

Scottish Enterprise

Mackintosh and Merchant City Projects Review

Final Report



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CONTENTS

1	INTRODUCTION.....	1
2	STRATEGIC FIT	2
	2.1 Introduction.....	2
	2.2 Government Economic Strategy	2
	2.3 Scottish Enterprise	2
	2.4 Glasgow’s Tourism Strategy to 2016	2
	2.5 Glasgow Tourism Action Plan to 2016	3
	2.6 Destination Glasgow Plan.....	4
	2.7 Interim Evaluation.....	4
	2.8 Tourism Context	4
3	MERCHANT CITY.....	5
	3.1 Introduction.....	5
	3.2 Impact, Monitoring and Evaluation.....	5
	3.3 Delivery Process.....	13
	3.4 Project Learning	14
	3.5 Strategic Rationale	19
	3.6 Key Achievements.....	21
	3.7 Merchant City - Options for the Future.....	21
4	MACKINTOSH	27
	4.1 Introduction.....	27
	4.2 Impact, Monitoring and Evaluation.....	27
	4.2 Delivery Process.....	34
	4.3 Project Learning	35
	4.5 Strategic Rationale	37
	4.6 Key Achievements.....	40
	4.7 Mackintosh – Options for the Future.....	40
5	RECOMMENDATIONS FOR SE	45

APPENDICES

Appendix 1 – Tourism Context

Appendix 2 – List of Consultees

1 INTRODUCTION

- 1.1 Roger Tym & Partners (RTP) was commissioned by Scottish Enterprise (SE) in December 2010 to carry out a review of Scottish Enterprise's support to Mackintosh Heritage and Merchant City development projects.
- 1.2 The aim of the review is to enable SE to establish the overall success, through the assessment of outputs and outcomes from the two tourism product development projects. The two projects have been funded through SE's Destination Glasgow activity, being delivered between November 2008 and March 2011.
- 1.3 The findings from the review are to be used to:
 - Inform SE's appraisal and decision on future support to both groups
 - Potentially form part of the case for ongoing approval
 - Inform the thinking on future delivery and longer term sustainability
- 1.4 The study has been carried out as a combination of desk research and consultation.
- 1.5 The desk research included working through policy documents, approval papers, quarterly reports from the projects outlining milestones achieved, economic impact studies, evaluations and monitoring information.
- 1.6 Consultation was carried out with SE project managers, group managers and Board members, public sector consultees (who are responsible for tourism policy across Glasgow) and business beneficiaries. RTP carried out almost all of these consultations face-to-face; a small number were conducted by telephone. Questionnaires were agreed with SE for stakeholders and business beneficiaries, which were used as prompts for the consultation. In addition, RTP attended a future outlook workshop co-ordinated by SE for the Merchant City Tourism and Marketing Co-operative. Consultation results are included in the topic areas as appropriate.
 - Chapter 2 sets out the strategic context within which the projects fit.
 - Chapter 3 presents findings and options for the Merchant City project.
 - Chapter 4 presents findings and options for the Mackintosh project.
 - Chapter 5 sets out recommendations for SE in future projects.

2 STRATEGIC FIT

2.1 Introduction

- 2.1 This section sets out how the Merchant City and Mackintosh projects fit within the strategic policy context.

2.2 Government Economic Strategy

- 2.2 The Government Economic Strategy (GES) sets out how the public sector will support businesses and individuals to ‘create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.’ The strategy highlights that Scotland’s relatively low level of productivity is a consequence of shortfalls in enterprise, innovation and investment.

2.3 Scottish Enterprise

- 2.3 The focus of SE’s Business Plan for 2008-11 is to strengthen Scotland’s position in the following areas:
- Enterprise: responsive and focused enterprise support, helping growth companies and industries to reach their full potential.
 - Innovation: stimulate innovation to support business growth including exploiting new products, processes and technologies.
 - Investment: helping to create the right conditions for growth companies and industries to have access to property, markets and finance to help them grow.
- 2.4 Tourism has been identified as a key sector supporting delivery of SE’s Business Plan and the GES. SE priorities in tourism include leadership development, product development, innovation and destination development. These priorities are used as a framework for considering the success of the projects in later sections.
- 2.5 SE’s Tourism Destination Strategy focuses on locations in Scotland where they have the most impact in increasing tourism spend through investment which is market-driven and is capable of positioning Scotland as an internationally competitive destination. Glasgow has been identified as one of SE’s key tourism destinations.

2.4 Glasgow’s Tourism Strategy to 2016

- 2.6 SE, together with public and private partners, has developed a Glasgow Tourism Strategy and Action Plan to 2016. The vision of the strategy is for metropolitan Glasgow to achieve sustained and sustainable growth in its tourism sector. The minimum target is to deliver growth of 60% in tourist revenue by 2016, with an ultimate target of 80%.

Merchant City

- 2.7 The strategy acknowledges that the full tourism potential of the Merchant City has not been realised and its short to medium term priorities are to make the most out of its existing assets, including restaurants, galleries, the City Halls, Old Fruitmarket and niche shopping. This aims to increase the number of tourists visiting the Merchant City.

- 2.8 The strategy aims to build on the ongoing programme of regeneration within the Merchant City and suggests projects such as protecting and opening significant historic buildings to the public will add to the area's attractiveness to tourists.
- 2.9 The strategy also aims to create new tourist attractions and develop cultural spaces to continue to grow the Merchant City tourism sector, as well as supporting business development. Specifically, the strategy suggests the area's cultural interest and diversity should be maintained and enhanced by continuing to attract speciality, indigenous and independent proprietors.

Mackintosh

- 2.10 Whilst it is felt that the buildings, furniture, designs and artworks of Mackintosh are already a cultural asset for Glasgow, the strategy aims to maximise this potential. It aims to build on events, such as the Mackintosh Festival in 2006, which led to additional visits and spend, and carry out long-term strategic planning to fully maximise the potential of the Mackintosh legacy. The strategy suggests that delivering projects such as the Glasgow School of Art Conservation and Access project and a successful targeted marketing campaign will help to achieve this.

2.5 Glasgow Tourism Action Plan to 2016

- 2.11 The Action Plan sets out goals and updates for Mackintosh and Merchant City attractions.

Merchant City

Merchant City Action Plans

Goal: To implement the Merchant City Tourism and Marketing Co-op Action Plans to increase business collaboration, enhance tourism products and events within the Merchant City area and develop new marketing and promotional activities.

2009 Update: These plans are being carried out by the Merchant City Marketing Group. Funding has been secured from the Growth Fund for the development and implementation of the web and social media strategy.

Mackintosh

Mackintosh Development Plan

Goal: To realise the goals of the published 5 year Mackintosh development plan to increase audiences and create new visitor experiences. The lead for this was taken by the Mackintosh Heritage Group.

2009 Update: In 2009, there were a number of Mackintosh related events to celebrate the 100th anniversary of the completion of the Glasgow School of Art. Events included themed Mackintosh bus and walking tours and a number of exhibitions across the city. These events corresponded with the first ever Scotland Homecoming year.

World Heritage Site

Goal: Glasgow City Council to work towards creating a Mackintosh World Heritage Site.

2009 Update: Work is currently ongoing to put together a new UNESCO World Heritage Site bid.

2.6 Destination Glasgow Plan

- 2.12 In response to the Glasgow Tourism Strategy to 2016, SE has developed a 3 year Destination Glasgow Plan. The overall aim of the Plan is to maximise Glasgow's tourism opportunities, particularly focusing on key product areas including Merchant City, Charles Rennie Mackintosh and Clyde Waterfront.

2.7 Interim Evaluation

- 2.13 An interim evaluation and assessment of future growth potential of SE's Tourism Destination Development has been carried out. This suggests that the partnerships that exist within Glasgow's tourism offer need to be public sector-led, as the industry has insufficient time and resources to manage and deliver the strategy, and there would be insufficient individual business benefits to doing so. The report also highlights gaps in research carried out for visitor experiences and benchmarking against other cities, as well as lack of information being passed on to the private sector from research that is carried out.
- 2.14 Suggested improvements include:
- Strengthen private sector involvement at a strategic level
 - Improve market intelligence and disperse this more effectively to the private sector
 - Clarify information provided to the public on what the city has to offer

2.8 Tourism Context

- 2.15 The Merchant City and Mackintosh projects were approved in March 2008, just before the start of the banking crisis and subsequent recession. The changing economic situation has impacted the tourism industry, reflected in increasing numbers of UK residents choosing to holiday in Scotland rather than travel abroad. On average these visitors have tended to stay for longer periods of time, but have spent less money. Further details are set out in Appendix 1.
- 2.16 This changing tourism context is important in understanding the implications of the SE support to the two projects. For example, businesses in the Merchant City and Mackintosh attractions are now working in a much tighter economic environment, where visitors are more careful about how they spend their money.

3 MERCHANT CITY

3.1 Introduction

- 3.1 This chapter sets out information and findings about the Merchant City project, looking at:
- Impact, Monitoring and Evaluation
 - This section sets out the objectives of the project, as set out in the Approval Paper and 5 Year Plan, and how the project was supposed to be monitored and evaluated. It goes on to assess the monitoring and evaluation that took place.
 - Delivery Process
 - This section sets out findings from the consultation about the delivery process.
 - Project Learning
 - This sets out aspects considered to be successful by the consultees and areas where improvements could be made.
 - It also considers similar projects elsewhere and lessons that may be learned.
 - Strategic Rationale
 - This looks at the rationale for public sector intervention for the project, and examines the extent to which this rationale still exists.
- 3.2 Each section is summarised with conclusions and recommendations for future projects.
- 3.3 The final section sets out options for the future, considering benefits, risks, partners involved, SE's role and how the suggestions fit to the recommendations made earlier in the chapter.

3.2 Impact, Monitoring and Evaluation

- 3.4 This section sets out the objectives laid out at the start of the project, the monitoring that was to be used and any evaluation and monitoring that has actually taken place. It also includes the consultees' views on the monitoring and evaluation in terms of effectiveness, problems and strengths.

Requirements

- 3.5 The Approval Paper listed project opportunities:
- Raising awareness of the Merchant City and its various attractions.
 - Increasing footfall throughout the area, especially during the day
 - Improving the infrastructure and visitor experiences in the area to encourage repeat visits.
 - Increasing the available range of activities to encompass a wider range of age, gender, social and ethnic groups
- 3.6 The Approval Paper also identified the key areas of activity likely to have the biggest and most long lasting effect on the area. These include:

- A co-ordinator to deliver a website, marketing materials, press and pr opportunities to attract new visitors to the area.
- A range of events and conferences which will showcase the achievements of the area, and serve to positively promote the Merchant City as a vibrant, independent destination.
- Regular markets such as the Organic Food Fair and seasonal markets which will position the Merchant City as a day time location for visitors and promote the area as having a unique selling point for tourists.
- New collaborative products and experiences which provide the visitor with opportunities to spend more time in the area and return.

3.7 The objectives are listed as to:

- Compile a baseline of visitors to the Merchant city to enable annual comparison.
- Increase awareness of the Merchant City to visitors by employing a marketing coordinator to run marketing campaigns, developing a website, marketing materials, branding, and collaborative opportunities.
- Organise and deliver a learning journey to another City with similar heritage and attractions such as the South Bank in London, or the Marais in Paris.

3.8 These are reiterated in the Merchant City Action Plan (2008-2013), which goes on to list the key actions as to:

- Formalise structure of the MCMTC and develop an Action Plan
- Plan a programme which exploits and optimises events taking place in the Merchant City
- Develop enhanced visitor experiences based on key strengths
- Development of website promotion and marketing materials
- Increased community involvement

3.9 The quantifiable benefits in the Approval Paper are listed below.

Table 3.1 Quantifiable Benefits, Approval Paper

<i>Number of:</i>	2007 Actual	2008 Target	2009 Target	2010 Target	Total
Visitors	1.1m	2%	3%	3%	8%
Percentage of visitors to Glasgow with awareness of Merchant City	26%	30%	40%	50%	+24% on 2007
Visitor attractions	32	33	33	34	34 (+2)
Increase in visitor spend	£15m	5%	5%	10%	20%
Number of Festivals and Fairs	2	3	3	3	11
New hotels	n/a	0	0	2	2

3.10 These were re-iterated in the 5 Year Plan, although the number of festivals and fairs was excluded.

- 3.11 For monitoring and evaluation, the Approval Plan suggests the Scottish Enterprise Glasgow funded study by SQW Associates in March 2008 (determining the economic impact of tourism in the Merchant City) and an earlier survey of tourists completed by Matthews Marketing in January 2008, would serve as a baseline from which to look at year on year growth. Independent surveys would be commissioned on an annual basis to measure growth and ensure the availability of reliable, comparable statistics.
- 3.12 The Action Plan 2008-2013 suggested monitoring using the following mechanisms:
- An economic impact study undertaken in 2007 by SEG to establish baseline (the SQW report)
 - A further study in 2012 by SE to measure the success of the Plan
 - Annual targeted visitor surveys
 - Footfall monitored over time, if able to tap into larger monitoring activity of the Merchant City development
 - Feedback from businesses on an annual basis
 - Reporting to SE, monthly budgeting report, quarterly update report with activities and milestones
- 3.13 The Action Plan sets out detailed actions for: group structure; external funding and resources; marketing; branding; communications' events; sustainability; and community involvement. It ultimately sets out the milestones by year.

Visit Scotland

- 3.14 The MCTMC also received funding (£60,000 in the bid) from Visit Scotland to fund 'Creating the Buzz', which helped the group to expand its social media presence and support to businesses in the Merchant City.

Monitoring and Evaluation Results

- 3.15 Consultees suggested that it is quite hard to define outcomes as the project is focussed on bringing businesses together and developing web marketing. However, actual monitoring and evaluation activity is examined below.

Annual Targeted Visitor Surveys

- 3.16 Annual targeted visitor surveys were not carried out as part of the monitoring. The MCTMC suggested that such studies were prohibitively expensive.
- 3.17 However, some visitor surveys were carried out as part of evaluations of large events, e.g. Glasgay! 2009. Whilst the MCTMC put some funding towards this event (£10,000)¹, the

¹ Details of support given to events are outlined below:

2008: Doors Open Day = £5,000; Glasgay! = £5,000; Merchant City Festival = £15,000; Organic Food Fair = £25,000; Total Grants = £50,000

2009: Doors Open Day = £5,000; Glasgay! = £10,000; Shindig = £10,000; Merchant City Festival = £15,000; Total Grants = £40,000

majority of funding was from elsewhere and so only a small proportion of the benefit can be attributable to the SE-sourced funding.

- 3.18 The economic impact study found there were 14,191 visitors to Glasgay! in 2009 (or 36,207 attendances of events). 49% had attended Glasay! the previous year and 81% wanted to attend the following year. Of those visitors not from the Greater Glasgow area, 77% were visiting solely or mainly to attend the festival. The gross expenditure amounted to £665,700, and estimated net expenditure amounted to £245,400.
- 3.19 Monitoring of Glasgay! 2010 found that there were 18,681 visitors to the festival. Very broadbrush estimates suggest gross expenditure was around £1.3m.
- 3.20 There has also been a study carried out for the Merchant City Festival 2010, but the results are not yet available.

Footfall survey

- 3.21 MCTMC provided the summaries of the footfall surveys carried out in June 2003, March 2006 and April 2009. These show a huge increase in footfall between 2006 and 2009 (data for 2003 is not comparable).

Table 3.2 Footfall Survey Counts, 2003, 2006² and 2009

	Location	July 2003	March 2006	April 2009
		weekly count	weekly count	weekly count
2	Bridgegate		2,680	12,880
3	66 Osborne St		7,910	22,248
5	4-12 Argyle St		148,130	147,280
6	186 Trongate		45,880	78,120
7	77 Trongate	41,860	34,730	90,440
8	Mercat Building	17,010	19,410	41,160
9	20 Brunswick St		3,560	29,960
10	Wilson St/ Hutcheson St		10,800	43,960
12	43 Virginia St		7,410	30,520
14	229 Ingram St	44,220	32,930	106,120
15	GOMA		52,770	150,080
17	Wilson St between Candleriggs + Brunswick St	12,670	8,540	59,920
18	131 Ingram St	15,040	14,150	75,320
21	Duke St High St		1,590	26,040
24	26 Bell St	8,750	9,320	93,800
TOTAL		NA	399,810	1,007,848

Source: Merchant City Tourism and Marketing Cooperative

- 3.22 The greatest increase in footfall was at the Gallery of Modern Art (+97,300), followed by 26 Bell Street (+84,500), 229 Ingram Street (+73,200) and Wilson Street (+61,200). These are likely to be related to specific developments in these locations. Overall, though, there has

2010: Doors Open Day = £5,000; Glasgay! = £10,000; Merchant City Festival = £15,000; Total Grants = £30,000

² The footfall provided for this study is different to that quoted in the SQW *Economic Impact of Tourism Projects in the Merchant City*, which suggested the count was 467,780 for March 2006 for a broader range of locations.

been a clear increase in the number of visitors, suggesting the location has become a more popular destination. The figures themselves, however, do not show the breakdown of visitors, between workers, residents, tourists etc.

- 3.23 The first two footfall surveys (2003 and 2006) were carried out by an external company. The 2009 survey was carried out by the Merchant City Initiative (MCI) on behalf of MCTMC. However, the exact methodology of the first two surveys was not passed on to MCI. The MCI spoke to consultants and the Museums section of Glasgow City Council to ascertain what a sensible methodology would be. They tried to replicate the 2003 and 2006 methodology as closely as possible, carrying out the work at a similar comparatively quiet time of year and counting at similar times of the day. They took 15 minute samples at 3 different times of the day (one am, one mid afternoon and one early evening) and then multiplied to get an approximate full day's count, then a full week.
- 3.24 The MCI pointed out that these counts can be open to large anomalies. Firstly, in comparatively quiet locations the count can be influenced by a small number of extra people passing a particular point. Other locations may be very busy at night but not during the day when the count took place. However, much of the data seems to be reasonable. For, example, Argyle Street's footfall was reasonably constant whilst there was a large increase in Wilson Street with the opening of Citation and hairdressers etc.

Doors Open Day

- 3.25 Figures were also collated in 2008 and 2010 to show the number of visitors to various attractions around the Merchant City. The information is set out in Table 3.3 below³.
- 3.26 The data is not entirely consistent as it does not have the information for some venues for both years. However, it does show some trends: visitor numbers to the Panopticon and the Tron Theatre increased in the two year period. However, visitor numbers to St. Andrews in the Square, Glasgow Police Museum, Ramshorn Theatre and Graveyard and Glasgow Evangelical Church all declined.

³ Totals given in the table are for the visitors to the venues listed for that year in the table, not the total number of visitors to Doors Open Day across the wider Glasgow.

Table 3.3 Doors Open Day Figures, 2008 and 2010⁴

Name of Venue	2008	2010
Britannia Panopticon Music Hall	3,500	4,988
Glasgow City Chambers	-	3,088
St. Andrew's in the Square	2,300	1,900
The Trades Hall of Glasgow	-	1,600
The Briggait	-	1,587
Glasgow Police Museum	1,089	990
Ramshorn Theatre & Graveyard	3,800	788
Tron Theatre	629	662
Page/Park Architects	-	581
Barony Hall	-	466
Theatre NEMO	-	348
Glasgow Necropolis	-	175
Glasgow Cathedral	-	150
Lodging House Mission	-	129
Glasgow Evangelical Church	153	109
Trongate 103	-	35
St. Mungo's Church	-	34
The Lighthouse	2,185	-
Gallery of Modern Art	2,183	-
Conservation and Built Heritage Exhibition	1,000	-
Traditional Building Skills and Materials	700	-
St George's Tron Church Halls	303	-
GCHT	200	-
Scottish Lime Centre at Glasgow Green	100	-
Print Studios	100	-
Church Buildings Renewal Trust	100	-
Bell St stables tour	80	-
Glasgow Media Access Centre	65	-
Total	18,755	17,630

Source: MCTMC. Note – some walking tour numbers for 2008 are excluded from the table, so the total figure does not sum.

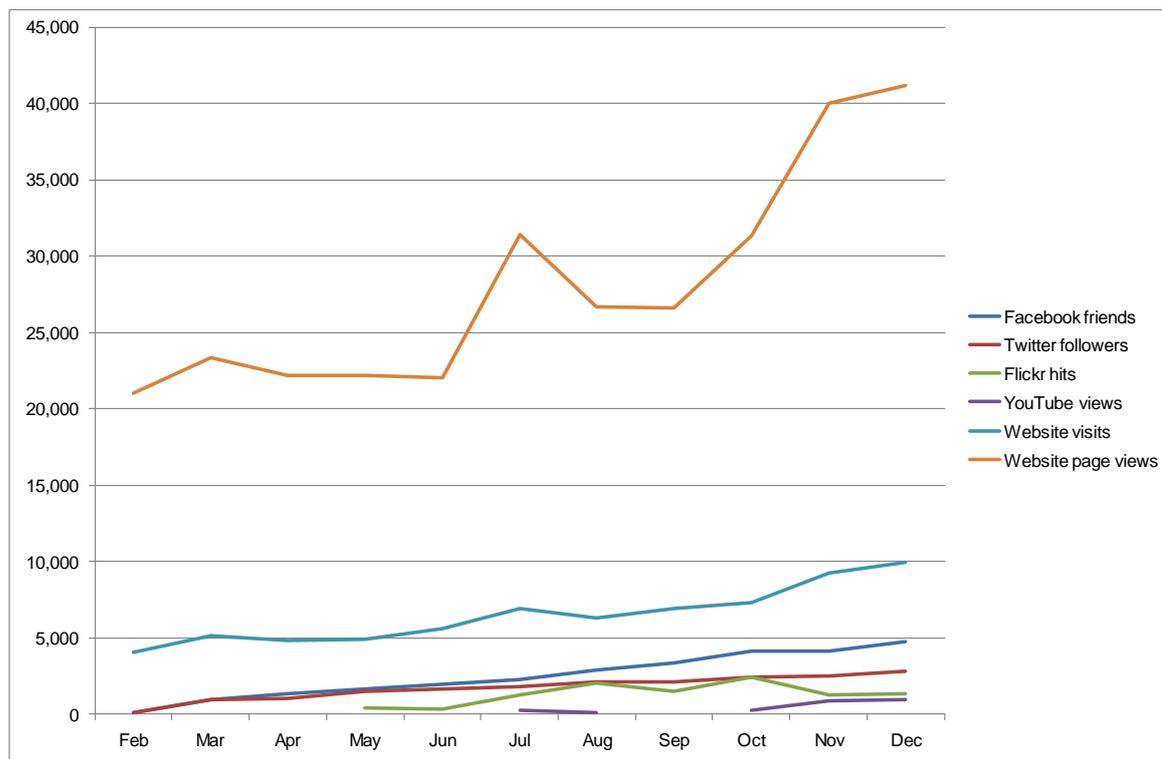
- 3.27 Doors Open Day occurs with limited support from SE (£5,000) via contributions from the MCTMC, and so it is difficult to estimate the proportion of its success that can be attributed to SE.

Website Traffic

- 3.28 The use of social media traffic is monitored by MCTMC and data for 2010 is summarised in Figure 3.1 below. This shows clearly an upward trend in use of all social media over the year.
- 3.29 One business beneficiary estimated that after they promote a specific event on MGTMC's Facebook and Twitter, their business might increase by around a third that evening.

⁴ Data for 2009 has not been made available.

Figure 3.1 Social media traffic, 2010



Source: MCTMC

3.30 The number of hits on-line indicates the level of interest in the Merchant City (and also the general increase in use of social media in society). However, it is important to understand how this translates into actual visitors and visitors' spend. The MCTMC is currently using their Facebook and Twitter followers to carry out a survey of users to find out:

- Reasons for visiting the Merchant City
- Whether the Merchant City was the visitor's reason for visiting Glasgow
- How the person heard of the Merchant City
- Length of visit
- Spend during the visit

Feedback from businesses on an annual basis

3.31 Business surveys have not been carried out outside major events. MCTMC have found that businesses are not receptive to interviews on a frequent basis.

Reporting to SE

3.32 SE has provided the quarterly monitoring reports created by MCTMC. These set out:

- Activities completed
- Activities ongoing
- Payment milestones achieved
- Project plan status
- Actual or potential problems

- 3.33 These reports set out clearly the status of the activities of the group and completion of milestones.

Conclusions – Impact, Monitoring and Evaluation

- 3.34 There are several issues regarding the monitoring and evaluation work which has been carried out.

Some of the monitoring would be too expensive for the MCTMC to carry out

- 3.35 The MCTMC pointed out that a lot of monitoring can be expensive, particularly if the sample size is high. If the monitoring originally suggested for the project was carried out, a significant proportion of the SE funding would have had to be spent on the monitoring as the indicators are relatively complex.

- 3.36 For example, it would be very difficult to ascertain the percentage of visitors to Glasgow with an awareness of the Merchant City (as set out in the Approval Paper) without a broad study being carried out; this would be expensive.

- 3.37 **MC1: In future projects, MCTMC should link to wider surveys being carried out e.g. Visit Scotland visitor surveys, Destination Glasgow monitoring etc⁵, contributing partially to the costs. MCTMC could also liaise with partners to use available research e.g. Tourism Intelligence Scotland.**

- 3.38 **MC2: MCTMC could capture consistently-presented customer feedback for member businesses using SE's available support through Listening To Our Visitors (LTOV) workshops. MCTMC would provide a co-ordinating role for the member businesses, pull information together and feed it back to the businesses.**

The quantifiable benefits set out at the start are unsuited to the actions of the MCTMC and an update of the SQW figures is unrealistic

- 3.39 The MCTMC could not be held responsible for some of the quantifiable benefits set out at the start of the project. For example, one of the outcomes was the development of two new hotels in the area. Whilst the actions of the MCTMC might encourage a hotel to develop in the area, they are not developers themselves. There are also many other external factors which would impact the development of a hotel, such as locational decision-making within large hotel chains, the state of the economy, tourism spend, building and site availability etc.

- 3.40 The Approval Paper and 5 Year Plan suggested the SQW economic impact study would be used as a baseline. This study suggests the Merchant City Townscape and Heritage Initiative and MCTMC would increase the value of tourism by £2.6m by 2016 (compared with if it had not been involved). The calculation of this figure is complex, based on a number of stakeholder interviews, additionality calculations and assumptions. It is unlikely the MCTMC would be in a position to update these figures.

⁵ This fits with recommendations made in the Interim Evaluation that survey resources should be shared and information disseminated more widely.

3.41 It is understood that the emphasis on different activities (and related targets) has tended to vary, in large part influenced by the particular skills and priorities of the different project managers from both SE and MCTMC.

3.42 **MC3: In any future approvals, clear links between the objectives, actions and outcomes need to be set out. Realistic targets should be made and agreed in the context of the economic climate. Project managers need to ensure the focus is on targets set out in the plans.**

The footfall survey is limited in its application

3.43 The footfall surveys, in their current form, are of limited use to SE for monitoring purposes. Firstly, the methodology has not been applied consistently across surveys, meaning the surveys in different years are not directly comparable. Secondly, whilst they do indicate the direction of change (i.e. footfall has increased) the surveys do not show to what extent they might be attributable to different factors.

3.44 However, footfall surveys are quick and cheap to carry out and serve a purpose for showing the direction of change – if the methodology is consistent.

3.45 **MC4: Footfall surveys should continue to be carried out to indicate the direction of change, but the methodology should be applied consistently (and stored on-line or in a document) so that it is passed between different project managers and members of the group. This means that like-with-like comparisons can be made between years.**

3.46 **Potentially, City Centre ambassadors/wardens could be used to carry out the footfall surveys and ask further visitor questions which would clarify reasons for the visit etc. MCTMC should coordinate with GCC to investigate this opportunity.**

Social media could be used to a greater extent

3.47 A survey is currently being carried out of MCTMC Facebook followers to find out information about visitors to the Merchant City.

3.48 **MC5: The social media survey should be extended and carried out over a number of years to gauge more information about visitors' intentions and spend as this could provide future evidence of the influence the group's work has had/could have on visitor behaviour.**

3.3 Delivery Process

3.49 There have been various levels of project management: management between SE and MCTMC; and management of the MCTMC.

3.50 The consultation found that links between SE and MCTMC have been good. Both teams have experienced changes in project management/marketing staff. This has caused some problems as information takes time to be passed between managers, and sometimes information was lost (e.g. the methodology for the footfall survey). SE was also restructuring at the start of the project, meaning continuity was lost with people who had been involved with the project in its early stages.

- 3.51 However, SE was praised for its involvement and support. The MCTMC found that milestone reports helped to keep the group on track and reminded the group if they were falling behind in particular areas.
- 3.52 One helpful aspect of SE project management was flexibility in understanding if certain milestones needed to be changed. For example, initially the MCTMC created a printed guide and maps. However, it soon became clear that this sort of marketing was no longer effective (electronic media was more effective) and money should not be wasted on it. SE understood the change in the market and realised that the milestone was not going to be fulfilled.
- 3.53 The leadership of the MCTMC was also praised and one interviewee suggested ‘We could not have done without Steven Thompson’s stewardship.’ They said he managed the staff and fed results back to the Board effectively. The MCTMC also needed physical space for them to work together, which Steven found.

Conclusions – Delivery Process

Sharing Information

- 3.54 **MC6: Information about the project needs to be stored and logged in one place (ideally electronically) at both SE and MCTMC. There need to be comprehensive handover meetings between project managers (ideally with some overlap time). Both elements would help improve continuity of direction.**

3.4 Project Learning

- 3.55 Areas of project learning are described against the areas of SE tourism priorities: leadership development, product development, innovation and destination development.

Successful Aspects

Leadership Development – Business Interaction

- 3.56 The interviewees suggested that the collaboration and networking between businesses, facilitated by MCTMC has been excellent. In particular the networking events were felt to have been successful as these are good for morale of the businesses. The businesses like to know someone is listening. It is also helpful for them to know the other businesses to be able to promote them to customers and send them on. One business consultee said ‘We really feel the businesses are trying to build a community.’ They suggested the businesses see a benefit to collaboration and promoting the area jointly. They also felt there was a good community spirit.
- 3.57 Consultation found that the information provided by the website also allows the businesses to see what other businesses are doing and respond. ‘It encourages them to ‘up their game’ – business consultee.

Leadership Development – Team Work

- 3.58 Consultation suggested that it has been important to develop a good, cohesive team at MCTMC. The team know the Merchant City well and the traders know them too. It has been

more successful to have the team working together in a shared facility than have individual consultants working separately.

Innovation and Product Development – Social Media

- 3.59 The social media project was seen as extremely successful. Anecdotally, one company saw their business increase by a third following Facebook and Twitter feeds about their promotions. Another company suggested visitor numbers had increased, particularly around the times of big events, although they could not quantify the increase. While project funding for social media was provided by VisitScotland, it would not have been provided in the absence of MCTMC, a creation of SE.

Product Development – Merchant City Market

- 3.60 The Merchant City market was cited as an example of a successful project. It ran for a year until Council regulations meant that road closure became prohibitively expensive. The group would like to revive the market if possible. The MCTMC could explore options of setting up the market in alternative locations.

Product Development and Destination Development – Funding Events

- 3.61 The MCTMC has financially supported events in Glasgow using the SE funding. This amounted to £50,000 in 2008, £40,000 in 2009 and £30,000 in 2010 (see Footnote 1). Some consultees thought this had been important for the group. However, in future years any support to events will change, as SE now has a policy for appraising and considering support to those events which can demonstrate significant economic impact and which are identified as a priority by the city's Strategic Major Events Forum.
- 3.62 There are opportunities presented by the 2014 Commonwealth Games, for the Merchant City to act as a 'Gateway' to the Games.
- 3.63 **MC7: The MCTMC should engage with the Glasgow Legacy Group to ensure that all opportunities in relation to the Commonwealth Games are suitably maximised.**
- 3.64 **MC8: The MCTMC could play a role in getting the member businesses to understand what other major events are on in Glasgow and think about business-building collaboration, such as promotional packages.**

Improvements

Destination Development – Defining the Merchant City

- 3.65 There have been some aspects of the group's plans which have not been implementable. For example, the MCTMC has attempted to put up street banners but heritage-related regulations restrict the opportunities for display on a large number of existing buildings. The group would like to erect banners up at the entrances to the Merchant City. One business said there was confusion about the boundaries of the area and agreed it would be useful to have these gateways. Another consultee was not sure of the identity of the Merchant City; they thought it was a collection of bars and restaurants but did not know much about the tourism.

Leadership Development – Increasing Information to Businesses

- 3.66 One business suggested it would be helpful for them to know the number of hits for their promotions on the MCTMC website. Another suggested it would be helpful to be able to amend listings sent to MCTMC when events change, as the changes currently seem to take a long time. This would also reduce work for the MCTMC.
- 3.67 A company suggested it would be useful to be able to make bookings through the MCTMC website e.g. for special events. At the moment the event is advertised through MCTMC, then the customer has to link to the company website, find the telephone number and phone up. It would be easier to be able to book the event or a table directly through the website.
- 3.68 One business suggested that they see little difference in the quality of service they receive from MCTMC compared to businesses that do not pay the membership charge. It would be helpful to clarify to member businesses what the benefits of membership are.
- 3.69 The MCTMC said their biggest hurdle has been persuading non-member businesses that they need to market themselves more. In the past, many of them relied on word of mouth or their longevity as a business to sustain them. According to the MCTMC, it has taken time and effort to show the value of marketing and using social media. While the fact that this has happened may be supported anecdotally, there is no monitoring or related evidence.

Comparator Areas

Sunniside, Sunderland

- 3.70 Sunniside is an historic area in the east of Sunderland's City Centre with high heritage values but severe deprivation. Between 2003 and 2011, the Sunniside Partnership (formed by Sunderland City Council and Sunderland arc supported by One North East and English Partnerships) led regeneration of the area. The area performed consistently well against targets, reflecting the high levels of public and private sector investment in the area.
- 3.71 There are a number of areas of similarity to the Merchant City, such as a high level of investment in physical regeneration of quality, heritage buildings. There are also a number of lessons which could also be applied to the Merchant City. The investment in physical projects needs to be continued within the business sector. There were strong links between the Sunniside Partnership and stakeholders, with an open and transparent structure. This led to the development of award-winning environmental-improvements at Sunniside Gardens and thePlace; masterplan development; and management of the movement of hostel occupants.
- 3.72 The Sunniside Partnership monitored its outputs on an annual basis and this demonstration of achievements helped secure enhanced levels of funding. Specific targets included, amongst others, jobs created (e.g. in creative and media, and leisure, recreation and retail) and numbers of businesses assisted.
- 3.73 It was identified that Sunniside had a key role in developing the sub-regional role of the City Centre. The actions of the Partnership were directed to position the area effectively so as to benefit as the regional and national economy recovers from the downturn.

Hull Fruit Market

- 3.74 Hull Fruit Market has been redeveloped for business space and is being marketed as the new cultural quarter of Hull. The units are currently occupied by a mix of cultural, art and entertainment businesses, alongside exhibition space and studios. The development was brought about by Hull Forward, the city regeneration company, which now forms part of the Council's regional development team. The businesses promote themselves on an informal basis, such as through www.fruitspace.co.uk and social media sites, such as Facebook and Twitter. They organised a successful Summer carnival in 2010, which was supported loosely by the public sector assisting with advertising.
- 3.75 There is no financial public sector support for these businesses' promotions. However, there are a much smaller number of businesses involved, with just 4-5 involved in the promotions and 10-15 businesses in the Fruit Market in total.

Conclusions – Project Learning

MCTMC interaction with businesses

- 3.76 As the benefits of membership are not entirely clear to MCTMC businesses, there is a risk that current members fail to renew membership; they need to see a clear benefit for their payment.
- 3.77 There are several recommendations arising from this:
- 3.78 **MC9: MCTMC staff need to visit member businesses to clarify what the paid membership brings to them.**
- 3.79 **MC10: At the same time they could take recommendations about what improvements businesses would find useful (e.g. being able to make bookings directly through the website).**
- 3.80 **MC11: The MCTMC could carry out case studies of businesses who have been involved to demonstrate how its marketing has affected sales. This could be posted on the website to better disseminate an understanding of the potential benefits of marketing through MCTMC.**
- 3.81 **MC11: The MCTMC should continue to run the networking events to encourage promotion of Merchant City B2B links.**
- 3.82 **MC13: The MCTMC should, as part of this networking and liaison with member businesses, work on business liaison to develop promotional packages for major events in the City, including the Commonwealth Games. This will also need closer liaison between the MCTMC and GCMB, who are key partners in the Strategic Major Events Forum.**
- 3.83 **MC14: The MCTMC could act as a facilitator for member businesses to tap into other SE and partners' support (e.g. Listen To Our Visitors, Glasgow Service With Style etc).**

The MCTMC's team ethos

- 3.84 The MCTMC staff team is perceived to be a cohesive, dynamic group which works well together. The central office location is one of the influencing factors.
- 3.85 **MC15: A suitable location needs to be found to allow the staff team to continue to work well together while also being accessible to their client businesses.**

Continue to improve the promotion of the Merchant City

- 3.86 The boundaries of the Merchant City are unclear to visitors, and even businesses themselves.
- 3.87 **MC16: A boundary map of the Merchant City needs to be agreed, with the city partners of the MCTMC. It could then be used for promotional purposes.**
- 3.88 **MC17: The team should continue efforts to erect street banners/markings etc to define when visitors are entering the Merchant City.**
- 3.89 **MC18: Strengthened links with partners need to be developed and maintained to ensure these projects go ahead and continue.**

SE to move to project support, rather than core support

- 3.90 MCTMC obtains funding from a range of different sources. At present, it is difficult for the effects of such funding to be disaggregated on an agency by agency basis. The attribution of impacts is therefore difficult.
- 3.91 This could be improved were SE to move towards funding for particular initiatives and events on a case by case basis rather than providing core funding.

Building Partnership

- 3.92 As with Sunnyside, the MCTMC needs to build partnerships with key players, including Glasgow City Council and the major venues in the area. This will help engage the MCTMC with the major players and good partnership relationships will put it in a good position to raise funds from different partners.

Monitoring can assist with funding bids

- 3.93 Sunnyside experience found that effective monitoring assisted with bids for further funding. Part of this was having a clear idea of the regeneration area's role within the City and how it could be placed to benefit as the economy recovers from the downturn.
- 3.94 **MC19: The Merchant City's role within the City Centre needs to be understood and spelled out through a short baseline study (e.g. number of businesses, value generated by businesses etc) with monitoring of updates. This would help demonstrate to wider partners the value of the Merchant City to Glasgow.**

3.5 Strategic Rationale

3.95 The Treasury Green Book⁶ sets out four areas of ‘market failure’, where the market alone cannot achieve economic efficiency. These are public goods, externalities, imperfect information and market power. In these instances, public sector intervention can be justified to address economic inefficiencies.

Rationale for intervention

3.96 The Merchant City project was approved under a previous SE regime which did not require the rationale for interventions to be set out explicitly. However, there are three areas of market failure which the SE intervention seeks to address.

3.97 Firstly, the assistance with developing the websites for businesses in the Merchant City helps to overcome the problem of ‘imperfect information’. The businesses have information about their business which, if not promoted, will restrict the number of people taking up the product. This is known as ‘asymmetry of information’.

3.98 Secondly, bringing together the businesses allows them to jointly promote the Merchant City and thereby increase their own individual customer numbers. This joining up of resources for the common good is an example of the group benefiting from positive externalities.

3.99 Thirdly, the businesses benefit from the joint promotion of the Merchant City. This would not be the responsibility of any one business, but all businesses benefit from the joint promotion. The promotion is effectively a ‘public good’.

3.100 The continued appropriateness of these market failure rationales are considered in the conclusions section.

Consultation

3.101 Consultation found that SE had a multiplicity of roles.

- **Funding:** SE contributed £300,000 funding over 3 financial years to the Merchant City Project.
- **Networking:** SE played a networking and facilitating role, linking the Merchant City Tourism and Marketing Corporation (MCTMC) to other groups and projects, such as Glasgow with Style, Glasgow Heritage Trust and the Mackintosh Heritage Group (e.g. to organise the Mackintosh Trail which includes the Merchant City).
- **Professional advice:** SE helped set up the project and offered expertise.
- **Monitoring:** SE played a role in ensuring the MCTMC has delivered its milestones and ensuring it remains on track.

3.102 There was a range of opinions as to what might have happened in the absence of SE’s funding. One consultee suggested that without the SE funding the MCTMC would have done something, but wouldn’t have achieved the same scale or speed of results. In

⁶ See Treasury (2003) *Treasury Green Book*, Annex 1, p.55.

particular, they would not have been able to create the website or social media. They would not have been able to employ staff. It was thought the group would more likely have been some kind of lobby group.

- 3.103 Another consultee suggested that if SE hadn't provided the funding, nothing would have happened. The MCTMC would not have been able to support the businesses, or helped to fund any major events (through social media presence).
- 3.104 One business beneficiary suggested that without the services offered by MCTMC, they would not have enjoyed the same increase in visitor numbers. The business was also approached by 'Find me Glasgow' which offers a similar service, providing a 'signposting' service to bars/restaurants/ cinemas/ shopping etc in across various locations within Glasgow. The business declined these services as they felt the MCTMC website would bring them more and the price of the MC website was more reasonable. This website differs because it does not send out messages on Facebook or Twitter on behalf of businesses and it does not promote the Merchant City exclusively. However, it does have a newsletter users can sign up for, which provides 'What's on' information.
- 3.105 Other advertisers also include The Social Wizard and 5pm (which also have a slightly different offer). Another business beneficiary is using the printed press for advertising and sector-specific websites as well as the MCTMC website and their own social media.

Conclusions – Strategic Rationale

- 3.106 There are three main areas of rationale for SE intervention: asymmetric information, positive externalities and public good. The need for public sector support to help the businesses jointly promote the Merchant City still exists: without an external body to do this, there would be insufficient incentives for any individual business to take on the job. However, there is some evidence of market adjustment, with some external, private websites providing signposting to businesses in the Merchant City. There is also the potential for some of the larger tourism venues in the Merchant City to be brought on board to help promote the area.

There is still a public sector role in bringing businesses together for joint promotion

- 3.107 Public sector support is still needed to help businesses come together for joint promotion; the public sector acts as a co-ordinator. There is also more potential to bring in some of the larger venues in the Merchant City to act as business leaders and promoters.
- 3.108 However, there are signs of market adjustment: the private sector evidently sees a niche for providing the type of information provided through some of the social media (e.g. development of Find Me Glasgow).
- 3.109 The membership funds are an important source of funding to the MCTMC and also ensure buy-in of the Merchant City businesses. Membership of the group is an important signal that the businesses are on-board, believe in what the group are doing and want to promote the Merchant City as a whole.
- 3.110 **MC20: MCTMC needs to work to investigate how to make their website more sustainable e.g. through advertising funds and an increased number of membership**

contributions. MCTMC also needs to continue to encourage membership with staged targets (e.g. 50% membership 2011-2012 and 80% membership 2012-13).

The public and private sector need to be brought together more effectively

- 3.111 **MC21: Partnerships need to be built between MCTMC, key stakeholders, such as Glasgow City Council, SMEF, GCMB, the Chamber of Commerce, the business community and larger tourism venues. This would ensure those who have the capacity to promote and develop the Merchant City are on board. It would also encourage business marketing links and make use of existing expertise.**

3.6 Key Achievements

- 3.112 In summary, key achievements of the group include:

- Development of the website and linked promotion of the Merchant City
- Development of the social media aspects, and increases in the numbers of users
- Development of business networking events
- Development of a successful MCTMC team
- Improving communications between businesses in the Merchant City and between businesses and the MCTMC
- Improving business for businesses promoted through social media (e.g. the business whose intake increases by around a third the day they are promoted through Facebook and Twitter)
- Supporting events in the Merchant City, including Doors Open Day, Glasgay!, Merchant City Festival and Organic Food Fair, which have led to increased numbers of visitors in the Merchant City
- Development of the Market (since closed)

3.7 Merchant City - Options for the Future

- 3.113 The Merchant City project has benefitted from 3 years support from SE. The group now needs to move to a model which is more sustainable and less dependent on public sector support. Three options have been set out for future support from SE to the MCTMC:
- Option 1: SE immediate withdrawal of support
 - Option 2: One year exit strategy
 - Option 3: Two year exit strategy with tapered support
- 3.114 The following table sets out what would be involved with each option, the benefits, risks, partners involved and SE's role. It also sets out how the recommendations outlined earlier in the report fit to the options. It includes potential future options as discussed with the MCTMC, including the proposal to organise a new event in September/October.
- 3.115 The options involve a number of risks, which are highlighted in the table.
- Option 1:
 - Momentum to date is lost.

-
- Potential future impacts from continuation of the project are lost.
 - MCTMC ceases to exist or is severely diminished with resultant job losses.
 - Emphasis of remaining activity could switch to meet other funding priorities e.g. SE's rather than those of MCTMC.
 - Benefits to business are lost.
 - Failure to support Destination Glasgow.
 - Reputational risk for SE to stop funding without planned exit strategy.
 - SE not continuing to support project linked to delivery of key strand of Glasgow Tourism Action Plan.
 - Option 2:
 - Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'.
 - Projects may not come forward or take longer to develop as a consequence of reduced funding.
 - Insufficient time to progress to sustainable structure
 - Option 3:
 - Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'.
 - Projects may not come forward or take longer to develop as a consequence of reduced funding.
 - Insufficient time to progress to sustainable structure
 - Income raising doesn't meet gap left by tapering of SE support

3.116 SE will need to review these options and determine how to progress them in terms of appropriateness, affordability and impact.

Option	Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
1	SE immediate withdrawal of support	1	SE ceases to support the MCTMC with core funding with effect March 2011. MCTMC would remain able to access initiative-based funding providing it could demonstrate linkage to and performance against SE core sector objectives	No direct cost to SE	Momentum to date is lost. Potential future impacts from continuation of the project are lost. MCTMC ceases to exist or is severely diminished with resultant job losses. Emphasis of remaining activity could switch to meet other funding priorities e.g. SE's rather than those of MCTMC. Benefits to business are lost. Failure to support Destination Glasgow. Reputational risk for SE to stop funding without planned exit strategy. SE not continuing to support project linked to delivery of key strand of Glasgow Tourism Action Plan.			project by project consideration
2	One Year Exit Strategy	1	SE continues financial support, albeit at a lower level than current support (50%). MCTMC may remain able to access other support/SE products to assist with development projects.	Greater ability to appraise and evaluate impacts of funding. Objectives and outputs more easily and clearly linked.	Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'. Projects may not come forward or take longer to develop as a consequence of reduced funding. Insufficient time to progress to sustainable structure		SE, MCTMC, GCC	Limited core funding. project by project consideration
		1	Build effective partnerships with key stakeholders such as Glasgow City Council and the major tourism venues in the Merchant City. Bring more businesses and larger tourism venues on board with the MCTMC to increase promotions of Merchant City and build on their marketing.	Greater likelihood of success of Better marketing for the Merchant City. Sharing of expertise	Tourism venues not on board.	MC16 and MC19	SE, MCTMC, GCC, VS, GCMB, large tourism venues	Signposting and co-ordination
		1	No SE support to events via MCTMC - all events to be evaluated by SE and supported directly if appropriate.	Greater autonomy to SE for funding events. Greater ease of appraisal and evaluation of funding.	Fewer events are funded and economic benefits are lower.	MC11	SE, MCTMC	Funding.

Option	Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
		1	Potential development of new food event in September/October. MCTMC to work with SE and other partners to establish alternative funding options and promotional activities.	Greater autonomy to SE for funding events. Greater ease of appraisal and evaluation of funding. Potential for SE to provide networking to SDI for promotions.	No funding to new event and potential opportunities and benefits are lost.	MC11	SE, MCTMC, SDI, MC businesses, GCMB, GCC	Funding. Professional advice. Signposting to SDI.
		1	Potential SE support for projects including: facilitation of discussions to develop boundary maps for Merchant City and street banners/markings.	Ease of appraisal and evaluation of impact of funding specific projects. Benefits to businesses and easier marketing from clearer definition of Merchant City boundaries.	Planning/conservation prevents development of street banners/markings. Partners are unable to agree boundaries of Merchant City.	MC14, MC15 and MC16	SE, MCTMC, GCC, VS, MC businesses	Co-ordination between different groups. Facilitated workshop?
		1	MCTMC to work with SE to set out a clear plan of objectives, outputs, outcomes and monitoring over the lifetime of the funding support. A short baseline study should be set out to show the position of the Merchant City within the City Centre.	Clear plan. Milestones continue to be set and met. Realistic targets are achieved.	Milestones are not met and targets not achieved.	MC3 and MC17	MCTMC, SE	Advice on working up plan, objectives etc. Funding of baseline study.
		1	MCTMC to continue to seek (and increase) financial inputs from businesses through membership contributions and other sources (e.g. advertising, sponsorship).	Improved sustainability of the MCTMC through independent funding. Greater ownership of the Merchant City by businesses. Increased interaction between businesses improving networking and potential synergies. Greater potential for MC businesses redirecting business to other MC businesses.	Given lead time, businesses engagement is limited, affecting income raised. Emphasis on concentrated income raising diverts from other activities. Potential networking opportunities are lost.	MC18	SE, MCTMC, MC businesses	SE advice on liaisons.
		1	A suitable location needs to be found to allow the staff team to continue to work well together while also being accessible to their client businesses.	Continuation of current work and benefits of knowledge and idea-sharing of team members.	Team members leave and information is lost.	MC13	MCTMC	

Option	Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
		1	MCTMC to continue to carry out liaison with businesses, including networking events, clarification of membership, taking recommendations for improvements and development of case studies for the website. MCTMC to work on business liaison to develop promotional packages for major events in the City, including the Commonwealth Games.	Improved networking and potential synergies. Greater potential for MC businesses redirecting business to other MC businesses.	Businesses do not attend.	MC7, MC8, MC9, MC10, MC11, MC12, MC13 and MC14	SE, MCTMC	Funding?
		1	MCTMC to work with SE and partners to consider options for product development e.g. Business Improvement District (BID).	Improved sustainability of the MCTMC through independent funding. Potential for improvements to area through BID funds. Businesses coming together for joint promotion will improve networking and potential synergies. Greater potential for MC businesses redirecting business to other MC businesses.	Businesses cannot agree and do not to go ahead with product development options e.g. BID application.	MC12 and MC13	SE, MCTMC, GCC, MC businesses	Liaison between different organisations. Professional advice.
		1	MCTMC to work with VS and GCMB to build into wider survey work being carried out and make more of available research, such as Tourism Intelligence Scotland.	MCTMC able to collate visitor information and build on findings. Cheaper than carrying out own survey work.	Questions not answered sufficiently. Findings not disseminated satisfactorily.	MC1	SE, MCTMC, VS, GCMB, TIS	Signposting and co-ordination
		1	MCTMC could capture customer feedback for member visitors using SE's available support through Listening To Our Visitors (LTOV) workshops. MCTMC would provide a co-ordinating role for the member businesses, pull information together and feed it back to the businesses.	Information fed back to businesses, MCTMC and SE.	Lack of businesses wanting to be involved. Problems with coordination and feedback.	MC2		

Option	Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
		1	Footfall surveys continue to be carried out. Investigate potential to use City Centre Ambassadors/wardens. Methodology and data is stored electronically to be passed between managers if required.	Information on direction of change is collated and methodology is stored for future years.	Methodology not stored sufficiently. Wardens unable to carry out surveys.	MC4 and MC6	MCTMC, VS, GCC	
		1	Facebook survey to be extended and continued on an annual basis.	Cheap to administer. Useful data collated. Able to see change year on year.	Only available to social media users, not all visitors to Merchant City.	MC5		
3	2 Year Exit Strategy	1	As for Option 2, Year 1.		Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'. Projects may not come forward or take longer to develop as a consequence of reduced funding. Insufficient time to progress to sustainable structure			
		2	As year 1 but minimal funds from SE with greater income from other sources.	Longer time allowed for transition to fully-sustainable model - greater chance of success.	Income raising doesn't meet gap left by tapering of SE support			

4 MACKINTOSH

4.1 Introduction

- 4.1 This chapter sets out information and findings about the Mackintosh project, looking at:
- Impact, Monitoring and Evaluation
 - This section sets out the objectives of the project, as set out in the Approval Paper and 5 Year Plan, and how the project was supposed to be monitored and evaluated. It goes on to assess the monitoring and evaluation that took place.
 - Delivery Process
 - This section sets out findings from the consultation about the delivery process.
 - Project Learning
 - This sets out aspects considered to be successful by the consultees and areas where improvements could be made.
 - Strategic Rationale
 - This looks at the rationale for public sector intervention for the project, and goes on to see the extent to which this rationale still exists.
- 4.2 Each section is summarised with conclusions and recommendations for future projects.
- 4.3 The final section sets out options for the future, considering benefits, risks, partners involved, SE's role and how the suggestions fit to the recommendations made earlier in the chapter.

4.2 Impact, Monitoring and Evaluation

Requirements

- 4.4 The Mackintosh Approval Paper sets out the project's aims. This included a co-ordinated approach to presenting the legacy of Rennie Mackintosh and making access to the sites and materials more straightforward – opening out to a wider international and UK audience. This was to be achieved through developing the shared vision of the group of key Mackintosh attractions and supporting them in the implementation of this vision – including events, awareness-raising, interpretation and continues the group's drive towards increasing the numbers of visitors making their way around a number of different sites. The group also had the goal of putting Mackintosh in the context of Glasgow/West of Scotland's wider architectural heritage.
- 4.5 The 5 Year Plan sets out key actions as:
- Formalised structure, charitable status, and economic viability for the MHG and the
 - Five-year event programme delivering annual core events and one major highlight event, including new city-wide tour programme
 - Strategic marketing plan
 - International public sculpture celebrating Mackintosh
 - Enhanced visitor services

- Enhanced IT provision including improved web-site, on-line booking and podcast downloads
- New educational resources and increased community involvement
- World Heritage status for the Glasgow School of Art and The Hill House

4.6 Outcomes are listed as:

- An increase of 50% in staying Mackintosh visitors to Glasgow
- Almost £25 million of additional tourist expenditure and £6 million of GVA in Glasgow
- Enhanced levels of visitor satisfaction
- Increased awareness and understanding of Mackintosh, Glasgow and Scotland

4.7 The Mackintosh Approval Paper suggests that for monitoring and evaluation there would be a yearly review of progress and regular sharing of visitor numbers 'etc' as part of the joint approach.

4.8 The 5 Year Plan states monitoring and evaluation would include:

- A benchmarking survey undertaken in 2007 by SEG to establish current levels of achievement.
- Records of visitor numbers at all Mackintosh venues
- Records of visitor spend at all Mackintosh venues
- Evaluation forms on-site and on-line
- Record of press coverage
- Targeted visitor surveys

4.9 The Approval paper suggests quantifiable benefits likely to accrue are set out as those in the SQW report, i.e. additional expenditure of £21.8m, and GVA of at least £5.4m additional cumulatively between 2007-2012 and including a major event. The SQW report suggests monitoring:

- Visitor numbers to all the sites
- Surveys of visitors to determine:
 - Profile of visitors – origin, length of stay etc
 - Purpose of trip – role of Mackintosh in decision to visit Glasgow
 - Number of sites visited
- General Glasgow visitor surveys – the group should discuss with the GCMB the possibility of including questions on the role of Mackintosh in attracting visitors whether or not they actually visit sites.

4.10 Non-quantifiable benefits include the enhancement of the reputation of Glasgow and the West of Scotland as a destination with a truly world-class cultural and artistic 'product'.

Impact, Monitoring and Evaluation Results

Visitor Numbers

- 4.11 Stuart Robertson of the Charles Rennie Mackintosh Society, in his role as Chair of the Mackintosh Heritage Group, collated data on visitor numbers for the Mackintosh attractions.

Table 4.1 Visitor Numbers for Mackintosh Attractions, 2008-2011

	TOTAL		
	2008-09	2009-10	2010-11
April	19,816	23,827	19,346
May	21,415	22,798	18,531
June	23,253	20,520	19,136
July	26,526	27,468	25,742
August	28,884	33,886	28,236
September	21,013	24,077	22,957
October	19,614	21,093	
November	14,374	14,085	
December	11,959	10,814	
January	11,458	8,529	
February	13,819	11,867	
March	15,043	13,834	
Total	227,174	232,798	133,948

Source: Mackintosh Heritage Group

Note: Figures exclude Mackintosh House and the Lighthouse. Mackintosh House was undergoing extensive redevelopment during monitoring and the Lighthouse, which was closed for some of the time period covered.

Table 4.2 Visitor Numbers Split by Mackintosh Attraction, 2008-2011

	Glasgow School of Art			House for an Art Lover			Hill House		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
April	1,141	2,265	2,272	1,001	1,385	984	3,070	2,877	2,962
May	1,335	1,742	2,372	922	1,293	1,394	2,884	4,161	3,443
June	1,594	2,028	2,425	1,346	1,194	1,077	3,505	2,963	2,848
July	2,429	3,625	4,039	1,171	1,830	1,307	4,160	3,417	3,459
August	3,256	4,671	4,249	1,614	2,159	1,580	3,938	5,748	5,663
September	1,913	3,339	3,692	1,026	1,302	954	3,667	3,638	2,984
October	1,323	2,507		1,006	1,164		2,712	2,585	
November	887	1,409		455	548		450	718	
December	793	760		253	330		415	809	
January	519	966		261	335		Closed	Closed	
February	790	1,264		680	476		Closed	Closed	
March	793	1,449		852	626		Closed	Closed	
Total	16,773	26,025	19,049	10,587	12,642	7,296	24,801	26,916	21,359

	Lighthouse			Mackintosh Church at Queen's Cross			Mackintosh House		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
April	12,898	11,372		475	423	379	2,457	2,032	2,408
May	13,667	11,366		460	724	351	2,508	2,259	2,635
June	16,815	11,574		670	1,045	780	1,567	1,964	2,729
July	19,887	no info		460	690	596	2,508	Closed	3,393
August	16,626			690	641	507	Closed	2,308	3,961
September	21,057			1,150	1,063	1,078	Closed	2,604	3,020
October	21,014			365	695		Closed	2,421	
November	16,573			198	283		1,749	1,608	
December	26,138			512	654		Closed	842	
January	12,898			174	212		998	Closed	
February	12,807			275	244		1,477	1,452	
March	13,618			375	243		1,567	1,941	
Total	203,998	34,312 -		5,804	6,917	3,691	14,831	19,431	18,146

	Scotland Street School Museum			Willow Tea Rooms			Mackintosh Gallery at Kelvingrove (3% of total)		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
April	5,126	6,059	3,893	5,294	5,418	4,988	3,709	5,400	3,868
May	5,607	5,305	2,686	6,086	5,696	5,599	4,121	3,877	2,686
June	5,260	4,044	3,588	6,506	5,722	5,704	4,372	3,524	2,714
July	6,437	5,820	4,789	7,114	7,359	7,800	4,755	4,727	3,752
August	5,963	7,434	3,574	8,691	8,916	8,858	4,732	4,317	3,805
September	4,510	5,767	4,203	5,703	5,888	6,128	3,044	3,080	3,918
October	5,553	5,381		5,237	5,719		3,418	3,042	
November	4,860	4,845		4,563	3,988		2,961	2,294	
December	3,978	2,933		3,644	3,624		2,364	1,704	
January	4,624	2,984		2,948	2,162		2,932	1,870	
February	6,025	4,388		3,365	3,121		2,684	2,374	
March	6,050	5,336		3,511	3,948		3,462	2,232	
Total	63,993	60,296	22,733	62,662	61,561	39,077	42,554	38,441	20,743

Source: Mackintosh Heritage Group

- 4.12 The visitor numbers generally seem to be lower for attractions in 2009-2010. Consultation found this is because there were no major events this year, compared to events in 2008 and 2009, which boosted visitor numbers. Consultation suggested that the visitor numbers for the Glasgow School of Art and Mackintosh House were boosted following improvements to their visitor areas.
- 4.13 The MHG suggested data is easier to collate in the paid venues. However, data collection on visitor numbers of any kind is not an exact science; rather it is more important to use consistent methods across the different attractions. The figures set out above are a reasonable estimate of visitor numbers which are comparable across venues. One consultee suggested that this monitoring of visitor numbers is 'Better than a lot out there, although it probably could be improved. The venues are all committed to providing the figures, which helps' – SE Manager.

- 4.14 It is difficult to estimate from these figures what the impact would have been without SE's support and funding. Furthermore, this monitoring only covers the first element as suggested by the SQW study (see paragraph 4.9). The additional monitoring has not been carried out, and includes surveys of visitors to determine their profile, purpose of trip and number of sites visited. There is also no evidence the group linked with the GCMB to coordinate questions with the general Glasgow visitor surveys.

Visitor Spend

- 4.15 We are not aware of visitor spend surveys having been carried out.

Evaluation forms on-line and on-site

- 4.16 Attractions tend to hold their own visitor books, where comments can be left. The website also offers opportunities for feedback, particularly relating to the walking tours.
- 4.17 It is difficult to collate information for the project from visitor books as they are hard-copy and tend only to have one copy. However, it does offer useful information for the individual attractions.
- 4.18 The group also gains anecdotal feedback from politicians and tourism agencies, such as Glasgow City Marketing Bureau and Visit Scotland. Consultees suggested this is positive.

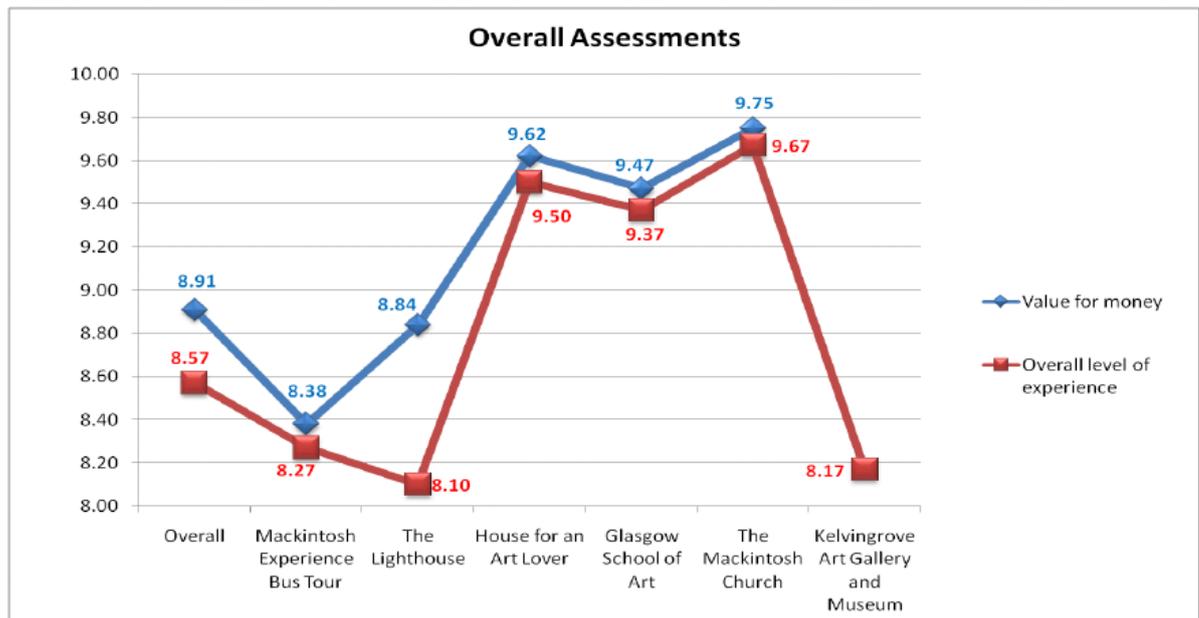
Record of Press Coverage

- 4.19 The group collates press cuttings from media monitoring which shows the range of products and services involved with the Mackintosh Group. Again, these tend to be hard copy which makes sharing of information difficult.

5 Year Plan Research

- 4.20 Lynne Jones Research Ltd carried out research to support development of the Mackintosh 5 Year Plan and measure performance, in particular considering the Mackintosh Experience Bus Tour and Mackintosh 100 (a Homecoming Scotland 2009 programme of events to celebrate Mackintosh and the centenary of the Glasgow School of Arts Building).
- 4.21 Whilst the report concentrates in the main on the performance of the bus tour and Mackintosh 100, some of the results show the level of satisfaction with users about the attraction, which was relatively high.

Figure 4.1 Overall Assessment of Value for Money and Level of Experience by Attraction



Source: Lynn Jones Research Ltd, *Mackintosh 5 Year Plan Research 2009*

- 4.22 The importance of websites was also stressed: 51% of users of the Mackintosh Experience Bus Tour referred to a selection of related websites, including the Charles Rennie Mackintosh and Glasgow: Scotland with Style websites.
- 4.23 One consultee suggested that whilst this research is useful, it is carried out by email after an event to a selected group, so there could be differences in how people feel after the event. It would be better to interview them at the event, but this is time-consuming and expensive.
- 4.24 One consultee pointed out that individual attractions have visitor comment books, which also help to provide feedback on the attractions themselves.
- 4.25 There is an opportunity on the website to feedback comments on the walking tours.

Reporting to SE

- 4.26 SE has provided the quarterly monitoring reports created by MHG. These set out:
- Activities completed
 - Activities ongoing
 - Payment milestones achieved
 - Project plan status
 - Actual or potential problems
- 4.27 These reports set out clearly the status of the activities of the group and completion of milestones.

Awards

- 4.28 The group has won two Scottish Thistle Awards (Glasgow Mackintosh Festival Marketing Initiative 2007, and Glasgow Mackintosh Festival Event 2007). Whilst this was before the SE support began, these awards were highlighted during consultation as a clear indication the group is creating a quality product. ‘We must be doing something right!’ – MHG Member

Conclusions – Impact and Monitoring

- 4.29 The monitoring shows a positive impact of the group, in terms of visitor numbers, value for money, satisfaction levels of visitors and milestones monitored.
- 4.30 The consultees generally agreed that there have been no major problems with the process of evaluation and monitoring. In fact some suggested that the milestone monitoring has been an underlying part of the success of the project (in terms of keeping it on track).
- 4.31 However, the monitoring carried out does not cover the requirements set out at the outset. For example, there has been no evident monitoring of visitor spend. It is also difficult to show evidence of whether the outcomes have been achieved through the monitoring methods suggested at the outset.
- 4.32 A number of recommendations are made below.

Clarification between objectives, actions and outcomes

- 4.33 Some monitoring has not been carried out, including regular surveys of visitors to determine their profile, purpose of trip and number of sites visited. There is also no evidence the group linked with the GCMB to co-ordinate questions with the general Glasgow visitor surveys.
- 4.34 **RM1: In any future approvals, clear links between the objectives, actions and outcomes need to be set out. Realistic and specific targets should be made and agreed.**

Linking to existing monitoring would provide economies of scale

- 4.35 The original monitoring requirements suggested the group could link to GCMB monitoring being carried out. We have not seen evidence that has happened.
- 4.36 **RM2: In future projects, MHG should link to wider surveys being carried out e.g. Visit Scotland visitor surveys, Destination Glasgow monitoring etc⁷, contributing partially to the costs.**

Electronic Storage of Information

- 4.37 More of the monitoring information (such as visitor comments) should be stored electronically so that it can be shared with the wider group. A lot of information is currently under-utilised as it is simply stored rather than shared.

⁷ This fits with recommendations made in the Interim Evaluation that survey resources should be shared and information disseminated more widely.

- 4.38 **RM3: Visitor information should be scanned in and stored centrally so members can access the information. It should also be shared centrally for monitoring purposes.**
- 4.39 **RM4: MHG could capture consistently-presented customer feedback for visitors using SE's available support through Listening To Our Visitors (LTOV) workshops. MHG would provide a co-ordinating role for the member attractions, pull information together and feed it back to the attractions.**

Events boost visitor numbers

- 4.40 The evidence suggests that events boost visitor numbers and therefore expenditure – one of the sought outcomes of the project.
- 4.41 **RM5: The MHG could consider how they can work collaboratively between attractions and other elements of the tourism industry to develop events and packages around Mackintosh. SE could direct the group to sources of funding.**

4.2 Delivery Process

Project Management

- 4.42 The consultation found that there were challenges at the start of the project as the SE project managers were new and the timing coincided with a restructure at SE.
- 4.43 It was generally agreed in the consultation that the involvement of Matthews Marketing helped the group progress, particularly for their co-ordination role and ability to take on jobs for which group members lacked time or capacity.
- 4.44 Consultation found that communications with SE have been good and positive. They were also very understanding and flexible. For example, when required the group was able to push some targets over into the next quarter and allowed the project to flow.

Structure of the Group

- 4.45 Early on in the project it was evident the MHG was growing. The group was split into sub-groups to cover roles such as marketing, retail etc. These sub-groups meet separately. The heads of the sub-groups then meet and feed into the milestones. This meant the MHG could concentrate on the core values. One consultee felt this structure had been successful. Another consultee thought this could be improved; not all attractions are represented in every sub-group and so it is difficult for the sub-groups to come up with ideas on behalf of attractions that are not represented.
- 4.46 One consultee felt that the actions of the group have worked best where it had been down to one person to push the action along. Where larger numbers of people were involved, it had been harder to make progress due to the co-ordination required.
- 4.47 In general, consultation found the MHG is very collaborative and has little conflict, even though it comprises a diverse range of partners. One consultee suggested the reason it has worked so well is probably down to the personalities of the individuals involved and the fact they are united by a passion for Mackintosh and Glasgow. They suggested the quality of product is down to the loyalty and dedication of MHG members. One consultee suggested that sometimes the group tries to do too much and it needs a bit more focus.

Conclusions – Delivery Process

Sharing Information & project continuity

- 4.48 **RM6: Information about the project needs to be stored and logged in one place (ideally electronically) at both SE and MHG. There need to be comprehensive handover meetings between project managers (ideally with some overlap time). Both elements would help improve continuity of direction.**

Structure of the Group

- 4.49 The new leadership of the MHG would be a good time to appraise the structure of the group and sub-groups and to recommend how the structure will work in the future.
- 4.50 **RM7: Restructure of the MHG and sub-groups could be carried out with the support of SE, offering advice.**

4.3 Project Learning

- 4.51 Aspects of project learning have been split into the areas of SE tourism priorities: leadership development, product development, innovation and destination development.

Successful Aspects

- 4.52 Consultees pointed to a number of areas which had been particularly successful. These are set out below.

Leadership Development – Landmarks Scheme

- 4.53 The MHG, with the Royal Incorporation of Architects in Scotland, and in partnership with Glasgow Building Preservation Trust, Glasgow City Heritage Trust, Glasgow City Marketing Bureau, Historic Scotland, and VisitScotland set up the Landmarks Scheme. This asked people to vote for their favourite buildings in Glasgow. This incorporated all in Glasgow buildings – not just Mackintosh – and shows the group running projects outside the scope of Mackintosh. ‘It was an example of the group at its best’ – MHG member.

Leadership Development – Workings of the Group

- 4.54 The sense of ownership in the objectives of the plan was seen to be a strength by consultees, as well as the opportunities to review what’s happening and having effective Steering Group management in the background.
- 4.55 One consultee suggested that networking outside the MHG has been a positive aspect of the project. This meant influential people could be kept ‘on board’ and also helped to keep the group on its toes as they realised people were watching.
- 4.56 Consultees suggested it was useful to hold workshops to review the group’s work. In particular, it was useful to bring in external facilitators who made the group think about what they are doing and what should be done in the future.
- 4.57 One consultee had been approached by groups from other locations to find out how the group managed to get competing attractions to work together so well. This was attributed to the shared passion for Mackintosh, the longevity of the group and its members, and the shared goal of improving the visitor experience and developing plans. Another consultee

suggested there is a dynamism to the group through new members joining with a core of members who bring experience of working in the group.

Innovation – Familiarisation Tours

- 4.58 In liaison with Glasgow Service Initiative and other organisations, the MHG organised familiarisation tours for Mackintosh staff and others, so they could recommend the attractions to visitors. Consultation suggested this was successful.

Destination Development, Leadership Development and Innovation – Walking Tours and RQ Codes

- 4.59 The MHG has established a series of three downloadable architectural tours – see www.crmsociety.com/mackintoshwalks.aspx. These were seen as successful by consultees. These tours incorporate more attractions than just Mackintosh and demonstrate, as with the Landmarks Scheme, that the Group has a wider offer than just Mackintosh. Further, the tours can be downloaded to a mobile phone using a QR code. It is suggested this is the first time such a technology has been used to deliver a tour in the UK⁸.

Product Development – The Website

- 4.60 The website was also highlighted as a strength of the MHG's work. It brought a joined up approach for the 'Mackintosh Portal'. Each venue updates its own details and has more events and news and is now seen as the 'face of the Mackintosh group'. It provides a comprehensive information point for visitors to use to access information on all the different attractions. The group also sends out a quarterly e-news letter.

Product Development – Educational Products

- 4.61 The group has also developed educational tools, initially with a 'Mack Pack' teaching kit for 8-14 yrs in schools across Scotland. This was followed by an information leaflet for teachers, Mackintosh by Design in 2009; and the children's book, 'The Amazing Mr Mackintosh,' published in 2010 and now being sold through major booksellers and gift shops in visitor attractions.

Product Development and Leadership Development – Trail Tickets

- 4.62 The MHG established and marketed the Mackintosh Trail Ticket with the support of a Tourism Innovation Development Award and in conjunction with Strathclyde Partnership for Transport. This was highlighted as a successful venture by consultees.

Improvements

Destination Development – Hotel Package

- 4.63 Consultation with a hotel group found that the majority of their visitors did not travel to Glasgow specifically for Mackintosh attractions. They estimated that around 40% of their

⁸ <http://www.mobilemarketingmagazine.com/content/glasgow-tours-go-mobile-qr-codes>

business is leisure travellers, and of these, around 10-15% may visit Mackintosh attractions as part of their tour.

- 4.64 The Mackintosh package worked well, although take-up was quite low. The hotel would be keen to renew the package as potential benefits outweigh the low cost of promotion.

Destination Development – Bus Tours

- 4.65 Consultees generally felt the pilot bus tours were not a huge success as they were not supported or advertised sufficiently. However, efforts that went into developing the bus tours left a legacy of information that could be used more widely e.g. the programme and design were later used for the walking tours.

Conclusions – Project Learning

Support for the group on a project-basis

- 4.66 A number of specific projects were highlighted as successful, including the Landmarks Scheme, educational products, the walking tours and the Trail Tickets.
- 4.67 **RM8: SE could consider support of the groups on a project basis, where impacts are evident. However, the focus of funding should be for making the group self-sustaining.**
- 4.68 **RM9: MHG should continue to work working with GSWS to continue to build on its current successes.**

Support for networking and workshops

- 4.69 SE's support in networking (with other organisations) and facilitating workshops were both highlighted as helpful to the MHG.
- 4.70 **RM10: SE should continue to support the groups by signposting the members to relevant members of other organisations and also by funding facilitated workshops.**

Package development

- 4.71 The development of packages and products is an area of success highlighted in the consultation, and helps to bring private sector partners on board.
- 4.72 **RM11: The group should work more closely with hotels, restaurants and other tourism businesses in the city to develop new products, services and packages.**

4.5 Strategic Rationale

- 4.73 The Treasury Green Book⁹ sets out four areas of 'market failure', where the market alone cannot achieve economic efficiency. These are public goods, externalities, imperfect information and market power. In these instances, public sector intervention can be justified to address economic inefficiencies.

⁹ See Treasury (2003) *Treasury Green Book*, Annex 1, p.55.

Rationale for Intervention

- 4.74 The Mackintosh project was approved under a previous SE regime. This suggested the rationale for intervention by SE Glasgow was that this *‘architectural and artistic legacy is already used to draw visitors to the area and is seen as a truly Unique Selling Point which no other city can claim. It makes economic and developmental sense, therefore, to ensure the visitor experience excels and that the diverse group of owners/managers/stakeholders share an agreed and joint vision to develop the potential of these assets to the full. It has been SE Glasgow, as the ‘enabler’, that bringing the group together and helping them to develop a plan, has ensured a strategic approach.’*
- 4.75 Building on this, we suggest there are three areas of market failure which SE’s intervention helps to address.
- 4.76 Firstly, the assistance with developing the website for all the Mackintosh attractions helps to overcome the problem of ‘imperfect information’. If the attractions are not promoted, this will restrict the number of people taking up the product. This is known as ‘asymmetry of information’.
- 4.77 Secondly, bringing together the Mackintosh Heritage Group allows the individual attractions to work together to create a better product for the visitors and also increase their own individual visitor numbers through, for example, signposting from one attraction to another. This joining up of resources for the common good is an example of the group benefiting from positive externalities.
- 4.78 Thirdly, the provision of funding by SE allowed Matthews Marketing to carry out the administrative and support role in the project to overcome the problem of ‘free-riding’ (where some consumers fail to pay for the provision of a public good because they expect others will pay for it). The ‘public good’ here is the promotion of Mackintosh, which if promoted by one party, would not exclude other Mackintosh attractions from benefitting.
- 4.79 The continued appropriateness of these market failure rationales are considered in the conclusions section.

Consultation

- 4.80 Consultation suggested there were a number of roles that SE have played.
- **Funding:** SE was a substantial funder of the project (£323,000 over 3 financial years), and this funding helped to cover the costs of Matthews Marketing. Consultees suggested it would have been very difficult to provide the same level of PR, marketing, admin etc as Matthews Marketing and that the group members would have been very stretched without this support. The group members all have day jobs and the Mackintosh Heritage Group is in addition to this work; this puts a lot of pressure on them. The individual attractions would not have had the time or resources to look for other funding to pay for the equivalent of Matthews Marketing. The funding helped to pay for on-going monitoring of the project.
 - **Networking:** SE played a networking and facilitation role, bringing in outside strands to the group (e.g. commercial aspects, Visit Scotland, Glasgow City Marketing Bureau, Glasgow City Preservation Trust and Glasgow City Heritage Trust, amongst others).

The MHG has now driven some other initiatives within the City e.g. the ‘Glasgow Landmarks’ campaign which identifies the 50 top landmarks in Glasgow (and does not just include Mackintosh attractions), and the walking tours, which are not exclusive to Mackintosh attractions.

- **Education:** SE played an educator role, giving an overview of what’s going on policy-wise, as well as events going on across Glasgow and Scotland. This proved helpful in direction, for example, to areas the group might focus to fit in with SE priorities.
- **Professional advice:** The Five Year Plan was put in place with SE and helped to put down the targets and goals in writing, which consultees felt made it easier to deliver. SE helped with brainstorming and workshops.
- **Status:** SE’s support gave the group status – *‘People tend to think that if SE support you, it’s a good thing’* - MHG member.
- **Catalyst:** SE played a ‘catalyst role’, with one consultee suggesting that SE’s involvement had allowed the group to be more adventurous and ambitious. *‘A body like SE advising and driving the project has upped everyone’s game’* – MHG member.
- **Value:** The MHG members often carry out work in the members’ own time. SE’s input is seen as giving this a value: *‘If the work is recognised by SE, we must be doing something right!’* – MHG member. The support gives the members a feeling of success and also helps other organisations to see the value in what the MHG do. Furthermore, all of the group members recognise they have *all* been given an additional layer of support from SE and there is no kind of favouritism.

4.81 If SE funding hadn’t been in place, consultees felt there would have been less momentum to the group, but it would still exist. SE allowed the group to deliver, not just be a ‘talking shop’.

4.82 The 5 Year Plan provided a ‘solid framework’, giving a structure to work to, with tasks to do and milestones to achieve. Some consultees felt this was a really useful management tool to keep the group on track. However, another consultee suggested that milestones can in fact hinder progress. They suggested that checking the milestones does not necessarily result in the best outcome and has the danger of leading to the mindset of just ‘doing the milestones’.

4.83 Another consultee reiterated that had there been no SE funding, the group would have been much more limited in what it could achieve. For example, the group would have been limited to producing the Annual Heritage Leaflet and maintaining the website.

Conclusions – Strategic Rationale

4.84 There are three main areas of rationale for SE intervention: asymmetric information, positive externalities and public good. The need for public sector support to help the attractions promote jointly Mackintosh attractions still exists: there are insufficient incentives for any individual attraction to take on the job.

There is still a public sector role for bringing the attractions together for joint promotion

4.85 Public sector support is still needed to help the attractions to develop plans which allow them to become more sustainable.

- 4.86 **RM12: SE should support the co-ordination and continuation of the group, through funding of a dedicated full-time position for a specific period of time. Details of proposals for this are outlined by the MHG in the Transition Proposal to SE.**

4.6 Key Achievements

- 4.87 In summary, key achievements of the group include:

- Development of a successfully functioning MHG and sub-structure
- Development of the website
- Development and execution of the Landmarks Scheme
- Execution of familiarisation tours
- Development of walking tours and RQ Codes
- Development of leaflets
- Development of educational products
- Development of hotel packages
- Development of Trail Tickets in collaboration with Strathclyde Passenger Transport
- Development of pilot bus tours
- Support and organisation of major events, increasing visitor numbers to Mackintosh attractions and Glasgow

4.7 Mackintosh – Options for the Future

- 4.88 The Mackintosh project has benefitted from 3 years of support from SE. The group now needs to move to a model which is more sustainable and where less public sector support is required. Three options have been set out for future support from SE to the MHG:

- Option 1: SE immediate withdrawal of support
- Option 2: One year exit strategy
- Option 3: Two year exit strategy with tapered support

- 4.89 The following table sets out what would be involved with each option, benefits, risks, partners involved and SE's role. It also sets out how the recommendations outlined earlier in the report fit to the options. It includes potential future options as set out by the MHG in their proposed plans for the transition year.

- Option 1:
 - Momentum to date is lost.
 - Potential future impacts from continuation of the project are lost.
 - MCTMC ceases to exist or is severely diminished with resultant job losses.
 - Emphasis of remaining activity could switch to meet other funding priorities e.g. SE's rather than those of MCTMC.
 - Benefits to business are lost.
 - Failure to support Destination Glasgow.
 - Reputational risk for SE to stop funding without planned exit strategy.

- SE not continuing to support project linked to delivery of key strand of Glasgow Tourism Action Plan.
- Option 2:
 - Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'.
 - Projects may not come forward or take longer to develop as a consequence of reduced funding.
 - Insufficient time to progress to sustainable structure
- Option 3:
 - Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'.
 - Projects may not come forward or take longer to develop as a consequence of reduced funding.
 - Insufficient time to progress to sustainable structure
 - Income raising doesn't meet gap left by tapering of SE support

4.90 **SE will need to review these options and determine how to progress them in terms of appropriateness, affordability and impact.**

Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
SE immediate withdrawal of support	1	SE ceases to support the MHG with core funding with effect March 2011. MHG would remain able to access initiative-based funding providing it could demonstrate linkage to and performance against SE core sector objectives	No direct cost to SE	Momentum to date is lost. Potential future impacts from continuation of the project are lost. Benefits to attractions are lost. Failure to support Destination Glasgow. Reputational risk for SE to stop funding without planned exit strategy. SE not continuing to support project linked to delivery of key strand of Glasgow Tourism Action Plan.			Project by project consideration
One Year Exit Strategy	1	SE continues financial support, albeit at a lower level than current support (50%). MHG may remain able to access other support/SE products to assist with development projects.	Greater ability to appraise and evaluate impacts of funding. Objectives and outputs more easily and clearly linked.	Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'. Projects may not come forward or take longer to develop as a consequence of reduced funding. Insufficient time to progress to sustainable structure		SE, MHG	Funding.
	1	MHG to work with SE to set out a clear plan of objectives, outputs, outcomes and monitoring over the lifetime of the future funding support.	Clear plan. Milestones continue to be set and met. Realistic targets are achieved.	Milestones are not met and targets not achieved.	RM1		Advice on working up plan, objectives etc.
	1	Post holder employed to co-ordinate groups's work, develop the business plan, focus on developing key partnerships, progress city-wide collaborative working and develop the ambassadors programme.	Dedicated person working means work will get done and not 'fall between gaps'.	Post holder is ineffective. Alternative funding sources are not forthcoming.	RM10	SE, MHG, Post-holder	Funding.
	1	MHG to work with VS and GCMB to build into wider survey work being carried out.	MHG able to collate visitor information and build on findings. Cheaper than carrying out own survey work.	Questions not answered sufficiently. Findings not disseminated satisfactorily.	RM2 and RM4	SE, MHG, Post-holder, VS, GCMB	Signposting and co-ordination

Option	Name	Year	Details	Benefits	Risks	Recommendations	Partners	SE Role
		1	SE could consider funding individual events if put forward.	Greater autonomy to SE for funding events. Greater ease of appraisal and evaluation of funding. Potential for SE to provide networking to SDI for promotions.	No funding to new event and potential opportunities and benefits are lost.	RM5 and RM8	SE, MHG, SDI	Funding. Professional advice. Signposting to SDI.
		1	MHG to continue working with GSWS to build on good work achieved so far.	Continuation of existing relationships and delivery of benefits.	Relationships do not continue	RM9	MHG, GSWS	
		1	The group should work more closely with hotels, restaurants and other tourism businesses in the city to develop new products, services and packages.	Development of new products, services and packages. Increased number of tourists. Involvement of private sector.	Lack of take-up of products, services and packages.	RM11	MHG, private businesses across Glasgow	
		1	Improvements to storing and sharing of visitor information and project management information	Improved information for monitoring.	Overload of information	RM3 and RM6	MHG, Post-holder	
		1	MHG to organise group and sub-group re-structure.	More efficient use of people and preferred set-up of groups in consultation with group members.	Loss of time and new structure no improvement on old structure	RM7 and RM10	MHG, Post-holder, SE	Advice, facilitation workshops
3	2 Year Exit Strategy	1	As for Option 2, Year 1.		Core functions find it more difficult to cover costs via projects as funding may be 'lumpy'. Projects may not come forward or take longer to develop as a consequence of reduced funding. Insufficient time to progress to sustainable structure			
		2	As year 1 but minimal funds from SE with greater income from other sources.	Longer time allowed for transition to fully-sustainable model - greater chance of success.	Income raising doesn't meet gap left by tapering of SE support			

5 RECOMMENDATIONS FOR SE

- 5.1 A number of recommendations have become apparent through the review.
- Realistic targets need to be set for projects. These targets need to:
 - Relate to the projects
 - Be realistic
 - Be suitable for monitoring (and not too expensive to monitor)
 - Be agreed with the project group to clarify expectations
 - Milestones were found to be a useful way for the groups to keep on track and ensure they had achieved what they needed to. SE should continue this useful process.
 - Where possible, SE should try to ensure continuity of project managers. Where this is not possible, SE need to ensure information is logged electronically so that it can be accessed by future managers and arrange an overlap of time between managers to allow maximum transfer of information.
 - Exit strategies – or at least plans for exit strategies – should be in place at the start of the projects so that there is a known direction for the projects as funding draws to a close. SE need to monitor the projects closely to ensure the groups are in a position to move to being self-sustained.

APPENDIX 1

Tourism Industry Context

The Tourism Industry Context

Introduction

The tourism industry has changed in the three years that the project has been running, mainly reflecting the changing economic situation. The following section profiles the tourism sector in Scotland.

Volume and value of tourism in Scotland

Between 2008 and 2009, the number trips to Scotland increased by 2.7%. The amount people spent on tourism increased by 1.1% (£48m).

The amount spent by the overseas visitors has increased by 10% (£124m). There has been an increase in the number of trips by UK residents, but their spend decreased by 2.7% (£76m). The likely cause of this is that people are becoming more prudent in their spending during the current recession. However, there was a significant increase of 38.5% in spend from visitors from Northern Ireland.

Table A.5.1 Volume and Value of Tourism in Scotland, 2008 and 2009

	2008			2009		
	Trips (m)	Nights (m)	Spend (£m)	Trips (m)	Nights (m)	Spend (£m)
Scotland	5.84	19.19	927	5.85	16.59	886
England	5.74	23.14	1,682	6.01	26.99	1,613
Wales	0.21	0.7	76	0.19	1.21	61
Northern Ireland	0.36	1.16	127	0.42	1.29	176
Total UK Tourism	12.15	44.19	2,812	12.47	46.08	2,736
Total Overseas Tourism	2.48	19.34	1,235	2.56	21.91	1,359
Total	14.63	63.53	4,047	15.03	69.99	4,095

Source: Visit Scotland; Tourism in Scotland 2008 and 2009

Type of Tourist

Table A.5.2 distinguishes between tourists from the UK and those from overseas and breaks down the type of visitor to Scotland. The number of people from the UK coming specifically to Scotland for a holiday has increased by 6.7%. This suggests that due to the recession more people want to save money on their holidays and that holidaying within the UK is a more cost effective option. However, those holidaying from the UK are spending 4.3% less in 2009 than they did in 2008.

Encouragingly, the recession appears to have affected those travelling from overseas to a lesser extent. Overseas visitors coming on holiday have increased their visits by 3.4% and spend by 2.1%. The value of the business market in particular has grown.

Table A.5.2 Volume and Value of Tourism in Scotland by Type of Visit, 2008 and 2009

	2008						2009					
	Trips		Nights		Spend		Trips		Nights		Spend	
	(m)	(%)	(m)	(%)	(£m)	(%)	(m)	(%)	(m)	(%)	(£m)	(%)
UK												
Holidays	8.29	68%	33.54	76%	1,986	71%	8.85	71%	35.50	77%	1,900	69%
Business	1.93	16%	5.14	12%	557	20%	2.05	16%	5.81	13%	601	22%
Visiting friends and relatives	1.60	13%	4.16	9%	208	7%	1.37	11%	4.22	9%	197	7%
Other	0.33	3%	1.35	3%	61	2%	0.20	2%	0.55	1%	38	1%
Total	12.15	100	44.19	100	2,812	100	12.47	100	46.08	100	2,736	100
Overseas												
Holidays	1.16	47%	7.70	40%	640	52%	1.20	46%	8.65	39%	654	48%
Business	0.39	16%	1.78	9%	166	13%	0.42	16%	2.10	10%	226	17%
Visiting friends and relatives	0.79	32%	6.86	36%	279	23%	0.78	30%	8.07	37%	330	24%
Study	0.03	1%	1.63	8%	52	4%	0.04	2%	0.04	0.2%	78	6%
Other	0.11	4%	1.37	7%	98	8%	0.15	6%	3.05	14%	71	5%
Total	2.48	100	19.34	100	1,235	100	2.56	100	21.91	100	1,359	100

Source: Visit Scotland; Tourism in Scotland 2008 and 2009

Length of Stay and Spend

Table A.5.3 shows that between 2008 and 2009 people are on average spending more time but less money on holidays in Scotland, with a 1.4% decrease.

Table A.5.3 Average length of stay and spend, 2008 and 2009

	2008			2009		
	Length of Stay (nights)	Spend per trip (£)	Spend per night (£)	Length of Stay (nights)	Spend per trip (£)	Spend per night (£)
Scotland	3.3	158.7	48.3	2.8	151.45	53.41
England	4.0	293.0	72.7	4.5	268.36	59.76
Rest of UK	3.3	356.1	109.1	4.1	388.52	94.80
All UK	3.6	231.4	63.6	3.7	219.41	59.39
All Overseas	7.8	498.0	63.9	8.6	530.86	63.03
Total	4.3	276.6	63.7	4.5	272.48	60.23

Source: Visit Scotland; Tourism in Scotland 2008 and 2009

APPENDIX 2

List of Consultees

Merchant City

Lynne Pringle	Senior Project Manager	SE
Campbell Mellee	Project Manager	SE
Lorraine Green	Ex-Project Manager	SE
Steven Thompson	Chair	MCTMC
Kara Szifis	Marketing Manager	MCTMC
Lisa Watts	Marketing Manager	MCTMC
Veronica Lowe	Board Member	MCTMC
		St. Andrews in the Square
Ewan Curtis	Involved in footfall surveys	ex-MCI
Angela Pinto		Boteco
Ashley Holdsworth		Make it Glasgow
James Scott		Brazen

Mackintosh

Lynne Pringle	Senior Project Manager	SE
Annemarie Burns	Project Manager	SE
Lorraine Green	Ex-Project Manager	SE
Carol Matthews	Manager	MHG
		Matthews Marketing
Stuart Robertson	Ex-Chair	MHG
		Charles Rennie Mackintosh Society
Pamela Robertson	Board Member	MHG
		Hunterian Gallery
James Hughes	Chair	MHG
		House for an Art Lover
Joanne Martin		Millenium Hotel

Both Projects

Liz Buchanan		Visit Scotland
Tom Rice		Glasgow City Marketing Bureau
Elaine Dickie		Glasgow City Marketing Bureau
Anne Murray		Glasgow City Council
Keri Isdale		Glasgow City Council

Comparator Projects

Nick Howbridge		Hull City Council
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