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# Memo

**Our ref** 04051/01/NT/GT
**Date** 30 April 2020
**To** Scottish Government
**From** Gordon Thomson

## Subject NPF4 Call for Ideas Representation

## 1.0 Introduction to Bourne Leisure

1.1 Bourne Leisure, established in 1964, is a significant contributor to Great Britain's tourism economy, operating a total of more than 50 holiday sites. These sites comprise hotels; family entertainment resorts; holiday villages; and holiday parks. They are operated by three brands: Butlins, Warner Leisure Hotels and Haven.

1.2 Bourne Leisure is the UK's largest domestic holiday operator and, at peak, employs a team of over 17,000 people. The business generates over £1 billion of turnover and has a leisure asset base of over £2.5 billion.

1.3 In Scotland, Bourne Leisure's key assets are located at Seton Sands in East Lothian and Craig Tara in South Ayrshire. Socio-economic attributes of these parks include:

- 868 team members were employed over the 2019 season at both parks;
- 96.3% of team members working at the parks over the 2019 season lived in Scotland;
- 63.2% of team members that worked at Craig Tara over the 2019 season were from South Ayrshire and 74.3% of team members working at Seton Sands over the 2019 season were from East Lothian; and
- Guests visiting both parks in the 2019 season spent £16.2 million on-site and £8.1 million off-site.

1.4 Bourne Leisure knows how to cater for the needs and expectations of its guests. The Company's hotels, resorts, villages and parks are all under continual review, to ensure that the facilities provided are improved or, where necessary, redeveloped to respond to changes in the tourism market and guest expectations.

1.5 To understand guest expectations Bourne conducts extensive research. For the Haven brand this demonstrates that most guests who visit Haven do so to escape the stress and strain of urban and suburban living.

1.6 However, beyond this core escape need their desire to visit is driven by 3 missions or interests:

- Relax and recharge.
- New and active experiences to enjoy.
- A base from which to explore.

1.7 For family groups more than one interest may drive a visit or a repeat visit. To bring this to life at a more granular level the research shows demand for:

- More spacious accommodation in a landscaped setting with the ability to relax outside.

- Eating out venues with good, reasonably priced food in an attractive setting, particularly with the option to dine outside if weather allows.
- Active experiences – both indoor and outdoors, on land and on water. This ranges from aqua play, to high ropes to nature based experiences, with particular value attached to those that can involve the family in the activity or as a close spectator of that activity.
- Exploring the local area, in particular helping guests find the best of the local area they can explore on foot or by bike and recommending those experiences which are more of a day trip.

1.8 Investment to improve existing facilities and accommodation on Haven sites in 2019 amounted to circa £85 million.

1.9 For many of the Haven holiday parks, improvements may require the development of open space within existing sites, to improve the quality of accommodation and/or increase the range of facilities, to achieve the necessary improvements to create a park fit for the 21st century, the expansion of a site may also be required. For example, to enable the provision of new facilities and to meet higher amenity standards.

1.10 Its approach takes into account the environmental context of a site's location and in particular environmental designations. As many of Bourne Leisure's sites are located in rural and/or coastal areas, incorporating or adjacent to environmentally and ecologically sensitive sites, the company has significant experience of operating within and adjacent to such locations and takes the need for protection and enhancement fully into account – both in day-to-day operations and when drawing up development proposals for sites.

1.11 As a result, Bourne Leisure has a keen interest in the emergence of development plan policies against which their evolving operations will be considered. Scotland's 4th National Planning Framework (NPF4) presents an opportunity to harness the myriad of benefits for the tourism sector and to develop a positive planning policy context against which the sector can evolve.

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## 2.0 Tourism

2.1 The NPF4 consultation asks for thoughts on:

- What our economy might look like in 2050.
- How planning can anticipate and respond to the economic challenges of Brexit.
- How planning could stimulate and distribute growth.

2.2 We consider that tourism and leisure are key considerations in responding to these points.

2.3 A 2018 report produced by the Scottish Tourism Alliance entitled 'The Value of Tourism in Scotland' provides an overview of the visitor economy's economic performance at a national level. The report's findings can be summarised as follows:

- Tourism accounts for around one in every twelve jobs in Scotland, and around five per cent of the Scottish Economy's Gross Value Added (GVA);
- Tourism plays an important role in the economies of Scotland's major cities, but is particularly important to those of rural communities by making a substantial contribution to sustaining employment and economic activity;
- Visitor expenditure in 2016 was valued at around £9.7 billion of which almost half (£4.75 billion) was generated by overnight visitors.

2.4 These economic benefits are borne of a range of factors including direct expenditure associated with visitors, direct and indirect employment and associated rates applicable.

2.5 Visit Scotland publishes regular research pieces covering facts and figures relating to the visitor economy at the national level. Whilst more recent quarterly updates are available, the most recent available comprehensive overview of a single year is the 'Key Facts on Tourism in Scotland – 2018' report. Published in September 2019, this report summarises the economic importance of overnight visitors both from overseas and from within Great Britain (domestic). Table 2.1 highlights that the overnight visitor economy grew from £4.75 billion in 2016 to £4.97 billion in 2018.

Table 2.1 Overseas and domestic visitors to Scotland, 2018

| Indicator | Overseas visitors | Domestic visitors | Total |
|---|---|---|---|
| Total visits | 3.54 m | 11.80 m | 15.34 m |
| Total nights | 24.24 m | 40.33 m | 64.57 m |
| Total spend | £2.21 bn | £2.76 bn | 4.97 bn |
| Average length of stay | 6.85 nights | 3.42 nights | 4.21 nights |
| Average spend per day | £91 | £68 | £77 |
| Average spend per visit | £624 | £234 | £324 |

2.6 Domestic overnight visits account for the largest share of the overnight visitor economy (77% of visitors) although the average length of stay and spend profile is shorter (and lower) than that of overseas visitors.

2.7 The report also provides a useful overview of the role of accommodation in the economic output of the tourism industry at a national level. Table 2.2 indicates that:

- accommodation-related businesses constitute 18% of businesses within the tourism industry in Scotland;
- 27.5% of employment in the Scottish tourism industry is related directly to accommodation; and
- 38.5% of economic output (as measured by Gross Value Added) within the tourism sector is directly attributable to accommodation.

Table 2.2 Businesses, Employment and GVA - Sustainable Tourism in Scotland 2017

| Type of business | Business units | Employment (000s) | GVA (£m) |
|---|---|---|---|
| Hotels and similar accommodation | 2,030 | 50.9 | 1,392.5 |
| Holiday and other short-stay accommodation | 823 | 3.5 | 112.7 |
| Camping grounds, recreational vehicle parks and trailer parks | 305 | 2.5 | 85.3 |
| **Total** | **3,158** | **56.9** | **1,590.5** |
| National sector total | 17,561 | 206.6 | 4,127.1 |
| **% accommodation-related of national sector total** | **18.0%** | **27.5%** | **38.5%** |

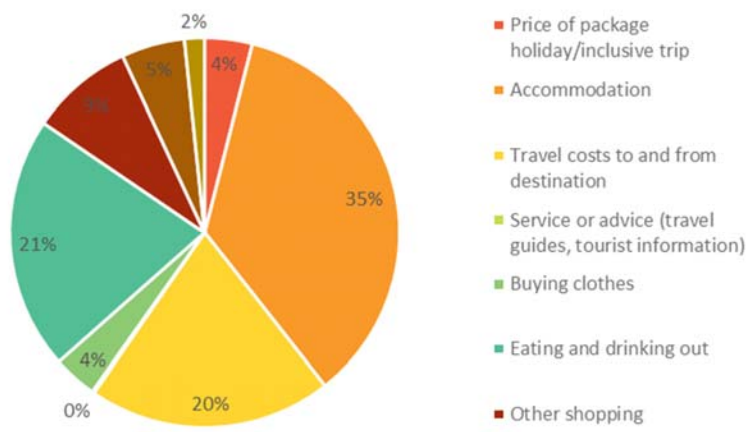
Source: Scottish Annual Business Statistics 2017 / Lichfields analysis

2.8 The above analysis suggests that, at a national level, supporting growth in the accommodation sector can be a particularly effective way of achieving growth in employment and economic output.

2.9 The annual spend associated with domestic overnight visits in 2018 was close to £2.8 billion (see Table 2.1)[1]. Figure 2.1 illustrates that the largest share of this annual spending was attributable to the accommodation sector (35%) but also that overnight visitor spend permeates into a wide range of sectors. This demonstrates the benefits of attracting overnight visitors across the wider economy, including areas such as food and drink, transport and retail.

1 Equivalent statistics for overseas visitors are not publicly available

Figure 2.1 Annual spend associated with domestic overnight visits




Source: Great Britain Tourism Survey, 2018 / Lichfields analysis

2.10 Tourism Scotland 2020 (TS2020) is the national tourism strategy for Scotland. It was first published in 2012 by the Scottish Tourism Alliance and sets out its ambition to bring together leaders from across the public and private sectors to drive industry-wide collaboration. From a 2011 economic baseline, TS2020 also sets out its objectives to grow the visitor economy in Scotland, including inter alia:

- Growing visitor spend by £1 billion in real terms from £4.5 billion in 2011 to £5.5 billion in 2020;
- Increasing the average visitor spend from £359 in 2011;
- Increasing total employment in the tourism industry from 185,100 in 2011; and
- Increasing total tourism turnover from £6,221 million in 2011.

2.11 TS2020 reflects the sector's appetite for growth and commitment to developing Scotland's tourism offer. It sets out the sector's target markets and identifies five key areas or 'asset blocks' with potential for growth: 'Nature and activities', 'Heritage and culture', 'Business tourism', 'Destinations, towns and cities'; and 'Events and festivals'. Each asset block has developed its own strategy aligned with the national strategy.

2.12 TS2020 examines the importance of raising and maintaining high levels of quality and customer service and at rebalancing issues relating to the quality of accommodation, eating out, travelling, internet and mobile phone coverage. It places an emphasis on the need for the industry to commit to developing the relevant skills, knowledge and customer-focused attitudes required to deliver consistently high-quality experiences for visitors of all types.

2.13 TS2020 is currently under review and a new vision was launched in autumn 2019. Available material at the time of writing is limited to high level vision components. These do however point toward continued focus on growth of the tourism sector, aiming that Scotland will be the world leader in 21st century tourism. Aims and Outcomes include:

- Tourism being recognised nationally, regionally and locally in our communities as a force for good, a catalyst for thriving communities and being able to respond flexibly to the diverse needs of Scotland's places;
- To build business resilience, sustainability and profitability;
- Visitors staying longer throughout the year, seeing more of Scotland and are spending more during their visit.

2.14 A new strategy is presently timetabled to be published in spring this year.

2.15 It is clear that the contribution of tourism and leisure developments to national and local economies are significant and go beyond specific attractions, with indirect expenditure associated with each individual trip as well as direct and indirect employment and business rates also playing a significant role. These contributions are borne from trips to and within Scotland domestically and internationally.

2.16 It is, however, anticipated that *staycations* will become more prevalent in light of weakening pound arising from the UK's departure from the European Union and travel restrictions and/or anxiety arising from the currently ongoing Coronavirus pandemic.

2.17 There is also potential that once the airline industry and travel restrictions have recovered then a weakened Sterling may make Scotland more attractive to international visitors than previously. Tourism and leisure development's role in our economy is likely to increase in response.

2.18 These factors are already recognised within national planning policy and guidance.

2.19 SPP currently states that the planning system should support economically, environmentally and socially sustainable places by enabling development that balances the costs and benefits of a proposal over the longer term and that policies and decisions should be guided by principles which include:

- giving due weight to net economic benefit;
- responding to economic issues, challenges and opportunities, as outlined in local economic strategies; and
- supporting delivery of accessible … leisure development (Paragraph 28).

2.20 It also states in relation to rural development that development plans should promote sustainable development linked to tourism and leisure and, where appropriate, set out policies and proposals for leisure accommodation, such as holiday units, caravans, and huts (Paragraph 79).

2.21 SPP confirms that development plans should be informed by the Tourism Development Framework for Scotland in order to maximise the sustainable growth of regional and local visitor economies. Strategic development plans should identify and safeguard any nationally or regionally important locations for tourism or recreation development within their areas (Paragraph 100). It further confirms (Paragraph 105) that Planning authorities should consider the potential to promote opportunities for tourism and recreation facilities in their development plans and that this may include new developments or the enhancement of existing facilities.

2.22 NPF3 currently recognises the significant role which tourism plays in national and local economies across Scotland, in particular in rural areas.

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2.23 It is therefore evident that there is already strong policy support for the tourism sector in these national policy guidance documents at present. This national support does not form part of the statutory development plan, however. Further, its application into development plans by planning authorities is variable. Taking this into account, coupled with the need to have policies that seek to implement other national tourism strategies, there is a need for this foundation to be translated into equally strong, if not stronger, policy support in the emerging development plan as part of an enhanced NPF4 under the terms of the Planning (Scotland) Act 2019.

2.24 Lichfields recommends that the need to plan for and support tourist related developments should be enshrined in NPF4 as a requirement of plan-making and development management decision making. This should include:

1. Acknowledgement that tourism and leisure are national priorities for economic growth which must filter down to local decision-making;
2. Clear policy support for the creation of new and the expansion of existing tourist accommodation and facilities;
3. Recognition of the significant direct and indirect social and economic contributions to local areas that can be harnessed from such uses;
4. Countryside and Green Belt policies worded with suitable flexibility so as to accommodate tourist accommodation and facilities and their associated ancillary uses that benefit from or require a rural/peripheral location;
5. Brownfield/Greenfield policies that also recognise certain tourist accommodation and facilities such as static caravan parks require rural/greenfield locations and a brownfield first principle may not be appropriate when assessing such proposals;
6. Policy support for development and improvement of existing sites both in terms of facilities and accommodation, whether via expansion of buildings and or sites, redevelopment or modernisation to meet the needs of the operator to create a successful operation for the 21st Century; and
7. Encouragement of longer holiday seasons than only the traditional peak June to September, in order to attract visitors all year round to capture significant social and economic benefits potential for local areas; and,
8. Recognition that the tourism industry continues to evolve, often rapidly, to respond to visitor demands and changing markets. Policies need to be flexible to facilitate changes these requirements that take place between plan review periods.

2.25 The incorporation of policy measures including those listed above in NPF4 will contribute toward harnessing and maximising the significant benefits which can be achieved through a strong and diverse tourism and leisure offer across Scotland.

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## 3.0 Coastal Planning and Rollback

3.1 The NPF4 consultation asks for thoughts on how places can be made more resilient to the long term impacts of climate change.

3.2 Bourne Leisure's holiday parks, resorts and hotels are traditionally located in rural and/or coastal areas and so the Company has significant experience of operating within and adjacent to these sensitive environmental locations and takes the need for their protection and enhancement fully into account in day to day operations.

3.3 At present NPF3 acknowledges (Paragraph 4.31) that as climate change impacts Scotland's coastline, there will be a need to address the long-term resilience of some island and coastal communities.

3.4 SPP acknowledges the risk of climate related effects on coastal areas but limits its guidance to restriction of new developments in areas where flood defences may be required and the promotion of other non-risk areas as potentially suitable for coastal related development.

3.5 Both NPF3 and SPP are silent on the implications of climate change on existing development and "coastal roll-back". The concept of coastal roll back is prevalent in planning policy in the rest of the UK and the emerging NPF4 document provides the opportunity to comprehensively address it.

3.6 The 'rollback' of coastal properties refers to properties at risk from coastal erosion. 'Rollback' is the process of replacing properties at risk locations away from the erosion zone and we propose that a new policy could cover a variety of uses.

3.7 NPF4 should include policies that enable a landowner/operator to respond to coastal change.

3.8 There should be a policy that allows for roll-back development and the policy should allow roll-back development to be permitted to and be operational in advance of the coastal processes removing land and/or making buildings/structures unusable.

3.9 On the matter of coastal defence, a policy should enable a landowner or operator of a site to implement coastal defences, at their own cost and subject to satisfying the appropriate criteria. Such policies would recognise that redevelopment can play an integral role in delivering sustainable longer term flood and coastal risk management. It will also ensure that operations which play a valuable role in local economies in coastal areas are afforded a means of mitigating the implications of future climate change.