

Perth and Kinross LDP3 2027- Evidence Report

TOPIC PAPER NO. 029: Tourism

July 2024



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1 Introduction

This topic paper sets out the key information relating to tourism which will be covered by the Perth and Kinross Local Development Plan 3, as required under the provisions of Section 16B of the Act¹. It will, alongside a range of other topic papers, contribute towards the preparation of the Council's Evidence Report, which is programmed to be submitted to the Scottish Government's Planning and Environmental Appeals Division during November 2024 for the 'Gatecheck' process.

The purpose of an Evidence Report is to provide the local authority's interpretation of the evidence it has gathered and the likely implications of that evidence for the preparation of the LDP. The Report will provide a summary of what the evidence means for the plan, rather than contain all the detail of evidence collected.

1.1 Relevant Policies

This topic is covered by the following policies in National Planning Framework 4:

- Policy 30: Tourism

1.2 Legal and National Policy Requirements / Expectations

In line with the requirement of the Act, this paper will provide important background information for the Plan area regarding:

- the principal physical, cultural, economic, social, built heritage and environmental characteristics of the district; and
- the principal purposes for which the land is used.

Under this policy NPF4 expects LDPs to:

- Support the recovery, growth and long-term resilience of the tourism sector.
- Include a spatial strategy identifying suitable locations which reflect opportunities for tourism development by taking full account of the needs of communities, visitors, the industry and the environment.
- Include a spatial strategy which identifies areas of pressure where existing tourism provision is having adverse impacts on the environment or the quality of life and health and wellbeing of local communities, and where further development is not appropriate.

¹ The Town and Country Planning (Scotland) Act 1997, as amended by the Planning (Scotland) Act 2019

1.3 Perth and Kinross Council Corporate Plan 2022-2027

This topic paper links to the following priorities from the Corporate Plan:

- tackling climate change and supporting sustainable places,
- developing a resilient, stronger and greener local economy, and
- working in partnership with communities.

There is a particular need to consider how the LDP can contribute to the following key action from the stronger and greener economy priority:

- Support and promote business growth, business and place innovation and investment in both our urban and rural areas

1.4 Abbreviations used in this topic paper

ASSC	Association of Scotland's Self-caterers
LLTNP	Loch Lomond and the Trossachs National Park
STA	Scottish Tourism Alliance
STEAM	Scottish Tourism Economic Activity Monitor
STL	Short-term let

1.5 Data links

Links to data	Relevance of data and why it is required to inform the Proposed Plan
Scotland Outlook 2030 Responsible Tourism for a Sustainable Future	National strategy for a tourism industry which benefits everyone who lives, visits and works in Scotland.
Tay Cities Region Tourism Strategy 2019-2024	Regional strategy for collaborative working to strengthen tourism in the area ensuring regional and seasonal spread (to be replaced by the forthcoming Tay Cities Regional Economic Strategy).
Perth and Kinross Economic Wellbeing Plan 2020-2028	Assesses the economic impact at local level of the covid pandemic and identifies the short, medium and long-term measures designed to support and stimulation of economic activity, boost productivity and competitiveness, improve connectivity, and ensure that improvements are targeted at those most affected by the economic crisis. This will be replaced by a new economic plan for Perth and Kinross which is currently in draft form.

Links to data	Relevance of data and why it is required to inform the Proposed Plan
Perthshire Tourism Action Plan 2021-2025	Local level strategy designed to complement the national and regional strategies, and consider the wider, longer-term trends and drivers for the tourism industry. Focused on responsible tourism.
Visit Scotland Research and Insights on Tourism in Perthshire – Perth and Kinross Factsheet	Provides a summary of statistics on tourism in the Perth and Kinross region. This is the last factsheet produced by Visit Scotland and was pre-covid (2019).
Perth and Kinross STEAM Tourism Economic Impacts Report and Summary for 2012-2023	Tourism economic impact research for 2023 for Perth and Kinross generated using STEAM, a tourism specific economic impact model.
Visit Scotland Visitor Management Plan	Identifies Highland Perthshire as a key hotspot area.
Visitor Management in Rural Areas Report to Environment and Infrastructure Committee 28 Oct 2020	Report sets out the actions taken to respond to increases in visitor numbers in rural areas as a result of covid-19 related travel restrictions, and proposals to prepare for future challenges and opportunities presented by increases in visitor numbers.
Short-term Let Control Area: Proposals for Consultation Report to Environment, Infrastructure and Economic Development Committee 31 May 2023	Report sought approval to consult on the principle of introducing a short-term let control area for parts of Perth and Kinross.
Scottish Tourism Alliance Recovery of Scotland's Tourism Sector Key Findings	Provides an industry perspective of challenges businesses are facing in a national context.
ASSC Survey: The Impact of Scottish Government Regulations on Business	Provides an industry perspective of challenges businesses are facing specifically in relation to short-term let regulations.
Tay Forest National Park Evidence Report	Sets out factual evidence to support the preparation of the bid proposal for a Tay Forest National Park.

2 Information Analysis

This section sets out the evidence which is needed so that the Proposed Plan can address the issues raised in the Act and in NPF4 and identifies any gaps or uncertainties in the evidence.

2.1 Tourism in Perth and Kinross

2.1.1 Visit Scotland Research and Insights on Tourism in Perthshire

The Perth and Kinross Factsheet provides data up to 2019 which was pre-covid. No further updates have been produced. Up to 2019 there was a growth in overnight tourism particularly from English and overseas visitors. Headline statistics are:

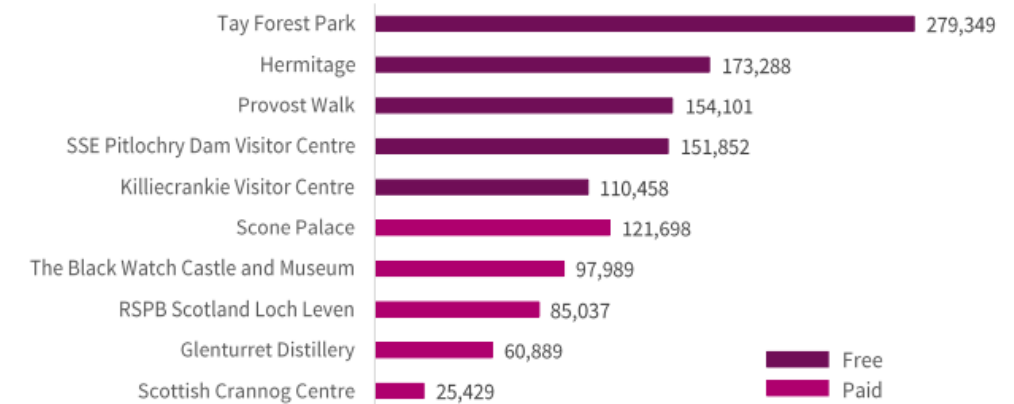
- 620,000 overnight trips to Perth and Kinross by International and domestic visitors
- 3.1m day trips by domestic visitors
- 2.1m nights were spent in accommodation by domestic and international visitors
- total spend by visitors of £286m

Most Popular Activities Undertaken as Part of a Day Trip, Perth & Kinross: 2016-18 Average Annual Figures (Number of Day Trips in Millions)



Source – The Great Britain Day Visits Survey and published in Visit Scotland Perth and Kinross Factsheet 2019

Top Five Free and Paid Visitor Attractions in Perth & Kinross (with Visitor Numbers), 2019



Source – Moffat Centre Visitor Attraction Monitor, Glasgow Caledonian University, 2019 and published in Visit Scotland Perth and Kinross Factsheet 2019

2.1.2 Perth and Kinross STEAM Tourism Economic Impacts Report and Summary

Accommodation type	2023 Establishments	2023 Beds	Change in Establishments 2022 - 2023	Change in Beds 2022 - 2023	Change in Establishments 2012 - 2023	Change in Beds 2012 - 2023
+50 rooms	17	3,703	+1	+314	-2	-192
26-50 rooms	16	1,214	0	0	-4	-257
<26 rooms	77	1,514	+10	+73	-59	-453
Guest houses / B&Bs	55	796	-7	-74	-79	-773
Total serviced accommodation	165	7,227	+4	+313	-144	-1,675
Self catering	244	8,075	-38	-314	-125	+583
Touring / camping	48	5,637	-1	-699	+19	+1,443
Total non-serviced accommodation	292	13,712	-39	-1,013	-106	+2,026

Source: STEAM report for 2012-2023

2023 statistics (figures in brackets show change from 2022):

- 2.3m tourism visits (up 15%)
- 1.5m visits by visitors staying in the area (up 12%)
- 4.9m visitor days and nights generated (up 1.5%)
- Average stay of 2.7 nights (down from 3.1)
- £165m spent on local accommodation (down 4.5%)
- 0.8m tourism visits by day visitors (up 21%)
- £703m generated directly and indirectly within the local economy (up 8.8%)
- £62m generated from day visits (up 37%)
- £641m economic impact from staying visitors (up 7%)
- More than 8,200 full time equivalent jobs generated locally (up 1%)

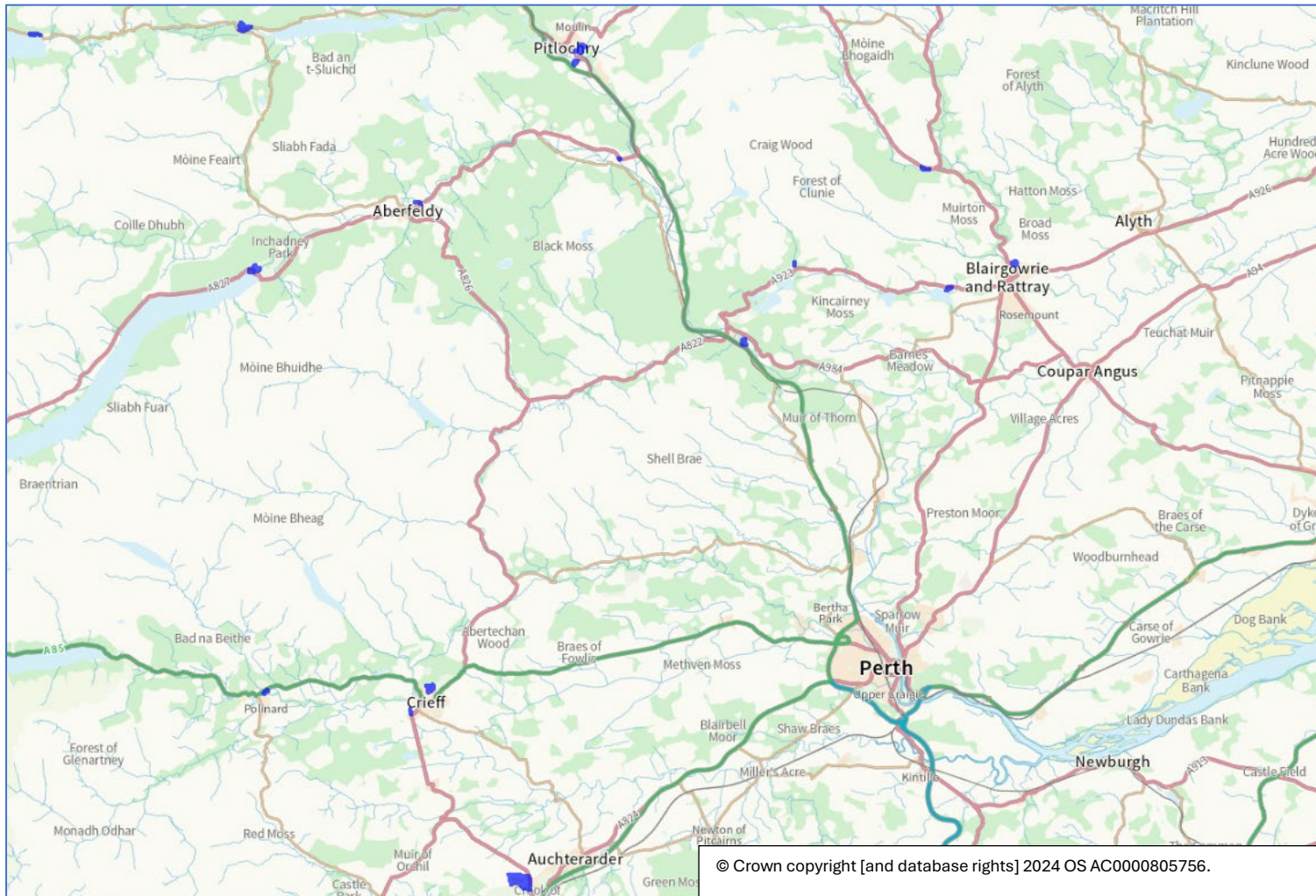
Trends 2019-2023:

- +9% economic impact
- Staying visitor numbers returned to pre-covid levels
- -9% total visitor days and nights

In 2023, 1.5m visitors stayed in accommodation within the area. Visitor numbers staying in serviced accommodation increased by 18% over the year and is now 3% above pre-covid 2019 figures. Visitors staying in non-serviced accommodation grew 7% over the year and is now -6% below pre-covid levels. The day visitor sector grew by 21% in 2023 but is still -11.5% below pre-covid levels.

2.1.3 LDP2 Tourism sites

LDP2 identifies those areas which are currently in tourism use.



Source: Perth and Kinross LDP2

2.1.4 Existing and Proposed National Parks

Parts of the Perth and Kinross Council area fall within the two National Parks. A small area at St Fillians falls within the Loch Lomonds and the Trossachs National Park. A larger area of northern Perthshire falls within the Cairngorms National Park. Tourism is vital to Scotland's National Parks. In the Cairngorms, for example, tourism accounts for 30% of the economy and 43% of employment.

A bid is currently with Scottish Government to create a new national park for the Tay Forest area. This would adjoin the existing Cairngorms and LLTNP to the north and southwest and include the main Highland Perthshire settlements of Aberfeldy, Pitlochry, Dunkeld, Birnam, Crieff and Comrie.

Gaps or uncertainties in evidence relating to Tourism in Perth and Kinross

Lack of up-to-date data is an issue. For example, the Visit Scotland Factsheet data is pre-pandemic. More recent data is, however, currently being reviewed by Visit Scotland to establish what can be produced at a regional. Any updated information will help inform the proposed plan.

2.2 Strategies relating to Tourism

2.2.1 Scotland Outlook 2030 Responsible Tourism for a Sustainable Future

The national tourism recovery programme recognises that the role of tourism has changed as a result of the climate crisis, advances in technology, the exit from the European Union, and changes in consumer behaviour. It sets out a vision of 21st century tourism as an industry which 'can and will benefit every person who lives in Scotland, visits Scotland and works in Scotland'.

Key factors which will influence the long-term growth, development and success of the tourism industry are identified as:

- Our Environment – tourism has contributed to the climate emergency and has become vulnerable as a result. Action is needed now to halt further decline, reverse damage and bring about long-term change.
- Impact of technology – the use of technology impacts on every aspect of tourism and results in a greater need for all businesses across Scotland to be better connected digitally.
- Tomorrow's traveller – changes in technology, society and consumer behaviour have resulted in new attitudes including an increase in ethical travel with people making decisions based on conscience and perceived impact.

The national vision is for a tourism sector which:

- makes a full contribution to the national ambition to become net-zero by 2045,
- leads to improved community wellbeing and nurtures thriving places, and
- delivers shared prosperity for all, by encouraging the right growth in the right areas.

Achieving this will require a number of 'conditions for success'. This includes an understanding and acknowledgement of the potential contribution that tourism can deliver with the right policy and regulatory landscape in place to support the vision of 21st century tourism.

2.2.2 Tay Cities Region Tourism Strategy 2019-2024

Strategic objectives are identified as:

- growing the value of overnight stays
- improving the all-round experience for visitors
- addressing common challenges such as connectivity, accessibility, seasonality and productivity

The regional approach to tourism development is identified as:

- strengthening the product offer in a way that capitalised on the strengths as a region and contributes to sustainable growth across the region
- complementing and enhancing local identity and the process of local destination development

- being industry-led with opportunities for businesses of all sizes to be involved in decision-making and implementation

Tourism businesses across the region highlight that visitors are: online everywhere, international, taking short breaks more often, looking for authentic experiences, caring more about the impact of their visit, and wish to explore on the open road.

At a regional level three particular strengths were identified which connected the whole region – culture and the creative industries, food and drink, and outdoor adventures. The strategy sets out priorities for action relating to each of these.

2.2.3 Perth and Kinross Economic Wellbeing Plan 2020-2028

The Perth and Kinross economy had experienced growth up until the pandemic with higher-than-average employment rates, very low unemployment, and higher than the national level increases for VAT business registrations. Tourism revenue had also grown with tourism related employment accounting for 13% of the total workforce. It was highlighted that the Council and its partners would need to intervene and support recovery and growth post pandemic with a need to make a swifter transition to a digital economy, to plan for clean growth and to support businesses to become more future focused.

Programme themes for the Wellbeing Strategy include:

- Enhanced connectivity with a more rapid move to full-fibre broadband, and development of more active travel options

- A focus on fewer but more ambitious projects such as the Perth Eco Innovation Park
- Maximising the economic opportunities of clean growth
- Planning for change in our city, town and neighbourhoods through a post covid lens

2.2.4 Perthshire Tourism Action Plan 2021-2025

The Plan identifies the strategic issues of relevance for Perth and Kinross include:

- Environmental impacts and climate change – the move to net zero carbon economy by 2045 will have wide-reaching impacts on the tourism industry. There is now greater awareness of the environmental impacts of tourism with particular concerns relating to the impact of the growing motorhome / campervan market, freedom camping and other traffic and waste concerns. The Strategy's action plan outlines developing a sustainable and responsible approach to tourism growth and implementing visitor management measures.
- Changing regulatory environment – including powers to develop a 'tourism tax' and legislation on short-term lets.
- Employment and skills – the challenges of attracting and retaining staff particularly in the hospitality sector post Brexit.

Prior to the pandemic 89% of visitors to Perthshire were from the UK market and of that 65% were Scottish residents. The remaining 11% of visitors were international and there was a focus to grow the number of visitors from the USA, Canada and Germany. Post lockdown the domestic market has been the first to return but with a shift in behaviours including:

- Need for greater reassurance on safety
- Car becoming the preferred mode of travel
- Shift towards outdoor produces and activities and demand for outdoor space

The Action Plan looks to target the domestic visitor focussing on encouraging day trippers, staycations, workcations and growing the length of stay. To do this includes an aim to maximise the extra capacity across the area. Opportunities are identified as:

- Touring and slow adventure – the preferred mode of travel is car but the longer-term aspiration is to encourage more active modes of travel and use of public transport. Encouraging visitors to explore alternative routes will help distribute traffic and a focus on supporting investment in motorhome and camping infrastructure should supporting the appeal to tourers / fly drive.
- Responsible tourism – a growing emphasis on minimising environmental impacts and maximising local benefits. The current approach to visitor management in the rural areas will see further investment and community involvement in visitor infrastructure.

- Active, nature and wellness – consumer demand for nature and experiencing the outdoors brings opportunity to build on current strengths such as the area’s outdoor assets.
- Heritage, arts and culture – maximise opportunities from recent and future investment e.g. in Perth City Centre and Pitlochry Festival Theatre.
- Local food and drink – opportunities to strengthen the area’s reputation as a food tourism destination.

Gaps or uncertainties in evidence relating to strategies

Both the Tay Cities Region Tourism Strategy 2019-2024 and the Perthshire Tourism Strategy have either reached or are nearing the end of the time periods they were prepared to cover. A new Tay Cities Regional Economic Strategy is currently being developed, as is a new economic plan for Perth and Kinross. These will help inform the preparation of the Proposed Plan.

2.3 Needs of Communities, Visitors, the Industry, and the Environment

In relation to this topic the Act requires information for the Plan area regarding the principal physical, cultural, economic, social, built heritage and environmental characteristics of the district, and the principal purposes for which the land is used. In this regard the information below supplements the information already set out in the Plan Area Topic Paper.

2.3.1 Report on Visitor Management in Rural Areas

In 2020 the number of visitors to many rural areas rose dramatically. The sheer volume of visitors created pressures in these areas as well as the issue of ‘dirty camping’. There is a difficult balance between ensuring open access to the countryside and implementing the restrictions advocated by residents and communities to curb inappropriate behaviour.

The main concerns expressed by communities and residents during 2020 were:

- Substantial increase in vehicular traffic overlading popular destinations
- Inappropriate parking on roads preventing access for residents, farmers and emergency vehicles
- Litter and fly-tipping
- Damage to fields and trees
- Human waste not disposed of appropriately

- Unattended campfires
- Other anti-social behaviour through alcohol consumption

Managing the increased visitor numbers is recognised as a complex challenge, and one that communities, landowners and residents are well placed to identify solutions to. A review of communities' and officers' experience from the 2020 season identified the main hotspot areas for future priority action as: Clunie Loch, Foss Road, Rannoch, Schiehallion, St Fillians and south Loch Earn, and Kenmore and Loch Tay. Highland Perthshire is also identified as a key hotspot area by Visit Scotland as referenced in their Visitor Management Plan.

A need to work at a strategic level with local and national partners was recognised to ensure a coordinated approach to visitor management. Based on community and Council officer feedback the proposed priority issues for infrastructure were identified as parking, toilet provision, litter, wastewater and toilet waste disposal points for camper vans and motorhomes.

2.3.2 Tay Forest National Park bid submission

In preparing the bid for the Tay Forest National Park submission an overview was given of tourism and visitor management issues within the proposed national park area. The area attracts many visitors and tourism is key to the local economy, but the area also faces issues associated with high visitor pressures. During the public consultation communities identified the following key issues:

- Limited access to public transport with a large number of communities ranking in the top 10% most deprived in terms of geographic access to services – any increase in visitor numbers needs to be coupled with improved public transport connectivity, frequency and reliability.
- Certain settlement centres and key attractions are pressure points which experience greater effects of high visitor numbers.
- A lack of housing for local workers including hospitality / seasonal workers with some businesses unable to operate at full capacity due to lack of available staff.
- The adaptability and resilience of local business to change. Recent challenges include rising energy prices, the cost of food and supply chain, and the cost-of-living crisis affecting people's ability to afford holidays.

Designation as a national park would bring investment into the area which could help support the provision of new and enhanced infrastructure in the area such as public toilets, parking, camp sites and recreational facilities. The outcome of the national park bid should be known over the summer.

2.3.3 Short-term Let Control Area: Proposals for Consultation

This report sought approval to consult on the principle of introducing a short-term let control area for Highland Perthshire and part of Eastern Perthshire.

The report highlights that increased competition in the residential market, including competition from buyers for second homes and

short-term lets operating as a business, can impact on the availability and affordability of houses for local people and to provide homes for staff to support rural businesses and public sector services. Short-term lets are, however, also recognised as an important part of the visitor economy which encourage spend locally.

Communities have referred to second homes and short-term lets as an issue in Local Housing Needs Assessments for:

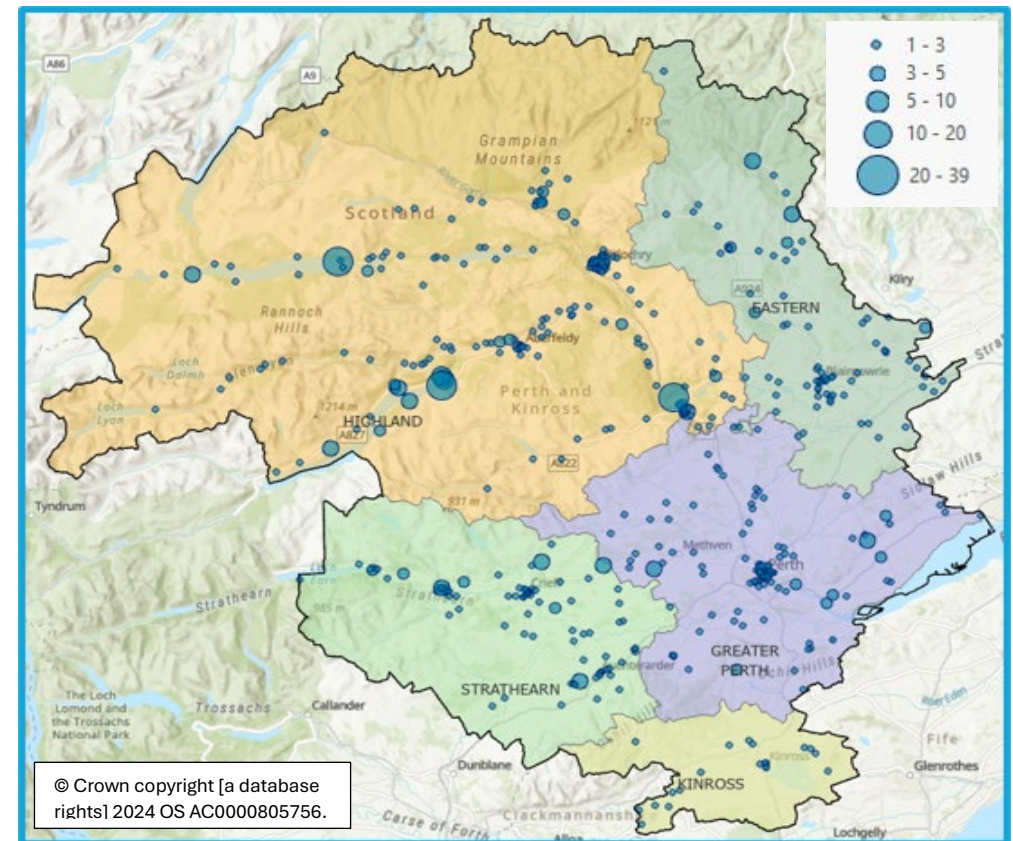
- Pitlochry
- Dunkeld and Birnam (PH8 area)
- Aberfeldy, Weem, Strathtay, Grandtully, Logierait and Ballinluig
- Mount Blair Community Council area
- Comrie Community Council area

New planning legislation allows for Council's to designate short-term let control areas. There are, however, limitations and risks to seeking to manage short-term lets through the planning system:

- The legislation only allows for the control of short-term lets and not second homes, empty homes, or purpose-built holiday accommodation
- Short-term lets contribute to the operation of the tourism industry which is a significant economic driver in some parts of Perth and Kinross
- A control area will not necessarily result in significant number of residential properties coming back onto the market – they may instead revert to a second home

Analysis indicated that Highland Perthshire and the northern part of Eastern Perthshire have relatively high concentrations of self-catering and second homes. These areas coincide with the communities that have been identifying pressure on housing, business opportunity and service provision in combination with falling school rolls.

Distribution of licenced short-term lets



Source: Perth and Kinross Council Licencing Scheme

2.2.4 ASSC Survey: The Impact of Scottish Government Regulations on Business

531 businesses responded to the survey carried out in April 2024. 50% of respondents were in a rural or island location and 50% of respondents had just one property. Key results included:

- 77% said the STL regulations had had a negative impact on their operations
- 64% said the regulations had adversely impact on how their business was perceived by the public
- 46% do not consider that the underlying policy objecting of the licencing scheme to improve health and safety had been met
- 70% considered that the policy has failed on addressing anti-social behaviour and residential amenity
- 88% do not believe the regulations have transferred more housing stock to residential use

2.3.5 STA Recovery of Scotland's Tourism Sector Key Findings

The STA is the largest member organisation for tourism and hospitality businesses in Scotland. A survey of 744 businesses in 2022 highlighted that the top three challenges facing businesses were rising energy costs, an increase in supplier costs, and recruitment and staffing.

60% of hotels, 43% of visitor attractions and 45% of bars, pubs, restaurants and takeaway businesses responding said that they were unable to trade to their optimum and efficiently as they would

like with the level of staff they currently have. Barriers to recruitment included a lack of available staff wanting and able to work, UK immigration policy / Brexit, and a negative perception of the industry. Barriers to retaining staff included business seasonality and for many businesses their inability to pay more competitively.

Improving infrastructure and transport, refraining from introducing policies which seek to impose further tax on businesses and tourist, and the need to improve the quality of the visitor experience were the top three things businesses listed that Scotland needs to do to be a more globally competitive tourist destination.

Gaps or uncertainties in evidence relating to needs

The Report on Visitor Management in Rural Areas dates from October 2020 and it is not known the extent to which the concerns expressed by communities and residents at that time are still an issue. The Council did, however, carry out a 'Big Place Conversation' exercise to kick start the LDP3 process across Perth and Kinross communities during most of 2023. This was a substantial exercise involving over 100 events throughout the Council area. The events ranged from drop-in information sessions, meetings, and online surveys to workshops and online sessions using the Place Standard Tool to capture the views of local communities about different aspects of their places. There were also targeted sessions held with schools, service user groups, and minority groups. The Place Standard tool includes a section on traffic and parking. This can instigate discussion around whether there are areas that a lot of people go to in good weather than cause traffic or parking problems.

The results of the Big Place Conversation will be summarised as part of a separate report on the outcomes and findings across the different locality areas. This summary of the results, and the identified place-based actions to be taken forward as part of the development of the Proposed Plan, will be provided as part of LDP3's Evidence Report under the required statement of steps taken by the Council in preparing the report to seek the views of various stakeholders, as prescribed by the Planning (Scotland) Act 2019.

Whilst the ASSC and STA surveys provide a useful picture nationally, only around 7% of respondents (33 responses and 49 responses respectively) came from Perth and Kinross businesses.

3 Implications for Proposed Plan

The initial implications of the evidence for the Proposed Plan which have been identified so far are set out below. This will be revised and updated following consultation on this Topic Paper.

The tourism industry is a significant economic driver in Perth and Kinross. As the evidence above highlights, however, the Proposed Plan will need to strike a balance between supporting the recovery and future growth of the sector against the existing and potential for adverse impacts on local communities and the environment of accommodating that recovery and growth.

To meet the requirement of NPF4 the LDP spatial strategy will need to identify suitable locations which reflect opportunities for tourism development. The current LDP2 identifies areas that are already in tourism use within settlements. For example, caravan sites, holiday lodges, holiday parks, and larger hotels. This will be reviewed through the settlement audits to be carried out to inform the Proposed Plan.

LDP3 will also need to consider how to spatially identify opportunities for tourism development which lie outwith settlements taking account of needs of communities, visitors, the industry and the environment. In this respect the data above identifying those areas which are already under pressure will help inform the spatial strategy in terms of identifying both areas of opportunity and those areas where further development is not appropriate. Given that a key appeal of Perth and Kinross is the scenery and landscape, information set out in the Plan Area paper

on those areas with environmental designations such as National Scenic Areas and Wildland Areas will help inform this process.

Although much of the draw in Perth and Kinross is to countryside areas, consideration also needs to be given to opportunities within settlements, particularly in relation to the scope to build on heritage, arts and culture opportunities with the towns and city as identified in the Perthshire Tourism Action Plan.

The Proposed Plan will need to consider whether there is a requirement for a local policy response to help ease identified pressures, particularly on communities and the environment.

4 Stakeholder Engagement

Feedback is sought on this Topic Paper on whether stakeholders and other interested parties agree with evidence which we intend to use to prepare the Proposed Plan as set out above.