

ABERDEEN CITY COUNCIL

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COMMITTEE	Enterprise Planning & Infrastructure
DATE	11 September 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Visit Aberdeen
REPORT NUMBER:	EPI/12/150

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1. PURPOSE OF REPORT

To inform Committee of the current position with regard to the establishment of Visit Aberdeen

2. RECOMMENDATION(S)

1. To note the current position with regard to the Establishment of Visit Aberdeen and the production of their business plan.
2. To request officers to submit a paper to the next EP&I Committee meeting, confirming the support needed from ACC to enable Visit Aberdeen to undertake the activities, and deliver the outputs, set out in their business plan.

3. FINANCIAL IMPLICATIONS

There are no financial implications associated with this paper. These will be set out in the paper to be submitted to the next EP&I Committee meeting.

4. OTHER IMPLICATIONS

None, at this point in time.

5. BACKGROUND/MAIN ISSUES

EP&I Committee on 13 September 2011 agreed to authorise:

- (a) The allocation of £385,000 towards joint tourism marketing activities, in partnership with VS, from 1 April, 2011 to 31 March, 2012 and £115,000 from 1 April - 30 September, 2012. This was the current level provided to VS for business and leisure tourism promotion;

- (b) Aberdeen City Council officers to work with its partners at VS, ACSEF, Aberdeen and Grampian Chamber of Commerce and private sector tourism sector businesses to establish a DMO Steering Group that would at no additional cost to Aberdeen City Council:
- establish a private sector led DMO and appoint the DMO's Board of
  - Directors, by 30 November 2011, with the initial aim of:-
  - producing an action plan for the period 30 November 2011 to 30 September 2012;
  - implementing the DMO's initial action plan;
  - appointing a Chief Executive, to start before 1 April 2012; and
  - supervising the production of a detailed, long-term DMO business plan, by the new DMO Chief Executive, before 30 September 2012;
- (c) the DMO Board of Directors and the Chief Executive to secure £20,000 of private sector cash contributions to pay for the actions detailed in the recommendation (b) above;
- (d) the allocation of £297,500 to the DMO during their establishment phase (1 April to 30 September, 2012) and the transfer of management responsibility for the effective utilisation of Council visitor attraction funding, as set out in the table below:-

Source of Funding	Budget (£)
Manage Aberdeen Convention Bureau (ACB)	106,875
Local Destination Marketing (UK & Ireland market)	20,625
International Marketing (Online/Direct Norway & Germany)	15,000
Funding released from Visitor Information Centre	100,000
Savings from ACB Manager post after retirement in May (TBC)*	25,000
Savings from the ACB existing contingency budget (TBC)*	30,000
<b>Total ACC funding</b>	<b>297,500</b>
Private sector cash funding confirmed from Aberdeen BID	12,000
Aberdeen City and Shire Hotels Association	4,000
Aberdeen and Grampian Chamber of Commerce	4,000
<b>Total private Sector Funding</b>	<b>20,000</b>
<b>Total Funding Budget</b>	<b>317,500</b>

- (e) the submission of a further report to Enterprise, Planning and Infrastructure Committee in September 2012, requesting ongoing council support for the Aberdeen DMO for the next 3-5 years, based on the transfer of existing resources (i.e. no new resources), and subject to the DMO Chief Executive and Board:-
- (1) producing an appropriate, detailed and financially sustainable 3-5 year Business Plan; and

- (2) Securing significant private sector cash contributions or other non-council income streams, equivalent to at least 20% of the DMO's total annual operating costs over the 3-5 year business plan period.

Since the above recommendations were approved, officers have been working with the Board of Visit Aberdeen to establish the organisation, recruit a Chief Executive and produce a detailed business plan.

However, due to reasons beyond the control of officers or the Board of Visit Aberdeen, the recruitment process took longer than anticipated. This meant that the new Chief Executive did not take up his position until 14 August 2012.

In summary, since September 2011, Visit Aberdeen has:

- Formed Visit Aberdeen Ltd, a company Ltd by Guarantee
- Appointed an Interim Independent Chair, six private sector board members representing the funding partners and/or appointed through public advertisement and three ACC elected members
- Appointed, after market tender, bankers, legal advisers and finance advisors/auditors.
- Appointed a CEO to take up post on 14 August 2012.
- Held various stakeholder engagement events, involving Board Members, Council officers and other stakeholders involved in the marketing of Aberdeen as a visitor destination (Aberdeen Airport, VisitScotland, Aberdeen Hotels Association etc.), as part of the business planning process.
- Produced a draft business plan for discussion with their Board and key funding partners

The draft business plan confirms that Visit Aberdeen's main aim is to be:

“The best city destination for their target markets”

This aim is consistent with Visit Aberdeen's intention to identify target markets that could potentially regard Aberdeen as an excellent visitor destination and then convince people in these target markets that Aberdeen is the best destination available to them.

Visit Aberdeen's draft business plan identifies five key objectives that, if achieved, will realize this aim:

- Objective One: Market Aberdeen with Energy
- Objective Two: Provide great reasons to visit
- Objective Three: Deliver exceptional results for investors by realizing the full tourism potential of Aberdeen
- Objective Four: Tourism is everybody's business
- Objective Five: Run a tight ship have

The draft business plan provides a significant amount of detail as to how these objectives will be and how success will be measured, and describes the organisation structure, budget and funding needed to undertake this activity.

Officers are currently in discussion with the new Chief executive of Visit Aberdeen to finalise this business plan as soon as possible so that it can be approved by the Board of Visit Aberdeen before being submitted to ACC as the basis for their proposed future request for grant funding.

Due to the delay in appointing a Chief Executive, and subsequent need to obtain Board approval of the final business plan, it has not been possible to reach a position where officers are able to submit a request for funding to this Committee meeting. As a result, a report will now be submitted to the next EP&I Committee on 06 November 2012.

## 6. IMPACT

Support for Visit Aberdeen is aligned to the following corporate objectives:

### *Aberdeen – the Smarter City*

- We will promote Aberdeen as a great place to live, bring up a family, do business and visit.
- We will ensure that Union Street regains its position as the heart of the city and move cultural activity centre-stage through re-invigorated cultural leadership.

### *Smarter Living (Quality of Life)*

- *We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities*
- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality diverse cultural events for the whole community and beyond.

### *Smarter People (Social and Human Capital)*

- We aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city economy.

### *Smarter Economy (Competitiveness)*

- We will invest in the city where that investment demonstrates financial sustainability based on a clear return on investment.
- We will work with partners to promote the city as a place to invest, live, work and export from.

*Smarter Mobility (Transport and ICT)*

- We will develop, maintain and promote road, rail, ferry and air links from the city to the rest of the world. We will encourage cycling and walking.

*Community Plan*

- Work with other organisations, agencies and groups, including Visit Scotland and Visit Aberdeen, to encourage tourism and the provision of facilities for tourists.

7. BACKGROUND PAPERS

No background papers have been supplied in support of this report.

9. REPORT AUTHOR DETAILS

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