
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: Cairngorms Business Partnership – Future Support

**Prepared by: Sandra Middleton, Economic Development Officer
Murray Ferguson, Sustainable Rural Development Director**

Purpose

This paper provides a summary of the work delivered by the Cairngorms Business Partnership over the last year and the background information required to support the recommendation for future funding and support.

Recommendation

That the Board:

- a) Notes the substantial progress that has been made by Cairngorms Business Partnership in the last year; and
- b) Approves a funding package comprising £60k for 2012/13 and a further 120k for the period 2013/14 to 2014/15, subject to submission of a detailed business plan.

Executive Summary

The CBP have had a busy and successful year delivering a range of projects including: promotion and marketing of the Park; development of the National Park as a visitor destination and a place to do business; advocacy work on behalf of the business community; and development of CBP as an organisation, including long-term visioning work. Their Operations Plan for the coming year builds on these activities. In addition, CBP will be taking the lead in developing the Cairngorms Economic Forum and Economic Development and Diversification Strategy.

A recommendation is made to offer financial support for 2012/13 to 2013/15. Partner funders for 2012/13 include VisitScotland, local authorities and the Enterprise network. The CBP Operations Plan is well-aligned with the National Park Partnership Plan and Sustainable Tourism Strategy and the funding allocation is identified within the CNPA Corporate Plan.

CAIRNGORMS BUSINESS PARTNERSHIP – FUTURE SUPPORT FOR DECISION

Background

1. The Cairngorms Business Partnership (CBP) is an affiliated Chamber of Commerce with over 280 individual business members and seeks to support economic development in and around the Cairngorms National Park. The CBP focus their work on four key areas:
 - a) Development (of businesses and the Destination)
 - b) Promotion (PR and Marketing)
 - c) Advocacy
 - d) Organisational Development of the CBP
2. The CBP was formally constituted in April 2011. It is a unique organisation in Scotland, formed out of a merger between a destination management organisation, the Chamber of Commerce and Cairngorms Hostels. This innovative initiative was a significant milestone in the development of the National Park which promotes collaboration and leadership amongst business interests, simultaneously minimising duplication of back-office functions and reducing the need for businesses to join a number of smaller member-based organisations.
3. The CBP is a very important partner in the management of the Park, acting for example to simplify communications to and from business interests and to deliver a number of Park-wide initiatives that otherwise may fall to public sector partners to take forwards. CBP endeavours to maintain close relationships with neighbouring DMOs and other business-led organisations. The general approach of CBP to business collaboration and leadership in the Park has already attracted a considerable degree of interest from elsewhere in Scotland and overseas.
4. CBP is funded by both private income streams and public sector support. Private income streams include membership fees and revenue from publications, advertising, consultancy and from events. Public sector funders include CNPA, VisitScotland, Enterprise Agencies and Local Authorities.
5. In September 2011 a new CBP Board was elected, made up of members representing 11 key economic sectors (e.g. attractions, activities and retail, food & beverages, etc) and the five main geographic areas of the CNP. The CBP Board is currently undertaking a visioning process, assisted by HIE, to develop a long-term business plan to establish secure income streams over the longer term.

6. The CNPA provided funding support to the CBP in their first year for delivery of their 2011/12 business plan. Previously CNPA provided both funding and staff resource in support of project delivery managed by the predecessor organisations and to assist in setting up the CBP. CNPA do not currently provide core funding to the CBP; all funding is for delivery of project work.
7. In May 2011 the CNPA Board approved in principle a three-year offer of £60k per annum towards the CBP Business Plan for the years 2011 to 2014. This offer was subject to confirmation of CNPA budget settlement. Since that time CNPA has agreed the Corporate Plan 2012-15 which makes provision for financial support to CBP.

Delivery in 2011/12

8. CBP have had a very busy and successful first year. A full update on the work of the CBP over the last year is provided in **Annex I** – CBP staff will give a presentation at the Board meeting on their progress and plans. Highlights in 2011/12 include: the roll out of the ‘Make it Yours’ marketing campaign; launch of the new mobile App; new look Park-i and What’s On publications; highly successful business workshops; and the Annual Business Conference with keynote speaker John Swinney MSP.
9. CNPA funding support for the last year was provided for a number of key projects, shown in Table I below with a progress report.

Project Work Funded	Delivery Progress
Marketing the Park -match funding the VisitScotland Growth Fund	Roll-out of ‘Make it Yours’ strapline on all publications and marketing material along with advertising, photographic competition, PR and social media.
Website development www.visitcairngorms.com	Web traffic up 26%, new web-based App launched to accompany the iPhone App, redesigned website due for launch shortly and work with communities to improve and network village websites.
‘Park Aware’ (training/interpretation programme for tourism businesses raising awareness of the opportunities available in Park)	Work has been undertaken to develop materials and identify training opportunities but roll-out progress has been slower than anticipated. Recent discussions have promoted closer integration with Brand development work.
Research and feedback	Four, quarterly Park-wide Business Barometer reports have been published and a further survey launched to

Project Work Funded	Delivery Progress
	provide coverage of businesses in Royal Deeside who are outwith the Park but within the Royal Deeside DMO area. 750 Customer Feedback surveys collected within the area, lower than anticipated due to technical issues.

Table 1 – CBP Project Work 2011/12, Progress Update

10. In addition to the project-related activity highlighted above, the CBP has also:
- a) Acted as a focal point for communication to and from the business community, providing an extensive contribution to the National Park Partnership Plan in the form of a Business Manifesto; and
 - b) Contributed to the management of the Park at various partnership/forum meetings at local, regional and national events.

Business Plan for 2012/13

11. A detailed Business Plan for 2012-13 was recently approved by the CBP Board and is shown at **Annex 2**. This sets the foundation for a number of long-term and integrated activities and has been developed with significant consultation and discussion with partners, notably with CNPA officers to ensure alignment with emerging NP Partnership Plan. In the current economic climate delivery will still be challenging and will require full collaboration from a range of private and public sector bodies, not least the individual business members who must receive business benefit for their fees.
12. The CBP Plan is fully aligned with the National Park Partnership Plan and the Sustainable Tourism Strategy and will contribute directly to key outcomes for the Park as follows:

NPPP Long-term outcome 1: A sustainable economy supporting thriving businesses and communities

- a) Programme 1: Supporting Business (includes a specific work package on Growing the CBP)
- b) Programme 4: Community Empowerment (Including Community capacity building)

NPPP Long-term outcome 3: People enjoying the Park through outstanding visitor and learning experiences

- a) Programme 8: Leading sustainable tourism (see below)
- b) Programme 9: Active Cairngorms (including Developing cycling)

- c) Programme 11: Sharing the stories (including Developing and delivering inspiring campaigns)

Sustainable Tourism Strategy 2011-16

- a) There is close correlation between the CBP Business Plan and approach and the recently developed STS.
- b) There are 53 actions in the STS. Many are already underway whilst some will require fresh attention over the coming years. Initial analysis suggests that the CBP will lead on 18 of these actions and play a key supporting role with a further 27.

CBP Funding

- 13. The CBP model is designed to be self-sustaining, with a strong membership base at its heart. The Business Plan for 2012/13 has an anticipated budget of £434k. Of note, around 50% of the total projected income is from private sources (membership, advertising and sales) with the other 50% from public sector partners. Approximately 30% (£124k) of this total budget is dedicated to an ambitious marketing campaign. Chart 1 shows the public/private income split for last year and the current year. Chart 2 shows the breakdown of projected public sector income streams and Chart 3 shows the breakdown of projected private sector income streams.

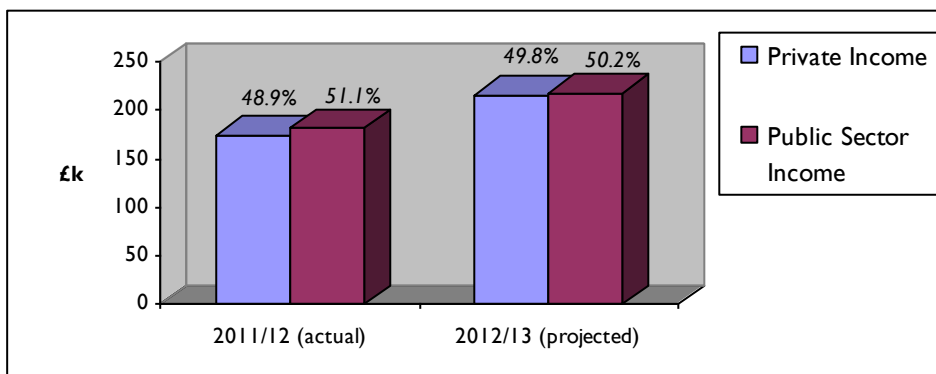


Chart 1 – CBP Income

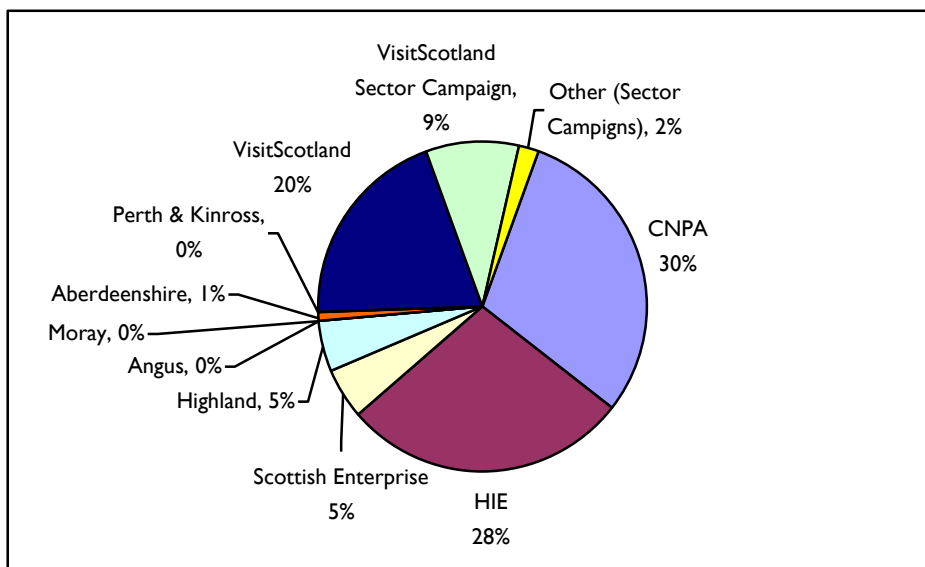


Chart 2 – CBP Public Sector Income 2012/13 (projected)

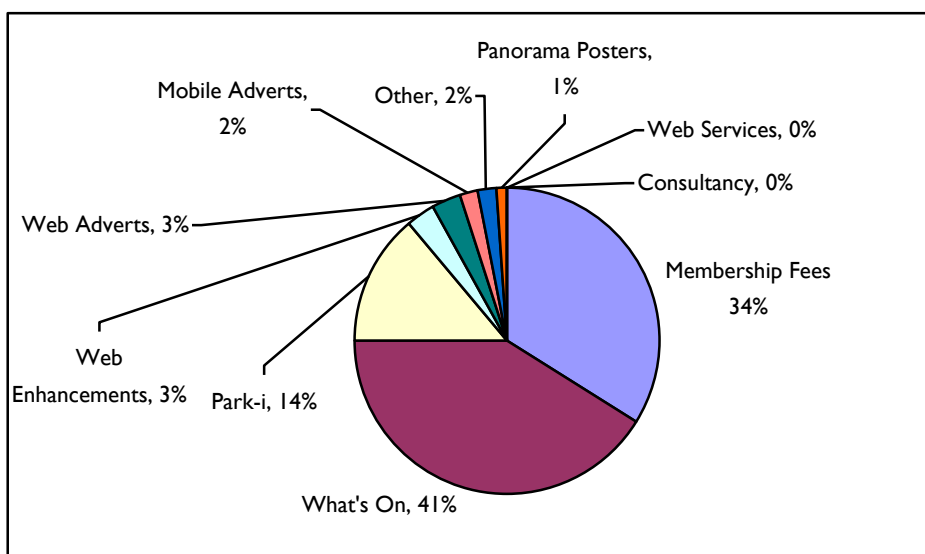


Chart 3 – CBP Private Income 2012/13 (projected)

14. This level of leverage for public sector funding compares exceptionally well with other organisations in Scotland that are involved in managing destinations.

CNPA and Partner Support for CBP

Partner support

15. CBP anticipate support from public sector partners as outlined below:
- VisitScotland:** £150k of Growth Fund support for a 3-year marketing campaign, 2011 to 2014.
 - HIE:** CBP remains an 'account managed' organisation with associated business support. HIE regard the CBP as a key element in their wider destination development work and remain supportive of work beyond the

HIE boundary. There is agreement in principle for core funding of £60k per year for 3 years, 2011 to 2014.

- c) **Scottish Enterprise:** Support for research and business development work has been discussed. Funding anticipated of c£10k for 2012/13 (to be confirmed).
- d) **Local authority:** Highland Council support for business development workshops (tourism focus) and discussion ongoing with Business Gateway regarding a wider range of business support delivery. Funding of c£7k for 2012/13. CBP are engaging with other local authorities in the Park on potential local project activity.

Proposed CNPA support

- 16. The CNPA Corporate Plan makes provision in Programme 6 'Supporting Sustainable Business' for £60k per annum over the three year period.
- 17. CNPA funding and staff engagement will be used to support a wide range of activity linked to Park Plan and Sustainable Tourism Strategy activities, primarily with promotional and destination development activity. CBP currently deliver a great deal with only a small staff team. Both CBP and partners therefore need to give careful consideration to the priority areas of work. The long-term visioning process which is currently under way will assist in this.
- 18. There may be further opportunities for additional projects which arise mid-year, which are not currently identified in the Operations Plan. Where capacity exists within CBP to deliver these there is potential to identify additional specific funding which would be drawn for other area of the Corporate Plan as required. This would be subject to CNPA finance procedures and approval sought from Finance Committee as required.
- 19. CNPA support for the 2012/13 year is identified for delivery of the CBP Operations Plan. Key areas for support are outlined below.
 - a) Promotion (PR & Marketing) – match-funding the Visit Scotland Growth Fund for marketing including:
 - i. promotional activities and PR campaigns;
 - ii. e-media (website, App, social media and village network sites); and
 - iii. rationalisation of all visitor-facing printed material for the Park.
 - b) Business Development (of businesses and the Destination):
 - i. business intelligence including Business Hub on website and Business Barometer;

- ii. customer feedback including DOVE¹ and ‘mystery shopping’ of destination;
 - iii. business capacity and competency building including annual conference; and
 - iv. ‘Park Aware’ materials and training course delivery.
20. CNPA will provide support and advice to CBP in establishing the Cairngorms Enterprise Forum for the National Park and an Economic Development and Diversification Strategy. CNPA will provide the secretariat for the Forum. Scoping work for the Strategy is now under way and will be the subject of discussion at the first meeting of the Economic Forum which is currently proposed for August 2012. An overview of the proposed make-up, remit and administration of the Cairngorms Economic Forum has been provided by the CBP and can be viewed in **Annex 3**.
21. In addition to the project work outlined above, CBP provide an advocacy role for the area and their business members. CBP contribute to a range of groups and forums including the Sustainable Tourism Forum, Brand Management Group and Developers Forum. They also lead on business sector groupings for the area (eg Activity Providers Group).
22. CNPA’s support for the ongoing development of the CBP and delivery of Park-wide projects should, as with previous years, remain based on the following principles:
 - a) Delivery should be Park-wide;
 - b) Delivery must be contributing to the National Park Partnership Plan and associated strategies ie the Sustainable Tourism Strategy; and
 - c) There must be broad-based public sector support for the partnership and its delivery.
23. Discussions have taken place between CBP and the Royal Deeside and Cairngorms DMO (RD CDMO) to closer align their work as there is currently potential for overlap and duplication of effort. These discussions have been a private sector-led initiative and some progress was made last year although, unfortunately, the discussions have not advanced significantly in recent months. CNPA will continue to support this process and work with other public sector partners towards a sustainable model of business collaboration in and around the National Park.
24. In view of the importance of CBP to the management of the National Park it is proposed that an information paper is presented to the Board on progress with implementation in early 2013.

¹ DOVE – Delivering an Outstanding Visitor Experience, customer feedback initiative
www.feedbacksotland.com

Policy Context

Delivering Sustainability

25. The CBP is central to the development of the Park as a sustainable destination and a place to do business.

Delivering a Park for All

26. The CBP plans are well-integrated with the Sustainable Tourism Strategy and National Park Partnership Plan which was subject to Equality Impact Assessment.

Delivering Economy, Effectiveness and Efficiency

27. The CBP directly improves the efficiency and effectiveness of the use of public funds in the Park, reducing the need for duplication of staff and administration among the business organisations, focusing more resource on delivery and reducing the number of bodies seeking funding for similar activities within the Park.

Implications

Financial Implications

28. The financial implications are addressed above. If the recommendations are approved a formal offer will be made for 2012/13. CNPA staff will work with CBP on the development of Business Plan for future years which will be required before a formal offer is made for years 2013/14 to 2014/15.

Presentational Implications

29. Support of the CBP by CNPA and partners is vital to their ongoing success and development. The new marketing campaign has raised the profile of the CBP and the Park and this is likely to increase further over the coming year. Strong connections are maintained with CNPA staff working on communications and engagement.

Implications for Stakeholders

30. For public bodies that are potential funding partners for project delivery, there are implications to consider in how best to co-ordinate and get best value from funds invested in the Park, particularly given the current public funding situation.

Sandra Middleton
Murray Ferguson
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sandramiddleton@cairngorms.co.uk
murrayferguson@cairngorms.co.uk