

35
AGENDA ITEM NO. ~~0000000000000000~~

NORTH LANARKSHIRE COUNCIL
 REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: POLICY REVIEW OF THE SCOTTISH TOURIST BOARD
From: DIRECTOR OF LEISURE SERVICES DIRECTOR OF PLANNING AND DEVELOPMENT		
Date: 5 AUGUST 1997	Ref: NT/CM/DW	

1. Introduction

The Scottish Office is currently reviewing the policy and financial management of the Scottish Tourist Board (STB). North Lanarkshire Council has been invited to contribute to this policy review.

2. Background

It is Government policy that all Non-Departmental Public Bodies (NDPBs) should be the subject of a comprehensive policy and financial management review at least every 5 years. As part of this rolling programme of NDPB reviews, the Secretary of State for Scotland has announced that the Scottish Office will conduct a review of the Scottish Tourist Board during 1997.

3. Scottish Tourist Board: aims and objectives

STB's main aim is to help maximise the economic benefit of tourism to Scotland. The Board is charged with undertaking this task by:

- promoting Scotland as a tourism destination
- encouraging and supporting the Scottish tourist industry
- encouraging the provision of high standards in the Scottish tourist industry
- advising, and facilitating the provision of advice to, tourists on all aspects of holidaying in Scotland

The Board is expected to devise and pursue detailed policy objectives consistent with the aims and key objectives set out above. The Board's current corporate objectives are as follows (in descending order of priority):

- To increase visitor expenditure (in real terms)
- To develop all-year round tourism
- To develop tourism outwith the main tourism areas
- To provide high quality in all tourism facilities and services

In fulfilling both key and corporate objectives the Board is expected at all times to:

- Align its policies with the aim and objectives contained in the Strategic Plan for Scottish Tourism published by the Scottish Tourism Co-ordinating Group, as revised from time to time
- Maximise income from sources other than the Exchequer
- Manage its expenditure of resources efficiently, economically and effectively
- Conduct its business in the light of its Citizen's Charter

4. Consultation process

The Scottish Office has invited comment on a range of open-ended questions relating to the operation and performance of the STB. These are dealt with individually below.

It is our opinion that this consultation process is inadequate for such a major exercise, dealing with an industry that makes a significant contribution to the Scottish economy.

Further, it is felt the Area Tourist Board should be subject to similar review - especially given the difficulties experienced by the Council with the Greater Glasgow and Clyde Valley Tourist Board.

5. Response to questions

5.1 *Are the aims and objectives of the STB well understood and sensible?*

The Board's aims and corporate objectives well reflect the issues and problems which need to be tackled by the Scottish tourism industry. These aims and objectives are well understood and published by the STB in their corporate and strategic plans. As such they are readily available. The strategic plan provides a national framework upon which all regional and local tourism strategies are based. The Lanarkshire Tourism Strategy is a case in point.

We would question why the Board's current objectives, however, are ranked in descending order, with the provision of high quality facilities and services placed at the bottom of the list. In order for Scottish tourism to achieve anticipated growth in an increasingly competitive market, both domestic and overseas, it is essential that Scotland continues to develop the highest quality tourism product. Consumers are becoming increasingly discerning at all sectors of the market. Visitor expenditure will not increase in the longer term unless the product exceeds the customer's expectations.

5.2 *Does the STB fulfil its objectives adequately? Specifically, are the activities undertaken by the Board the best means of achieving its aims and objectives? If not, what alternatives are there?*

The Scottish Tourism Strategic Plan Progress Report (March 1997) indicates the progress made towards set targets.

Scotland's market share of UK resident expenditure in the UK has increased significantly, to 10.8%. Performance in overseas markets is less encouraging. Estimated growth in expenditure in 1996 was about 5% compared with the yearly target of 7% p.a.

Accommodation occupancy rates suggest that the activities undertaken to reduce seasonality are succeeding.

Of particular importance to North Lanarkshire, targets for the regional spread of expenditure have not been achieved.

- 5.3 *Do the Board's functions still require to be undertaken by the public sector? If so, is there scope to contract out, privatise, or transfer to another body some or all of them?*

It is our opinion that it is important to have a national public body with an overall strategic remit to promote Scotland both at home and overseas. Such a body will be less likely to have a conflict of interest with its external commercial activities and will have a greater degree of transparency in its stewardship of public funds. There is potential, however, to contract out work on a project basis.

- 5.4 *Does the allocation of resources between the Board's functions result in the effective delivery and achievement of the Board's objectives?*

Consideration of the resource allocation for 1997-98 in the STB Corporate Plan (a document not included by the Scottish Office) indicates the following breakdown by division:

(£'000)

UK marketing	4960 (27%)
International marketing	4051 (22%)
Scottish Convention Bureau and Exhibitions and Events	1491 (8%)
Visitor Services	5249 (28%)
Planning and development	1358 (8%)
Press and public relations	931 (5%)
Finance and administration	apportioned to operating divisions on basis of salaries
Total resources	18,491

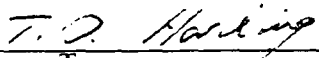
This would appear to be a reasonable breakdown of funds. However, there would appear to be scope for the STB to generate additional income through marketing activities

- 5.5 *Does the structural organisation of the STB relate coherently and effectively to the delivery of its functions and achievements of its objectives?*

There is no organisational structure contained within the Scottish Office document. Consideration of the Corporate Plan indicates that the STB would appear to be organised in a sensible functional manner. Additional overheads may be generated by the Board's Inverness office as well as their Edinburgh headquarters.

6. Recommendation

That the Director of Administration be requested to respond to the consultation paper incorporating the views expressed in paragraphs 4 and 5 above.


Norman Turner
DIRECTOR OF LEISURE SERVICES


Stan Cook
DIRECTOR OF PLANNING AND DEVELOPMENT