ECOLOGY, ENERGY AND TOURISM COMMITTEE

AGENDA

23rd Meeting, 2010 (Session 3)

Wednesday 8 September 2010

The Committee will meet at 9.30 am in Committee Room 2.

1. **Decision on taking business in private:** The Committee will decide whether to take item 6 in private.

2. **Reform of the National Trust for Scotland:** The Committee will take evidence from—

   Rt Hon George Reid.

3. **Research into the evaluation of Homecoming 2009 and The Gathering:** The Committee will take evidence from—

   Dr Geoff Riddington, Director, Grid Economics (Scotland) Ltd.

4. **Tourism inquiry:** The Committee will consider a progress note from the Scottish Government on the delivery of the recommendations made as part of the Committee's inquiry and take evidence from—

   Richard Arnott, Head of Tourism Unit, Scottish Government;

   Eddie Brogan, Head of the Scottish Enterprise Tourism Team, Scottish Enterprise;

   Riddell Graham, Director of Strategic Partnerships, VisitScotland.

5. **The public sector's support for exporters, international trade and the attraction of inward investment (in private):** The Committee will consider a draft report.

6. **A fundamental review of the purpose of an enterprise agency and the success of the recent reforms - appointment of adviser:** The Committee will consider a draft remit, person-specification and a list of candidates for the post of adviser in connection with its inquiry into the enterprise agencies.
The papers for this meeting are as follows—

**Agenda Item 2**

Note by the clerk

**Agenda Item 3**

PRIVATE PAPER

PRIVATE PAPER

**Agenda Item 4**

Note by the clerk

**Agenda Item 5**

PRIVATE PAPER

**Agenda Item 6**

PRIVATE PAPER
Economy, Energy and Tourism Committee

23rd Meeting, 2010 (Session 3), Wednesday, 8th September 2010

Reform of the National Trust for Scotland

Background

1. In autumn 2009, the Committee took evidence from Kate Mavor, chief executive of the National Trust for Scotland (NTS) and colleagues. This followed reported problems in the NTS and difficulties with its budgets. A copy of the Official Report of that meeting can be found here:

   http://www.scottish.parliament.uk/s3/committees/eet/or-09/ee09-2202.htm#Col2302

2. To assist with that meeting, written evidence was received from the Trust and also from one of its main staff trades unions (Prospect). Copies of these papers can be found here:


3. Following this meeting, the Committee agreed to keep developments at NTS under review because of the importance of the properties that the Trust owns to the Scottish tourism industry, and asked the Trust to keep members up to date with any developments.

4. Subsequent to the Committee’s meeting and a more general debate on the historic environment in the Chamber, the Trust announced that an independent, strategic review of its operations would be conducted and that this would be led by the Parliament’s former Presiding Officer, Rt. Hon George Reid.

5. Mr Reid reported his findings in early August 2010, a copy of which has been provided to Members of the Committee and can also be found online here:

   http://www.nts.org.uk/About/The-Review/

6. In total, 23 recommendations were made by Mr Reid and his review team and these are listed below.
R1. Council should become the Board of Trustees and should be the sole body for the general control and administration of the National Trust for Scotland. (p10)

R2. The Board should have a maximum of 15 Trustees. (p10)

R3. There should be no representative members on the Board of Trustees. (p10)

R4. Executive Directors should not be Trustees. (p10)

R5. The Secretary to the Trustees should be independent from other members of NTS senior management. (p10)

R6. Council and Board should jointly appoint a Transition Committee to manage NTS internal arrangements between the 2010 AGM and the election of new Trustees. (p10)

R7. The Transition Committee should ensure the election of new Trustees by end March 2011. (p10)

R8-R11. Each NTS member should have ten votes in the ballot, marking choices with an X; there should be a sift and interview process for Trustee candidates; election of Trustees should be exclusively by postal and electronic ballot. (p11)

R12. Trustees should hold office for four years, with the possibility of a further four year term on re-election. (p11)

R13. The terms of office for the Chair and Deputy Chair should be four years. (p11)

R14. Trustees elected in 2011 should serve phased terms. (p11)

R15. The Board should be able to co-opt up to four Trustees. (p11)

R16. The President should remain a Trustee until such time as the office is considered in new legislation. (p12)

R17. Vice Presidents should be elected in an honorary capacity only. (p12)

R18. Trustees should publish a code of NTS Good Governance. (p12)

R19. Trustees should be assisted in their work by three standing Committees: Audit, Investment and Nominations. (p12)

R20. Panels should continue in an advisory capacity, pending consideration of their role by the new Board of Trustees. (p12)

R21. The Transition Committee should establish a working group on the NTS Mission Statement, with Trustees reporting to the 2011 AGM. (p17)

R22. The Transition Committee should establish a working group to review the Trust’s portfolio of properties and assets, with Trustees reporting to the 2011 AGM. (p22)

R23. Trustees should publish a five-year strategic plan and thereafter ensure that the Trust adopts an integrated system of corporate planning. (p32)

**Action/recommendation**

7. At the invitation of the Committee, Mr Reid will attend today’s meeting and present his report and its conclusions. Members are asked to take the above documentation into account during any discussions and decide what, if any, follow-up action is required.

Stephen Imrie
Clerk to the Committee
September 2010
Economy, Energy and Tourism Committee

23rd Meeting, 2010 (Session 3), Wednesday, 8 September 2010

Tourism inquiry – update on the progress of delivering on the recommendations

Background

1. In July 2008, the Committee published the report of its tourism inquiry\(^1\). This was the culmination of an extensive investigation. As part of its ongoing work programme, the Committee stated that it wished to return to the subject matter throughout the remained of the parliamentary session to review the progress that is being made by the Scottish Government to deliver on the recommendations made at the time. A note from the Scottish Government is attached in the annex to this paper.

Action/recommendation

2. Members are asked to consider the material set out in the annex to this paper and discuss what, if any, action they wish to take.

Stephen Imrie
Clerk to the Committee
September 2010

\(^1\) Available at: http://www.scottish.parliament.uk/s3/committees/eet/reports-08/eer08-06-00.htm
**Committee Recommendation** | **Scottish Government Response to the Committee’s Report (September 2008)** | **Scottish Government Response (December 2008, Letter from the Tourism Minister)** | **Scottish Government Response (Update of June 2009)** | **Scottish Government Response (Update of September 2010)**
--- | --- | --- | --- | ---

### Targets and ambitions

**229. The Committee recommends, however, that VisitScotland evaluates progress against this [50% growth ambition] on an annual basis and reports its findings to the Parliament and this Committee.**

Agreed. The Government is pleased that the Committee welcomed the retention of the 50% growth ambition. In terms of reporting against progress, VisitScotland already publishes a “Scottish Tourism Annual Position Summary”. In line with this recommendation, a commentary section on industry progress towards the ambition will be added to future reports. VisitScotland will be happy to send a copy of this report directly to the Committee.

It is clear that the recent economic climate will have had an impact on progress towards the growth ambition, indeed in real terms since 2006 there has hardly been any increase in revenue. However, this does not mean that the strategy should change. The main message in the strategy is that a step change in the industry’s attitude and practices will be necessary for sustainable growth. The final year volume and value figures for 2008 are expected in late June / early July. As soon as the VisitScotland report is compiled it will be shared.

Scottish tourism has continued to perform well in difficult economic circumstances. Data for 2009 shows that the total number of visitors to Scotland increased by 2.5% compared to 2008. For overseas visitors, the increase was 2.1%, compared to an equivalent fall in overseas visitors to the UK as a whole. Data on tourism expenditure in Scotland shows an increase of only 1% on 2008, which means we are still not achieving the trajectory required for the 50% growth ambition. However, tourism performance by other countries also showed that 2009 was a difficult year.

As described below, the new Tourism Leadership Group is currently undertaking a
with the Committee.

reassessment of the Tourism Framework for Change, including whether the 50% ambition is still appropriate. It is clear that we need industry to take full responsibility for improvements and investment in tourism with the public sector providing support. The Leadership Group aims to identify realistic targets and priorities for action with the intention of concentrating on those that will bring real results.

The Minster for Enterprise, Energy and Tourism recently held a further discussion session with senior representatives from key stakeholders; seeking to ensure that the key needs of the industry are identified as well as how the sector can best collaborate to achieve growth. This may mean that some of the actions identified in the TFFC strategy or the Committee’s Tourism Inquiry recommendations may be superseded over the coming months.

| 230. Furthermore, given the challenges that face the industry in the short-term – rising fuel prices, disadvantageous exchange rates with the US dollar etc – we recommend that | Agreed. The Scottish Government acknowledges the current challenges facing the tourism industry, from the economic climate etc. However, there are also opportunities from the | Since the response, the economic climate has worsened and the Scottish Government has taken action on several fronts in reaction to this. The Government's | As a further example of the rapid steps that have been taken in response to events affecting tourism, VisitScotland took decisive action in response to the problems caused by the restrictions in flights due to the volcanic ash cloud earlier this year. An immediate recovery |
VisitScotland and the Scottish Government ensure that rapid steps can be taken if performance against the target dips and/or if tactical changes to tourism policy (e.g. marketing campaigns) are needed.

The current strength of the pound against the euro which increases the attraction of Scotland to potential visitors from the Euro-zone countries and also should help to attract more visitors from within the UK who might otherwise have chosen to travel to mainland Europe.

VisitScotland has already reacted quickly and made tactical adjustments to its marketing campaigns to focus on areas of strong opportunity. In the UK it has brought forward campaigns specifically targeted at customer groups who are less likely to be impacted upon by economic slowdown and at areas of the country where the cost of fuel will not be such a disincentive, e.g. within Scotland and Northern England. At an international level, while retaining attention to the US market, it will focus activity on areas such as Canada (where the dollar and the economy are stronger) and the Euro-

Economic Recovery Programme is not simply a set of measures to cope with short-term challenges. It is a constantly-evolving framework of action, undertaken collectively by the Scottish Government, public bodies, local government and our respective partners. It takes forward the Government’s Economic Strategy by developing the underlying sources of our competitive strength. Using the levers currently available to the Scottish Government, our Strategy identified five strategic priorities that would drive economic growth: infrastructure and place; learning, skills and well-being; a supportive business environment; effective government; and equity. Specifically for tourism, Homecoming 2009 is providing a major stimulus to the industry.

VisitScotland has frozen prices on its core products and marketing opportunities that businesses buy and launched the new Growth plan for businesses was launched by offering free marketing opportunities to businesses to help them recoup their losses. After the immediate recovery plan, VisitScotland then launched a dedicated domestic marketing campaign in Scotland, capitalising on the staycation effect first witnessed in 2009. These are just two examples of how VisitScotland has reacted in a tactical manner to address the challenges of the external environment. Other examples of tactical changes include focusing on the value for money message in the US and Canada to take advantage of exchange rates which mean it is relatively cheap for US and Canadians to visit Scotland. In addition, VisitScotland has increased its activity with ferry operators to ensure a broad range of partnerships with transport operators.

In addition, as part of the Scottish Government’s initiatives on the Economic Recovery Plan, Scottish Enterprise(SE) has continued to strengthen its programme of tourism innovation support to industry in response to the current economic climate, as well as developing longer term propositions around the main tourism destinations and strong
zone countries. VisitScotland will also be organising a series of workshops for businesses to advise how they can adapt to the changing marketplace. The Government will monitor the position closely. In addition to adapting its marketing tactics, VisitScotland is also providing support to the industry, offering additional marketing opportunities to them at no additional cost, e.g. the Adventure Pass which was launched in August, providing special offers to visitors on adventure activities.

Fund as support for businesses working on joint marketing projects. Homecoming activity is expected to bring in an additional £44m tourism revenue. The enterprise agencies have substantially strengthened their programmes of tourism support. Scottish Enterprise (SE) has substantially strengthened its programme of tourism innovation support the industry in being flexible and responsive in the current economic climate, as well as develop longer term propositions around the 6 key destinations and strong product offerings in the SE area. Specific initiatives include:

- Tourism Intelligence Scotland (TIS) is the joint SE, HIE, VS and industry project to disseminate market intelligence to industry. A third TIS resource titled "Knowing Our

product offerings in the SE area. In the HIE area, examples of actions being taken to support economic recovery and growth in clued bringing forward major investment cases, accelerating business support to companies with growth potential and levering in additional funds from out with the region.
Markets… Scotland’s Visitors”, has just been disseminated to 10,000 tourism businesses.

- In addition, in June, a new TIS newsletter ‘ear to the ground’ will be sent to 4600 businesses and 42 trade associations and consortia. This will include hints and tips, insights, facts and also practical examples of how businesses have responded to the challenges and opportunities associated with the economic climate.

- Listening to Our Visitors is a practical guide developed by SE working with HIE, VS and the industry. It provides tools and techniques to help Scottish tourism businesses gather and utilise feedback from their customers. It has been distributed to 7,000 tourism businesses and 11 associated workshops.
have been delivered to date with a further 8 planned with a potential total attendees of around 300.

- The new SE Tourism Innovation Fund was launched in February and provides match funding (up to £30,000) and tailored professional one-to-one advice to help tourism operators deliver innovative projects. 48 expressions of interest and 15 applications were received in the first round of applications and will be judged in June.

- SE Tourism Management Programme comprises a series of industry events to help tourism businesses to address key issues, to provide access to international, UK and Scottish best practice and to provide networking opportunities. These have proved to be particularly important in


the current climate and this year’s events programme has attracted over 1200 participants. Topics have included e-business, food and tourism, improving the visitor experience, business tourism, golf and market opportunities.

<table>
<thead>
<tr>
<th>231. Additionally, we recommend that VisitScotland and the Scottish Government, working alongside industry and transport bodies, take all possible opportunities to articulate the importance of the 50% growth ambition and the need for combined action in the public sector and the industry itself.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed. The main way that the Government, all public bodies supporting tourism and the tourism industry are working together to implement the Tourism Framework for Change strategy is through the industry-chaired implementation groups. The Strategic Tourism Forum is currently reviewing how this network is operating with a view to refreshing the focus of the strategy and how it is best communicated to the industry. Communication of the importance of the 50% growth ambition is central to VisitScotland’s corporate communications strategy. Stakeholder</td>
</tr>
<tr>
<td>VisitScotland’s research shows that most stakeholders are aware of the 50% growth ambition and think that they have a role to play in achieving it. Example results are:</td>
</tr>
<tr>
<td>-Are you aware of the ambitions to grow the tourism industry by 50% by 2015? Yes 78% overall</td>
</tr>
<tr>
<td>-Do you believe you have a role to play in achieving the growth ambition? Yes 91% overall.</td>
</tr>
<tr>
<td>-Have you incorporated the growth ambition into your strategic thinking and planning for your own business? Yes 56% overall.</td>
</tr>
<tr>
<td>The new Tourism Leadership Group has been established to provide a truly industry-led focus for tourism improvements and to help spread the ambitions for growth and the actions that are needed to achieve this across the whole sector. Leading industry figures have agreed to work together to both advise the Scottish Government and public sector on what support the industry needs to achieve growth, but also galvanise the rest of the industry into making improvements. The Leadership Group is initially working, with funding from the public sector, to refresh the Tourism Strategy and identify the key actions that need to be taken for growth to be achieved.</td>
</tr>
<tr>
<td>In addition, the appointment of a new Chair and Acting Chief Executive of VisitScotland is an</td>
</tr>
<tr>
<td>Research shows that awareness of the ambition is high – according to the VisitScotland 2008 Stakeholder Survey, 91% of stakeholders are aware of the growth ambition.</td>
</tr>
</tbody>
</table>
### Clarity of functions

| 233. The Committee recommends that the Scottish Government gives serious consideration to a closer alignment of tourism product development and investment within the national tourist board, which has the expertise and capacity in both such areas. The separation of related functions such as inward investment, quality/product improvement and marketing is simply not a good example of joined up thinking or integrated operations. | Agreed. The Government will give serious consideration to how the public sector bodies involved in tourism can be further aligned to maximise the support they provide to the tourism industry in working towards the shared growth ambition. However, it will seek to achieve this, in the first instance, through more effective joint working across the existing agencies and remits.

The current joint work between SDI, VisitScotland and the enterprise agencies to prepare a national tourism investment plan will continue, although there will also need to be close involvement with the tourism industry itself, both directly and through the Scottish Tourism Forum, to ensure the plan has a |
| Through the work of the Strategic Forum, Ministers have overseen the recent preparation of the relevant public bodies’ corporate plans for 2009-10 and onwards. This has provided an opportunity to ensure that Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland plans are more closely aligned in their purpose, especially in relation to supporting the tourism industry in the growth ambition and the Government’s overall purposes under the National Performance Framework.

An update on the Tourism Investment plan work is included under para 241. | The Strategic Forum has continued to build the collaboration of the key tourism agencies to further increase alignment and ensure that the impact of collective efforts to develop tourism is maximised. The Forum partners have agreed to develop Sector Delivery Plans for each of the key sectors identified with the Government Economic Strategy which will set out the opportunities and integrated actions required to achieve economic. The work by the Tourism Leadership Group to refresh the industry strategy will provide the basis for the Delivery Plan and this will set out the actions which are required of industry and the public agencies in areas such as inward investment, quality and product improvement and marketing.

VisitScotland and the Enterprise Agencies already align and collaborate in many ways. Together, they share a common understanding of market opportunities and the brand strengths of Scotland. This is evidenced in a range of jointly delivered support for the industry |
firm grounding that the industry will wish to deliver. It will also be necessary to work closely with local authorities in developing the delivery mechanism for the plan, as development planning is a vital part of the investment process.

If joint working between public sector agencies does not yield adequate results, the Strategic Forum which is chaired by Ministers is a suitable mechanism to consider if further changes are necessary.

such as the ‘Destination Development Guide and Toolkit,’ ‘Customer Feedback - Listening to Our Visitors’ and a range of support materials and website produced by Tourism Intelligence Scotland

VisitScotland, the Enterprise Agencies and Scottish Development International also worked to produce a draft national tourism investment plan which identifies areas where investment would have greatest impact on achieving the national tourism growth ambition. This provides a focus for the agencies’ alignment behind Scotland’s major brand strengths and supports further collaboration in planning by collectively assessing and agreeing on growth opportunities in order that resources are aligned for greatest impact. Other examples include joint work on support for Destination organisations, Food and Drink tourism, (especially on the current Year of Food and Drink focus), Golf, and sailing.

236. We do, however, recommend that the Scottish Government reviews the marketing and tourism promotion strategies of Historic

| Note | Not agreed. The Government sees no need for a review. Overall responsibility for the marketing of tourism in Scotland or in areas of |
|      | Further clarification was provided in the Government’s letter of 8 October 2008 to the Committee explaining that Historic Scotland (HS) continues to expand its collaborative working with other tourism businesses and public sector agencies. HS supported the 2009 Year of Homecoming through a number of partnership initiatives. | Historic Scotland (HS) continues to expand its collaborative working with other tourism businesses and public sector agencies. | Historic Scotland (HS) continues to expand its collaborative working with other tourism businesses and public sector agencies. HS supported the 2009 Year of Homecoming through a number of partnership initiatives. |
Scotland and instructs the body to play a more active role alongside heritage groups and others towards the shared marketing of Scottish tourism through its unique properties. Scotland rests with VisitScotland. Historic Scotland works effectively overseas with VisitScotland to promote the wider historic environment as a significant asset for Scottish tourism. Recent activity has been focussed on USA, Europe, India and South East Asia. Within Scotland, Historic Scotland works closely with the operators of other historic attractions through the Historic Properties Group, which brings together the National Trust for Scotland, the Historic Houses Association and Scottish Enterprise on a quarterly basis. Through this group, Historic Scotland has commissioned a significant piece of research which looks at the future opportunities for the heritage tourism sector. The Group has also promoted joint exhibitions at the National tourism exhibitions (EXPO) for the last two years, developed a joint ticket for access to already undertakes many joint projects with tourism businesses and public sector agencies. Since last year this work has continued and grown further. HS recently worked with several trade partners on a mission in Hong Kong. HS works with local communities and is a member of over 20 local Destination Management Organisations. The Homecoming Pass (launched jointly between HS, Historic Houses Association, and National Trust for Scotland for the Homecoming) is now available via tour operators and to the public. HS is also considering, with VisitScotland, the opportunities to deliver broader tourist information at some of their sites. HS worked with NTS and HHA under the Heritage Properties Group (HPG) to deliver a Homecoming Pass for the travel trade. The joint admissions pass offered entry to over 130 HS, NTS and HHA properties throughout Scotland. This was marketed to global travel trade contacts through the Expedia, VisitScotland.com and VisitBritain.com travel websites. The pass generated sales of over 10,000, income of £342,000, and 50,000 visits and was welcomed by the trade as an innovative new product in the marketplace. As a result of its success it has been relaunched this year as Scotland’s Heritage Pass with a 3 year business and development plan. Working with EventScotland HS also delivered a Family Trails leaflet, highlighting 15 Scottish family names, and a programme of over 100 related events. HS also worked with National Libraries of Scotland’s (NLS) map library to create an online resource for people with Scots ancestry. HS’s Sales Team takes the lead in co-ordinating the Scotland’s Heritage aisle at EXPO, with 16 stands, 14 partners and a waiting list of potential partners. This pulls together the key heritage attractions
a range of historic attractions as part of Homecoming 2009 and started to promote joint initiatives such as extending the visitor season, joint tickets, joint trails and joint leaflets. Historic Scotland is actively involved in several national tourism industry partnerships, including Tourism Framework for Change Implementation Groups for Marketing, Market Intelligence and Innovation, and Sustainable Tourism.

At a local level, Historic Scotland is active in several Destination Management Organisations (DMOs); for example it provides the current Chair of the Edinburgh DMO, established the Stirling ‘Top of the Town’ group, and is a key player in the Loch Ness, Orkney and the Borders DMOs. All of this activity is in addition to the core Historic Scotland work of promoting and marketing its own portfolio in one area of the hall, creating an impact and a one stop shop for potential buyers.

HS attended over 10 sales trips with VisitScotland and other tourism partners, both here in the UK and overseas, supporting the development of new markets in Russia, India, China and Australasia as well as Scotland’s traditional overseas markets. HS strengthened its partnership with Visit Scotland by introducing a quarterly meeting to ensure we are maximising all partnership opportunities. HS is also an active member and funding partner in the Castle and Whisky Trail leaflet groups.

Their work with local communities included the introduction in 2009 of site specific promotional offers and free days to tie in with local community events. HS also introduced a new joint ticket for Threave Castle and Threave Gardens with NTS.

HS continues to be a member or attend over 40 tourism, travel, marketing and destination management organisations. VisitScotland is also working with other stakeholders to develop Scotland’s offering in ancestral tourism, which has links to heritage.
of 345 sites, which in 2007/08 had their best year ever in terms of both visitor numbers and quality of service.

However, there may be potential for this activity to be further increased and Historic Scotland and VisitScotland will continue to seek further opportunities for collaboration in which Historic Scotland can contribute a full and developing role in optimising the tourism experience and revenues at both a local and national level.

<p>| 237. Furthermore, the Committee recommends that the Scottish Government and VisitScotland review the myriad of publicly-funded initiatives such as Pride &amp; Passion, Hospitality Assured, Tourism Intelligence Scotland, Scot - Land of Food and Drink etc and declutter and streamline where necessary. | Agreed. The Government is keen to better align the support for the tourism industry and will consider what further steps should be taken on this. However, many of the initiatives listed provide very useful support directly to the industry and are structured to ensure they focus on a specific task related to delivery of our tourism strategy. Some of | One of the key objectives from the TFFC review is to remove any duplication and provide better integration through clear industry leadership. This emerging leadership will undoubtedly make suggestions were closer working, merging or integration of projects is necessary. The STF recognises its role in moving forward particularly with the expected | As originally set out in the Government's response, many of the initiatives listed provide very useful support directly to the industry and are structured to ensure they focus on a specific task related to delivery of the tourism strategy. However all the public bodies have worked together to review these groupings and have created a more streamlined delivery of tourism functions. Pride and Passion, Sustainable Tourism Partnership and Tourism Innovation Group have |</p>
<table>
<thead>
<tr>
<th>the initiatives, such as Pride and Passion, have been initiated by the industry itself, and then given some public funding; thus encouraging industry leadership and ownership - which are vital. Some of the initiatives are industry-led and have functions which are wider than tourism (e.g. Scotland Food and Drink) and it may not be appropriate to change their constitution or merge them with other tourism initiatives. Others, such as Hospitality Assured, are proven business development tools and are well-used by the sector.</th>
<th>pressures on the public purse. The Government and agencies will only develop initiatives where there is clear industry support for them.</th>
<th>ceased to operate as stand along bodies. Some of their functions for example newsletters can be taken forward by Tourism Intelligence Scotland, Scottish Tourism Forum or the Tourism Leadership Group helping to provide more clarity for industry and reduce duplication. In the Highlands &amp; Islands business support tools such as Hospitality Assured have been widely used to drive growth with over 200 companies and is still considered a valuable diagnostic and growth framework for companies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>238. As a quid pro quo for a greater clarity of functions within the public sector, the Committee recommends that the leading industry bodies consider whether a move towards a single, more unified trade body, speaking with one voice wherever possible would be beneficial to the industry. We believe</td>
<td>This is a matter for the tourism industry and the Government understands that the Scottish Tourism Forum is currently working to bring about greater industry leadership within the tourism sector.</td>
<td>For a number of years, based on its wide cross section of membership, the Scottish Tourism Forum has provided a means for the industry to raise key issues affecting tourism. The STF Board recognises that it is the only national tourism membership organisation that brings together the full spectrum of industry, through Working in alignment and in conjunction with the Scottish Tourism Forum, the new strategic Tourism Leadership Group under the Chairmanship of Stephen Leckie of Crieff Hydro has been formed to as the single source of strategic leadership for the tourism industry in Scotland. Although in a relatively early stage of development, the Group is becoming more established and</td>
</tr>
<tr>
<td>firmly that it would.</td>
<td>membership organisations, associations, group members, individual members. It has been agreed that the STF will provide industry leadership in delivering the TFFC, producing an industry 'business plan', setting out a real step change, setting out clear definable/measurable ambitions, providing cohesive messages to industry, single channel communications to and from industry and working in partnership to further the opportunities for the sector. This repositioning of the independent STF is underway with wide consultation, a review of the TFFC and recently a workshop to agree the next steps.</td>
<td>building on the work by the lead industry trade body, the Scottish Tourism Forum, the Group have set an ambitious agenda of activity over the next six months which will consider the future growth opportunities for the sector in an increasingly competitive world tourism marketplace. The close working relationship between the Tourism Leadership Group and the Scottish Tourism Forum has ensured that each is clear in its remit and responsibility with the collective aim of ensuring that the industry benefits from both a strong strategic industry leadership group integrated with the well established and recognised national industry trade body. Membership of the Leadership Group is intended to ensure that there are strong connections with the industry &quot;grassroots&quot;, reinforced by STF, including representatives from Scotland’s main tourism destinations and a number of DMOs.</td>
</tr>
<tr>
<td>Ease of investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>241. We recommend that the Scottish Government, through Scottish Development International and VisitScotland, moves rapidly towards the development of a national tourism investment plan and strategy that identifies gaps in provision (e.g. a new resort, new marinas, quality hotels etc), works towards clearing any obstacles to these in advance and aggressively markets these investment opportunities in Scotland and around the world.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreed. The Government welcomes the endorsement of the work already underway to establish a national tourism investment plan. The enterprise agencies and SDI are the main tourism infrastructure investment agencies for Scotland and they are working together with VisitScotland and the industry itself to develop the plan. Work is currently underway to assess the future investment needs based on current and future markets, current and planned investment activity, where there may be gaps, and what action needs to be taken to address these. For example, the full potential of the Aberdeen and Perth conference centres cannot currently be realised due to the lack of appropriate hotel accommodation. Conferences which may</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whilst substantial investments were already being made or planned by both the private and the public sectors, the Committee’s recommendation acted as a call for a more coordinated effort across the industry to encourage investments that would be key to meeting the needs of target markets and the drive towards the growth ambition. A steering group was formed, comprising representatives from VisitScotland, Scottish Development International, enterprise agencies and the Scottish Government. More recently the STF have also joined this group. Recognising the need for the plan to be consumer demand driven, VisitScotland’s research teams carried out a detailed assessment of consumer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A national Tourism Investment Plan has been prepared by the key public agencies involved in Tourism which sets out the tourism related investment needs and opportunities which will support future sector growth. These are set out around transport, accommodation, attractions and activities, conference and events infrastructure, Scotland’s national parks, the built environment and food and drink and were developed both in response to the current and future demands and expectations of Scotland’s customer base, and also to ensure that Scotland maximises its substantial tourism assets. This document is being used by the new Tourism Leadership Group as part of its early thinking around where the future priority actions lie within the sector in order to achieve growth and it will inform its work on the strategy. The Plan has also acted as the basis on which the agencies have progressed investment activity. SE, in support of its priorities in destination and product development has made, is</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
have been attracted by the conference facilities are often forced to go elsewhere due to a lack of supporting infrastructure. Similarly, new resort developments would help Scotland to attract more international visitors and business tourism visitors, both of which are high value sectors and whose growth is pivotal to the growth ambition. Significant industry and public sector consultation and support will be required over the coming months to ensure sufficient levels of buy-in to the concept and process of developing a single investment strategy.

trends. Other relevant documentation, including accommodation reports, local and regional tourism development plans and related policies were reviewed to understand the tourism markets and perceived product gaps, infrastructure capacity and development opportunities. Workshops were held to develop engagement with the plan across the industry and with local authorities. This engagement is ongoing and further workshops are planned with key players in the public sector and the accommodation sector and potential investment interests.

A draft plan has now been prepared with particular investment priorities identified around transport, accommodation, attractions and activities, conference and events infrastructure, Scotland’s national parks, the built environment and making significant investment contributions to a number of projects including the development of the new arena at the SECC in Glasgow, the provision of new stands for the Royal Edinburgh Military Tattoo, the development of the new Forestry Commission Scotland visitor centre at Glentress and the construction of new pier infrastructure to support the development sailing on the west coast. Such investments are complemented by work with industry groups to enhance the quality of the wider tourism experience which in many cases will also generate further private sector investment.

The important role of tourism related inward investment featured prominently within the investment Plan and SDI through the delivery of its Tourism Inward Investment Strategy dedicates substantial resources to this area of opportunity. SDI, SE and HIE along with key Local Authority partners are active in identifying and promoting potential sites which can deliver credible hotel/resort/marina opportunities for the global, branded hotel/resort operator community supported by an industry standard SWOT analysis processes developed by SDI alongside experienced hospitality
food and drink. These have been developed both in response to the current and future demands and expectations of Scotland’s customer base, but also to ensure that Scotland maximises its substantial tourism assets.

The initial investment plan will act as a foundation for the work on investment identified in the TFFC review. It is planned to publish the plan in June 2009. The various public and private sector bodies and individuals will be encouraged to use the plan as the basis of future tourism-related infrastructure and investment. More significantly, it will be used by public sector bodies to actively target and facilitate new investment and it will particularly drive the work of SDI in attracting inward investment in the sector.

The plan also provides a clear focus for activity that could be supported through consultants.

At the same time, a key area for SDI’s attention continues to be the cementing of relationships with the global, branded hotel/resort operator communities who have a fit with Scotland’s aspirations as a high quality destination for incoming, higher-spending tourists. It is this operator interest based on their market segmentation which is matched with the site-specific opportunities mentioned above. Substantial resources are also allocated by SDI towards deepening engagement with the UK / Scottish hotel and resort development community who can deliver turnkey projects on behalf of the major hotel/resort brands.

Additionally, SDI is working to source international finance for hotel and resort development, given the partial withdrawal of the major banks from the provision of development finance in this area. The situation has also been exacerbated by the move by major, branded hotel/resort operators, who nonetheless remain the key component of all investment projects, away from owing/leasing property toward a position of managing developments by means of Management Contracts on behalf
a National Tourism Development Bank should this be created in the future. of owners/developers. This SDI activity directly addresses the main economic challenges faced by the industry over the foreseeable future in an extremely competitive marketplace which has moved to lower risk investments such as distressed assets, and tourism developments in the key gateway capital cities.

Partnership plays a particularly important role in the attraction and delivery of inward investment projects. The timescales for completion of a new hotel/resort development project are likely to be in the order of three to five years. As a fundamental stepping stone, planning permission needs to be in place before a package involving hotel operators, developers and financiers can be assembled. All of the public sector agencies involved are now working more closely to deliver against the above shared targets.

Facilitation of partnerships on specific projects and relationships between the key private and public sector organisations continues to be a major role for SDI in its hotel and resort development activity, as the successful delivery of SDI’s Tourism Investment strategy is highly
dependent on collective ownership, commitment and partnership around the major investment requirements and opportunities which can support industry growth.

The private sector role, both in supporting SDI’s tourism investment strategy and in making direct investment cannot be underestimated. There is a role for the private sector to “champion” the investment priorities both amongst their business colleagues and with key public agencies who have a role to play in delivery.

| 242. We further recommend that the Scottish Government and VisitScotland review the workings of the Austrian and Swiss tourism investment banks to see whether such an initiative could be part of a new national tourism investment plan (see paragraph 87). | Agree. VisitScotland is conducting research into the Austrian and Swiss tourism investment banks, with particular interest in the Austrian example given the similarities between the Austrian and Scottish tourism industries in terms of the scale, ownership and location of accommodation providers and in terms of the size of the industry and its importance to the local economy. The Government in Austria has made a clear commitment to the tourism sector via | Following the initial work by VisitScotland, on these initiatives in Austria and Switzerland, Scottish Enterprise has now commissioned a detailed review of the Austrian Tourism Investment Bank to assess the current position with the objectives and operation of the bank. This work will be completed in June 2009 and will be used as the basis of further joint work between the agencies. Ministers, through the Strategic Forum have asked that this joint work is fully integrated | Joint work undertaken by SE, HIE, SDI and VS examined the workings of the Austrian and Swiss tourism investment banks and considered the nature and scale of the investment issues being faced by tourism businesses within Scotland. Whilst the review concluded that the Austrian and Swiss banks was not replicable within Scotland, a number of recommendations were made as to how the sector could be better supported to access investment funding. The main action is the approach currently being developed by SE which will provide access to SE company growth products and |
| the development and partnership funding of the Austrian Bank for Tourism Development. VisitScotland is also looking at the arrangements in Switzerland and will report to the Government in due course. | with wider work on improving access to finance for all businesses in response to the current economic climate. | services to a wider group of companies who are particularly important to the delivery of growth within the key sectors set within the Government Economic Strategy. This approach offers the potential for a greater number of tourism companies to access products such as Investor Readiness where this can support a business’ growth ambitions. SDI is also playing an important role in relation attracting investment funding to Scotland in support of tourism development. SDI is currently engaged in appointing specialist consultants to assist Scottish hotel developers by supporting them with the preparation of a short, concise, market ready investment brief to attract further external investment into their hotel development projects. Additionally, SDI is currently working through a programme of investment discussions with an identified portfolio of Hotel Investment Funds in the East Coast USA, Germany/Switzerland/Austria, the Middle East, Hong Kong, Malaysia and Singapore, to better understand their investment requirements and the type of tourism property deals in Scotland which could attract their |
The aim of the exercise is to match targeted international investors with appropriate projects from the portfolio of nascent Scottish Hotel/Resort and Tourism real estate projects with which SDI is engaged.

More locally, the SE and SDI are examining the scheme guidelines to ascertain to which extent RSA can be used for Tourism Investment Projects. Examples of the use of RSA for accommodation projects elsewhere in the UK are being examined, and consideration is being given to the further development of guidelines which would allow RSA to be used in an area which has traditionally not been eligible for this type of funding.

| 243. We recommend that the Scottish Government, with the Scottish Funding Council and through Futureskills Scotland, look at this issue [lack of qualified planning officers and other key officials within local government] as a matter of urgency and work with the Royal Town | Agreed. As part of the Government’s programme for modernising the planning system we are working with stakeholders, including the Royal Town Planning Institute, planning authorities, COSLA, the development industry and course providers, to examine the most effective means by which access to planning | On 28 October the Scottish Government and COSLA launched Delivering Planning Reform, a common statement supported by a range of key stakeholders including government, the Scottish Property Federation, CBI, agencies and professional organisations such as the Royal Town Planning Institute (RTPI). Over 30 |

The Scottish Government sees an efficient, outcome-focused planning service as being essential to the delivery of investment in good quality developments in Scotland. To that end, we are carrying out a wide programme of work to ensure the planning service is properly resourced and skilled, and priority given to actions that will enable a well-functioning planning system. Specifically the Government has:
Planning Institute and local government to see what can be done in the short-term (e.g. sharing of services) and the longer-term (e.g. improved terms and conditions offered for these key workers, better training etc).

and specialist skills can be maximised in the planning system.

commitments are being taken forward under the Delivering Planning Reform agenda, including improving skills within the planning service. Progress against each commitment is being facilitated by the Government’s Directorate for Built Environment. We continue to provide financial support to the local government Improvement Service to deliver training to planning officers; we are working with the Heads of Planning (Scotland), agencies and the development sector to promote staff development, including exchanges; and are in discussion with the RTPI around these and related issues including promoting planning as a career.

“Resourcing a High Quality Planning System”, which explores the factors and actions which influence and comprise a high-performing planning service. The consultation also discusses some options for changing the structure for calculating fees to planning authorities to accompany planning applications, so that authorities can be more effectively resourced and focused on the quality of the service they provide.

issued an establishment survey to all planning authorities and other public sector planning stakeholders, including the Scottish Government itself. This survey will clarify the current make-up of the public sector’s planning workforce, including information on the numbers of qualified and unqualified planning staff and details of their duties, particularly the proportion of staff engaged in development planning and development management roles. The survey also seeks information about staff recruitment and retention over the last 2 years, along with details about skills training undertaken and actions to tackle remaining skills gaps. We have continued to provide funding to the local government Improvement Service, to support training and development for local...
authority staff and members with planning responsibilities. We have been running a programme of short-term placements this year, for planning stakeholders to come to the Government’s Directorate for the Built Environment and we have also facilitated a pilot scheme of staff development to encourage other cross sector work placements. We have also recently completed a 4 day course which we provided for 30 recent planning graduates to bridge any gap between education and practice.
### Education, training and skills

<table>
<thead>
<tr>
<th>Requires further investigation. The Government’s skills strategy, Skills for Scotland, recognises the need to develop a demand-led skills system which is responsive to the needs of employers and individuals. It supports the use of a sectoral approach in achieving this and looks to Sector Skills Councils (SSCs), such as People 1st for the Tourism industry, to articulate employers’ skills needs and work with education providers and national agencies to address these. People 1st is already working with Skills Development Scotland (SDS) to ensure demand-led skills interventions which best suit the needs of the industry. While it is not the role of the Scottish Government to decide which</th>
</tr>
</thead>
<tbody>
<tr>
<td>In response to the Committee’s recommendations, the Minister for Schools and Skills established a short-life task Group in November 2008 to consider the Committee’s concerns on tourism skills. Specifically, the remit of the Group was to:</td>
</tr>
<tr>
<td>Following the report of the Skills Task Group (in 2009) a Tourism Skills Action Plan was prepared by an industry-lead group and underwent wide consultation within the industry and with education providers. This group is now working to implement the plan. There are 4 main themes: Improving the appeal of the sector/attracting new talent, Improving skills, Customer service and Management and leadership.</td>
</tr>
<tr>
<td>SDS is developing a new Skills Gateway for the Tourism sector which will bring together the various skills offerings available to tourism employers. A similar gateway aimed at employees will then be developed. In the meantime, the UK Skills Passport (UKSP) by People 1st provides a guide to the various career-paths in the industry as well as details of companies recognised as Good Employers. SDS has also organised a number of events with Scotland’s Colleges to raise the profile of industry needs and to encourage closer links with</td>
</tr>
<tr>
<td>qualifications or courses should be provided by colleges, universities and private training providers, we do believe there is a need for further consideration of the Committee’s concerns about the volume and relevance of provision. The Scottish Government will convene a meeting of People 1st, the Scottish Tourism Forum, the Scottish Funding Council, Skills Development Scotland, the Scottish Qualifications Authority and the enterprise agencies to take this discussion forward.</td>
</tr>
</tbody>
</table>

| Furthermore, we recommend that part of this rationalisation should include a move towards the establishment of a small number of hotel schools along the lines of the high-quality models used in Austria and Switzerland (see 246). | Agreed in principle. The Government is pleased that the tourism industry is taking the lead in discussions around proposals for an industry led and funded hotel school. Officials are engaged with those in the industry who are developing this proposal to Part of the Skills Task Group's remit (see 246) was to establish how many and what type of hotel school developments are currently in development or under consideration in Scotland and advise on how these can support the needs of the industry. | In 2009, Scottish Enterprise and the Scottish Government funded a feasibility study to help define the ambition put forward by leading industry figures to establish an industry-led Tourism and Hospitality School for Scotland. The original focus of this plan had been for a Hotel school (as suggested in the EET Inquiry report) but the industry concluded that the revised focus is |
paragraph 87). Emphasis on craft and technical skills is critical. Some degree of public support and funding will be necessary to establish these but they must be led by the private sector.

explore how hotel schools could add value to existing provision for the industry. We understand that a business plan will be available in late October/early November for presentation to potential investors. While any development will focus on the specific needs of Scotland, it may look to draw on the experience of Austria and Switzerland in developing similar initiatives.

Scottish Enterprise and Scottish Government is currently funding a feasibility study of an industry-led proposal for an International Hospitality and Tourism Leadership School. Those taking forward this study presented to the Task Group and are currently consulting with relevant stakeholders and industry to investigate what is needed and whether industry would be use such a facility if it was developed. Further details will be included in the Task Group’s report.

more relevant to Scottish needs. A separate industry-led group is working to develop the proposals further, following discussions with the Cabinet Secretary for Education and Lifelong Learning in December 2009. Discussions are now underway between the group and the Scottish Funding Council as well as with a number of education providers who may be involved in delivering the courses. If funding is agreed, hopefully this autumn, plans are that the first students would be enrolled in September 2011.

North Highland College completed, in September 2009, conversion of the former Burghfield House Hotel, Dornoch, into the North Highland Centre for Hospitality and Tourism. The Centre is run as a fully operational training hotel.

Fully refurbished, this Edwardian mansion provides the first and only training hotel for Scotland, where trainees can obtain vocational qualifications in Professional Cookery and Hotel Management at all levels up to a
| 249. We would also recommend that the Scottish Government, working alongside the trade unions and others, give serious consideration as to how we can improve the knowledge and understanding amongst careers advisers and teachers about the opportunities offered by the hospitality and tourism sectors. The use of short-term industry secondments for careers advisors, perhaps compulsory, would be one such example. | Agreed. The Scottish Government recognises the important role of career advisors. Skills Development Scotland will work with the tourism industry to see how best it can be supported by careers advice. SDS Careers is working with various bodies to gather and disseminate labour market information to staff and teachers via the Careers Scotland website. On behalf of the Scottish Government, SDS manages the teacher placement programme and has developed industry placements for teachers in | I note your response on this. Firstly I am pleased to confirm that the Scottish Tourism Forum successfully represented the industry at the first meeting of the Tourism Education and Training Task Group on 6 November, having canvassed widely for views from different sectors of the industry. It was agreed that Dr Craig Thompson (who has been developing plans for an industry-led Centre of Excellence for tourism leadership) and Norman Springfield (Deputy Chair of the Scottish Committee of | Skills Development Scotland has been working with the Sector Skills Councils, mostly People 1st, on discussions and solutions to improve access to and uptake of qualifications in tourism and hospitality; and employer/employee demand for skills and qualifications in tourism. SDS will work with the tourism industry through the emerging Tourism Framework for Change skills group to address key issues in this area, encourage systems simplification for learning and promote higher uptake | SDS is currently delivering an ongoing programme of information sessions for both SDS and partner agency employees (eg Job Centre Plus). These sessions cover current skill developments within the sector, Labour Market information as well as information on current and future career opportunities. Further larger events are also planned. SDS and Scotland’s Colleges held a joint consultation event in June 2010 with over 24 colleges represented and People 1st held a similar event with work-based providers. The outcomes were a series of actions to be taken forward as part of the 4 theme approach set out in response to para 246 above. |
tourism/hospitality e.g. 27 teachers in tourism/hospitality placed in 2007-2008 including in various major hotels and restaurants and resort centres. In schools, SDS Careers work proactively with teachers and young people providing expert career information, advice and guidance in specific career paths as requested, including running Jobs Fairs thus supporting the delivery of A Curriculum for Excellence.

The Scottish Government recognises the importance of workplace learning and the unions have a key role to play in developing this which is why we have allocated record levels of funding to support Scottish Union Learning.

the British Hospitality Association) should attend the next meeting, which was on 2 December. I would note, however, that at paragraph 238 of the Committee’s inquiry report, it was recommended that the leading industry bodies considered a move towards a single, more unified trade body, speaking with one voice wherever possible as this would be beneficial to the industry. We understand that the Scottish Tourism Forum is indeed working towards this aim, with other tourism bodies.

The remit of the Task Group was set out in the letter from the Minister for Schools and Skills letter inviting representatives to join the group. The purpose of the group is to dig deeper into the concerns raised by the EET Committee on qualifications in order for Scottish Ministers to form a view on what action may be required. The group will:

• Identify what hospitality and tourism qualifications in Modern Apprenticeships through our work with customers and employers within the sector. As one of the Government Economic Strategy Sectors, tourism features highly in the SDS Corporate and Operating Plan as a key sector with which it will work and develop tailored support.

Other high level developments SDS is involved in, and partnerships which it is supporting, include the proposals for a Tourism and Hospitality Leadership School; and Glasgow City Marketing Bureau’s work to forecasts skills shortages for planned hospitality events which will come to Glasgow in the near future.

SDS continues to work closely with various tourism bodies, gathering and disseminating labour market information on tourism for our own staff, teachers, parents and customers. The teacher placement service has continued, on behalf of

Springboard is taking action to deliver the “improving appeal of the sector” theme and already arranges many placements for teachers into hospitality businesses to help ensure they understand what the sector can provide.
are available in Scotland, and advise Scottish Ministers on how relevant, responsive and flexible they are.
• Establish how many and what type of hotel school developments are currently in development or under consideration in Scotland and advise on how these can support the needs of the industry.
• Summarise, for the industry, the roles of the respective public bodies in relation to qualifications development, validation and funding.

Careers Scotland, and in 2008/09, 33 teachers undertook placements in various hotels, restaurants and resort centres. SDS has also continued to support the implementation of Curriculum for Excellence and provided expert career information advice and guidance for many thousands of pupils and their parents, including about careers in tourism, as part of this work.

250. Furthermore, we recommend that the Scottish Tourism Forum and other leading industry bodies send out a strong message to employers that we can ill afford to continue with examples of poor practice in terms of pay and conditions (e.g. split shifts). The Committee believes that we must highlight the examples of good practice, offer more role models and also learn from the

Agreed. The Government supports moves by the Scottish Tourism Forum and the wider industry sector to highlight the benefits that examples of good practice in employment can bring. Groups such as Pride and Passion, which work closely with the industry, and are industry-led, are working to communicate the best ways for businesses by means of role models and mentoring to encourage businesses

The Government continues to support the STF in its work to develop leadership within the industry. The STF is working hard to highlight the benefits that examples of good practice in employment can bring. It is unfortunate that ‘bad news’ stories (e.g. minimum wage being paid or tips being included as part of wages) tend to receive much higher levels of publicity than good examples.

SDS and People 1st have arranged Masterclasses that highlight, in the form of case studies, how successful tourism businesses give priority to valuing and developing their staff. SDS has informed the Government that it continues in its role of raising awareness of the commercial benefits of ethical HR practices leading to increasing commercial viability to directly to its membership, reaching over 19,000 contacts businesses and through their regular series of Open Meetings and Scottish Tourism Week. The STF
experiences of other comparable sectors such as retail.

to treat their staff well and encourage exemplar customer relations. Other important groups with a role in this issue are Springboard Scotland and the Hospitality Industry Trust.

The industry offers a wide range of careers and it is important to highlight the good case studies and marginalise the minority of bad examples. The review of TFFC has highlighted that employees are the industry’s key asset. With the future predictions of a skills shortage in the sector it is even more vital that the sector is seen as a long term, valued career.

also is very aware of the importance of showcasing the wide range of careers available offering flexible long term jobs however these are sometimes undervalued, looking back to previously stereotyped images. The industry in conjunction with STF is looking to initiate activity at all levels to demonstrate the exciting career choices the sector has to offer. These will include a series of industry days for careers advisors, schools, students and additionally 'open doors days' for general public to experience life inside the industry, due to be run during STW 2011. The impact of this will be to increase awareness of the levels of professionalism within the sector and assist in marginalising or exposing the minority of low adopters of ethical practises.

| 251. Finally, we recommend that the Scottish Government reconsider the provision of adult modern apprenticeships in tourism and agrees to revisit the issue of funding if indications of a greater demand are apparent. In that respect, | Agreed. The Government has asked Skills Development Scotland (SDS) to develop and deliver real change in Scotland’s skills performance for the benefit of individuals and employers, ensuring that our skills interventions continue to meet the | The Committee recommended that the Government should revisit this issue and in our response we agreed to do this. The sector skills council for the Food and Drinks industry, Improve, have developed one of the first level 2 modern | In response to evidence from employers in the hospitality and tourism sector, Skills Development Scotland have reintroduced funding for adult apprenticeships in Professional Cookery. This will help address the demand for chef’s skills in the industry. | Modern Apprenticeships for hospitality and tourism have increased in recent years as additional funding has been provided. Total numbers are: 2007-08 1472 2008-09 511 2009-10 1653 2010-11 2266 (allocated) 878 to date |
**we suggest that a sustained, industry-led campaign to encourage greater demand of the courses be launched.**

- needs of individuals and employers in Scotland.
- The Scottish Government in partnership with SDS has now begun work on future business model development for SDS.
- The Scottish Tourism Forum will also encourage industry (and employee) demand for attendance on courses.
- SDS is consulting with training providers and People 1st to get the views of employers and training providers on the potential for improvements in training provision. This consultation exercise is intended to ensure that the most appropriate training interventions, which may not be MAs, are funded to meet employer’s demands for enhanced workforce development provision. It is likely that SDS will begin to phase in changes to delivery from financial year 2009-10.

- apprenticeships (MA) in Scotland; on food and drink manufacturing which clearly has some relevance for tourism also.
- The introduction of MAs at level 2 was one of the commitments our skills strategy Skills for Scotland last year. It is appropriate to extend MAs to level 2 in recognition of the fact that for many jobs, this is the correct level for an MA. We understand that People 1st are also currently developing an MA at level 2 to support the hospitality and tourism sector in skills development.
- In addition, we will ask the Tourism Education and Training Task Group to consider adult MAs in its deliberations and feed its views into the current review of skills interventions being carried out by Skills Development Scotland. We recognise that MAs may well continue to have a valid and important role to play in the tourism sector, although we equally appreciate that this is

**The Cabinet Secretary for Education and Lifelong Learning hosted an Apprenticeships Summit on 28 April. Over 150 employers and key stakeholders discussed how we can achieve the Government’s target of 7,800 additional new apprentices this year. The report from the Summit will be published in the week beginning 8 June and announcements on the key actions emerging will be announced shortly after.**

- SDS has also introduced the “Get Ready for Work” and “Training for Work” programmes for the tourism sector. The “Flexible Training Opportunities” funding programme provides up to £500 per employee towards training costs for up to 10 employees per business, including the tourism sector.

- “Targeted Pathways to Apprenticeships” programme is being developed by SDS and is aimed at the increased numbers of school leavers this summer that are expected to be seeking employment. It is planned that this will targeted at the hospitality sector and be delivered through careers advisors identifying suitable candidates with the industry providing work place experience.
unlikely to be the only skills intervention needed. It is therefore important that the totality of the skills and learning infrastructure supports the needs of the industry and we are working with the Sector Skills Council, Skills Development Scotland, the funding council and SQA to ensure that employers and individuals have access to the skills interventions they need in the future.
<table>
<thead>
<tr>
<th><strong>Technology, marketing and communication</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>253. In relation to tourism information centres (TICs), we recommend retention of broadly the same number but with a move towards such centres offering not only local information but also providing the visitor with up-to-date information and advice on events, attractions and tourist opportunities from all parts of Scotland.</strong></td>
</tr>
</tbody>
</table>

**Agreed.** VisitScotland’s Tourist Information Centres (TICs) remain an important element of the visitor information network. A key aim of VisitScotland’s recent restructuring was to more effectively integrate pre and post arrival marketing activity in order to create a more seamless customer experience, maximise the value to Scotland of every visitor trip and create ambassadors for Scotland who want to return time after time.

Essentially, improved information provision is seen as a key driver to increasing visitor spend and therefore contributing to the revenue growth ambition. VisitScotland is currently undertaking a review of the TIC network, with a view (i) to determining where investment is required; (ii) to evaluating the current network against demand; and (iii) to creating a network that will allow more innovation and diversity of service to be delivered.

VisitScotland’s information centre strategy aims to provide a coordinated network that takes account of differing demand around the country and takes advantage of the latest in communication methods.

VisitScotland has assessed what is needed to enhance the visitor experience of the information centre network. This includes not only improving the physical experience of the centres, but also the value it brings to the visitor and the different ways the network can reach visitors.

In consultation with staff, partner organisations and visitors themselves, VisitScotland has identified that a review of the TIC network is necessary. The network is currently divided into three categories, depending on the centre’s position and demand, providing the opportunity to provide a more focused and effective service.

VisitScotland is continuing its programme of Visitor Information Centres (VIC) modernisation. VICS at Fort William, St Andrews and Aviemore have undergone major refurbishment, A number of other VICS have been refurbished to a lesser extent. Feedback from customer surveys are already indicating that the refurbishment have been successful with particular comments that new centres are clearly signed, provide a warm welcome and that information is easy to find - these were all previously criticisms of the network. There is also high usage of the free internet terminals now being installed at VICS centres as part of the refurbishment - this is in response to visitor requests that a mix of technology and people be available.

VisitScotland continues to work with local businesses and have increased the number of partnership VICS to 26. Many of these partnerships have meant that towns across Scotland have retained a VIC despite funding from the local authority being withdrawn.
and (ii) ensuring greater synergy between the marketing activity and the look and feel of TICs. It is also exploring new channels of information provision, e.g. SMS messaging, and exploring opportunities to take information to our visitors, e.g. at events where there will be mass audiences. VisitScotland also recognises the need to work more closely with tourism businesses to help them deliver information to visitors.

<table>
<thead>
<tr>
<th>254. With respect to VisitScotland.com, we believe that the current business model is patently flawed and obsolete. We recommend that this be rethought, focusing on information provision and a comprehensive, free listing service and does not attempt to provide accommodation availability and booking services directly to users but refers them on. We further recommend that the Scottish Government</th>
<th>Agreed in part. VisitScotland.com has been a success, bringing £65M and over half a million bookings to tourism businesses since it started. Recent changes show that visitScotland.com has responded to calls by the industry for change. However, the Government recognises that the sector has developed and evolved and that the visitScotland.com website concept and business model need to change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In our previous response, I emphasised that information from the enterprise agencies and the industry itself is that the main barrier to more widespread use of e-business or direct web-bookings is more about awareness of the business need or the benefits that e-business can provide. The general consensus from contacts within the industry are that there is a wide variety of software available in the marketplace. The consistent message from the enterprise centres with a unified look, makes them more visitor friendly and utilises new technology at the same time as increasing the human contact. Feedback from visitors following the recent refurbishment of the Fort William Information Centre has been extremely positive.</td>
</tr>
<tr>
<td></td>
<td>VisitScotland has now taken full control of eTourism, the company that operates the VisitScotland.com website. In summary, for a one-off investment of £1.25m VisitScotland has obtained a very effective tourism marketing, support and booking system (including full rights to the supporting database of businesses and customers). VisitScotland has been in regular discussions with its</td>
</tr>
<tr>
<td></td>
<td>The VisitScotland Board has recently approved a new direction for VisitScotland.com as part of the new Digital and Media directorate of VisitScotland. The re-launched site will feature a centralised database for Scotland, providing consumers with a single digital gateway enabling them to experience all Scotland has to offer. The site will also allow us to build trust with Scottish businesses through accurate reporting, simple and effective extranet systems and a digital platform that presents their products and services to visitors in the most effective way.</td>
</tr>
</tbody>
</table>
investigates whether additional resources can be provided to move towards the free provision of software for companies to be web-enabled and the extra training and support that will be necessary.

Further. Research shows that many more consumers now prefer to search the web for options themselves and there is less demand for a telephone and brochure request service. VisitScotland has therefore entered into discussions with other stakeholders to consider how the website can be changed to meet today’s demands on it, e.g. with more emphasis on information rather than commercial opportunities, and by connecting customers directly with tourism businesses.

In relation to software and training, SE and HIE are currently running a second annual programme of e-business workshops for tourism businesses, in conjunction with Scottish Tourism Forum.

The Scottish Tourism Forum highlights the need for industry to develop their wider understanding of e-commerce and how this is used to support and manage business growth and customer engagement. The recent intermediate level e-commerce workshops which were delivered in partnership with the Forum reflected this and further opportunities to communicate key messages from this activity along with signposting to existing tools that support development in this area, such as search engine optimisation, are being progressed as part of the wider industry support packages by the agencies.

Specifically on examples of software that are available: I understand that "yourbooking" allows business users to customise their own booking form through a powerful yet simple control panel. All bookings received can be

| agencies and the Scottish Tourism Forum highlights the need for industry to develop their wider understanding of e-commerce and how this is used to support and manage business growth and customer engagement. The recent intermediate level e-commerce workshops which were delivered in partnership with the Forum reflected this and further opportunities to communicate key messages from this activity along with signposting to existing tools that support development in this area, such as search engine optimisation, are being progressed as part of the wider industry support packages by the agencies. |
| partners and other stakeholders to consider how the website can evolve to meet today’s demands and changing market trends. The discussions were driven by the recognition that the original visitscotland.com concept and business model needed to change. This was primarily driven by the changing consumer and market trends. |
| This approved direction for VisitScotland.com will result in a world class tourism website with rich up-to-date content. For Scottish businesses it will mean a core relational database allowing easy updates to their information, including photos, offers and other digital channels via an extranet system. |
| A new analytics package will be introduced which will analyse, measure and monitor users’ interactions with Scotland’s worldwide gateway for tourism, VisitScotland.com. |
| VisitScotland will also, as part of the strategy, be looking to improve the accommodation booking and information system, call centre and VIC booking applications. |
| VisitScotland is working closely with the industry, via a dedicated focus group and via online communication, to ensure the industry is supportive of the changes and fully involved in the new direction of VisitScotland.com. |
viewed in real-time through the control panel. (www.vourbookinQ.com). Also "Availcheck" is a multifunctional calendar that can be used to take online booking details, receive Credit Card Payments from clients, and send confirmation emails (www.availcheck.com).

Both these are available at no charge. Whilst these packages may not provide the most suitable solution for all tourism businesses, several other packages are also available either commission-free or with low set charges. It is obviously for businesses themselves to judge which package is most suitable for their needs.
### Events

**258. With regard to Homecoming 2009 specifically, we recommend that the Scottish Government reconsiders the plans and explores all funding options to enhance the programme, which could include financing events that were not successful in attracting support in the recent application round. We urge the organising bodies to focus on collecting and collating data on the overseas visitors that come to Scotland for Homecoming 2009 and to build up a ‘diaspora database’ for future use and marketing purposes.**

| Events | Agreed. The Government believes that Homecoming Scotland has the potential to deliver significant economic benefit for Scotland, and that the programme of events which has been launched is impressive. However, it is accepted that the budget is tight, and it is looking at ways in which it can be augmented. Examples are the secondment of full time team members from Scottish Enterprise and the Scottish Arts Council, and the announcement of a £250,000 fund for Homecoming by the SAC. Unsuccessful event applicants were offered in-kind promotional support through the Homecoming Partner programme. The main legacy will a better diaspora database. EventScotland will... | The Homecoming is now well underway, having had a fantastic launch around the anniversary of Robert Burns’ birth in January. An additional £0.5m was allocated to support Homecoming, with the target return now being £44m increased tourism revenue. Many of the over 300 events featured in the programme have occurred. Many are reporting a positive picture with increased attendance figures and ticket sales. 17,500 people participated in the Burns Light event in Dumfries on the opening weekend; the ‘Zig-Zag: Paths of Robert Burns’ exhibition previewed at the National Library of Scotland, attracting 14,499 visitors which represents a 179% increase on the National Library’s baseline attendance figure for exhibitions and a 95%... | The independent evaluation of Homecoming 2009 concluded that more than 95,000 additional visitors were influenced to travel to Scotland and exceeding its target by generating £53.7m in additional tourism revenue for Scotland in what was a difficult year for global tourism.

Building on the success of Homecoming 2009, the Scottish Government has adopted an approach that will see a series of Focus Years running from 2010 to 2013 that will ensure co-ordinated national activity that will spotlight some of Scotland’s great assets as we journey towards 2014. The four Focus Years are centred on domestic and international tourism and the development of the events industry in Scotland and will celebrate our reputation as a land food and drink, as an active nation, as a place of culture and creativity and as a place of natural beauty. 2014 will see the staging of a second Year of Homecoming starting in 2014 in which Scotland... |
measure and report on the economic impact of the Homecoming.

<table>
<thead>
<tr>
<th>259. Additionally, we recommend that</th>
<th>Agreed. EventScotland currently uses a model for</th>
<th>EventScotland has been working with a group of UK</th>
<th>The “Eventimpacts” toolkit has been developed and published jointly by</th>
</tr>
</thead>
<tbody>
<tr>
<td>will again extend a warm welcome to the world to join our celebrations in a year in which the Commonwealth Games and the Ryder Cup will ensure the country is centre stage in world terms</td>
<td>increase on the last most popular exhibition presented there; and Whisky month in May had over 400 events with bookings up 28% on last year. Significant marketing of Homecoming has, and continues to take place, both internationally and within the UK. One of the most noticeable benefits has been the improved partnership working that has been brought about by having a single focus and significant high-level support from across the Scottish Government, corporate Scotland, communities, local authorities and across the tourism industry. There are many more iconic events still to take place during the rest of year- with highlights to come including The Forbes Conference in June, The Gathering and The Open Championship in July, and the Finale Weekend celebrations around St Andrew's Day in November</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EventScotland revisit the issue of monitoring and evaluation and finalise, in conjunction with VisitScotland, a standard, national monitoring model for the evaluation of events. This model should focus on the quantitative impact of events.

This model was developed in close cooperation with VisitScotland and is complemented by data from VisitScotland when required. This model will be reviewed. EventScotland is also working with partners across the UK to develop a model for the measurement of socio-cultural impacts of events. This will include culture, media, sport, health and environmental factors.

A draft final report is being reviewed by the partners and a focussed industry consultation will be undertaken prior to wider circulation to the events industry. It is anticipated that the work will be ready for public dissemination by the end of summer 2009.

Preparations for the Glasgow 2014 Commonwealth Games are continuing, as are plans for Scotland to maximise the benefits from the 2012 London Olympic Games. Indeed the launch of the Business Club Scotland in February 2009 is proving to be a useful model to allow businesses to obtain information and gain benefits from the Games, and a similar proposal is being considered for the

Preparations continue for the 2012 and 2014 Games and includes close liaison with organisations in Vancouver, Delhi and London to ensure that lessons are learnt from their experiences and Scotland can maximise the benefits and legacy from the Games.
relevant bodies in Scotland are learning lessons for the 2014 Commonwealth Games.

| ensure we can secure all opportunities available to Scotland from the 2012 Games (and indeed to learn any valuable lessons as we prepare to deliver our 2014 Games). That level of engagement is sufficient to take forward our general Games legacy co-ordination work and there are no specific plans for long-term secondments of staff to the London 2012 Games. | 2012 Games. Close liaison continues between Scottish Government Games Legacy Team and London organising Committee officials. |
The future relationship between the public and private sector in tourism

266. We recommend that the Scottish Government and VisitScotland report back to the Committee in due course on its detailed policy as to how they will work with, and provide support to, destination-based organisations along the principles we have set out above.

Agreed. This is a very important tourism policy issue on which much work is being done. If we are to compete effectively with the other 200 countries that are competing with Scotland for the same visitors, we must all pull in the same direction. Both HIE and SE place considerable emphasis on successful destinations as a key strand of activity underpinning tourism growth ambitions, focused on improving the quality of the visitor experience in the main tourism destinations in Scotland. SE has produced, in partnership with HIE and VisitScotland, detailed guidance on destination development based on international best practice.

We support the development of properly focused and organised private sector led Scottish Enterprise (SE) continues to support the development of tourism in the six main tourism destinations in its area. This is focused on improving the quality of the visitor experience and includes support for the development of effective local industry / public sector partnerships, innovation and product development, events, skills and quality initiatives and a limited number of key capital investment projects, such as the new SECC arena.

SE has also continued to promote best practice in tourism destination development including a networking event for DMOs held in conjunction with HIE in February 2009 and a major “Visitor Experience” conference in March 2009 with speakers from Scotland, Spain, Canada and New Zealand speaking.

In the past year, the main tourism agencies and the Scottish Government have worked together to clarify how each supports working with destinations, and this collaborative approach has extended to involving local authorities with the agencies and SLAED tourism sub-group with a joint Destination Development workshop held in May 2010 to further align activities.

SE, HIE and VS, via the Scottish Tourism Forum are also working with the new Tourism Leadership Group to undertake a mapping exercise of existing and planned destination groups in order to assess and better understand the areas of real opportunity across Scotland and where existing momentum is strong.

The Tourism Leadership Group intends to use the various destination groups as a key communication route out to the many tourism businesses in local areas.
destination management organisations which ensure a consistently first class visitor experience. VisitScotland will support marketing by such organisations through its Growth Fund where this complements a clear emphasis on managing product delivery to the highest standards and where this fits with VisitScotland’s own national and local marketing strategies. However, VisitScotland does not support destination marketing organisations whose sole purpose is the promotion of an area without having the supporting, consistent management of the quality of experience.

<table>
<thead>
<tr>
<th>on destination development and management topics</th>
</tr>
</thead>
</table>

44
**Transport and better connections**

| 268. We recommend that the Scottish Governments gives improvements in this area [direct air, rail and ferry links and ease of travel within Scotland] a high priority as part of its efforts to grow the economy and improve our GDP. | Agreed. It is recognised in the Scottish Government’s Economic Strategy that an efficient transport system is one of the key enablers for enhancing productivity and delivering faster, more sustainable economic growth. Scotland’s National Transport Strategy introduced 3 key strategic outcomes for transport in Scotland:
• improve journey times and connections;
• improve quality, accessibility and affordability; and
• reduce emissions.
The Government is continuing our partnership working with all air operators to deliver new direct international connections which help Scotland do business and make Scotland more accessible. | Work to implement the National Transport Strategy continues.
Scotland continues to attract new flights. For example, in 2008 Delta launched a new direct service from New York JFK to Edinburgh. VisitScotland developed an extensive marketing campaign in partnership with the airline, targeting potential visitors in the New York tri-state area.
Lufthansa also has a new flight coming into Inverness from Düsseldorf, commencing 20 June and supported by joint marketing with VisitScotland.
Various train timetable improvements that were planned have now been introduced. These include those on the West Highland way to improve connections. | Work to implement the National Transport Strategy continues, with a focus in the current financial climate on delivering the recommendations of the Strategic Transport Projects Review.
Despite the challenging economic environment for the aviation sector, the Scottish Government has continued to push for new direct routes for Scotland. We are particularly keen to secure new direct routes to the Middle East and the Far East and in the last 12 months have had positive discussions with a number of the main carriers providing them with detailed analysis of the opportunities that Scotland provides.
We are also keen to see new direct routes to North America and will be speaking to a number of the main carriers during 2010. Our current strategy is to keep Scotland at the forefront of the thoughts of airlines so that as the economic recovery gathers pace, Scotland will be placed at the front of the secondary airport queue. |

---

| Work to implement the National Transport Strategy continues, with a focus in the current financial climate on delivering the recommendations of the Strategic Transport Projects Review. | Despite the challenging economic environment for the aviation sector, the Scottish Government has continued to push for new direct routes for Scotland. We are particularly keen to secure new direct routes to the Middle East and the Far East and in the last 12 months have had positive discussions with a number of the main carriers providing them with detailed analysis of the opportunities that Scotland provides.

We are also keen to see new direct routes to North America and will be speaking to a number of the main carriers during 2010. Our current strategy is to keep Scotland at the forefront of the thoughts of airlines so that as the economic recovery gathers pace, Scotland will be placed at the front of the secondary airport queue. | 45 |
Rail improvements already taking place across Scotland include implementing the Edinburgh – Glasgow Improvement Programme, which is a significant programme of sustained investment over a 10 year period. It will lead to electrification of the route, the introduction of 2 new fast services on that route with a journey time of around 35 minutes, electrification of services to Stirling, Dunblane, Alloa and Cumbernauld and a new surface link to Edinburgh airport through a new station at Gogar to connect with the Tram.

New and faster services between Glasgow Central and Edinburgh will also be introduced enhancing connectivity from the south west of Glasgow, including Glasgow and Prestwick airports.

On timetable developments which allow better connections between rail and ferry, there are planned changes to other modes of transport at Oban and Mallaig and will benefit both tourists and residents. The planned enhancements to the Far North and Kyle lines have been completed providing better connections.

The Committee also raised concerns about the main train links from south of the border. Network Rail have now given an undertaking (and this has been included in the High Level Output Specification (HLOS) from April 2009) not to close the East and West Coast routes between London and Scotland simultaneously.

The Ferries Review to develop a long term strategy for ferry services to 2022 is well underway and is due to be complete in late 2009, with public consultation on a strategy in 2010.

The following train service enhancements should be noted – as these have contributed to an improved frequency in specific areas and thus enhanced connectivity across Scotland with other parts of the Rail Network and also allowing passengers a wider choice of service to access other Transport modes within Scotland.

The pilot Road Equivalent Tariff (RET) to the Western Isles commenced in

New Early morning services from Kilmarnock – Gourock - and Ayr to Glasgow Central to connect with morning services Glasgow Central to London Euston.

New Early morning services from Perth – Dunblane and North Berwick to Edinburgh to connect with early morning services Edinburgh to London Kings Cross.

New Early morning service Dumfries to Glasgow Central and also Neilston to Glasgow – allowing passengers to be in Glasgow earlier and access other parts of the rail Network for business, schooling and leisure travel.

New Early morning service Dumfries to Carlisle – allowing passengers to make early connections at Carlisle to the South.
to the timetables on the West Highland Line from December 2008 to ensure that rail services to Oban and Mallaig provide a robust connection with the Mull ferry. Forthcoming enhancements to the timetable in the Far North Line and Kyle lines provide more services and better connections for passengers on these routes. A similar enhancement in the Strathclyde area ensures a better connection between Wemyss Bay trains and ferries.

For ferries, the Scottish Government has recently commenced a comprehensive review of lifeline ferry services. Findings are expected next Spring with a public consultation on the resulting strategy next Summer. The review’s aim is to develop a long term strategy for lifeline ferry services to 2026. The review will include a detailed appraisal of routes to determine

October 2008 and an initial evaluation in November this year will feed into the Ferries Review. The reduced fares to the Western Isles has already been welcomed and been the focus of increased promotion to prospective visitors to the area.

Dutch ferry operator Norfolkline reinstated Scotland’s only direct oversea link to Europe from May 2009. This is a key transport link for visitors to Scotland from mainland Europe. It follows a joint effort involving Scottish Government, Scottish Enterprise, VisitScotland, Fife Council and Forth Ports to find a replacement service following withdrawal of the former Superfast service in September 2008.

New ScotRail services between Edinburgh and Dunbar – enhancing the frequency of service between Edinburgh and Dunbar.


Kyle of Lochalsh service on Summer Sundays adjusted to provide a connection at Inverness into the 1325 Inverness – Edinburgh service.

Stranraer post the Ferry Operations move to Old House Point on Loch Ryan late 2011. The current focus on rail timetable development for the Stranraer line is on consultation with representative stakeholder groups to seek out their aspirations for future rail service provision, once the ferry operation moves in late 2011. This will also aim to deliver better integration between rail, ferry and bus services to serve their local community. ScotRail has also agreed a common set of words to be used on its and Calmac’s web-site meaning that passengers receive a consistent message when accessing both sites.
whether a better configuration could be developed in response to calls for new and faster connections serving isolated communities and a review of fares structures. In addition, the Government has carried out a study into Road Equivalent Tariff (RET) and a pilot project on RET to the Western Isles will commence in October this year.

In the event of a ferry being late the arrangement in place is that Caledonian MacBrayne notifies ScotRail’s control office in Glasgow to allow it to consider whether it will be possible to delay the departure of the train. This decision will be taken based upon judgement of a range of factors including how late the ferry is, the number of passengers wishing to make the connection and, the knock on effect of delaying departure on other train services.

Transport Scotland also works closely with our industry partners to ensure that journey times and connections are maintained and improved wherever possible and, meet regularly with ScotRail to exchange information on integration matters. For example, to give early advice on timetable changes which may impinge on good connections between rail and other modes and, to exchange good practice. This meeting is also open to other transport operators.

To help travellers, a Connections Guide is also available at www.scotrail.co.uk/travelconnections which provides information for
people wishing to connect to ScotRail services by cycle, bus, ferry or air.

Plans were discussed in September 2009 about installing display screens at the Ardrossan, Gourock, Largs, Mallaig, Oban and Wemyss Bay ferry terminals and on the relevant ferries to provide ferry passengers with real-time information and updates about connecting train services. Further discussions will take place at the Transport Scotland and ScotRail Transport Integration Group. There are also plans for improvements to rail – ferry interchange at Oban from the SIP interchange budget which may include CIS within the ferry terminal.

Norfolkline has recently been purchased and merged with DFDS. All Scottish delivery partners remain fully committed to supporting the route and helping it build up its freight and passenger customer base. There is a Steering Group, Passenger Sub Group and freight sub group. These are comprised of a variety of partners including SE/SDI/VS/SG. Although freight figures have improved markedly the efforts are now focused on attracting more inbound passengers,
269. The Committee recommends that the Scottish Government considers establishing destination marketing initiatives, targeting customers on potential new flights into Scotland. This would not involve direct subsidies to the airlines, but would involve clear branding and marketing and air route development. We would also like to see similar initiatives with the railway companies.

Agreed. VisitScotland already works in partnership with a number of airlines to undertake joint marketing activity to promote direct flights and thus connectivity to Scotland. Examples of recent partnerships include Continental Airlines where VisitScotland is currently in a five-year partnership with a spend of £4.3m for the US market and EasyJet with a £1m campaign attracting visitors from the London market which has previously been a difficult target market.

VisitScotland also works with rail companies, including Scotrail and National Express. For example, earlier this year VisitScotland ran a successful campaign with Scotrail promoting the

VisitScotland has continued to work in partnership on route development groups and with the airports to develop enhanced connectivity for Scotland for business and for inbound tourism.

VisitScotland’s joint marketing activity is designed to maximise the impact that a route can give in boosting tourism, with the following three main criteria:

- Scope of market opportunity: current size of market and growth potential, plus fit with our product portfolio;
- Scope of the service to drive up volume of inbound traffic: number of seats and % inbound; attractiveness

VisitScotland continues to work in partnership with transport carriers to encourage new routes to Scotland and to maintain existing routes.

Current partnerships include:
- easyJet
- Ryanair
- Continental
- Canadian Affair
- Emirates
- Scotrail
- East Coast
- Flybe
sleeper route. Such campaigns are aimed at dispelling the myth that it is difficult and costly to get to Scotland.

<table>
<thead>
<tr>
<th>The partnership activity with airlines on existing or new routes includes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All route information featured in promotional materials;</td>
</tr>
<tr>
<td>• PR and trade campaigns;</td>
</tr>
<tr>
<td>• Joint promotional campaigns (e.g. online, print, billboard, radio, direct marketing)</td>
</tr>
</tbody>
</table>

Current partnerships include:
- easyJet
- Ryanair
- Continental
- Delta
- US Airways
- Canadian Affair
- Flyglobespan
- Scotrail
- National Express

270. We were disturbed Not agreed. CalMac’s

As noted under para 268, The Scottish Government is
by the evidence received from some witnesses in relation to the pricing structure operated by Caledonian Macbrayne, which appears to discriminate against coach operators (see paragraph 221). **We recommend that this is reviewed without delay**

Vehicle charges on its ferries are not based on a common price per lane metre used by the relevant vehicle. Instead, the company’s long-established policy is to classify a motor home as a private vehicle, with the charge for an 8 metre motor home set at 1.5 times the rate charged for a standard length car, plus additional charges for the driver and number of passengers carried. The company classifies mini coaches as commercial vehicles and charges at 75% of the relevant commercial vehicle rate (including the driver), plus additional charges for passengers carried. Accordingly, there is no direct correlation between motor home and mini coach fares, so the real difference in charges on individual journeys would also depend on the total numbers carried in each vehicle type. The introduction of road equivalent tariff based fares following our

The pilot Road Equivalent Tariff has lead to significantly reduced ferry fares to the Western Isles. Fare structures will also be reconsidered under the Ferries Review.

committed to ensuring remote and fragile communities have direct links to the greater Scottish economy. We launched the RET (Road Equivalent Tariff) pilot to consider the most effective and sustainable way to improve the affordability of ferry services to our islands. Since the launch of the pilot, there has been a significant increase in the number of visitors, families and friends, and businesses visiting the Western Isles. Ministers are currently reviewing the initial success of the RET pilot and will make an announcement in due course.

The Scottish Ferries Review will develop a strategy to 2022, and includes all ferry services funded by the Scottish Government, Argyll & Bute Council, Highland Council, Orkney Islands Council, Shetland Islands Council and private operators. The current consultation runs until 30 September. Following this, a Draft Ferries Plan will be produced – all aspects of ferry services, including pricing, are being considered. This Draft Ferries Plan will be subject to a further 6 week public consultation following which a final Ferries Plan will be produced and implemented. The Ferries Plan will ultimately make recommendations regarding:
proposed pilot study would have the effect of reducing very considerably the charges imposed for all vehicle types, but the Government has no plans to require the company to introduce a standard charge per lane metre.

| • Where investment should be focussed to make connections for island and remote rural communities better.  
| • Improving reliability and journey times.  
| • Seeking to maximise the opportunities for employment, business, leisure and tourism.  
| • Promoting social inclusion.  

272. Finally, we recommend that the Scottish Government and relevant bodies organise an urgent summit with transport providers and visitor attraction companies, museums, galleries etc to see what further efforts can be made in terms of joint ticketing arrangements. We also recommend that the Scottish Government seeks similar arrangements in respect of better cross-border ticketing provision.

Not agreed. Recently published Scottish Government research found that transport may not be amongst the most significant barriers to participation in cultural activity, such as time, cost and lack of interest. However, transport is linked to these other barriers. There are examples of good practice in providing public transport links to cultural sites, including the provision of public transport information and integrated ticketing and entry packages. There are also some examples already of joint ticketing initiatives by tourism.  

You noted that some members of the Committee were disappointed with our last response on this issue. This is unfortunate, for we feel that it would be counterproductive at this stage to instigate additional burdens on tourism businesses unless they are clearly called for by the industry. We are working with the tourism industry and quite reasonably expect them to take the lead on certain issues. There are already good examples of joint ticketing, which we are pleased to highlight to others across the industry. The

During further exchanges on transport issues, the Committee raised concerns about occurrences of both East and West coast mainline train services being disrupted together on some weekends. While emergencies cannot be avoided, it is reassuring that Network Rail have now given an undertaking (and this has been included in the High Level Output Specification (HLOS) from April 2009) not to close the East and West Coast routes between London and Scotland simultaneously.

ScotRail and some ferry companies offer a Rail and Sail ticket, which allows passengers to purchase one ticket for train and ferry journeys. For example:

- Rail and ferry tickets to Belfast with Stena Line.
- Rail and ferry tickets on the Clyde coast with Caledonian MacBrayne.
- Rail and ferry tickets to the Western Isles with Caledonian MacBrayne.
- Rail and ferry tickets to the Northern Isles with Northlink Ferries.

ScotRail are also involved in the plus bus initiative, details of which can be found in the Connections guide, detailed at para 269 above.
operators, such as that between the Scottish Seabird Centre at North Berwick and Scotrail. Transport and Culture officials will consider this research and discuss how best to take these issues forward. In light of this there are currently no plans for a summit of cultural and transport interests.

industry’s cooperation is crucial to making this work and we will continue to debate the matter and seek its guidance as to when the market is right for these initiatives to be developed further.
### Data provision and collection

| 273. We recommend that a condition of receipt of the free software and training [on designing websites and offer online booking] are agreements by all the different tourism businesses to collect and supply a limited amount of visitor statistics to VisitScotland on a regular basis. | Agreed in part. The Government agrees with the need for better tourism data from businesses as well as from visitors. SE is currently developing a new tool for businesses for gathering and utilising customer feedback. Part of aim of Tourism Intelligence Scotland, set up under the tourism strategy, is to promote the gathering and sharing of customer intelligence and feedback across industry. | To assist and encourage tourism businesses to collect and use customer feedback information, a practical guide has been developed by SE, HIE and VS working closely with the industry. “Listening to Our Visitors” was launched in March 2009. It provides tools and techniques to help Scottish tourism businesses gather and utilise feedback from their customers. It has been distributed to 7,000 tourism businesses and 11 associated workshops have been delivered to date (with a further 8 planned). Through Tourism Intelligence Scotland, SE, HIE and VS are working with industry to improve the sharing of customer intelligence across the industry. As outlined above VisitScotland is currently | VisitScotland gathers statistical data on tourism from various sources. This includes national visitor surveys as well as business surveys to ascertain the performance of the sector (e.g. accommodation occupancy surveys). Occasionally specific surveys are also carried out to judge the industry’s future confidence or expectations or to investigate particular aspects. |
| 274. Furthermore, the Committee wishes to see key data, such as the international passenger survey, record all the relevant international visitors to Scotland through all major ports of entry, specifically including Aberdeen airport | You asked if the Government would support making a case to ONS for Aberdeen Airport and other points of entry to be included in the International passenger Survey. It is clear that the IPS is a statistical survey rather than a survey of all visitors at all points of entry. Whilst it would be more accurate and helpful if all visitors at all points of entry could be surveyed, this is not feasible because of the costs. However, I have asked my officials to investigate the position and look at the value that would be gained from including Aberdeen airport, as well as the financial implications, of its inclusion, for the Government. We shall report the information back. | Aberdeen airport is now included within the International Passenger Survey and was included in the 2009 data. |
to the Committee and, depending on the outcome of this work, we shall consider further whether to press ONS to extend the survey.