

**ACTION NOTE OF THE ‘CONNECTED ECONOMY GROUP’**

**Wednesday 4 September 2019, 1400-1600 hrs, Esk Room 1, The Brunton, Musselburgh**

**Members present:**

Angela Leitch, Chief Executive, East Lothian Council (AL) (Acting Chair)

Neil Craik-Collins, East Lothian Council (NCC) (for L Brown)

Alison Hood, East Lothian Council (AH)

Elaine Morrison, Scottish Enterprise (EM)

Garry Clark, Federation of Small Businesses (GC)

Cllr J McMillan, East Lothian Council (JMM)

Cllr J Findlay, East Lothian Council (JF)

Cllr P McLennan, East Lothian Council (PML)

Keith Barbour, Mid- and East Lothian Chamber of Commerce (KB)

Phil Ford, Skills Development Scotland (PF)

**In attendance:**

Susan Smith, Economic Development, East Lothian Council (SS)

Neil Christison, Regional Director, VisitScotland (NC) (Item 5)

Claire Dutton, East Lothian Council (CD) (Item 5)

1. **Appointment of Chair**

It was explained that Nigel Paul had stood down and for this meeting Angela Leitch agreed to chair.

1. **Welcome, introduction and apologies**

Welcome and introductions were made. Apologies from Douglas Proudfoot, Lesley Brown, Deborah Robertson, Claire Goodwin, Paolo Vestri and John Reid.

1. **Minutes of previous meeting**

Approved.

1. **Matters arising**

With regard to the Business Gateway discussion, EM had since met with Richard Baty and other Business Gateway managers from across the Lothians to address the issues raised.

1. **The East Lothian Tourism Action Plan 2019-22**

This presentation was given jointly by CD and NC. NC highlighted national tourism performance and commented that for 2018 the number of trips is up but spend is down. Tourism represents 9% of all tourism employment in Scotland but 13% in East Lothian. VS’s quarterly survey of businesses enables the organisation to be kept up-to-date with trends – Lothians’ businesses performance is positive (turnover, visitor numbers and business optimism) – and VS is working towards an East Lothian report for Q2 2019.

East Lothian Council uses a range of sources such as STEAM (Scottish Tourism Economic Assessment Monitor) for numbers, spend and economic benefit. Visitor numbers to attractions are measured by Moffat Centre research. The 3-yearly Visitor Survey provides in-depth analysis and now visitors are asked for their e-mail addresses for a follow-up questionnaire that enables more detailed responses on their impressions and spend. Around 1000 returns are generated and psychometric segmentation into the categories of event-goers, visiting friends and family, active explorers, and rural relaxers is made.

NC said that golf is a growth area, valued at £286m. He commented that there is pressure for gender equality referring to the upcoming Solheim Cup and mentioning that East Lothian hosted the last qualifier for the Solheim Cup, the Aberdeen Standard Investments Ladies Scottish Open, and Catriona Matthew is the Europe Captain. The Council and Scotland’s Golf Coast (industry group) are developing marketing and other opportunities to attract new visitors.

National events and festivals such as golf and cycling held in East Lothian are complemented by the range of other sporting and cultural events across East Lothian. VS themed years, such as the Year of Coast and Waters 2020, provide opportunities - for example, early discussion on a cross-boundary (East Lothian/Scottish Borders) coastal campaign.

Most visitors to East Lothian are day visitors. The East Lothian Tourism Attractions Group targets visitors within a 1-2 hour radius of EL. Recognising that more visitors undertake pre-arrival research, VS has moved from physical tourist information offices to I-Know centres, 40 across East Lothian, and East Lothian Council is developing a working relationship with the new Edinburgh Tourist Information Centre to improve East Lothian’s presence there.

VS aims to inspire visits to Scotland through its digital marketing and social media reach and encourages rich content about East Lothian. NC referred to the Scotland is Now campaign – visit, live, invest study. With 80% of visitors to Scotland now booking online, only 40% of accommodation providers are online bookable, 8% of all experiences. East Lothian Council has a Digital Marketing Strategy focusing on digital platforms and website, including showcasing businesses and attractions. Digital Tourism Scotland workshops enabled East Lothian businesses to obtain more niche information about channels.

NC commented that 20% of all visitors to Scotland are inspired by TV or film, these are known as ‘setjetters’. The production value of filming is known – eg. for 2017 there were 32 completed filming projects with £1m economic impact. East Lothian Council’s Film Charter and Code of Conduct show commitment and encouragement to filming. Film workshops have been held to raise awareness of and promote film tourism to businesses with spin-off opportunities available – eg. tour companies have been set up to offer Outlander tours.

Other priorities are outdoor tourism with cycling routes instigated by local businesses developed; food and drink – reference to Food Tourism; and town centres.

AL was reassured by the activity undertaken and noted 13% of employment in East Lothian in tourism. She asked about how to improve business engagement and CD added that there is a challenge of getting occupancy figures and businesses seeing the benefit of providing. The VS Barometer is reaching an increasing number of businesses. JMM asked about web analytics - CD said that this is undertaken and gave example of workshops delivered involving Expedia and booking.com so encouraging businesses to use other search engines.

GC recognises the issues around surveys and is happy to discuss engagement with tourism businesses **(ACTION: SS).** NC said that the average length of stay is seven days for international and 3.5 days for domestic visitors. He is confident that the spend reduction in 2018 is due to the fall in US visitors and because 2017 was such a good year. For note, golf visitors spend more than non-golf visitors.

NCC asked about skills pipelines and CD referred to the emerging joint work placement programme between attractions being developed by Developing the Young Workforce. These placements will be of quality and so encourage tourism as a valuable career option.

KB commented on the golf economy and how it has been boosted by golf events. He commented on the lack of accommodation and competition from AirBnB as example.

PML asked about ELC tourism spend and SS explained that STEAM data is used as measure of performance.

Acknowledging the growth of the Edinburgh Festival and allied events, CD said that she has been undertaking more travel trade engagement so developing the City+ offer. The Johnnie Walker development on Princes Street will encourage visitors to Glenkinchie.

PF said that there is an upskilling challenge. The Programme for Government focuses on business support around digital skills (Digital Boost) and PF mentioned too the Flexible Workforce Development Fund. PF offered to support tourism business skills development.

JF commented that in his experience golf visitors will not visit the host venue until subsequent years and said that The Renaissance Club (2019 host venue) is particularly attractive to visitors. The lack of accommodation has meant that the AirBnB market has grown. EM highlighted the Visitor Levy Tax legislation mentioned in the Programme for Government. JMM concluded that upskilling, digital support and how towns can support visitors are priorities for him.

1. **Employability update (Paper 1)**

- No-one Left Behind

NCC introduced this update to the CEG on the new employability model – a single funding stream managed by local and national government – and said that ELWorks is able to adapt to this change. It will mean engagement with a new group of adults with more complex needs and NCC recommends a managed and gradual approach. What works well will continue and improved delivery processes will be implemented. The CEG will receive regular updates.

AL asked about identifying and encouraging the target group that may be at risk of disengaging. Stages 1 and 2 of the pipeline are missing currently and early intervention will build skills and resilience at an earlier stage. There will be a transition to a new way of working for the ELWorks adult team and as AL commented, to other council and public services.

JMM questioned if all those potentially affected have been identified giving example of those with caring responsibilities – AH gave example of shift to part-time work experience due to caring responsibility.

EM gave the example of the Fife Council project, *Making it Work for Families*, working with the whole family and this approach is one of the IRES projects. It is important not to duplicate existing activity and NCC added as example the early intervention project with Robertson Trust targeting those expected to be able to attend university.

JF asked about milestones and outcomes, cf. Section 6 of report. AH said that a group has been set up to look at the detail required. She added that some Activity Agreement engagement can take two years and timescales are generally variable.

1. **The East Lothian Economic Development Strategy**

SS provided an update on the Economic Development Strategy detailing key actions, leads and progress. AL asked that milestones be added **(ACTION: SS)**. EM said that Scottish Enterprise is leading on the development of regional prospectuses that can inform a local approach. She added that business support is being joined up through the Single Entry Point and this will be reflected in the Action Plan (ACTION: SS). PF referred to the Regional Skills Analysis data that has just been published - <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/>

GC and KB both offered to support Strategic Workstreams 5 and 6 (ACTION: SS). Also, JMM offered to test out propositions developed with a range of contacts.

AL asked that the Regional Growth Strategy be put on the agenda for the next meeting. She added that Professor Sean Smith of Napier University has met with council colleagues to explain more about the IRES project offering innovative skills pipelines to enable people to move into construction from entry to higher professional level. It is hoped to have an update for the next meeting.

1. **The East Lothian Partnership**

* **The ELP Forum, Autumn 2019, ‘Town and Country’**

SS on behalf of Community Planning colleagues said that the next forum will focus on town centre and rural issues. JMM, GC and SS were all on the working group preparing the agenda and content for the event – Saturday 5 October, 0900-1300 hrs at Queen Margaret University. FSB and Chamber members will be encouraged to attend **(ACTION: GC/KB).**

* **ELP Governance update**

The East Lothian Plan is being revisited after being in place for 18 months. Progress is being made with the development of the East Lothian Workforce Plan with support from PF and a workshop will be held late October/early November to finalise this.

1. **BREXIT update**

SS reported on the fast-moving political landscape and highlighted the European funding accessed by and available to the Council and East Lothian businesses and communities. Over the period 2014-20 around £414k is the grant available for delivery of the Business Gateway Plus programme and around £750k for delivery of a range of employability interventions through ELWorks. Also, the Tyne/Esk LEADER programme and the Forth Fisheries Local Action Group have budgets of £3.14m and £1m respectively as grant support.

JF asked about the percentage of council employees applying for settled status and GC said that it is his understanding that around 20% of those eligible have applied for settled status.

SS said that the Council has established a BREXIT working group that has reconvened after a short break. AL commented on anticipated rising prices for construction materials and the impact this would have on growth ambitions. The emerging Workforce Plan will consider labour market issues.

EM said that Scottish Enterprise is working with Scotland Europa on a position paper on the Shared Prosperity Fund priorities. Other relevant issues are the Scottish National Investment Bank, the value of the £ and the Rural Development Fund 5-year transition consultation.

1. **Update on major projects**

* ESESCRD – IRES

AL reported that all seven business cases have been approved and SS said that the Integrated Employer Engagement project has now appointed a lead. AL referred to the upcoming reflections’ workshops providing the opportunity to take stock and encourage collaboration. It is important to ensure local benefit, continued wide reach and mainstream spending is influenced.

* ESESCRD – QMU

AL said that the supply and demand analysis has been commissioned and will inform the final full business case due by Easter 2020. The University has a new principal, Sir Paul Grice. The junction project is progressing though Planning.

* Cockenzie

AL reported on early discussion with Forth Ports on a joint port study and is hopeful that this can be concluded by end 2019. It is important to consider what is feasible and what can add value. Scottish Enterprise continues to provide input and guidance.

* Blindwells

Technical work in and around Blindwells and Cockenzie continues. JF said that at a recent Rail Partnership meeting there was mention of a national study of rail infrastructure. JMM commended the effective officer engagement with landowners to reach this stage.

1. **Any other business**

None

Meeting dates 2019: Wednesday 4 December, Haddington