

ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 19 March 2008

Session 3

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ECONOMY, ENERGY AND TOURISM COMMITTEE

6th 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:

John Boyle (Hamilton Portfolio Ltd)

Rebecca Brooks (JAC Travel Scotland Ltd)

Fiona Hampton (Highland 2007)

Gavin Hastings (Platinum One (Scotland) Ltd)

Ken Hay (Scottish Screen)

Peter Irvine (Unique Events Ltd)

Stuart Turner (EventScotland)

Jean Urquhart (Highland Council)

Neil Wells (MF Wells (Hotels) Ltd)

David West (Loch Lomond Seaplanes Ltd)

Peter Williams (First ScotRail)

Robin Worsnop (Rabbie's Trail Burners Ltd)

CLERK TO THE COMMITTEE

Stephen Imrie

SENIOR ASSISTANT CLERK

Katy Orr

ASSISTANT CLERK

Gail Grant

LOCATION

Committee Room 6

Scottish Parliament

Economy, Energy and Tourism Committee

Wednesday 19 March 2008

[THE CONVENER opened the meeting at 09:32]

Tourism Inquiry

The Convener (Tavish Scott): Good morning, ladies and gentlemen. At this morning's meeting of the Economy, Energy and Tourism Committee we will continue our consideration of tourism. I welcome our guests, who will take part in a discussion on transport infrastructure and the wider issues that affect tourism, as part of the committee's inquiry into the target of growing revenue from the tourism industry by 50 per cent by 2015.

We have heard from a number of panels about different aspects of the industry, the different challenges that it faces and the different areas about which our guests would like us to be much more knowledgeable. We try to keep evidence-taking sessions as informal as possible. I ask my colleagues to ask tight questions. The tighter your answers, the more we can cover in the time that is available to us.

This morning, we are joined by Rebecca Brooks, director of JAC Travel Scotland Ltd; Neil Wells, managing director of MF Wells (Hotels) Ltd; Robin Worsnop, managing director of Rabbie's Trail Burners Ltd; Peter Williams, commercial director for First ScotRail; David West, managing director of Loch Lomond Seaplanes Ltd; and John Boyle, chairman of Hamilton Portfolio Ltd. Thank you for coming to this morning's meeting.

Christopher Harvie (Mid Scotland and Fife) (SNP): My question will be very tight. You all have experience of rival projects and areas, such as Switzerland, Spain and Austria. On a scale of 1 to 5, what ranking would you give Scotland's contemporary performance?

The Convener: We will give each of our witnesses a chance to answer the question.

Rebecca Brooks (JAC Travel Scotland Ltd): There are many different levels of performance. Scotland is an enormously popular destination and has been for some time, especially among more discerning travellers. However, as we are very involved in the online global market, we see new destinations emerging every week. Scotland is in an extremely competitive situation and we cannot afford to be apathetic or to think that the number of visitors that we have enjoyed will continue to travel

to Scotland—to Edinburgh, Glasgow or any other city destination.

Switzerland provides a good comparison. Switzerland is one of our biggest markets, because the Swiss enjoy a high standard of living, so Scotland is not as expensive for them. However, we are at a disadvantage to countries such as Austria and Switzerland in terms of our infrastructure and the quality of our hotel accommodation. The key issue in complaints about Scotland that we receive from Swiss or Austrian visitors is the standard of hotel accommodation that they experience, particularly in the Highlands.

Christopher Harvie: So is your ranking 2 or 3?

Rebecca Brooks: It is probably somewhere in the middle.

The Convener: Are you saying that you can break the ranking down according to different parts of the country?

Rebecca Brooks: In an ideal world, I would break the ranking into segments. There is no doubt that the product that we have in Scotland is at the top end of the scale, but for transport links and the standard of accommodation in some parts—although we are well aware that lots of hotels are doing a fabulous job—the rating is lower.

David West (Loch Lomond Seaplanes Ltd): Like Rebecca Brooks, I rank us somewhere in the middle. I will not repeat too much of what she said, with which I agree. We as a company are obviously interested in transport infrastructure, which Scotland just does not have. The short break market has been a major movement in the travel world, but we have never got past Glasgow and Edinburgh, because it could not be done. People go to Barcelona or take in Switzerland, for example, because they can go there easily—those places are within an hour or two of London. When we try to go beyond Glasgow and Edinburgh we have a problem. That massive contemporary movement in the travel industry has not made it to Scotland. To address the bigger picture of growing tourism by 50 per cent, we can start by grabbing the short break market, which we have not done in the past 20 years.

A big part of our business is build it and they will come. If people can reach the west coast or the Highlands, they will come, but nobody wants to spend a day or a day and a half getting there, although we know that such parts of the country are superior to anything that has been mentioned in Austria and Switzerland.

Brian Adam (Aberdeen North) (SNP): What do you suggest we do about that?

David West: There is no overnight solution—that is for sure—but lots of things could be done. We are opening up bits and pieces and will continue to connect areas. Our latest product makes Tobermory 40 minutes—or perhaps 35 minutes—from Glasgow city centre. That journey takes four and a half hours by surface transport. I am not saying that such a service could be provided overnight everywhere, but a start can be made with the massive market on our border—our 55 million neighbours, most of whom are within five or six hours' drive. We could improve the welcome to them, as soon as they cross the border, on motorways and at tourism stops.

Bits of the road network could be improved. We could go on about the A82 on the north side of Loch Lomond. Drivers who come down that road right now will be stuck at Dumbarton for an hour or two because of road works. Such a delay also happens whenever a crash occurs, and there are many of them each day, because the road is treacherous. If we improve the through-time to parts of the country that we would like tourists to visit and inform them more, we will entice people away from stepping on a jet in London to go to Barcelona, for example.

We have several excellent airports, but we open them during office hours—9 to 5—and close them for lunch, and they do not provide aviation fuel. The infrastructure at those airports means that we pay nearly £200 in landing fees, as we did at Campbeltown airport the other day, which means that we will just not go back. We cannot entice customers, whichever way they come, when costs are so high, yet we have marvellous assets that people in other countries would kill for, including Campbeltown, Stornoway and Benbecula.

We could develop another couple of small airports, but they would be for small aircraft. In the past, the idea was always to work out how to make airports big enough for Boeing 737s, but our communities and short six-month season cannot accommodate them. We need to return to the economic model for such markets and such communities, which means smaller aircraft. However, that is not possible with £200 landing fees and so forth. We have some infrastructure, and quick fixes could be achieved simply by taking a business approach. However, that would not include the £200 landing fee that I mentioned. Incidentally, that was for six of the top golf journalists in America. They went straight across from the Cameron house pontoon in 22 minutes.

The Convener: To Machrihanish to play golf?

David West: Yes. It took 22 minutes, and 17 minutes on the way back, with the hurricane that we had the other day.

The Convener: It would have been fun for playing golf, too.

David West: The 17 minutes was very impressive, anyway—and the journalists had a game of golf as well. That is what people want. We can pretend that we are trying to build a relaxed, slow world and so on, but the customer wants to get to where they are going with minimum fuss. Then, they want to have a really nice time. It is not a price thing; it is a value proposition. If customers can get to their destination easily and get home easily, we have a head start.

As much as people might like to come to Scotland, they can, for example, jump on a plane and go to Palma for a week, where the hotels are within half an hour of the airport—it is quick and easy. We have the infrastructure, so let us use it in a business way. Instead of saying, for instance, that we have five aircraft and they must pay for the entire upkeep of Campbeltown airport, we could take the business view—make it easy for people, give them reasons to come here and charge reasonable amounts of money to support that.

The Convener: Peter Williams must believe me that he is not here to take all the flak. That would be demonstrably unfair.

Peter Williams (First ScotRail): That is a relief.

The Convener: Putting aside the franchise and all the caveats that go with it, and given what some of the other witnesses have said, what would you like to do in providing links to make the travel experience in Scotland better?

Peter Williams: It is worth pointing out that we are doing a lot of work at the moment. The tourism market is very important to us, and we conduct a lot of activity with partners, particularly VisitScotland, to promote our services. As you indicate, our prime focus is operating the franchise and making the most of what we have, and we are successful in doing that, in that we are growing our leisure market. Some of that growth is coming from modal shift and some of it is coming through working with organisations such as VisitScotland to attract more people to Scotland. People travelling on the London underground at the moment will see our big advertising campaign to promote Scotland as a destination and the Caledonian sleeper as a convenient, value-for-money way of getting there.

Over and above that, connectivity is important. All the research that I have read, particularly on the 2015 objective and on the need to grow the short break market, indicates that time from origin point to destination is very important. From memory, people want their total journey time to be about three to four hours. It is a matter of ensuring that the infrastructure is in place to support that,

based on customers' needs and the destinations that they want to arrive at.

09:45

Dave Thompson (Highlands and Islands) (SNP): How are you going to improve the suitability of your rolling stock? I refer to the Edinburgh to Inverness trains, which are not really suitable for a journey of nearly four hours.

Peter Williams: The 156s on the west Highland line have recently been refurbished, and we are currently refurbishing all the 158s on the north Highland routes. When the opportunities arise during the franchise period, we will seek to improve rolling stock and our services in general, either with our own investment or investment from Transport Scotland.

Dave Thompson: Will you also seek to improve the water capacity in train toilets, for example, to ensure that halfway up the road people have water to wash their hands?

Peter Williams: We are focusing on that issue. Under our service quality regime, we put a lot of effort into improving customer service all round. Indeed, there have been significant improvements in that area.

John Boyle (Hamilton Portfolio Ltd): I should point out that I am giving evidence today not on behalf of Hamilton Portfolio, which is the family holding company, but as the owner of Zoom Airlines, which operates services from Scotland to Ottawa, Halifax, Toronto, Vancouver and Calgary. I bring large volumes of people into the country, while the other gentlemen on the panel do different but extremely compatible things with them.

We have to start being realistic about tourism. The fact is that people usually come to Scotland at the tail end of a holiday. Anecdotal evidence suggests that when tourists from north America—from Canada, say, because that is the country that I know about—visit the United Kingdom, they tend to come for two weeks or slightly longer and stay in the south-east, because the primary focus is London or perhaps Stratford-upon-Avon. Scotland has huge attractions, and it is perhaps good for a two, three or four-day taster visit. Of course, I am not saying that once people have enjoyed the type of tourism that Scotland has to offer they will not come back for a longer stay. Indeed, this year, one of our busiest services is proving to be Glasgow to Halifax, because people seem to be looking for the kind of outdoor holiday that Scotland provides. In three or four days, we can offer tourists loads of stuff: they can use First ScotRail trains, take a Loch Lomond seaplane and take part in a raft of other activities.

We have been greatly helped in our efforts by two things. First, I believe that the principle of leisure fares sits at the core of the economics of tourism. I realise that I am speaking to politicians, but I should point out that leisure fares are purchased by people with their own after-tax money. In the past, if you came into Gatwick or Heathrow, you had to depart from the same airport. As a result, if you were primarily based in London, it was difficult to get up to Scotland. No one, for example, would ever travel to Edinburgh and then travel back to London in order to go home.

However, the development of so-called open-jaw tickets, which, for example, allow people to fly into London and depart from Glasgow or vice versa, has made it economical to visit Scotland. We do not charge a premium if people want to do something as bizarre as arriving at one airport and departing from another—unlike the legacy carriers, which charge two or three times the price for such fares because they need to justify their higher prices for business fares. Carriers such as my own company, Flybe and easyJet have, for example, made it much easier and cheaper to fly into Birmingham, fly from Birmingham to Glasgow and go home from Glasgow.

As I said, we need to get tourists to Scotland for a three or four-day taster visit to the islands, for example, or to play a bit of golf. Hopefully, they will then come back. That is how we will build volume. I have to say, ladies and gentlemen of the committee, that what you should not do is use taxpayers' money. Speaking as someone who might have been a recipient of it, I believe that the air route development fund that the previous Administration set up was, quite frankly, a disgrace. Airlines and other companies should not receive direct subsidies; instead, the money should be used to build hospitals and schools.

The fund was a shocking waste of money. One example of its stupidity is that, although it costs £120,000 to operate a return service from Glasgow to Vancouver, some people in this building thought that paying me £2,700—or £10 a passenger—would somehow affect my decision to put it on. In the end, the fund simply subsidised stag nights and hen parties to Prague, and so on.

The felony was then compounded by the fact that it was administered in the most shockingly bad way by Scottish Enterprise, which made an even more bizarre rule that, in order to get the money, you had to fly the same route for five days out of seven. For example, you had to fly to Prague five days in the week to get this absurd subsidy. I was flying to Ottawa, Halifax, Toronto, Vancouver and Calgary, so I did not qualify for the subsidy, even though I was operating to five destinations in Canada. If I had operated daily to

Toronto or Halifax, I would have got the subsidy—although, of course, if those were the only places I operated to, I would have gone bankrupt.

The concept was idiotic and the implementation was catastrophic. As a taxpayer, I fundamentally objected to it. I do not need your money; I should operate my service if I want to. Give me the infrastructure, give me help, give me all that kind of stuff, but do not subsidise specific services—that is my message. That is the approach that has to be taken if we are to get tourism in Scotland up to a realistic level.

Brian Adam: Can you tell us what might make Glasgow, Edinburgh, Prestwick, Aberdeen and other Scottish airports more attractive for direct international flights, so that we can bring your friends from—

John Boyle: Absolutely, we are about Canadian—

Brian Adam: Sorry, but I want to specifically ask whether you think that people do not like to fly to the major hubs around London because of the time that it takes to get to other places from those airports. Would it be a selling point to say that it would be easier to get into the United Kingdom by coming to Scottish airports?

John Boyle: Anyone who has been to Heathrow even once probably has a little badge to show that they will do anything to avoid it, such as going via Amsterdam or Dubai. That is why domestic travel between Glasgow and London has decreased. Certainly, coming into or departing from Glasgow or Edinburgh would make trips a lot less trouble. People should be encouraged to either fly into or fly out of Glasgow or Edinburgh. They will want to see London, so they should fly into or out of London, but one of the legs should involve Glasgow or Edinburgh.

Glasgow airport is shocking. Try to get a decent meal there and you will end up being poisoned. It is terrible. It needs to get its act together. A lot is going on in Edinburgh airport. However, in terms of runways and space, both are a lot better than Heathrow. You are right to say that that is a selling point, without a shadow of a doubt. If you arrive in Glasgow or Edinburgh, you arrive fresh and are able to get out to sites more quickly. However, we should be realistic about the fact that substantial numbers of people are not going to come to Scotland for 14 days on their first visit. They are highly likely to do that on a later trip, because we have many attractions, but they have to have a three or four-day taster first.

Dave Thompson: You mentioned the air route development fund. Do you think that the public sector has any role in investing in infrastructure? If so, where should that investment go?

John Boyle: I do not think that the public—or the taxpayer, to be more accurate—should prop up any specific companies. As John Kenneth Galbraith once said, it is all very well having a Rolls-Royce, but you have to have a road to drive it along. There always has to be a vibrant public sector. BAA could be nudged to do some stuff in relation to infrastructure. It is sad that BAA is owned by a Spanish company—it is just wrong, but that is only my political opinion. There could be some subsidies for road and rail infrastructure, but money should not be just doled out to allow companies to do things that are patently absurd. Taxpayers' money should be directed towards assisting companies by investing in infrastructure such as free museums, not propping up unprofitable routes. Free museums are fantastic. It is great that Glasgow has opened up the museums on Sundays and Mondays—I do not know whether Edinburgh has done the same. That is the job of the Government and the Parliament.

Dave Thompson: Public money is limited. Should it be invested in roads or rail?

John Boyle: Definitely in roads. We already subsidise the railways, and they are unfairly criticised. I have been on the train twice in two days—coming here this morning and coming to Edinburgh yesterday—and it was fine. I do not know how good or bad the train service to Inverness is.

If we are considering green issues, we should definitely consider road and rail infrastructure. As Peter Williams said, it is important to be able to get to places quickly. We should concentrate on that general point, rather than on the specifics of propping up uneconomic routes.

Robin Worsnop (Rabbie's Trail Burners Ltd): All the comments made so far are valid. If we compare Scotland's location with that of Switzerland, we see that Switzerland has on its doorstep a much greater number of people with wealth who can travel there very easily. The main issue is ease of access, so I concur with much of what has been said.

I want to draw to the committee's attention a lack of joined-up thinking in the public transport system in Scotland—especially in connection with the islands. Two years ago, the then Minister for Tourism, Culture and Sport, Patricia Ferguson, signed up to the framework for change, so that we could promote growth, and signed up to a policy of developing sustainable tourism, so that we could become Europe's number 1 sustainable tourism destination by 2015. Many issues have arisen to do with that aim, but in practice the more sustainable forms of transport are often penalised and the customer can end up paying.

I will give committee members an example. We tried to raise the issue head on with the chief executive of Caledonian MacBrayne and we got absolutely nowhere. I wrote to Ms Ferguson in June 2006, because without any warning a 75 per cent increase was imposed on our tariff on the Oban to Craignure route. We were taking up to 16 passengers across to Mull and various other islands. The spending power of our passengers was greater than that of many others, and they stayed in local accommodation and bought food in restaurants, for example. We compared the cost of taking our coach across to the islands with the cost for a motor home of the same size that took up the same amount of deck space. The difference was extraordinary. We pay up to double what it costs to take a motor home across, which is crazy.

If the Government is signed up to sustainable development and to getting more people around the country in the most efficient ways—putting less pressure on our infrastructure by using coaches and the like—it needs to put pressure on CalMac to change its pricing policy.

I can give a specific example that we discovered yesterday. For a hopscotch ticket from Arran to Kintyre and then toIslay, a motor home up to 8m long will pay £233, but a minicoach up to 8m long will pay £473. That is a direct penalty on the customer, because we have to pass the cost on. As a direct result of that pricing policy, we had to withdraw one of our trips to Mull and Iona after a year.

I concur with what has been said about getting people to where they want to go as easily as possible. The money should be spent on infrastructure, so that it is easier for visitors to get around. Scotland has some extraordinary products. It has world-class natural scenery and beauty. People compare it with Canada and Switzerland, but the scenery changes so rapidly in Scotland that the experience is completely different and is much greater. However, we have to get people around and do so at a reasonable price.

Where the quality is great, places tend to be booked out for most of the summer. Where the quality is lower, a lot of investment is required, and the season should be longer to allow people to invest in their businesses.

Christopher Harvie: A point was raised earlier about visitors going to London first. When I quizzed my students in Germany, I found that many had been deterred: after seeing London, they did not want to see anywhere else in Britain. That was not because they approved of London, but because they felt that they had been ripped off there. Does that sort of experience strengthen the

case for having direct communication with Scotland?

I have another two points. If you are going to Switzerland—

The Convener: Let us take the first point first.

Robin Worsnop: I have pretty much said what I wanted to say, but I am happy to answer any questions.

10:00

David Whitton (Strathkelvin and Bearsden (Lab): Robin, you did not answer Christopher Harvie's earlier question about ranking Scotland on a scale of 1 to 5. Given your experience with CalMac, I would have thought that you would rank Scotland at 1, although you might want to disagree.

You said that you had taken up the pricing issue with the chief executive of CalMac and had got nowhere. Does that mean that you did not get a reply, or that he was not interested in negotiating a block deal, or even a discount, with you? I would have thought that you would get a discount if your coach was carrying 16 passengers. What was your experience?

Robin Worsnop: We got absolutely nowhere. I do not think that CalMac really cared what it meant to our business. We raised the issue, and it was pretty much dismissed. That is why I wrote to Patricia Ferguson, but the reply I received said that it was an operational matter for CalMac.

David Whitton: You said that, as a direct result, you have withdrawn one of your services?

Robin Worsnop: We withdrew one departure a week to Mull. We took that service elsewhere in Scotland, so we have not taken it out of the country, but it is a penalty on the islands.

David Whitton: It is a penalty on Mull, because the people you were going to take to the island will not go there now—or spend their money there.

Robin Worsnop: Absolutely.

John Boyle: I do not know whether committee members are aware of this but, for substantial parts of the year, Glasgow airport is more expensive to land at than Gatwick—the landing fees are much higher at Glasgow. That is strange: one would have thought that the pricing structure would be different, given the current pressure in the south-east of England. The problem is quite significant.

David Whitton: Can you put a figure on that?

John Boyle: I will happily give you the figures: for substantial parts of the year the fee is in the region of £7, £8 or £9. We have been asking BAA

about that since time immemorial—it is a shocking indictment of its pricing structure.

The Convener: We will come back to that issue.

Neil Wells (MF Wells (Hotels) Ltd): To return to the original question, I would struggle to rank Scotland's contemporary performance at even 2, to be brutally honest. We are a hotel operator and, through our Lochs and Glens Holidays brand, a coach holiday operator. I spent the past five years seeking to acquire new hotels, which means that I spent a lot of time looking through Scotland's old hotel stock. It is in a pretty sorry state; most Scottish tourist hotels are in a dilapidated state of repair.

The other problem that we face, as a tour operator, is finding day destinations: things for our customers to see and do, coffee stops, shops and so on. It is amateurish—what might have looked old and quaint 10 or 15 years ago now just looks old and tired. Scotland has the potential to be a world-class destination, but we are a long way from that. The hotels are in such a bad state because of poor operation and a planning process that makes it nigh on impossible to invest in new properties in Scotland. The planning process takes any possible economic reason for development and throws it away.

We have great scenery, but in some cases the very thing that we are selling is hidden by trees and scrub that our planning departments insist are kept there to hide the roads from the view. David West mentioned that the A82 is third world in its standards and perhaps even worse—one cannot see Loch Lomond from it for much of the route. If we cannot recognise that the only thing that Scotland really has as a tourist destination is scenery—it is certainly not the weather—we will not capitalise on our potential. That needs to change.

Lewis Macdonald (Aberdeen Central) (Lab): I have one or two travel-related issues that might be worth exploring. We have talked about service standards on the railway. One issue that could limit the potential for railway tourism is the ticketing structure and the relative difficulty of finding a ticket that allows people to arrive in Scotland by rail, go round Scotland by rail and leave again without backtracking to the point of departure. I ask Peter Williams whether he is aware of that and whether we could address more specifically the issues for potential visitors.

Peter Williams: Broadly, we have two measures to support the leisure or tourism market through ticketing. We sell through-tickets, on which we work with various visitor attractions, such as Our Dynamic Earth, the Scottish Seabird Centre and the Edinburgh Dungeon. There are promotion and convenience benefits for those

integrated tickets. In addition, we have a number of products, including rover products, that are aimed at the tourist who is on the move round Scotland and who wants to travel by rail, ferry or bus for a certain number of days. Those are our two main planks, and we seek to promote them through tourist information centres, our website and numerous other channels of communication. The situation is not static—we are seeking to develop. We have worked with the Glasgow-Edinburgh collaboration project to consider how we can develop a rover ticket for the central belt. We already have several products, but we are continuing to develop the area.

Lewis Macdonald: Is there room for development in cross-border ticketing arrangements, too? Other than the sleeper service, is it realistic for tourists to visit Scotland by rail? Apart from your marketing of the sleeper service, do you market Scotland as a destination for people travelling by rail from the south or north of England?

Peter Williams: Yes. We work with tour and coach operators. We deliver passengers on the Caledonian sleeper into Scotland and they complete the rest of their holiday by coach and with hotel stopovers. We also work with a company called ACP Marketing UK, which, with the Association of Train Operating Companies, co-ordinates overseas marketing of rail. We have seen growth in that in the past few years. We have worked with ACP to have Scotland-specific products, to encourage people from overseas who are considering Scotland as a holiday destination to use rail, and we have suitable products to help them do that.

Lewis Macdonald: I represent a constituency in the north of Scotland, so I know that, although rail is attractive as a cross-border route—because people can go from Edinburgh to London or York pretty quickly—going from Edinburgh to Inverness or Aberdeen is pretty slow. Am I right in guessing that that is principally because of infrastructure issues?

Peter Williams: There are infrastructure issues, such as the single track, which limits capacity. There are plans to speed up journey times, particularly on the east coast line, but there are infrastructure limitations.

Lewis Macdonald: So work is going ahead on that.

Peter Williams: Yes.

Dave Thompson: People used to be able to buy tickets, including those at reduced rates, that could be used with any company. If people travel from Inverness to Edinburgh, they can use the ScotRail service or the National Express service for £20 return. However, someone who travels

down on ScotRail and comes back on National Express—or vice versa—cannot get that price and has to pay £50. Someone who is a regular traveller here will not get a reduction if one company's times do not suit them. Can ScotRail work with other companies to allow people to buy advance tickets at the lower rate?

The Convener: This session is about tourism. I do not care about regular travellers—we are asking our witnesses about tourism and visitors to Scotland. Could you try to change your question on to that tack?

Dave Thompson: With respect, convener, the same issue arises for tourists as arises for people who travel regularly. I take it that you sometimes go on holiday in other parts of Scotland.

The Convener: Come on.

Dave Thompson: It is a tourism-related question.

Peter Williams: We have to work with the national rail system. There is a balance between the interavailable fares and those that are dedicated, which means that they apply to only one operator. The presumption in the railway is that fares will be interavailable. Therefore dedicated fares, such as the ones to which Dave Thompson referred, are used on the minority of occasions and in specific circumstances.

We are very aware of the overall issue of value for money. Twice a year, Passenger Focus conducts research on value for money within the rail industry. I am pleased to say that, over the past three waves, satisfaction with First ScotRail's value for money has continued to improve; we are something like 15 points above the national average. We work hard to deliver value for money.

Lewis Macdonald: I am also interested in air transport. John Boyle was forthright in giving his views on the route development fund. However, broadly speaking, his views contrast with those that we have heard from other witnesses. I am particularly interested to hear the perspectives of Rebecca Brooks, David West and Neil Wells on the issue. Should the Government take a role in supporting direct routes through something like the route development fund or should there be another means of encouraging and enabling the development of direct routes from overseas destinations to Scottish airports?

Rebecca Brooks: We are constantly promoting Scotland as a tourism destination. We know how hard it is to get tour operators to include Scottish city breaks or Scotland as a whole in their brochures without direct flights. Direct flights are a key issue. We have seen a huge change in our business over the past five years because of the development by easyJet and Ryanair of direct

routes, which was mentioned earlier. That has taken us from being a purely seasonal April-to-October business to a year-round business. We now carry 85,000 people over the year, a significant proportion of whom—I am not going to say that it is the majority—come in the winter months. In the main, they come into Edinburgh and Glasgow, but Inverness and Aberdeen are starting to open up.

The Government has a role to play. It is important that something is put in place to replace the route development fund. I know that the member was not asking me how I envisaged the make-up and workings of replacement funding, but my answer would be that I do not know. For us, it is key that the big tour operators are encouraged to feature Scotland in their brochures or as part of an online product distribution channel. Direct routes into Scotland are vital if that is to happen.

I will pick up on a couple of the points that my colleagues made earlier. We are well aware of the appeal for travellers who are coming to Scotland of missing out the London airports, including Heathrow. An interesting point is that when we faced terror attacks in London—our company also sells into London—we saw a decline in visitor numbers coming into London, but our visitor numbers coming into Edinburgh or Glasgow suffered no adverse effects. I am aware that people travel to Scotland via other routes, but my point is that many of the people to whom we sell are very keen to come directly into Scotland as opposed to travelling via the London airports. I accept that some markets—for example, the market for European tours—will involve travel to Scotland from London airports. That said, we have noted the increasing tendency in the Australian market for people to come to Scotland not via London, but via a European hub. They then travel to London by other means, such as rail.

Neil Wells: I echo some of John Boyle's points. A small sum—£10 here or there—will make very little difference to whether a customer books a holiday to Scotland. The sum involved would have to be so large that it would be politically unacceptable.

It is not the role of Government to try to encourage the market to develop in a way that it would not have developed naturally, because at some point, a new Administration will come along and remove that funding. It is at that point that instability in our industry can start to cause difficulties. I am guessing that we are not talking about a guarantee that would allow us as tour operators to build our businesses based on cheaper flights to Scotland.

10:15

The Convener: Surely the Government plays some role in attracting people to come to Scotland. If not, VisitScotland might as well close its doors tomorrow.

Neil Wells: That is an interesting take on VisitScotland.

The Convener: What is VisitScotland's role? Does it have one?

Neil Wells: I am interested to know what VisitScotland does.

The Convener: You amaze me.

Neil Wells: VisitScotland does very little for our business, although I can see it doing something internationally to try to promote Scotland's image. The tourist board of 15 years ago or even 10 years ago was focused and had a clear view of what it was doing. The Argyll, the Isles, Loch Lomond, Stirling and the Trossachs Tourist Board had a very good area director who was able to make things happen—he was a sort of grease in the wheels of the tourism industry. I see VisitScotland now as a marketing business. If it did not exist, someone else in the internet marketing business would come along and do such work without costing the taxpayer anything.

The Convener: Okay. Let us not go there at the moment. Lewis Macdonald asked about direct air connections. I apologise; it was my fault for driving the discussion in a different direction. Does any witness want to comment on air connections?

Robin Worsnop: They have a role. The airline operator's point of view is interesting. The fundamental point is correct: people will not be persuaded to come here unless it is economically viable for them to do so in the first place. There should be support for the serious marketing of routes. We should go into the markets in the countries that the airlines fly from and help airlines to get passengers on to planes, because that will deliver direct economic benefits to Scotland. That is where the money would be best spent.

John Boyle: VisitScotland must act quickly on international destinations. It is clear that if VisitScotland has any marketing spend in the current environment to promote Scotland as a whole, it should completely remove spend from America, where the position is bad because of the falling dollar. Spending in America is an utterly pointless exercise. Conversely, the Canadian dollar should be considered—I am not saying this out of self-interest. Money could be directed into Canada or the euro zone. Obviously, the relationship between the pound and the American dollar has meant that we are expensive for Americans but cheap for Canadians and Europeans. VisitScotland must be quick.

Enormous opportunities exist for showing how inexpensive Scotland can be. I think that we are all a bit concerned that we do not know how VisitScotland is applying its budgets.

David West: I strongly echo those points. If we are to have an organisation such as VisitScotland, it must be very aggressive. Ireland is very aggressive—people from there are out in the marketplace saying, "Come to Ireland." Business flexibility must also be applied to our tourism marketing.

As I was coming to this meeting, I made a couple of notes after I had read my paper. We should forget about America. Rather, we should be saying to our neighbours down south in England that it is too expensive for them to go to the continent and that they should come up and see us. We should also tell people on the continent that their euro goes further here, and we should get television advertisements on the go for Finland and Sweden this week. That is how nimble we need to be in the tourism industry. We can have five and 10-year plans, but we must be like any business—we must be flexible and quick, and we must keep moving.

Flights have a role to play in providing access. I will give an example. Yesterday, we brought in a pilot from Seattle for an interview. We brought him through Heathrow; he and his wife had been around for two or three days. They had been to Glasgow and Edinburgh and had loved their trip, but they vowed that the next time they came across, they would go to Vancouver and come straight into Glasgow; they said that they would never go near Heathrow again. They also said that our train system is marvellous and that they had enjoyed their trip to Edinburgh.

That example raises big points. People should come directly into Scotland, and we should do whatever we can however we can to ensure that that happens. I agree with what has been said about the money aspect, but there must be ways of ensuring direct flights. There is an enormous advantage in people bypassing Heathrow to come here.

Gavin Brown (Lothians) (Con): I think that there is a broad consensus among the witnesses that it is important to invest in transport infrastructure and that such investment can be money well spent. One or two witnesses have talked about the A82. Our panel members probably have much more direct contact with tourists than most committee members do, so will you put on your Scottish tourism plc hats and tell us what specific projects could make a big impact on the tourism market?

Neil Wells: If we disregard the A82, which is the backbone of Scottish tourism, I do not think that

the other major routes or even the single-track roads cause major problems, although the general state of repair of many of our roads causes trouble. The issue for us is how we get customers quickly up the A82, which is like a motorway in that it is the main arterial route. After that, it is slow travel through the countryside.

We operate all year round and we are as busy in January as we are in August. A great difficulty for us is that many of the scenic tourist routes are ungritted in winter. Just when we are trying to eliminate seasonality from Scottish tourism, local authorities shut roads that tourists want to see, such as the Duke's Pass. It would make a big difference if roads were kept open.

Robin Worsnop: I concur. The standard of gritting in the Scottish Highlands has declined severely during the past 10 years. Roads that remained open in much worse conditions in the past become inaccessible, which has a serious effect on our attempts to grow business in the off-season. If we do not grow the off-season market, we cannot achieve the targets that have been set for growth in tourism, because the bulk of growth must come from the off-season.

John Boyle: I am not terribly familiar with the A82—I bring people in, but I do not know what happens to them after that, to be honest. Someone mentioned improving the infrastructure, which is the role of Government. The Government should put pressure on BAA to improve the standard of airports. I am sorry to be pedantic, but yesterday I waited for 42 minutes in the security queue to get on an easyJet flight to Gatwick. That is unacceptable. The experience of trying to get a meal at Glasgow airport is shocking. Such issues cause immense frustration and put people off travelling. Big projects are needed—I am not talking about targeting specific companies.

Roads are an issue. That is self-evident. However, from my perspective airports are the problem, and the current ownership of the airports is not helpful. Governments have a role in ensuring that the fees that are paid produce a decent service for customers, which is currently not happening.

David Whitton: Do you think that BAA should be forced to get rid of one of the airports that it owns in Scotland?

John Boyle: I certainly do. What capitalists like best is a quasi-monopoly, which is what BAA has. We cannot say that we want market forces on the one hand and a quasi-monopoly on the other—the two approaches are intellectually and politically incompatible. In London, BAA owns Gatwick, Heathrow and Stansted airports, so it has a virtual stranglehold. In Scotland, Glasgow Prestwick international airport has done a good job in

providing an element of competition, but Aberdeen, Glasgow and Edinburgh airports are owned by BAA. I endorse your suggestion 100 per cent.

However, there should not be unnecessary competition between Glasgow and Edinburgh airports. Edinburgh has more domestic and short-haul European flights, and perhaps because of the financial links in the city the airport is becoming slightly more business orientated, while Glasgow is emerging as the airport for intercontinental flights. We do not operate from Edinburgh; we had to choose one airport and Glasgow suits our purposes better. There are many more charter flights from Glasgow. I would not want Glasgow and Edinburgh airports to batter hell out of each other unnecessarily, as happens with every project that involves the cities. There should be a Scottish perspective.

I entirely endorse the idea that BAA should be split up and that the Government should have some element of control. Government has a place in such huge infrastructure. It is shocking that a Spanish high-leverage company owns our airports.

The Convener: I ask Peter Williams to answer Gavin Brown's original question.

Peter Williams: On the understanding that strong growth in the marketplace will come from people who want to take short breaks, and given the plans that are already in the pipeline, I think that the central belt is well provided for, because one key criterion is the end-to-end journey time.

The challenge is therefore for the potentially popular tourist destinations outwith the central belt. The point has been made that Scotland is attractive because of its scenery and the outdoor pursuits that can be followed. The ability to access them on a short break will be important. The limitations of the infrastructure—whether rail or road—are well understood. That is where one challenge lies in our taking advantage of Scotland's natural assets.

David West: I do not wish to repeat others' comments too much, so I will go off on a bit of a tangent. The airports in our communities that I mentioned earlier are completely underused—in fact, they are not used at all. They are great assets so let us do something with them. The infrastructure in the harbours and waterways of Scotland is just as bad, too. I spent about £150,000 on pontoons last year alone.

The Convener: You should fly to Lerwick. We have great pontoons, and you would be very welcome. We spent a lot of money on them.

David West: Is that an invitation? I am on my way!

If we are talking about niche tourism markets, we should remember that we have some of the best sailing waters in the world. People cannot get a berth for their boat in England or the Mediterranean, which is why marinas are developing here. That is the commercial side, but we also have the harbours such as Tobermory, whose harbour association is doing very well. Oban is in desperate need of improvement, and we could get the cruise ships in there. We are not talking about big biscuits—it is not big money—but such development would go a long way. It would give people a reason to leave Glasgow to go to Oban, for example. We could get a lot of big bangs for our buck.

It is also important to remember that these things go both ways, as we tell people with the seaplane. It flies from Tobermory and Oban, so local people can use it. We hope that it will be used by, for example, the administrative side of local authorities, the national health service and even people doing business. We had a call the other day from a company that needed two guys to go and fix a boiler in Tobermory. It was going to take them two days and 12 hours, and they would have had to charge the customer £1,200. However, our service provides a different way of getting there. Tourists use it, but so do local people. To use a cliché, it really is a win-win situation—improvements in infrastructure help local people, too.

The central belt is doing quite well, although obviously more can be done. I will finish with another cliché: if I had a pound for every person who said, "I made it to Glasgow and Edinburgh but didn't have time to go anywhere else," I would be a very rich man. For me, that comment sums up Scottish tourism.

The Convener: On Gavin Brown's question on infrastructure, what would be Rebecca Brooks's big-ticket items?

Rebecca Brooks: To some extent, I have said what I had to say. For us, infrastructure is essential. We would desperately like to do more business in certain parts of Scotland, where it is a struggle because the infrastructure does not exist.

I want to extend the definition of infrastructure to include the product that is available to people in Scotland, because I want to make another point. We have talked a lot about Glasgow and Edinburgh, and my colleagues have mentioned the importance of the two cities working together. In the past few years, Glasgow has done a phenomenal job of putting itself on the map. As anyone who was at the Scotland united conference a few weeks ago will know, a good example of that is the fact that a hotel chain that had planned to build a 650-bedroom hotel in Aberdeen decided, because the planning process

was taking so long, to build it in Glasgow. Good for Glasgow. The top priority on my wish list would be for the same to be true of the rest of Scotland's cities.

Aberdeen, which is particularly underresourced as regards the number of beds that it can provide mid-week, does not have the quality of product to attract leisure visitors in a serious way. Edinburgh is desperate for budget three-star and two-star hotel accommodation. We need to make it much easier for developers to develop existing properties and to build new properties, where that is possible. That is key to achieving the 2015 targets. For me, it is almost as important as infrastructure.

10:30

The Convener: My colleagues will ask a series of tight questions.

Christopher Harvie: If one assessed the Brünig railway from Lucerne over into the Engadine as scoring 5 for capacity and quality by European standards, how would you assess the west Highland railway, which has the same advantages as regards scenery, but which carries 500 passengers a day as opposed to 500 passengers a train?

The Convener: Do any of our witnesses use the west Highland line for their business?

Christopher Harvie: I am talking about infrastructure as a tourism goal.

The Convener: It is a fair question. Do any of the witnesses have any experience of using the service that Christopher Harvie has asked about?

Neil Wells: We use the west Highland line—we offer tours that go up by train and back by coach or up by coach and back by train. It is a very good trip but, again, the service that is provided is amateur. It is not as slick as I suspect an equivalent service on the continent would be, but the tourists absolutely love it.

John Boyle: I want to follow up on David Whitton's point. We are always talking about the Government and the private and public sectors interacting. I have said that I do not like such interaction, but Manchester airport is a good example of the Government, or the public sector, working well with the private sector to produce a good result. The airport is not owned by BAA and is most vibrant. The community of Manchester and the taxpayer have made a lot of money through sensible investment at Manchester airport. That is a good example of the public sector having a stake in, and guiding, a big infrastructure project. It is not impossible. We could rethink our approach. We could go back to cities having a stake in their airports, which is no bad thing.

The Convener: Manchester airport has a direct rail link, which received public sector funding. Would you support such connections in Scotland?

John Boyle: Absolutely. The proposed rail link to Glasgow airport is completely ridiculous because it is a spur off the line to Paisley. The point is that we want to provide a service not for people who go to Glasgow airport from Glasgow, but for people who go there from Dundee. Under the current proposal, such people will have to go to Queen Street station, take their cases to Glasgow Central and get on the little silly line to the airport. The rail link to Glasgow airport is fundamentally flawed.

The Convener: The rail link to Edinburgh airport would have worked, because it would have provided a connection to 62 stations.

John Boyle: The Edinburgh link would have worked, but the Glasgow one will not. One has to wonder whether there is a conspiracy in the east.

The Convener: Do not get me started.

Lewis Macdonald: I was interested in what Rebecca Brooks said about the major hotel development that Aberdeen lost and Glasgow won, which previous witnesses have mentioned. What is Glasgow doing right that Aberdeen and Edinburgh need to start doing if they are to be properly competitive cities?

Rebecca Brooks: The number 1 thing that Glasgow is doing right is virtually to advertise the fact that developers are guaranteed a seven-week response time. I do not know whether the response time is actually seven weeks, but that is almost by the by. I imagine that if developers get a response time of nine or 10 weeks, they will be pretty happy, given that planning applications take months or, in some cases, years to be considered in other cities. The Jurys Inn hotel in Edinburgh is a good example of a development on which the pace of progress has been laughable. There are many other examples.

In addition, Glasgow has Glasgow City Marketing Bureau. The committee probably does not want to get into a debate about VisitScotland, so I will not comment on that just now, but Glasgow City Marketing Bureau has done some absolutely amazing work. It is a fabulous example of what every Scottish city could do to put itself on the map. The bureau has a dynamic team that has been instrumental in winning some fabulous bids, not least of which is the obvious one. Edinburgh could benefit from having a similar body that looks across the segments, as could Inverness and Aberdeen.

Personally, I felt sorry for Aberdeen about that whole planning fiasco. Aberdeen is desperate for more hotel beds and is genuinely willing to start

looking at how it can become a much bigger leisure break destination. The city needs that level of investment, but the big guys will not bother with Aberdeen if it is too much like hard work.

At the end of the day, we are a microcosm of the entire world. People will travel to Scotland, but we are in enormous competition now with other destinations, so we cannot take things for granted any longer. Increasingly, big chains will look at building big hotels in new destinations. We need to ensure that we get more than our fair share and encourage companies to come to Scotland first.

Dave Thompson: A comment was made earlier about hotel accommodation in the Highlands being poor—I think Neil Wells mentioned that. How do we go about improving the situation?

Neil Wells: I can tell you a few things. I spent four years on a planning application for a £9 million hotel development. A year ago, we got the vote from the planning committee, but I still do not have planning permission. I am waiting for that from the national planning department.

The Convener: This is in the Highlands.

Neil Wells: This is in Argyll. We just finished a £7 million development in Fort William and, again, the planning took us six months. It was not a rebuild; it was just refurbishing a hotel. The building control department issued our building warrant—our permission to start work—the day the hotel opened. I had to sit in the official's office for two hours waiting for the warrant because I could not get the liquor licence without it. If we had not got that, we would have descended into chaos.

I have three hotels that are old Victorian buildings. At the heart of each is a two-bedroom house that is now part of a 120-bedroom hotel. The hotels will need to be demolished and rebuilt at some point to become modern hotels that do not have staircases every 20yd and that have facilities that match the size of the hotels and customers' expectations. I have not got the heart to spend four years on the planning applications to demolish and rebuild each hotel. At the last count, I think that there were 25 Government organisations or quangos with a role in trying to stop planning applications, but there is none whose role is to help us—that says a lot.

David West: Can I just jump in quickly? Even to get a pontoon put in involved an organisation to join the 25 organisations on that list. Last year, we introduced a new aircraft, which was a massive jump for a small company. We have an eight-month season, and we lost June and July of the peak season because a small organisation whose name I cannot remember—it is something like the west of Scotland historical or archaeological something or other—put its hat in the ring. That is fine, but it meant a loss of about £150,000 for us.

This is probably the last word from me, but I echo the point that everyone must get on the team here not just for tourism but for the whole Scotland thing. That includes those in planning and everybody else. Rebecca Brooks put it well: even if one comes up with solutions today, they all just stop the day they get to the planning office because they go on somebody's desk and stop there. We see that happening with a number of businesses, in particular hotels—we deal with hotel chains, too. They say that they are just not coming up to Scotland because they cannot stomach it.

The Convener: I seek clarification of Mr Wells's answer to Dave Thompson's question. The fact is that you could make your investments. It is not the case that your business does not generate sufficient cash to make capital investments; it is just that you do not have the heart, as you put it, to go through the planning process.

Neil Wells: Yes. The business is strong. We were looking to get our sixth hotel seven years ago, but it did not open until this January. Seven years ago, we had the cash, the customer base and an occupancy level of 96 per cent in our other five hotels, but we could not get the site. We have the cash and the customer base for the hotel that we want to build in Argyll, but we must still deal with the planning process, which is very slow. Regardless of how happy we make our repeat customers, if we cannot expand our product, they will eventually go elsewhere. Our organisation needs the process to change. A good proportion of the Scottish hotel stock needs not refurbishment but demolition.

The Convener: If you are comfortable about giving us the names of the planning departments and officials concerned, we will have them in and ask them why the process is so slow.

Neil Wells: I am very comfortable about doing that.

David Whitton: I have a quick question about another major route. Several of you have spoken about the A82. What about the A9?

Neil Wells: It could be a great deal better. We have a hotel up at Tummel Bridge, which is served by the A9.

Robin Worsnop: I concur. The fact that the A9 was built with so many curves makes it a particularly difficult road, as it is easy for people to get stuck behind another vehicle. It does not affect us a great deal, because our coaches are limited, but dualling the A9 would have a significant impact on tourism, as it would improve access to Inverness, as a base for the Highlands, and help people to get further afield.

John Boyle: I fly over the A9, so it does not affect me.

I have some anecdotal evidence on planning. Yesterday, in Lanarkshire, building by one of our subsidiaries was stopped because someone reported that a barn owl was nesting in a structure that was due to be demolished. We now know that we may as well send the contractors away for six months, which is ludicrous.

Rebecca Brooks: Earlier, someone mentioned the views from the A9. Generally, I drive along the A9 in a car, but recently our entire office undertook a familiarisation trip to parts of the Highlands. I was surprised by how much more I could see from a coach than from a car. That is a significant point, because tourists miss so much when they are travelling. I am not suggesting for a minute that we cut down all the trees, but there are definitely points on the A9 where something could be done to enhance the visitor experience.

Brian Adam: I have enjoyed some of the robust suggestions that have been made this morning. Mr Boyle said, "I just bring 'em in." That made me think about whether we have joined-up tourism. What is Peter Williams doing to expand his rover ticket sales in conjunction with others, for example? What is the private sector doing to ensure that we have a joined-up approach, either by providing independent travellers with packages or by offering package tours? What is the public sector doing in that area?

John Boyle: I said to some of the guys I have met today for the first time that I would be happy for them to click through my website. We take people from A to B. We are happy to put on seaplanes and coach tours as people book their flights. There has never been a better time for small independent hoteliers and operators. The advent of the internet in the past decade means that people who have small enterprises such as guest houses and who provide specific tourism experiences are able to market themselves nationally and globally. The current diversity of experience that is available to people would have been unimaginable 10 years ago. People might not have known about the seaplane business here, but now people trying to find out how to get to Tobermory, for instance, might come across it. Small businesses such as ours are happy to help bring people in. We are happy if people are coming in—I am doing my bit.

10:45

Brian Adam: It should be mutually beneficial.

John Boyle: It should be.

Brian Adam: Is there a role for Government in facilitating that? Is that the kind of thing that VisitScotland should be doing?

David West: I guess we are all so busy doing our 16 or 18-hour days.

John Boyle: Not me.

David West: You have got that many people working for you, John. Come and help me, then.

I have attended quite a lot of VisitScotland meetings recently. The same thing keeps coming up, and the same answer keeps coming back: you are the industry, so you have to go out and do it. For us to take time out to lead an industrywide body or a committee or advisory panel is difficult. Obviously, that does help businesses, but sometimes we need a bit of infrastructure, leadership and resource, such as an office with two people co-ordinating things.

Peter Williams: May I come in at this point? There was a question about—

Brian Adam: Should we have a private sector, pan-Scotland tourism organisation to facilitate such things, rather than a Government organisation? Following some of the previous evidence, it struck me that the industry is pretty fragmented and is not speaking with one voice—and organisations are not necessarily speaking to one other, which would be in our interests.

Peter Williams: It might be an idea to incorporate VisitScotland in that, as we need an overall approach and joined-up thinking. We are an interdependent business. We work closely with VisitScotland, the National Trust for Scotland, the Association of Scottish Visitor Attractions and so on. We are putting our hands in our pockets and spending money. Like VisitScotland, we carry out advertising in London.

In the context of the committee's inquiry, it is worth mentioning that the biggest forthcoming event will be the 2014 Commonwealth games. As a business, we were major supporters of the bid. The games will be a wonderful opportunity to focus minds and create an amazing shop window for Scotland. It is a few years away, but actions need to be taken now to make the proper preparations. We want to maximise the opportunities here and now, too. We are focusing very much on our franchise, as we have short franchise periods that we must make the most of, selling as many rover tickets and so on as possible. We need to capitalise on the opportunities that are available to us over the next few years, focusing on the catalyst that the 2014 Commonwealth games can be.

The Convener: Are there any other thoughts about Brian Adam's point on the ability of the

private sector to lead and bring the tourism sector together?

Robin Worsnop: Brian Adam is correct about there being many voices in the tourism industry. That is almost inevitable, as there is such a variety of types of business and there are so many small businesses. The sector is made up of many thousands of small businesses. To have one voice for so many different interests would be a simplistic way of dealing with the tourism industry. Its tentacles go across the whole of society and all communities. It exists in all areas.

Today, we have been discussing transport a lot, which is almost viewed as a separate business system in Scotland. It affects everything in tourism, and tourism affects other communities—the tourist dollar often lies at the root of a vibrant rural community.

There has been a lot of progress towards having one voice for the industry. The tourism framework for change attracted a significant input from industry people. However, that has perhaps fallen down as some of it has not been followed through strategically. VisitScotland and the enterprise networks have been restructured over the past year or so, but that has not contributed to further development. The organisations have been trying to look after themselves during that restructuring process, which has not necessarily meant joining things up and working together to deliver for everyone concerned.

I hope that that will change as the restructuring is completed. Quite a lot of rivalry and arguments still exist between the enterprise networks and VisitScotland. A decision should be made on what VisitScotland does and what the enterprise networks do, so that they do not step on one another's toes.

The Convener: But your point is that the organisations are complementary.

Robin Worsnop: They are complementary. The enterprise networks are an economic development agency and VisitScotland is a marketing agency.

Rebecca Brooks: VisitScotland comes in for a lot of flak. Its role is to bind elements together and not to go out there and get our business for us. Many good examples exist of private sector organisations working well together. JAC has been involved in charter and route development with major tour operators overseas. We take it upon ourselves to become involved in that and we do not expect anyone to say, "Here you go—there's a bone; go and chew it."

A balance must be achieved. If we saw bodies such as VisitScotland as the solution for the industry, that would be a problem. As Robin Worsnop was right to say, the industry involves

many different businesses. JAC is an inbound wholesaler: we sell business to business and not to the end consumer. Somebody who sold direct to the end consumer would have an entirely different set of key considerations and principles for some matters, but some issues unite us all, as we have said today.

I echo much of what Robin Worsnop said. It is important that VisitScotland exists—that was questioned earlier. As for the industry's input, we have all been involved, but the strategy probably has not been fully followed through. That is the challenge, rather than getting together a body of private businesses—I am not sure how realistic that would be. However, I take the point that we have a responsibility to go out and do it.

John Boyle: What members have heard is, “You guys have got to sort out the planning and roads and to get us some proper and sensible rail links, then leave the rest to us.” That is a good summary. That provides plenty for you to get on with—we will do the rest.

Christopher Harvie: I have one observation on the planning process—I have been through many such processes in my time. My impression is that professional talent—planners, technologists and so on—is bound up in the process rather than being involved in projecting new ideas. Do you form the general impression that our professional classes, which are often defending their environment, are providing large numbers of people who are bogged down in the planning process rather than producing new and interesting ideas of overall development?

David West: A business perspective needs to be introduced to all such professions. The professionals do not live in isolation from the real world out there. When I have had planning problems, I have thought, “Take your time, guys—that is £3,000 a day.” They need to recognise what they are doing to their fellow Scotsmen or business associates. They need to see themselves as part of the business community. They do an important job, but there are considerations on the other side, too. At the moment, we have two parallel universes.

Robin Worsnop: Glasgow has got the process absolutely right. All the agencies to grow Glasgow's economy got together, produced a strategy and identified tourism as a major way of growing business that would greatly benefit the people of Glasgow. Glasgow has identified that something like 3,000 extra bed nights are needed by 2014, so if a hotel application is made, it is fast tracked through the planning system. Arrangements have been made with Scottish Water and all the public bodies that must see such applications, which are put to the top of the pile.

Glasgow has prioritised such applications to enable quick investment.

The lesson that business is a good thing for people, employment and sustaining communities, and that the planning process is part and parcel of that, could be learned throughout Scotland. Objecting to and stopping things happening can restrict growth. We cannot preserve Scotland in aspic; it has to move on and grow.

The Convener: Thank you all for coming along this morning. We greatly appreciate your time. If you want to give us more information about things that we have not covered, please contact us by all the usual mechanisms. We are particularly interested in the Argyll information. We will follow that up.

10:56

Meeting suspended.

11:03

On resuming—

The Convener: We are continuing our inquiry into tourism and the industry's potential for growth over the period until 2015. We were gently harangued by our last panel, so we are looking forward to this session.

I invite members of our new panel to introduce themselves and to state their particular interests around tourism and what they want to get across to us this morning.

Ken Hay (Scottish Screen): I am the chief executive of Scottish Screen, which is the national screen agency for Scotland and is charged with promoting the industrial and cultural aspects of film, television and interactive digital media.

Obviously, film, television and the wider creative economy represent one of the major drivers for attracting business into a country, including tourism business, as they present Scotland on a wider international platform in many different ways.

One of the challenges, which I would like to come back to later, is balancing the presentation of the right image of Scotland in terms of a tourism mentality with the wider cultural mentality of just getting a story told, whatever that story happens to be.

Fiona Hampton (Highland 2007): I am the director of Highland 2007. My job was to pull together a year-long programme of events celebrating contemporary and traditional Highland culture. In doing that, we had a twofold remit: to showcase the region as a great place to live and a great place to visit. We had to show the people of

the Highlands and Islands what a great place they live in and, with particular relevance to today's discussion, to showcase the area, and Scotland, to best advantage to attract potential visitors, using our culture and events programme.

Jean Urquhart (Highland Council): I have two hats on. I am listed here as representing Highland Council and, since 1972, I have run a small tourism business in the west Highlands called the Ceilidh Place. In 2003, I was elected as a local councillor and, in 2007, I became vice-convenor of Highland Council. I am interested in tourism professionally and I am interested as a councillor in considering how we better integrate our involvement with visitors and in recognising that the work of the local authority in areas such as education, roads and transport also aids the development of tourism. If something is good for local communities in our villages and towns throughout the Highlands and Islands, it will be good for visitors; we need to recognise that tourism is not set apart from everything else.

I am very interested in the outcome of the year of Highland culture 2007, and especially in some of the outcomes at a local level that might not be seen at first as relating to tourism but which in fact have a natural spin-off and interest for everybody.

Peter Irvine (Unique Events Ltd): I am the managing director of Unique Events Ltd, which creates and manages major public events and festivals. We are probably best known for organising Edinburgh's hogmanay celebration, which we have done since the beginning. We organised the Burns festival in Ayrshire until recently, and last year we organised many of the main events for Highland 2007, including the opening and closing events. We also created a new festival on the Rothiemurchus estate called the Outsider, which is a commercial event that combines music, outdoor activities and extreme sports. It also has an environmental agenda—we had a conference that was hosted by Kirsty Wark and Lord David Steel. We are going to make that an event that takes place every two years, so the next one will be held next year.

I am currently writing four different reports for the creation of new festivals: a new festival for Stirling; a major event at Balloch for the Loch Lomond and the Trossachs national park; an annual programme of events in the Grassmarket in Edinburgh; and whatever Scotland should be doing in North America, which I am working on for the Government.

Gavin Hastings (Platinum One (Scotland) Ltd): I am chairman of Platinum One in Scotland. We are a sports and events agency—we work closely with governing bodies to bring events to Scotland, and we also create bespoke events. Members might recall that last year we brought

Barcelona football club over to Scotland. We organised a pre-season training week for the club, which was based in St Andrews and during which it played two matches, one against Dundee United, which was a sell-out, and one against Hearts at Murrayfield, in front of 57,000 people. We also bring incentive travel groups over from Europe. As an ambassador, I consider myself to be promoting Scotland all the time, so I am delighted to be here to try to learn more about what we can do to encourage more tourism in the years leading up to 2015.

Stuart Turner (EventScotland): I am the international events director for sport with EventScotland, which is the national events agency that was created in 2003 to change and develop the way in which Scotland bids for and develops sporting and cultural events. I work closely with many organisations around Scotland, including those that are represented on the panel today, to try to develop our portfolio of events at an international and a regional level. I am sure that we will discuss some of those events during the meeting.

Dave Thompson: Good afternoon—or good morning, I should say, because it is not quite afternoon yet. I am interested in your comments on Highland 2007. It was a great year and it certainly ended with a bang. I will kick off by asking about that bang—the £250,000 that was spent on the fantastic fireworks display. What evidence do you have of the economic benefits that will flow from the whole year and, in particular, from the display at the end of it?

Fiona Hampton: The controversy surrounding the display was disappointing, because it put the focus on that one event. People either love or hate fireworks, and the event suffered from the way in which it was portrayed in the local media. It was said that £250,000 was spent on fireworks, but that was not what happened. The budget was used to manage safely and entertain a crowd of 50,000. I was disappointed that the year ended with the focus on the fireworks display when that was just one small part of the year and was not truly representative.

We have just presented the economic impact assessment to members of the Inverness city committee of Highland Council. The assessment was very honest. On the basis of the assessment and of the outcomes—such as the fact that 55 per cent of the crowd that turned up were from outwith the city—Inverness will consider creating a winter festival with major events as part of the continuing development and promotion of the city to potential tourists. The launch event and the closing event of Highland 2007, plus the economic impact assessment, will be useful for future decision

making. There has always been a call for such events locally.

The tourism information centre has said that an annual decline of 3 per cent was reversed. In the absence of an event at that time of year, locals and visitors were not going to or staying in Inverness. Highland 2007 has therefore been useful in helping people to make decisions for the future benefit of the city.

However, the overall economic impact of Highland 2007 was so much bigger than the impact of just the one event. The assessment data are beginning to be pulled together, and we are awaiting a full report from VisitScotland. In the absence of that information, all that I have is an early indication from VisitScotland, which is that accommodation rates in the Highlands last year were up, as was the spend per visitor. The tourism sector has indicated that it was a very good year. That should be placed in the context of the floods in the south of England, the terrorism threat and the strong pound.

VisitScotland's early indication is that the year as a whole had a very positive effect on the region. I hope that the public agencies that backed us last year can use that information in the same way that the Inverness members can use the experience of last year when making future decisions.

Peter Irvine: We produced the opening event and the so-called fireworks display on the bridge. The display was my idea. It was argued about ad infinitum among councillors in Inverness, many of whom just did not get it.

We persuaded by far the best and most accomplished fireworks company in the world to come. It is the company that does all the opening and closing fireworks for the Olympic games and all the fireworks for the Stade de France. It is the company that cities try to get. Beijing probably will not get it, but every European city goes to it. The company is called Groupe F. We got it because it happened to be in Britain doing the London Eye at new year. We have worked with their people before and they know us. They came because they saw the display as a challenge. It was by far the cheapest show they had done in a long time. They saw the bridge as symbolic—that was how we put it to them anyway—connecting the north with the far north. The display that they produced was not pyrotechnics but art. It was a piece of art. In the still weather that we were lucky enough to have, it was almost perfect. The stills of it show what they were trying to do, because each one turns the bridge into a battleship, a submarine, a dolphin and so on. No other company in the world can do that.

11:15

Of course, until the public experience such things, it is very difficult to convince them of what we are trying to do. They do not measure the length of such events; indeed, the fireworks event in particular lasted only 12 minutes. That might not seem like a lot for the money but, as Fiona Hampton has pointed out, by far the biggest proportion of it was spent on public health and safety concerns. That is always the case for events companies such as ours. Indeed, in Edinburgh, 80 per cent of the huge budget for hogmanay is spent on keeping the public safe.

I have to say that, after the event, we felt like saying to the 50,000 people who came to see it, the councillors and the voracious *Inverness Courier*, "Don't worry, it'll never happen again." Of course, that is not the right attitude, particularly given the general feeling that people want something like it to happen in the future. That particular event will not happen again, because it is not a simple thing to put on. The idea behind it was to produce a world-class event for a festival that was based on the model of the European cities of culture. Liverpool seems to have very little compunction about spending far more money than was spent in the Highlands on making a go of things. Now people are thinking of visiting or staying in that city, which shows that, if you make the effort, the economic benefits can be massive.

Dave Thompson: Is the problem in Scotland that we tend to have an innate reaction against such events, which are probably essential if we are to develop tourism? How do we get people on board?

Jean Urquhart: By ensuring that they turn up and enjoy them. It is incumbent on members of our Parliament and local authorities to show that dancing in the streets is a good thing and makes people feel good. For example, there was a feel-good factor during the torchlight procession for the hospice, which is a hugely respected institution in the whole of the Highlands. As more and more torchbearers arrived and the procession got longer and longer, the people taking part would have seen the shape of the river change and sights that they had never seen before. It was a fabulous night. After the procession, the town rocked, because Fiona Hampton had worked incredibly well with all the businesses in Inverness to ensure that every establishment had a band and that there was live music on every street corner and on the parade. Something about the event made you feel very proud. As I said, it is incumbent on us to make people feel good, and that is what we tried to do.

As for the arguments against spending this money, I should add that it did not come from taxpayers. The bulk of it, in fact, came from the

common good fund—and if events such as the torchlight procession are not for the common good, I have no idea what is.

Our support and enjoyment of these events must be to the fore, because we all have this deep-rooted Calvinist streak in us that says, “You should have spent the money on a few old folk, not on fireworks.” We spent the money, we put on a great event, and thousands of people came and had a good time. What event other than a fantastic fireworks display and a wonderful torchlight procession could have ensured that on 12 January the Highlands of Scotland and Inverness in particular would be beamed around the world?

Fiona Hampton: We simply have to be bold and brave. Although the three member organisations that funded Highland 2007 were under a lot of pressure not to invest in cultural events, they did so. In fact, the events that caused the most controversy beforehand proved to be the most successful with the public.

David Whitton: Various witnesses have told us that we need to make Scotland an all-year-round destination, and one way of doing so is to put on events such as Highland 2007. As we know, a number of events such as the year of homecoming 2009, the Ryder cup and the Commonwealth games are coming up, and I was interested to hear that Mr Irvine is working on four different reports. Apart from those that we already know about, what sort of events will we have to develop to ensure that we make Scotland an all-year-round destination and that we increase our tourist intake?

Stuart Turner: We should probably make a distinction between cultural and sporting events. We heard about how places can grow their cultural events. Many cultural events have a sense of place—the Edinburgh international festival and Highland 2007 are examples of that. Sporting events are much more like a travelling circus. We bid for them to come to Scotland, as we did successfully with the Ryder cup and the Commonwealth games.

We probably need a twin-pronged approach. We definitely look out for and bid for sports events. We are looking as far ahead as 2020 for sports events that we can attract to Scotland. Some events are directly linked with the Commonwealth games, but there is a portfolio of events. Such activity is part of EventScotland’s work. We work with governing bodies in sport and with companies such as Platinum One, which help us to develop events. A good example is the golden oldies world rugby festival this summer, which Gavin Hastings might talk about. That festival will not just tick the tourism box but be a great community event for Edinburgh.

Cultural events often start as small, local events. EventScotland’s regional programme covers events that will have a regional impact. International tourism is not the main driver of such events; we consider what we can add to an event that is going ahead and how the event might grow. A great example is the book festival in Wigtown, which has grown from small beginnings into an event that has international significance. The festival might still slip under some people’s radar in Scotland, but it is huge in Wigtown and brings many people into the area.

We must take all the approaches that I described. We must consider not just the big events but how we develop smaller events so that they become good-quality events. We must consider what sporting events Scotland is ideally placed to host and bid for them.

The Convener: If I had been sitting next to Gavin Hastings, I would not have called him a golden oldie, but that was your call, Stuart.

Gavin Hastings: The golden oldies world rugby festival is an international event that happens every two years. It was held in Wellington in October 2006 and it will come to Edinburgh from 1 September to 8 September. We expect as many as 4,000 people to come from all over the world. They will be golden oldies who have enjoyed playing rugby and like travelling and meeting people. We will get many visitors from Australia and New Zealand, for whom genealogy and tracing their roots are a big attraction of coming to Scotland. We can put on a spectacular week of festivities. The opening ceremony will take place on the castle esplanade and there will be a parade down the Royal Mile and into Bristo Square—an historic occasion for the people who come. The golden oldies festival provides an example of how EventScotland bids for and wins an event and then engages a private company such as Platinum One to assist with running the event.

I made a list of sporting events in Scotland. The Loch Ness marathon has been a tremendous success and has grown hugely to become one of the pre-eminent marathons in the United Kingdom, although it has been going for only a few years. FirstGroup, which is one of our pre-eminent companies, is involved in another event on the shores of Loch Ness. We also had the mountain bike world cup. Scotland is trying to make itself an outdoor destination to which many people will be attracted. We have only to look outside this wonderful building to see what a natural resource we have.

I encourage everyone to take a bold stance on the issue, because when we travel we realise in what huge esteem Scotland is held. People love coming to Scotland. The only people who talk about the weather are us. Nobody else gives a

damn about the weather; they do not come to Scotland to lie on the beach.

The Convener: David Whitton asked how we make Scotland a year-round destination. Peter Irvine must have lots of international experience. We are competing against many European countries that also run festivals. How can we do things differently and better?

Peter Irvine: Most of the events that I am involved in are not sporting events—we do some sporting events, but mostly we do cultural ones. Of course, Edinburgh invented the cultural festival many decades ago. The festival has stood Edinburgh in good stead. Out of it developed all the other festivals in August and an awareness, particularly in Edinburgh, of the transformational ability of events and the economic benefits that they can bring. In that culture, we have been able to develop the hogmanay celebrations, a science festival and other events throughout the year in the city. Glasgow is now determinedly doing the same. That is how it should be.

When we are asked to come up with an idea for a festival or a new event in Glasgow, Edinburgh or elsewhere, we know that it will usually receive more of a funding advantage if it is not in the high season, so we look to the shoulder seasons or other times of the year. As Gavin Hastings said, the weather is not an issue. More recently, we have begun to understand that the great outdoors is a good place for events that are not to do with the arts and for cultural events that somehow or other incorporate the outdoors. I hope that that is what we are doing with the Outsider festival.

Until now, only Edinburgh and Glasgow have developed significant event programmes. Some cities do not quite get it and do not understand the importance of events. The market is highly competitive, because places such as Manchester, Liverpool and Brighton are developing year-round programmes, which they did not do previously. Newcastle has put aside £10 million each year to develop event programmes and has built two landmark buildings that stand in the middle of the event arena on the Tyne. Newcastle understands the importance of events. I did a report for Newcastle a few years ago about how it might make progress on events.

David Whitton: I apologise for interrupting, but did you say that Newcastle is putting £10 million a year into events?

Peter Irvine: It is actually £10 million over a longer period, but the city is throwing a lot of money at events.

David Whitton: How does that compare with the amount that we are prepared to invest?

Peter Irvine: That is difficult to assess. All the successful festivals, particularly the Edinburgh ones, say that they do not have enough money. For my part, I can say that Edinburgh's hogmanay most certainly does not have enough money—the budget has been the same for many years. As I said, because the event is all outdoors and is held in the winter, health and safety must be taken into account, and that happens at the expense of the programme. That is a common dichotomy.

Highland 2007 showed us that we can have cultural events outwith the cities. It is unfortunate that the Scottish media did not give that a good go. The media came to events on occasion. However, I live in Edinburgh and I have offices here and in Glasgow and I felt that the Scottish television and print media did not adopt Highland 2007 or promote it in the way that the English newspapers are promoting the events in Liverpool this year. That is a pity, but it is a reality. I harangued the editors of two or three of the Sunday newspapers about that when they came up to the Highlands at last for the closing event of Highland 2007. They admitted that they had ignored the year-long programme and they were sorry about that but, once again, it was too late. Perhaps in the future, as more events develop outwith Edinburgh and Glasgow, the media will take more interest.

11:30

The Convener: Do festivals, sporting events and the like help Scottish Screen to do its job, Ken?

Ken Hay: Absolutely. The major film festival that we support is the Edinburgh international film festival. Two days ago, the UK Film Council announced an investment in the festival of close to £2 million. Pete Irvine and I worked closely with the festival in developing its mid-term strategy, part of which was a recognition of the role that the festival plays not only as a festival, but as a key driver of wider tourism and economic development activity in Scotland.

The Film Council is interested in the festival because of what it can do for the UK film industry. The investment was achieved as a result of an open bidding process for which the festival put together a proposal. I think that everyone is pleased that it managed to get as much as it did. The festival argued that Edinburgh can be a centre of cultural activity. Critically for the Film Council—and for the industry—the Edinburgh international film festival gets 50,000 admissions, and around 2,000 delegates from across the world. The festival is looking to up those figures. Scottish Screen supports about 20 other film festivals across the country. All that work is about developing a sense of place, community and

cultural provision. Equally, it is about extending the offer to people coming into an area.

Unlike hogmanay and other events, the beauty of a film festival is that, on the whole, it is held indoors. They can be held whenever we want. For example, Glasgow holds its film festival in the middle of February. The festival is four years old and has gone from zero to 20,000 admissions, which is a fantastic achievement. That said, the festival has the full weight of the Glasgow City Marketing Bureau and Glasgow City Council behind it.

The Edinburgh international film festival decided to move from its August slot. As of this year, the festival will be held in June; the 2008 festival opens on 18 June. The decision demonstrates EIFF's confidence in itself as an event that can exist outwith the August festival period. The festival had been finding it increasingly difficult to present itself as something different in August. In June, it will be the main show in town. The festival will do very well in that slot.

Brian Adam: I return to the idea of spreading things across the year. The Government's ambition is to have a winter festival that stretches from St Andrew's day to Burns night. David Whitton referred to the year of homecoming 2009. What will you do, individually and collectively, to make those celebrations eventful? I chose the word "eventful" carefully. It is fine to invite folk to return to Scotland in order to get in touch with their roots, as Gavin Hastings rightly said, but people will not do that all the time. We will need events for people to go to. Would a winter festival be a good idea, whether it was focused on one area or more than one area?

The Convener: Perhaps Fiona Hampton would like to go first, given Highland 2007 and all the obvious reasons for people to be attracted to return to the Highlands in 2009.

Fiona Hampton: Having got over the barrier of what a themed year is—obviously, we were the first—people in the Highlands have warmed to the idea. They are looking forward to planning to capitalise on the opportunity to celebrate another themed year. Many applications have been made to the various programmes that EventScotland has put in place to support the 2009 event.

In addition, the Highlands is planning a bid to host a signature event—a conference on diaspora studies. The conference has the backing of the universities of Edinburgh, Aberdeen and Glasgow and the UHI Millennium Institute. Essentially, the aim is to attract delegates from overseas universities.

The crucial thing that we are trying to do is to focus not only on the big events, but also on the smaller ones, as we did last year. We had 600

events in Highland 2007, 100 of which were major events. The other 500 were community events put on by the people of the Highlands and Islands. In essence, we used the big events to attract delegates or visitors to the area and then gave them a plethora of other cultural activities. We gave them a great visitor experience so that they would go away and become ambassadors for the Highlands and Islands.

We are trying to host some of the signature homecoming Scotland 2009 events. In addition, Highland Council has just earmarked £600,000 for the year. I assume that the money will be used for events and festivals—a supporting programme for the whole year. The funding will mean that a critical mass of events can be provided on the back of EventScotland and VisitScotland's drive to bring people into the Highlands and Islands.

One of the most successful parts of Highland 2007 was the part that most people did not see. I refer to the events that the people of the Highlands and Islands created. People in this country know how to celebrate, promote and present their culture. We are trying to recreate in 2009 a smaller version of what we created last year to support that theme and Scotland's drive to present as enticing a picture as possible to potential visitors.

Christopher Harvie: 2009 is the 250th anniversary of the birth of Burns. I was in Germany in 1999, which was the 250th anniversary of Goethe's birth. That event was tremendously motivating for Weimar—a very rundown east German town. Is there any regional concept behind celebrating Burns? After all, he is probably the best loved poet in the world.

Stuart Turner: EventScotland has been charged with the responsibility of running the homecoming programme and the homecoming staff and budget sit within EventScotland. The year of homecoming 2009 will be one of our major projects over the next little while. Burns is one of the major pillars of the event, for exactly the reason that you pointed out. There are three threads: the signature events, which we discussed; the rolling programme of exhibitions that will run throughout the year; and themed events. Burns will be involved in all three strands. There will be Burns signature events around Burns night, Burns exhibitions and poetry readings throughout the rolling programme and Burns events in the themed programme.

You might have picked up on some pieces in the press and briefings on the themed programme. We have received 197 applications for that programme. The budget for it is £1 million, but there is an ask of more than £5 million. Even bearing it in mind that some of the events will probably not meet the requirements for homecoming, there will still be a significantly larger

ask than we are able to meet with the existing budget. That is a challenge. There are always things that we could do if we had more money, as Pete Irvine said. If we had more money, we would do more of them. There will definitely be Burns activity at all three levels of the year of homecoming programme. The significant thing is engagement, as Fiona Hampton said.

David Whitton: You said that the budget is £1 million and that you have an ask of £5 million—and yet one regional city is committing £10 million.

Stuart Turner: Yes. The year of homecoming budget is £5 million, but for the themed programme—

David Whitton: That is still half of what Newcastle is going to spend.

Stuart Turner: That sits against the fact that EventScotland has a core budget of £5 million. There is also the homecoming budget of £5 million.

David Whitton: Do you think that you should have double the budget? If the year of homecoming 2009 is a huge event that will bring people from all over the world back to Scotland, where their roots are, your budget seems penny-pinching.

Stuart Turner: The easy answer is yes. Obviously, we believe that if we had more money, we could spend it wisely. That is an easy thing to say. There are two aspects. One is the engagement of everybody. Some of the events that have applied for the themed programme look great; they are exactly the sort of thing that Fiona Hampton was talking about. The event will not only bring people here but will be really good for communities in Scotland. We should consider putting more money into that. With programmes such as homecoming and Highland 2007, which was on a slightly smaller scale, we need to consider what happens after we have spent £5 million within an 18-month period. Do we just say, "That was great. Well done. We did a good job there"? Highland 2007 did a good job and I am sure that homecoming 2009 will do a great job, but what do we do after that? What will be the legacy of such programmes? How do we capitalise on the interest that we have generated? There cannot be just a one-off spin, whether the budget is £5 million or £10 million.

The Convener: You said that people will come. Why will they come? There is an internationally competitive tourism market out there. I am not just talking about people from within the United Kingdom. How will we market all the things that are happening, such as those that Fiona Hampton described happening in the Highlands?

Stuart Turner: It comes back to unique selling points. One of the key thrusts of EventScotland's

strategy, which is shared by all the events agencies that work in this area, is to look at why someone would come to Scotland rather than go to Spain. As Gavin Hastings said, we are not selling ourselves on sun and sand but Burns, whisky heritage, historical buildings and the fact that millions of people around the world have Scottish ancestry. People are proud of that ancestry and want to come back and trace it or visit the places that their great-grandfathers came from. That is something that we have that many other countries do not.

Brian Adam: I presume that we can measure the legacy from Highland 2007—the number of overseas visitors and the repeat visits can be measured. I also presume that the number of Barcelona fans who went to Dundee and Edinburgh and are likely to come back, for example, has been measured and that the same approach can be taken with the 2009 year of homecoming, which I anticipate will be a success. Is that the kind of thing that organisations such as yours are charged with doing? Do you measure the legacies of events and build a database so that we can say to people who have come to Scotland, "You came and enjoyed it. Come back again"?

Stuart Turner: Very much so. EventScotland is a directorate of VisitScotland, which does that all the time. It works with all the agencies out there—the local tourist boards and all the accommodation providers—to find out who came here and how figures compare with those for the previous year so that we can get an immediate idea of the results of events.

Brian Adam: Can you provide information to the committee on the actual legacies of events and repeat business?

Gavin Hastings: You may be interested in a few facts and figures. Last summer, the British open golf championship was held at Carnoustie. Angus Council and Scottish Enterprise commissioned a study in a bid to understand the extent to which hosting the open had boosted overall economic growth in Carnoustie and the surrounding areas. The study found that the open had contributed £14 million to the local economy and £26 million in total to the overall Scottish economy. The open is a major tourist draw. Only 4 per cent of the spectators at Carnoustie were resident in the Angus region; of the remainder, 50 per cent had travelled from other areas of Scotland, 30 per cent had travelled from the rest of the UK, and 15 per cent had travelled from overseas. More than half of those interviewed stated that their experience of visiting the open would make them more than likely to visit Scotland again. The Barcelona project that we worked on last year generated more than £7 million for

Edinburgh's economy, according to research by official consultants that we organised. It is important to do the research on such events. I would be surprised if no one had undertaken research to assess the economic impact of such events.

David Whitton: Do you have a figure for what the Barcelona trip did for St Andrews and Dundee?

Gavin Hastings: I am afraid that I do not, but there is no doubt that a lot of people went to the events. The game at Murrayfield had the vast majority of the spectators; Dundee United's ground clearly has a much smaller capacity. However, huge interest was generated in places such as St Andrews. There was huge media coverage. We had to manage all that and the security surrounding the players, but the trip was a wonderful draw. The players were watched by hundreds of kids who had travelled to St Andrews from far and wide. I have no real figures, but I think that you will agree that generating more than £7 million for the economy was decent.

Peter Irvine: Nowadays, it is a prerequisite that all events that have been given public funding must be evaluated. I am not decrying what Gavin Hastings has just said, but the trouble of course is that figures are just figures and it is easy to massage them and say that money was well spent.

The Convener: You are talking to politicians here.

Peter Irvine: Absolutely.

It is right that there must be evaluation, but one should often take the figures with a pinch of salt.

The £1 million for the year of homecoming is unquestionably not nearly enough. I have three or four applications in, as have many of my colleagues, but we do not expect them all to see the light of day. Just do the maths: there are 197 applicants and £1 million. We may get £5,000 and they may get £6,000, but nothing can be done with such small amounts of money. You certainly cannot create the kind of events that you are talking about—events that would put Scotland on the map. Sports events that come here on a rotational basis are not made of Scotland. They are not ours—they are brought to us. Such events are great and work really well, but the mountain bike event in Fort William is ours; it was created not by my company, but by another company. That event works, is unquestionably good for the area, provides real economic benefit and puts Scotland on the map. It works because it is exactly right for its time and place—it could not be done so successfully anywhere else.

11:45

The Burns festival that we created about six years ago could not take place anywhere else but Ayrshire, where it is firmly set. Unfortunately, funding for the festival has decreased year on year. We are not involved in it this year and, in my view, it is going down the pan. It is happening in a few weeks' time, but do we know about it? Are we going to it? Of course not. A band called Status Quo has been asked to play at the Ayr racecourse as part of a Burns festival; the festival has been neglected and no longer works. It is ironic that that has happened prior to the year of homecoming. We are right to be critical of that.

Events that work, are made in Scotland and are of Scotland must be exactly right for their time and place—they should not be able to take place anywhere else. That is true of hogmanay and of the new festival in Glasgow in which we are involved. It is called Glasgow international and is about visual arts. Many of the most significant contemporary artists in the world come out of Glasgow. The general public is not aware of that, but the world of visual arts knows it. People will come, in small but significant numbers, from all over the world to the festival, which will start in two or three weeks' time. The figures will show that the festival is worth all the money that has been invested in it. EventScotland, too, has money in the project.

The secret is to devise, develop and support properly events that Scotland does well and that could not take place against any other backdrop or in any other city. That is true of some of the events that have been held in the Highlands. The legacy of such events is important, because they must continue to be supported. They require public funding not just at the beginning, but probably for many years. It is worth investing that money.

Jean Urquhart: There are three issues. First, you asked whether we can make Scotland a year-round destination. Please accept that Scotland is a year-round destination. How we market Scotland and share that information is a big issue, which may require investment. There are already a large number of events. I am not saying that things do not change. Some events will fall off the end, but Scotland is extraordinarily creative and people are involved in making events happen at both local and international level. Some small, local events become international events. We need the intelligence to recognise when an event is not working, to dump it and to reinvest the money in others. However, we do not need to make Scotland anything—it is already a really interesting country in January and December, just as it is in July. The 50 per cent growth that we seek may come at that time of the year, when there is

massive potential and opportunity on which to build.

The second issue, which we seem to have overlooked, concerns the idea of a winter festival, which is hugely interesting. In every part of Scotland, in every week of the year, there are events that are of interest to visitors and that can be shared. As Fiona Hampton said, 500 of the 600 events in Highland 2007 were run at local level, by local people. They got a real charge out of that, built capacity and learned how to do things. They were part of a shared promotion. It may not have reached every part of the country that we would have liked to reach, but it ensured that those people were in print and that their events were marketed throughout 2007. That definitely resulted in an increase in the number of visitors attending events.

The winter festival is a good idea. St Andrew's night is growing and more places across the Highlands are already having events on 30 November—in village halls, for example. The festival finishes with Burns night, with hogmanay in between. We could probably even take it into February—there is huge potential.

Finally, knowing the lead-in time that we had for the 2007 year of Highland culture, I am concerned that time is really short for the year of homecoming. I suspect that the festival that could happen in 2009 is not going to happen. However, Scotland has a huge number of repeat visitors. The market exists, and if we can access the great diaspora of Scots, things are possible, especially with a year in which we sign up to and play on our image of openness and hospitality, for example, and encourage recognition of what we have. There is not a huge fund, but even if we had a huge fund, we could be seen as throwing money around without planning—I am nervous about that.

Gavin Brown: We have heard about funding. From the experience of our witnesses, are there other aspects that have made it more difficult to hold events? What are the obstacles? We want to know what they are so that we can shine a light on them in our report. Are there any specific obstacles that the witnesses have faced in winning and organising events in Scotland?

The Convener: We can start with Ken Hay and go round the table. It might be a difficult one for you, Ken, but feel free to comment.

Ken Hay: I will probably not answer the question directly, but go up a level.

Part of the challenge is to recognise that, even with endless pots of money, we would not be able to achieve everything that we wanted. However, we can recognise the importance of joining the dots. Whether those dots are the infrastructure for events or the soft infrastructure of public bodies

and policy, joining them up would make life much more straightforward for most folk.

For Highland 2007, all the key players got together and made it work. Our experience elsewhere is that, when the key players in our bit of the universe—Scottish Enterprise, Scottish Development International, VisitScotland and Scottish Screen—do not work as one, the situation becomes awkward.

I agree that Scotland is already a year-round destination, and we use events and key marketing activity as punctuation marks within that. However, when we sell Scotland overseas, we already have a brand and do not need to invent one. The hard part is dealing with the expectations that people place on the brand. They come expecting everything to be in place. They expect the trains and other public transport to work, and they expect hotels to have decent rooms and there to be enough of them. If that is not the case, it is a big issue.

It is a question of taking a helicopter view. Events are critical, but they have to be seen within the wider framework.

The Convener: For the committee's benefit and to answer Gavin Brown's question, will you briefly comment on studio space? I know that it is a big issue for your industry in attracting businesses to Scotland.

Ken Hay: We go around the world selling Scotland as a location for film and television production. The first question that most folk ask is: what studio facilities do you have? We have a range of facilities that can be used as studios—old industrial warehouses and shipyards, for example—but we do not have a dedicated space that can be used year-round as a film and television studio.

We are not advocating a Pinewood or Shepperton equivalent, but we need a dedicated space that can be used on a year-round basis. That would provide dry-cover opportunity for filming, so people could set up interior sets and do all kinds of work under cover. It is a problem that we do not have one. Trying to get the public agencies all singing from the same hymn sheet on the issue has been a major problem for 15 years. It would be good, at a relatively low cost, to get that sorted in the near future. It would make our job of selling Scotland much easier.

Christopher Harvie: There is a huge building on the other side of the Forth bridge that has never had a tenant. Has that building—which I think is the former Toshiba plant at Inverkeithing—been considered as a possibility?

Ken Hay: There is a range of possibilities. A number of distribution depots along the M8 are to

fall empty and there is a big shed down beside the Scottish Government's Leith offices. It is a question of finding the will to realise a particular option. My concern is finding a business plan that would make such a site work in the long term. Having a big shed for the sake of it is not a good idea, but having a space that can be utilised in a number of different ways and that can be used to generate a churn of business is.

The Convener: That is interesting. I invite Fiona Hampton to answer Gavin Brown's question about barriers.

Fiona Hampton: The answer is quite straightforward: the barrier is bureaucracy. The amount of time that it takes to go through all the processes that have to be gone through to get funding means that organisations end up spending all their time doing that and justifying their applications instead of designing and delivering events.

The fact that Highland 2007 had as its member organisations the Highland Council, Highlands and Islands Enterprise and the Scottish Government and all its associated agencies helped it to get over that barrier. We acted on behalf of those three agencies to remove that layer of bureaucracy. We had a short lead-in time and were aware that most of the people whom we were asking to deliver were volunteer groups. As well as simply not having the time to get involved, many of them needed to find funding just to survive. If we wanted them to put on extra special events for our benefit, we had to make the process as quick and smooth as possible, while ensuring that governance and transparency were still in place.

By acting almost as the broker in the middle, we could enable promoters and event organisers to get on with the job of putting on events, and ensure that accountability and auditability remained. I will give a good example of our brokering role, which meant that we could access funding that individual groups would have struggled to access.

Communities Scotland had two funds to support arts and cultural events. That was not well known, because the organisation deals with housing. Moreover, it was finding it extremely difficult to find projects that satisfied the remit. We said that by acting as a broker, we could lever in funding. We levered in £160,000 of funding, which went to great projects that Communities Scotland was completely satisfied with. We did the bit in the middle—the paperwork, the applications and the reviewing processes. Everyone won. The event organisers and the community groups all got fantastic funding for great projects and events. Communities Scotland's objectives were served

and we got more programme material and more investment in the Highlands.

That happened a lot. We worked closely with the Scottish Arts Council and did the same with its partners residency programme and its arts capital fund. We tried to take away the barriers, which were bureaucracy and occasional inflexibility in the rules—although rules are necessary to ensure transparency and auditability.

The Convener: That is useful. Jean Urquhart, do you want to add anything to the Highland perspective?

Jean Urquhart: No, I will pass.

The Convener: Peter Irvine must have experience of encountering barriers.

Peter Irvine: As someone who was involved in that process, I agree with what Fiona Hampton said. Having someone like her in place—who, with her small team of enabling people dealt with the bureaucracy and the form filling and enabled us to produce the events that we were asked to produce—is a huge asset. It worked for Highland 2007. That is a good model.

Joined-up thinking is often not in evidence. A good example of that is the idea of a winter festival, which has been visited upon us, as it were. As far as I am aware, there was not really any consultation with people who put on events and who are involved in the current winter festival to find out whether that was a good idea or whether it could usefully be progressed.

Edinburgh's hogmanay is the international event in the winter. That is when the world comes to the city and fills up every hotel room. The same could not be said of the hogmanay event in Glasgow or of the events in Aberdeen and Stirling.

12:00

All cities have Christmas programmes and Edinburgh is no exception. Two or three years ago the City of Edinburgh Council set up the winter festivals unit and it was decided to call what we do in Edinburgh a winter festival. In my view that was a mistake, because it diluted Edinburgh's hogmanay, which was a world-class brand that nobody else had. We put the apostrophe s on Edinburgh and owned hogmanay 15 years ago, making the festival into a world-class event that attracts huge television and other media interest and many people. By subsuming hogmanay into a winter festival we diluted the brand. We are revisiting the issue this year, because public perceptions of hogmanay have gone down a bit and we want to build them up.

There are already about six winter festivals in England. Halifax and Newcastle have winter

festivals, for example, as do many other cities. If we have decided to have a winter festival throughout Scotland, can we somehow join up the thinking and make it work? Can we throw some money at it? It will not be good enough just to carry on doing what we already do—the pantomime and the Auchenshoogle village hall St Andrew's night—and call that a winter festival; neither the Scottish public nor the visiting public will fall for that. If it is thought to be a good idea to have a winter festival, we must make a concerted effort to spend money on it and market it properly.

The Convener: Before the meeting started, Gavin Hastings talked informally about how we did not win our bid for the Ryder cup in 2010, which will go to the Celtic Manor resort. Is that an example of something that did not go well? Of course, the Ryder cup will come to us four years after that.

Gavin Hastings: In a way, losing the bid has been to our benefit, because it has given us an extra four years to promote the 2014 Ryder cup in Scotland. We can take time to assess the opportunity that the event will present.

I have written down "direct flights into Scotland". Platinum One's head office is in Dublin and it strikes me that there are many direct flights to Ireland from all over Europe, which means that the country can attract an awful lot of people. There is no doubt that travel hassle is more and more problematic. We have a good airport at Aberdeen and Inverness airport is growing. Glasgow airport is doing well and we have Prestwick airport. Just last week Ryanair announced more direct flights to Edinburgh. We need only consider the success and load capacity of the Emirates flight to Glasgow to realise that more direct flights to Scotland from Europe and beyond would bring more and more people to Scotland for major sporting events.

The Ryder cup in Scotland in 2014 will be a huge event. I was involved in bidding for the event, during which people spending about £50 a day was discussed. However, when the event was held in Ireland, the average guest in the corporate sector spent €500 per day, so we were way out in our estimate. International sporting events such as the six nations championship and the open golf championship bring huge amounts of money into the economy. I wrote down "engagement", which is a common theme in the discussion. If we can get joined-up, positive thinking we will be well on our way to attracting major events.

Stuart Turner: I agree with the other panellists, but three other issues should be considered. First, we should consider events' legacies. I know that it is common for people to talk about legacies, but we often put money into an event for a year or three years and then regard the event as being over and done with. We need to think more

strategically and to consider what we get from an event not just today but tomorrow and in the long term.

Gavin Hastings talked about the benefits of having an extra four years to plan for the Ryder cup. The clubgolf programme offers an excellent approach to long-term planning for events and beyond them—I worked in golf for three years, so I might be expected to say that. Clubgolf will still be there long after 2014, and has greatly increased the number of kids who play golf. That is a brilliant example of what can happen if Government identifies funding for development that is separate from investment in the event itself. We need to think more about what we can get out of events.

The second thing that has been a big barrier to some events is the accommodation sector in Scotland. The Government puts a lot of money into events—either directly or via EventScotland—as do other organisations, some of which are represented here today, and local authorities. One of the main beneficiaries of all the time, money and effort that people put into those events is the accommodation sector. Accommodation providers take money off the people who we bring to the events, but they rarely contribute anything. In fact, they are more likely to put their prices up. We run the Tiree wave classic, which is probably the only event that anybody takes to Tiree. During the week in which the event takes place, accommodation prices go up by between 25 per cent and 50 per cent. Some people would say that that is just human nature, but the problem is that such action drives people away from the event. I do not have an easy answer to that perennial problem. Everyone will be familiar with stories about accommodation in Edinburgh during the festival—the same thing happens around all events. The 2009 open golf championship will be held at Turnberry; already, hotels have doubled their prices for that week.

If we are going to be an event-friendly destination, it is important to make it easy for people to get here, but it is equally important that we do not kill people when they get here by taking double the normal amount off them for staying here. As I said, I do not have an easy answer to the problem.

Everyone on this side of the table believes that events do more than simply drive tourism and that there are loads of other benefits. We might call them the softer benefits—the social and cultural benefits. They are, however, very difficult and expensive to measure. We are working with a number of partners around the United Kingdom, such as UK Sport and development agencies in England as well as Glasgow, to develop a model to help us to evaluate events on that basis. In fact,

the Edinburgh film festival will be one of the pilot events in that regard.

The idea is that, if people spend tourism money on events, they will get more than just the tourism bang for their bucks. Some of the descriptions of the event that closed Highland 2007 show that there was a lot more to that event than just driving tourism. It was about a sense of place, delivering something to local communities and creating enduring memories that will last for tens or even hundreds of years to come—people will tell their grandchildren about the night the Kessock bridge was illuminated. Those things are very important but they are hard to measure.

It is important that we recognise that there is that other side to events and that they are not just about pounds, shillings and pence.

Lewis Macdonald: We have heard a lot about city-specific or region-specific events—partly because, obviously, that is the nature of events. However, is there a coherent Scottish-events offering in the global marketplace, or is it simply a case of Edinburgh, the Highlands and so on bringing things forward? Earlier, Peter Irvine said that some places did not quite see the importance of events. Is Scotland switched on to the potential of events?

None of the other evidence sessions that we have had today has been as focused as this one has been on the public sector leading the way—perhaps that is simply to do with the nature of events. Gavin Hastings talked about direct flights being important. Should Government lead the way in that? Stuart Turner said that accommodation providers are in a sense not playing the game. Is that something that local government should do something about? What are the roles of the public and private sectors in such issues?

The Convener: Peter Irvine runs a private sector business. As you mentioned earlier, you make pitches for money from EventScotland, the City of Edinburgh Council and so on. Is the balance right?

Peter Irvine: I think that it is almost right. We are privileged in Scotland, because we do very well in comparison with regions in England. On the whole, we understand events, their transformational power and their economic benefits. We might say that we need less bureaucracy and more joined-up thinking but, in comparison with other places, we do rather well. That started with the Edinburgh festival all those decades ago, but with the sporting events that we also obtain, we punch well above our weight, which is gratifying.

Each case is different and the mix of money that is required varies from place to place. I have said that some areas do not benefit. Some regions

would probably benefit from events—if they were the right ones—but they are not happening, so potential exists. The Highlands have shown that a vast number of events can take place in that region.

We should make the distinction between small events that are good for an area, for people who live there and for people who pass through, and events that bring people in. EventScotland tries to make that distinction with its regional fund and its larger events fund. Larger events are more difficult. Outside of sporting events, it is difficult to create a new event that will bring people to airports.

In relation to hotels, hogmanay in Edinburgh provides a good example. The hogmanay event was created at a time when, although a few of the city's leading hotels were full at hogmanay, many other hotels and guest houses were empty and Holyrood palace, the castle and all the shops on the Royal Mile were closed. Edinburgh was a ghost town, like most European cities. After a few years, the town opened up, loads of people made money and all the hotels and guest houses were full, after which prices were raised. Those businesses are the direct beneficiaries.

Hogmanay needs money and is the only show in town, as no conference or business travel occurs at the end of December and tourists go nowhere else—they all come to the city for the festival. In August, people are here on business and they go to the Highlands. There are many reasons to be in Edinburgh in August and to be in Scotland throughout the year, but for those two days, people are in Edinburgh for the hogmanay festival. Why should not a hotel tax be charged? Why should not all the guest houses and hotels pay a tax, such as £1 per room? That would add up to a considerable amount of money that should go directly to the festival. We have talked about such a tax for years, but it has never happened. One reason why it does not happen is that if hogmanay had such a tax, every other festival would pop up to say, "We'll have that too, actually," and everywhere would want it. However, it should be possible to make distinctions that are based on evidence of economic benefit and all the rest of it. Most hotels in Edinburgh are part of chains; they are owned not privately by people who live in the city but internationally. They benefit from hogmanay. They will say that they pay rates and taxes, but Edinburgh has something else and they should contribute to the reasons why people come here.

The Convener: That is thought-provoking stuff. Does Fiona Hampton or Jean Urquhart want to talk about the potential of festivals, about which Lewis Macdonald asked?

Jean Urquhart: I will balance what Peter Irvine said. For him, Edinburgh's hogmanay has put Edinburgh on the map, but hogmanay has happened in Scotland for a very long time. The word "hogmanay" is known just as Burns is known. I will give a microcosm of its impact. We started opening for hogmanay with just a wee party in a wee hotel in 1985, when Ullapool was exactly the same as Peter Irvine's description of Edinburgh—no other hotel was open after 9 o'clock on 31 December, no shops or businesses were open and no holiday cottages were let. Now, I doubt whether it would be possible to book for hogmanay. A huge community party takes place in the village hall and top bands play in three, four or five venues. That position has taken a long time to reach.

This is about how we market all parts of Scotland for hogmanay, which is bigger in some parts of the country than it is in Edinburgh. It is about choosing whether you want to be at a venue with 30 folk or at one with 300, 3,000, 30,000 or 300,000. Scotland has it all, and we just have to be much cleverer about how we promote it because we are not good at doing that.

12:15

It is about giving a positive message: instead of saying "Closed for lunch", we can say "Open at 2". The Scottish Tourist Board, as was, prided itself on a programme that it called autumn gold, which was intended to get people to extend the season. However, whether the board liked it or not, that programme declared, in effect, that everywhere was shut at the end of October. In fact, 50 per cent of Scotland is still open then. We should concentrate on Scotland being open and market it accordingly. Let us collate information on what is on and pass that on to let everybody know about it. The people in this room do not know what is happening across the country, but we need to know because we are the people who will sell it.

The Convener: Thank you. Chris Harvie—tight questions, now.

Christopher Harvie: If you had one young dynamic operator/organiser, would you aim him at a particular community to stimulate it and provide a competitive buzz or would you aim him—sorry, him or her—at national institutions? [*Interruption.*]

The Convener: Do you want to try the question again? We are all a bit puzzled.

Christopher Harvie: I have just been interviewing the Mallorcan tourism minister, who is about 30 and has a PhD in tourism. I am fascinated by how you turn round a mass tourism destination like Mallorca and make it a much more value-added destination. If someone like that tourism minister turned up before you in Scotland,

would you aim him at a regional area—a town or something like that—to stimulate competitiveness or would you aim him at a national institution to reform it?

Jean Urquhart: I would aim him at a national institution to reform it.

Fiona Hampton: I would do the same.

Gavin Hastings: As we said previously, Scotland is known throughout the world as a brand, and we must concentrate on that brand. However, if we are to reform any institution, perhaps that institution should be VisitScotland. I must be critical of the message that, under the previous Government, we used to find when we arrived at Scottish airports. We were greeted with the message: "Welcome to the best small country in the world", which used to drive me absolutely mad and which immediately gave the message that we are a wee country. The message has been changed now, thank goodness.

A number of years ago, I was on the advisory board of an organisation called Scotland the Brand when it was told that it would cease to exist. A huge amount of research, costing many thousands of pounds, had been done on the concept. We did research all around the world, including in countries such as New Zealand and Spain, which had significant brands. Members might remember that the word "Scotland" in "Scotland the Brand" had a bit of tartan in it, with a bit of the St Andrew's cross. After the Scotland the Brand organisation was disbanded, someone came up with this wonderful new brand, which consists of the Scottish saltire, with the word "Scotland" underneath—it is still our brand for promoting Scotland.

To answer Christopher Harvie's question, we should aim our efforts at the national area. We should also aim at everything that sits underneath that, but we must have the brand identification of Scotland. Scotland is a wonderful country, as has been said. We do not hear people from abroad talking Scotland down: they talk it up. They want to come here because they have friends, family or ancestry here, or because they love the outdoors, the castles and the mystique of the place. We tend to bring Scotland down sometimes instead of promoting its positive aspects. I think that members will find that, in our own way, all of us around the table like to promote the positive aspects of Scotland, as I am sure all the members do—we all agree to that.

The Convener: Thank you. Dave Thompson, then David Whitton. Tight questions please, gentlemen.

Dave Thompson: Yes. I wonder whether the panel thinks we need any fixed attractions. We have been talking about events that happen at

certain times of the year, but what about theme parks and so on that are open 12 months a year?

The Convener: Do you mean a Disneyland with a kilt? McDisney?

Dave Thompson: Not necessarily Disney, but something with big rollercoasters.

The Convener: An Alton Towers for Scotland. I do not wish to paraphrase Dave Thompson, but do the witnesses have a view on having big visitor attractions in Scotland?

Peter Irvine: They exist—there are one or two theme parks, if we can call them that. I do not think that Scotland is that sort of place—although some people say that we are a bit of a theme park already. There is always a danger that we might get that reputation.

All the research shows that visitors come to Scotland with perceptions about the scenery and sometimes about tartan, traditional music and such things. The challenge is always to revisit and reinvent those things to make them contemporary and interesting. I do not think that a theme park-like attraction would necessarily do that.

The Convener: Earlier, one of you described Fort William as the “outdoor capital” of Europe and talked about all the branding that would go with that, to do with mountain biking and walking, for example.

Peter Irvine: I was involved in that branding, calling Fort William the outdoor capital. Things are happening very slowly. It is not just about events such as the mountain biking championships; you have to hope that the town will have a cafe that sells a cappuccino, rather than what the town had three years ago. Visitors are increasingly sophisticated. They have expectations and everything must come together. The cycle track between the mountain bike area and the town centre has been a long time coming but it has arrived. People no longer have to go up the road and get killed on the way to events.

As some of you may know, the City of Edinburgh Council recently spent a great deal of money on rebranding Edinburgh. The city now has a brand, although we may or may not notice it. When people arrive at the airport and at other points of arrival, it should be in their face, but that has taken a long time. It takes a great deal of cash and concerted effort.

Edinburgh has recently opened its new website and it is a portal to the city. It is a model of its kind in the world and it is incredibly good. However, I imagine that most of us have yet to use it. It is not just about visitors but about investment, about education and about presenting everything that people will want to know about Edinburgh in a really cool way on a website that is easy to

access. It cost a great deal of money and it took a long time, but it is there now. Scotland should probably have one, too.

David Whitton: I have two specific questions. The first is for Mr Hay. You are promoting Scotland as a place for film makers to come, but would you get support to shut Princes Street for a week the way that New York shut Fifth Avenue for Will Smith’s movie? Would you find such blockages to film making around the country?

My second question is for Mr Hastings. If you did not like the previous slogan—“The best small country in the world”—what do you think of the new slogan, which is just, “Welcome to Scotland”? Is that any better?

The Convener: We will let Gavin think about that for a moment.

Ken Hay: There are a lot of blockages in the system and part of our job is to try to unblock them. I see my job as being a bit like a plumber in that regard. As has been said, we have many national agencies, all of which have overlapping responsibilities, but we also have local authorities, police authorities and a range of others whom we have to persuade to get involved.

Some places get it. For example, Glasgow gets it. Glasgow is delighted to shut any street, creating complete traffic chaos, because people there recognise the value of getting Glasgow up on big screens across the world. Other places may not be quite so enlightened.

The network of film offices across Scotland is, on the whole, supported by local authorities or run directly through local authorities. The challenge for those offices is to report back to local elected members to say what the benefit of the offices’ existence has been. That makes it difficult for Scotland to present itself in a coherent and co-ordinated way, because individual offices are going off and selling their own patch. They have to do that because if they did not they might not get business that year. Why else would they put money into it in the first place?

We are in long discussions with local authorities, industry, the film offices, Government and whoever else wants to speak to us about how we can get a better map of that drawn up. We are considering the potential for regional offices with local intelligence, which can work with local communities, shops, planning and transport officers and police officers to get road closures sorted and other blockages removed. It is a big challenge. The convener visited Scottish Screen a couple of weeks ago. We have an office base, and we have three members of staff working on that for the whole country. There is probably about two dozen staff in local authorities throughout the country with that kind of responsibility. A very

small number of people are trying to make a big impact. Going back to the earlier points, the more we can do to join up our thinking and break down some of the barriers, the better.

The Convener: There was a slightly provocative question from David Whitton to finish up with.

Gavin Hastings: To answer his question, yes I do think that the phrase is a vast improvement. I guess that the point I was making was that when we were on the board of Scotland the Brand, a good number of companies—tens and tens of them—were paying money to have the logo on their products, such as shortbread packaging, and in services and manufacturing. I was going to say that it was a mark of distinction but you had to achieve it, so it was a mark of achievement. When anyone wanted to use it, the request had to be submitted to the board, which went in to the company to understand it more. With the greatest of respect, that is not possible with the current set-up. The branding is much improved. I would love there to be a mark of distinction for Scotland itself, and for the companies that are based here and are exporting their products or services. That would be a challenge for us.

The Convener: Ladies and gentlemen, thank you for coming along this morning and giving up an hour and a half of your busy lives. We greatly appreciate it. If there are issues that we have not covered today that you would like to tell us about by e-mail or any other form of modern communication, please do.

Peter Irvine: Perhaps the public could be asked to come up with a slogan or a brand. A company was paid a great deal of money to come up with “Edinburgh: Inspiring Capital”. That may be right or wrong, but in this case, the Scottish people could be asked to come up with a slogan that they would see at the airport. A panel could decide which one was the best.

The Convener: Good idea.

I hope that the committee found that informative. I resisted the temptation to ask lots of questions about rugby and various other things. I bit my tongue a couple of times there.

Black Economy

12:29

The Convener: Item 2 is on the black economy. The committee will consider a briefing paper that has been written for us by Scotland's Futures Forum. We need to consider whether it is driving in the direction of the committee's interest in this area. Members will note that there is ongoing Government research. It may be appropriate to consider how any research that we commission would fit in with the Government's work. There does not seem much point in duplicating work that the Government is already undertaking. Christopher Harvie raised the issue in the first place, so I ask him to comment.

Christopher Harvie: The paper is an interesting beginning, with a useful bibliography. I have not had time to do any work on the issue, but I wonder whether I could provide a memo for the next meeting on the state of research in other universities and on structures of inquiry that might usefully be followed. The paper would estimate the size of the issue and present a theoretical basis.

The Convener: That sounds fine. I suggest that you e-mail that to the clerks and we will proceed with it in the usual way.

Christopher Harvie: I will. It will be about one and a half pages long.

The Convener: We will bring it back to the committee when some of the other issues come to light.

Do other colleagues have any points?

Gavin Brown: The paper seems quite drug-centric. I wonder whether there are ways of widening out the issue.

The Convener: Gavin Brown makes a good point, which could perhaps be picked up by the clerks and in the submission that Christopher Harvie makes.

Brian Adam: The reason for that is that Scotland's Futures Forum is considering drugs and alcohol. I know that Christopher Harvie's original intention was for much broader consideration, but the implications of drugs and alcohol and organised crime are undoubtedly significant, particularly for some of our cities.

The Convener: When the Government has finished its research, we will consider whether there are gaps. We will bear in mind Gavin Brown's point and Christopher Harvie's work.

Meeting closed at 12:31.

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