

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	City Growth and Resources Committee
<b>DATE</b>	18 September 2018
<b>REPORT TITLE</b>	VisitAberdeenshire Destination Aberdeen & Aberdeenshire Tourism Strategy 2018 - 2023
<b>REPORT NUMBER</b>	PLA/18/137
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	Richard Sweetnam
<b>REPORT AUTHOR</b>	Dawn Schultz
<b>TERMS OF REFERENCE</b>	City Growth and Place – 2.2 & 2.3

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members of the development of the VisitAberdeenshire Aberdeen & Aberdeenshire Destination Tourism Strategy 2018 – 2023, and associated tourism action plans.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 endorse the VisitAberdeenshire Aberdeen & Aberdeenshire Destination Tourism Strategy 2018 – 2023 as attached in Appendix 1;
- 2.2 endorse the action plans and priority activities detailed in the Tourism Strategy for 2018 – 2021;
- 2.3 instructs the Chief Officer City Growth, following consultation with the Chief Officer Finance and the Head of Commercial and Procurement Service to enter into negotiation with VisitAberdeenshire on a new Service Level Agreement for the 2019 – 2022 period to promote the city, subject to the Councils annual budget setting process.

### 3. BACKGROUND

- 3.1 The Chief Executive of VisitAberdeenshire, Chris Foy, will attend the Committee meeting to answer any questions arising from the Destination Aberdeen & Aberdeenshire Tourism Strategy 2018 – 2023 appended to this report.

- 3.2 The new Destination Management Organisation (DMO) for Aberdeen City and Aberdeenshire was established on 1 April 2016 (approved by the Council's Communities, Housing and Infrastructure Committee on 20 January 2016 [CHI/1515/345]). That Committee also approved the signing of a Service Level Agreement with the new company for three years from 2016-17 ending on 31 March 2019. Councillor Jenny Laing was appointed to represent the Council on the Board of Visit Aberdeenshire.
- 3.3 Development of the tourism, events and culture sector is a key priority in the Regional Economic Strategy (RES), the Council's policy document *Stronger Together 2017-2022*, the City Centre Masterplan (CCMP) and is highlighted in *Culture Aberdeen*, the city's developing cultural strategy. The development of the destination of the city and wider region is also a key element in attracting new visitors from new markets through the Council's existing investment in the tourism infrastructure – the new exhibition, conference centre and arena, the Art Gallery and the Music Hall; and the Aberdeen Harbour Board's expansion project that will accommodate additional cruise vessels to the city. The wider marketing of the city and development of the destination is vital to capitalise on the opportunities from these investments.
- 3.4 Following the appointment of a new senior team within VisitAberdeenshire, and a subsequent realignment of its staffing in response, it has developed a new strategy and plan following a six-month consultation process with a wide range of public sector bodies, tourism industry associations and leading businesses.

## **The Strategy**

- 3.5 The VisitAberdeenshire Destination Aberdeen & Aberdeenshire Tourism Strategy 2018 – 2023 attached in Appendix 1 aims to provide a compelling Scottish visitor experience. Following the recent challenges in the regional economy, the significant investment made in Aberdeen city's infrastructure provides the ideal platform to attract a wide range of visitors. This growth opportunity through well managed destination marketing is key to the full strategic alignment to the Regional Economic Strategy, Culture Aberdeen and the Aberdeen City Region Deal.
- 3.6 This Strategy will develop Aberdeen and Aberdeenshire's visitor economy contributing to the economic prosperity of the region. Targeted marketing, market development and building travel trade relationships will be delivered through the strategy. Similarly, resources will be directed to understanding core visitor channels and strengthening existing visitor loyalty.
- By understanding the visitor, and tailoring Aberdeen's tourism offer to meet their needs the "shorter breaks more often market", increasing our attractiveness to international visitors and focus on active/experience holidays in the region can be focussed on.
- 3.7 Through the tourism strategy, VisitAberdeenshire and its regional partners aim to grow visitor spend to £1bn per annum by 2023 (£500m in overnight spend/£500m in day visitor receipts).

3.8 Infrastructure improvements including the new cruise ship facilities at Aberdeen Harbour, The Events Complex Aberdeen (TECA), Aberdeen Art Gallery and the redevelopment of Union Terrace Gardens are some of the projects essential to delivering the aims of the tourism strategy.

3.9 By focussing on the city's competitive strengths and opportunities, VisitAberdeenshire has developed six actions plans, attached in Appendices 2 - 7, that targeted destination promotion activity will aligned to. They are:

1. **Appendix 2 - Business Events** – business event delegates are of high economic value and can offer added value through stay extenders from business to leisure tourism and the development of the Events Complex Aberdeen (TECA) gives the city competitive advantage in the conferencing market through the attraction of business events.
2. **Appendix 3 - Cruise** – the completion of the South Harbour development will position Aberdeen in the league of premier UK cruise ports and offer unique destination excursions for ship passengers.
3. **Appendix 4 - Golf** – the large range of golf courses in Aberdeen and the wider region are key to the attraction of high value golfers, where repeat business and loyalty is high.
4. **Appendix 5 - Culture, Heritage and Events** – linking strongly to the Aberdeen 365 events plan (see separate report at the City Growth & Resources Committee), and the Culture Aberdeen Strategy event's increase the value of tourism to the city and its tourism industry, creating a thriving, profitable tourism industry and delivering high levels of economic, cultural and social benefit to Aberdeen and the wider region.
5. **Appendix 6 - Food & Drink** – with quality produce and product provenance, food and drink experiences will attract visitors to the region, while also enjoying our events, golf and touring offers.
6. **Appendix 7 - Touring & The Great Outdoors** – the outstanding natural assets, coastal and countryside scenery all support reasons why tourists currently visit the city and region. With capacity to grow, visitors can be targeted to explore less crowded regions in Scotland.

Key Performance Indicators (KPIs) such as domestic and inbound visitor spend, overnight and day spend, GVA of the hospitality sector and perception and visitor surveys will measure the success of VisitAberdeenshire's efforts to grow and develop the tourism economy.

#### 4. FINANCIAL IMPLICATIONS

4.1 The Council contributes a total of £570,000 towards VisitAberdeenshire's operating costs. £520,000 supports the development, delivery and management of destination promotion activities, and a further £50,000 contributes towards Aberdeen Festivals.

4.2 All activity detailed in the Tourism Strategy will be carried out by VisitAberdeenshire's existing budgetary and staffing resources. The Tourism Strategy will be subject to regular review and scrutiny to ensure the Council's obligations under Following the Public Pound are met.

## 5. LEGAL IMPLICATIONS

- 5.1 Representation on the VisitAberdeenshire Board ensures that Aberdeen City Council can monitor and manage the legal obligations and implications under the existing Service Level Agreement.

## 6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	The implementation of the plan assumes that the Council will enter into a further three-year SLA with Visit Aberdeenshire at the same financial level as the current arrangement. There is a risk that this might not be confirmed in the Council's budget-setting process.	L	Rigorous budget monitoring to ensure that the Visit Aberdeenshire strategy and business plan deliver against the Council's tourism and events objectives and offer appropriate value for money, using the KPIs/tourism data.
<b>Legal</b>	Activity delivery as defined within and aligned to the Service Level Agreement.	L	Service Level Agreement to be renewed in the coming months to accurately support the priorities for Aberdeen as detailed in the Tourism Strategy.
<b>Employee</b>	Lack of skilled VisitAberdeenshire staff to deliver Strategy priorities.	M	VisitAberdeenshire now has the staff team and structure in place to deliver on tourism industry support, business development and engagement as detailed in the Destination Strategy.
<b>Customer</b>	Current and future economic, social and environmental impacts addressing the needs of the visitors, the industry, the environment and host communities.	L	The plans have been developed following a six month consultation process and have the buy-in from core partners and within the Council. There is low likelihood of them not being approved by all relevant parties.
<b>Environment</b>	None		

<b>Technology</b>	Without the use of new and emerging technology to enhance the visitor experience Aberdeen could lose ground as a connected destination.	L	Investment in technology and training that ensures digital engagement is core to the business developed/attraction through online destination promotion.
<b>Reputational</b>	Work transparently and accountably with partners to include festivals, businesses, residents, to improve the visitor and resident experience and address challenges through positive tourism experiences in Aberdeen. The Council's reputation will be impacted where activities are not delivered, actions not supported, or the quality is not of the standard expected.	M	<p>The Strategy acknowledges the importance of managing future success in the tourism industry and the economic benefits to be gained through the balance of managed tourism growth in Aberdeen.</p> <p>This strategy aims to address the aspect of quality through ongoing engagement and seeking new opportunities for focussed destination promotion.</p>

## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	Enhance the city's image and reputation, developing tourism in ways which will greatly strengthen perceptions locally, nationally and internationally of Aberdeen as a unique city – in which to invest, live, work, study and visit
<b>Prosperous People</b>	Tourism provides a dynamic jobs market for Aberdeen supporting the long - term prosperity of the North East of Scotland and offering new opportunities that diversify the local economy and employment base.
<b>Prosperous Place</b>	Through the Aberdeen 365 Events plan and Culture Aberdeen Strategy, the city is developing a strong destination narrative that will attract residents, visitors and businesses to engage with the tourism products and experiences on offer supporting economic growth in new and existing leisure markets.

<b>Enabling Technology</b>	Keeping pace with digital technological change will ensure consumers can book and manage tourism experiences in Aberdeen and the wider region with ease, and access relevant information at their destination of choice.
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<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Customer Service Design</b>	Participation on the VisitAberdeenshire Board helps the Council to promote and enhance the long-term economic prosperity of Aberdeen and the wider region by attracting more businesses and leisure tourism. VisitAberdeenshire has a key role in the promotion of tECA, as well as delivery activities relating to the City Centre Masterplan including the redevelopment of Aberdeen Art Gallery, the Music Hall and the attraction and hosting of events in new and reactivated city centre spaces.
<b>Organisational Design</b>	Staff within City Growth will work closely with VisitAberdeenshire to improve the city's tourism performance and make it an attractive destination to visit. VisitAberdeenshire allows for greater collaborative working and alignment of resources as detailed in the Regional Economic Strategy, City Region Deal and Culture Aberdeen Strategy.
<b>Governance</b>	Management of the existing VisitAberdeenshire Service Level Agreement and financial monitoring of allocated funding.
<b>Technology</b>	Effective use of digital technology to engage with audiences and support destination promotion campaigns to targeted audiences locally, national y and internationally.
<b>Partnerships and Alliances</b>	Strong partnership working will ensure the successful delivery of this strategy.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

**9. BACKGROUND PAPERS**

1 February 2018 Finance Policy & Resources Committee (CHI/ 17/ 272)

**10. APPENDICES (if applicable)**

Seven attached or found at links below:

Appendix 1 – VisitAberdeenshire Destination Aberdeen & Aberdeenshire  
Tourism Strategy 2018 – 2023

<https://www.visitabdn.com/assets/Destination-Strategy/Aberdeen-and-Aberdeenshire-Destination-Strategy-2018.pdf>

Appendices 2 - 7 – VisitAberdeenshire 6 x Competitive Strength Action Plans

<https://industry.visitabdn.com/home/destination-strategy/>

**11. REPORT AUTHOR CONTACT DETAILS**

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