

## Appendix 2: A BID for Mull, Iona & Ulva – Case for Argyll and Bute Council Support

### 1. Executive Summary

- A ground-breaking BID project, focused on developing the visitor economy
- Tourism is critical to the islands' economy, underpinning business and wider economic development
- With high growth potential and iconic attractions, Mull and Iona is a key destination within Argyll, contributing significantly to the wider Argyll visitor economy
- The MI BID brings much additionality and will tackle the challenges currently faced by the industry
- The BID levy expected to raise £125,000 per annum over 5 years
- Financial support from Argyll and Bute Council: £7,500 levy contribution based on the Council's property holdings plus an additional £5,000 per annum towards the costs of the projects which promote tourism and quality food and drink
- *The benefits to Argyll and Bute Council*
  - MI BID directly supports the EDAP and CPP Priorities
  - Excellent value for money and return on investment: Every £1 invested by the Council helps unlock £9 from the private sector
  - Provides significant additional leverage to attract further private and public sector investment
  - This is a one-off opportunity; new investment on this scale will not come from elsewhere

### 2. Introduction

Tourism is our second largest industry and underpins the wider economy of the islands. Whilst our island visitor businesses have benefited from over a decade of growth with increasing visitor numbers, a national consumer spending boom and major publicity boosts through mainstream TV coverage, these factors have been largely unplanned and not influenced by the businesses themselves.

Iona, Staffa and Tobermory have long been of very great significance for the visitor economy in Argyll. They have enabled the small population of Mull and Iona to “punch above its weight” in terms of its economic contribution in the Argyll context. The MI BID will develop the growth potential of these traditional mainstays and create significant new value through the delivery of an exciting new programme of projects.

We envisage Mull and Iona BID fulfilling a flagship role for the wider Argyll economy. It will be the first island BID; first rural BID and first tourism BID in the UK and will be ground-breaking in that it will cover such a large area. As a result, MI BID will provide an exemplar for other such proposals and this in itself will provide significant publicity.

This is a one-off opportunity to develop Argyll's tourism economy. New investment on this scale, over the next 5 years will not come from anywhere else so we strongly believe it is imperative the BID goes ahead.

### 3. MI BID: Adding Value

#### **MI BID brings significant additionality in the following areas:**

- A new and significant 'seed corn' fund used to leverage further inward investment
- Professional management and strong, stable funding to develop the sector and new propositions (currently dependent on volunteer effort resulting in piece-meal and uncoordinated marketing activity)
- New and better destination promotion
- Attracting new and repeat visits
- Extending the season
- Greater collaboration across all business sectors
- More local control, influence, co-ordination and better communication
- More opportunities for business-to-business cross and up-selling and reduced running costs.
- A strong collective voice- working with a common purpose and providing a single representative body for over 400 local businesses. No such organisation has ever existed on our islands.

#### 4. The Challenges MI BID Will Address

- Falling visitor numbers
- Lack of new, big media stories
- Lack of funding for destination marketing and sector development
- Increasing competition from other UK and international destinations
- Seasonality of the visitor economy

#### 5. The MI BID Objectives & Projects

##### **Objective 1: Attract visitors**

**Project 1: A well-researched destination marketing plan**, focusing on growth of traditionally strong market segments (e.g. eco/wildlife tourism) as well as extending into new markets with growth potential (for example quality food and drink, kayaking, cycling, walking and attracting new international visitors).

**Project 2: A PR campaign:** a dedicated BID marketing officer would work with the BID members, professional PR agencies and Visit Scotland to target the UK and International press, magazines and TV producers to promote the islands' high strength products and new propositions.

**Project 3: A new programme of festivals and events:** New festivals and events for example, food and wildlife (including island food and wildlife 'trails'). Better promotion of existing events.

##### **Objective 2: Improve the visitor experience**

The BID will undertake a number of projects in years 2-5, aimed at improving the physical environment for visitors and businesses. This will encourage return visits and 'positive word of mouth' promotion.

##### **Objective 3: 'A collective voice'**

Working with local businesses and public sector organisations the BID will:

- influence decision makers, focusing on transport infrastructure.
- promote and enable better cross-selling of local products and services, networking, joint working and information sharing amongst the BID member businesses.
- research collective buying schemes for member businesses.
- develop an economic and business growth strategy for the islands (covering broadening the islands' business base and wider collaborative working).

#### 6. Support from Argyll and Bute Council

- No pre-ballot funding is required.
- The BID levy will raise c. £125k per year for 5 years. The Argyll and Bute Council levy contribution, based on its property holdings will be £7,500 per year.
- In addition MI BID is seeking a further £5,000 per year for the five year term, towards the costs of the projects which promote tourism and quality food and drink.
- It is noted that Argyll and Bute Council will charge MI BID £5,000 per year for collecting the levy.
- MI BID has the support of the Oban, Lorn and the Isles Area Committee (as confirmed at their meeting of Oct 2012) and the Mull Community Councils.
- The support from the Council will help achieve a 'yes' vote at the ballot. This sends a clear signal to businesses that the Council is fully committed to supporting the scheme. Without this support the yes vote may not be secured.

## 7. Benefits to Argyll and Bute Council

### 7.1 Helping the Council achieve its objectives

As outlined in the appendix below, the MI BID objectives directly support those of Argyll and Bute Council's Community Planning Partnership, Single Outcome Agreement and Economic Development Action Plan.

### 7.2 Excellent value for money and return on investment

For every £1 the council contributes £9 will be invested by the private sector. A highly effective and focused investment and an extremely attractive proposition at a time when Council budgets are under pressure.

### 7.3 Leverage of other investment

In addition to the £625,000 generated over 5 years by the BID levy, MI BID expects to bring in additional private and public sector funding resulting in an even higher return on investment.

## 8. Support from others

- Highland and Islands Enterprise are making a financial investment to enable the BID's establishment (a contribution to the pre-ballot costs) and towards the delivery of a business growth strategy for the islands (a year 1 project in the MI BID proposal).
- Visit Scotland
- Argyll and Islands Strategic Tourism Partnership
- Mull and Iona Chamber of Commerce
- Holiday Mull and Iona

## 9. Next steps

- MI BID proposal presented for a decision at the full Council meeting on 20th Dec 2012
- MI BID ballot held 6th Feb 13-21st March 2013
- MI BID company set up 28th March 2013

## 10. Appendix

MI BID is a business led regeneration strategy, contributing to the wider regeneration aspirations of the public sector and the local community. It directly supports a number of Community Planning Partnership (CPP), Single Outcome Agreement (SOA) and Economic Development Action Plan (EDAP) outcomes as detailed below:

1. **CPP & SOA: 'Outstanding Environment'**. To increase opportunities to celebrate and protect the natural environment by promoting investment to expand tourism. Resulting in international recognition of Argyll and Bute as a high quality land and water based tourism destination.

MI BID directly supports this outcome as it:

- is a new, private sector investment fund for the development of tourism on the islands.
- will help improve the islands' visitor offering (including quality) through new propositions (events, festivals, better information and attractions); physical environmental improvements; more collaborative working across the business sectors and better representation of the islands' visitor businesses.
- will better promote visitor sector growth by expanding the islands' traditionally strong sectors (e.g. eco and wildlife tourism) and exploiting new, high growth markets (e.g. food and drink, kayaking, cycling, and walking). With particular emphasis given to the European market as an area for attracting new visitors.

These MI BID activities will better promote the islands as a quality destination to new UK and international visitors.

2. **CPP & SOA: 'Vibrant Communities'**. To increase opportunities to celebrate our culture and heritage by encouraging and promoting activities and events and developing opportunities to support and promote built environment and heritage. Resulting in international recognition of Argyll and Bute's cultural importance.

Our islands have long been of great significance for the visitor economy in Argyll, as the location of some Scotland's most culturally important sites. MI BID directly supports this outcome as it will:

- better promote these iconic sites and the wider islands' heritage.
- deliver and promote new cultural and heritage based events and festivals.
- make appropriate and sustainable improvements to the physical environment with a focus on preserving and enhancing the special and unique character of our islands.

These activities will raise the cultural profile of the islands.

3. **CPP & SOA: 'Vibrant Communities'**. To promote growth in the working age population by developing initiatives to attract and retain young people to live and work in the area. Resulting in growth in career development opportunities through expanded business base.

As the largest industry in terms of employment and number of businesses, tourism underpins the wider economy of the islands. Our island communities cannot survive without income from visitors. Therefore the development of the visitor economy enabled by MI BID's will:

- over time provide more year round job and business start-up opportunities (both in direct tourism activity and the other key but closely linked industries). Ultimately helping make our islands a more attractive place to live and work.

MI BID further supports this outcome, as it will work with HIE to develop an economic and business growth strategy for the islands (covering broadening the islands' business base and wider collaborative working across all business sectors).

4. **CPP & SOA: 'Vibrant Communities'**. To reduce the impact of deprivation and promote new opportunities for regeneration by targeting of resources by partners to areas of need. Resulting in more investment in supporting regeneration activities across Argyll and Bute.

MI BID directly supports this outcome as it:

- is a new, targeted investment fund to support regeneration activities across the islands and one which provides significant leverage to attract further regeneration investment.
- will develop tourism, make local environmental improvements and encourage greater partnership working to help support further regeneration activities.

5. **EDAP 'Competitive' Sustainable Economic Assets: Priority Two- Tourism.** To work with local and national partners to stimulate tourism investment and effective and targeted marketing with partners. Outcome: Move industry up the value chain, extend the season and improve profile and propositions.

MI BID directly supports this outcome as it will:

- work with other tourism partners and provide new tourism investment in the area.
- develop new propositions (e.g. food and drink, marine, kayaking, walking, cycling, arts/history/culture, events, festivals) and improve current propositions (e.g. wildlife and eco-tourism) to promote sector growth. New events and festivals will be used to emphasis the year round attractions and staged during the shoulder-seasons to promote an extension to the season.

- implement better targeted marketing/PR and develop new markets through its destination marketing and PR plans. Including targeting day-trippers to encourage higher spend and return visits; potential weekend visitors and European visitors.
- enable more collaborative working (better communications, business to business cross-selling and up-selling) amongst the businesses to help support an extended season.
- use its strong collective voice and good relationships with key partners to influence decisions on better ferry timetables during the shoulder and off-seasons which will support market growth and an extended visitor season.

6. **EDAP ‘Competitive’ Sustainable Economic Assets: Priority Two- Quality Food & Drink.** To collaborate with partners (including HIE) to building on and support local initiatives/projects. Outcome: Sustainable food and drink supply chain that adds value across all the key components, primary producers to processors, in order to general growth and wealth for Argyll and Bute.

Quality food and drink on our islands has a significant linkage with tourism and as such MI BID supports this outcome is it will:

- develop new quality food and drink tourist propositions including an annual food and drink festival with local markets, cookery demonstrations and courses, talks, tastings, BBQs, farm and factory tours, wild food walks and other events, supported by new local food trials, to raise the profile of our islands produce, help stimulate increased spend and development.
- encourage better information and promotion (focusing on provenance) of the islands’ food and drink.
- work with HIE to develop an economic and business growth strategy for the islands. Born out of feedback from the islands’ larger food producers this strategy will focus on how to grow the food and drink and tourism sectors and strengthen links across all business sectors to maximise opportunities for economic growth.
- Promote better collaborative working (better communications, business to business cross-selling and up-selling) amongst the businesses to help support both primary producers and processors.

7. **EDAP ‘Collaborative’: Social Enterprise and Community Driven Local Economic Development.** Identify and share good practice across Argyll and Bute. Outcome: Promote Social Enterprise and community driven local economic development.

MI BID directly supports this outcome as it:

- is a local economic development approach developed and driven by the local business community.

8. **EDAP ‘Connected’: Infrastructure: Road, Sea/Ferry, Air and Rail Transport.** Influence national ferry review and promote key routes. Outcome: Transport encourages a growing, well connected and sustainable economy.

MI BID directly supports this outcome as it:

- will use its strong, collective voice and relationships with key partners to influence the national ferry review.
- will better market the island destinations and in doing so promote key ferry routes.

The following points in the EDAP are also noted:

1. **EDAP ‘Delivery: Funding and Resources’:** ‘We will proactively promote and implement innovative funding solutions such as ‘new and smarter ways to utilising Council funding and leveraging maximum external funding, thus maximising best value and optimising economic impacts at a local, national and European level.’ ‘encouraging private sector leverage and investing in the area, for example private sector investment in shared infrastructure’.

As a new private sector investment MI BID provides significant leverage to attract further investment into the area, enabling excellent value for money and return on investment for its public sector partners. For every £1 invested by the public sector a minimum £9 is invested by the private sector. Therefore an investment in MI BID will help Argyll and Bute Council achieve its commitment to promoting innovative funding solutions which maximise best value and deliver significant economic impacts.

2. **EDAP ‘Partnerships for Delivery:** ‘We will only succeed in realising our ambitions and priorities through collaboration with our partners at a local, national and European level’.

The ethos of MI BID is collaborative and joint working at all levels, in order to deliver the best outcomes. Working in collaboration with MI BID will help Argyll and Bute Council meet its commitment to partnership for delivery.

As such MI BID will continue to work with the Council to ensure the strategic and operational linkages between the organisations are optimised throughout the BID term.