

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise Planning & Infrastructure
DATE	6 November 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Visit Aberdeen
REPORT NUMBER:	EPI/12/236

1. PURPOSE OF REPORT

To advise Committee of the current position regarding the establishment of Visit Aberdeen, a Aberdeen Destination Marketing Organisation (DMO) for the city and to detail the funding requirements to build on past investment to further drive the promotion of Aberdeen as a destination for business and leisure tourism.

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 acknowledge the support needed from Aberdeen City Council to enable Visit Aberdeen to undertake the activities, and deliver the outputs, set out in their business plan.
3. To agree the allocation of £200,000 towards Visit Aberdeen's destination marketing activities from 6 November 2012 to 31 March 2013.
4. To agree the allocation of £520,000 towards future destination marketing activities from 1 April 2013 to 31 March 2014, then annually for a further four years subject to the council's normal budgetary process.
5. That Visit Aberdeen provides ACC with an annual Service Level Agreement and an updated Business Plan detailing their planned activities, plus regular progress reports, to enable the agreed monies to be released on a quarterly basis.

3. FINANCIAL IMPLICATIONS

Within its 2012-13 budget, Economic & Business Development currently has £520,000 allocated for activities designed to promote Aberdeen as a destination for business and leisure tourism, as follows:

Business Tourism Services (formally provided by Aberdeen Convention Bureau)	£213,750
Visitor Information Centre	£100,000
Local and International Marketing Activity	£ 71,250
Regional Promotion (in conjunction with ACSEF)	£ 85,000
Conference Subvention Support	£ 50,000
Total	£520,000

Recent realignment of the City Promotion service budget, in parallel with the service's recent re-organisation and the transfer of resources previously used to purchase VisitScotland services, will ensure that the above resources can safely be allocated to the DMO's establishment in the future without detriment to existing services.

Costs associated with the realisation of Visit Aberdeen will be met from within the existing City Promotion budget within Economic & Business Development and it is fully anticipated that the use of these funds will leverage significant additional resources from partner agencies and stakeholders from year's three to five of Visit Aberdeen's operation.

4. OTHER IMPLICATIONS

Following discussions with Visit Aberdeen and the staff within City Promotions and City Events, it has been agreed that all existing staff within the Economic & Business Development Service responsible for place marketing, inward investment and events would remain and that resources within the existing team would be allocated to support the activities of Visit Aberdeen going forward, as outlined in their summary business plan (see Appendix 1).

5. BACKGROUND/MAIN ISSUES

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

(a) Aberdeen City Council officers to work with its partners at Visit Scotland, ACSEF, Aberdeen and Grampian Chamber of Commerce and private sector tourism businesses to establish a DMO Steering Group that would at no additional cost to Aberdeen City Council:

- establish a private sector led DMO
- appoint the DMO's Board of Directors, by 30 November 2011

- produce an action plan for the period 30 November 2011 to 30 September 2012;
 - implement the DMO's initial action plan;
 - appoint a Chief Executive, this was achieved in August 2012
 - supervise the production of a detailed, Five Year DMO business plan, by the new DMO Chief Executive, before 30 September 2012;
- (b) the submission of a further report to Enterprise, Planning and Infrastructure Committee in November 2012, requesting ongoing council support for the Aberdeen DMO for the next 3-5 years, based on existing resources (i.e. no new resources), 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 50% 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 and the newly appointed Chief Executive to establish the organisation and produce a detailed business plan.

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

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

The Board of Visit Aberdeen have approved the draft business plan and a summary of this is attached in Appendix 1. Committee are asked to review this and accept it provides a valid basis for providing Visit Aberdeen with the requested grant funding.

6. BACKGROUND PAPERS

Appendix 1 - Visit Aberdeen's Business Plan Executive Summary.

7. REPORT AUTHOR DETAILS

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