



**Review of Tourism Scotland 2020 Strategy
Final Report
for
Scottish Enterprise**

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1 Introduction

1.1 This report presents the findings of a review of Tourism Scotland 2020 (TS2020), Scotland's national tourism strategy.

1.2 TS2020 was launched in June 2012. It is an industry-led strategy with an ambition to grow visitor spend to £5.5bn by 2020 by “Making Scotland a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people”.

1.3 TS2020 identifies growth markets in the UK and internationally, tourism assets to build on and priority actions, with a view to growing the sector's contribution to Scotland's economy, which is significant according to Scotland's Economic Strategy¹. Tourism, as a key growth sector, is important to the Scottish Government's growth aspirations and priorities set out in the strategy, for example through better promotion of Scotland on the world stage, raising skills and capability to drive innovation and influencing investment across the sector.

1.4 A mid-term review of TS2020 was carried out in 2015. This concluded that the strategy was considered to be still relevant by the sector, however, the mid-term review identified a number of new priorities. Given the objectives of TS2020 were conceived some years ago, a key objective of this review is to assess whether these objectives are still valid and achievable, what has changed both in the sector and in the wider external environment and how this is likely to influence the future direction of a refreshed strategy.

Study aims and objectives

1.5 The purpose of this review is to attempt to capture the contribution which TS2020 (and supporting governance and delivery arrangements) has made to the sector's growth and determine to what extent progress is being made towards the identified key performance indicators within the strategy.

1.6 The review will also provide learning and insight to support the development of the Tourism Leadership Group's (TLG) thinking around future opportunities, challenges and ambitions for Scottish Tourism beyond 2020. The outputs from this review will form part of the evidence base which will inform the process of developing a new strategy for the sector.

1.7 A key part of the review was to assess performance against the KPIs set out in the strategy. The study also aimed to identify achievements and outcomes, including progress on growing the understanding and development of Scotland's tourism assets, and how investment and delivery activity has responded to customer need and demand.

1.8 Another important consideration of the study was to consider the collective impact achieved through the development, implementation and delivery of the strategy, and to assess the strategic added value achieved through the creation of the TLG.

Study methodology

1.9 Our methodology comprises five main stages, as outlined in Figure 1.1.

¹ Scotland's Economic Strategy. Scottish Government, March 2015.

Figure 1.1: Study method



1.10 A breakdown of the primary research undertaken is provided in Table 1.1.

Table 1.1: Primary research

Stakeholder Group	Approach	Number
Tourism Leader Group (TLG)	<ul style="list-style-type: none"> Presentation and discussion at the February 2019 TLG meeting 	12 attendees
Key Informants (as identified in Appendix A)	<ul style="list-style-type: none"> Mixture of face-to-face meetings and telephone consultations (including some group calls) 	38 consultations
TLG members	<ul style="list-style-type: none"> Collective Impact online survey 	19 responses
Tourism community engagement	<ul style="list-style-type: none"> Online survey 	322 responses

Approach to analysis

1.11 In order to review the performance of TS2020 against its objectives in terms of the development and planning, implementation and delivery stages of the strategy, we used an analysis framework as outlined in Table 1.2.

1.12 This approach aims to measure the collective impact of each stage of the development, socialisation and delivery of TS2020. The term ‘collective impact’ is basically a framework for collaboration and involves organisations working together, sharing resources, coordinating strategies, evaluating the total impact of an initiative using shared measures, data and increasing alignment of diverse strategies.

Table 1.2: Collective impact stages

	Strategy development/planning	Implementation	Delivery/Outcomes
Stage of CI development	The initiative is exploring options and is in development	The strategy has been launched and being made actionable & socialised	The strategy is well established and mature
What's happening	Partners are assembling the core elements of the new approach, developing strategies and activities There is a degree of uncertainty about what will work and how New questions, challenges and opportunities are emerging	The strategy's core elements are in place and partners are implementing agreed upon action and activities The strategy's context is increasingly well- known and understood	The strategy's action plans and activities are well established Implementers have significant experience and increasing certainty about 'what works' The initiative is ready for a determination of impact, merit, value or significance
Strategic question	What needs to happen?	How well is it working?	What difference did it make?

1.13 Our report reflects the collective impact framework above and reports progress by stage and by sector, Asset Block and destinations as appropriate.

Report structure

1.14 The remainder of the report is structured as follows:

- **Chapter 2** presents the background and context for the development of TS2020;
- **Chapter 3** presents an evidence-based assessment of the performance of Scotland's tourism sector from 2012 to date;
- **Chapter 4** identifies the progress and key deliverables in response to the priorities of the strategy;
- **Chapter 5** discusses the development, planning and implementation of TS2020;
- **Chapter 6** discusses outcomes and impact; and
- **Chapter 7** presents our overall conclusions, learning points, and considerations for the future.

1.15 The following information is appended:

- **Appendix A** – Consultee List
- **Appendix B** – Tourism Business Survey

2 Tourism Scotland 2020 Strategy

Introduction

2.1 TS2020, the national tourism strategy for leadership and growth was launched in 2012 with the goal of making Scotland:

'a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people'.

2.2 The strategy development process is discussed below in detail. The broad objectives of TS2020 are to grow the value of Scotland's tourism economy through using its assets to attract new visitors, and through collaboration which will ensure that the quality of visitor experience is consistently high. This in turn will drive visitor spend and recommendations, growing the impact of the visitor economy and the ability of Scotland to attract new markets.

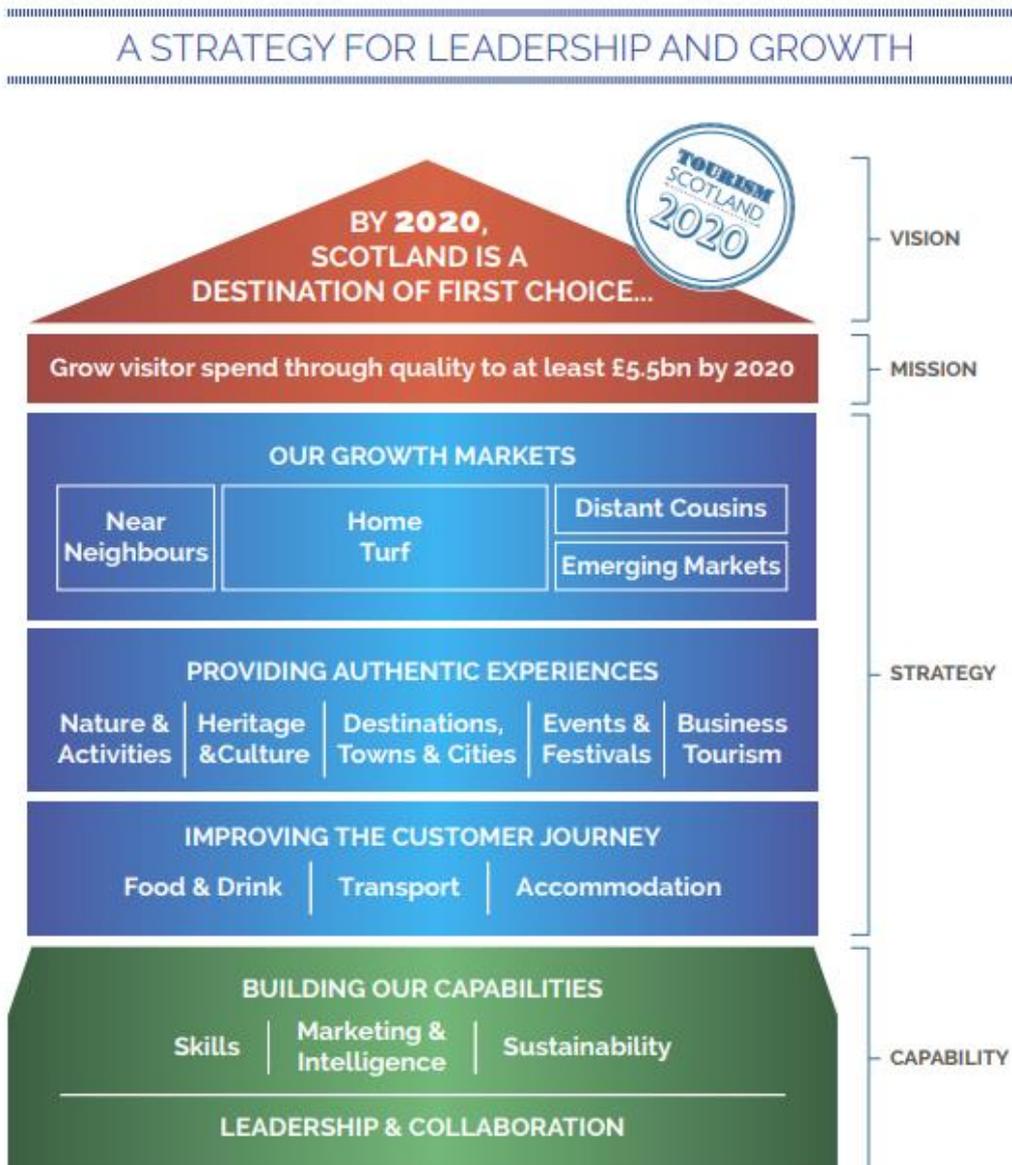
2.3 There are seven Key Performance Indicators (KPIs) identified by TS2020:

- Grow overnight visitor spend by at least £1bn in real terms from a 2011 baseline of £4.5bn;
- Increase overnight visitor numbers and length of stay;
- Increase the average visitor spend from £359 in 2011;
- Increase value of the four growth markets to Scotland;
- Increase the numbers and spend of day visitors
- Increase total tourism turnover from £6,221m in 2011; and
- Increase total employment in tourism from 185,100 in 2011.

2.4 The strategy is presented in a framework, commonly referred to as the 'Rocket' due to its shape, which defines the sector's target markets and identifies five key areas with potential for growth. These are collectively known as 'Asset Blocks', and include: Nature and Activities', 'Heritage and Culture', 'Destinations, Towns and Cities'; Events and Festivals' and 'Business Tourism'.

2.5 The rocket is shown in Figure 2.1.

Figure 2.1: TS2020 framework



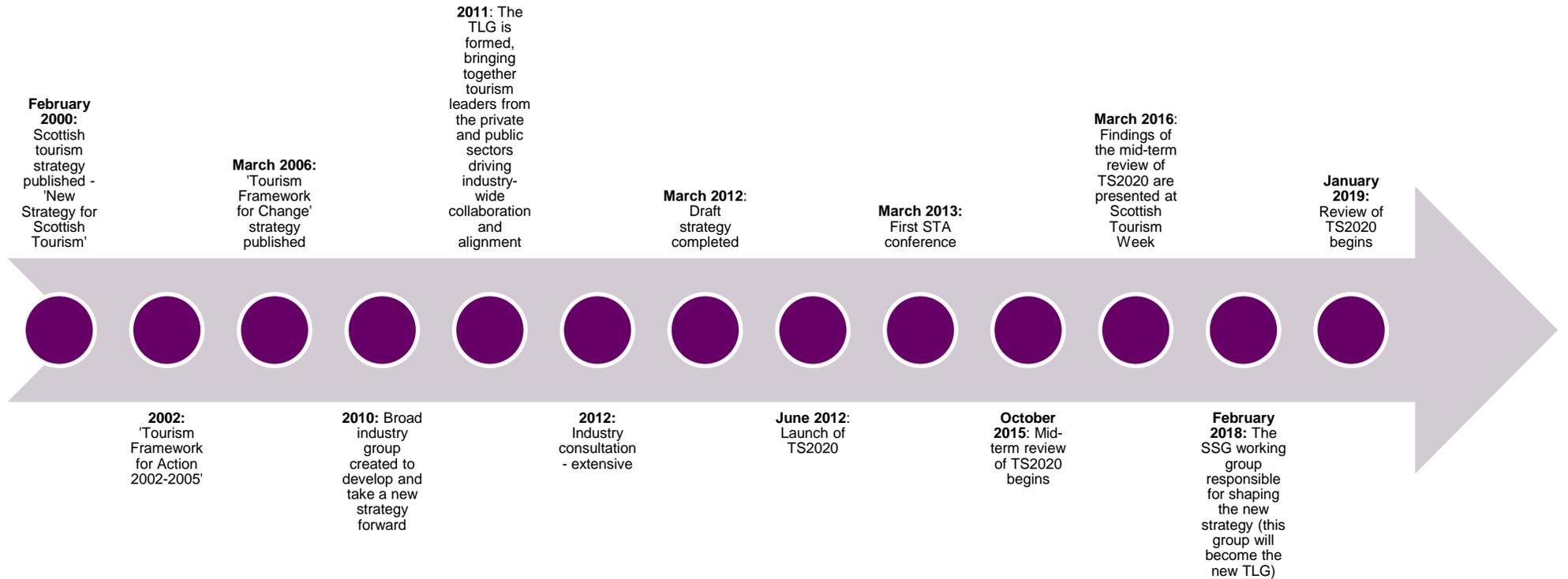
2.6 In addition to recognising Scotland’s assets the strategy also focuses on how the sector develops those aspects important for ensuring the customer has a positive as well as authentic experience – food and drink, accommodation and transport. Underpinning the strategy are the cross-cutting themes which will help build the capabilities of the tourism community, namely, skills, marketing and intelligence, sustainability of both businesses and assets and leadership and collaboration.

2.7 Since the development of the original tourism strategy in 2012, a number of key national policies and strategies have been published, including Scotland’s Economic Strategy and Realising Scotland’s Full Potential: A Digital Strategy for Scotland. In addition, a number of City Deals are now in place, some with a significant focus on growing the tourism sector and attracting international visitors. These will have a significant bearing on the future direction of tourism development across the country.

The story so far: Strategy timeline

2.8 Key milestones in the development of TS2020 are outlined in Figure 2.2.

Figure 2.2: Summary of TS2020 timeline - development and progress



2.9 Prior to the development of TS2020, national strategies had been largely developed by the public sector. In 2000, the Scottish Executive published a 'New Strategy for Scottish Tourism', and then in 2002 a 'Tourism Framework for Action 2002-2005'. In 2005, the Scottish Government reviewed what was happening in tourism markets, both globally and in Scotland, and how the tourism market might change over the next decade.

2.10 The 'Tourism Framework for Change' strategy was published in 2006, outlining ambitions to keep pace with global tourism trends and achieve revenue growth of around 50% and an increase in visitor numbers of 20% by 2015. The lack of involvement and input from tourism businesses led to some disenfranchisement with the strategy from the tourism sector.

2.11 In 2010, and driven by the need to increase the influence and voice of the tourism sector, a broad industry group (the Tourism Industry Leadership Group – TILG) was formed to look at refreshing the existing strategy. It was agreed that this would provide a strategic focus for the industry by maximising the opportunities from major events in the lead up to 2014, including the Year of Homecoming, the Commonwealth Games and the Ryder Cup. However, whilst a consultant was appointed to carry out research and consult with the tourism industry, the findings were deemed to have the wrong focus. What followed was an alternative process to build an evidence base for the sector examining future trends in the global tourism market and a focus on identifying Scotland's assets and market opportunities.

2.12 Consultation with industry in order to build ownership of TS20200 involved an extensive programme of both large scale tourism events and more focussed local events during 2011-12. This was a unique approach to developing a national tourism strategy and formed a phase of the strategy development process which was considered to be very much industry led.

2.13 Around the same time the Scottish Tourism Alliance (STA) evolved from the Scottish Tourism Forum which was a membership body that represented hoteliers, visitor attractions and associations, and campaigned and lobbied for the industry. The TILG, now called the TLG, became the strategy arm of the STA with the STA appointed to the TLG in a secretariat role. As a TLG member the STA was tasked with raising awareness of and socialising the strategy within the tourism community and relating it to local priorities. The STA since then has had an overarching responsibility for engaging the industry in the delivery of the strategy and for overseeing its implementation.

2.14 TS2020 was launched in June 2012. The next tranche of activity included the development of individual Action Plans for each Asset Block, led by an Asset Block Champion. There was no overarching action plan or monitoring framework for TS2020 as a whole. These Asset Block action plans aimed to drive communication and co-ordinated activity for the sector as a whole.

2.15 The first STA conference was held in March 2013 and STA took responsibility for facilitating, co-ordinating and providing support to industry to help enable the successful delivery of TS2020.

2.16 However, 2013-15 was considered a period of trial and error in a new planning and delivery landscape, the main challenge was to ensure that new sector activity was aligned to TS2020 and prioritised according to market demand and industry need.

2.17 A mid-term review of the national strategy took place during 2015/16 and analysed progress towards targets and assessed activity undertaken in light of changes in the wider market environment. The review concluded that the strategy framework was broadly still fit for purpose. However, a key finding from the mid-term review was that if tourism sector growth was to be accelerated by 2020 then there was a need to prioritise activities in support of TS2020.

2.18 The review highlighted four national priorities to be taken forward:

- Increasing the digital capabilities of the sector
- Increasing the leadership capabilities of the sector
- Influencing investment
- Raising the quality of the visitor experience, in particular skills of the workforce

2.19 In 2016, the TLG became an independent group (no longer part of the STA). Annual reports published by the STA on behalf of the TLG in 2017 and 2018 have continued to track progress against both TS2020 and the mid-term review priorities.

2.20 The economic climate has changed since the preparation of TS2020, and the Scottish tourism sector, like many others, is rapidly evolving in the face of technological developments, consumer preferences and visitor expectations. The process of refreshing the national tourism strategy began in early 2018 with the formation of a Strategy Steering Group tasked to take forward the development of TS2020's successor.

The Tourism Leadership Group

2.21 The TLG is a partnership of representatives from industry, Government and the public sector (including Scottish Enterprise, HIE and VisitScotland) and is supported by the STA). The TLG was formed to bring together tourism leaders to drive industry-wide collaboration and alignment, and was responsible for shaping and reviewing TS2020; determining the key priorities; overseeing its delivery; and monitoring and reporting on the outcomes.

2.22 In early 2015, Scottish Enterprise supported a review of the TLG, to establish some clarity around the roles and responsibilities of the group and the Terms of Reference were refreshed. It was agreed that the role of the TLG was to:

- Influence action and direction by the Government, its agencies and industry around the *priority* issues and opportunities which can significantly impact on industry performance and Scotland's competitive advantage;
- Engage and communicate with the wider tourism industry to deliver consistent messages around industry priorities, calls to action and strategy progress; and
- Monitor the progress of implementation of the strategy against agreed vision and targets, and adjust direction as required.

2.23 The rest of this report reviews and assesses the progress of the National Tourism Strategy towards its goals and objectives.

3 Performance of the tourism sector

Introduction

3.1 This chapter sets out an evidence-based assessment of the performance of Scotland's tourism sector. This covers the number and value of visitors to Scotland, both overnight and day visitors, as well as the performance of businesses within the sector.

3.2 Given the time lag between data being collected and published, much of the baseline data presented in the TS2020 Strategy is based on 2011. This chapter therefore sets out the performance of the sector from 2011 as far as possible.

Scotland tourism performance

Overnight visitors

KPI 1: Grow overnight visitor spend by at least £1bn in real terms from a 2011 baseline of £4.5bn.

3.3 Overnight visitor spend (combining both international and domestic spend) grew by over £450m (+10%) in nominal terms between 2011 and 2018, as shown in Table 3.1. This was driven by a strong increase in spend by international visitors (+48%), while UK overnight visitor expenditure fell (-8%) over the period. The growth in international visitor numbers and their associated expenditure will have been impacted by the fluctuating exchange rate as a result of Brexit and other external factors. The weakened pound makes visiting the UK a more attractive proposition for international visitors.

3.4 In real terms (adjusting backwards for inflation) overnight visitor spend rose from £4.5bn in 2011 to just under £4.8bn in 2017. However, with the recent release of 2018 figures, a different picture has emerged, with overnight visitor spend falling to below £4.4bn in 2018, resulting in a decline of 3% in real terms from 2011. Anecdotal evidence suggests this appears to be the result of a decrease in American visitor numbers who tend to have a high level of spend, and that this decrease has not been offset by the increase in visitors from Europe during the same period. In addition, the compounded growth in inflation from 2011 (13.4%) has been stronger than the growth in overnight visitor expenditure (10.1%) over the period.

3.5 It should be noted that a number of variables are at play here. Firstly, there was a strong decline in expenditure between 2017 and 2018. Taking the 2017 figures alone would show an increase in over £250m in real terms from 2011. Secondly, the inflation rate was fairly high, and above inflation target, for much of the period from 2011 to 2018. Thirdly, the base year, 2011, was a particularly strong year for tourism in Scotland, and so using 2011 as a baseline year set a particularly high starting level. Using a baseline year of 2010 instead would have resulted in a very different picture – a nominal increase of £1bn and a real increase of £250m rather than a real decrease in expenditure of £130m.

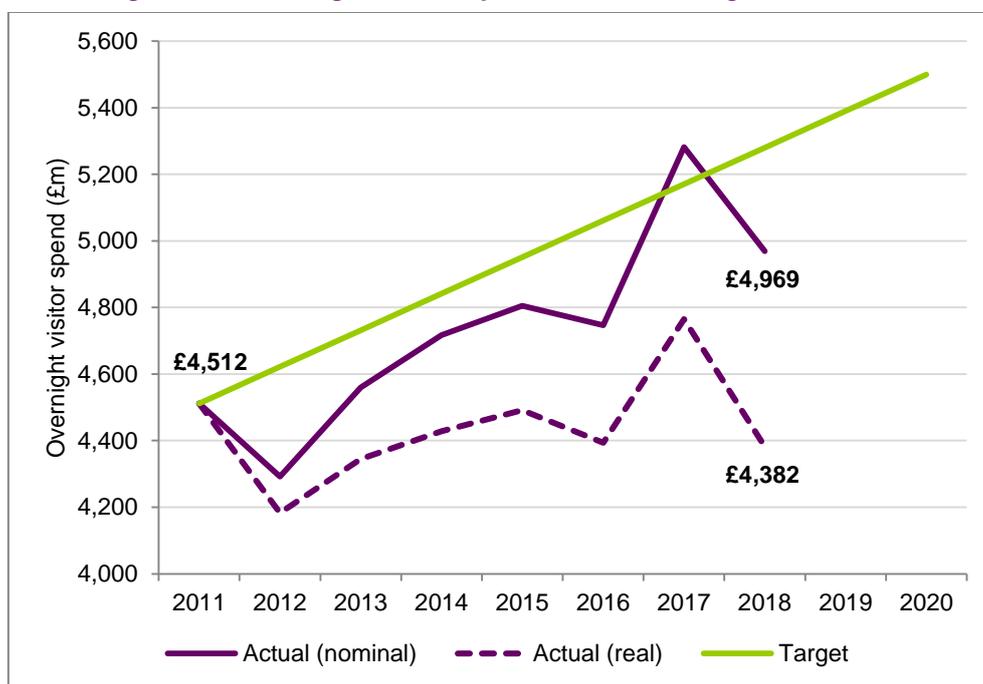
3.6 Data for overnight spend in 2018 shows a significant decline in expenditure from 2017, however it should be noted that 2018 is provisional and subject to minor changes. Nevertheless, data and trends suggest that the target of £5.5bn for 2020 may not be met.

Table 3.1: Overnight visitor spend, 2011-2018 (£m)

	2011	2012	2013	2014	2015	2016	2017	2018	Change (2011-18)
Overnight visitor spend (nominal)	4,512	4,292	4,560	4,717	4,805	4,747	5,282	4,969	457
Overnight visitor spend (real)	4,512	4,183	4,345	4,428	4,492	4,394	4,765	4,382	-130
UK visitors	3,018	2,891	2,889	2,871	3,110	2,897	3,006	2,763	-255
International visitors	1,494	1,401	1,671	1,846	1,695	1,850	2,276	2,206	712

Source: Great Britain Tourism Survey and International Passenger Survey

3.7 The growth in nominal overnight visitor expenditure between 2011 and 2018 averages at almost £65m per annum, while expenditure in real terms has declined by an average of £20m per annum. This is currently behind the initial target set out in TS2020, as shown at Figure 3.1. In contrast, the change per annum to 2017 is £128m in nominal terms, and £42m in real terms.

Figure 3.1: Overnight visitor spend, actual vs. target, 2011-2018


Source: Great Britain Tourism Survey and International Passenger Survey

KPI 2: Increase overnight visitor numbers and length of stay.

3.8 Closely linked to an increase in overnight visitor expenditure, TS2020 outlines a target to increase overnight visitor numbers and the average length of stay. As shown at Table 3.2, there was a fall in the number of overnight trips made between 2011 and 2018, by 3%. Again, this has been driven by a fall in the number of UK overnight visitors, which has not been made up for by the rise in international visitors. However, the most recent data for UK visitors is promising and shows a gradual upward trend from a trips and nights low in 2016.

3.9 Despite the overall fall in overnight trips over the period, there has been an increase in the number of nights spent by overnight visitors in Scotland, at 64.5m in 2018. This is because overnight visitors are, on average, staying longer in Scotland. The average length of stay in 2018 was 4.2 nights, up from 4 nights in 2011. This increase has been a result of slightly longer UK visitor stays in Scotland, while international visitors, although overall numbers are increasing strongly, made shorter visits in 2018.

Table 3.2: Overnight visitor numbers and length of stay, 2011-2018

	2011	2012	2013	2014	2015	2016	2017	2018	Change (2011-18)
Overnight visitors									
Trips (m)	15.8	15.0	14.5	15.2	14.6	14.3	14.9	15.3	-0.5
Nights (m)	63.3	60.8	62	63.3	62.8	60.1	63.5	64.5	1.2
Average stay (nights)	4.0	4.0	4.3	4.2	4.3	4.2	4.3	4.2	0.2
UK visitors									
Trips (m)	13.4	12.8	12.1	12.5	12.0	11.5	11.7	11.8	-1.6
Nights (m)	45.6	43.3	42.7	41.6	41.3	38.9	39.1	40.3	-5.3
Average stay (nights)	3.4	3.4	3.5	3.3	3.4	3.4	3.3	3.4	0
International visitors									
Trips (m)	2.4	2.2	2.4	2.7	2.6	2.8	3.2	3.6	1.2
Nights (m)	17.7	17.5	19.3	21.7	21.5	21.2	24.4	24.2	6.5
Average stay (nights)	7.5	7.9	8.0	8.1	8.3	7.7	7.6	6.9	-0.6

Source: Great Britain Tourism Survey and International Passenger Survey

Visitor spend

KPI 3: Increase the average visitor spend from £358.56 in 2011.

3.10 The average spend of overnight visitors to Scotland has grown strongly by 13% over the period 2011 to 2018, from £287 to £324. This growth has been driven by an increased average spend amongst domestic visitors over this period, which has grown by 4% to £234. Meanwhile, the average spend of international visitors fell overall between 2011 and 2018, after strong growth to 2017. This is shown at Table 3.3.

3.11 Please note that the baseline average spend figure for 2011 has been revised downward from £359 as it was provisional data at the time of TS2020 drafting.

Table 3.3: Average nominal visitor spend, 2011-2018 (£)

	2011	2012	2013	2014	2015	2016	2017	2018	Change (2011-18)
Overnight visitors	287	286	314	310	330	333	355	324	37
UK visitors	226	227	238	229	274	252	258	234	8
International visitors	636	630	690	684	654	673	709	624	-12

Source: Great Britain Tourism Survey and International Passenger Survey

Growth markets

KPI 4: Increase the value of the four growth markets to Scotland.

3.12 TS2020 identifies four growth markets which have the greatest potential and importance for Scotland's tourism sector. These are:

- **Home Turf:** Scotland, England, Northern Ireland, Wales
- **Near Neighbours:** Scandinavia, Germany, France, Spain, Ireland, Netherlands, Italy
- **Distant Cousins:** USA, Australia, Canada
- **Emerging Markets:** India, China, Russia, Brazil

3.13 The growth potential of each of these markets was set out in TS2020. Table 3.4 shows the growth potential and estimated visitor spend across each growth market. It shows that visitor expenditure in the *Distant Cousins* and *Emerging Markets* growth markets were estimated to have already exceeded their TS2020 target by 2017.

3.14 Despite a slow start, *Near Neighbour* visitor spend is now on target to meet its 2020 potential. However, expenditure from the *Home Turf* market is estimated to have fallen since 2011, and so lags far behind its visitor spend target for 2020.

Table 3.4: Nominal visitor spend by growth market, 2011-2017 (£m)

	2011	2012	2013	2014	2015	2016	2017	2020 potential	Difference
Home Turf	3,018	2,892	2,889	2,871	3,110	2,897	2,940	3,586	-646
Near Neighbours	732	641	698	706	693	629	818	875	-57
Distant Cousins	414	450	457	654	582	742	747	505	+242
Emerging Markets	34	55	79	93	60	65	93	70	+23

Source: Great Britain Tourism Survey and International Passenger Survey

Day visitors

KPI 5: Increase the numbers and spend of day visitors.

3.15 Data on day visits comes from the Great Britain Day Visits Survey, which was launched in 2011 and has an annual sample of c.35,000 responses.

3.16 In 2017, Scotland had an estimated 151 million day trips, contributing a total estimated expenditure of just under £6bn. This is significant growth from an estimated 134 million day trips in 2011, a 13% rise. However, the associated expenditure in 2011 was higher despite a smaller number of day visits in Scotland, at almost £6.2bn. This means that the average spend of day visitors has fallen from almost £46 in 2011 to c.£40 in 2017.

3.17 Combining expenditure of overnight visitors with day visitors gives an overall tourism spend in Scotland of almost £11.3bn in 2017.

Scottish tourism sector performance

Tourism turnover

KPI 6: Increase total tourism turnover from £6,221m in 2011.

3.18 TS2020 sets a target of increasing business turnover within the tourism sector from £6,221m in 2011. However, this is a historical figure and the 2011 turnover figure has since been revised down to just under £5,900m. This data is reported in the Scottish Government's Growth Sector Statistics database, which draws on data from the Annual Business Survey.

3.19 Turnover in the sector has grown strongly, by 21%, to over £7.1bn in 2016, as shown in Table 3.5. If growth continues at this pace, then total turnover in the sector could exceed £8.1bn by 2020. Whether this is likely to happen given Brexit and other external factors remains to be seen. However, anecdotally, VisitScotland's business barometer results (discussed later) evidence a continuation of this trend, with around 70%-75% of businesses achieving the same or higher turnover in 2018 as the previous year.

Table 3.5: Tourism turnover in Scotland, 2011-2016 (£m)

	2011	2012	2013	2014	2015	2016	Change	% change
Turnover	5,899.1	6,385.4	6,694.6	6,838.1	6,735.7	7,136.6	1,237.5	21%

Source: Scottish Government Growth Sector Statistics

Tourism jobs

KPI 7: Increase total employment in tourism from 185,100 in 2011.

3.20 The data for tourism employment also comes from the Scottish Government Growth Sector Statistics, which uses Business Register and Employment Survey (BRES) data. This includes employees plus working owners who receive drawings or a share of profits but are not paid via PAYE. It does not include those that are self-employed operating below the VAT threshold with no employees.

3.21 The method of collecting this data changed in 2015, when BRES began including the addition of a population of solely PAYE based businesses.

3.22 Therefore, it is not recommended to compare data from pre 2015 to that post 2015. However, the data does show us that tourism employment had increased by almost 32,000 (17%) between 2011 and 2015. This shows an overall growth in tourism jobs, despite a decline between 2015 and 2017. The reason for this decline is not known, although the change in methodology may explain part of the variation.

Table 3.6: Tourism employment in Scotland, 2011-2017

	Excluding units registered for PAYE only					Including PAYE only units		
	2011	2012	2013	2014	2015	2015	2016	2017
Employment	185,100	181,500	211,200	196,000	217,000	222,000	207,000	206,000

Source: Scottish Government Growth Sector Statistics (2019)

Tourism business base

3.23 Although not specifically a target within TS2020, the change in the tourism business base gives an indication of the growth in the sector. Table 3.7 shows that the sector is dominated by smaller businesses, with almost three quarters (74%) of businesses being sole traders or micro businesses employing up to 9 staff.

3.24 The business base has grown by 9% between 2011 and 2018, equivalent to 1,250 businesses. This growth has been predominantly in micro and small businesses, while the number of tourism sole traders has fallen over this period. Given the overall rise in tourism-related employment, this points to an overall increase in the size of tourism businesses in Scotland (Table 3.6).

Table 3.7: Tourism business base in Scotland, 2011-2018

	2011	2012	2013	2014	2015	2016	2017	2018	Change	% change
Businesses	13,290	13,730	13,480	14,000	13,960	14,090	14,145	14,540	1,250	9%
Sole traders	1,380	1,250	1,215	1,135	1,120	1,150	1,140	1,230	-150	-11%
Micro	9,175	9,620	9,185	9,500	9,240	9,325	9,350	9,500	325	4%
Small	2,295	2,405	2,615	2,880	3,110	3,095	3,145	3,280	985	43%
Medium	300	315	320	335	345	360	350	365	65	22%
Large	130	140	145	145	150	155	160	165	35	27%

Source: Scottish Government Growth Sector Statistics (2019)

Value of the tourism sector

3.25 In line with growth in tourism employment and businesses, approximate Gross Value Added (GVA) for the sector has also grown strongly over the period of the Strategy. Total GVA increased by just over £1bn to around £3.9bn over the period from 2011 to 2016 (Table 3.8). Again, if GVA continues to rise at this pace, then the value of the sector could exceed £4.7bn by 2020.

Table 3.8: Tourism GVA in Scotland, 2011-2016 (£m)

	2011	2012	2013	2014	2015	2016	Change	% change
GVA	2,845.8	3,227.7	3,466.4	3,691.7	3,579.9	3,879.8	1,034.0	36%

Source: Scottish Government Growth Sector Statistics (2019)

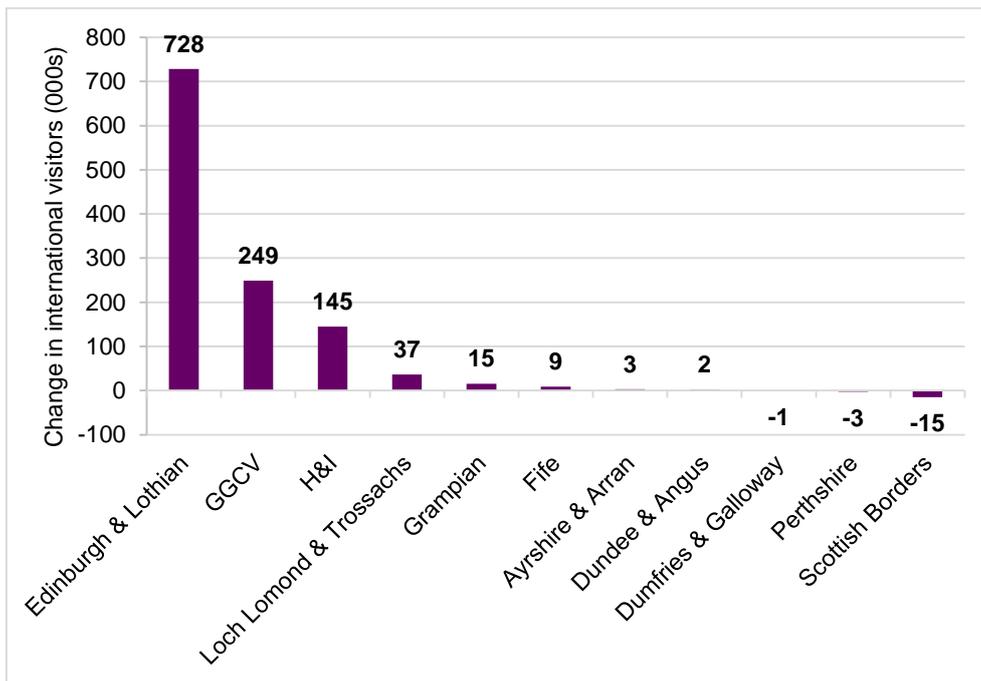
Sub-Scotland tourism performance

Tourism performance

3.26 Across Scotland there has been a rise of almost 1.2m international visitors between 2011 and 2018. However, this has been greatly concentrated within a small number of regions in Scotland. Figure 3.2 shows the absolute change in international visits by region, using visitor numbers averaged over three year periods (2011-2013 and 2016-2018) given the small sample sizes for some regions. It shows that the vast majority of the new increase in international visits has been in Edinburgh and Lothian. Greater Glasgow and the Clyde Valley and the Highlands and Islands account for most of the remainder.

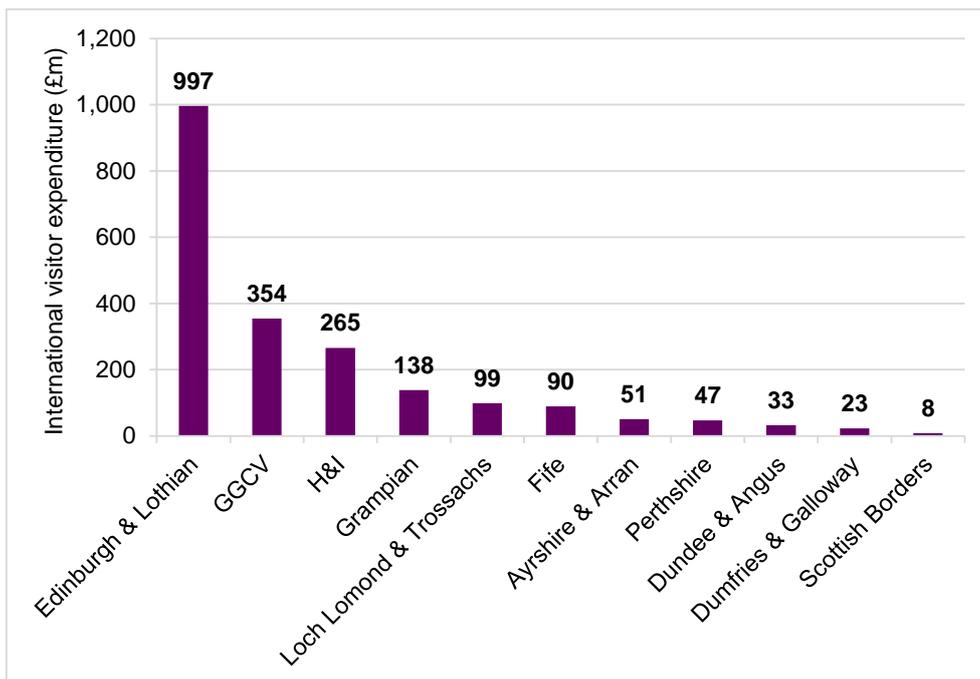
3.27 In proportional terms, growth has again been greatest in Edinburgh and Lothian (54%), Greater Glasgow and the Clyde Valley (43%) and the Highlands and Islands (32%). Despite a small drop in absolute international visitor numbers, the proportional decline in Scottish Borders has been significant, at -36%.

Figure 3.2: Change in number of international visits, 2011-13 to 2016-18



Source: International Passenger Survey (2019)
Please note this is based on VisitScotland geography

3.28 As expected, international visitor expenditure by region closely mirrors the number of international visitors. Figure 3.3 takes a three-year average (2016-2018) of overall international expenditure by Scottish region. It shows that international visitor expenditure in Edinburgh and Lothian averaged almost £1bn per annum over this period. Greater Glasgow and the Clyde Valley was lower, at around £350m and international visitors spend an estimated £265m in the Highlands and Islands.

Figure 3.3: International visitor expenditure (£m), 2016-18 average

Source: International Passenger Survey (2019)
Please note this is based on VisitScotland geography

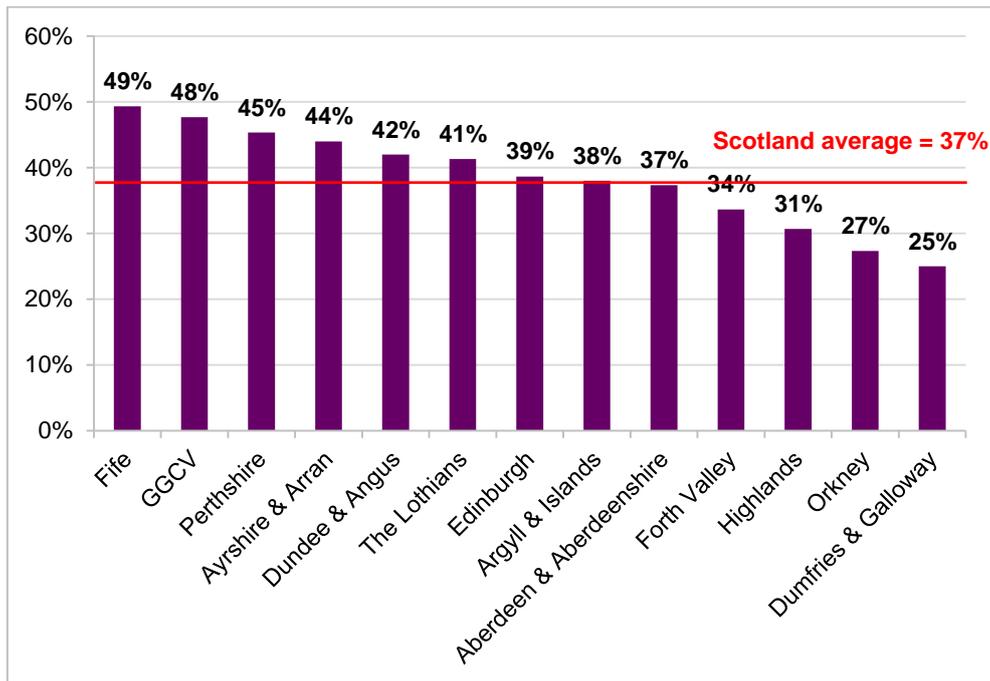
3.29 Again, when looking at the change in international visitor expenditure over three-year averages (2011-2013 and 2016-2018), growth is particularly strong in Edinburgh and Lothian (59% increase) and Greater Glasgow and Clyde Valley (57%) and the Highlands and Islands (49%). However, proportional growth has also been strong in some of the smaller regions, including Dumfries and Galloway, where international expenditure has almost doubled (89%) from £12m to £23m, and Ayrshire and Arran which has seen a 33% rise.

Business barometer

3.30 VisitScotland has run a 'Business Barometer' survey every quarter since quarter 2 2018. This is a voluntary survey focusing on business performance, based on a sample of c.1,300 private sector businesses. The results are presented at a national and regional level.

3.31 Businesses are asked about their business and financial performance for the quarter, when compared to the same quarter of the previous year. Figure 3.4 shows the percentage of tourism businesses reporting an increase in visitor numbers when compared to the previous year (averaged out across quarters 2, 3 and 4 of 2018). This shows particularly improved visitor numbers amongst tourism businesses in Fife (49%), Greater Glasgow and the Clyde Valley (48%) and Perthshire (45%), all well above the national average of 37%. In contrast, businesses in Dumfries and Galloway (25%) and Orkney (27%) are less likely to report improved visitor numbers.

Figure 3.4: Percentage of tourism businesses reporting higher visitor numbers compared to the same quarter of the previous year, average of 2018 Q2, Q3, Q4



Source: VisitScotland Business Barometer (2019)

Please note Scottish Borders is not included due to small sample size

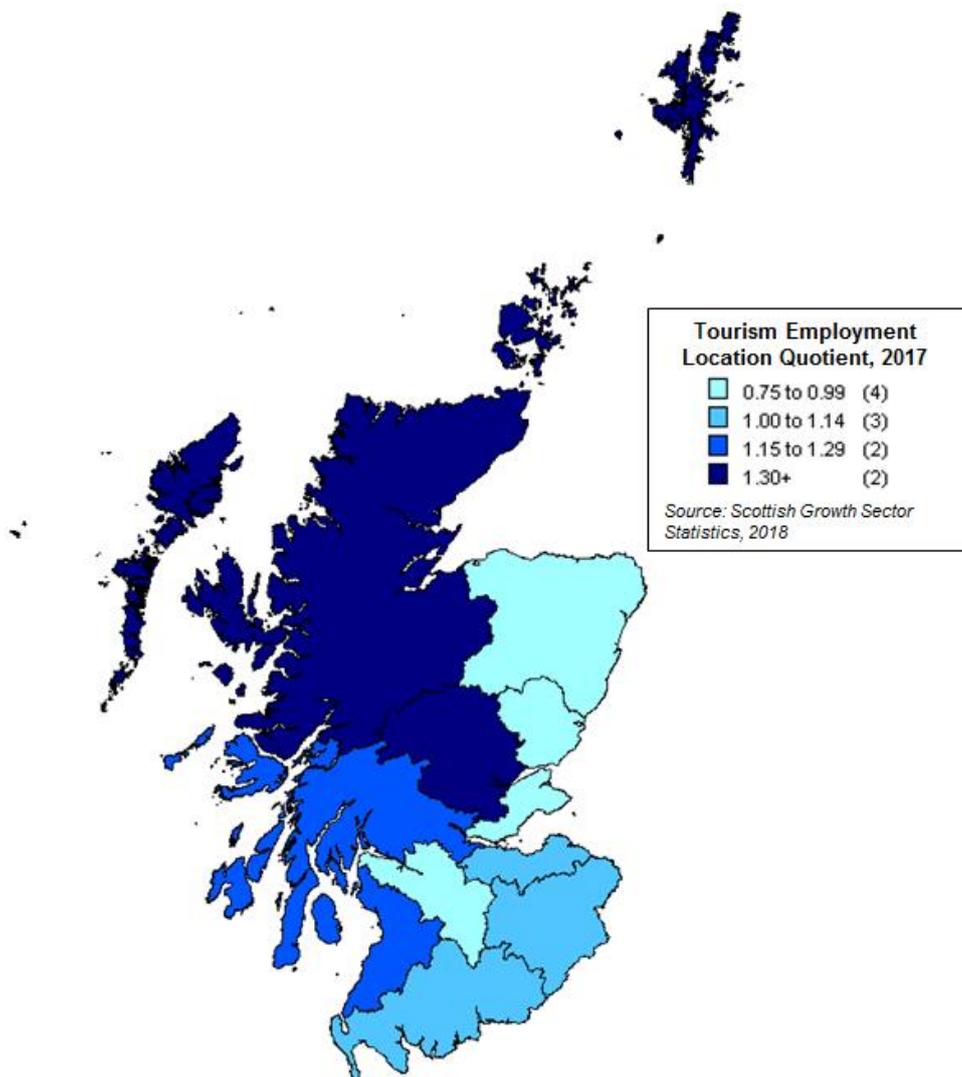
Sector performance

3.32 Location quotients (LQs) are used to show where there are particular concentrations of employment in a sector when compared to the national average. An LQ of above 1 means that the area is over-represented in tourism employment, compared to nationally; while an LQ of under 1 means that it is under-represented.

3.33 As shown in Figure 3.5, Perthshire and Highlands and Islands both have particularly high concentrations of employment in the tourism sector. In both regions, tourism accounts for 12% of all employment, greater than 8% across Scotland as a whole. In contrast, Greater Glasgow and the Clyde Valley and Grampian are under-represented in tourism employment, both at 80% of the national average.

3.34 Due to changes in data collection methodology, it is not advisable to analyse employment growth by region over the period from 2011 to 2017.

Figure 3.5: Location quotient of tourism employment, 2017

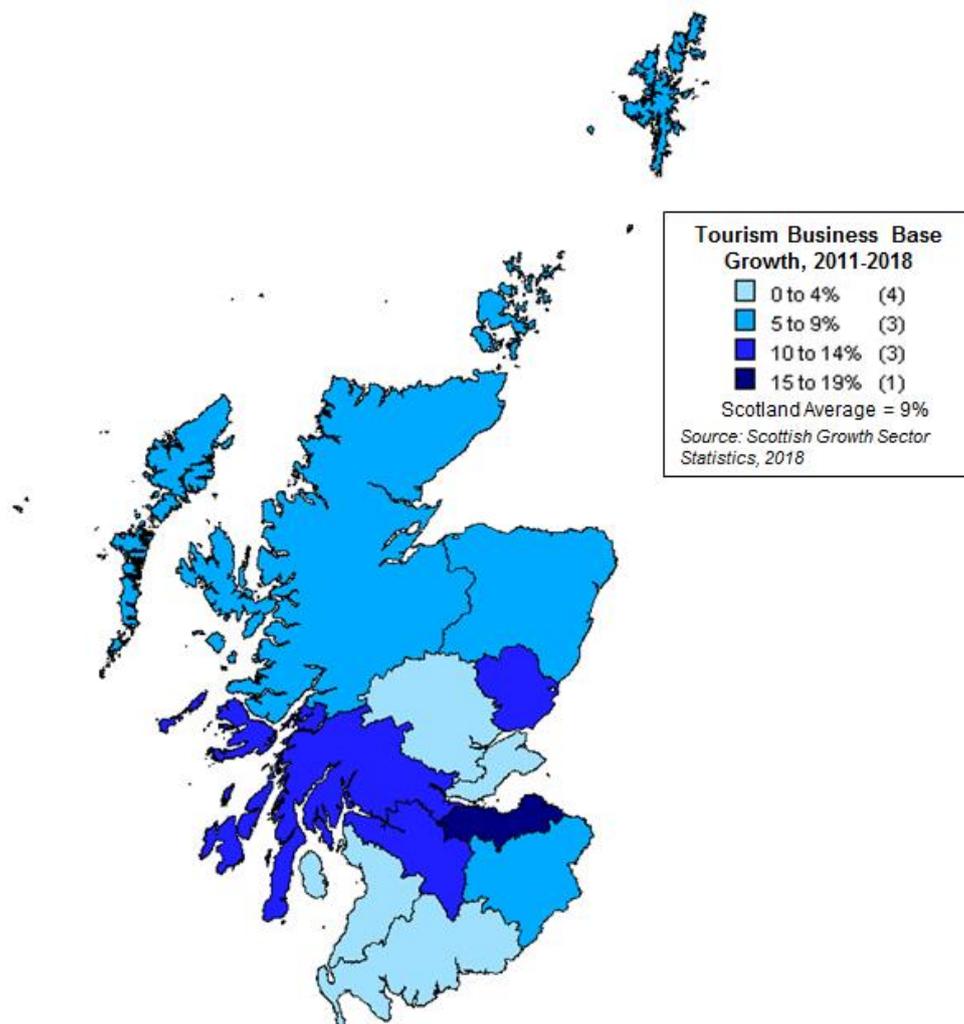


Source: Scottish Government Growth Sector Statistics and BRES (2019)
Please note this is based on VisitScotland geography

3.35 Another indication of regional tourism performance is the change in the tourism business base. Over the period from 2011 to 2018, the Scottish tourism business base grew by 9%. However, again, there were wide variations by region, as shown at Figure 3.6.

3.36 Scotland's two largest cities dominate growth in tourism's business base. Edinburgh and the Lothians has seen a very strong growth in the business base, at 19% over this period, over double the national average. This is driven by a particularly strong growth in the City of Edinburgh. Despite a low concentration of tourism employment, Greater Glasgow and the Clyde Valley has also experienced a strong rise in tourism businesses, largely due to strong growth in Glasgow City.

3.37 Ayrshire and Arran and Dumfries and Galloway have seen small increases in their tourism business base over this period, far below national growth. Despite having the greatest concentration of tourism employment, Perthshire has experienced a small growth in businesses, at 4%.

Figure 3.6: Growth in tourism business base by region, 2011-2018

Source: Scottish Government Growth Sector Statistics (2019)
Please note this is based on VisitScotland geography

3.38 The Mid-Term Review of TS2020, published in 2016, identified Edinburgh, Arran, Argyll and the Isles and Glasgow as being particularly well performing destinations. A summary of the data provided in this section shows that Glasgow and Edinburgh have certainly been some of the top performing destinations, while Fife, Highlands and Islands and Perthshire have also performed strongly, in terms of sectoral development, visitor numbers and business optimism.

3.39 In contrast, the South of Scotland, including Scottish Borders and Dumfries and Galloway has performed poorly in terms of visitor numbers, the growth of the business base and the concentration of tourism employment. This, however, is likely to predate recent heavy investment in the region through, for example, the South of Scotland Economic Partnership² and the cross-border £260m Borderlands Growth Deal³, which will likely have a positive impact on local tourism and destination development. In addition, Aberdeen City and Shire has perhaps not performed as strongly as other destinations or cities resulting in part from the impact of the downturn in the oil and gas industry and the associated reduction in the number of business travellers to the city. It is a focus for destination development going forward.

² <https://www.gov.scot/groups/south-of-scotland-economic-partnership/>

³ <https://www.gov.uk/government/news/260-million-announced-for-the-borderlands-growth-deal>

Tourism sub-sector performance

3.40 The Scottish Government Growth Sector Statistics are based on a Standard Industrial Classification (SIC) code definition of the tourism sector. This breaks the tourism sector down into sub-sectors for analysis. These sub-sectors do not map directly onto the Asset Blocks in the TS2020 strategy but are however, worthy of note.

3.41 In terms of turnover, the largest sub-sector by SIC code is restaurants, with a total turnover of £2.6bn in 2016. This is followed by hotels (£2.1bn), drink serving activities (£1.2bn), operation of sports facilities (£0.2bn) and tour operator activities (£0.2bn).

3.42 The ten largest sub-sectors by turnover are shown at Table 3.9. Since 2011, the fastest growing sub-sectors by turnover have been holiday and other short-stay accommodation (growth of 72%) and tour operator activities (66%). Although a small sub-sector in terms of turnover, historical sites, buildings and similar visitor attractions has more than trebled in size to almost £60m. This is perhaps a key finding given the activities undertaken by the Heritage Tourism Working Group for the Heritage Tourism Asset Block, discussed later in Chapter 4.

Table 3.9: Turnover growth by industry sub-sector (£m)

Sub-sector	2016	Change from 2011	% change from 2011
Tourism	7,137	1,238	21%
Restaurants	2,637	588	29%
Hotels/similar accommodation	2,063	404	24%
Drink serving	1,191	-47	-4%
Sports facilities	236	13	6%
Tour operators	217	86	66%
Holiday/short-stay accommodation	177	74	72%
Camping grounds/similar	146	33	29%
Other amusement/recreation	93	11	13%
Other reservation services	90	-1	-1%
Other sports activities	85	3	4%
All other sub-sectors	203	75	58%

Source: Scottish Government Growth Sector Statistics (2019)

Please note: the sub-sectors in this table are based on SIC codes.

Tourism assets

3.43 TS2020 identifies four tourism Asset Blocks for Scotland, which make up the appeal of Scotland's mainland and islands for tourists. Business tourism is an asset given Scotland's track record in hosting major conferences and exhibitions. The range of international, national and local events and festivals in Scotland also add to the tourism offer, from sporting to cultural events. Given the rich history of the country, heritage tourism is a specific asset. Finally, given the unique landscape and countryside, and the wide range of activities available, from softer tourism such as wildlife watching and walking to adventure tourism, nature and activity tourism is a key Scottish tourism asset.

3.44 Table 3.10 sets out the initial key performance indicators (KPIs) agreed across each Asset Block. The exceptions are for the Events and Festivals Asset Block, for which quantified KPIs were not outlined, and for Nature and Activities which eventually focused on targets for individual sub-sectors rather than over-arching KPIs for the Asset Block as a whole. However, there have been challenges around securing accurate data from which to establish a baseline for KPIs, and some of these data sources are unknown. This makes it difficult to track the progress of each Asset Block.

Table 3.10: Scotland's tourism assets and their KPIs

Asset	KPIs
Business	<ul style="list-style-type: none"> • Increase the economic impact from £1.9bn (2012) to £2.3bn (2020) • Those regions actively delivering Business Tourism to grow by 20% • Increase total delegate numbers across Scotland from 7m (2014)
Events and festivals	<ul style="list-style-type: none"> • No quantified KPIs
Heritage	<ul style="list-style-type: none"> • Grow visitor expenditure from £1.34bn (2013) to £1.7-1.95bn (2020)
Nature and activities	<ul style="list-style-type: none"> • Grow the economic value of marine tourism from £360m (2015) to £450m (2020) • Grow the economic value of sailing tourism from £101m (2015) to £145m (2020) • Increase the value of golf tourism by 20% to £300m (2020)

Source: Asset Block action plans and sectoral strategies

3.45 Destination towns and cities are the fifth tourism 'asset' in Scotland, which encompasses all of the Asset Blocks described above. These destinations hold appeal for leisure and business tourists as either a destination in their own right or as a base from which to explore wider offers.

3.46 We cannot report against the KPIs in Table 3.10 given the lack of available data relating to each Asset Block. However, Chapter 4 sets out the progress made and activities that have been delivered under each Asset Block since the launch of TS2020.

Summary

3.47 Table 3.11 summarises the performance of the tourism sector in Scotland against the KPIs set out in TS2020 using the latest data available.

Table 3.11: Summary of progress against KPIs 2011-2018

KPIs	Baseline (2011)	Actual
1. Grow overnight visitor spend in real terms	£4,512m	£4,382m (2018)
2a. Increase overnight visitor numbers	15.8m	15.3m (2018)
2b. Increase overnight visitor length of stay	4.0	4.2 (2018)
3. Increase the average visitor spend	£287	£324 (2018)
4a. Increase the Home Turf value	£3,018m	£2,940m (2017)
4b. Increase Near Neighbours value	£732m	£818m (2017)
4c. Increase Distant Cousins value	£414m	£747m (2017)
4d. Increase Emerging Markets value	£34m	£93m (2017)
5a. Increase the number of day visitors	134m	151m (2017)
5b. Increase the spend of day visitors	£6,152m	£5,995m (2017)
6. Increase total tourism turnover	£5,899m	£7,137m (2016)
7. Increase total tourism employment	185,100	206,000 (2017)

4 Progress and key deliverables

Introduction

4.1 This chapter presents a picture of the progress made and achievements delivered against the five Asset Blocks outlined in TS2020 – Business Tourism; Events and Festivals; Heritage and Culture; Nature and Activities; and Destinations, Towns and Cities – as well as progress against cross-cutting thematic areas which aim to build business and sector capabilities across each of the Asset Blocks.

4.2 The chapter examines progress against each of these Asset Blocks in turn. Information is drawn from a wide range of sources: Asset Block actions plans and monitoring reports, although these only run in a consistent manner to 2016, partner briefings and annual reports from the TLG, STA, VisitScotland, Scottish Enterprise, Highlands and Islands Enterprise and Skills Development Scotland, strategies and mid-term reviews from individual Asset Blocks or sub-sectors, as well as consultations with Asset Block representatives. The first four assets are considered separately. Destinations, Town and Cities is treated more independently given that it is an overarching asset which delivers impacts across all other Asset Blocks.

4.3 It should be noted that the progress and achievements outlined in this chapter are those which are deemed to have been aligned to and are a result of TS2020. There are a substantial number of other activities, however, which have not been included as it is difficult to say whether they have occurred as a direct result of TS2020 or whether they would have happened anyway. This issue is considered further in Chapter 7.

Sector progress overall

4.4 The tourism sector has grown and evolved over the lifetime of TS2020, from 2011/12. As shown in Chapter 3, the economic value of the sector has grown substantially, and now contributes an estimated £3.9bn GVA to the Scottish economy annually. The tourism sector is now employing 206,000 people in Scotland, equal to around 1 in 13 jobs across the country, while the business base has grown strongly in recent years, with the exception of sole traders, to over 14,500 businesses.

4.5 Some of this growth has been driven by focusing activities around the five Asset Blocks in specific destinations and cities, and promoting their offers at Scotland's target markets at home, elsewhere in the UK, Europe and further afield.

4.6 TS2020 sets out four, more qualitative objectives, which have underpinned the strategic direction of the Asset Blocks and the actions and activities that they have undertaken. These objectives are centred around building capabilities of the industry, specifically:

- **Leadership and collaboration** – supporting growth through industry-wide collaboration with strong leadership;
- **Sustainable tourism** – maximising operational efficiency and environmental performance whilst minimising the impact on the environment;
- **Quality and skills** – improving the relevant skills and knowledge required to deliver high quality customer experiences; and
- **Marketing** – using market intelligence to align the tourism offer with customer expectations and promote the assets through an overarching Scottish brand.

4.7 TS2020 aims to build capabilities across these four areas in order to offer higher quality visitor experiences across the Asset Blocks.

4.8 The STA has been charged with influencing and mobilising the tourism sector, ensuring that local priorities are aligned to the strategy and communicating with the tourism community overall. The success of this can be evidenced by considering the development of the national sector gathering, growing from a single conference with around 150 delegates in 2013 to the Scottish Tourism Week in 2016 which has since evolved into the Scottish Tourism Month in 2019. During the Scottish Tourism Month in March 2019, STA delivered four events and attended or participated in a further 20 events, reaching an estimated 12,500 attendees.

4.9 There has been varying progress against each of the four separate Asset Blocks over the course of TS2020. The ownership and focus of each Asset Block has evolved since TS2020 was published. Table 4.1 sets out a measure of progress for each Asset Block across a number of high level indicators. It should be noted that the Business Tourism, Events and Festivals and Heritage and Culture Asset Blocks benefit from significant inputs from public sector partners and in some cases strong trade associations.

4.10 All Asset Blocks developed their action plans early on in 2013/14 as a result of TS2020, and they also developed their own strategies or ‘rockets’ and aligned them to TS2020, with the exception of Nature and Activities which instead supported the creation of sub-sectoral strategies, such as golf, marine tourism and country sports. All Asset Blocks also established their own working group, which acted as a recognised forum and met regularly; some drop-off was evidenced in the Events and Festivals and Nature and Activities groups.

4.11 Evidence of progress and key deliverables has perhaps been most evident across the Business Tourism and Heritage and Culture Asset Blocks, whose groups have regularly met to discuss progress and take forward planned activities from their action plans and Asset Block specific strategies.

Table 4.1: Asset Block measures of success

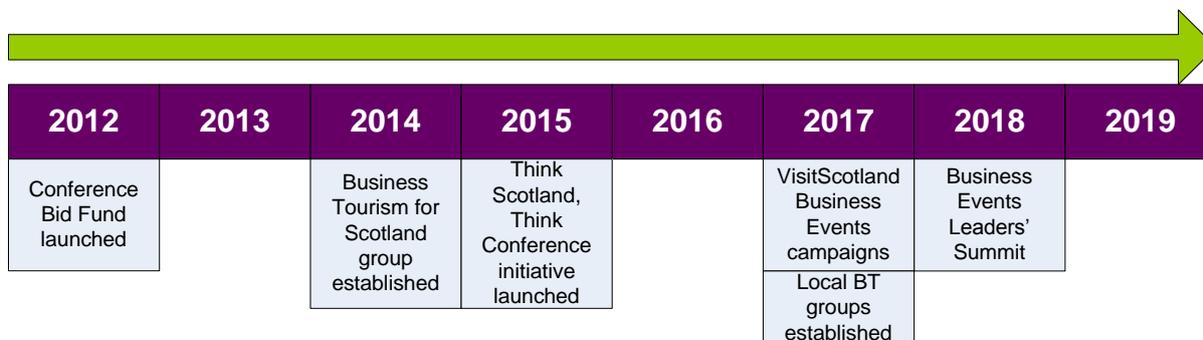
	Business Tourism	Events and Festivals	Heritage and Culture	Nature and Activities			
				Marine tourism	Golf	Cycling	Country sports
Does it have a strategy or ‘rocket’ in place?	✓	✓	✓	✓	✓	✓	✓
Does it have a proactive leader/champion?	✓	✓	✓	✓	✓	✓	✓
Are there regular meetings with a recognised forum?	✓	✗	✓	✓	✓	✓	✓
Does it have an Action Plan?	✓	✓	✓	✓	✓	✓	✓
Is there evidence of key deliverables?	✓	✗	✓	✓	✓	✗	✗

4.12 The following sections detail progress and deliverables of each Asset Block in turn. It presents key milestones and a selection of key activities aligned to TS2020.

Business Tourism

4.13 Scotland is growing in popularity as a destination for business tourists, and the Business Tourism Asset Block covers the staging of business events, conferences and exhibitions throughout the country. Figure 4.1 gives a timeline of the key activities within the Business Tourism Asset Block.

Figure 4.1: Business tourism key activities timeline



4.14 The aims of the Business Tourism Asset Block were to grow visitor spend per annum in the sector from £1.9bn to £2.3bn by 2020, increase the number of delegates across Scotland and grow regions delivering Business Tourism by 20%.⁴ The vision for the Asset Block is as follows:

“by 2020 Scotland is a Business Tourism destination of first choice, recognised inside and out with Scotland as an innovative sector delivering ambitious initiatives. Business Tourism will offer authentic experiences, delivered by skilled and passionate people and act as a catalyst for economic growth and investment across Scotland's growth sectors.”

4.15 The Business Tourism for Scotland (BTfS) group was established in 2014 to represent industry interests and drive forward the ambition to grow the sector by at least an additional £400m visitor spend per annum. The group is led by Judy Rae and meets several times per year. The BTfS group represents a cross-section of the Business Tourism industry, including VisitScotland and Scottish Enterprise, as well as regional tourism groups and the private sector. After the group's dedicated website⁵ was launched in October 2014 at an STA conference, there was a formal launching of the group at the annual Business Tourism Conference in December 2014, to around 260 delegates from the public and private sectors.

4.16 After it was established, the group appointed a Project Manager to co-ordinate activities, who was employed by STA but managed by the BTfS group. This post ended in March 2016, after which secretariat support was given by STA.

4.17 The Scottish Government launched a national Conference Bid Fund in 2012, with £2m allocated over a three year period to support the industry to win more international business. An additional £1m was announced in December 2014 due to a very strong estimated return on investment from fund monies.⁶ Although the fund was launched prior to the BTfS being established, the group has actively promoted it on their BTfS website. It is estimated that it helped to attract c.60 conferences to Scotland over a seven year period, with an estimated 75,000 delegates expected.⁷

4.18 The group spent some of its early time trying to understand the value of Business Tourism to Scotland, and some research was commissioned around achieving accurate measurements of the

⁴ Business Tourism Asset Block action plan

⁵ <https://www.businesstourismforscotland.com/>

⁶ <https://www.scotsman.com/business/markets-economy/visitscotland-conference-bid-fund-generating-remarkable-returns-1-3915191>

⁷ Business Tourism Asset Block action plan monitoring

sector. This included a national economic impact study⁸ published in 2014, and further commissioned work to derive regional values. The national study found that the c.118,000 business events at Scottish venues in 2013 generated £1.27bn to the Scottish economy, with most venues being concentrated in the Edinburgh, Glasgow and Aberdeen regions. The group was also on the Steering Group of a business events market study commissioned by Scottish Enterprise. This research informed some of the group's annual reporting to regions, cities and economic development agencies, and some was used to develop priorities and actions.

4.19 Table 4.2 outlines some significant activities undertaken by the Business Tourism sector.

Table 4.2: Business tourism activities

Activity	Year	Further detail
Think Scotland, Think Conference initiative ⁹	2015	This initiative was aimed at giving the corporate and commercial sectors in Scotland the confidence to promote Scotland as a location for business events and conferences. Scottish Enterprise and the Global Scots networks supported promotional activities.
Business Events Campaigns	2017	The VisitScotland Business Events Unit created two business events campaigns: The Legends and Innovate the Nation, which evolved from the Think Scotland, Think Conference initiative. Both have had very good online engagement, and the Innovate the Nation campaign helped to secure two events.
Regional Business Tourism Groups	2017	In addition to the Business Tourism industry groups that exist in Glasgow, Dundee and Inverness, further groups were established in Edinburgh and Aberdeen.
Make it Edinburgh Campaign ¹⁰	2017	Convention Edinburgh launched this campaign to raise the global profile of Edinburgh as a Business Tourism destination of choice.
Strategy Inclusion	2017	In Glasgow, Business Tourism was included as a strategic priority in the Glasgow Tourism and Visitor Plan ¹¹ which focused on key sectors and customer excellence.
Strategy Inclusion	2018	The Glasgow City Region Tourism Strategy for 2018-2023 ¹² cites business events as one of the region's key strengths.
Business Events Leaders' Summit	2018	Held in Glasgow (and linked to Scottish Tourism Month) this summit attracted over 120 international delegates from the meetings, exhibitions and conferences industry.
Business Events Award	2018	New Business Events category added to the Scottish Thistle Awards.
Event Infrastructure Investments	2012-present	Including the SSE Hydro Arena and Technology Innovation Centre (Glasgow), the expansion of the EICC (Edinburgh) and investment in the AECC (Aberdeen).
New Business Event Opportunities	Ongoing	Scottish Enterprise has been working in partnership with the VisitScotland Business Events Unit to develop leads for potential new business event opportunities, particularly in more niche sectors where Scotland performs strongly, such as FinTech, Subsea and Low Carbon.

Events and Festivals

4.20 Scotland has built a strong reputation in hosting high profile cultural and sporting events and festivals, attracting visitors from around the world, including the Edinburgh Fringe Festival, Celtic Connections, the 2014 Commonwealth Games and the 2014 Ryder Cup. Figure 4.2 gives a timeline of the key activities within the Events and Festivals Asset Block.

⁸ <https://www.businesstourismforscotland.com/help-and-tools/pdfs/Scotland-business-event-performance-report.pdf>

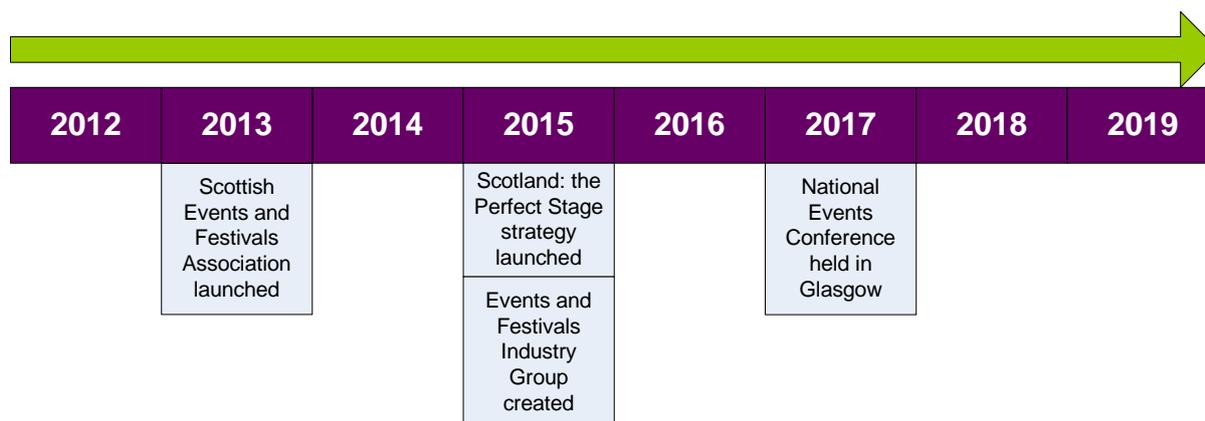
⁹ <https://www.thinkscotlandconference.co.uk/>

¹⁰ <https://www.conventionedinburgh.com/news-events-blog/news/make-it-edinburgh/>

¹¹ <http://glasgowtourismandvisitorplan.com/media/2084/glasgow-s-tourism-and-visitor-plan-to-2023-march-2017.pdf>

¹² <http://www.glasgowcityregion.co.uk/CHttpHandler.ashx?id=22898&p=0>

Figure 4.2: Events and festivals key activities timeline



4.21 The Events and Festival Asset Block action plan does not have any quantified key performance indicators. The vision for the Asset Block was as follows:

“by 2020 Scotland’s reputation as the perfect stage for events and festivals is recognised nationally and internationally.”

4.22 The Scottish Events and Festivals Association (SEFA), the industry trade body, was launched in 2013 to represent the sector, support the dissemination of policy and ideas and encourage access to services. The Events and Festivals Asset Block and Champion aligned itself to SEFA at this time. SEFA delivered a range of activities early on aligning itself to TS2020, including delivering seminars and training programmes aimed at up-skilling the industry workforce, contributing to the refresh of Scotland’s events strategy, ‘Scotland: the Perfect Stage’, early stage development of an online industry- and customer-facing events and festivals diary, and supporting research to assess the value of the sector.

4.23 There was an early desire by SEFA to create an online calendar of all key events and festivals which was user friendly and which industry could access to add content. After discussions with VisitScotland and EventScotland, it was agreed that the focus would, instead, be on improving the existing VisitScotland events calendar.

4.24 The national events strategy¹³ was launched in September 2015, and it was used by SEFA to drive activities in Events and Festivals, aligned to TS2020. The strategy includes a foreword by the Events and Festivals Asset Block champion. The strategy covers the period from 2015 to 2025 and outlines the mission to attract and host key events through a collaborative, ‘one Scotland’ approach. The two components of the strategy are to utilise and develop the assets that make Scotland an ideal host for events, namely the people, heritage, natural environment, built facilities and signature events, and to deliver a range of events that provide authentic experiences for residents and visitors.

4.25 After the launch of the strategy in 2015, an Events and Festivals Industry Group (EFIG) was created to help drive the actions and activities in both the national events strategy and TS2020, meeting a couple times per year. The purpose of the EFIG was to prioritise issues for the sector and ensure that the right capabilities and capacities are available to support growth of the sector. EFIG intended to work alongside SEFA the official trade body providing leadership and representation for organisers, promoters and suppliers involved in the festivals, events and tourism industry. SEFA however, ceased operations around this time.

4.26 Through early EFIG meetings, it was identified that regulation in the sector is a clear limiting factor for industry. The EFIG therefore supported EventScotland in carrying out industry research

¹³ <http://www.eventscotland.org/assets/show/4658>

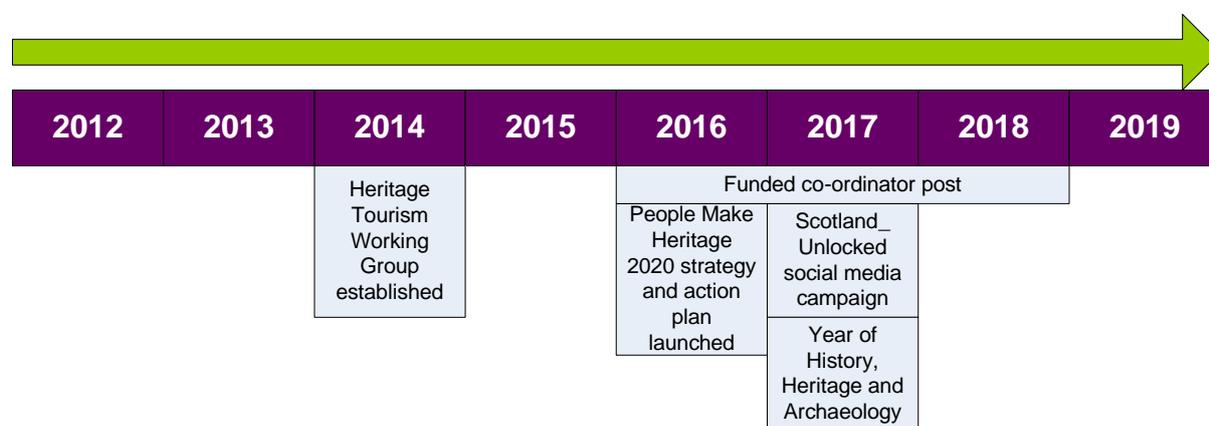
examining the degree to which the different regulatory charges (e.g. police charging, licensing) have changed in recent years.

4.27 However, this Asset Block has in the main been driven by VisitScotland and EventScotland strategies and investments. For example, as its contribution to the National Events Strategy, the VisitScotland Events Directorate invested £1.7m in 60 events, including the delivery of the Glasgow European Championships in 2018. The VisitScotland Events Directorate held biennial National Events Conferences from 2011 onwards. The latest conference was held at the Technology and Innovation Centre in Glasgow in November 2017, and attracted 42 expert speakers and a capacity audience. The next is planned for September 2019 at Gleneagles during the Solheim Cup, one of Scotland’s highest profile events in 2019.

Heritage and Culture

4.28 TS2020 states that Scotland has a ‘rich and colourful history, and vibrant culture... offering visitors a wealth of things to see and do’ including visiting castle and historical sites. Figure 4.3 gives a timeline of the key activities within the Heritage and Culture Asset Block.

Figure 4.3: Heritage and Culture key activities timeline



4.29 The aim of the Heritage Tourism action plan was to grow visitor expenditure in the sector from £1.34bn in 2013 to £1.7bn-£1.95bn by 2020. The Heritage Tourism Asset Block is primarily led by publicly funded organisations. The vision for the Asset Block was as follows:

“by 2020 Scotland will continue to be a prime destination for outstanding heritage experiences delivered by skilled and passionate people and enjoyed by Scots and tourists alike”

4.30 The Heritage Tourism Working Group (HTWG) was established in 2014, and includes representation from STA, Historic Environment Scotland, National Trust Scotland, Historic Houses Association, Ancestral Tourism Group, Scottish Enterprise and VisitScotland. The group appointed an independent consultant to act as Project Manager, employed by STA but managed by the group, similar to that for Business Tourism.

4.31 The ‘People Make Heritage 2020’ tourism strategy and action plan¹⁴ was officially published in April 2016. The strategy combines the ambition of TS2020 and the Historic Environment Strategy for Scotland, ‘Our Place in Time’, which was launched in 2014. It sets out the composition of the Heritage Tourism sector, which comprises three key pillars: built heritage (e.g. World Heritage Sites, famous buildings and monuments etc), cultural heritage (e.g. museums, art galleries, literature etc) and contemporary culture (e.g. music, the arts, festivals etc.). The strategy sets out key priorities which

¹⁴ <https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=2575e7f9-328b-42ca-9d50-a7af01038682>

understand (developing accessible knowledge), protect (holistic and sustainable approaches) and value (enhancing participation) Scotland’s historic environment, and outlines the threats posed through variable service standards, quality of public transport and accommodation, seasonality of businesses and inconsistent data gathering. To quote the Asset Block champion:

“We have developed a cohesive programme of activity building on TS2020 and the annual programme of Themed Years co-ordinated by VisitScotland”

4.32 The group secured funding for a Heritage Tourism Co-ordinator post from Historic Environment Scotland and Innovate UK. This was a Knowledge Transfer Partnership between STA/HTWG and Glasgow Caledonian University. The co-ordinator was in post between June 2016 and March 2017 and was responsible for co-ordinating the delivery of the ‘People Make Heritage 2020’ action plan. Given that 2017 was a themed year in Scotland – the Year of History, Heritage and Archaeology – many of these activities involved promoting and engaging industry with the themed year in order to expand the appeal of Heritage Tourism to new markets.

4.33 The HTWG launched a social media campaign in early 2017, named ‘Scotland Unlocked’. The campaign aimed to raise the profile of the sector and ran on Instagram, which was consumer focused, and on Twitter, which was industry focused. Later in 2017, the HTWG engaged with Scottish Tourism Week, hosting a free Heritage Tourism seminar at Glasgow Caledonian University, which attracted over 100 attendees.

4.34 After the Heritage Tourism Co-ordinator left post in March 2017, the group appointed another co-ordinator later in 2017. This appointment was through a Knowledge Transfer Partnership between Glasgow Caledonian University, Historic Environment Scotland and Innovate UK. The remit of this post was slightly altered to align with Scotland’s Year of Young People in 2018, focusing more on how best to attract the 18 to 24 year old market to heritage attractions.

Nature and Activities

4.35 The Nature and Activities Asset Block covers a wide range of activities available to visitors through Scotland’s natural environment, including walking, wildlife watching, adventure tourism, golf, sailing and much more. Figure 4.4 gives a timeline of the key activities within the Nature and Activities Asset Block.

Figure 4.4: Nature and activities key activities timeline



4.36 The action plan for Nature and Activities (previously known as the Outdoor Tourism Asset Block) provides various targets for the key sub-sectors within the Asset Block, including golf, marine tourism and cycling. The vision for the Nature and Activities Asset Block as a whole was as follows:

“Our vision is for Scotland to be recognised by UK and international visitors as one of the leading destinations in the world for high quality active and nature based tourism experiences”

4.37 The Outdoor Tourism Group (OTG) was established in 2014 and consists of representation from both the private and public sectors, including British Marine Scotland, Cycle Tourism Forum, Developing Mountain Biking in Scotland, Go Rural, Sail Scotland, Scottish Country Sports Tourism Group, Scottish Land and Estates and Wild Scotland. The OTG brought together these previous eight nature-based tourism industry groups with the aim of developing common objectives and actions across Nature and Activities.

4.38 It appears the OTG oversaw a lot of early activity, which was mainly around exploiting the opportunities and promoting the tourist propositions across golf, adventure tourism, marine tourism, cycling and country sports. Given the size and varying sub-sectors across the Nature and Activities Asset Block, the OTG agreed that no one overarching strategy for the sector was to be created, but more the focus would be across these different sub-sectoral propositions which are of significant importance to Scotland’s tourism sector. As time progressed, it became apparent that there were concerns around the effectiveness of the OTG. The group was not meeting regularly, and, although members felt that the group still added value to the Asset Block, there was a lack of capacity and resource amongst members to really drive forward the strategic activities. The group has since changed to annual meetings to discuss updates on activities.

4.39 Table 4.3 outlines the key activities undertaken in the Nature and Activities sub-sector.

Table 4.3: Nature and Activities Asset Block activities (by sub-sector)

Activity	Year	Further detail
Golf		
Strategy Development	2013	Following the launch of the Golf Tourism Development Strategy (Driving Forwards Together ¹⁵) in 2013, the ‘The Home of Golf’ toolkit was launched to provide marketing tools for partners. The strategy’s vision is to make Scotland ‘the world’s leading golfing destination’ by 2020, and targets a 20% growth in the value of golf tourism to £300m over this period.
GTDG	2013	The Golf Tourism Development Group (GTDG) comprises 8 regional golf groups and other national agencies. It was established to oversee the delivery of the strategy.
Ryder Cup	2014	This event at Gleneagles was estimated to have generated £100m in revenue expenditure.
Sector Collaboration	Ongoing	<ul style="list-style-type: none"> • Three Scottish Golf Club Development Officer posts were created¹⁶ • 5 regional golf tourism seminars (attracting over 200 businesses) • Market intelligence work - including an enhanced golf monitoring site (Scottish Golf Intelligence¹⁷) and the launch of a new visitor data gathering project. • Management Development Programme¹⁸.
Mid-Term Strategy Review	2017	This mid-term review (On Course for Growth ¹⁹) of the Golf Tourism Strategy took stock of progress against the original strategy and fully aligned itself to TS2020. At the time of the mid-term review, total expenditure of golf tourism was estimated to be at £286m. Given this evidence of strong growth indicating that the sector was on course to exceed its target, the original £300m target was therefore revised upwards to £325m ²⁰ .

¹⁵ <https://www.scottishgolf.org/golf-tourism-strategy-targets-300m-value/>

¹⁶ Funded by Scottish Golf and the Scottish Ladies’ Golfing Association

¹⁷ <http://www.golfmonitor.co.uk/index.htm>

¹⁸ <https://www.scottishgolf.org/club-services/education-and-seminars/scottish-golf-club-management-training/>

¹⁹ <https://www.scottishgolf.org/golf-tourism-strategy-targets-325m-value/>

²⁰ The Review also highlighted the unequal spread of tourism spend across Tier 1, 2 and 3 clubs, and sets out a need to focus support on second tier golf courses that are still very high quality but don’t get the same coverage as the top tier courses such as Gleneagles, Turnberry and St Andrews.

Activity	Year	Further detail
Marine		
Marine Tourism Strategy Development	2015	'Awakening the Giant' ²¹ is closely linked to TS2020 and aims to deliver this economic growth by providing authentic experiences through events, festivals, new cruise routes and themed journeys, improving the customer journey by exploiting digital technologies, and building capabilities in the sector across skills, leadership, marketing and data collection ²² .
Marine Action Plan launched	2015	Both the strategy and action plan were led by the Marine Tourism Development Group (MTDG), comprising British Marine Scotland, Sail Scotland, Scottish Canals, STA, HIE, Scottish Enterprise and VisitScotland.
Skills Pathway	2016	The Skills Pathway Plan for marine tourism was supported by Skills Development Scotland and aligned with the Tourism Skills Investment Plan ²³ .
Promotional Campaigns	2017 - now	<ul style="list-style-type: none"> • A year-long social media campaign (#LegendarySailing) was run by Sail Scotland and funded by the VisitScotland Growth Fund/SDI. It reached almost 1 million potential visitors throughout key markets. • 'Year of Coast and Waters'²⁴ • Marine tourism industry conferences (in Greenock and Fort William)
Industry Barometer	2018	A key project taken forward by the MTDG. The aim of an industry barometer is to gather trend data around usage/ occupancy levels, business investment, customer profiles and confidence in marine tourism. Scoping work has been undertaken, and VisitScotland have been approached for use of their existing business barometer tool.
Cycling		
Cycle Tourism Strategy Development	2014	This strategy positions Scotland as a significant cycling destination. Leisure cycling tourism was estimated to be worth between £117m-£239m to the Scottish economy, according to research commissioned by Sustrans and the Cycle Tourism Forum in 2013.
Leisure Cycling Tourism Guide	2017	Launched at the Wild Scotland Conference (during Scottish Tourism Week) this guide details the size and scale of the leisure cycling market, and provides guidance to tourism providers on how to attract and cater for leisure cycle tourists.
Country Sports		
The Country Sports Tourism Strategy	2016	The strategy sets out a vision for Scotland to be a country sports tourism destination of first choice by 2020, known for a sustainable, high quality and uniquely Scottish experience by a skilled and knowledgeable industry.
Profile Raising Activities	2016	Research was published which examined the value of country sports, and estimated that the sector is worth £155m to the Scottish economy, with the potential to rise to £185m by 2020 ²⁵ . The profile of country sports was also enhanced through attendance at international exhibitions and customer care courses were run for employees in the sector.

Destinations, towns and cities

Scotland's destinations

4.40 As previously mentioned, the fifth Asset Block is Destinations, Towns and Cities, which cuts across and supports the development of the other four Asset Blocks. There are 29 destination-based

²¹ <http://www.hie.co.uk/growth-sectors/tourism/marine-tourism-strategy/default.html>

²² The marine tourism strategy identified the need to update research into the economic contribution of the sector, which was commissioned by the Crown Estate and published at the end of 2016. The Sailing Tourism in Scotland report²² estimated the sector to have an economic value of £130m, and suggested that it could reach £167m by 2020, exceeding its initial target of £145m.

²³ <https://www.skillsdevelopmentscotland.co.uk/media/42345/tourism-digital-skills-investment-plan.pdf>

²⁴ <https://www.visitscotland.com/about/themed-years/coasts-waters/>

²⁵ <https://www.bbc.co.uk/news/uk-scotland-highlands-islands-36989425>

tourism strategies in Scotland, with 19 of those relating to places located in the Scottish Enterprise area and 10 in the Highlands and Islands Enterprise area.

4.41 As of 2018, 27 of these 29 strategies linked to TS2020, and 20 of these destinations had developed their own ‘rockets’. Aberdeen City and Shire and Shetland are the most recently launched strategies, in 2018, and no longer link to TS2020 given that the majority of their lifespan will run in the next national tourism strategy period. Table 4.4 below shows this breakdown across Scotland’s destinations.

Table 4.4: Destination strategies in Scotland

Destination	SE/HIE?	Strategy?	Timeframe	Linked to TS2020?	Rocket?
Aberdeen City and Shire	SE	Yes	2018-2023	No	Yes
Argyll and the Isles	HIE	Yes	2014-2020	Yes	Yes
Arran	HIE	Yes	2014-2020	Yes	Yes
Ayrshire	SE	Yes	2012-2017	Yes	Yes
Cairngorms National Park	HIE	Yes	2017-2022	Yes	Yes
Dumfries and Galloway	SE	Yes	2016-2020	Yes	Yes
Dundee	SE	Yes	2016-2020	Yes	Yes
East Lothian	SE	Yes	2012-2022	Yes	Yes
Edinburgh	SE	Yes	2012-2020	Yes	No
Falkirk	SE	Yes	2015-2020	Yes	Yes
Fife	SE	Yes	2014-2024	Yes	No
Glasgow	SE	Yes	2016-2023	Yes	No
Highlands	HIE	Yes	2014-2020	Yes	No
Inverclyde	SE	Yes	2016-2020	Yes	Yes
Lanarkshire	SE	Yes	2016-2020	Yes	Yes
Loch Lomond	SE	Yes	2016-2021	Yes	Yes
Loch Lomond & Trossachs National Park	SE	Yes	2012-2017	Yes	No
Lochaber	HIE	Yes	2016-2020	Yes	No
Midlothian	SE	Yes	2016-2020	Yes	No
Moray Speyside	HIE	Yes	2015-2025	Yes	Yes
Orkney	HIE	Yes	2017-2025	Yes	Yes
Outer Hebrides	HIE	Yes	2014-2020	Yes	Yes
Perthshire	SE	Yes	2015-2023	Yes	Yes
Renfrewshire	SE	Yes	2017-2020	Yes	Yes
Scottish Borders	SE	Yes	2013-2020	Yes	No
Shetland	HIE	Yes	2018-2023	No	Yes
Stirling	SE	Yes	2014-2020	Yes	Yes
West Lothian	SE	Yes	2016-2020	Yes	Yes
Wester Ross	HIE	Yes	2016-2020	Yes	No
Total (of 30 destinations)	-	29	-	27	20

Source: STA, 2018

4.42 Please note that two destinations have been included for Loch Lomond, as the Destination Marketing Organisation, Love Loch Lomond, has its own strategy, while the Destination Management Organisation Loch Lomond and Trossachs National Park has a separate strategy. At the time of writing, the next strategy was in development for Loch Lomond and the Trossachs National Park, Lochaber and Inverclyde.

Destination performance

4.43 The Mid-Term Review of TS2020 in 2015 cited Edinburgh, Arran, Argyll and the Isles and Glasgow as being particularly thriving destinations. The performance data presented in Chapter 3 however, shows that Edinburgh, Glasgow (both unsurprisingly given they are major cities in the Central Belt), the Highlands and Islands and Fife have performed particularly strongly in terms of visitor numbers and business optimism over the period to date of TS2020.

4.44 In Edinburgh, the Edinburgh Tourism Action Group (ETAG) has been leading on delivering the Edinburgh Tourism Strategy²⁶. This has included engaging with hundreds of tourism businesses through conferences, themed conferences (e.g. digital solutions for tourism), tourism showcases, business briefings, innovation surgeries and digital workshops and awareness raising events. ETAG also led on the Youth Travel Edinburgh Networking Event, which aimed to support Edinburgh-based tourism businesses to better develop, deliver and promote products and services to the youth travel markets.

4.45 The Edinburgh Tourism Strategy has been regularly reviewed and progress monitored. The latest strategy performance monitoring report was published in 2018, and found that Edinburgh was ahead of target in three of its four strategy objectives, namely to increase the number of visits to the city by a third, to increase total expenditure by 3% per annum and to increase the average spend of visitors by 10%. The only objective behind target was reducing seasonality across the tourism sector.

4.46 Glasgow Life, VisitScotland and Scottish Enterprise lead on the delivery of the Glasgow Tourism Visitor Plan 2023 which aims to grow overnight tourism visits from 2 to 3 million and deliver an economic boost of £771m to the city. Positioning Glasgow as a cultural powerhouse and the 'gateway to Scotland' is at the heart of the city's plan. Latest performance monitoring published in 2018 found that Glasgow welcomed 2.4 million domestic and international visitors, generating £708m for the city's economy. The partnership engages with tourism businesses through numerous events and workshops across diverse themes to support them in developing, delivering and promoting their products and services. More recently the Glasgow City Region Tourism Strategy was launched, a collaboration of 8 local authorities. This strategy builds on the city's plan, developing a shared tourism offer throughout the region, sharing best practice and exploring opportunities for joint activity such as a regional approach to securing events and festivals.

4.47 It is important to note however, that both Edinburgh and Glasgow, as two of Scotland's key destination cities, receive substantial financial support from Scottish Enterprise to develop and deliver a multi-faceted tourism offer.

4.48 Specific examples of activities undertaken across a range of thriving destinations are set out in Table 4.5.

Table 4.5: Activities and projects with key tourism destinations

Edinburgh

Edinburgh is the UK's second most popular visitor destination for Chinese tourists. In recent years, the development of this market opportunity has been supported in a number of ways. Industry partners in Edinburgh have supported the 'China Ready' programme, which aims to ensure the destination is well positioned to meet this growing market. The Edinburgh China Social Media Project has also been launched which aims to engage Chinese visitors via innovative online approaches, and has held welcome events for Chinese students, designed to create networks of Chinese nationals to study and work in the city.

Glasgow

Culture is a key pillar of the Glasgow Tourism and Visitor Plan, in particular Charles Rennie Mackintosh. During 2018, the city of Glasgow celebrated 150 years since the birth of Charles Rennie Mackintosh. In addition to key

²⁶ <https://www.etaq.org.uk/wp-content/uploads/2014/05/EDINBURGH-2020-The-Edinburgh-Tourism-Strategy-PDF.pdf>

Glasgow

openings such as Mackintosh at the Willow and the V&A Dundee (featuring the Oak Room), a special programme of events including exhibitions, workshops, talks and media moments was created to highlight the genius of Mackintosh and to position the city as the undisputed location for a unique, authentic and unrivalled Mackintosh experience. A 12 month marketing and PR plan was created reaching local, national and international markets. Glasgow Life led on the implementation of the plan, working closely with the Glasgow Mackintosh Group and local industry. Scotrail and VisitScotland also supported Glasgow Life and Glasgow Mackintosh with funding for activity targeting the Scottish Market. The legacy of Mackintosh will continue beyond 2019 with a touring exhibition going to Liverpool and then on to 4 venues in America.

The Heart and Soul campaign is a joint campaign with Argyll and Islands Tourism Co-operative. VisitScotland Growth Fund money was secured and the campaign launched in autumn 2018. It promotes Glasgow & Argyll as a twin destination where visitors seeking a short break can readily combine a city break with an adventure on Scotland's Adventure Coast.

Destination	Highlands and Islands
Cairngorms	Funding through the TDDF has allowed the Cairngorm Business Partnership to develop their 'Snow Road' proposition, which is set to be a 90 mile scenic tourist route through the national park between Blairgowrie and Grantown-On-Spey.
Inner Moray Firth	Visit Inverness Loch Ness has developed the South Loch Ness Trail which now provides a 58km walking and cycling trail along the southern shores of Loch Ness. The completion of the trail has generated significant international interest from the outdoor and adventure visitor communities. The trail provides a new way of marketing the area and further developing tourism businesses.
Argyll and the Isles	The Argyll and Islands Tourism Co-operative (AITC) developed and launched the 'Wild about Argyll' campaign, which has branded the area as Scotland's Adventure Coast and promoted opportunities in water sports, mountain biking, hillwalking and horse riding. AITC secured the support of Mark Beaumont to help articulate the 'adventure tourism' offer in the area. VisitScotland Growth Fund money was then secured to develop this further, which led to a joint-delivery relationship with Glasgow leading to the 'Heart and Soul' campaign
North Highlands	The North Coast 500 road trip route is one of the most important tourism developments in Scotland in recent years. It is a 516 mile tourist coastal route that was launched by North Highland Initiative in 2015. The route has been extremely successful attracting attention across the mainstream and social media and research carried out in 2017 estimated that the North Coast 500 had had an additional impact of 29,000 visitors and £9 million visitor spend. This is in an area that had previously struggled to attract tourists.
Outer Hebrides	Outer Hebrides Tourism (OHT) was established in 2014 as the destination development and marketing group for the Outer Hebrides, and has helped to transform the tourism sector and offer. One of their key projects has been the Hebridean Way walking and cycling route. This route was launched by Mark Beaumont in 2016 and has proved popular with visitors since. Other anchor projects included the Harris Distillery and the Bonnie Prince Charlie Way. OHT has since moved onto their refreshed strategy, progressing from destination development to marketing the common brand and offer across the Outer Hebrides.

Midlothian and Borders

The Midlothian and Borders Tourism Action Group (MBTAG) has been looking at ways in which to exploit the tourism benefits that have been delivered by the Border Railway. This scenic line was opened in 2015 and runs from Edinburgh, through Midlothian, to Galashiels in the Scottish Borders. MBTAG has held business engagement and innovation events and workshops and provided market intelligence to ensure that local businesses are able to maximise benefits from this new tourist offer.

Aberdeen

Given the downturn in the oil and gas industry which started in 2014, partners involved in destination development have been exploring how best to maximise economic opportunities through the new Aberdeen Exhibition and Conference Centre (AECC) and investment in Aberdeen Harbour. This has included the development of business opportunity guides for a) the Cruise Market, and b) the German visitor market. These will help businesses prepare for the anticipated growth in both markets.

Dundee

Given the heavy investment in Dundee's Waterfront and the new V&A Dundee, tourism businesses in the area have been supported to capitalise on the wider tourism impact generated. This has included the promotion of internationalisation, exporting and digital support to Dundee-based tourism businesses to more effectively sell products online and increase their international trading capabilities.

Destination development

4.49 The Asset Blocks and destinations discussed above have been supported in their strategy implementation by a variety of partners and funding streams. VisitScotland is the national tourism organisation for Scotland and provides a variety of support to tourism businesses. Since 2012, Scottish Enterprise and Highlands and Islands Enterprise have led on the delivery of destination development activity in Scotland.

4.50 VisitScotland supports destination development by supporting marketing activity, supplying market research and insight and organising industry-facing events for key destinations. The VisitScotland Growth Fund provides match-funding for destination marketing projects, and in 2018 the fund provided £323,000 towards the delivery of 12 collaborative marketing projects in Scotland. EventScotland helps to raise Scotland's international profile and boost the economy by attracting more visitors. It does this through funding and developing a portfolio of sporting and cultural events.

4.51 In the Scottish Enterprise area, Scottish Enterprise provides funding to support the delivery of destination development activity across the key cities – Glasgow, Edinburgh, Aberdeen and Dundee – and also provides a competitive fund, the Tourism Destination Development Fund (TDDF), to support destination development in other, non-urban areas. This fund recognises the need to encourage tourism growth beyond Scotland's key cities. Scottish Enterprise spent £5m between 2016 and 2018 across five destination development projects. This is in addition to providing funding to support business development in the sector, and to design and deliver skills development programmes.

4.52 In the Highlands and Islands area, Highlands and Islands Enterprise have supported 15 DMOs since 2012 to a value of £1.5m across 40 projects.

Cross-cutting thematic activity

4.53 As previously mentioned, TS2020 sets out areas in which to build the tourism sector's capability in order to improve the visitor offer across all Asset Blocks. The strategy looks to build capabilities in leadership and collaboration, skills, marketing and market intelligence and sustainability.

4.54 At the time of the Mid-Term Review, published in 2016, the focus drilled down into four key priorities, some of which were aligned to the initial strategy's thematic focuses, including sector building capabilities around leadership, digital skills and market intelligence. The four key priorities identified in the Mid-Term Review of TS2020 are discussed in this section, with examples of activity against each of the priorities.

Increasing digital capabilities of the sector

4.55 Digital Tourism Scotland (DTS), a £1.2m three year skills workforce development programme was piloted in Edinburgh in 2015. It was subsequently rolled out across Scotland with the aim of improving the digital skills and capabilities of tourism businesses to support better visitor experiences, increase the number of 'online bookable' businesses, and enhance sector productivity. The programme is funded by SE and delivered through a series of awareness raising events and masterclasses, delivered by expert trainers.

4.56 DTS delivered digital support to over 7,200 individuals from 2,250 unique businesses in Scotland over the three year period from 2015 to 2018. 43% of participants were in the Highlands and

Islands, 29% in the SE urban areas and 27% in SE rural areas showing a significant uptake by businesses in the HIE area relative to their proportion of the business base. As well as on the ground delivery, there have been 22,500 visits to the Digital Tourism Scotland website which provides a library of case studies and articles on related topics. The online webinars also achieved thousands of live views.

4.57 A recent ekosgen evaluation of the programme found that business beneficiaries reported improved digital skills and a higher rate of digital technologies adoption as a result of the programme. Wider benefits included 84% of beneficiaries reporting improved business skills, 78% reporting increased website traffic and 74% reporting greater engagement with their existing target markets.

4.58 The economic impact delivered by DTS was an uplift in net sales of £9.5million to date and forecast over the next three years to 2021; the return on investment was £4.30 net GVA for every £1 spent on programme delivery.

4.59 Following the success of the DTS model, a partnership of private and public sector organisations plan to create a Tourism Data Opportunity Plan. This will look to build upon opportunities around data driven innovation, and will co-ordinate engagement with key partners (such as Edinburgh City Deal) to ensure the tourism sector fully understands and makes use of data.

4.60 In 2017, Scottish Enterprise launched the Edinburgh Tourism Innovation Challenge, with the aim of growing data driven innovation and looking at new ways to ensure the city's tourism sector grows in value. A number of tourism and digital experts were recruited to work collaboratively and come up with innovative solutions to some of Scotland's tourism sector challenges. As a result, three new businesses formed to provide digital solutions to travel challenges in Scotland.

Increasing the leadership capabilities of the sector

4.61 Scottish Enterprise delivers their flagship Destination Leadership Programme (DLP), which aims to identify emerging tourism leaders and develop leadership across Scotland's most important tourism destinations. The DLP is funded through Scottish Enterprise and delegate fees, and delivered by Edinburgh Napier University.²⁷ It has received UK wide recognition for developing leadership capabilities within the tourism industry, including a 2017 Times Higher Education Leadership and Management Award.

4.62 Over the first five cohorts to 2018, the DLP produced over 100 senior tourism professionals with a Masters level leadership qualification. An evaluation of the programme was undertaken in 2017/18 which found that programme had led to new collaborative projects, expanded networks and increased participant confidence. The programme has a good level of additionality, with around half of participants stating they would not have engaged in destination development at all without the DLP.

4.63 In response to a demand from the tourism industry for support to develop leadership skills, Scottish Enterprise created the Aspiring Leaders Programme, which is targeted at assistant manager level staff in hospitality, events and the service sector. A pilot of this programme was run in Glasgow in 2018 with a cohort of 15 aspiring leaders.

4.64 The Scottish Thistle Awards continue to recognise and celebrate achievements in the national tourism sector. The awards are run annually and have received increasing numbers of entries across a number of different categories that are aligned to TS2020.

4.65 Leadership and collaboration capabilities have also been focused on, and drawn out in key messaging, through the Scottish Tourism Weeks/Months since 2017. An example of this is running workshops during the 2018 Scottish Tourism Month on STA's '5 Big Questions' campaign.²⁸ This

²⁷ <https://www.napier.ac.uk/courses/browse-interests/tourism/destination-leaders-programme>

²⁸ <https://scottishtourismalliance.co.uk/big-5-questions/>

campaign has been running since September 2016 and is designed to give tourism businesses the tools and resources they need to grow and deliver the priorities from the Mid Term Review of TS2020.

Influencing investment

4.66 The Mid-Term Review of TS2020 sets out a priority of influencing investment in long-term planning and delivery of improvements to the visitor journey and experience in Scotland. In particular, these include investing in digital connectivity, surface transport networks, direct flights into Scotland, public realm and built infrastructure and finance for business growth.

4.67 The Tourism Development Framework for Scotland was first developed in 2013 and was refreshed in 2016.²⁹ The Framework is aimed at planning authorities, councils and other stakeholders, and it gives guidance to help secure tourism growth and highlights and promotes investment opportunities to support growth in the sector. The refreshed Framework and its action plan³⁰ outlines public and private sector investment worth over £16 billion across almost 700 projects that will support each part of the customer journey and provide authentic experiences. These include multiple projects relating to digital connectivity, such as rolling out Superfast Broadband across Scotland's urban and rural areas, transport connectivity, including the dualling of the A9 and rail improvements between Glasgow and Edinburgh, and accommodation and food and drink.

4.68 STA undertook industry research into tourism business investment in 2017, and found that investment levels were low, and more focused on maintaining the business rather than growing it. The research found that almost half (44%) of businesses had no plans to invest in the next three years, and of those who did, many were investing to maintain standards and stay competitive.

Raising the quality of the visitor experience, in particular skills

4.69 TS2020 initially set out an objective of improving the customer journey, through targeting improvements in the food and drink, accommodation and transport offers available to visitors. Much of this has been addressed through work around skills development, learning and training.

4.70 The Tourism Skills Investment Plan was first published by Skills Development Scotland (SDS) in March 2013, and was subsequently refreshed and relaunched in 2016³¹ so as to support and align to the Mid Term Review of TS2020. The refresh involved extensive industry consultation and a State of the Sector report, and four key strategic priorities were identified:

1. Improve management, leadership and enterprise skills across the sector
2. Support the development of professional and digital skills for all in the sector
3. Ensure staff at all levels understand and are able to respond to visitor needs and expectations
4. Raise the attractiveness of the sector

4.71 The Tourism Skills Group, which is a sub-group of the TS2020 Strategy Group, led on overseeing the refresh of the Tourism Skills Investment Plan, aligning the refreshed plan to TS2020, and the delivery of the plan. The group meets regularly to discuss skills issues in the tourism sector and take forward actions from the plan.

4.72 Since the refresh, Skills Development Scotland has supported skills development across the four strategic priorities in the sector through a number of actions. These include funding just under 2,800 Modern Apprenticeships in frameworks relating to the tourism sector (i.e. Hospitality, Hospitality Management Technical, Travel Services) in 2017/18, creating a strong and consistent pipeline of

²⁹ <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/policies/tourism-development-framework-dec16.pdf>

³⁰ <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/policies/tourism-development-framework-action-plans-march17.pdf>

³¹ <https://www.skillsdevelopmentscotland.co.uk/media/42345/tourism-digital-skills-investment-plan.pdf>

skills. They have also funded leading hospitality employers in Scotland to develop an innovative apprenticeship programme which utilises existing frameworks but provides additional workshops, masterclasses and learning journeys.

4.73 Skills Development Scotland has also worked extensively with the Springboard³² charity to deliver initiatives to encourage people, particularly young unemployed people, into the sector and support them with the required skills. These initiatives include Hospitality and Tourism Takeover Days which bring together schools and employers. Springboard also delivered the FutureChef competition and programme to address the shortage of chefs in the sector. Over 7,000 school pupils took part in FutureChef in 2018/19.

4.74 Developing the Young Workforce (DYW), is a Scottish Government Youth Employment strategy, to reduce youth unemployment by 40% by 2021, in response to the recommendations in the Wood Commission report. There are 21 regional DYW groups in Scotland, leading and driving the change in employers' engagement with schools and colleges. The DYW teams aim to expand opportunities to young people, through employer-led initiatives, so that they gain valuable workplace skills and further education opportunities, making them more attractive to employers in a range of sectors, including tourism. One example of the type of tourism industry experience provided to young people is the 6-week Hospitality programme³³ which has been developed by DYW Glasgow in partnership with Springboard. This programme includes industry visits, sessions with inspiring leaders from the hospitality sector, basis food hygiene certificates, CV workshops and mock interviews.

4.75 Improving the hospitality offer in Scotland also supports this theme and World Host training continues to be promoted to employees in the tourism sector. By September 2017, over 23,500 people working in the tourism and hospitality sector had received World Host training, with over 2,000 workshops delivered to businesses across the country. Similarly, the Hospitality Industry Trust (HIT) Scotland charity has been supporting those working and studying in the hospitality industry to broaden their skills and experience. In 2018, HIT Scotland provided 430 scholarships for students to access tailored learning opportunities, and delivered 23 events to c.2,800 delegates.

4.76 However, there has been no research undertaken to date to evidence the extent to which this activity has improved the quality of the customer experience.

4.77 In terms of the food and drink element, a strategy board, led by Scotland Food and Drink and STA was set up in 2017 to drive forward the development of a Food Tourism Framework for Scotland. The strategy was launched August 2018.

Summary

- Progress and evidence of key deliverables against the Asset Blocks set out in TS2020 has been most evident in the Business Tourism and Heritage and Culture Asset Blocks.
- Within Business Tourism, the Conference Bid Fun has helped to attract additional business events to Scotland. This has been supported by the work of the Business Tourism for Scotland group, including the Think Scotland, Think Conference initiative and other VisitScotland run campaigns.
- Scotland has hosted a number of high profile sporting and cultural events since 2012, including the Commonwealth Games and Ryder Cup. Although an Events and Festivals Industry Group was established in 2015 to drive action from TS2020, the Asset Block has been driven forward in the main by VisitScotland and EventScotland strategies and investment.

³² <https://charity.springboard.uk.net/>

³³ <https://www.dywglasgow.com/news/2019/may/09/springboard-hospitality-programme-start/>

- The Heritage and Culture Asset Block has benefited from significant public sector support. A working group for the Asset Block was established in 2014 and has driven forward actions from TS2020 and the People Make Heritage 2020 strategy and action plan.
- Activities and progress in the Nature and Activities Asset Block has been focused on the key sub-sectors of golf, marine tourism, adventure tourism and country sports. Golf tourism, in particular, has seen strong growth and its initial visitor expenditure targets for 2020 were revised upwards after review. Similarly, research into sailing tourism suggested that its economic value target for 2020 will be exceeded.
- The Destinations, Towns and Cities Asset Block cuts across and supports the development of the other Asset Blocks. Across 30 destinations in Scotland, 29 have tourism strategies, and 27 of these are linked to TS2020. Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland have supported destination development financially.
- The Mid-Term Review of TS2020 cited Edinburgh, Arran, Argyll and the Islands and Glasgow as being thriving destinations. Latest data suggests that Edinburgh, Glasgow, Highlands and Islands and Fife have performed particularly well.
- As well as driving forward progress in Scotland's key tourism assets, focus has been on cross-cutting themes. The digital capabilities in the sector have been well supported through Digital Tourism Scotland and opportunities in data driven innovation in Edinburgh. Similarly, Scottish Enterprise's Destination Leadership Programme has supported the growth of leadership capabilities in the sector.
- The Tourism Skills Group continues to support the increasing quality of the visitor experience in Scotland through skills development. This has included through the delivery of the Tourism Skills Investment Plan. The expansion of Modern Apprenticeships and World Host training has also supported skills development in the sector.

5 Strategy development, implementation and delivery

Introduction

5.1 This chapter considers the success and challenges in the early stages of developing and implementing the TS2020 strategy.

Strategy development process

5.2 As discussed in Chapter 2, the development of TS2020 was led by industry, in contrast to previous public sector-driven approaches. There was a recognition that the lack of involvement of the tourism sector in developing the previous 'Tourism Framework for Change' had led to unrealistic targets and a lack of ownership and even disengagement by the industry.

5.3 The TLG therefore were tasked with developing the strategy, raising awareness of TS2020, engaging industry in the delivery of the strategy, and monitoring its implementation.

5.4 There is wide agreement that the strategy development process has brought a disparate sector together. Major industry actors are now actively engaged, and there is ownership of the strategy by delivery organisations and industry. It is felt that the strategy now serves as a single focus point for the industry and for activity intended to develop the tourism sector. Because of this, TS2020 has allowed for a degree of coherence across both subsectors and geographies.

5.5 One of the most successful – and impactful – outcomes of the development and of TS2020 has been the partnership and collaborative working that has taken place. At the early stages of planning and development, partners and industry were mobilised to input to researching and then assembling the core elements of the new approach to defining the sector and its assets, and formulating a framework to drive activity.

5.6 Specifically there were several strengths identified by stakeholders in the way TS2020 was developed:

- The strategy development process was the first time that industry had worked together in this way, which in itself has been a success. This innovative process involved a programme of widespread industry consultation, and partnership working
- Being consulted at an early stage encouraged tourism businesses (and destinations) to reflect on the factors that make them – and Scotland – unique
- The industry-led approach led to 'buy-in' from the sector that would not have been achieved if the strategy was simply imposed on them without consultation by the public sector. This is reflected in the fact that many DMOs and tourism groups have the strategy embedded into their local plans which reflect the broader aims of TS2020
- TS2020 was able to highlight and emphasise the importance of the tourism sector to the wider economy. At a national level the strategy has helped to define the visitor economy in both leisure and business visitor terms
- TS2020 has been reviewed and refreshed since its launch in 2012, however the fact that the underlying principles have not been challenged would indicate that it has been put together successfully. It accurately reflects the make-up of the sector, its assets and priorities for growth.

5.7 However, some challenges identified by stakeholders include the fact that whilst the strategy development was industry led and is widely thought to have buy-in from tourism businesses, the sector is hugely diverse, and there is evidence that a significant proportion of businesses are still not aware of TS2020. This is borne out by the business survey results, which indicated that 37% of tourism businesses were still unaware of the national strategy. In addition, there was a concern that high growth tourism sub-sectors (such as adventure tourism) will always be prioritised over those with high volume employment (such as visitor accommodation), suggesting that despite the development of an industry-wide strategy, this does not always translate to a level playing field for all tourism businesses.

5.8 In terms of learning from the strategy development process, it is crucial that there is a mutual understanding between the private and public sectors, and there needs to be a ‘mechanism’ in place to allow industry to shape, influence and deliver the strategy, and the public sector to support delivery and provide funding and investment where appropriate. A number of stakeholders also highlighted the need to not lose sight of the customer and his/her demands in developing the sector’s assets and service offer.

Strategy formulation

5.9 The formulation of TS2020 was well conceived, and there was a valid rationale behind it. The creation of the ‘Rocket’ as a framework was considered to be an effective and visual mechanism for communicating the main tenets and priority areas of the strategy. There is a view however that this framework has worked best at a destination level in terms of engaging delivery organisations and has been less effective at influencing some Asset Blocks.

5.10 TS2020 has also been influential in other areas of the sector’s development. For example a Skills Investment Plan (SIP) for Scotland’s Tourism Sector was published in 2013 to support the growth aspirations of TS2020. The action plan which was developed to address issues identified within the Tourism SIP include performance indicators that are drawn from the TS2020 KPIs, and which have been selected to ensure linkages between the SIP and TS2020.

5.11 The TLG played a very positive role in strategy development. It was proactive and very effective in coalescing industry and the public sector. It brought together tourism leaders to drive industry-wide collaboration and alignment, and was responsible for shaping and subsequently reviewing progress and performance of TS2020.

Driving aligned implementation and delivery

5.12 In a number of ways, the implementation of the strategy, i.e. how well it is working, can be considered a success. Previous iterations of a tourism strategy for Scotland were not considered to be successful, whether industry-only or public sector-only in their development (e.g. the *Tourism Framework for Change*). An industry-led collaborative approach has meant that industry feels ‘listened to’.

5.13 There is a sense amongst stakeholders that the TS2020 approach recognises that tourism in Scotland is delivered by a multitude of actors. Pulling together a diverse and often disparate industry requires a pragmatic approach, and TS2020 has provided a framework for this. There is a perception that TS2020 has enabled industry to work together successfully:

“This is the first time that the industry has worked together – this in itself has been a success.”

5.14 The Strategy, combined with the visibility afforded to it through its tools, such as the ‘Rocket’, and strong messaging has helped to drive implementation. Generally speaking, industry actors have been more action-oriented as a result.

5.15 A clear demonstration of aligned implementation at the local level is in the incidence of TS2020-aligned strategies, as detailed in Chapter 4. The majority of DMOs have taken on the principles of TS2020 and implemented them through their own strategy. As demonstrated in Chapter 4, of the 29 destinations with a tourism strategy, 27 are explicitly aligned with TS2020. Evidence indicates that the two that are not currently aligned have a different development cycle, i.e. they were adopted more recently (running from 2018). It is anticipated that these may align more fully with the new national strategy when they are refreshed. In the Highlands and Islands, there is a clear consistency of approach at a regional level, and this is replicated through TS2020-aligned delivery of initiatives such as Digital tourism Scotland (DTS).

5.16 Delivery against the strategy is considered to have been successful where TS2020 has been fully built into strategies and processes of delivery organisations. DMOs and other delivery organisations are clear that the way in which the Strategy can be translated vertically from the national level to local areas and destinations, and horizontally across themes has greatly assisted in their delivery. This flexibility is central to ensuring alignment in implementation and delivery. By fully ensuring alignment with the national strategy, this has also helped many DMOs and other organisations to secure funding for developmental work, marketing and other initiatives. The STA is recognised as having contributed to the success of TS2020 at a delivery level, through facilitation, co-ordination and the provision of support to industry and delivery organisations.

5.17 There are some good examples of how this alignment has enabled implementation and delivery. Midlothian and Borders Tourism Action Group (MBTAG) have fully aligned the second phase of their delivery to TS2020. They are also undertaking a range of education work with their member businesses to think more broadly about the destination rather than just their own business, as well as using TS2020 to inform mapping of products, collaborations, and business relationships. Similarly, Cairngorm Business Partnership (CBP) credit TS2020 with helping in its strategic and day-to-day delivery. This is particularly the case in its partnership working, and collaboration with neighbouring DMOs, but also in working with VisitScotland at a national level on advertising campaigns – and positioning the Cairngorms offer within the wider context of Scotland’s visitor package. A particularly good example is that of the Snow Roads project: CBP secured VisitScotland Growth Fund support to promote a 90-mile scenic route that traverses the Cairngorms via highest public road in Britain.³⁴

5.18 At the sector or Asset Block level, the implementation of the Marine Tourism Strategy was closely aligned with TS2020. There is an acknowledgement that as a result, this has helped to galvanise a particularly dispersed sector, and driven infrastructure investment in ports and marinas along Scotland’s west coast, and elsewhere. The marine tourism industry has seen heightened collaboration and participation as a result, as evidenced by its annual conference³⁵, now delivered as part of Scotland’s tourism month. The strategy review published in 2018 also demonstrates the extent of partnership working to develop the sector.³⁶

5.19 Both the Business Tourism and Heritage and Culture Asset Blocks have arguably made the most progress in terms of high-level delivery against the strategy, and also in terms of outputs such as national and regional marketing campaigns, as demonstrated in Chapter 4. Both have strong partner engagement, and this has clearly enabled successful delivery in the respective Asset Blocks. However, there is a key difference in that whilst Business tourism is very much industry-led, Heritage and Culture has been driven by public sector organisation involvement.

³⁴ <https://visitcairngorms.com/snowroads>

³⁵ <https://www.visitscotland.org/supporting-your-business/events-training/scotlands-marine-tourism-conference-2019>

³⁶ https://scottishtourismalliance.co.uk/wp-content/uploads/2019/03/Marine_Tourism_Action_Plan_Reveiw_WEB_MS_12.09.18.pdf

Fostering collaboration and alignment

5.20 The review found that the Strategy has had success in driving collaboration. There is much evidence to demonstrate that during the formulation and development phase of TS2020 there was strong collaboration between the public sector and industry partners, and this has been continued in the delivery activity in some subsectors. However, the diversity of Scotland's tourism industry means that trying to align all parts of the sector to one broad strategy is a major challenge. The consensus amongst stakeholders is that there has since been a divergence of public sector and industry actors in implementation, i.e. that the activity of industry actors and public sector bodies is less aligned than previously, suggesting a disconnect between the two groups.

5.21 One public sector stakeholder suggested that this has resulted in a situation where TS2020 was not fully informing all tourism-focused activities. Though public sector bodies such as enterprise agencies do not have tourism strategies and so avoid duplicating the content and priorities of TS2020, it was suggested by the consultee that TS2020 should explicitly be the tourism strategy for all enterprise and skills agencies including VisitScotland. The rationale for this view was that it would ensure greater cognisance of TS2020's priorities in wider operational delivery; however, in practice priorities for TS2020 often did not align to investment priorities for enterprise agencies and other public bodies.

Alignment with non-tourism delivery

5.22 There is also an apparent disconnect between capital projects delivered at a local or regional level such as infrastructure projects that have a bearing on tourism but are not part of TS2020-aligned delivery, and delivery by local tourism organisations. For example, it is often the case that destinations are cognisant of national priorities in terms of their own delivery, but not necessarily of delivery plans of local authorities or increasingly City or Regional Growth Deals. Projects here may depend on local delivery organisations, but sometimes this may be in the absence of consultation – leaving local delivery organisations with limited knowledge of plans. To an extent, the review also found evidence that this was sometimes the case regarding Asset Block plans.

5.23 Consideration should be given to how local tourism delivery organisations are enabled and supported to service regional or Asset Block priorities. There is also a question of how local authorities and city regions are engaged going forward. Whilst there is some evidence for example that some city regions are engaging – e.g. Tay Cities Region taking a regional approach to tourism development – the extent to which this involves resource to support delivery aligned to the strategy needs to be considered.

5.24 There is a gap in delivery where TLG has not effectively engaged local authorities and regional and strategic public sector structures such as City Regions, SLAED, etc. One effect of this is that there has been a struggle to establish a common destination approach for regional agencies. Also, TLG is not always seen as an actor to engage with in such strategic fora, or by regional (non-tourism) actors. This is perhaps an indication of the value attached to the work of TLG by some non-tourism bodies, and has resulted in investment priorities in city and regional growth deals not fully aligned with TS2020, even where these is an implication for the tourism industry, for example.

Industry alignment

5.25 Despite TS2020 having been in existence for seven years, of those who are aware of TS2020, only one in five businesses, according to the business survey, have aligned their plans or priorities with it, and the same proportion felt that the objectives and priorities of TS2020 influence their business decisions. However, there was greater awareness of local tourism strategies, or those strategies aimed at sub-sectors, suggesting that the strategy has worked far better at a local level where TS2020 is really taken into account in processes and strategies.

5.26 Perhaps understandably, tourism businesses feel far more connected to – and enthused by – activities in their local areas. The real challenge lies in persuading all destinations and areas to align with the national strategy. As one stakeholder pointed out:

“If there was no TS2020, stuff would still be happening at a local, destination level. All the DMOs would be doing things differently, so TS2020 gives them a strategic focus.”

5.27 Anecdotally it would appear that tourism businesses are even less aware of the Asset Block approach, and whilst some stakeholders viewed the Asset Blocks as important, with defined activities and processes unique to each asset, others feel that the leadership and role of the Asset Blocks needs to be addressed:

“The strategy seems to have embedded itself at a destination level – less sure this is the case with the Asset Blocks”

Consistency of implementation

5.28 Communicating – and being able to communicate – with a much broader audience of strategic and smaller organisations was and is critical to gaining traction and maintaining momentum for the strategy. However, evidence suggests that this is not always happening. The Strategy’s implementation has not been consistent, and many stakeholders consider that its delivery at both the local and sector/Asset Block level has been piecemeal and in most cases where there has been available resource for planning and delivery.

5.29 Despite the generally good level of engagement at all levels of the tourism industry, the disparate and dispersed nature of sector has been a key factor. This is a reality for Scotland’s tourism sector, and because of this, some areas and subsectors have been slower to align to TS2020. Available resource and critical mass is therefore an important factor in delivery.

5.30 At a local level, TS2020 implementation has been successful where the strategy has been fully taken into account in both the strategy and processes of local tourism organisations. This is the case in destinations such as Argyll and the Isles, Cairngorms, Edinburgh and Dundee, all recognised for their successful delivery of a range of tourism projects. Further, there is some evidence to suggest that implementation has been good where enterprise agencies have more fully engaged.

5.31 Timing is a factor in this inconsistency. The implementation of the strategy was not right for all areas and sub-sectors at the same time. This is due to the respective development and maturity of DMOs, subsector organisations and Asset Blocks. Some areas therefore proved to be slower in their alignment with TS2020. A good example of this is in the recent strategy adoption for Aberdeen City and Shire, and also Shetland. Neither have a strategy aligned to TS2020 because of the timing of their development cycles. Additionally, Golf’s strategy in effect pre-dates TS2020, though it was cognisant of some elements of its development, as the development of the respective strategies overlapped to a degree.

5.32 It was also noted that implementation was generally quicker where there was a representative from the TLG or STA Member Council, who were able to provide a direct link into the strategic mechanisms, and offer a greater level of insight and guidance. In effect, there was a degree of ‘hand-holding’ on implementation in some areas and subsectors, but to an extent this by-passed support mechanisms at the Asset Block level. This was particularly the case within the visitor accommodation subsector, for example, which has benefitted from the insight and expertise of TLG members who are operating in this service area.

Resourcing implementation and delivery

5.33 Ultimately, a lack of available resource has been a key factor in TS2020's implementation, and a major reason behind its inconsistency. One of the most significant challenges in aligning tourism activities to the strategy has been the level of resource available to drive the activities. In those sub-sectors where there was resource, including the strength of organisations and sufficient numbers of individuals (either in Asset Blocks or sub-sectors), there was cohesion which led to an ability to progress the strategy. Elsewhere, this has not been the case. This has had a particular impact at the strategic level. One consultee noted that:

"[The] main challenge is that everyone involved in delivering the strategy is doing so voluntarily and has a day job. People can't always attend meetings and the lack of resource can impact on the tone and culture of the TLG."

5.34 This raises the question of ensuring that wider industry development forms a greater part of business-as-usual activity. The impact on strategic delivery and the resource available to STA has been contrasted with that undertaken by other industry representative organisations:

"[Implementation] is patchy and is probably under-resourced... Scotland Food & Drink have lots of people on the ground, but STA don't have the resource in the same way."

5.35 More widely and at the local and business level, there was consistent acknowledgement that individuals and organisations with responsibility for delivering against TS2020 and aligned strategies are doing so voluntarily, and therefore have very limited time or resource, because of pressures from their day-to-day jobs and the demands of running a tourism business:

"...there is a bit of a disconnect; trying to get people to fully understand challenges such as skills, digital, etc. is a challenge in itself – time is not there [for effective delivery]"

5.36 This lack of resource has also constrained Asset Block co-ordination and delivery. There was some suggestion that the aspirations of Asset Blocks were too unrealistic early on. For example, one stakeholder noted that the original project list across Asset Blocks was over 80 projects long. This was rationalised and reduced by over half. However, without funding for all projects, many had to be self-financing or deferred. Asset Block delivery therefore evolved in response to this, focusing instead on campaigns and product development which suggests that a genuine model of funding partnership has not yet evolved for the sector which includes both private sector investment commitment and public sector funding.

Leadership in the sector

5.37 Whilst TS2020 has fostered leadership in the sector overall, leadership at all levels of the tourism industry remains a challenge. There is a perception amongst stakeholders that the strategy has been driven by a small group of champions, without whom progress on TS2020 implementation would have been less effective, and that wider leadership across the industry is lacking. This is in part due to a failure to engage a wider audience – resulting in the same industry players attending meetings, though this is arguably the case in other sectors, and not unique to tourism.

5.38 The TLG has provided leadership for the sector, but through the review there is evidence to suggest that it is in need of a refresh. Though its terms of reference are considered to have a clear focus, stakeholders felt that they needed to be revisited with a revised remit for the TLG in mind. Some stakeholders argue that the TLG has more recently lost momentum and clarity of purpose. This is partly attributed to the TLG consisting of industry volunteers, with limited ability to contribute significant time to TLG activity.

5.39 However, a lack of robust performance monitoring data means that setting a direction of travel is challenging for the TLG and also for the secretariat STA. This is part of a wider question around the TLG's governance structures. There is the question of who the TLG is accountable to; the TLG is not governed by the STA although the latter is publicly funded to support the delivery of TS2020. Similarly there is the question whether the TLG is an advisory body, or if it should have a much stronger role in implementation, delivery and decision-making. If there is to be more accountability going forward funding may then be required to provide delivery resource in the form of for example, funded posts or secondments from partner organisations.

5.40 Given the balance between industry and public sector representation on the TLG, in the first instance there needs to be more clarity on what part of TS2020 industry can deliver, and what issues need to be solved by public sector partners, i.e. structural issues and investment, in the absence of clear monitoring data. This therefore raises the question of the TLG's membership, and how this is constituted in light of revised terms of reference. Though there is recognition that the TLG has a good balance of public and private membership, there is strong support from the majority of consultees for increased diversity in the TLG's future constitution and a review of private sector representation opting for tourism groups/associations rather than individuals to ensure representation from a cross section of industry including for example the travel trade and large operators like hotel chains.

5.41 Similarly, there needs to be consideration of what STA's role is going forward. There is recognition of STA's role in communicating TS2020, and how this has contributed to the strategy's delivery, and consistency of approach across Scotland. However, greater consideration should be given to how STA supports the tourism sector's development, and delivery against each part of the strategy.

5.42 One area where the TLG and STA in particular have provided strong leadership is on lobbying and being the voice for industry, particularly in engaging government. However, though this has proved effective in raising issues, and has influenced the Scottish Government to the extent that tourism is now viewed as a significant economic driver for Scotland, there is little agreement amongst stakeholders that this has contributed to the strategy's implementation.

5.43 Additionally, though leadership is a key component of the Strategy's *Building our capabilities* element, it was noted through consultations that leadership was itself not always a significant part of strategies or rockets, and that clearer commitments or actions were required to foster greater levels of industry leadership (and therefore ownership of delivery) within subsectors and destinations.

Summary

- The development of TS2020 brought a previously disparate sector together, and created a strategic focus for the industry that secured the engagement of industry and the public sector. The role that the TLG played in this was a positive one.
- TS2020 has influenced the development of other strategies and plans, e.g. the Tourism Sector SIP. However, many tourism businesses are still unaware of the national tourism strategy, and instead align with activity in their local area – though this is not problematic if the local strategy is aligned to TS2020.
- The strategy has been successful in driving aligned implementation and delivery across Scotland. Its flexibility has been an important factor in ensuring alignment.
- Though TS2020 has fostered greater collaboration amongst tourism industry actors, following the development phase for the strategy there has been a degree of divergence by industry and public sector organisations.
- Delivery against TS2020 does not fully align with the development plans and delivery of local authorities, city and growth deal regions, etc., and there is a lack of engagement with (and by) strategic, non-tourism fora.

- The consistency in implementation of TS2020 is influenced by:
 - The disparate and dispersed nature of the tourism sector in Scotland;
 - The extent to which TS2020 has been embedded in the strategies and processes of tourism organisations;
 - The strategy development cycles of delivery organisations such as DMOs;
 - Involvement of TLG or STA Council members in local or sub-sectoral activity; and
 - Available resource and critical mass to deliver and sustain TS2020-related activity.
- Leadership in the sector remains a challenge. The strategy has been driven by a small group of champions, and there has been a failure to engage a wider audience.
- The TLG has provided leadership for the industry and strategy, but its role and purpose is in need of a refresh

6 Outcomes and impact

Introduction

6.1 Chapter 4 discusses the progress made by TS2020 and key deliverables against the strategy. However, fully demonstrating the extent to which the strategy can be credited with delivery and sector growth is problematic. This chapter explores issues and challenges with demonstrating TS2020's role in achieving outcomes, before exploring the collective impact achieved by the strategy and its delivery partners.

Evidencing delivery and demonstrating outcomes

Data challenges

6.2 As previous chapters have demonstrated, there is some evidence of successful implementation and delivery against TS2020. However, demonstrating outcomes arising from interventions aligned to TS2020 has proved particularly challenging for those delivering the Strategy. Perhaps the key barrier has been partners' ability to draw together information on the key deliverables across the whole of the tourism landscape in Scotland.

6.3 The review has found that there are acute issues in data availability and consistency at all levels of the sector. The lack of available metrics has meant that demonstrating outcomes as a result of TS2020 activity has proved to be impractical. Available data has at best been enough to inform strategic decisions by partners at the national level, but not sufficiently granular and robust to inform investment decisions. Ultimately, the TLG, STA and partners have had to rely on proxy measures and anecdotal evidence in their decision-making processes. As one delivery organisation stated:

“Given the lack of data if we see the drivers of visits are X, then we invest in this activity and in turn attribute growth to this type of activity”

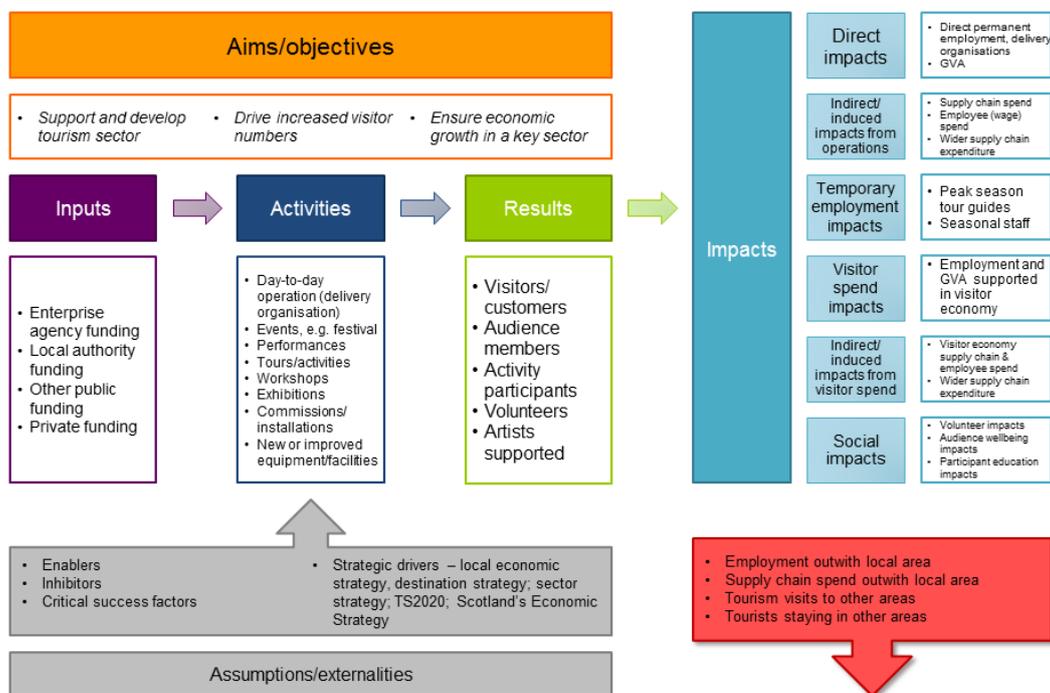
6.4 The national KPIs themselves are broadly aligned to the objective of growing the value of Scotland's tourism economy through using its assets to attract new visitors, and data is available at this national level to monitor. Given the direction of the strategy, the KPIs themselves are largely appropriate. However, there is a question around how SMART the chosen KPIs actually were. As demonstrated in Chapter 3, there is evidence to suggest that KPI 1 regarding growing overall visitor spend wasn't sufficiently realistic, as this – along with trends in visitor numbers – can be influenced by a range of factors outwith the control of the industry, such as exchange rates.

6.5 Additionally, data for many of the indicators are unable to be robustly collected at a local or sub-regional level, at least in a way that aligns to data used to monitor progress of TS2020 at the national level. This is certainly the case in tourism sub-sectors where activities are more difficult to measure through official or conventional datasets, such as for golf and events. This is further complicated by the large number of sub-national and sub-sector strategies in place. As a result, data collection, monitoring and evaluation is challenging, costly and resource-intensive, and to do so in a co-ordinated manner would increase the complexity and resources necessary to do so.

6.6 It is arguable that, to date, there has been little engagement with the need to ensure or develop an approach to data collection and monitoring at multiple levels for strategic delivery. This is likely to be a result of available resource, but also the logistics and practicalities of gathering data at such as scale. Through the research, there was recognition of the challenges in undertaking such a data collection and monitoring exercise, and the likely resource requirement, but stakeholders were generally not well-placed to offers solutions.

6.7 Therefore there is a sense that the refresh of TS2020 needs clearer translation of the strategy into measurable action and outcomes. The lack of data is arguably in part due to a lack of an overarching action plan, and associated monitoring and evaluation framework designed to capture relevant performance measures for the Strategy, underpinned by a clear, explicit logic chain. Employing such an approach (as illustrated in Figure 6.1) would enable partners to better monitor activity and outcomes, and identify the data necessary to do so.

Figure 6.1: Example logic model for tourism strategy



6.8 Making use of a logic model as part of a strategy’s development allows for each stage of delivery to be clearly linked back to aims and objectives. It also enables intended impacts to be identified ahead of delivery. However, this does not appear to be the case for TS2020.

6.9 A lack of a clear action plan supporting the strategy was identified by consultees as a significant issue for TS2020. Consultees considered that this would have enabled aligned strategies, such as those for destinations, to ensure alignment through actions and a common set of KPIs, as well as through objectives.

“There should be something in the wider [TS2020] toolkit to detail the objectives, tactics, resources, outcomes, timescales, etc. – something to build a clearer logic chain and action plan, including milestones and responsibilities; often there is nothing sitting behind the rockets to detail this.”

Although each Asset Block had an Action Plan, most lacked a clear logic chain and thus were unable to measure if aims and objectives were being achieved.

Attribution

6.10 As noted above, a further challenge to this is in identifying those aspects of the sector’s improved performance which can be directly attributable to TS2020. There was a consensus amongst stakeholders on the need to recognise the impact of the external environment on the tourism sector. There is a range of external factors influencing the sector’s performance in Scotland, many outwith the control of TS2020, STA and strategic partners. For example, many consultees noted that currency exchange rates and the relative weakness of the Pound, particularly as a result of Brexit uncertainty,

would have a bigger bearing on visitor numbers and spend than any efforts undertaken to attract more overseas visitors at a sector or destination level. For example, evidence from VisitScotland’s Local Tourism Industry Barometer for Q2 2018 shows that tourism businesses have reported equivalent or higher visitor numbers than the same quarter in 2017, driven by overseas visitors to Scotland. This indicates that TS2020 performance is driven by international inbound expenditure, likely as a result of favourable exchange rates for international visitors.

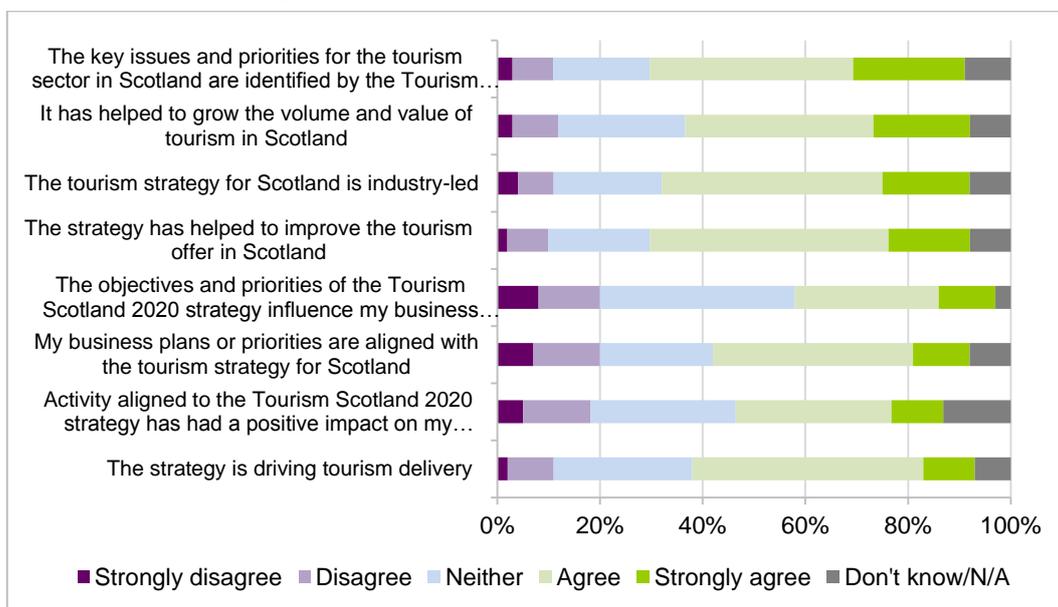
6.11 There are additional challenges in attribution. For example, some Asset Blocks are public sector backed, and so supported by public funding. It could be argued that delivery would have happened anyway if the funding was already in place. However, the review found evidence that the strategy has helped to unlock funding such as the Scottish government’s Conference Bid Fund, or VisitScotland’s investment in events such as the 2018 European Championships in Glasgow. Further, delivery organisations such as DMOs have been better able to secure public sector funding for developmental work, marketing and other initiatives as a result of projects’ alignment to TS2020. TS2020 has therefore given strategic bodies and other actors’ confidence to invest; however, the extent to which this is the case is unclear.

6.12 Identifying those aspects of the sector’s improved performance, which can be directly attributable to TS2020, is therefore a challenge.

Business perspectives

6.13 Nevertheless, there is some evidence that TS2020 has achieved positive outcomes from the business survey conducted as part of the review. Around 63% of businesses are aware of TS2020. Of these, 60% agree that the strategy is industry-led, and 63% agree that TS2020 has helped to improve the tourism offer. A similar proportion (62%) thinks that the strategy reflects the issues and priorities of the sector, and more than half (55%) think that the strategy is driving tourism delivery in Scotland.

Figure 6.2: Business perspectives on TS2020



Source: ekosgen survey of businesses, 2019

6.14 At the local area level, a higher proportion of businesses are aware of their local tourism strategy (71%), though somewhat lower proportions agree that the local strategy has helped to improve the tourism offer, and is reflective of the issues and priorities of the tourism sector in their local area, (c.46-47%). Whilst 42% think their local strategy is driving delivery, a somewhat larger

proportion (47%) agree that local strategies are helping to grow the volume and value of tourism in Scotland, though this view may not take external factors into consideration.

6.15 Key factors identified by businesses as affecting tourism performance in their local area include:

- Existence of a clear tourism offer or product
- Effective, coherent marketing and branding
- Good collaboration and joint working amongst businesses
- A demonstrable strategic approach to tourism development

6.16 It is worth noting that only a small proportion of businesses surveyed were aware of a strategy for their specific sub-sector. This is a finding in itself, with businesses more likely to look to either a local destination/area strategy, or to TS2020. Importantly, more than three quarters (76%) of businesses felt that there would have been a negative impact on the tourism industry in Scotland had TS2020 not been in place.

Delivery organisations' perspectives

6.17 Similarly, delivery organisations' perspectives on positive outcomes are necessarily qualitative in nature. Outcomes include increased optimism in the sector resulting in ongoing expansion and diversification. There is also evidence of much more collaborative working and project development amongst industry and partners as discussed in Chapters 4 and 5

6.18 The view is that TS2020 itself:

“(it) was revolutionary”

6.19 The Asset Block approach as a framework for delivery and collaboration is seen as effective (and delivery organisations consider that it should be retained) as it has been able to be flexibly applied vertically to destinations and horizontally across themes.

6.20 Alignment to TS2020 has as previously mentioned helped secure public sector funding for developmental work, marketing and initiatives.

Next steps

6.21 Though the review's survey and consultation programme has identified some supporting evidence of success in delivery, there is a necessity for partners to determine data requirements to adequately demonstrate delivery and outcomes of the strategy in future.

6.22 This will require partners to identify what is possible to gather/provide in support of evidencing the strategy's delivery. This could be achieved through the development of a data strategy to support the next iteration of TS2020, either as a standalone document or as part of an overarching monitoring and evaluation framework. This would need to articulate the required KPIs and specific data required to evidence delivery against the strategy's SMART objectives (thus fulfilling the 'measurable' criteria) at the national level, with localised or subsector plans to contribute to this. Consideration would also need to be given to how the data would be collected, and by whom. The contribution of the private sector – online travel and accommodation providers like Expedia and TripAdvisor – may also be considered. Ultimately an action plan and monitoring framework to support a future strategy should contain this. This will ensure there is strategy alignment through actions as well as objectives.

Collective impact

6.23 The term ‘collective impact’ is a measure of collaboration – organisations working together, sharing resources, coordinating strategies – and its achievements in delivering an initiative using shared measures, data and increasing alignment of diverse strategies.

6.24 The extent to which there is evidence of collective impact at a national, Asset Block and local or destination level through the delivery of TS2020 is depicted in Figure 6.3 below.

Figure 6.3: Evidence of collective impact

	National	Asset Block	Local
Shared vision	Green	Yellow	Green
Mutually supporting actions	Green	Yellow	Yellow
Continuous communication	Yellow	Red	Yellow
Data to inform decision-making	Yellow	Red	Red

6.25 The figure suggests that collective impact has been evidenced mostly at a national level through the work done by the TLG and the STA in its secretariat role. In terms of Asset Blocks as a whole levels of collective impact have been variable with more collaboration around shared strategies and plans. Whilst destination organisations and tourism groups have in the main almost all collaborated around visioning and strategy development and action planning the level of engagement with other aspects differ widely from one organisation and group to another.

6.26 The development, implementation and delivery of TS2020 has been an initiative dependent for its success on collaboration and partnership working. The ambition was to align industry and all actors to a common vision and strategy for the tourism sector. It is important however to note that realising collective impact is a medium- to long-term goal, and the strategy is still in its early delivery phase for some destinations, for example.

6.27 At the national level, there was a need to reach a critical point in alignment where there was trust amongst partners and industry and an agreed common plan. This process is not necessarily a linear one. For example, there have been ‘easy wins’ at the earlier strategy development stage where activities to consult with and mobilise industry were met with enthusiasm and early action.

6.28 However, the more challenging phases of implementation and delivery across some Asset Blocks and destinations have resulted in varying levels of collective impact for a variety of factors, which have been discussed in earlier chapters. In the main, these include poor alignment between agency and Asset Block/sub-sector plans, a lack of coherent data to measure sub-sector and regional performance, scarce resources to drive activity and lack of strategic leadership at TLG and other levels. Whilst future alignment between asset or sub-sector plans and agency objectives must be within reason, consideration should be given to ensuring that there is greater clarity on roles and responsibilities of various actors, and the expectations of each. Again, a clearer action plan will help to achieve this.

6.29 Earlier chapters have highlighted specific Asset Blocks and destinations whose activities have been driven by alignment to TS2020. However, the question is *to what extent success – measured by*

delivering successfully against a plan – can be attributed to a collective approach, i.e. effective collaboration and partnership working, evidenced by a shared vision and strategy, mutually supporting activities and actions by all actors operating within an environment of regular communication and dialogue and information gathering and sharing, all underpinned by a focussed and strong leadership group.

6.30 One example is the Business Tourism Asset Block which is now recognised as a sub-sector in its own right as a result of collaboration, private and public sector alignment of strategies and goals, proactive communication through a strong industry group and network of regional groups underpinned by a strong industry association and available resources to drive activity for the sector.

6.31 Similarly the Marine sector implemented its own strategy, aligned with TS2020, and brought a relatively diverse sub-sector together. It drove collaboration through strong leadership via the MDTG which resulted in building momentum for the sector culminating in the launch of a strategy action plan in 2015 which since then has driven a wide range of activity within the sector. The sector has seen port infrastructure improvements in Argyll (e.g. Oban) and Ayrshire. It is acknowledged however, that existing critical mass, leadership and early stage resource has been crucial to the sector's development, as well as support from HIE in the Highlands and Islands in particular.

Summary

- Whilst evidencing delivery and activity against TS2020 objectives is relatively straightforward, demonstrating outcomes as a result of TS2020 is problematic. A critical challenge is the availability of consistent data at all levels of industry
- Throughout the strategy's lifetime there has been sufficient evidence to inform strategic decision-making only; investment decisions have often relied upon proxy measures and anecdotal evidence.
- The refreshed strategy needs to be supported by a clear action plan and monitoring and evaluation framework, underpinned by an explicit logic chain to allow better monitoring of activity and outcomes that are aligned to the strategy.
- Attribution of outcomes to TS2020 is also challenging:
 - External factors such as currency exchange rates and the impact of Brexit on the value of the Pound can influence visitor numbers and spend much more than local or national tourism strategies
 - Public sector funding delivered through Asset Blocks may have been invested with or without the strategy, though there is evidence to suggest TS2020 helped to unlock some public sector support
 - However, evidence from the review's business survey indicates that local and national strategies have helped to improve the tourism offer and drive tourism delivery in Scotland. Further, businesses feel that local strategies are helping to grow the volume and value of tourism in Scotland.
- Collective impact has been evidenced at national, sector and destination levels to varying degrees. Collaboration and partnership working is at the heart of those Asset Blocks or destinations successfully displaying development and growth in their respective markets.

7 Conclusions, learning and future considerations

Introduction

7.1 This chapter presents our conclusions based on an analysis of the evidence gathered throughout the review process. It includes conclusions on progress, deliverables and achievements as a result of the TS2020 strategy. It considers what worked well and what could have been better with respect to strategy development, implementation and associated delivery arrangements. It then presents considerations to note as part of the future planning and development process for the refreshed strategy.

Conclusions

The Sector

7.2 Since 2012 the tourism sector has witnessed growth across a number of areas, but importantly in overnight visitor spend, from international visitors in particular, with an increase in expenditure in real terms of some £250m at the end of 2017. A year later the picture is less positive with a decline in visitor spend evidenced in 2018. At a sub-regional level Glasgow and Edinburgh continue to be two of the top performing destinations. Fife, Highlands and Islands and Perthshire have also performed strongly, in terms of sectoral development, visitor numbers and business optimism.

7.3 In contrast, the South of Scotland, has performed less well in terms of visitor numbers, the growth of the business base and the concentration of tourism employment. This trend, however, predates recent heavy investment in the region which is likely to positively impact local tourism and destination development over the next few years. Similarly, Aberdeen City and Shire, although it has not performed as strongly as other destinations or cities, more recently it has been a focus for destination development and investment going forward.

7.4 The evidence gathered as part of this review reflects a scale and diversity of planning and activity in the tourism sector not witnessed prior to TS2020. Much of what has been delivered has been aligned to TS2020's aims, objectives and cross-cutting themes. Although evidencing outcomes and impacts which can be directly attributable to TS2020 has been both challenging and difficult there is convincing evidence to conclude that the strategy has had a significant impact in terms of mobilising the sector to collaborate and work in partnership with the public and third sectors. The overwhelming view is that the strategy is still valid and relevant for the sector and reflects the make-up of the sector, its assets and priorities for growth.

7.5 TS2020 has also allowed organisations to take a more strategic approach to the planning and delivery of activity based on a better understanding of local markets, opportunities and customer demand.

7.6 There is evidence of notable progress and success in particular Asset Blocks and destinations and cities which has resulted from their strategies being aligned to TS2020 as well as industry's understanding of and buy-in to the national strategy. Notable examples include: the mobilisation of Marine, Business Tourism, Cycling and Golf Asset Blocks and destinations like the Outer Hebrides. There have also been examples of effective collaboration around asset development for example, the NC500 across the Highlands and Islands and the MBTAG's activities to support and enable businesses to exploit the tourism opportunities presented by the Borders railway.

7.7 Building the capabilities of the tourism community to deliver the strategy has also progressed through the planning and delivery of a number of cross cutting activities, for example, the Tourism Skills Investment Plan which has generated a number of training and workforce development

initiatives delivered in partnership across public sector agencies and local authorities. A variety of programmes to build capability and skills in digital, leadership and management have also been aligned to and delivered as a result of TS2020's aspirations for the sector.

7.8 Of the business survey respondents around 63% of businesses are aware of TS2020 and nearly two thirds feel the strategy is industry-led and has helped to improve the tourism offer. A similar proportion think that the strategy reflects the issues and priorities of the sector, and more than half think that the strategy is driving tourism delivery in Scotland through more effective and coherent marketing and branding, clear tourism offers/products and good collaboration and joint working amongst businesses. Importantly three quarters of respondents felt that there would have been a negative impact on the tourism industry in Scotland had TS2020 not been in place.

7.9 Delivery organisations cite an increased optimism in the sector as a result of TS2020 and this has fuelled ongoing expansion and diversification. More collaborative working and project development amongst industry and partners is also recognised and the alignment of their plans and activities to TS2020 has helped secure public sector funding for developmental work, marketing and initiatives.

7.10 There have been a number of challenges, however, associated with the implementation and delivery of TS 2020 and this is discussed below.

Key learning – successes

7.11 In terms of the approach taken to developing, implementing and delivering TS2020 there are a number of aspects which have worked well.

7.12 At a national level the strategy has helped to define the visitor economy in both leisure and business visitor terms.

7.13 There is agreement that the process of strategy development and the accompanying nationwide consultation that was undertaken engaged and mobilised the industry across all sectors and sorts of businesses when there had been little ownership by industry of the previous strategy. The current level of industry engagement and the breadth of businesses taking part outstrips anything previously experienced.

7.14 TS2020 has given the industry a louder voice influencing government and making agencies more accountable. It is important that this profile is not diminished or loses momentum.

7.15 The strategy has been also successful in driving aligned implementation and delivery at the local destination level evidenced by the number of local organisations and groups embracing the TS2020 strategy and 'Rocket'. This has been due to the ability of the strategy to be applied flexibly by a variety of organisations and groups.

7.16 The Asset Blocks as a framework for delivery has been an important tool for directing the planning and delivery of the right activities. It has encouraged destinations and delivery organisations to look inwards to their assets and develop products and marketing propositions. Businesses, DMOs and tourism groups say "*keep this framework!*" Indeed, there are a lot of organisations still agreeing to get into a planning process aligned to this framework so a sector level critical mass is being achieved.

7.17 Collective impact has been evidenced at national, sector and destination levels reflecting the significant degree of collaboration and partnership working taking place. The result has been more sector cohesion with commonalities across decision-making based on the strategy.

7.18 Another area of success has been where, in the absence of investment, the strategy has still been able to facilitate the cascading of information and the co-ordination and aligning of activity, business, sectors, and public sector tourism teams.

Key learning – challenges

7.19 The implementation of TS2020, however, has not been without its challenges. There are a number of issues which have hampered delivery and performance.

7.20 In terms of the process of strategy development the approach was new and innovative, but implementation of the strategy has been less effective. It has been slow to gain and in some cases, maintain traction in (some) Asset Blocks in particular. At a destination level variation in the levels of adoption of the strategy, however, have been more a result of a lack of critical mass of businesses or the timing of the strategy's implementation vis-a-vis the life cycles of some destinations. The timing was not right for all areas and sub-sectors at the same time. For Asset Blocks a lack of resource to drive and co-ordinate planning and delivery has been a real barrier to effective implementation.

7.21 A more recently emerging challenge has been the ability of the TLG to maintain a strategic focus on the issues and opportunities facing the sector and to engage with new (and existing) regional structures. A perceived loss of direction and momentum has been noted by numerous partners and other industry actors putting this down to a combination of the suitability and representativeness of members and in some cases simply the length of time that the group has been operating which has necessarily included a degree of turnover of members. In addition, the TLG is not accountable to any organisation and this has perhaps had an impact on decision-making and the ability to secure resources.

7.22 Linked to the above is the view that there is a lack of a 'Lead' body for the tourism sector. This needs clarity at national level as industry currently looks to various organisations for guidance i.e. VisitScotland, Local Authorities, the STA and sometimes the development agencies. Understanding 'who is in charge' and has the decision making powers for investment is more important in the current environment than previously. City and Growth Deals and regional structures must be better connected to the tourism sector as destination development and funding is and will be dependent on both. The TLG has a key role to play as a conduit for these connections and relationships.

7.23 Industry wide communication was very much evident at the strategy development phase of TS2020, however regular, ongoing communication with scarce resources has been a challenge. The aim of reaching a wider industry audience should be a key objective for TLG going forward.

7.24 A delivery structure which evolved with the roll-out of TS2020 and which varied considerably from city to city and destination to destination has made it challenging to understand both where progress has been made and more importantly what have been the underlying reasons for it. Variable levels of resource have also been a challenge to effective delivery with a lack of dedicated manpower responsible for derailing the ambitions of some Asset Blocks very quickly.

7.25 A definitive assessment of deliverables and progress and overall sector performance has been a challenge (as this review has shown) as a result, in the main, of a lack of an overarching strategy action plan and associated set of measurable KPIs. In addition there was not a consolidated approach adopted by each of the Asset Blocks in their action planning efforts.

7.26 Linked to the above, inadequate, inaccurate and untimely data has also resulted in poor performance monitoring and a lack of a robust evidence base for both monitoring progress and motivating the sector at the regional and local levels in particular.

7.27 Both of the above factors has resulted in difficulty in attributing sector growth or certain aspects of it to TS2020. We have evidenced that there has been significant influence, but the strategy has not been the only factor.

Future Considerations

7.28 In considering the shape of a refreshed strategy there are a number of factors which the review has highlighted as worthy of consideration.

7.29 Firstly there was an overwhelming view that it will be important to maintain the ethos of TS2020. Its aims and ambitions still resonate strongly with industry and stakeholders alike. At the same time there is a need to have a clear understanding of the audience(s) for the next strategy, i.e. it may not be for industry alone.

7.30 There is a need to recognise the differences between the urban, rural and island destinations. Each present different opportunities, challenges and visitor experiences. Support from policy makers needs to reflect these differences and a strategy requires to be flexible for different geographies, assets, types of businesses and visitors. Evidence shows that the degree of flexibility afforded to the application of the TS2020 framework has been effective; this should be expanded and built upon.

7.31 Feedback suggests that the new strategy should maintain a focus on destinations with a need to adopt a single strategic management approach to drive and influence activity and investment. DMOs should be the voice for local investment so wider partnerships are needed both regionally and locally to facilitate communication and decision-making around local priorities.

7.32 Recognising the customer's voice and the importance of the visitor experience is a key consideration. The visitor experience happens at the local level not regional or national so the business support offer to help local businesses develop the right products/offers and upskill staff is still critical and recognised by businesses as a top priority. Business survey respondents cite their key priorities as:

- Improving the experience and products for the visitor
- Improving digital capabilities and other skills
- Enhancing branding and marketing
- Identifying new tourism products or services

7.33 The impact of Brexit on skills and recruitment is also a key consideration in businesses' ability to drive forward product and service development. Allied to all of the above is the need to consider how businesses build innovation into their offer and operations.

7.34 Still focussing on the 'local' level a theme coming through strongly is the need to recognise that the sector also impacts and is influenced by local communities, infrastructure and other sectors dependant on tourism and vice versa. Wider more formalised partnerships at all levels become important to understand and address these wider challenges and issues.

7.35 In terms of effective delivery going forward there is a need to recognise that the current operating environment is one of diminishing public sector budgets. This will necessarily mean a re-prioritisation of investment and funding and in turn dictates a need to support DMOs and tourism groups and businesses to think about how they can monetise assets, develop new income streams and introduce innovative delivery approaches to their activities. This will have a bearing on the types of business and skills development support needed for the sector.

7.36 There are also a number of factors to be considered to ensure that delivery of the new strategy is even more effective next time.

7.37 Firstly ensure that the new strategy is future proofed as far as possible. It will be important to recognise the pace of change in the various tourism markets and gain a better understanding of what Brexit may mean in the longer term for the industry. Consideration should be given to what the most appropriate timeframe for the new strategy might be, for example, a five or 10 year outlook.

7.38 The strategy itself has to be less one dimensional. It should consider how embracing inclusive growth and sustainability (of sector growth, of businesses and physical assets) will make the sector more robust and improve its potential for growth. A wider set of goals than only revenue and visitor numbers would help to drive this, for example, targets around attracting young people into the sector, measures to manage over tourism. The new strategy needs to consider issues other than business growth alone.

7.39 Effective implementation of the new strategy will require clarity on delivery structures and the resourcing available for planning and co-ordinating activities.

7.40 The new strategy must have an action plan - the what and the why - underpinned by SMART Targets and a logic chain within a meaningful monitoring framework. As already discussed earlier in Chapter 6 this involves identifying what information and data can be gathered/provided in support of evidencing the strategy's delivery. This could be achieved through the development of a data strategy to support the next iteration of TS2020. But ultimately the collection of a robust body of sub-national data is key as is considering the role of all partners including the private sector in gathering the required data. The overall aim of an Action Plan is for strategy alignment through actions as well as objectives.

7.41 Finally, a key consideration on how to make the next strategy's delivery more effective is to maintain an effective TLG throughout the lifetime of the strategy. Effective governance arrangements are key to this and should be revisited. Going forward the TLG must take the strategic lead on articulating and prioritising places and themes and areas for investment for the sector. With a mix of private and public sector representatives, a true partnership approach should allow this to happen. However, it was noted by many consultees that although this is the correct approach this time around,

“...we need to bring industry with us”

The role of the STA as the TLG secretariat must also be made clear. To date their development work has been critical to the delivery of TS2020 and this should be built upon.

Next Steps

7.42 The findings of this review will form part of the evidence base being used to inform the planning and development of a refreshed national strategy for the tourism sector post 2020.

Appendices

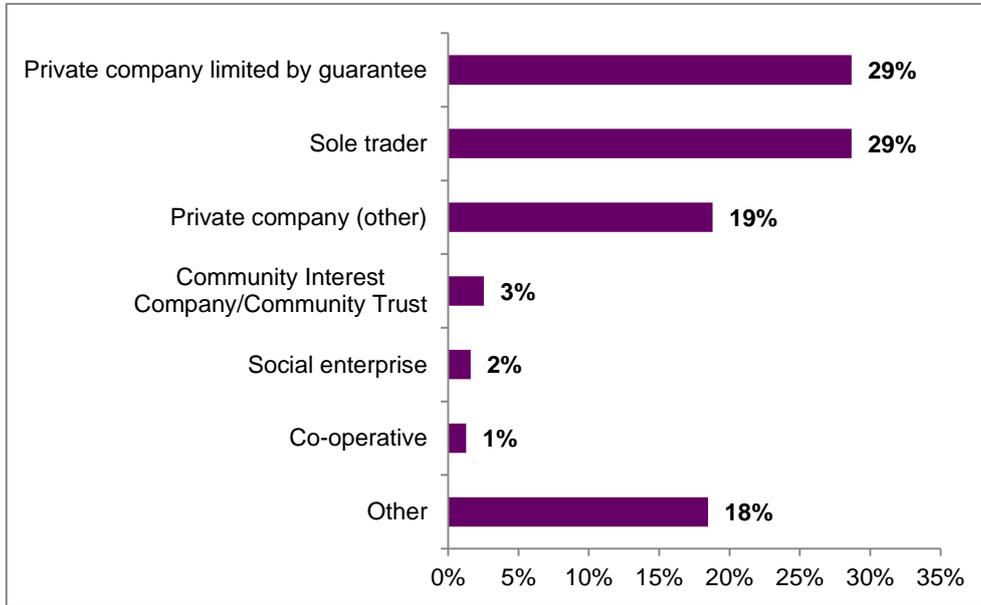
Appendix A: List of consultees

Stephen	Leckie	Crieff Hydro Family of Hotels	Chair STA, Chair TLG
Marc	Crothall	CEO, Scottish Tourism Alliance	TLG / Chair Beyond 2020 Strategy Steering Group
James	Stuart	Convener, Loch Lomond & the Trossachs National Park	TLG
Bob	Downie	CEO, Royal Yaht Britannia	Ex-Vice Chair TLG
Calum	Ross	Chair, UK Hospitality (Scotland)	TLG
Russell	Imrie	Managing Director, Queensferry Hotels Ltd	TLG
Robert	Allen	HR Director, Apex Hotels	TLG / Chair of Tourism Skills Group
Malcom	Roughead	CEO, Visit Scotland	TLG
Charlie	Smith	SE/ Visit Scotland	Former TLG
Danny	Cusick	Sector Portfolio Director - Food & Drink & Tourism & Textiles, Scottish Enterprise	TLG
Gordon	Dewar	CEO, Edinburgh Airport	TLG
David	Allfrey	Chief Executive and Producer, The Royal Edinburgh Military Tattoo	TLG / Asset Lead Events & Festivals
Bettina	Sizeland	Deputy Director, Tourism and Major Events, Scottish Government	TLG
Judy	Rae	Chair, Business Tourism For Scotland	TLG / Asset Lead Business Tourism
Susan	Deighan	Director of City Marketing and External Relations, Glasgow Life	TLG and SSG
Stephen	Duncan	Director of Commercial and Tourism, Historic Environment Scotland	TLG and SSG / Asset Lead Heritage
Suzanne	Cumiskey	Business Development Project Officer, Planning & Development, Perth & Kinross Council	TLG / Chair SLAED
Fiona	Cook	Head of Tourism Strategy and Delivery, Scottish Government	TLG
Mark	Tate	Cairngorm Business Partnership	Destinations: Cairngorms
Jemma	Reid	MBTAG	Destination: MBTAG (Midlothian and Borders Tourism Action Group)
Claire	Bruce	Chair, Visit Aberdeenshire	Destination: North East
Anne	Camus	Tourism Partnership Manager, Fife Council	Destinations: Fife
Carron	Tobin	Consultant, Rural Dimensions	Destinations: Argyll & Isles, Heritage & Culture
Rob	McKinnon	Outer Hebrides Tourism	Destinations: Outer Hebrides
Emma	Miller	Shetland Tourism Association	Destination: Shetland
Daniel	Steel	Sail Scotland	
James	Allan	RYA Scotland	Nature & Activities: Marine Tourism Development Group (MTDG)
Simon	Limb	British Marine Scotland	
Martin	Latimar	Consultant	
Paul	McCafferty	Head of Tourism Sector Team, Scottish Enterprise	Scottish Enterprise
Aileen	Lamb	Tourism Team - Digital and Leadership	Scottish Enterprise
Caroline	Warburton	Regional Leadership Director, VisitScotland	Visit Scotland/ Ex-STA Tourism Strategy Coordinator
Fiona	Richmond		
Graham	Young	Scotland Food & Drink	Scotland Food & Drink
Sarah	Troughton	Scottish Country Sports Tourism Group (SCSTG).	
Anna	Miller	Head of Tourism, Highlands and Islands Enterprise	TLG
Steven	Dott	Senior Development Manager - Tourism, Highlands and Islands Enterprise	
Audrey	Maclennan	Senior Development Manager – Tourism, Highlands and Islands Enterprise	

Appendix B: Tourism business survey

Business profile

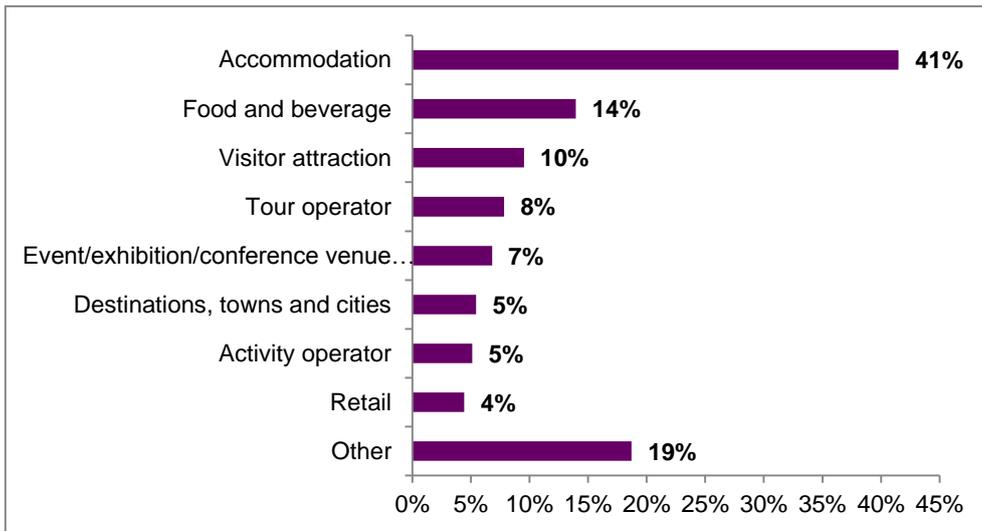
Nature of business (n=314)



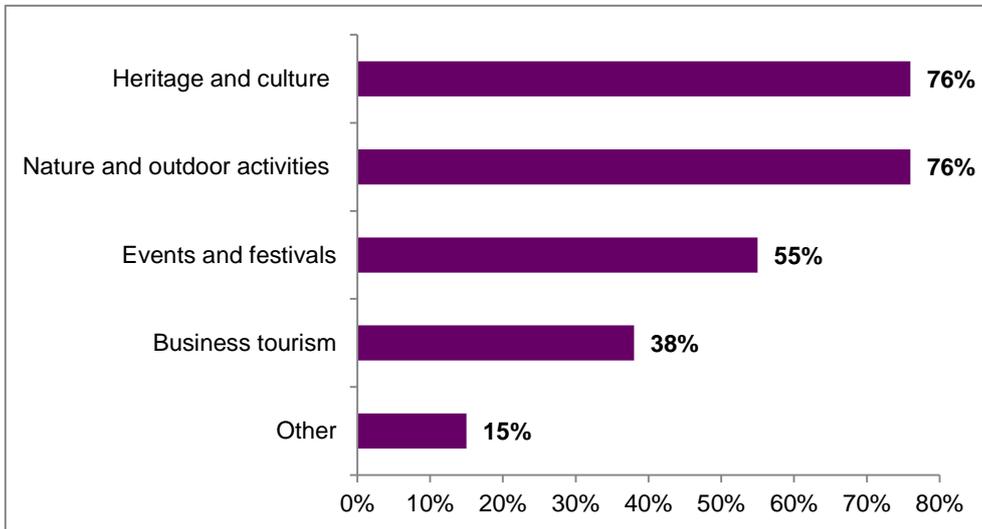
Location of business (n=316)

Highland	19%	North Ayrshire	3%	Dundee City	1%
Argyll and Bute	14%	Western Isles	2%	Renfrewshire	1%
City of Edinburgh	12%	Scottish Borders	2%	Angus	1%
Glasgow City	6%	South Ayrshire	2%	North Lanarkshire	1%
Perth and Kinross	6%	Moray	2%	West Dunbartonshire	1%
East Lothian	5%	Stirling	2%	East Ayrshire	0%
Falkirk	4%	Midlothian	1%	Inverclyde	0%
Fife	3%	Orkney Islands	1%	East Dunbartonshire	0%
Shetland Islands	3%	West Lothian	1%	East Renfrewshire	0%
Dumfries & Galloway	3%	Aberdeen City	1%	South Lanarkshire	0%
Aberdeenshire	3%	Clackmannanshire	1%	Dundee City	1%

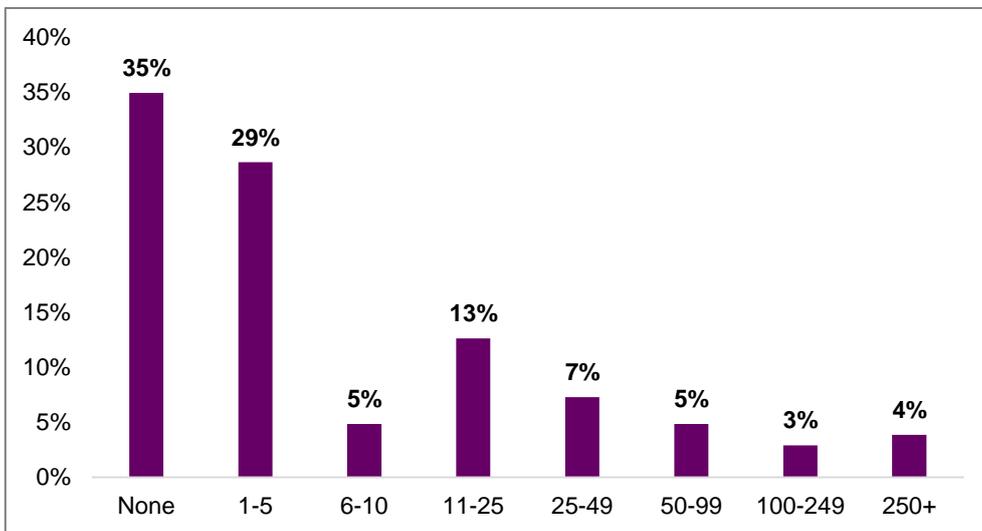
Main focus of business (n=294)



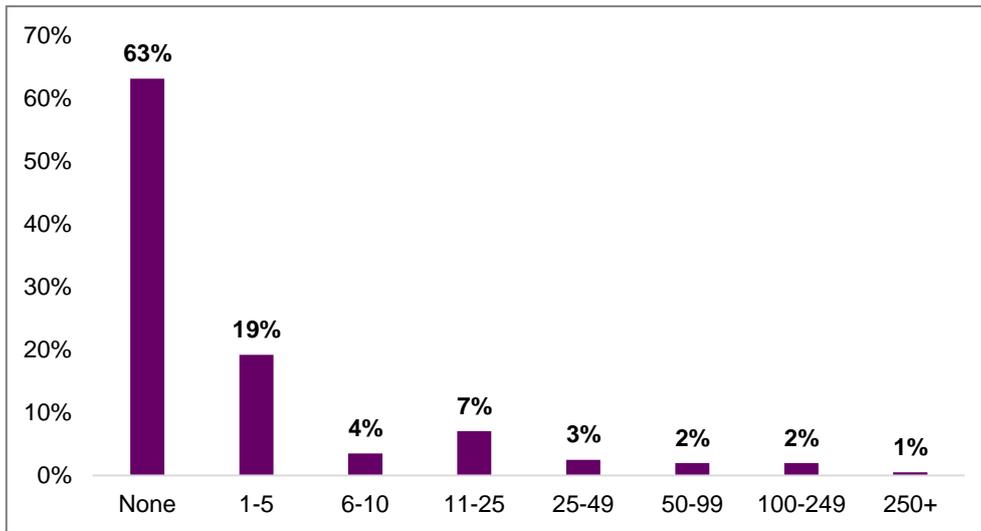
Importance of tourism areas in business's local area (n=292)



Size of business (n=293)

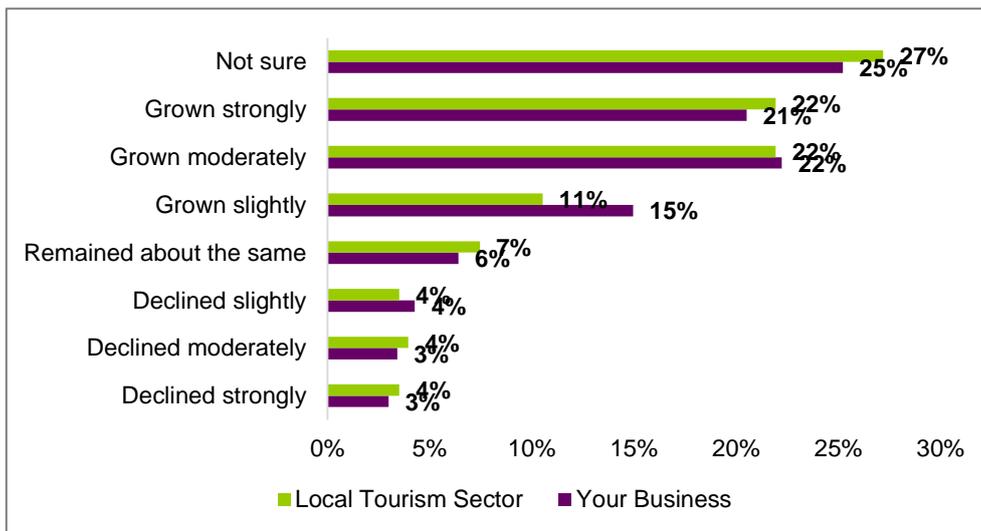


Additional employees employed on a seasonal basis (n=275)



Business and local tourism sector performance

Market conditions over the last five years (n=239)



Effect of factors on sector performance over the last five years (n=237)

Factor	1 (strong negative effect)	2	3	4	5 (strong positive effect)	Don't know/ N/A
Tourism product or offer	1%	6%	22%	36%	23%	11%
Marketing and branding	4%	6%	24%	38%	22%	6%
Collaboration and joint working with other businesses	3%	9%	27%	31%	17%	12%
Strategic approach to tourism development	5%	9%	26%	28%	15%	16%
Business capacity or capability	7%	12%	32%	20%	15%	15%
Media coverage	6%	13%	25%	34%	14%	8%
Public sector support	20%	19%	19%	13%	12%	17%
Currency exchange rates	7%	10%	27%	25%	11%	22%

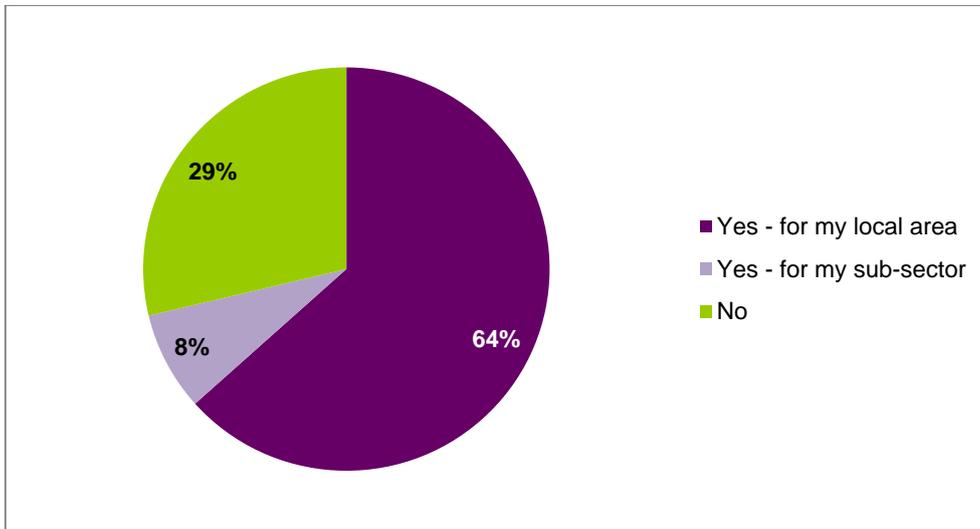
Weather	8%	13%	45%	14%	9%	12%
Major events	8%	10%	39%	22%	8%	14%

Effect of factors on business performance over the last five years (n=231)

	1 (strong negative effect)	2	3	4	5 (strong positive effect)	Don't know/ N/A
Marketing and branding	5%	13%	24%	26%	21%	12%
Media coverage	8%	10%	22%	30%	18%	12%
Tourism product or offer	4%	8%	22%	34%	18%	14%
Strategic approach to tourism development	7%	14%	23%	23%	17%	17%
Major events	5%	9%	28%	27%	16%	15%
Public sector support	15%	18%	23%	16%	10%	18%
Collaboration and joint working with other businesses	5%	9%	28%	27%	10%	21%
Currency exchange rates	4%	6%	32%	23%	9%	26%
Business capacity or capability	6%	12%	27%	24%	7%	24%
Weather	6%	13%	40%	16%	6%	19%

Local tourism strategy

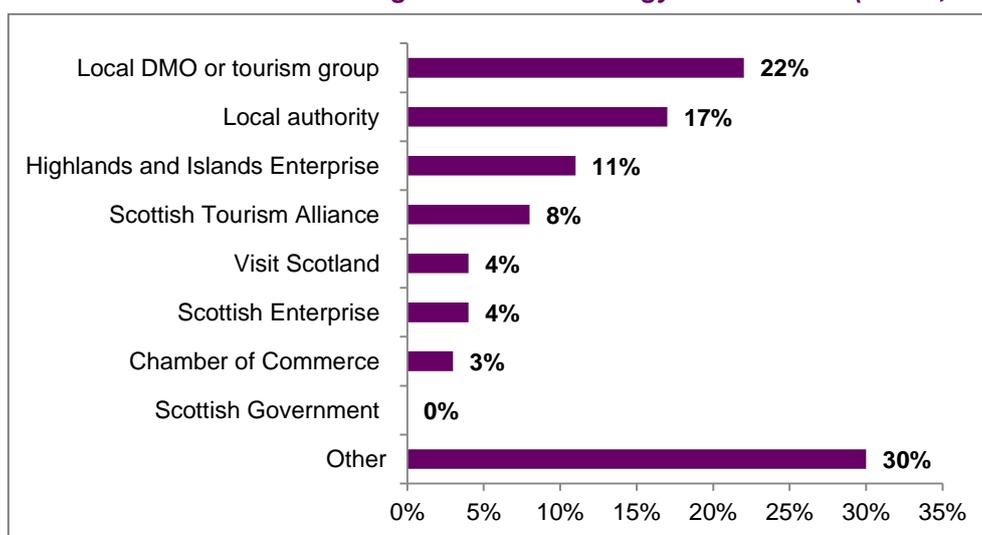
Awareness of a tourism strategy for local area of sub-sector (n=238)



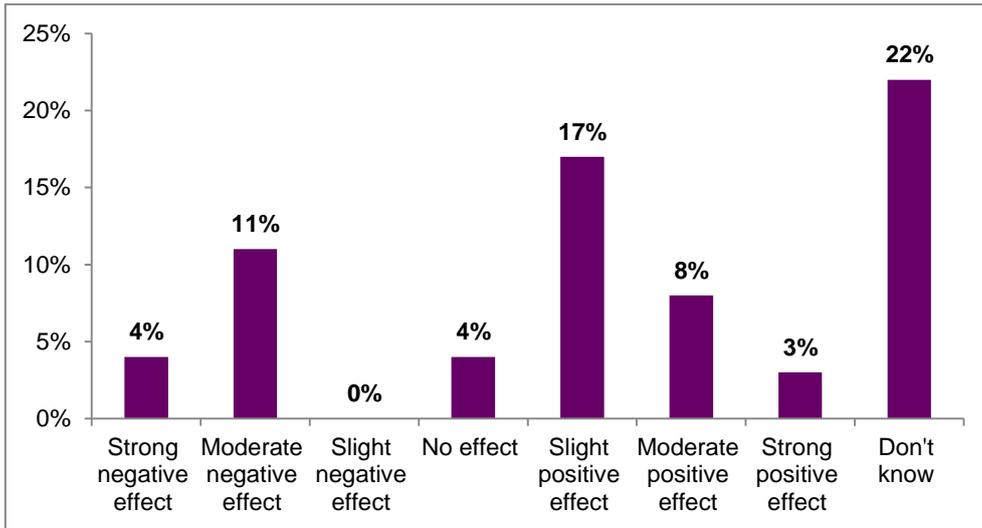
Agreement with statements regarding the tourism strategy for local area (n=139, sub-group)

	1 (strongly disagree)	2	3	4	5 (strongly agree)	Don't know/ N/A
The tourism strategy for my sub-sector is industry-led	8%	11%	28%	27%	19%	8%
It has helped to grow the volume and value of tourism in my sub-sector	10%	15%	22%	29%	18%	7%
The strategy has helped to improve the tourism offer in my sub-sector	10%	16%	19%	30%	17%	9%
The key issues and priorities for my tourism sub-sector are identified by the strategy	7%	13%	21%	30%	16%	13%
My business plans or priorities are aligned with the tourism strategy for my sub-sector	8%	9%	33%	25%	16%	8%
The strategy is driving tourism delivery in my sub-sector	10%	16%	23%	30%	12%	10%
Activity aligned to the strategy has had a positive impact on my business	12%	14%	24%	28%	11%	10%
The objectives and priorities of the tourism strategy for my sub-sector influence my business decisions	15%	15%	28%	26%	11%	6%

Organisation with a lead role in driving the tourism strategy for local area (n=148, sub-group)

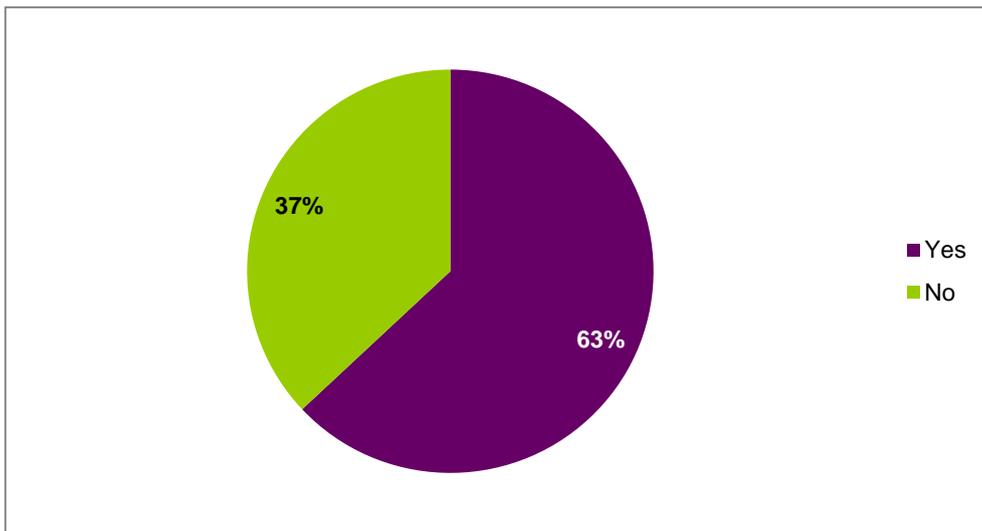


Effect on local tourism sector if there had not been a local tourism strategy (n=148, sub-group)



The national tourism strategy

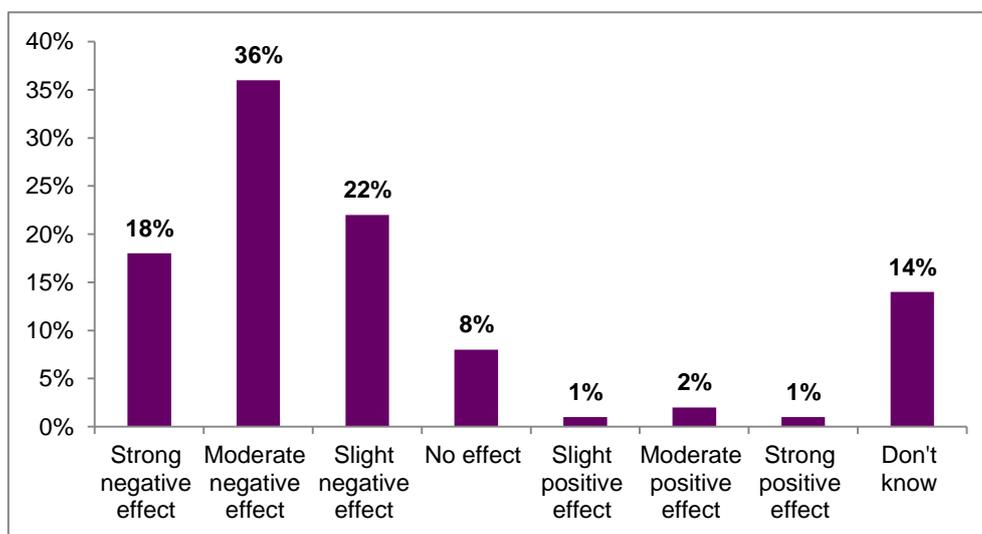
Awareness of TS2020 (n=219)



Agreement with statements regarding TS2020 (n=133, sub-group)

	1 (strongly disagree)	2	3	4	5 (strongly agree)	Don't know/ N/A
The key issues and priorities for the tourism sector in Scotland are identified by the Tourism Scotland 2020 strategy	3%	8%	19%	40%	22%	9%
It has helped to grow the volume and value of tourism in Scotland	3%	9%	25%	37%	19%	8%
The tourism strategy for Scotland is industry-led	4%	7%	21%	43%	17%	8%
The strategy has helped to improve the tourism offer in Scotland	2%	8%	20%	47%	16%	8%
The objectives and priorities of the Tourism Scotland 2020 strategy influence my business decisions	8%	12%	38%	28%	11%	3%
My business plans or priorities are aligned with the tourism strategy for Scotland	7%	13%	22%	39%	11%	8%
Activity aligned to the Tourism Scotland 2020 strategy has had a positive impact on my business	5%	13%	28%	30%	10%	13%
The strategy is driving tourism delivery	2%	9%	27%	45%	10%	7%

Effect on Scottish tourism sector if there had not been a national tourism strategy (n=131, sub-group)



Future development needs

Importance of the following areas for future business development (n=207)

	1 (not at all important)	2	3	4	5 (very important)	Don't know/ N/A
Improving the experience or products we can offer visitors	2%	3%	11%	31%	49%	4%
Enhancing our digital capabilities	5%	4%	12%	35%	42%	2%
Identifying and developing new tourism products/services	3%	3%	16%	30%	41%	6%
Developing or enhancing branding and/or marketing	1%	6%	17%	32%	40%	3%
Building the skills within my business	4%	5%	15%	36%	37%	4%
Developing leadership & management	6%	8%	18%	27%	34%	6%
Access to public sector funding	8%	11%	11%	27%	34%	8%
Increased capacity or more effective collaboration with my local tourism or destination management organisation	4%	8%	16%	35%	33%	4%
Capacity building	9%	11%	15%	25%	32%	8%
Securing investment to grow my business	12%	12%	20%	17%	32%	8%
Better collaboration and networking with other tourism businesses	2%	4%	22%	38%	31%	2%
Provision of market intelligence, including identifying/accessing new tourism markets	4%	6%	18%	37%	31%	4%
Improving engagement between my business and strategic organisations	6%	7%	22%	30%	30%	5%
Access to non-financial support and guidance	6%	7%	23%	29%	28%	7%

Importance of the following areas for future local tourism sector development (n=203)

	1 (not at all important)	2	3	4	5 (very important)	Don't know/ N/A
Improving products and the visitor experience	1%	1%	4%	32%	59%	4%
Building the skills base in tourism businesses	2%	2%	9%	27%	55%	7%
Securing and influencing investment to develop the tourism sector	3%	3%	10%	26%	54%	5%
Improving engagement between business and strategic organisations	2%	3%	10%	25%	54%	6%
Identifying and developing new tourism products/services	2%	2%	12%	28%	52%	5%
Better collaboration and networking between tourism businesses	2%	1%	13%	28%	51%	6%
Enhancing digital capabilities	3%	3%	9%	29%	49%	7%
Developing or enhancing branding and/or marketing	2%	2%	16%	32%	47%	3%
Increased capacity or more effective management from tourism or destination management organisations	4%	4%	14%	28%	47%	5%
Developing leadership & management	3%	4%	12%	27%	47%	8%
Access to public sector funding	4%	5%	13%	25%	45%	10%
Provision of market intelligence, including identifying/accessing new tourism markets	3%	2%	15%	36%	42%	4%
Other	2%	0%	11%	5%	41%	41%
Capacity building for tourism businesses	3%	5%	14%	31%	40%	8%
Access to non-financial support and guidance	3%	5%	16%	30%	39%	7%