP)
Marilyn Livingstone (Kirkcaldy) (Lab)
*Lewis Macdonald (Aberdeen Central) (Lab)
*Dave Thompson (Highlands and Islands) (SNP)
*David Whitton (Strathkelvin and Bearsden) (Lab)

COMMITTEE SUBSTITUTES

Nigel Don (North East Scotland) (SNP)
George Foulkes (Lothians) (Lab)
Alex Johnstone (North East Scotland) (Con)
Liam McArthur (Orkney) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Mike Chandler (Peterhead Tourism Initiative)
Will Dougherty (Aberdeen Airport)
Brian Horsburgh (Aberdeen Exhibition and Conference Centre)
Claire Matthews (Macduff Marine Aquarium)
Peter Medley (Aberdeen Hotels Association)
Keith Newton (Aberdeenshire Council)
Louise Scott (Aberdeen City Council)
Charles Skene (Skene House (Aberdeen) Ltd)
Dave Workman (The Square)

CLERK TO THE COMMITTEE

Stephen Imrie

SENIOR ASSISTANT CLERK

Katy Orr

ASSISTANT CLERK

Gail Grant

LOCATION

Council Chamber, Aberdeen City Council, Aberdeen

Scottish Parliament

Economy, Energy and Tourism Committee

Monday 10 March 2008

[THE CONVENER *opened the meeting at 14:01*]

Tourism Inquiry

The Convener (Tavish Scott): Ladies and gentlemen, I warmly welcome those of you who have come to give evidence to the committee this afternoon as part of our inquiry into tourism. Broadly speaking, we seek to make our evidence-taking sessions as informal as possible. By way of introduction, I ask our guests to introduce themselves, to say a few things about the business that they run and to mention any particular point that they wish to make to MSPs. After that, we will move on to a question-and-answer session.

I say to my committee colleagues that we will try to do that thing that I occasionally get right, whereby if someone strikes a rich vein of questioning and you wish to follow up on it, you should wave your hand. We will see if we can make that work.

We will start with Will Dougherty.

Will Dougherty (Aberdeen Airport): Good afternoon. I am the customer service director at Aberdeen airport. For us, the big issue is infrastructure and how we develop around the airport. A number of issues have arisen recently to do with the time that it takes to get into the airport and out of it after flights.

Charles Skene (Skene House (Aberdeen) Ltd): I am the owner of Skene House Hotel Suites in Aberdeen. We have just spent £4 million on another development of suites, as part of which we have provided meeting facilities for business tourism. As someone who was a member of the Scottish Tourist Board consultative committee back in the 1970s, I have long been interested in tourism. I spend a lot of time with my colleague Peter Medley attracting business and leisure tourists from the Scandinavian countries to come for the whisky, shopping and golf trails in this part of the world.

Mike Chandler (Peterhead Tourism Initiative): My business is helping my partner run a small bed-and-breakfast outside Peterhead, but I am here as chair of the Peterhead tourism initiative. We work in conjunction with the Buchan tourism group to provide marketing for the area to attract

tourists. In particular, I want to address the difficulties that we experience with that marketing effort. There has been a move away from destination marketing, and as amateurs we are trying to pick up the pieces, which presents us with a problem.

Claire Matthews (Macduff Marine Aquarium): Hi there. I am from Macduff Marine Aquarium, where I am the education and marketing officer. The aquarium has been open for 11 years and is owned and run by Aberdeenshire Council. We have operated successfully for quite a long time, although we are deficit funded. That represents quite an investment in tourism in our area by Aberdeenshire Council.

The main problem for the aquarium is where we go from here. We have reached our capacity as regards what we can do with the existing facility. We would like to move forward, but it seems that extra funding from the council for facilities such as ours—we fall within the education, learning and leisure department—is being trimmed somewhat as a result of the overall funding situation in the council. That is our problem.

Brian Horsburgh (Aberdeen Exhibition and Conference Centre): Good afternoon. I am deputy managing director of Aberdeen Exhibition and Conference Centre, which is now wholly owned by Aberdeen City Council and is deficit funded. The centre has made a significant contribution to the economy of the city region over the past seven or eight years—I have provided some figures for the committee's information.

We face many issues, probably the most pressing of which is the shortage of hotel accommodation in the city, which means that we are not succeeding in attracting certain conferences to the city. At the moment, we have one new hotel on our site, which was built by a private company, and, jointly, AECC hopes to develop a 220-bedroom hotel on the site within the next few years. Planning has been a problem, given some of the conditions that are being applied. We are all well aware of the planning issues surrounding the Trump development, which we all think is crucial for the development of the area.

Infrastructure such as Aberdeen airport is crucial to us. Although there has been great improvement in the airport, there is still concern about British Airways withdrawing from Gatwick, which is a key hub for us; security of slots at Heathrow; attracting new operators into Aberdeen airport; and whether support will continue for new route development, which is crucial to the region.

The fact that there is yet another reorganisation of the tourist boards is causing a degree of uncertainty about what they do in promotional

terms, which means that we at the coalface have to rely more on individual efforts. It is crucial that we promote the destination effectively. We do a lot of market research with our clients, and we regularly receive negative comments about Aberdeen city as a destination, which might be a function of its relatively high hotel costs.

It is important that Government-sponsored conferences and events are held in places other than Edinburgh and Glasgow. We have had one or two successes, but we would like a lot more such events to be held in our area. There needs to be support from Government ministers and MSPs for spreading that business throughout the regions.

The Convener: You made an interesting point about Government-sponsored conferences. I can think of an awful lot of conferences to which Government ministers are invited, rather than ones that they sponsor. However, I take the point, to which we might want to return.

Keith Newton (Aberdeenshire Council): I am the Formartine area manager with Aberdeenshire Council, but I am here today in my capacity as lead officer for tourism. Aberdeenshire Council is a major investor in tourism in the north-east. The council invests directly through its own services and facilities, such as the fantastic aquarium that Claire Matthews has already mentioned and which I urge everyone to find time to visit, and provides extensive support to VisitScotland. In 2007-08, we provided £316,000 of funding support to VisitScotland for its local area officers.

Like Brian Horsburgh, we are concerned about the consequences for the north-east of the current restructuring of VisitScotland. So far, we have been fortunate, in that we have had a strong regional director working with us. I use the phrase "working with us" deliberately, because we have a really strong record of partnership working in the north-east. The north east Scotland tourism partnership—NESTOUR—is a model of partnership working between the local authorities, VisitScotland, the private sector and community interests, such as those that Mike Chandler mentioned. We are concerned that there might be some refocusing of effort away from marketing the north-east as a destination.

In my submission to the committee, I highlighted a number of issues, which I am sure we will touch on this afternoon. Our key concerns include how we can ensure that quality is improved throughout the industry and how we can make tourism a real business and a real source of employment for young people in the north-east.

Peter Medley (Aberdeen Hotels Association): I am director and general manager of Skene House Hotel Suites, which accommodates close to 500 people throughout Aberdeen. Today, I am

here to represent the Aberdeen Hotels Association, which has 24 members, as well as members from VisitScotland, Scottish Enterprise Grampian and the National Trust for Scotland. The association was instrumental in forming destination Aberdeen, which later became destination Aberdeen city and shire.

The association's view is that in order to achieve the target of 50 per cent growth by 2015, there needs to be a lot of joined-up, active partnership. We feel that that is not happening at the moment, but it needs to happen quickly in order to ensure the growth of tourism in Aberdeen city and shire.

As you have heard, hotel accommodation is an issue, but it is predominantly an issue for three nights a week—Monday, Tuesday and Wednesday. We still have a four-day market that is competitive with the rest of Scotland, and we can sell to leisure tourism and business tourism, and have conferences over the weekend as well. That situation will not continue for long. If we get every hotel that has been talked about, has been through planning or is currently in planning, there could be another 2,600 bedrooms by the middle of 2010. I am sure that that will happen. As hoteliers, we all agree that we need more hotel space because, as Brian Horsburgh from the exhibition centre says, we are losing major conferences. Aberdeen needs to compete with Glasgow in attracting major conferences to Scotland, and we need those extra hotel rooms. We are sure that our target of 50 per cent growth by 2015 can be achieved, but a lot of work has to be done.

Louise Scott (Aberdeen City Council): I am head of corporate communications at the city council. For the past three years, I have worked in marketing and events at the council, and I am responsible for the work that we have done to create and promote the regional identity of the city and shire. We have worked with partners such as Aberdeen Hotels Association to deliver that initiative and raise local, national and international awareness of the region. The brand or identity that we have created for ourselves demonstrates the best things about this area and what it has to offer, and fights against the common assumption that Aberdeen is dark, rainy and grey. It is today, but that is unusual.

As Keith Newton said, the city council is responsible for funding the exhibition centre and a large number of visitor attractions, many of which are still free. Funding goes directly to VisitScotland for the tourist information centre and other services. We fund—almost fully—the convention bureau. We share Aberdeenshire's concerns about the future of VisitScotland and its reorganisation.

Dave Workman (The Square): Thanks for the opportunity to speak. I am responsible for running

two restaurants in Aberdeen: the Square, which is just off Golden Square, and Halo, which is at the top end of Union Street. I have been invited here today because the Square recently won an award for its online booking system, which is particularly targeted at the tourist trade, and for providing a 20 per cent discount to any tourist who comes to Aberdeen and gets the flyer for the restaurant.

I am not sure that my comments can be specifically targeted at the restaurant trade. People eat at restaurants when they are already here—it is difficult to imagine that somebody in America climbs on a plane to visit Aberdeen simply because there are two restaurants called the Square and Halo here. To a certain extent, we are dependent on the infrastructure, such as air, road and rail links and hotel accommodation. Having said that, I would be delighted to expand my discount offer to tourists if it would encourage more to come, and I would be delighted to work with others around the table to produce a package of discounts that made us more competitive. We have to recognise that Aberdeen is a high-cost destination—whether it is the high cost of hotels or of food and drink—and that we are in a competitive market.

I did a bit of research before I came here. I read parts of the tourism strategy and checked websites, and I would like to make two points. First, we should not take it for granted that the welcome in Scotland is always as warm as we would like it to be. I cannot make that point strongly enough. We have a great amount of work in front of us in convincing our society that tourism is an important facet for which we all have responsibility. When I say “we all”, I mean the greater population, not the people sitting round this table, who clearly have an interest and are committed.

Secondly, it strikes me that we need to get tourism and world-class events in particular much higher up the agenda. For example, it would be good to hear the First Minister and ministers talking about events such as T in the Park and the Scottish open golf championship. Why do we not set ourselves a target of talking up world-class events? They are why people come here. Doing something positive in that area would be a significant step forward. I could talk forever, but I will not.

14:15

The Convener: Thank you. If you give me a bunch of those vouchers for the weekend, I will ensure that your restaurant is full up with all the Shetlanders who come down on the boat on Friday nights.

Brian Adam (Aberdeen North) (SNP): I thank everyone for their stimulating contributions. If we are to grow Scotland's tourism industry by 50 per cent in the foreseeable future, it will require a fair amount of investment. Since most of the industry is in the private sector, what prospects do you see for investment in the industry, particularly in the north-east? What involvement do you see for the public sector, whether local councils, VisitScotland, the enterprise network or the Government? What barriers do you see to achieving the goal of 50 per cent growth? Could there be problems raising finance, because people are unwilling to take the risk or share it; problems with the planning system or the infrastructure; or problems because we are too surly, which is what Mr Workman suggested? What can you do co-operatively and what can the Government, in its various forms, do as a partner to achieve growth?

The Convener: Thank you, Brian. I ask Will Dougherty to have a first cut at that. The three themes that Brian Adam raised are the prospects for investment, the role of the public sector and the barriers.

Will Dougherty: Taking some big numbers to start with, over the next 10 years BAA is investing £500 million in Scotland alone, which shows our level of contribution to the industry here as a whole as we develop Aberdeen airport. Coupled with that, and sitting separately, is another £95 million that we put in for route development. We are committed to developing in the north-east and bringing more travellers into the area.

We can get help through VisitScotland. We spoke earlier about all entities dovetailing together to make a difference, which is what we need. There must be a partnership. We need to work together to interest more people in Aberdeen. As our friend Dave Workman said, no one will travel to Aberdeen for a restaurant, but they will come here for the many other good things that we have. We need to sell that actively across the businesses.

The Convener: People go to the Three Chimneys in Skye for food, but I take your point.

Charles Skene: In addition to being a reasonably large employer in Aberdeen, we are the second-largest employer in royal Deeside, with a wage bill of more than £1.2 million a year. At both our sites, but especially at royal Deeside, we have terrible problems getting staff. A few years ago, maybe 5 per cent of staff were not local, but nowadays that figure is much higher, and it includes Bulgarians, Filipinos, Indians and other nationalities.

I read in the paper not terribly long ago that either the Prime Minister or one of his senior officials suggested that the Westminster

Government might wish to make it more difficult for people from the European Union or from countries outwith the EU to come to Britain. It was suggested that some of them would have to pass an English exam before they could come here and that some might have to pay a sum of money in case they were a drain on the Exchequer for social services, the national health service and so on. I do not know how that would affect England, but it would be disastrous for Scotland.

Businesses all over the north of Scotland, especially hotel businesses, have terrible problems attracting staff. America's economy has been the strongest in the world for generations, but imagine if, in the 1880s, America had said, "Send us your poor and dispossessed—provided they can pass an English exam or can bring money to pay for possible future contributions." Part of the reason for America's success was that the people who went there wanted to work and to be successful. By and large, the people who come to work in Aberdeen and royal Deeside want to work. We need those people for some of the fairly basic jobs, for which the passing of an English exam is not necessary.

I do not know whether the Scottish Government can decide not to implement Westminster recommendations, but if the recommendations come to pass, and if the Scottish Government cannot cancel them, it would be an interesting public relations exercise if the Scottish Government said that, in order to attract people to Scotland, it would refund whatever costs were imposed.

The Convener: We will come back to Brian Adam's points about investment but, first, do the other hoteliers wish to comment on skills and barriers?

Peter Medley: The skills shortage in Aberdeen is crucial. Almost 2,600 hotel bedrooms will open soon, and it is worrying to think where the staff will be found. In schools, people still think about the leisure and hotel industries along the lines of, "Well, if you can't think of another job to do, you'd better go into the hotel industry." That attitude is prevalent.

At the Scottish tourism conference at Murrayfield last week, it was stressed that we would very much like the Government to encourage more schoolchildren to consider tourism as a career. We would like the Government to assist in providing such education.

David Whittton (Strathkelvin and Bearsden) (Lab): Speakers at the Scottish tourism conference said that they wanted the Government to do more, but you know that you will have about two and a half thousand extra beds, and Mr Skene has spoken about the skills shortage. What is the

industry doing to get into schools to tell school leavers that tourism offers a great career and is a growing industry that offers long-term opportunities?

Peter Medley: We go to schools and talk about careers in tourism and the hotel industry. We help out many students by offering placements, particularly students from the universities in Aberdeen. Jobs in the hotel industry are often regarded by 15 and 16-year-old schoolchildren as weekend jobs, but we try to encourage them to continue the career when they leave school.

One problem for us in Aberdeen is that the unemployment rate is low and we are competing with the oil industry, which can offer people better working patterns and higher rates of pay than we can. Our problem lies in getting schoolchildren to believe that tourism and the hotel industry can offer them careers, but it also lies in dealing with the shortage of staff.

The Convener: Does Dave Workman want to talk about attracting people into the industry?

Dave Workman: A couple of points arise. Without the influx of the foreign workforce, it would be impossible to provide the present service. Those guys and girls are critical to what we do. They come with a very good service culture—which is occasionally lacking in some of our local school leavers—and they are keen to work and learn. We should also regard them as potential tourists of the future. They might be here for a while, but then go home. We need to look after them while they are here so that, if they leave these shores, they do so with a very good impression of Scotland.

Convincing kids or school leavers to go into the tourism industry is a hearts-and-minds exercise. We can go to schools and do things locally, but the single biggest barrier to convincing school leavers and graduates to go into the tourism industry is the perception that they will not get real jobs in it. I know from first-hand experience that their elders and, in particular, their parents put about that perception. Our difficulty is not so much employing people to do less valuable tasks—I use that expression wisely—as employing seriously entrepreneurial, switched-on kids, who do not exist in the tourism industry because they do not see it as offering real jobs. That is a great shame, because we will have a great deal of difficulty in providing a world-class service without such entrepreneurial flair in hotels and restaurants. A service will be provided, but it might not be at the level that one would expect from a country with our tourism aspirations.

Mike Chandler: One problem has been that the lack of available bed spaces in the area has led to a lot of complacency. Many businesses can

guarantee that they will get an income, so they do not do anything to up their game. With tourism groups, I have been to small pub/hotels and other places, but when I have asked them to join us they have asked why they should, as they get business anyway. That complacency might start to disappear in the next couple of years with the 2,600 extra beds in Aberdeen that Peter Medley mentioned. There is the same kind of expansion in Peterhead—the big hotel in the town has submitted an application to extend and another hotel is being built on its edge. People might start to work harder to maintain their businesses and keep income coming in. However, at the moment, I see a lot of complacency among owners of establishments rather than among staff. They say, “We’re all right. We’re sitting pretty. We’re quite happy, thank you.” I am concerned about that. They do not think that they have to work hard to keep their businesses going.

David Whitton: Is there a skills shortage in a particular area? For example, is there a skills shortage at the bottom end, with people looking for kitchen staff, porters and so on, or is there a skills shortage throughout the industry? How critical is it? You cannot have an extra 2,600 beds if there is nobody to staff them.

Brian Horsburgh: Aberdeen Exhibition and Conference Centre has similar problems. Our business is not a hotel. We employ around 70 full-time staff and draw on around another 250 casual staff, who mostly come from Aberdeen’s student population. Like other businesses, we have staff from eastern bloc countries, such as Poland, who are excellent, dependable workers. However, we have similar recruitment problems. I think that such problems exist across the board—there seem to be problems in recruiting for basic jobs right up to junior management posts.

We do not work with schools as much, but we work closely with universities and colleges, and we have been successful in recruiting from them. Perhaps two years ago, we would see 50 good-quality applications for a sales and marketing job, but we would now be lucky to receive five or six applications. Even at that level, we are, as Peter Medley said, competing against the oil industry, which offers attractive terms and probably opportunities to work all over the world in due course. Immigrant workers are therefore crucial to us. We work closely with the educational establishments and give excellent opportunities for people to develop in their careers, but we rely very much on growing talent from within.

14:30

The Convener: I invite Louise Scott and Keith Newton to say something about the perspectives of Aberdeen City Council and Aberdeenshire

Council respectively. Do you acknowledge what the industry has said to us about educational standards and young people coming out of the schooling system in Aberdeen and the north-east not wanting to go into the tourism industry? Does that accord with your findings in your areas?

Louise Scott: I was attracted to the hotel industry when I was at school in Stirling. I worked at Gleneagles every weekend for a number of years and, after that, studied for a degree in hospitality management at the Robert Gordon University in Aberdeen. I have been here ever since and worked extensively in the hotel industry in Aberdeen before going on to other things that have been related to my previous experience.

A lot needs to be done to raise the profile of the hospitality industry in schools and to get the pupils interested. We must ensure that those who go to university have opportunities to work in the industry while they are at university. Several of my fellow students left university without any experience of working in restaurants or bars. If students do not have that experience, they do not go into the industry and develop their potential.

The Convener: What is Aberdeen City Council doing in that area?

Louise Scott: I am not personally aware of that. Within economic development, we go to some countries overseas to attract workers to fill the types of jobs that we know that there are issues with here. We are conscious that we are short of staff in several areas. We have very low unemployment here, which makes it difficult for the industry to attract key staff at all levels. Going to Poland and other countries, as we have done, has been successful in bringing new people here. However, we could probably do more in schools to make the industry more attractive.

The Convener: It would be helpful if Aberdeen City Council could provide the committee with written evidence on what it is doing with regard to the point that the industry has made to us.

Perhaps Keith Newton can give us Aberdeenshire Council’s perspective.

Keith Newton: I agree with Louise Scott’s comments. The employment level in the north-east is such that there are many opportunities for young people. Because of the perception that the industry does not provide real jobs—Peter Medley and Dave Workman alluded to that—it does not seem an attractive proposition to young people. As Dave Workman said, we need to get over to everyone in Scotland the importance of the tourism industry. I do not think that people fully appreciate just how important the industry is for Scotland’s future and how important it is to ensure quality in the industry.

We have said at many meetings that tourism is everyone's business. However, apart from the people who are sitting round the table, who appreciates fully the fact that tourism is everyone's business? Much more must be done to promote understanding of the value and importance of the tourism industry both for Scotland's economic prospects and, as we have discussed, in providing career opportunities for Scottish young people. They must look to the industry for careers rather than just for weekend or part-time posts.

The Convener: I apologise to Dave Thompson for keeping him waiting.

Dave Thompson (Highlands and Islands) (SNP): That is quite all right, convener. My question is on the same issue. We have heard a number of times that the hospitality industry has an image problem. Wages are perhaps not as high as they could be and the conditions in many establishments are not great. There are still a lot of pretty poor employers out there, although I am sure that none of our witnesses today is in that category; nor are the people whom we have interviewed. I do not imagine that the poor employers would come to speak to us.

There is a difficulty. Somebody—I cannot remember who—talked about things such as work patterns in the industry not being very good. We heard from a hotelier in Edinburgh who has changed work patterns and now has his chefs working three days on and three days off, with no split shifts. He is trying to improve the working conditions to make his business more attractive to people. There is no doubt that a lot of people in the industry still work split shifts for pretty low wages. Also, I imagine—I would like to hear your comments on this, too—that the arrival of eastern Europeans has probably had the effect of keeping down wages rather than pushing them up, so that the industry is perhaps still not all that attractive to young people.

Recently, I met a body called SELECT—the Electrical Contractors Association of Scotland—which has set up a charitable trust whose job is to provide trainees for the electrical industry. It trains 3,500 electricians and associated people every year. In England, only 9,000 are trained—so that body is doing very well in Scotland. The crucial point is that the members of the trade association and the trust work closely together. The members of the trade association tell the trust how many trainees they need in a particular area in a particular year—they look three, four, five or six years down the line—and the trust goes out of its way to provide those trainees for the industry. Could you get together in the hospitality industry to deal with training in a similar way? Could you link up with colleges to get a flow of people back and to get people trained? Could you also create a

career structure and change working conditions so that young folk can see that the industry is a good career choice that has excellent prospects?

The Convener: The first question is on best working practices, and the second is on joint working between either individual businesses, consortia of businesses or trade associations and our further education and higher education sectors. Does Claire Matthews want to have a crack at the question on working practices? Is there something that you do very well that you know others do not?

Claire Matthews: We are a seasonal business; our busy time is any time from Easter up until October, so we have seasonal staff. Our business is interesting and it is a little bit different. Given that people get to talk a lot about fish and that there is growing interest in our own wildlife and natural history, we do not find it difficult to bring in staff, but we have to train them to quite a high standard and teach them a lot of technical information. Our higher-level jobs—the management and aquarist jobs—require specialists. We find it a little bit harder if we have to replace the people in those posts, mainly because of our location and the lack of infrastructure in our area. Those factors make it hard to attract people.

The Convener: I do not want to stop anyone talking about skills, but I would welcome other thoughts on Brian Adam's original questions about the barriers to and prospects for investment in the north-east. Would Dave Workman like to haul us back to investment?

Dave Workman: I would love to. Could Brian Adam repeat his question?

Brian Adam: In essence, if we are to grow the business, we must invest. Primarily, that investment will have to come from the private sector. Are there any barriers to that happening? Are the barriers financial, or are they related to planning or lack of co-operation at various levels of government? Where are the barriers and where are the opportunities? Unless we invest, we will not grow tourism.

Dave Workman: I will tie in that question with what we have discussed in the past half hour. We have talked about the lack of skills and the difficulty that we have in providing the service. However, at the same time, Charles Skene spoke about a £4 million investment in a new development in Aberdeen. The reality is that companies are able to raise the finance for new restaurants, new accommodation and new hotels. That is happening—2,000-odd new beds are coming. In my view, capacity is not the issue when it comes to growing tourism; the issue is why people come here. People do not come because

we have the capacity for them; they come for a reason. We are talking a lot about the infrastructure, without necessarily talking about how we can develop the destination model that Claire Matthews outlined, in which people come here to see something or to do something.

I will give a bit of anecdotal evidence. Over the weekend, I was an internal tourist—I think that that is the term. I am a motorbiker in my spare time, and I thought that I would go to the Scottish motorcycle show in Edinburgh. I was charged £3 to park in a very muddy field—I will need to spend another £3 to clean the car—and I was charged £15 to get into something that resembled a fairly large car boot sale. As an experience, it was appalling. That is an event that is using the Scottish brand and is disappointing people. If I was disappointed, the English people who were there—there were loads of them—must have been relatively disappointed, too. Next year, I will spend my money on going to the National Exhibition Centre. How disappointing is that?

We are talking about hotel beds and skill shortages, but we need to talk about the quality of the experience, the number of experiences and how we can promote those experiences. My mother and father would turn in their graves at the idea, but could we, for example, have a Scotland welcomes England week, in which tourists from England would get a discount? That is the kind of thing that will drive tourism here. People need reasons to come here.

The Convener: That has got everyone going. I can see lots of mental whirling going on.

Brian Horsburgh: I disagree, in part, with Dave Workman. If we are to attract larger numbers of people to the north-east, we need to invest in the infrastructure to accommodate them. The area has fantastic resources in terms of visitor attractions, scenery, places to go and things to do. However, we must have an airport with air links that will bring people in to the area; reasonably priced hotels for them to stay in; and conference and exhibition facilities that can match the demands of the events that we want to hold.

There is a lot of investment in hotels from the private sector, as Peter Medley said. However, Aberdeen has had virtually zero investment over the past few years. Hotel bed space in Aberdeen has grown by around 20 per cent, whereas the growth in other Scottish cities has been around 190 to 200 per cent. We are very much in a catch-up position.

The AECC is a public sector facility that can generate a considerable amount of additional business visits to the area and accommodate major events that people might want to come to.

We host a lot of large-scale pop concerts—we are not just about conferences and exhibitions.

Investment is very difficult for facilities such as ours. On 8 March, the Edinburgh International Conference Centre announced an £80 million expansion. I do not know the full details of the funding package, but the press release says that some £18 million of that sum comes from Scottish Enterprise Lothian. We have certainly not managed to leverage anything like that sort of funding from Scottish Enterprise Grampian. Capital funding is a major issue for us. We could do much more to bring in more events if we could get the necessary investment.

A few weeks ago, I visited the new Liverpool arena. That facility, which is phenomenal, cost £140 million. It is a joint venture, with a small amount of private capital. Most of the funding comes from public sources, with much of it coming through English Partnerships. We must find ways of delivering public sector support—not total funding—for projects that will help to develop the tourism infrastructure.

Dave Workman talked about world-class events. I am totally with him on that. We have had quite a lot of success in bringing major international events to the Aberdeen area, including conferences and various sporting events. That generates tourism visits and raises the area's profile. The first time that an open golf championship was held in Aberdeen—the British senior open—it was televised in New York, which meant that New Yorkers associated Aberdeen with golf. That is a phenomenal way of promoting the area.

14:45

I know that EventScotland does fantastic work in this sector, but when we were bidding for the world petroleum congress—a major global event that generates about £10 million in economic benefit—the organisation said, "Sorry. That's not in our portfolio, so we can't assist you." VisitScotland could not help us either. We should take another look at the remit of some of these bodies; after all, a conference or major exhibition can be just as much of an event as something to do with sport or culture. In any case, we need to be able to attract that kind of congress, as it relates to an industry in which Aberdeen has great strengths.

We should be growing such major events. There is good work around, but a lot more could be done.

The Convener: We will take up those helpful comments with EventScotland when it gives evidence in a couple of weeks' time.

Charles Skene: Brian Adam asked about barriers. I have highlighted the main barrier, which is staffing. I have been in the accommodation business for 35 years, but I still cannot explain why, 30-odd years after Aberdeen became the centre of the oil scene and at a time when oil production per annum is reducing, we are getting proposals for 2,500 hotel rooms in this area. I could have understood it if the proposals had been submitted 30 years ago; as it is, things have happened the wrong way round. I simply do not know how the proposals will work, because all those hotels will have no hope of getting the staff that will allow them to operate.

I support Dave Workman's comment that finance is not a problem. If a business person has a business plan with a reasonably good cash flow, the money will be forthcoming.

Brian Adam also asked about planning. Over the past 30 years, we have had developments in Elgin, Forres, Aberdeen and Banchory, and some of the planning difficulties that we have experienced have been diabolical. Indeed, the regular impression that is given by planning officers is that they are against economic development. That is the only way I can put it; you asked for information, so I am giving it to you.

A couple of days ago, Peter Medley told me that Glasgow City Council has identified that it needs more hotel rooms—but I have forgotten how many.

Peter Medley: Glasgow will need another 3,000 bedrooms by 2015 if it is to grow tourism by 50 per cent.

Charles Skene: The city has identified areas in which those hotels might be built. Two or three months ago, before I knew what was happening in Glasgow, I suggested to officials from Aberdeen City Council and Aberdeenshire Council at a meeting of the Aberdeen city and shire economic forum held at the AECC that the two councils should identify various areas and announce that they would give planning permission for the construction there of low-cost housing for incoming workers and others. In other words, instead of waiting for someone to come along and say "We want to build a hotel here" and then keep them waiting X months for their reaction, the city and the shire should take the initiative. In one particular development, it took the planning officer a year and three months to put the proposal before the committee.

As a member of the executive council of the Confederation of British Industry Scotland, I know that over the past few years we have been working with the Scottish Government on a review of the planning system and that certain proposals are afoot. However, the fact is that there is far too

much negativity from certain planning officers in different parts of north-east Scotland.

There are problems with planning and, as we know from the quite disgraceful situation with the Trump proposals, a problem with the committee. Given recent events in this part of the world, how can we really claim that we want to expand the economy and increase tourism in the north-east of Scotland?

Lewis Macdonald (Aberdeen Central) (Lab): Will Dougherty and Brian Horsburgh both mentioned route development. The importance of Aberdeen airport to the north-east is pretty clear from the comments that have been made. Will Dougherty said that his company is spending £95 million over the next five years on promoting direct flights into Scotland. The Scottish Government, too, has spent money on that over the past five years, but it no longer intends to do so. Will Will Dougherty and Brian Horsburgh comment on the importance of Government support—rather than just industry support—for the promotion of direct flights? Does Peter Medley have a view on that, from the perspective of the Aberdeen Hotels Association?

Will Dougherty: Aberdeen airport recently undertook a survey of the Polish workers in the community. That was done at our cost, with the aim of establishing whether a route was there to be developed. As a result, we had four airlines—it is now down to two—bidding for that route to facilitate the journeys of Polish workers in and out of the country.

You were absolutely right: we fund £95 million towards route development, which is critical to what we are trying to achieve as a business entity. However, we need a certain level of support from the Government in that regard. The most recent figure is £6.8 million or so, which is in the documents. However, the issue is not necessarily the monetary value of the support; there needs to be active engagement in developing Aberdeen as a destination, not only for businesspeople—

The Convener: I do not wish to block you on that, but Lewis Macdonald and I know from previous experience why the current scheme for the development fund cannot run. It would be helpful for our recommendations if you could tell us what ideas you have about how things could be in the future.

Will Dougherty: We would need a different forum from this one, and a different setting, to discuss any recommendations. However, we are actively seeking to continue to develop Aberdeen airport as a destination. We wish to improve routes for our existing business travellers. For example, we turned things round in about five weeks to get a new airline to pick up the Gatwick route, and did

so at a cost to the business. We recognise that the Gatwick route is central to our constituents, and we took action to put the arrangements in place.

We are looking to develop the international market. We also work hard to develop the local market to support the north-east. We work with VisitScotland to understand what we need to do to develop that market further and to enhance it. Recently, we won an award for being the most improved airport in the world. We are listening to the people who come through the airport. We are investing in the airport, not just to improve the facility for the routes that it serves; there is also a fundamental investment to allow for a much better experience. Coming through our small airport in the north-east is a more pleasing experience for people than it was a few years ago.

The Convener: As a Shetlander who flies into Aberdeen regularly, I certainly agree.

Brian Horsburgh: Our business operates in an international marketplace for international conventions and other major international events, such as the offshore Europe event, which we attracted here. In that market, the first thing that the client looks at is international connections into Aberdeen. We have a number of good links from European hubs into Aberdeen, but we need more direct international connections—I emphasise the word “international”. I understand fully what Will Dougherty said about the Flybe Aberdeen to Gatwick service, but someone who is based in Brazil, the United Arab Emirates or south-east Asia will not have heard of Flybe. Unfortunately, losing connections to the hubs by the major carriers, which have global networks, is a difficulty for some of the business that we try to attract.

There has been discussion about a direct link to Houston, and word of a direct link to Dubai. Those routes would be hugely beneficial to the business community, especially in the kind of business that we are in. Such routes can take our reach into the developing markets of the middle east and the far east, which are hugely important to us. However, those services will not develop without support from both the Government and the airport operator—that support is fundamental. Far greater regulation is pending on the process of going through the London airports. Anyone who has travelled through Heathrow knows that it is not a pleasant experience.

Another concern among people in our business is the Government proposal to increase the cost of visitor visas. That will be a major problem for international delegates travelling to the United Kingdom. We will have to break down such barriers, but good direct air access to Aberdeen will be crucial, as will the maintenance of links with the main carriers.

Peter Medley: Route development for Aberdeen is vital and it must continue. At the moment, Aberdeen is still very reliant on the oil industry. Oil is the major industry, but that will not continue for ever, as we all know. We will have to consider the other industries that will support Aberdeen when the oil industry dies down a bit. One of those industries will be tourism—leisure tourism for golf, for example; business tourism for conferences; or general tourism, with people coming to see this fantastic area.

Often when we are overseas selling Skene House, we spend more time selling the destination. People commonly ask why they should go to Aberdeen unless they are doing business in oil, and it takes us some time to explain to people why they should come here.

We need route development. A fantastic job has been done on improving Aberdeen airport and on providing new routes in. However, those routes have to be ones that bring business in and do not take business out. It is nice to have flyglobespan routes for local people to get away, but they do not pull in business.

The Convener: Twice you have made points about what is, in effect, destination management. What are Aberdeen and Aberdeenshire doing to attract people?

Peter Medley: We are working with the airport on new routes. When a new route is announced, we go out to the location and hold an event to which we invite travel trade people, the press and important people who have an influence on business. At the event, we sell the reasons why people should come to Aberdeen and the shire.

The Convener: Does VisitScotland support that? Are its activities complementary to your activities? Are things working?

Peter Medley: Things are not working, because at the moment no budget is assigned. As I said earlier, destination Aberdeen was set up with a dinner five years ago with the then lord provost of Aberdeen, John Reynolds. Aberdeen City Council agreed to steer a committee made up of people from the Aberdeen Hotels Association, Aberdeen City Council, British Airports Authority, VisitScotland and Aberdeen Airport Ltd.

The first route that we considered was Belfast with Flybe. We went out to Belfast, took over the castle and sold Aberdeen and the shire as best we could. We realised that we could not sell only Aberdeen and that we needed the shire to be working with us. Leisure tourists in particular do not simply stay in Aberdeen; they want to see the whisky distilleries, the castles and the wonderful countryside around Aberdeen. Destination Aberdeen was therefore expanded to become destination Aberdeen city and shire. However,

things will not continue satisfactorily unless a budget is set aside to market the destination. At the moment, far too many different organisations in the area are selling tourism. Everything will have to be drawn together with joined-up investment.

The Convener: That is a very important point.

15:00

Mike Chandler: Peter Medley has just made the point that I was going to make, on which I will expand. I have been in the area for the past six years and I have not heard of destination Aberdeen. Perhaps it has been focused on Aberdeen and has not had anything to do with areas north of Aberdeen, such as Peterhead and other parts of Buchan. I wonder whether Claire Matthews from Macduff has heard of destination Aberdeen.

As Peter Medley said, one of the problems is that far too many people are trying to do similar things—VisitScotland, Aberdeenshire Council and Aberdeen City Council, for example. I am not sure what the role of NESTOUR is. It seems to be just a talking shop to which nobody turns up; it does not seem to be effective in any way. On top of that, there is the upper Deeside destination management organisation; Scottish Enterprise Grampian is putting money into Banff; and Banff has its own little organisation, as do Peterhead, Ellon and Stonehaven. There is no cohesion, which is what we need if we are going to sell the area. We also need some idea of what we want to achieve.

On investment driving the growth in tourism, another way of driving such growth is to use spare capacity.

The Convener: I take your point about the need for cohesion and for the different bodies to take a joined-up approach. Who should be leading that here in the north-east?

Mike Chandler: It has to be VisitScotland. It works across the local authority areas and has a tourism remit. Perhaps it should bring everything together. The private sector players should be involved in that. Over the past few years, since VisitScotland merged the area tourist boards, that industry involvement has disappeared. I have regularly gone to the Banff and Buchan tourism forum, which is the industry forum in the north of Aberdeenshire. Following the merger of VisitScotland with Aberdeen and Grampian Tourist Board, activity and involvement in the forum tailed off quickly. There is very little industry engagement and involvement with VisitScotland as it is now. It is not leading or bringing everything together, which is a necessary part of increasing the

number of tourists and the value of tourism in the area.

The Convener: Questions in this area should be tight, as a number of members want to get in.

David Whitton: I want to move the conversation on slightly. We seem to be talking a lot about international links.

The Convener: I will let other members ask questions on this issue first.

Gavin Brown (Lothians) (Con): I have been reflecting on the opening remarks from all our witnesses. The issue that jumped out the most was the restructuring of VisitScotland. I heard more about that today than in previous round-table discussions. Will some of the witnesses expand on that and be a bit more specific about their concerns about the effect of restructuring on their businesses or organisations?

Louise Scott: There is some concern about VisitScotland's key aim being the promotion of Scotland the brand, as opposed to the promotion of the individual elements that make up Scotland. However, there is good evidence behind VisitScotland's determination that that should be the way forward. VisitScotland is saying that Scotland is a small country and, when we stack it up against any number of other places, it seems that promoting individual, small parts of Scotland will not have the best effect.

However, if that is the direction of travel that VisitScotland is taking, where does that leave us in relation to promoting our own individual destinations? We learned recently that Scandinavia was not a priority market for VisitScotland, but it is very much a priority for us in this part of the world. Peter Medley and Charles Skene have been very successful in attracting Scandinavian tourists to this part of the world. We need to continue to do that, because others on the east coast will be equally interested in attracting those visitors to Scotland.

On destination Aberdeen city and shire, as I said earlier, we have created a regional identity for the area and have put funding behind it. We are about to finish a DVD that will promote the area. However, we are looking at wider promotion and not just at tourism. I know that we are here to speak about tourism, but the aims of that marketing initiative are, first, to promote the destination to visitors, students and those who would like to come here to live and work, thereby giving us staff for our facilities; and, secondly, to promote the area for inward investment. VisitScotland cannot do that work on its own, but it can contribute to it.

We can take that process a step further by asking whether we should go down the route of

being a destination marketing bureau that has a wider remit than just tourism or just business tourism, which would take us to the next step of considering whether we should promote the destination as a whole. However, doing that would require a significant budget. If we took that step, both Aberdeen City Council and Aberdeenshire Council would have to consider their financial commitment to VisitScotland for the convention bureau, two other tourism initiatives and other investment initiatives across the region, and decide how best to spend our money to ensure that the area is best advertised and promoted to the wider community.

The Convener: Does Peter Medley of the Aberdeen Hotels Association have a view on destination management in light of Gavin Brown's question on the restructuring of VisitScotland?

Peter Medley: Certainly. VisitScotland is a large concern that is becoming more centralised again. Some years ago, it took away the 13 area tourist boards and now it has announced that, from 1 April, more resources will be directed at the central belt, including Edinburgh. We are still unsure how that will affect Aberdeen and Aberdeenshire.

It is clear that VisitScotland does not have the same marketing priorities as we do in Aberdeen. One reason for that is that it does not use the international passenger survey figures for people coming through Aberdeen airport. I have raised this question many a time: Aberdeen is the third largest airport in Scotland, so why does VisitScotland not use those international figures? If it did, it would see that a large number of passengers to Aberdeen come from Norway, not just for business but for weekend breaks. We do a lot to promote Aberdeen for weekend breaks because we need to; our business market is Monday, Tuesday, Wednesday and Thursday, and we want to get the beds filled at the weekends.

If I am correct, Norway is number 19 on VisitScotland's priority list. It is a concern that VisitScotland will focus on the business that comes into Edinburgh and Glasgow, and that it is spending a lot of money in the States when the dollar is weak and it is difficult to get American tourists in. Those tourists go to Edinburgh, but it is difficult to persuade them to come up to Aberdeen given the connections—that is one of the problems.

The Convener: VisitScotland can get turned over in this kind of discussion. Can Keith Newton suggest ways forward? Are there things that VisitScotland is not doing that you would like it to do?

Keith Newton: On what is not being done, Peter Medley alluded to the point that we need a much more localised marketing campaign. As Louise

Scott said, our concern is that VisitScotland's new structure will mean that the north-east's identity will be subsumed under national marketing campaigns. Our profile of market segments is different from those in other parts of Scotland.

The situation must be addressed forcibly. I am sure that both Aberdeen City Council and Aberdeenshire Council will consider over the next few months how we will continue to support VisitScotland. I think that VisitScotland has assumed that what has gone on before will continue in the future. However, I do not think that either council will take that for granted.

As Peter Medley said, many of our visitors come from Scandinavian countries such as Norway, which are not high enough in the national VisitScotland chain to be attractive propositions for it. However, they are certainly attractive propositions for us.

The largest market for visitors to Scotland is England. In the north-east, we are disadvantaged to an extent, in that the English visitor is likely to be looking for a short break and there are many competing short-break destinations between England and the north-east, such as the Borders and Fife, which visitors to the north-east must travel through to get here. We need to focus our attention on finding new ways to attract the English visitor to the north-east. The English market is huge and we need to find out why people from England are not coming to the north-east.

Louise Scott: We must also look at our position within Scotland and think about attracting people from other parts of the country. I do not think that VisitScotland will see that as a priority, given that its outlook is national—it looks towards England, Wales and Ireland—and international. Perhaps we also need to look more locally and think about how we attract people from within Scotland.

The Convener: Before I bring in Lewis Macdonald, Gavin Brown has a follow-up question.

Gavin Brown: I just wanted clarification of the point that Peter Medley made about the figures for Aberdeen airport. In the league table in the annual report that we get from VisitScotland, the number of visitors from England is always at the top. Slightly below that comes the number of visitors from within Scotland, followed by the numbers of visitors from the USA, France and Spain. Are you saying that the Aberdeen airport figures are completely ignored? In other words, are people who come from Norway to Aberdeen, for example, not included in VisitScotland's figures?

Peter Medley: I am fairly sure that the Aberdeen airport figures are not included in the statistics that VisitScotland produces.

The Convener: Will Dougherty wants to comment on the same issue.

Will Dougherty: First, I will pick up on Brian Horsburgh's point about connectivity and the issues to do with Heathrow that have been experienced in years gone by. More than £4 billion has been invested in terminal 5, which alone will take 30 million passengers out of the four other terminals. That will allow the investment strategy to move forward so that each of the five terminals will be as modern and user friendly as possible.

As regards the development of international routes, we worked with City Star Airlines for more than a year to develop a route to Houston. A deal was definitely on the table, but City Star had problems and it has moved on. We are actively working with other airlines to bring that route back to Aberdeen, along with flights to Dubai. We are not sitting back waiting for the Houston route to become a possibility again; we are actively working on making that happen.

To follow up on the point that Gavin Brown and Peter Medley identified, I am astonished that we do not use the passenger flow figures for Aberdeen airport, as they are a credible means of investigating the type of people who come in and how we can bring more people in. We would be happy to be involved in assisting VisitScotland to understand those profiles—it seems astonishing that they are not used to market the north-east.

The Convener: David Whitton has a supplementary question.

David Whitton: In previous evidence, we have been told that one of the ways to grow the industry would be to bring in more tourists from our own country, both from England and from elsewhere in Scotland. It strikes me that there are no cheap flights between Aberdeen and places such as Bradford or Birmingham that would bring in additional visitors. Is there is a barrier to such routes? You are all saying, "This is what we want to do," but who is going to do it?

Will Dougherty: On route development, we will work with any local areas that want to establish a route to the airport. If we can find a destination that can be developed effectively, we will act as a broker with the airlines. However, with destinations such as Bradford, we are competing with rail links, which offer a more compelling route.

David Whitton: That was my other point. We have talked about air links a great deal, but I would like to hear some views on the area's rail and road links.

The Convener: Before we move on to rail and road links, we will hear from Christopher Harvie.

Christopher Harvie (Mid Scotland and Fife) (SNP): As has been mentioned, the outlook for the

American market over the next few years is not particularly hopeful because of the decline of the dollar vis-à-vis the euro. By the time the American market starts to revive, the concentration on renewables engineering and so on might well have brought a lot more business to the north-east.

I wonder whether we are doing enough to develop co-operative interests in the history and culture of the north-east and eastern Europe. I visited Potsdam last year, where the biggest palace is that of the Marshal of Keith, who was Frederick the Great's marshal. The next greatest marshal was also a marshal of Keith. The family of Immanuel Kant, from Königsberg, originally came from Arbroath. The connections between the north-east and German history are enormous. Could we, as the Irish do very professionally, establish links with cultural organisations in the countries that have provided part of our workforce and which could provide many of our tourists? The Irish are very able at ensuring that one mention of Ireland in the German media is expanded by television programmes and cultural and sports events to about four times that. Could we do that? Possibly.

I would like the views of the witnesses on an astonishing figure, whom no one here has probably heard of, called James Legge, from Huntly. Has anyone heard of him?

15:15

The Convener: Do not embarrass us all, Christopher. Go on—keep going.

Christopher Harvie: He was the first man to translate into English the Chinese classics, including the philosophy of Confucius.

The Convener: Did he translate them into Doric as well?

Christopher Harvie: He was the first professor of Chinese at Oxford and was celebrated in contemporary China as the man who led the opening of China to the west—he took a very pro-Chinese line. He was born in Huntly and educated at the University of Aberdeen, and was the leading oriental scholar of his period. That is a great link to the internal politics of a country that now seems to own most of America and is only too eager to send people overseas. Once we have such links and can build them up, we can get somewhere.

David Whitton raised the issue of communications, which need to be improved. In the time that it takes to get to Aberdeen from Edinburgh, you can get to York, in the other direction.

My final point is that we must remember that the first tourist hero of British drama was Captain Bluntschli in Bernard Shaw's "Arms and the

Man”—the Swiss hotel manager who had chocolate and not a revolver in his holster. Switzerland is probably Europe's greatest managed destination, but its major resource is disappearing because the length of the winter season there has fallen by a third due to global warming. Surely we could arrange bilateral links with the Swiss, who are in crisis themselves and will be looking for opportunities to put their tremendous financial and management concerns to work.

The Convener: I ask the witnesses to hold on to their thoughts in relation to Christopher Harvie's questions. I will take Lewis Macdonald and then we will go round the table and ask our witnesses to try to answer all the points that have been raised.

Lewis Macdonald: Keith Newton and Louise Scott mentioned the importance of attractions. Dave Workman's earlier point was on the same subject—there has to be something for people to do that will bring them here. I do not want to rehearse past events—at least, not at the moment—but Paul Lawrie has a £100 million golf development at Blairs that is up for consideration later this week. I will not ask Keith Newton to predict how that might go, but I would be interested in the views of the industry not only on what lessons can be learned from the Trump experience but, in particular, on the opportunities for golf and similar types of tourism in an international market.

Louise Scott talked about the important Scottish market. It would be inappropriate for me to ask her to explain decisions made by elected representatives, but Aberdeen City Council has recently made cuts in its events budget, its galleries and museums budget and its budgets for the performing arts, leisure centres, swimming pools and the ice rink. All of those involve facilities that visitors from elsewhere in Scotland might want to use if they spend time in Aberdeen. In making those budget decisions, what consideration is given by the local authority to tourism promotion and economic development?

Finally, Claire Matthews talked about the impact of local authority cutbacks on her business. It would be interesting to hear from the private sector witnesses whether they face the same impacts.

The Convener: If the witnesses remember all those questions, they will be doing very well, so I will briefly go over the items on which my colleagues are looking for advice. David Whitton asked about infrastructure, particularly road and rail links; Christopher Harvie asked about cultural links, Switzerland's financial muscle and communications; and Lewis Macdonald asked

about golf tourism and local services and attractions.

I ask Brian Horsburgh to kick off.

Brian Horsburgh: I will just comment quickly on whether VisitScotland is working. We do a lot of conference promotion internationally and we work regularly with VisitBritain. Increasingly, I find confusion about whether VisitScotland or VisitBritain should do certain promotions and about who we should work with. I just want to get out there and find more business, rather than worrying about who I should deal with. I wish that they would all get themselves sorted out.

On road and rail infrastructure, people generally do not travel by road to our events in Aberdeen. Thanks to the route development fund, Aberdeen is fortunate in that it has air links to just about every conceivable UK region. It is said that, for people who come from Leeds or Manchester and further north, rail kicks in as an option, but I am not convinced about that, because rail travel is often not price competitive with air travel, even for mid-distance journeys, and it certainly is not competitive in terms of time.

This is not a political remark, but I believe that Alex Salmond has said that he wants a TGV-type link from Scotland to Europe. If we can achieve that level of infrastructure connection, and if it goes as far as Aberdeen and does not stop in Edinburgh, rail might well be a genuine plus. I would rather have investment in such a development than in a local line to the Borders, which I am not sure would be hugely beneficial to tourism overall. Our links with the rest of the UK and the continent are far more important.

Road infrastructure clearly has an impact on people's ability to get round a local area. Like every city, Aberdeen has its traffic problems and pinchpoints. When we eventually get the western peripheral route, I am sure that many of those problems will go away but, outside my centre, there is a queue of traffic every morning. However, traffic congestion is a lot worse in other parts of the world, so we must keep the issue in perspective. In many cities that I visit, it takes three or four times as long to travel similar distances.

On the cultural side, the major upcoming campaign, homecoming Scotland, is designed to develop clan and heritage links with people throughout the world, to encourage them to come back to Scotland. I do not have much detail on that, but I believe that work is being done on it. We do not concentrate on culture much, but in the business tourism and conference business, we rely on what we term ambassadors, who are the academics, research scientists and the great and good of the commercial world. Those specialists,

who have great expertise in a particular field—it could be medicine, language, Chinese translation or whatever—can make the connections that will bring international conventions back into our cities. Aberdeen has a great richness in that regard, as it has three research centres and two universities. We work closely with those people and institutes to bring business to the city.

Which issues have I missed, convener?

The Convener: That was pretty good—you do not need to answer all the questions. Believe me, that is more than any man or woman will achieve this afternoon.

Claire Matthews: Lewis Macdonald asked about what there is to do in this area as well as golf. We know that many visitors come to Scotland for the scenery and wildlife. This corner of Scotland is blessed with fantastic scenery.

However, we need to have a cohesive approach towards developing wildlife tourism in this area. Wildlife tourism is one of the fastest growing tourism sectors and we need to be a little bit careful about how we promote that sustainably. For example, the UK Government is proposing to open up the Moray Firth for oil and gas exploration. Obviously, that will have economic benefits and will address some of our concerns about energy for the future. However, we will have to be careful about the effect that such activities will have on wildlife, which is our tourism product.

It would be helpful to have private sector industries doing more to support tourism.

On cultural links, I sit on the Banffshire coast tourism partnership group. Members of that group organise events such as the Scottish traditional boats festival in Portsoy, which has strong links with Norway and to which Norwegian shanty singers and so on come. I believe that that event is growing considerably.

Mike Chandler: It costs £19.50 to get the sleeper from London to Aberdeen and it does not take any time at all because you are asleep. However, that option is hardly ever promoted as a green alternative to flying. There should be a lot more focus on getting people to this area using that service.

The concern about rail, however, is that the service stops at Aberdeen. People have asked us how they can get the train to Peterhead, Fraserburgh and Banff, but there are no such services. The question of how to get people to the rest of the shire is a problem. The other factor that people weigh up, in terms of cost, is that if they come by air and want to go outside the city, they have to hire a car. There are all sorts of infrastructure problems relating to how people get here. The issue is not just to do with sorting out air

traffic; road and rail matters must also be addressed, particularly in relation to public transport.

Culturally, not enough is being made of our links. A Fraserburgh loon called Glover invented the Mitsubishi organisation. A million people go to his house in Japan every year but hardly anyone goes to his house in Fraserburgh. In the past few months, a few more people have come to the house in Aberdeen in which he grew up because Aberdeen has taken the trouble to promote it. A lot more could be made of that Japanese connection. Similarly, the Leslies had the same sort of status in the Holy Roman Empire that the Keiths had in Germany. There are similar links with Russia and Scandinavia. We do not make enough of such links, but we should.

The other issue relates to golf and local attractions. The Peterhead tourism initiative is clear that we support the Trump organisation coming to the area. That would be good for the region. The golf course would benefit not only Mr Trump but other golf courses, as it would put north-east Scotland on the map as a golf destination. However, if that is to happen, there must be other attractions. People in our bed and breakfast and others have told us that golfers bring partners with them who might not be golfers and who need other things to do. Outside Aberdeen, there is a lack of attractions and those that exist are poorly promoted. Attractions are closing down rather than opening up. At a time when we want to boost tourism, attractions such as Maud railway museum are disappearing.

Another problem is that, by and large, the attractions are closed in the winter. Some movement has been made on that by Crathes castle, but it is the only National Trust for Scotland castle that is open in the winter; the others should be open as well. The same could be said of other attractions in the area. We need to make sure that they are open—and that we are open—for business all the time, not just in the summer months.

15:30

Brian Adam: How can you make such attractions, which are often in the public sector, work financially? Although the National Trust for Scotland is not exactly in the public sector, almost all such organisations require deficit financing, as Brian Horsburgh put it so carefully, including his own facility.

Mike Chandler: You make them work by promoting the whole area. Crathes castle got an enormous number of visitors during the winter and I understand from reports from the castle that it was financially beneficial for it to be open. You can

make it work in that way. You also need to ensure that local people and visitors want to visit again. That is a major issue.

Many of our attractions in Peterhead are static. The Arbuthnot museum is static and although there is a very nice stuffed polar bear there—everyone should go and look at it because it is one of only eight or so in the country—it is always there and never moves. There should be more vibrant and active promotion of that museum. Again, there is a static display at the Peterhead Maritime Heritage centre. All the locals went once or twice, found the video and other displays as they had been when they first visited, so they did not go again. Aberdeenshire Council said, “Nobody goes, so we’ll close it down.” There needs to be more dynamic management of such attractions, rather than taking the museum approach of, “It’s there for an academic to come and marvel over.” Such attractions have to be made attractive and that can certainly be done.

The Convener: Thank you. I apologise, but we are getting a little tight for time.

Charles Skene: We support the comments that have just been made about castles not being open in the winter. Two years ago, some Scandinavian tourists wished to visit castles in the winter, when we were trying to encourage tourists to visit, but nothing was open. If I remember correctly, Scottish Enterprise Grampian was persuaded by the local hoteliers, including us, to keep one castle open over the winter.

Brian Adam asked a minute ago how you persuade castles operated under deficit funding by the National Trust for Scotland to remain open. One simple way would be to say, “As from next year, funding is available provided that one castle is open every weekend—different castles, not necessarily the same one—over the winter period except at Christmas and new year.” That needs to be done if we are talking about having joined-up tourist attractions.

To change the subject slightly, I felt so strongly about the Trump proposals that when the Formartine committee arranged an open night at Balmedie school and invited people to go and speak, I went along. I arrived at 6 o’clock and at 25 minutes to 12 I was the last of 35 people to speak. Of the 35 of us who spoke, 30 spoke violently against everything. You could not imagine a more not-in-my-backyard attitude from the 150 people present. I was one of five who spoke in favour of the proposals.

I said quite simply that oil is currently the biggest employer in the Aberdeen area and that it is running out. Of the overseas tourists who come to London, a very small percentage come to the Edinburgh and Glasgow areas and of them, a

minute percentage come to the north-east of Scotland. How do we attract them? We do not really have anything that warrants people coming that distance, especially those who come from America. Golf courses go on for ever and Trump has the most amazing ability to promote himself and his projects internationally, through his television programmes and all the other things that he does. I believe that the Trump golf course at Menie is absolutely vital and that it will encourage international high-spending tourists. I ask the Scottish Government to do everything that it can once the reporter has reported to encourage that development as quickly as possible.

The Convener: I noticed that today’s *Press and Journal* mentioned Tom Watson and Hazlehead, so that is cheerful.

Dave Workman: On infrastructure, I noticed that an article in yesterday’s *Sunday Times* talked about £15 billion for a TGV between London and Glasgow. Perhaps we could spend some of that money on improving the links between Aberdeen, Glasgow and Edinburgh so that, regardless of where we capture the tourist, they find it relatively easy to move around.

On cultural links, as I was surfing the Scottish Parliament’s website, whose address was on the letter to me about the meeting, I discovered an excellent page about attractions. Unfortunately, for sports and leisure attractions in the Grampian region, the response was, “There are none found in this category.” That was a bit disappointing. We have some service and attraction work to do on the ability to tell the story.

I also came across homecoming Scotland, which was news to me. That is fantastic. If we consider the number of people around the world who are well disposed to Scotland through blood-lines or being a friend of a Scot, there is a tremendous goodwill quotient out there, of which we need to make more. However, the fact that the homecoming was a surprise to me, although it is in 2009, shows that we do not tell the story very well. That is a major issue. The homecoming should have people flocking to these shores to discover where they come from. We should make an effort to throw open whatever records we have to encourage people to find out where their great-great-granny came from. We have only nine months to prepare for that. I was amazed to find that out.

I agree with and understand Claire Matthews’s concern about oil and gas activity in the Moray Firth. In a previous life, I was involved in the oil and gas industry. If we examine that specifically and tap into decommissioning, we can capture a future here. Oil and gas is a double-edged sword. I understand the development issues, but the prospect of artificial reefs offers the opportunity to

turn that area into a world-class diving and marine life area.

Finally—I do mean finally—who owns the brand? Who can talk about Scotland? Who can promote Scotland? I was horrified to read in yesterday's *Sunday Times* that Union Street is the worst street in Britain—or possibly in Scotland; I was so horrified that I only skimmed the article—for crime. That is staggering and cannot be true, but it was on the front page of the *Times*. On an inner page, an article told me that we have more drug deaths per 100,000 population than any other country on the planet. Who puts out this stuff? How can it appear in a national newspaper?

Brian Adam: It is true.

Dave Workman: It may well be true, but we need to understand that that is brand damaging. If we are trying to bring people to these shores, we must put a positive spin on such a story. It cannot just appear to say, "This is a death hot spot." Asking what we are doing about that needs to follow very shortly afterwards. Ownership of the brand is vital.

The Convener: That is thoughtful stuff.

Louise Scott: I concur with what has been said about infrastructure. We need improvements and to have our western peripheral route in place as soon as possible. We also need to consider other aspects of infrastructure in the city. However, having had the delightful experience of being in Edinburgh for two days last week in a car, I know that we up in Aberdeen have nothing to complain about in comparison with what Edinburgh is tackling in transport. Infrastructure is a challenge.

The committee might be interested to know that we recently compared our cultural links economically with several other councils in Scotland and found that Aberdeen has a significant number of links, because of our relationships through the oil and gas industry and—as Fred Bull would say if he were here—the number of Aberdeens around the world with which we have links, of which we could make more. Indeed, we are about to launch at the Duthie park a special plant trail and signage with a plant from every Aberdeen around the world. We are attempting to make more of our cultural links, but we can do much more with them and see the benefits of that.

As for local services and attractions, I spoke on the radio this morning about the council's recent budget difficulties and about how it has had to make difficult decisions about our attractions. However, there are still a significant number of good visitor attractions throughout the region with good opening hours, which are not necessarily all council run. Most of our tourists do not come to use municipal swimming pools and other

municipal facilities; they come to use top-quality facilities. If they come to stay in a hotel, they will use the facilities there, not our civic and city facilities. Unfortunately, their doing so has perhaps contributed to some of the difficult decisions that have had to be made.

Golf tourism could be one of our major attractions in the future. If we can deliver the facility at Ury house in Stonehaven, the Hazlehead development, Paul Lawrie's development on Blairs estate and, of course, Mr Trump's development, we will be significantly well placed to attract the tourism that comes with golf. Alongside such developments, we need attractions such as the right shops, restaurants and bars. We must raise our game in this part of the world in all those areas and give people the right facilities to keep them here for at least a week.

Peter Medley: I want to return to David Whitton's question about who will do what is required. I do not think that anybody has answered that question yet, and I will certainly not be able to answer it today. However, we do not have to look far to see a successful company that has done what is needed. Glasgow City Marketing Bureau has successfully formed partnerships with proactive investment from Glasgow City Council, VisitScotland and the retail industry, which is important. When we sell a weekend break in Skene house, we will get perhaps £80 per person in revenue. I have calculated that the rest of the city—restaurants, taxis, shops and so on—will probably receive £600 in revenue as a result. The retail industry is therefore important, and shops and restaurants need to be part of things. VisitScotland and many other organisations are Glasgow City Marketing Bureau's partners. The bureau is a good company that has been successful in going out, being proactive and attracting events into Glasgow with EventScotland. We could do well if we copied its philosophy in Aberdeen.

It is important that we attract more golf tourism into the area to achieve the 50 per cent growth target in tourism revenue by 2015. That target will not be achieved simply as a result of attracting additional people; there must be higher-spend tourism, and golf tourism is certainly higher-spend tourism. We need more golf courses. We need the Trump development. It is simply ludicrous to delay that development by another nine months for another inquiry. The application should be fast tracked straight away.

I spoke to a chap in Ireland today, who has a group of 60 Italians coming over in July. Because of the direct air links from Milan to Prestwick, they will probably go to Prestwick. They were considering staying on the west coast. That chap knows more about golf courses on the west coast

than in the north-east of Scotland, where there are 70 wonderful golf courses on our doorstep. We need to promote and sell those courses.

Cultural links are important and it strikes me straight away that genealogy is important. We should not lose genealogy—we should promote it more.

People have said during the meeting that our infrastructure is not so bad compared with that of Edinburgh or other places around the world, but we need to do more about it. We must make it quicker for people to get from airports into cities, and we must have services that get tourists out of Aberdeen and into Aberdeenshire to visit the distilleries and castles.

Lewis Macdonald: You mentioned the success of the Glasgow City Marketing Bureau model. Do you believe that the destination Aberdeen city and shire group provides a springboard or stepping-stone towards something like a city marketing bureau for Aberdeen?

15:45

Peter Medley: Certainly. Many people say that the public sector and VisitScotland should deliver tourism into the area, which is true, but that needs to be done in partnership with the private sector. Glasgow City Marketing Bureau brings in that sector. Do not quote me on this, but I think that it has a budget of about £5 million a year from the public sector that is increased by up to £8 million to £10 million from the private sector. That is what you need to sell an area.

Keith Newton: I have a few points to make, which pick up on some of what has been discussed.

I heard today on the radio about the planned improvements to the rail network. Improving the service to Edinburgh and Glasgow will put the north-east at a comparative disadvantage because, in terms of overall accessibility, it will make the north-east more remote than it might otherwise be. I will say no more than that.

I share the concerns about the need for infrastructural improvements throughout the north-east. The western peripheral route is an important economic generator and will help to disperse traffic and visitors throughout the north-east.

Homecoming Scotland has been mentioned in the context of cultural links. The homecoming may have come as a surprise to Dave Workman, but we have had a number of meetings to try to bring the private sector and other agencies in the north-east together to think about how we might promote 2009. At the last north east Scotland tourism partnership annual assembly, we had a presentation from Brian Adam MSP on the

importance of genealogy and ancestral tourism, which is one of the key strengths. In the north-east, ancestral tourism does not simply look westward to the Americas and Canada, but—picking up on a point that has been made today—also looks eastward to Europe and the far east. Several such instances have been mentioned today. We need to think about that in the context of the homecoming.

The themed events programme for homecoming Scotland was announced recently by VisitScotland. I heard today that there have been 180 applications for funding support through the themed events programme, although only £1 million is being allocated for that programme. I am not saying that all 180 projects would be supported, but £1 million does not seem to be going very far in providing a reasonable level of support for homecoming Scotland at the regional level.

There is also the innovations programme for the 2009 homecoming, which involves larger, signature events. In the north-east, we have been discussing the importance of the north-east in terms of innovation and enlightenment—we have touched on that a few times today—across a spectrum of industry and agriculture.

The music and song of the north-east are also important and we must build on what is being done in that regard. They are unique to the north-east and are not reflected in other parts of Scotland.

Dave Thompson: On that point, what about the language of the north-east? An awful lot more could be done with Doric.

Keith Newton: I was just going to mention the north-east language. For example, the Doric festival, which we hope to expand in 2009, is important. We need to make more of Doric as the local language.

I will not say much about golf tourism, for obvious reasons. It is important that there is proper recognition in our development plans of the economic importance of tourism and that tourism projects are not identified solely against environmental constraints or issues. There needs to be a proper balance between the environmental issues and the economic concerns. That needs to be addressed properly through the planning system, so that it is clear what the policies are and what the likelihood is of developments going ahead. That would help us to avoid some of the issues that have occurred in the past. I will not say any more about that—we could be here all day talking about that.

It is important that we extend the period when attractions are open into the shoulder months—the winter period. I am very taken with that

suggestion. It is easy to say that; it is more difficult to finance it. Nevertheless, we need to find a way in which to do that. With Scottish Enterprise Grampian's support, the National Trust for Scotland was able to open Crathes castle, which has certainly proved very successful. As Claire Matthews pointed out, visits to the castle and the big house are now much more about wildlife tourism, natural tourism and green or ecotourism, which suggests that what was right 10 or 15 years ago might not serve as the model for the future. We need to look at how we can best build in those aspects.

Will Dougherty: I am conscious of the time, but I want to say that I concur with the view around the table that the key message to get across is that we must improve Aberdeen's position in the tourism industry. I think that the Glasgow City Marketing Bureau, which Lewis Macdonald referred to, certainly provides a model that we should think about and work on capturing.

With regard to infrastructure, we have had a long discussion about the western peripheral route. However, as far as getting people to and from the airport is concerned—which, as our passenger profiles make clear, is one of the biggest complaints that we get—equally compelling points can be made about the A96 link and the Haudagain roundabout.

That is really all that I have to say.

The Convener: It was enough. Thank you all for those well-made points.

I thank everyone for their extremely helpful evidence. If you feel that you have not been able to highlight certain issues or that we have asked the wrong questions, you should feel free to write to, e-mail or use any other form of communication to get in touch with our clerks. By the way, I will get Brian Adam and Lewis Macdonald to fix the website on behalf of the north-east.

With that, I close the meeting.

Meeting closed at 15:52.

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