

Perth & Kinross Council

Tourism Action Plan

2018/19

INTRODUCTION

The Council's Tourism Plan contributes to the ambition of a prosperous, inclusive and sustainable economy. It will contribute by supporting innovation, product development and marketing initiatives. In line with market opportunities and the wider policy context for the Scottish economy it aims to support internationalisation and innovation in areas of competitive strength for the Perth and Kinross area.

The focus will be on:

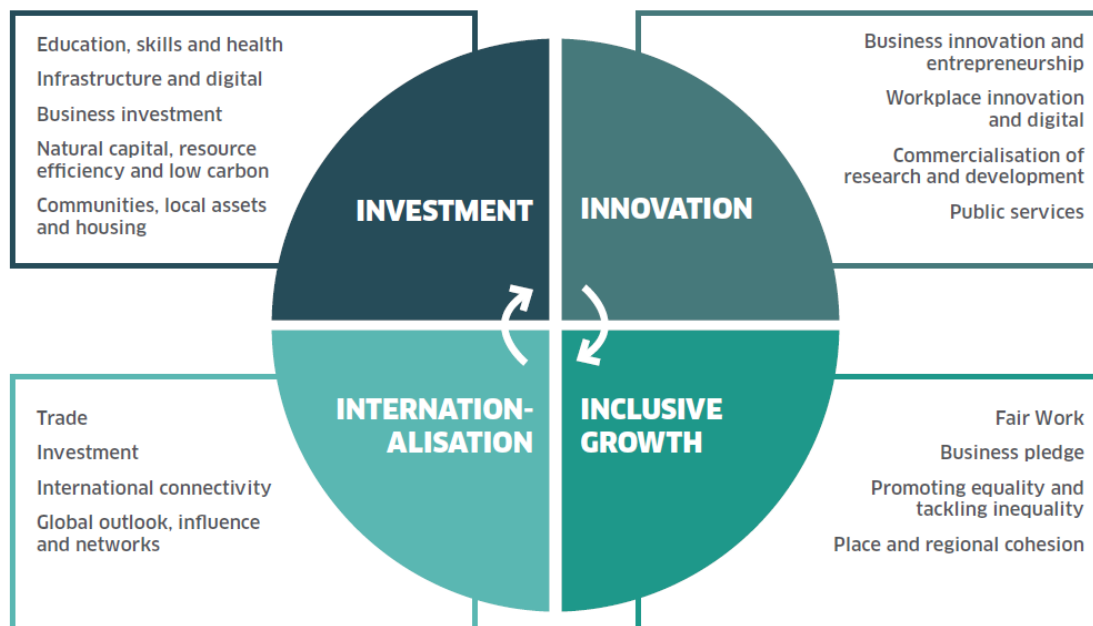
- Visitor Market Development
- Business Tourism Product Development
- Skills Development
- Regional Tourism Product Development
- Events and Festivals Programme Development
- Digital Tourism Development

The plan outlines the priorities for action by Perth & Kinross Council and contributes to the strategic objectives and local outcomes contained in the CPP/Single Outcome Agreement. It supports the national ambitions for growth in the value of tourism to the Scottish economy and the Perth City Plan's objectives of making Perth one of Europe's great small cities.

CONTEXT

The National Strategic Context

Scotland's Economic Strategy aims to increase competitiveness and tackle inequality and has at its core four priority themes – the four "Is". These in turn inform the approach for economic development by the Council and by extension our approach to the development of the tourism offer.



The Tourism Strategy for Scotland was launched in June 2012 by the Scottish Tourism Alliance. Entitled "Tourism Scotland 2020, The Future of Our Industry in Our Hands" it challenged the industry to break with the status quo and achieve overnight visitor spend of between £5.5 and £6.5 billion by 2020, generating an additional £1 billion or more. The National Strategy has a vision for Scotland as "a destination of first choice for a high quality, value for money and memorable customer experience delivered by skilled and passionate people."

The strategy is based on:

Growth in targeted markets for Scotland that offer the greatest potential:

- Home Turf – potential £3,586 – £4,238 million in 2020
- Near Neighbours – potential £875 - £1,035 million in 2020
- Distant Cousins – potential £505 - £598 million in 2020
- Emerging Markets – potential £70 - £83 million in 2020

Turning our assets into experiences in:

- Nature, Heritage and Activities
- Destination towns and cities
- Events and Festivals
- Business tourism

Improving the Customer Journey – raising quality in:

- Food and Drink
- Transport
- Accommodation
- Digital Connectivity

Building Our Capabilities:

- Quality and Skills
- Marketing
- Sustainable Tourism

Key Consumer Markets

UK consumer market segmentation undertaken by VisitScotland identifies the segments with the greatest potential for Scotland in terms of return on marketing investment. This took into account trends and changes in consumer behaviour and holiday patterns, media choices and propensity and attitudes to visiting Scotland. See Appendix 1.

These UK consumer segments are the areas of potential opportunity and competitive advantage and inform industry and public agency marketing and development activities.

Growing the sector will require inter agency collaboration regionally and nationally to take advantage of major developments such as the V&A Dundee, Solheim Cup 2019, opening of the new Perth City Hall cultural attraction and the 2020 - 2022 Themed Years which are:

- 2020 – Year of Scotland's Coast and Waters
- 2022 – Year of Scotland's Stories

Accordingly, there will be a focus on developing a local response to the opportunities presented by these themed years, particularly in respect of events and festivals development.

The Regional Economic Context

Tourism is a major industry sector within the Tay Cities Region (Angus, Dundee, Perth and Kinross, NE Fife) with an estimated 1,580 businesses, accounting for 12% of Scotland's total, and 22,000 people working in the tourism industry, accounting for 11% of all jobs in the area. There is major investment underway, planned or in the pipeline including hotel and leisure developments including most notably the V&A Dundee which is scheduled for opening in 2018 and is projected to attract 270-300,000 visits per annum at a steady state (i.e. 2020 and beyond).

However, there remain some underlying weaknesses in terms of sector performance at the regional level. A 2016 report* on tourism in the region provided an analysis of the economic value, performance, business and labour market characteristics for the Tay Cities Region. The report highlights an apparent decline in the total number of staying visitors to the region between 2009 and 2015, particularly UK visitors, with some growth in overseas visitor numbers in recent years albeit with a decline in 2015. This is set against modest growth in Scotland in total staying visitors between 2009 and 2015. In addition, the region is proportionately more dependent on the day visitor market than the staying market (particularly in Dundee and Angus) with day visitor expenditure higher in the region as a percentage of the market than the figure for Scotland.

The report also highlights a productivity gap (as measured by GVA per employee) in comparison with the rest of Scotland – tourism businesses in the Tay Cities Region are collectively less productive than their counterparts across the rest of Scotland in terms of economic output. Separate analysis of

tourism data highlights that seasonality remains a key issue for the sector particularly outside the main urban centres, with annual hotel room occupancy rates remaining significantly below the national average (66% - Tayside and Fife; 71% -Scotland).

This analysis suggests that the region is currently not performing to its full potential and there is significant room for improvement. These issues are helpful in developing the case for further investment in the area's tourism infrastructure and significant development of the region's product offer. There are wonderful tourism assets and major developments in the pipeline across the region, with a major focus on the V&A Dundee. This particular development has the potential to be catalytic in terms of visitation – not just for the city but for the wider region, heightening the profile of the broader tourism offer and presenting the opportunity for more industry collaboration and partnerships to address strategic priorities. And yet there is a risk that the investment in the V&A Dundee is not capitalised upon for wider city and regional benefit, other attractions and facilities will not be on a par with the V&A offer and underlying issues in performance and productivity in the region will persist.

The collective ambition of the partner authorities is to make the Tay Cities Region “sticky” – developing a compelling “World Class” destination offer in order to attract higher spending markets with a greater propensity to stay longer or repeat visit. The Tay Cities Deal economic strategy and bid makes the strategic need for change and investment in a strong portfolio of cultural and heritage attractions and venues, activities and infrastructure (combined with enhanced skills development) in order to deliver improved performance in terms of economic impact and uplift in GVA (and by extension productivity). Going forward there will be an increased focus on collaboration by the partner authorities in developing a consumer marketing proposition for the region to augment area based initiatives, combined with joint activity to address the travel trade and travel media.

The Perth and Kinross Economic Context

Tourism is a key sector of the Perth and Kinross economy, generating over £564 million per annum in economic impact and accounting for around 13% of total employment in the area. The sector has proved to be remarkably resilient in the face of the challenging economic environment of recent years with evidence of recovery since 2014 in terms of the numbers of visitors and the economic impact of tourism. The Scottish Tourism Economic Activity Model (2016) shows tourism direct expenditure in Perth and Kinross to be in excess of £403 million. This direct expenditure generates an economic impact of £564 million when multipliers are taken into account. With accommodation occupancy levels in line with or slightly above the Scottish average the area also enjoys a high level of repeat visits from its key markets.

Nevertheless, there is an intensely competitive environment for the industry and while the sector is well developed in Perthshire (and in Highland Perthshire in particular) it is felt that the City of Perth is not fulfilling its potential as a visitor destination, as identified in the study undertaken by Jura Consultants on the development of a new cultural visitor attraction for Perth.

This study makes the case for investment and development of a product which will drive increased visitation and expenditure in the city and support a key strategic theme of the Perth City Plan. Consequently, there is a need and opportunity to develop further the city's offer as a cultural short break and day visit destination, as well as the meetings and conference market.

In the wider Perth and Kinross area, although the climate for investment and growth in recent years has been challenging, there are positive signs in terms of resort development and investment in visitor attractions and activities while attendances at major events have been resilient.

The Perth and Kinross Strategic Context

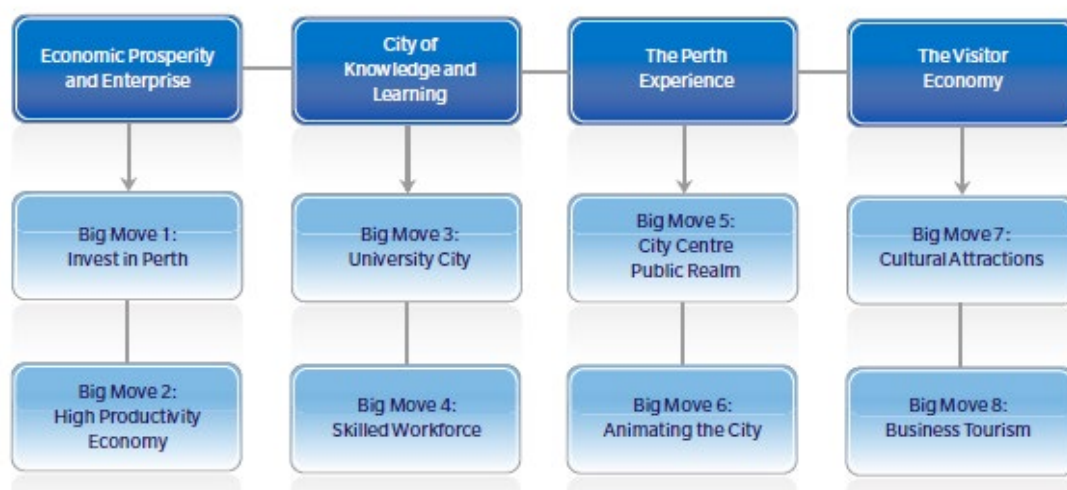
The Tourism Action Plan will contribute to the Council's Economic Strategy and the Perth and Kinross Community Plan / Single Outcome Agreement vision of "a confident and ambitious Perth and Kinross to which everyone can contribute and in which all can share". The CPP Economy and Lifelong Learning Outcome Group delivers a series of actions in support of the plan and the Tourism Plan contributes to:

The strategic objective of promoting a prosperous, inclusive and sustainable economy and the local outcomes of:

A thriving, expanding economy
Employment opportunities for all

The Tourism Action Plan contributes to the Perth City Plan which articulates the vision for Perth as a vibrant, cultural, city break and business tourism destination with planned investment in events, cultural assets and the built environment.

The City Plan contains a framework for action comprising a five year delivery plan based on four strategic themes and eight Big Moves.



There are two specific areas of focus to improve the performance of the visitor economy:

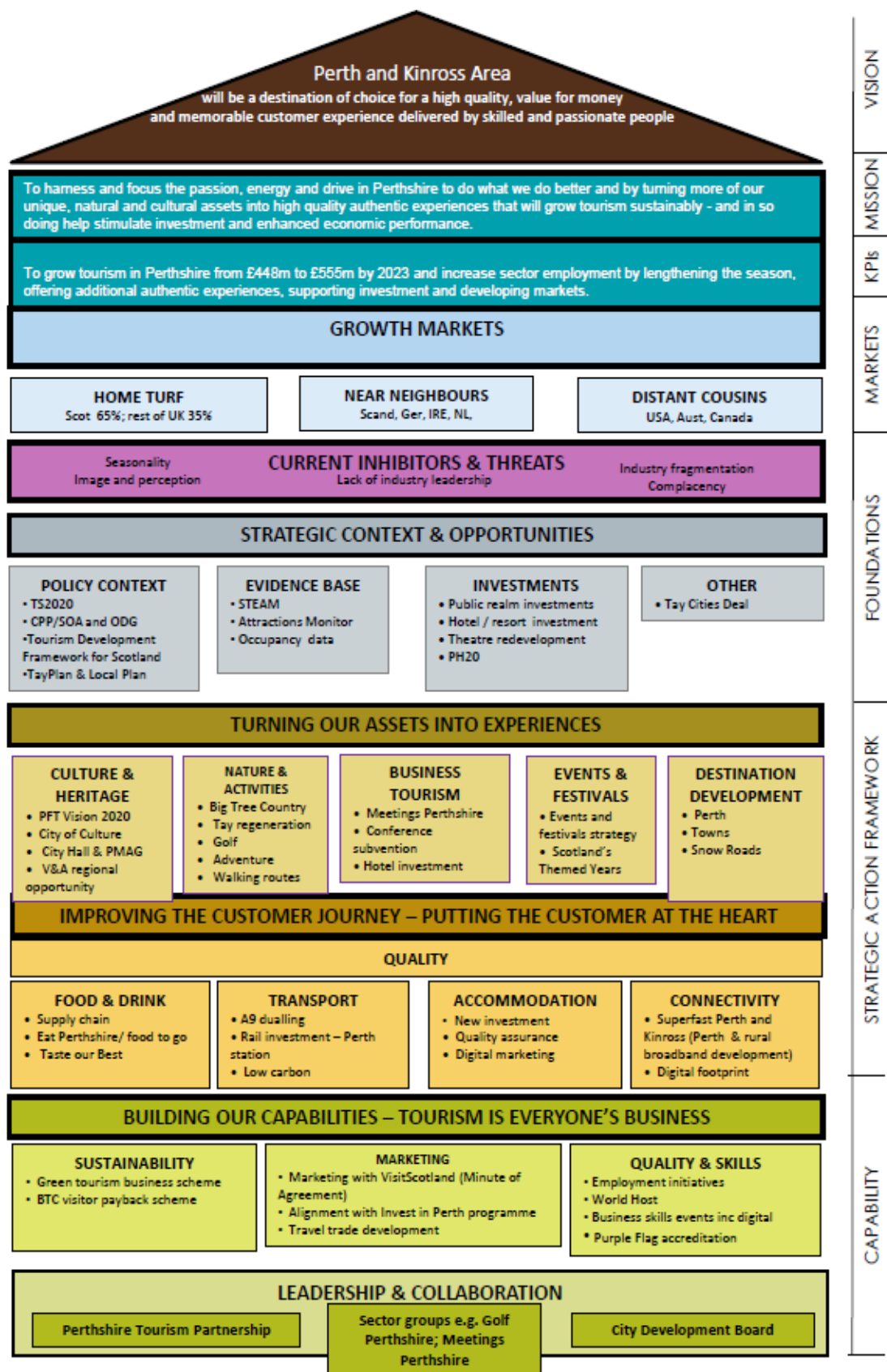
- Development of business tourism to attract higher value, year round meetings and conference business and develop the investment case for additional hotel provision.
- Development of the city's cultural attractions, including the case for a new cultural visitor attraction.

These Big Moves to support growth in the value of the visitor economy are linked to, and supported by, the related Big Moves: Animating the City; City Centre Public Realm. This Tourism Action Plan therefore takes cognisance of these and reflects these through the Work Streams.

This Tourism Action Plan has therefore been developed in the context of these wider strategies and policy framework and also in support of the priorities for growth in the national tourism strategy for Scotland. This alignment for the Perth and Kinross area with the national strategy is outlined in the following diagram:

This diagram describes the strategic building blocks, the areas for growth and the priority areas for action. It has the following vision for the Perth and Kinross area as a tourism destination:

"The Perth and Kinross area will be a destination of choice for a high quality, value for money and memorable customer experience delivered by skilled and passionate people".



The Tourism Plan recognises a further five drivers for tourism growth and these inform and guide local actions:

- **Capital investment** – ongoing investment in improving facilities essential for the development of quality products.
- **Cross selling** – challenging tourism businesses to work closely with other businesses and to build relationships with customers in order to maximise expenditure opportunities.
- **Market positioning** – this is about high value not high prices and developing products and experiences which attract higher value markets.
- **Capacity utilisation** – achieving higher occupancy in most businesses by addressing seasonality and periods of capacity through innovative efforts to grow volume and value.
- **Incremental marketing** – sustaining marketing expenditure in the face of massive domestic and international competition and in a challenging economic climate. This means not only public sector expenditure in marketing but businesses adopting innovative and targeted marketing techniques aimed at an increasingly sophisticated and digitally focused consumer market

Objectives and Work Streams

The objectives of the Tourism Plan are:

- To identify the specific work programmes and actions for Perth and Kinross Council
- To support growth in the value of tourism revenues in Perth and Kinross in order to boost prosperity
- To encourage product development, innovation and collaboration in order to address new markets and compete in a highly competitive environment
- To support the tourism supply chain in order that benefits accrue to a wider business base
- To support development of the tourism workforce in order to create opportunities and provide career paths
- To contribute to the strategic aims of the national tourism strategy, the Perth City Plan, and Scotland's Economic Strategy

There is a range of players whose actions contribute to the development of the local tourism product and the promotion of our destination to key markets.

These include VisitScotland, the lead organisation for destination marketing and Scottish Enterprise, the strategic support for sector development including delivery of national programmes for company development.

This Plan focuses on the work streams which will be led by the Council and their strategic alignment with the wider policy context. The Plan has been developed with the intention of supporting growth in the economic impact of tourism in the Perth and Kinross area and in line with the specific targets for

growth for this, as outlined within the strategic policy framework. As such it outlines the priorities for action by Perth and Kinross Council over the 2017/18 period. It is not intended as an exhaustive list of all those projects undertaken by partner agencies and which may contribute to enhanced performance by the tourism sector.

There are 6 workstreams and these are:

- Visitor Market Development
- Business Tourism Product Development
- Skills Development
- Regional Tourism Product Development
- Events and Festivals Programme Development
- Digital Tourism Development

The following sections include a profile of the target consumer segments relevant for our area (appendix 1). The action plan workstreams are outlined in Appendix 2. The Monitoring Framework for this plan is detailed in Appendix 3. Data from ad hoc visitor and business surveys will be fed into the monitoring and evaluation process as appropriate.

Appendix 1

Primary UK Target Market Segments

Adventure Seekers

Adventure Seekers want an active holiday where they can enjoy both outdoor and cultural activities. They will venture off the beaten track and will be engaged by trying new things and pushing their limits and experiences. Holidays will really energise them.

Natural Advocates

Natural Advocates are passionate about Scotland as it offers everything they want from a holiday; breath taking scenery, a connection with nature and the chance to get away from it all. A holiday in Scotland will really help them to unwind, recharge and enjoy quiet time.

Food Loving Culturalists

Food-Loving Culturalists will seek out a relaxing holiday experience where they can enjoy great food and drink and engaging cultural activities. They enjoy short breaks in the UK and will recommend quality experiences when their host has gone the 'extra mile'.

Secondary UK Target Market Segments

Curious Travellers

Curious Travellers like to live life to the full and enjoy traveling as a hobby. They have an overwhelming desire to explore new destinations and discover new things. A holiday will often broaden their minds, educate and revitalise them.

Engaged Sightseers

A love of holidays drives Engaged Sightseers to plan numerous breaks in a year. They enjoy general sightseeing and touring, taking in historical places as well as scenery and nature. They relish engaging with friendly locals and seeking out an authentic experience.

Appendix 2

Action Plan Workstreams

	Visitor Market Development
Strategic Fit	National tourism priority area: Building Our Capabilities – Marketing Scotland's Economic Strategy: Internationalisation; Innovation
Objectives	To develop the destination's offer to address higher value markets including overseas.
Description	Developing the area's consumer offer through working with stakeholders, including industry (visitor attractions, activity providers, accommodation, transport providers) agencies and collaborative groups to develop the destination offer for the area's primary UK target market segments.
Outputs	<p><u>Regional Tourism Development</u></p> <p>Develop a Tay Country Regional Strategy & Destination Development Action Plan 2018/19, and support BID for funding for the STC activity.</p> <p>Travel Trade Development</p> <ul style="list-style-type: none"> • Event manage Perthshire's presence (as part of Tay Country) attendance at <ul style="list-style-type: none"> ○ World Travel Market 2018 ○ Vibe, London 2018 ○ IMM Trav Media, London 2019 ○ Explore GB 2019 ○ VisitScotland expo 2019 ○ ITB Berlin TBC • Deliver familiarisation trips for UK travel trade working with Abellio Scotrail, Serco and other transport providers. • Develop Tay Country itineraries in collaboration with VisitScotland • Develop a Tay Country DMC Strategy • Management of Tay Country social media channels. <p><u>Destination Marketing</u></p> <p>Minute of agreement with VisitScotland to market Perthshire to key UK market segments 2018/19</p> <p><u>Touring Routes</u></p> <p>A9 Dualling Blueprint. Work with Transport Scotland to ensure</p>

	<p>positive business engagement</p> <p>Snow Roads Scenic Routes. Work with Cairngorm National Park Authority and Cairngorm Business Partnership to build capacity on the route & support the VisitScotland Growth Fund application.</p> <p>Heart 200. Work with Heart200 Ltd to launch a new touring 200 mile route for Perthshire which connects both national parks. Launch February 2019.</p> <p><u>Tayscreen</u> Support Tayscreen, the regional screen office through sector support to grow Screen Tourism with a focus on creating a film crew friendly destination.</p> <p><u>Golf Tourism</u> Support Golf Tourism Collaborative Group through sector funding to grow Golf Tourism market with a focus on family market and Ladies Golf.</p> <p><u>Tourism Management Plan</u> Focus on retention of existing coach market & growth. Consider a Tourism Management Plan for Pitlochry with a focus on transport infrastructure (coach and motorhome) for sustainable growth.</p>
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	Business Tourism Product Development
Strategic Fit	<p>National tourism priority area: Turning Our Assets into Experiences – Business Tourism</p> <p>Scotland's Economic Strategy: Internationalisation; Investment</p> <p>Perth City Plan: Big Move 8 – Business Tourism</p>
Objectives	<p>To position City of Perth and Perthshire as a leading meetings, conference and incentive destination, driving additional business into the area from higher value markets.</p> <p>To establish the case for investment in new hotel developments to support this ambition.</p>
Description	<p>Developing the business tourism offer through a co-ordinated approach to developing the destination for the MICE market, including marketing and conference enquiry handling facility.</p> <p>This entails:</p> <ul style="list-style-type: none"> • Support for marketing collaboration through the Perthshire Business Tourism Group • Establishing baseline information in respect of the volume and value of discretionary business tourism • Provision of services to conference organisers including location scoping and subvention funding support

	<ul style="list-style-type: none"> Engagement with partners and neighbouring authorities to consider a regional convention bureau <p>In addition, the Council will work with partners including SDI to support the case for investment in new hotel provision in Perth with a pitch to developers at Scotland House September 2018.</p>
Outputs	<p>Support Perthshire Business Tourism Group (PBTG) in kind through PKC staff time and subvention funding £20k</p> <p>PBTG deliverables</p> <ul style="list-style-type: none"> co-ordinate Perthshire presence at VisitScotland/VisitBritain trade shows. co-ordinate FAM trips in parallel with trade shows enquiry generation location scoping

	Skills Development & Business Improvement
<u>Strategic Fit</u>	<p>National tourism priority area: Building Our Capabilities – Quality and Skills</p> <p>Scotland's Economic Strategy: Inclusive Growth; Innovation</p>
<u>Objectives</u>	<ul style="list-style-type: none"> to improve the visitor experience through a focus on customer care to provide pathways into employment in the hospitality sector
<u>Description</u>	<p>This area entails a focus on people and developing opportunities in respect of skills and employment. It is recognised that entry level opportunities in hospitality are characterised by lower wage levels but it is a sector that can offer rapid career progression and there is a need to identify and nurture future leaders in the sector. Delivery in this area will be undertaken through:</p> <ul style="list-style-type: none"> Sector specific business engagement events for the tourism industry delivered through Perthshire Tourism Partnership Sector specific business engagement events for the tourism industry delivered through Tay Country Tourism Development Programme Support SME's into export tourism working with SDI & VisitScotland Skills Academies
<u>Outputs</u>	<p>Perthshire Talks Series 2018/19*</p> <ul style="list-style-type: none"> DTS Group Industry Support

	<ul style="list-style-type: none"> - New Markets India Ready - Are you Travel Trade II (Opportunity with DMC's & DMC Strategy, OTA'S & Experiences, Expedia Pop-up) <p>Tay Country Tourism Development Programme</p> <ul style="list-style-type: none"> - Tay Country Regional Conference as part of Tourism Month - Digital Tourism Scotland. 4 workshops to be delivered by March 2019 - SDI Knowing Your Markets Workshops to encourage more SME's into export tourism working with SDI <p>ESF Hospitality programme delivered in partnership with Springboard May/Aug 2018.</p> <p>Developing the Young Workforce</p> <p>DYW is focusing on addressing the sectors skills gap, encouraging young people to see the Tourism sector as a career of choice. The main focus of this work will continue to be developing engagement opportunities between tourism and our regions 10 secondary schools.</p>
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Regional Tourism Product Development	
<u>Strategic Fit</u>	
<p>National tourism priority area: Turning Our Assets into Experiences – Culture & Heritage</p> <p>Scotland's Economic Strategy: Innovation; Internationalisation</p> <p>Perth City Plan: Big Move 7 – Cultural Attractions</p>	
<u>Objectives</u>	
<p>To capitalise on the range and investment in new and existing attractors in the area and wider region, including the opening of the V&A Dundee</p> <p>To improve the performance of Perth as a cultural tourism destination through enhanced presentation and investment in attractions including development of the new cultural attraction</p>	
<u>Description</u>	
<p>The natural, built, and creative heritage of Perth and Kinross and the wider region presents an attractive proposition and further development of the product offering will enhance the opportunity to grow the volume and value from key market segments. Today's visitor is increasingly focused on the quality of experiences and the sense of enrichment which a visit to a destination can provide. The city and region has the assets to address this but there is an opportunity to develop and promote a more cohesive and seamless cultural and heritage offer. Activity in this work stream includes:</p> <ul style="list-style-type: none"> • A "Tay Cities" regional approach to product development and 	

<p>marketing to higher value market segments - including itinerary development and joint packaging.</p> <ul style="list-style-type: none"> • Development of the proposition of Perth as a cultural tourism destination
<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Collaborative product development and marketing initiative across 4 Tay Cities Region local authority areas. • Actions to support development of the new cultural visitor attraction offer in Perth (Perth Theatre, Perth Museum and Art Gallery redevelopment, development of City Hall cultural attraction)

Events and Festivals Programme Development
<p><u>Strategic Fit</u></p> <p>National tourism priority area: Turning Our Assets into Experiences – Events and Festivals Scotland's Economic Strategy: Internationalisation; Innovation Perth City Plan: Big Move 6 – Animating the City</p>
<p><u>Objectives</u></p> <p>to develop and deliver an ambitious year round programme of events and festivals</p>
<p><u>Description</u></p> <p>The Council has the vision of our area as prestigious international class events and festivals destination where a vibrant and inspiring year round programme attracts UK and international visitors. To this end, the focus is on developing and adding value to the existing portfolio of annually recurring events while attracting events to the area, particularly sporting and mass participation events. Activity in this work stream includes:</p> <ul style="list-style-type: none"> • Support organisers to develop their events and grow the value of their events to the local economy • Establish events to address periods of capacity in the calendar • Deliver the Council's own events including the Winter Festival • Enhance the presentation of the area's annual events programme • Actions related to European Sports Championships 2018 & Solheim Cup 2019
<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Delivery of the Council's own programme of events: <ul style="list-style-type: none"> ○ BBC Big Weekend ○ Perth Medieval Fair/Treaty of Perth Celebrations 2018 ○ Perth Tattoo 2018 ○ Glasgow Warriors 2018 ○ City of Perth Winter Festival, 2018/19

- Support for external events organisers: assistance to approximately 25 events
- Revised Events and Festivals Strategy and economic impact assessment of events in Perth and Kinross, May – August 2017

Digital Tourism Development

Strategic Fit

National tourism priority area: Improving the Customer Journey – Raising Quality in Digital Connectivity and Digital Capabilities
Scotland's Economic Strategy: Innovation; Investment

Objectives

To build capacity in the industry in relation to the digital economy
To improve the digital presentation of information to visitors pre-arrival and post-arrival

Description

Today's visitor is increasingly making decisions regarding their leisure and tourism activity on line. From "looking" to "booking", the visitor is using on line resources to plan their activities and for information about activities and destinations both in advance of their visit and once in the destination. The growth in mobile devices, the expectation of superfast broadband, ubiquitous WiFi, ease of booking and good content are all driving the digital tourism agenda. It is important that the digital capability of the industry is supported in line with consumer trends and to complement wider investment in digital connectivity. In addition, there will be a focus by the Council on channel and content management for the provision of visitor information.

Activity in this work stream includes:

- Deployment of the digital tourism initiative for businesses
- Development of web content solutions
- Provision of information for key on line channels
- Development of digital interactive points for Perth

Outputs

- Development of Perth destination website www.perthcity.co.uk as a visitor facing platform ongoing, develop content for city and wider region
- Input into content plan for Perth Website, 2017/18 aligning with VisitScotland Discovery Strategy.

Monitoring Framework

Headline Indicator

Indicator	Source	2013	2016	Ambition 2022/23
Economic Impact of tourism	STEAM*	£465m	£564m	£745

Supporting Indicators

Indicator	Source	2013	2016	Ambition
Tourism Visits	STEAM	1.9m	2.1m	2.7m
Day Visits	STEAM	767,000	877,000	1m
Economic Impact Day Visits	STEAM	40m	£48m	£60m
Visitor Days & Nights	STEAM	4.9m	5.2m	6m
Seasonality (Visitor Days & Nights Oct-Mar)	STEAM	1.8m	1.9m	2.2m
Total Employment	STEAM, NOMIS	8,940	13%	10,000
Annual Average Occupancy Levels/Service	Occupancy Survey	59%	59%	
Annual Average Occupancy/Non-service	Occupancy Survey	53%	60%	

*STEAM: Scottish Tourism Economic Activity Monitor