

Economy PPG – 24 June 2008

Argyll and Bute - The Leading Marine Leisure Destination?

Should Marine Leisure be included in the Corporate Plan?

The estimated value of the marine leisure sector in Scotland is over £250 million which puts it close to the estimated value of golf. A significant proportion of this expenditure is on the west coast particularly in the Clyde Estuary and whilst there are no specific estimates for Argyll and Bute it is clear that the figure must be significant.

Water based resources should be viewed as an integral element of tourism in Argyll and Bute with related activities broadly categorised as follows:-

Active Water-Based Pursuits	Passive Water-Based Pursuits
Sailing - Cruising	Beach and Coastal Recreation
Sailing - Racing	Visits to Islands
Pleasure Boating	Passenger Boats/Pleasure Cruises
Sail Training	Aquaria
Water Skiing	Maritime Museums
Scuba Diving	Nature Tourism
Angling	Marine Mammal Watching
Kayaking	Marine Archaeology
Canoeing	Cruise Ships
Surfing	
Wind Surfing	

Sailing

Of these it is sailing which is, by far, the biggest generator of economic activity. There are permanent berth marinas in Dunstaffnage, Oban Bay (Kerrera), Craobh Haven, Ardfern, Tarbert, Portavadie, Holy Loch and Rhu with another under construction at Port Bannatyne, Isle of Bute. Transit marinas are located at Tobermory, Port Ellen, Campbeltown and Rothesay. There are well used visitor moorings at numerous locations, the most significant being at Tobermory, Loch Melfort, Craighouse (Jura), Port Ellen, Gigha, Tighnabruaich and Rothesay. In addition there are many hundreds of boats on private moorings.

The Crinan Canal is a major attraction as a short cut from the Clyde to the west and as destination/experience in its own right. It also accommodates a fair number of permanently based boats and seasonally based boats.

The total number of boats permanently resident in Argyll and Bute has not been surveyed but the figure must be in excess of 2000. (There are 15,000 boats in Scotland, of which around 5000 are based in the Clyde) The average expenditure for

permanent berth holders has been estimated at around £6000 per annum per boat and the figure for boats on moorings at £3500.

In addition to resident boats Argyll and Bute is the preferred destination for visiting boats from the numerous large marinas on the Clyde, particularly Kip, Largs, Ardrossan and Troon. There is also a significant movement of boats from the Irish Sea area along Argyll and Bute's western seaboard. The Irish connection is also important with many hundreds of boats based in marinas, such as Bangor, within easy sailing distance of Argyll and Bute. Visiting boats are estimated to spend an average of £125 per night.

The value of sailing alone to the Argyll and Bute economy has not been estimated but it is clearly considerable. The value of sailing to Scotland is estimated at £250 million per annum so even on a pro rata of resident boats this gives a figure of £3.5 million for Argyll and Bute. Adding in visitor boats and other marine based activities would not make a claim of £5 million per annum for the value of marine leisure to Argyll and Bute to be unrealistic and the true figure could be considerably more.

The Council as a Landowner/Operator

Argyll and Bute Council operates a number of active piers and harbours and owns numerous other piers, jetties, landing places and other structures. Many of these are disused or derelict and many are used informally. There is no maintenance of facilities that are not used operationally, for example as a ferry terminal or commercial harbour.

These structures need to be recorded and their potential as watersports facilities to be assessed.

The Council also owns a number of visitor moorings. These are the residue of a great number of moorings laid in many locations by the HIDB in the 1980/90s. In 1997 the Council took a controversial (and many said ill-advised) decision to dispose of or remove them. Some, such as those at Tobermory, were subsequently transferred to local organisations. Other, such as at Dunoon, were removed. All that remains in Council control are the moorings at Craighouse (Jura), Ardmish (Gigha) and Port Ellen (Islay). Of these it is anticipated that the Jura and Gigha moorings will be taken over by local groups in 2008 leaving only the Port Ellen moorings. The importance of these groups of moorings, particularly at remote Island locations cannot be overemphasised. They are often used to capacity during the sailing season and bring considerable input to the local economies.

Current Initiatives

The **Sail West** Strategy reported to the PPG in January 2008 is still awaiting final approval, expected in July 2008, but will strengthen the connection with Northern

Ireland and the Republic of Ireland. This covers both marketing/branding and physical infrastructure aspects.

The **Sail Clyde** Strategy is to be launched in August 2008 and will focus on

- Industry Engagement,
- Marketing,
- Events,
- Business Growth/Innovation,
- Future Skills
- Growing Infrastructure Capacity

Recent Studies

Overview of the Marine Leisure Tourism Sector in Argyll and the Islands – Stewart Miller Associates (July 2004)

Argyll and the Islands Enterprise (AIE) commissioned this study to consider the local marine leisure industry infrastructure and provide an audit of the area's marine leisure physical infrastructure, including recommendations for further improvement.

The report recognises that Argyll and the Islands has much strength as a marine leisure destination and commands a large market share of the Scottish water sports market. However, weaknesses include a lack of investment in infrastructure compared to some competitors and an industry that has become too fragmented and lacking in direction.

The report also considers individual components of marine leisure tourism. In particular

- Boating – There is a trend for boat owners to berth their boats in Scotland
- Sailing – Scotland is becoming a more popular destination for sailing
- Boat Tours – It is noted that specialist tours such as marine wildlife can be the primary reason for people taking short breaks, particularly by internal visitors.

The study concluded that improved communications and collective external promotion could improve business for boat tour operators. The bulk of tour activity is a passive experience and is based around visitors taking sightseeing tours.

This report also identified gaps in infrastructure provision at various locations including:-

- Dunoon – Yacht station at pier area

- Tighnabruaich – Landing facilities
- Tarbert – Expand marina
- Carradale – Transit berths
- Campbeltown – Extension of pontoons, shore facilities, development within harbour
- Gigha – Improved landing facilities
- Craighouse – Additional moorings, landing facilities
- Easdale – Landing facilities
- Oban – Major marina development
- Fionnphort – Landing facilities
- Iona – Moorings, landing facilities
- Gott Bay, Tiree - Close boarded landing berth at ferry pier
- Arinagour, Coll - Close boarded landing berth at ferry pier

Furthermore, a list of niche business opportunities within the marine leisure tourism sector in Argyll and the Islands are recommended. These include

- Sailing – there is further growth potential for sailing, particularly for yacht chartering
- Inland Boating – Scotland’s market share in this sector has grown significantly over the past decade
- ‘Theme Boat Tours’ – Some growth opportunities exist for theme tours
- Scuba Diving – Experienced divers are normally prepared to try sites which may offer testing conditions.

The report concludes with a recommendation for a working group, strategy and action plan for marine leisure tourism in Argyll and the Islands detailing investment opportunities and expenditure budgets.

Sailing in the Clyde Estuary – The Potential for Future Development (A Market Assessment, Economic Impact Study and Action Plan) - McKenzie Wilson Network Partnership Group (June 2006)

This report was commissioned by the Scottish Enterprise and Highlands and Islands Enterprise to undertake a survey to examine the potential for future development of the sailing industry in the Clyde Estuary and the impact of sailing and its related support industries on local and national economies.

The report highlights the value of the leisure boating industry in Scotland and as well as the key factors which affect the Scottish Marine Leisure Sector. These include:

- The improvements made to the road infrastructure into Scotland from England
- The advent of low cost airlines which has resulted in boat owners from all over the UK now being attracted to berth their boats in Scotland
- Berthing rates can be up to 40 per cent cheaper than similar facilities on the south coast. Boat owners often take advantage of early bookings on low cost airlines, which result in them not having to pay much for their flights to Scotland.

This report also highlights a number of key points that relate directly to the promotion and development of the marine leisure industry in Scotland. These include:-

- The Scottish Government state that visitors will want self discovery and chances to try new things and that tourism must not be at the expense of our environment, culture or communities
- The Scottish Government requires tourism in Scotland to stay ahead of the game. This has been the case in the sailing sector for the last ten years but with increased marketing spend from other regions and countries, the superior marine leisure product in Scotland will find it increasingly difficult to maintain
- The Scottish Enterprise main tourism priorities include the development of Innovation and Product Development by identifying niche markets that Scotland can exploit and helping businesses achieve success in these sectors. Market research shows that sailing is clearly a niche market of some significance to the Scottish economy.

Furthermore, the report prepares an Action Plan that helps seek locations and centres where facilities could either be improved or new infrastructure developments considered. The following recommendations have been made in this report

- There is a need to substantially increase the number of pontoon berths in Scotland as a whole
- More effort is required to access greater levels of European funds to assist the industry at all levels
- Event Scotland and Visit Scotland need to have a greater involvement with the development of the marine leisure sector in the future
- The marine leisure sector and its support agencies must endeavour to increase political awareness of the industry nationally to ensure that the sector is understood and recognised for the impacts it creates on the economy and the employment that the sector supports.

Conclusion

Argyll and Bute has many strengths as a marine leisure destination. It already commands a large market share of the Scottish watersports market and it has an abundance of coastline, natural beauty and wildlife.

Key selling points are:-

- Sheltered Waters
- Spectacular scenery
- Numerous anchorages and moorings
- Outstanding hospitality ashore.

There are, however, some weaknesses including a lack of investment in infrastructure compared to some other area. It also has an industry that is too fragmented and lacks direction.

On the positive side, opportunity does exist for the area to develop an all-embracing strategy. There is also considerable potential to develop some marine leisure activities further.

Argyll and Bute - The Leading Marine Leisure Destination in the UK?

It is clear that the economic significance and the opportunities in the marine leisure sector are significant in Argyll and Bute. The Council has a clear role in the promotion of marine leisure as a facility operator, planning authority and economic development agency.

Argyll and Bute can justifiably aspire to be the leading marine leisure destination in the UK. There is, therefore, a strong case that the next review of the Corporate Plan should address the subject of Marine Leisure.

Kevin Williams

20 May 2008