

## PERTH AND KINROSS COUNCIL

## Enterprise and Infrastructure Committee

28 August 2013

## DEVELOPMENT OF GOLF TOURISM IN PERTH AND KINROSS

## Report by Executive Director (The Environment Service)

**PURPOSE OF REPORT**

This report provides an overview of the golf tourism sector in Perth and Kinross and highlights the activities planned to realise the growth potential of the sector, building on current opportunities and providing a lasting legacy from the 2014 Ryder Cup.

It also recommends approval of resources towards external co-ordination of the planned activities on a fixed term basis.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Scotland is well known world-wide as the home of golf and is consistently one of the top global destinations for golf tourism. The economic value of golf tourism to Scotland is estimated to be around £220 million in business output each year, supporting over 4,400 jobs. This is projected to increase by nearly 30% by 2020, generating a potential £300 million for the Scottish economy.
- 1.2 To capitalise on the inherent strengths of Scotland as a golf tourism destination a new strategy, "Driving Forward Together – Scottish Golf Tourism Development Strategy 2013 – 2020", was produced by the Golf Tourism Development Group. This group comprises Scottish Golf Union/Scottish Ladies' Golfing Association, VisitScotland, EventScotland, and Scottish Development International & Scottish Enterprise/HIE with input from a range of key industry partners. The stated aim of the Strategy is to support the growth of golf tourism by 2020 with the aim of enhancing Scotland's reputation as the world's leading golf tourism destination. Within the Strategy there is a specific objective to establish a co-ordinated regional approach to industry collaboration in order to provide a more sustainable platform for sustained economic growth. Perth and Kinross is identified as a particular area in Scotland in this regard.
- 1.3 Perth and Kinross has a wealth of high quality inland courses that range from the internationally recognised Gleneagles courses, including the PGA Centenary course that will be used for the 2014 Ryder Cup, the highly regarded Blairgowrie which is hosting the Junior Ryder Cup 2014, and a number of scenic 9 hole courses which fit well with Perthshire's reputation for scenery and outdoor activities.

- 1.4 The total value of golf visitors to Perth and Kinross is estimated to be around £12.8 million in total, supporting approximately 400 jobs (300 direct jobs and a further 100 indirect jobs). This figure is relatively low compared with other areas because there are proportionately more day trip visitors and a smaller proportion stay overnight.
- 1.5 To optimise these assets and the opportunities they present, Perth and Kinross Council and Scottish Enterprise commissioned SQW consultants to undertake research on the golf tourism sector in Perth and Kinross and to assess its growth potential to 2020. The Ryder Cup at Gleneagles in 2014 is likely to mean an increased interest in golf tourism and there is clearly an opportunity to promote Perth and Kinross as a golfing destination. This supports the council's strategic objective of 'Promoting a prosperous, inclusive and sustainable economy'.
- 1.6 The report by SQW was completed in May 2013 and includes: an audit and review of the sector; an assessment of new golf course development projects; benchmarking against other destinations; review of existing initiatives; consultation with 35 golf courses, accommodation providers and tourism operators; and actions and recommendations aimed at securing and realising the growth potential of golf tourism in the area. A full copy of the report is available upon request.
- 1.7 Based on consultation feedback, golf organisations and businesses anticipate that the economic value of golf tourism in Perth and Kinross should grow over the next seven years to 2020. The effects of the Ryder Cup, new courses and wider targets for tourism growth suggest that the economic value to the area could grow by 28%. Over the period 2013 to 2020, this would result in an additional expenditure of £17 million (around £2.4 million a year).
- 1.8 The Ryder Cup is providing a catalyst for golf businesses to consider how to take advantage of the opportunities and, in the longer term, develop the area as a more attractive destination for visiting golfers. The consultation carried out suggests that golf businesses are fairly optimistic that this can be achieved, but will require greater co-operation and support.
- 1.9 Perth and Kinross has high quality, good value inland golf in beautiful settings and is particularly accessible for the central belt. Businesses recognise that international golf visitors are more likely to visit the Open Championship links courses, and therefore the domestic market (Scotland and the north of England) should be the focus for Perth and Kinross.
- 1.10 Gleneagles is a world famous 5 star luxury hotel and spa with 3 championship golf courses. It attracts domestic and international leisure and conference visitors and has a major impact on the Perthshire economy, employing over 500 people. Whilst businesses recognise the importance of the domestic market, the facilities and reputation of Gleneagles presents an opportunity to promote Perth & Kinross as a golfing destination to international visitors.

- 1.11 Perth and Kinross's strengths are also in its wider visitor appeal, rather than simply golf opportunities. The area embodies much of what visitors like about Scotland, particularly the natural environment and culture of food and drink. It has a strong reputation for outdoor activities such as walking, climbing and fishing and is home to some of the best known distilleries. Reflecting this, the feedback from the consultations suggested that presenting golf as part of this much wider tourism offer was likely to be more effective than promoting golf in isolation.
- 1.12 Feedback indicated that more should be done to promote and raise awareness of the area as a golf destination. These efforts should focus on other parts of Scotland and the UK. Accessibility, value for money and availability of different types of courses alongside other visitor attractions make the area an attractive place to combine family holidays and golf.

## **2. PROPOSALS**

- 2.1. The main recommendation made in the SQW study is to develop closer collaboration through a partnership based approach involving industry and the public sector.
- 2.2 Perth and Kinross Council, Scottish Enterprise, Scottish Golf Union and VisitScotland are currently providing in kind support for a Perth and Kinross Golf Development Partnership. This industry led partnership will bring together clubs and courses, accommodation providers and other businesses that are interested in growing golf tourism in the area.
- 2.3 The development of a Perth & Kinross Golf Development Partnership is in line with the Scottish Golf Tourism Development Strategy which identifies 'maximising the impact and tourism opportunities from hosting major golf events such as The 2014 Ryder Cup' as one of its key objectives. The strategy also recommends a coordinated approach to industry collaboration and identifies Perth & Kinross as a target area for such an initiative.
- 2.4 The study was presented to a well attended meeting of 26 clubs, accommodation providers and tourism operators in May. It was agreed at this meeting that a Perth and Kinross Golf Development Partnership would be open to all golf clubs and accommodation providers in the area, providing a coordinated approach to marketing and development of the sector. The Golf Development Partnership will be a constituted body and draw on the experience of Perthshire Golf Breaks. Perthshire Golf Breaks is an informal approach, which was set up in 2011, involving initial collaboration between Blairgowrie Golf Club (GC), Crieff GC, Pitlochry GC, Red House Hotel, East Haugh Hotel, Ballathie House Hotel and Green Park Hotel (Pitlochry). The partnership is currently operating under the name of Perthshire Golf Breaks, although a final decision on the name of the initiative is to be agreed by the project steering group.

- 2.5 Closer collaboration will deliver a more strategic approach to product development and marketing, learning from each other and implementing improvements to individual golf tourism businesses. This will enable Perth and Kinross to compete with other destinations, in and outside of Scotland. Other areas of Scotland have established similar golf tourism partnerships, including Carnoustie Country, East Lothian Golf Tourism Alliance and Fife Golf Development Group. Aberdeenshire Council and the local industry are currently setting up a constituted partnership. Without this collaboration, not only could the opportunities of the Ryder Cup be more limited, there is a longer term risk of missing out on other forms of support to promote what is a priority theme for tourism.
- 2.6 A project steering group has been established involving public and private partners. The group are developing an action plan which will form the basis for activity over the next 2-3 years. Perth and Kinross Council, through Planning & Regeneration, are providing project management support and will be represented on the group.
- 2.7 Key activities will include the production of a product development and marketing plan, including online presence, a coordinated approach to online tee times, media relations and familiarisation trips for tour operators, production of marketing materials, joint products and packages and links with other businesses/sectors.
- 2.8 To support this it is proposed that external co-ordination is secured on a fixed term basis.
- 2.9 Scottish Enterprise has identified Perth & Kinross as one of 3 key priority areas for development of golf tourism, alongside Aberdeenshire and Ayrshire. This provides an opportunity to work in partnership to develop this approach and draw down external funding to support the planned activities. Scottish Enterprise has indicated in principle financial support of £10,000 per annum over 2 years, with a possible 1 year extension. This would be contingent on Perth and Kinross Council also contributing £10,000 per annum for up to 3 years. VisitScotland and Scottish Golf Union are also supportive and have indicated in principle financial support. The intention is that the project will be self-financing through increased golf club revenues after 3 years.

### **3. CONCLUSION AND RECOMMENDATION(S)**

- 3.1 It is recommended that the Committee:
- (i) Note the proposal to develop a golf tourism partnership
  - (ii) Note expenditure of £10,000 per annum for up to 3 years towards the initiative to support activities including co-ordination and product development, and request a report 18 months after the Ryder Cup.

**Author(s)**

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**Approved**

| <b>Name</b>   | <b>Designation</b> | <b>Date</b>    |
|---------------|--------------------|----------------|
| Jim Valentine | Executive Director | 20 August 2013 |

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## ANNEX

### 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| <b>Strategic Implications</b>                       | <b>Yes / None</b> |
|---|-------------------|
| Community Plan / Single Outcome Agreement           | <b>Yes</b>        |
| Corporate Plan                                      | <b>Yes</b>        |
| <b>Resource Implications</b>                        |                   |
| Financial   | <b>Yes</b>        |
| Workforce   | <b>Yes</b>        |
| Asset Management (land, property, IST)              | <b>Yes</b>        |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | <b>Yes</b>        |
| Strategic Environmental Assessment                  | <b>Yes</b>        |
| Sustainability (community, economic, environmental) | <b>Yes</b>        |
| Legal and Governance                                | <b>No</b>         |
| Risk  | <b>No</b>         |
| <b>Consultation</b>                                 |                   |
| Internal  | <b>Yes</b>        |
| External  | <b>Yes</b>        |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>No</b>         |

#### 1. Strategic Implications

##### Community Plan / Single Outcome Agreement

- 1.1 The activities contribute to the Community Plan's aim of a 'Vibrant and Successful Area' and the outcomes of 'Our area will have a thriving economy including successful tourism and cultural sectors' and 'Our area will have a positive image locally, nationally and internally'.

##### Corporate Plan

- 1.2 The Perth and Kinross Community Plan 2013-2023 and Perth and Kinross Council Corporate Plan 2013/2018 set out five strategic objectives:
- (i) Giving every child the best start in life;
  - (ii) Developing educated, responsible and informed citizens;
  - (iii) Promoting a prosperous, inclusive and sustainable economy;
  - (iv) Supporting people to lead independent, healthy and active lives; and
  - (v) Creating a safe and sustainable place for future generations.

This report relates to Objective No (iii) Promoting a prosperous, inclusive and sustainable economy and the outcome of 'Thriving, expanding economy'.

## **2. Resource Implications**

### Financial

- 2.1 The Head of Finance has been consulted and has indicated agreement with the proposals. The recommendation contained within this report will be funded from the recurring TES Regeneration Projects revenue budget in 13/14, 14/15 and 15/16.

### Workforce

- 2.2 A Golf Tourism Officer will be employed by the Golf Development Partnership.

### Asset Management (land, property, IST)

- 2.3 The Golf Development Partnership will decide on asset requirements of the initiative.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome: No further action is required as the items summarised in the committee report do not require further assessment as they do not have an impact on people's wellbeing or equality protected characteristics.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

This section should reflect that the proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions. The activities in this report will contribute towards sustainable economic development, sport and community.

### Legal and Governance

- 3.5 The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Enterprise and Infrastructure Committee in developing measures to support and promote economic activity and to plan and promote tourism development activity. There are no legal implications arising from the proposals contained in this report.

### Risk

- 3.6 Risks and the controls required to mitigate any risks will be reported through the Council's risk management process where the Council is the lead on individual projects. The main risks in relation to this project relate to its ability to secure additional and on-going funding to maintain its activities in the future. Support will be offered to the group to secure external funding.

## **4. Consultation**

### Internal

- 4.1 The Head of Planning and Regeneration has been consulted.

### External

- 4.2 Golf clubs, accommodations providers, golf tourism operators, Scottish Enterprise, Visit Scotland and Scottish Golf Union were consulted in the preparation of this report.

## **5. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.