

COMMITTEE INQUIRY REPORTS: SESSION 2

RELATING TO THE MINISTER FOR TOURISM, CULTURE AND SPORT

2005

3rd Report 2005: Restructuring Scotland's Tourism Industry: Report on the Review of Area Tourist Boards

| Main conclusions/recommendations | Extract from the Executive response at the time of the report | Update (to be completed by the Executive) |
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| <p>21. The Committee concludes that there continues to be broad support for the general principle of restructuring the ATB networks and that, as the Committee concluded in June 2004, the new structure has the potential to create a more consistent and co-ordinated service to improve support for tourism across Scotland. The Committee supports the general principles of the restructuring. However, the Committee will continue to monitor progress and examine whether the eventual structure delivers on the promised improvements to Scotland's tourism industry in the coming months and years.</p> | <p>I welcome the Committee's support for the general principles of better integration of support for the tourism industry which lay behind the decision to merge the ATBs with VisitScotland. The project to accomplish that was not without difficulty, but the fact that the transition to the integrated network on 1 April did on the whole proceed very smoothly is testimony to the overall effectiveness of the very hard work that went into its planning and implementation. The re-branding of all of VisitScotland's area offices was in place on 1 April, and every member of staff of the new network had a job description or an interim workplan by then. The great majority of the industry engagement team are now in place, along with a brochure production and distribution system, and sales of new marketing opportunities to tourism businesses for 2006 have started well. Indeed, there is some evidence that in particular areas, business enquiries about marketing opportunities are ahead of the position last year, with an increase in the number of tourism businesses wanting to buy in to national and even international marketing opportunities. Across the network, takeup is running slightly ahead of business plan predictions.</p> | <p>The Scottish Executive and VisitScotland have submitted a number of reports to the Committee on the progress VisitScotland has made as an organisation since its integration with the 14 ATBs on 1 April 2005, and will continue to do so.</p> <p>Integration of the tourism network has for the first time enabled VisitScotland to set up a database of every tourism business in Scotland. This customer relationship management system enables the business relationship management team at VisitScotland to better target advice and support at the business best placed to benefit by it.</p> <p>In addition, VisitScotland has been able to make savings of over £1m a year in the running costs of the network. These savings have been diverted into front line services such as marketing.</p> |

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| <p>51. The stated goal for the newly restructured tourism network is to grow the value of Scottish tourism by 50 per cent by the year 2015. It will be a number of years before it is evident whether this goal is being realised. At appropriate times, the Committee will evaluate the success of the network against this and other targets. The Committee recommends that the Minister for Tourism, Culture and Sport provides regular statements on progress.</p> | <p>I note that your Committee will continue to monitor the delivery by the tourism network of the promised improvements to support for Scotland's tourism industry in the years ahead. I believe that we have got off to a good start, but agree entirely that VisitScotland's performance should continue to be monitored, as indeed has always been the case.</p> | <p>The Executive published a Tourism Framework for Change (TFFC) in March 2006 after extensive collaboration with the industry as well as public sector partners. The document sets out the overarching shared ambition of growing tourism revenues in Scotland by 50% over the decade to 2015. After making changes in the methodology of collecting visitor data, we now have an accurate measure of the value of tourism to Scotland for 2005, and this is the baseline against which to monitor future progress. In 2005, the industry was estimated to be worth £4.2 billion per annum in gross revenue to the Scottish economy.</p> <p>VisitScotland has developed a Tourism Prospectus, which sets out how the 50% tourism growth ambition could be achieved. This identifies 5 levers that will influence growth. During 2007/08 this will be used to guide tourism business and organisation to identify how they can support the growth ambition.</p> <p>The Executive determines VisitScotland's performance framework in the light of Ministers' wider strategic aims. VisitScotland's policy and performance framework within which it operates, its objectives and key performance indicators are set out in its business plan, which is approved by Ministers. The VisitScotland Board receives a report on progress against these objectives at each of its Board meetings, and Board Minutes are available on VisitScotland's corporate website www.visitscotland.org. In addition, two formal reports are submitted to the Board every year setting out the organisations performance against its Key Performance Indicators, while its overall performance against key targets is reported in its annual report and accounts which are published and placed in the Scottish Parliament's Information Centre.</p> |
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| <p>25. The Committee agrees with the Minister for Tourism, Culture and Sport's assessment and welcomes her comments that the restructuring process has not been as well-managed as it should have been. The Committee believes that it is crucial that the lessons regarding communication and staff morale learned from this first phase of the process are used by the Executive and VisitScotland and applied to the coming phases, particularly as the new network becomes operational. The Committee recommends that VisitScotland and the Minister pay particular attention to these issues in the future.</p> | <p>I also agree with the recommendation in paragraph 25 of your Report that we need to pay particular attention to communication and staff morale issues in any future projects of this kind.</p> | <p>Reshaping 15 cultures into 'one team for tourism' is a long-term commitment for VisitScotland but it is pleased with the willingness of its staff to embrace this ethos. They have pulled together, motivated by the vision of making Scotland's tourism industry stronger. However, VisitScotland recognises that there is still a lot of work to be done in this area and, based on staff feedback, it has identified areas for improvement to focus on in 2006/07: Vision, Objectives & Strategies; Communication; Cultural Change; Resources & Relationships; Systems and Operational Management.</p> <p>New communication channels have been established, complementing existing ones such as team meetings, conference and video calls and team briefings. They include staff briefings via webcast, a quarterly staff magazine, VS View and the development of the staff intranet. Other activities in 2006-07 include:</p> <ul style="list-style-type: none"> • Completion of job evaluation process for all tourist information centre (TIC) staff • Harmonisation of conditions of employment • Launch of staff recognition scheme in March 2006 • TIC staff conference in May 2006 • Delivery of 153 in-house training programmes, including training for all staff on the new performance management system • Training of 12 internal assessors as part of the commitment to retaining IiP status <p>In 2007-08 VisitScotland will work towards the Hospitality Assured standard – a nationally recognised customer service quality improvement scheme; support the bedding in of the new performance management system; roll out a culture change programme and continue working towards IiP retention.</p> |
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| <p>41. The Committee recommends that the Minister for Tourism, Culture and Sport and VisitScotland should pay particular attention to the operational structures to ensure involvement at the highest levels within the new network from the private sector, local authorities and the enterprise networks. How effectively these structures deliver on the promised improvements to tourism provision will be an important issue for the Committee in the future.</p> | <p>I also note the recommendation in paragraph 41 about ensuring involvement with the new network from the private sector, local authorities and the enterprise networks. As we indicated in evidence to the Committee, considerable work has gone into a co-ordination agreement between VisitScotland and the enterprise networks. A draft Agreement has been considered at Board level by VisitScotland and Scottish Enterprise, as a result of which further work to simplify and strengthen the co-ordination arrangements has been put in train. But good progress has been made with setting up Area Tourism Partnerships in each area, with strong input from businesses, local authorities and the enterprise network as well as from VisitScotland. And at national level, there are now 2 Chairman's Committees of the Board of VisitScotland meeting, covering business and local authority interests in tourism respectively. I very much agree with the Committee's view of the crucial importance of involving these stakeholders at the very highest level, and once again I believe that a good start has been made</p> | <p>It is now easier than ever for businesses in every area of Scotland to engage with VisitScotland, and they will receive the same high level of service throughout the country. The VisitScotland network allows the sharing of best practice, which means that every business has access to a variety of expertise and opportunities, including new marketing opportunities. Levels of buy in to these services remain high, with VisitScotland earning more than £7m a year from sales of services and joint marketing opportunities, notably with the airlines and Highland Spring.</p> <p>VisitScotland's partnerships with local authorities as well as tourism businesses are significant features of this new capability. It has funding agreements with 21 Councils, with a total value of over £5m in 2006-07. VisitScotland is currently awaiting final agreement with nine Councils, with a funding value of over £525,000. Two Councils are not providing any funding (East Dunbartonshire and East Renfrewshire). Total projected funding for 2006-07 is £6,557,536 against a target of £6.6m.</p> <p>Area Tourism Partnerships (ATPs) were formed as part of the VisitScotland network integration project and are designed to maintain engagement of all tourism interests at a local level, including businesses, local authorities and the enterprise networks. There are currently 16 ATPs covering almost the whole of Scotland involving in the region of 250 individuals, with approximately half representing tourism businesses and the remainder representing a cross section of the public sector. The Tourism Framework for Change states that ATPs "will play a key role in driving and supporting change at local levels".</p> |
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| | | <p>ATPs have the following main roles:</p> <ul style="list-style-type: none">• oversee production and implementation of local Tourism Action Plans;• identify local issues, needs and priorities and feed these into the national tourism strategy and review local alignment on an ongoing basis;• act as a 'voice' for local tourism; and,• monitor and report on performance of local Tourism Action Plans. <p>Good progress has been made with Area Tourism Action Plans. The Plans interpret the Tourism Framework for Change based on local needs and agendas, and propose local actions to deliver the national agenda and targets.</p> <p>The Executive and VisitScotland work increasingly closely with both enterprise networks in the areas of tourism skills and product development. VisitScotland's relationships with the Enterprise Agencies have been significantly strengthened over the past 12 months through the introduction of a joint quarterly Chairs and Chief Executive's meeting. Operational activity likewise is much more coordinated through the work of a small tourism task group and a destination development group which links the outputs of VisitScotland's consumer research with that of the Enterprise agencies destination development activity.</p> <p>In addition, the enterprise agencies take forward work on improving the tourism sector's levels of skills and training.</p> |
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| <p>44. The Committee welcomes the Minister's assurance that she will look at the merits of co-location, if appropriate, between TICs and other relevant organisations.</p> <p>45. Furthermore, the Committee believes that the current local area tourist boards are a repository of a significant amount of skills and knowledge. It will be important that in any new structure for tourism in Scotland, VisitScotland does not lose this local expertise in its drive for increasing professionalism in the sector.</p> | <p><u>Clerk's note:</u> No specific response was offered in the Executive's letter to the Committee outlining its view on the inquiry report</p> | <p>The TIC network has always been responsive to the changing needs of visitors. VisitScotland pursues co-location when appropriate; it has opened a partnership TIC in Wick with a local business and is currently in discussion with Angus Council over the co-location of a number of TICs within council facilities. A number of neighbourhood information points (NIPS) have also been installed in locations such as Baxter's at Tullibardine and in a post office in Auchterarder.</p> <p>VisitScotland is committed to operating a highly decentralised network with less than 15 per cent of jobs in its Edinburgh HQ. It has retained local knowledge, with strong multi-functional teams set up in network offices across Scotland and in London, and it is easier for this knowledge to be shared across the network.</p> <p>VisitScotland continues to build on well developed sectoral and product development initiatives, such as the Tourism Innovation Group and Pride and Passion, which receive support and in some cases funding from the 3 agencies. VisitScotland's relationship with Scottish Enterprise and Highlands and Islands Enterprise is managed by its Director of Strategy, Partnerships and Communications, with meetings being held with each agency beyond the immediate tourism portfolio. Joint planning between Scottish Development International and VisitScotland's International Marketing and Business Tourism Units is beginning to deliver efficiencies, greater focus and clarity in core and developing markets.</p> <p>VisitScotland's client management arrangements ensure that it has strong strategic and commercial relationships with a host of other organisations including the Scottish Tourism Forum, COSLA, Scottish Natural Heritage,</p> |
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| | | <p>Historic Scotland, Scottish Development International and the National Trust for Scotland. In the year ahead VisitScotland plans to build on relationships with other departments of the Scottish Executive including the International Division, Environment, European Funds, Transport and Finance/Procurement. Local Authority partnerships will be supported by a simplified system of reporting and monitoring being developed jointly between VisitScotland and SLAED. VisitScotland will also provide greater clarity on how it is using local authority funding to support local activity via the VisitScotland network offices. VisitScotland's Local Authority Chairman's Committee and National Convention continue to be important communication channels and assist their joint working with Local Authorities throughout Scotland. Partnership working is set against a background of a reducing financial input by local authorities to VisitScotland.</p> |
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