

Background Paper – Tourism Issue No 015

Context: NPF Spatial Strategy, NPF 4 Policy 30 Tourism

<https://www.legislation.gov.uk/ukpga/1997/8/section/15>

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

National Planning Framework 4: (30) Tourism

- The needs of communities, visitors, the industry and the environment.
- Any areas of pressure where existing tourism provision is having adverse impacts on the environment or the quality of life and health and wellbeing of local communities.
- Relevant local sector driven tourism strategies.

LINKS TO EVIDENCE

ELC 398	<ul style="list-style-type: none"> • Scotland Outlook 2030 - Scotland's Tourism Strategy
ELC 399	<ul style="list-style-type: none"> • East Lothian Local Economy Strategy (2024 - 2034) – Vision and Evidence Paper – Approved at committee April 2024
ELC 400	<ul style="list-style-type: none"> • East Lothian Economic Development Strategy 2012-2022 (refreshed 2018)
ELC 274	<ul style="list-style-type: none"> • East Lothian Visitor Accommodation Sector, Commercial Needs Study, Avison Young (2021)
ELC 275	<ul style="list-style-type: none"> • East Lothian Visitor Survey (2021)
ELC 403	<ul style="list-style-type: none"> • East Lothian Visitor Management Plan – February 2022¹
ELC 404	<ul style="list-style-type: none"> • East Lothian STEAM (Scottish Tourism Economic Activity Monitor) 2022 year in review

¹ This document is an internal working document used by ELC officers in determining tourism infrastructure projects. It has identified clear projects and initiatives to assist with visitor management of predominantly East Lothian's coastline. The document will be reviewed in the future and may become public.

ELC 405	<ul style="list-style-type: none"> • Local Transport Strategy 2018-2024
ELC 038	<ul style="list-style-type: none"> • East Lothian Council's Climate Change Strategy 2020-25
ELC 407	<ul style="list-style-type: none"> • Visit Scotland Scottish Tourism Statistics & Research
ELC 408	<ul style="list-style-type: none"> • Research into the Private Rented Sector in East Lothian - Arneil Johnson (November 2022)
ELC 409	<ul style="list-style-type: none"> • Public Register of Short Term Let licenses in East Lothian

SUMMARY OF EVIDENCE

East Lothian Local Economy Strategy 2024-2034

Proposed Actions:

Visitor Levy Feasibility - Undertake feasibility research and consultation to explore the cost / benefits and potential opportunities of implementing a visitor levy scheme as a mechanism for funding future visitor economy activity and other core support services / infrastructure provided by ELC.

Net Zero Skills Accelerator - Work with Edinburgh and South East Scotland Regional Prosperity Framework partners to assess the feasibility of establishing a Net-Zero Skills Accelerator Hub location in East Lothian. This would address green skills requirements in a variety of sectors and to grasp future 'green' job opportunities, including in renewables, retrofit, agri-environment, wider land-use, and nature.

Heating & Powering Businesses and Communities - Support the delivery of the actions in the Local Heat & Energy Efficiency Strategy which have the potential to support economic development in East Lothian. These could potentially include the opportunities to develop heat networks and associated jobs and supply chains.

East Lothian Food, Drink, Hospitality & Leisure Sector Development Programme - Develop targeted interventions to support food, drink, hospitality & leisure sector businesses to access new markets, including building partnerships between local providers, public sector organisations and visitor destinations, and routes to market to showcase opportunities for East Lothian, attractions, businesses, and produce.

1. **Agritourism** - Work with the sector to promote and advise those already operating or interested in diversifying into agritourism. Ensure that work to develop the next Local Development Plan considers how appropriate agritourism developments can be enabled. Provide advice to support farm businesses who are looking to diversify into other sectors, including retail, hospitality, and accommodation (including short-term letting to grow bedstock).

Cycling & Walking Tourism - A programme to support businesses to enhance their cycling and / or walking tourism facilities. This could include investment in new secure covered cycle / walking kit storage; new open cycle parking, sheltered cycle parking; drying rooms / boot cleaning; enhancement to existing cycle / walking product offer; and e-bike charging facilities. Work to maximise the potential of existing routes and product and link to the Regional Prosperity Framework and enable opportunities for cycling and walking tourism to be factored into any wider infrastructure development.

East Lothian Visitor Accommodation Sector, Commercial Needs Study, Avison Young (2021)

This study looked at the trends for visitors, amount and suitability of tourism accommodation, and post-covid tourism recovery. There were limitations to the study as it was carried out during a period of lockdown, meaning visitor numbers and patterns of use of accommodation are not reflective of the typical situation pre-pandemic. Key issues and opportunities from the study were: the lack of a large hotel/resort, the issue of seasonality and how to increase visitor numbers; short-term lets including the quality of lettings and potential impact on the housing market; the proximity to Edinburgh including the unique nature of what East Lothian has to offer.

East Lothian Visitor Survey (2021)

East Lothian Visitor Survey 2021 was commissioned by East Lothian Council. Some of the key statistics are highlighted below:

Visitor numbers to coastal areas remained roughly the same. It is the area visited by most people coming to East Lothian.

In terms of visitor origin, 64% of visitors came from within Scotland, 34% from the rest of the UK, and 2% came from overseas. Edinburgh residents alone made up around 25% of all visitors. In terms of overseas tourists, the United States, Netherlands, and Canada had the highest representation, in that order, with the United States accounting for half of all overseas visitors. The continuing impacts of travel restrictions are evidenced in these figures, and it should be noted that the overseas markets had not yet fully recovered to pre-pandemic levels.

In terms of activities undertaken, visiting the beach was by far the most popular. The second most popular activity was going to restaurants and cafes, followed by sightseeing and touring, and shopping. Over half (54%) of sampled shoppers reported visiting farm shops during their visit, highlighting the importance of local produce. In terms of geography, North Berwick was the most visited town, followed by Dunbar and Gullane.

Caravan parks and camping (33%) were the most popular type of accommodation for overnight visitors, followed by rented accommodation (24%), hotels (19%), staying with friends or relatives (16%) and Airbnbs (6%). The average spend per day was found to be £63.54.

The highest domestic source of trips is Edinburgh.

86% of visitors travelled by car.

Visitor numbers are highest in North Berwick which is also an area of known pressure in terms of parking.

East Lothian Scottish Tourism Economic Activity Monitor (STEAM) 2022 year in review

Visitor types – staying visitors accounted for 32.6% of visits against day visitors 67.4%. There is still a need to increase the level of staying visitors, and this is mirrored in the Avison Young report and draft Local Economy Strategy.

Visitor numbers – 1.22m tourism visits to East Lothian in 2022, up 35.7% on the previous year. Between 2017 and 2019 the area had seen the total number of visits rise by 4% to a total of 1.4m visits. The results from 2022 evidence a slow but steady recovery from the height of the covid pandemic, total visitor numbers are still -11.2% below 2019 pre-covid levels.

Visitor days – total visitor days to East Lothian were 2.64m. Total staying visitors accounted for 1.8m visitor days in 2022, an increase of 51% on 2021 and they are now just -2.5% below pre-covid 2019 figures.

Economic impact – The value of tourism activity in East Lothian was estimated to be £299m in 2022 (a substantial increase of 58.5% on the previous year).

Employment supported by tourism - The expenditure and activity of visitors to East Lothian supported a total of 4,124 Full-Time Equivalent jobs (FTEs) in 2022, up by 34.1% when compared to 2021, when employment was estimated to have been 3,075 FTEs.

Local Transport Strategy 2018 – 2024

Identifies areas where improvement is needed to travel patterns such as shifting towards more sustainable modes (walking, cycling including electric bikes), public transport access, congestion, multi-modal routes etc. Linked to the Local Transport Strategy is the issue of town centre parking including length of stays for on-street spaces, dedicated off-street car parks, charging for parking etc. Visitor numbers are highest in North Berwick which is also a known area of pressure in terms of parking.

East Lothian Council Climate Change Strategy 2020 – 2025

The Council's Climate Change Strategy 2020-25 was approved following the declaration of a climate emergency in East Lothian. It contains seven outcomes for the 5-year period including Active Travel and Sustainable Transport, Net Zero Energy Efficient Homes and Buildings, and a Low Carbon and Sustainable Economy.

Visit Scotland Scottish Tourism Statistics and Research

The last Scotland Visitor Survey was undertaken in 2023, and the results of the research will be available in 2024. The information assists in identifying the type of visits made to and from the UK and the likelihood of UK residents take short breaks and holidays.

East Lothian Local Development Plan – Tourism Policy

Indications are that policies TOUR2 – TOUR3 are underutilised, and consideration may be given to removing them. Tourism policies, TOUR1 and particularly TOUR4, could be retained but reworded and updated to cover a wider tourist development decision-making basis.

Short-Term Lets

Short term lets continue to be an area of considerable interest within East Lothian. Some operators think that the change in legislation has resulted in too many STLs having to close, whilst some local residents feel that they can be harmful to amenity and can reduce the amount of housing stock, to the detriment of local communities. Short terms lets can also bring economic benefits to an area and work is ongoing to provide more information on their economic impacts. Part e) of Policy 30 of NPF4 provides a robust policy basis on which to assess planning applications for STLs.

Research into the Private Rented Sector in East Lothian - Arneil Johnson (November 2022)

The results indicated limited effects on the private rented sector however in certain locations this may be more significant.

SUMMARY OF STAKEHOLDER CONSULTATION

The Council carried out extensive consultation with the local community and other stakeholders. Engagement activities ran for 14 weeks, between June and September 2023. Specific meetings were held with NHS Lothian and East Lothian Economic Development colleagues.

A Summary of Evidence Report Engagement Report (Document 027) has been completed for all the consultation undertaken in the development of the Evidence Report. A summary of the engagement carried out can be found in that report.

The key themes that came out of the analysis from consultation and engagement for tourism were:

General public consultation:

Sustainable day Trips

90% of respondents suggested that day trip visits to, and within, East Lothian could be made more sustainable by improving sustainable transport options throughout the area. We already know that there are areas of pressure particularly around the beaches and coastal towns, where there can be high levels of congestion during peak season.

Encouraging overnight stays

Many of the responses focused on sustainable transport, as noted for day trips above. Most of the suggestions, however, were around supporting the accommodation offer we already have in East Lothian while recognising that there may be a need to encourage some new development in the form of a hotel. The issue of short term lets was mentioned by some respondents and will be a key issue for consideration.

More year-round activities

Just over 60% of those who responded felt that there are opportunities to encourage a wider range of activities which are not solely based around the summer season. While it was noted that East Lothian already has a lot to offer, work around encouraging more year-round activities would hopefully help to address the impact of tourism during peak season.

Tourism without negative environmental impacts

Respondents suggested that the Council should identify trigger points that overburden infrastructure while there were several suggestions to relieve these issues through the implementation of sustainable transport options. It was recognised that rural tourism is very important in East Lothian and that this should be supported through sustainable management.

Children and Young People Engagement:

The children want to *“protect the and highlight the areas beauty, encourage more people to visit”*.

They are ambitious with lots of ideas for people to visit and live in the area, for example one commented that East Lothian should *“host the Olympics, create more tourist attractions (like the kelpies but with a train station, space for small businesses”*.

Another young person commented *“I like yellowcraigs, I can go there without a car.”*

The children’s wish list included the provision of hotels.

Short-Term Lets Consultation

To gather information on short-term lets (STLs) in the area and to understand more about public opinion, the Planning Service carried out a public consultation between February and April 2022. The consultation sought to calculate figures for the total number of Short-Term Let properties in five of East Lothian’s main towns and to work out the percentage of properties within designated town and local centres that were being used as short term lets. At the time of the consultation, it was calculated that there were 572 STLs available in East Lothian. However, it was recognised that this figure may not be robust as the number of STLs regularly fluctuates and there may be other STLs that do not advertise on the hosting platforms that were analysed. There were 194 respondents to the consultation, 175 were resident in East Lothian and 19 outwith. Overall responses gathered across the five towns were divided. Many respondents considered STLs to be important in terms of tourism, jobs and supporting the local economy, particularly in the winter months. Many respondents raised concerns around the availability of housing, anti-social behaviour, lack of sense of community and the cumulative impact on residents.

A fuller picture on the number of available STLs and where they are located should become available once all of the existing STL licensing applications have been determined.

WHAT THIS MEANS FOR THE PROPOSED PLAN? WHAT ARE THE KEY ISSUES FOR THE LDP TO ADDRESS, FROM POLICY ANALYSIS?

The following key issues will need to be considered in the Local Development Plan:

1. LDP policies will need to be reviewed to ensure that they are consistent with the key objectives of NPF4, which include addressing the global climate emergency. This review should include assessing whether policy should be introduced to control or restrict tourism development in certain locations on the coast or change the approach in the general countryside.
2. The LDP will need to determine whether specific sites should be identified to assist in the availability of hotel/visitor accommodation. Hotel/visitor accommodation uses will be sought as part of the call for sites exercise.
3. Evidence shows that there are areas of ongoing pressure in some settlements in terms of visitor numbers and this must be carefully balanced and linked to ways to relieve this pressure, particularly in terms of access to settlements along the coastal areas.
4. Agritourism is a growing sector, particularly in East Lothian. The LDP will need to balance supporting this type of development while protecting the sustainability of the countryside and coast.
5. The issue of short-term lets will be further examined once a fuller picture of the overall number of STLs in East Lothian is available.

AREAS WHERE THERE IS AGREEMENT OR DISPUTE ON ISSUES AND POSSIBLE APPROACHES.

There are no disputes to be considered at gatecheck.

This background paper has been prepared to draw together the evidence base that will be used to inform the preparation of the East Lothian Local Development Plan 2 (LDP2). It is one of a suite of topic-based background papers which identify the key issues that need to be addressed in LDP2.

The paper provides:

1. Introduction
2. Policy context
3. Background evidence
4. Analysis of background evidence, trends, and current issues
5. Issues raised in engagement.
6. Conclusions
7. Implications for the proposed Plan
8. Areas where there is Agreement or Dispute

1. Introduction

Tourism is recognised as one of the world's fastest growing industries, encompassing a very wide range of activities including travel and visits for business, professional and domestic purposes as well as for holidays and recreation. The Covid – 19 pandemic had a devastating impact on the tourism and hospitality industry worldwide. Prior to the pandemic, travel and tourism accounted for around 10.4% of global GDP. The latest research by The World Travel & Tourism Council (WTTC) estimates that the travel and tourism sector contributed 7.6% to the global economy in 2022, indicating a steady recovery back to pre-pandemic levels.

As the damage to the tourism sector caused by the pandemic slowly subsides, in Scotland, “the sector is now facing the combined challenge of high costs and inflationary pressures, resulting in cost of living and cost of business crisis, which many tell us is a tougher environment than the COVID-19 pandemic” (The Scottish Tourism Alliance (STA)).

The tourism sector in East Lothian generated an economic impact of 299 million in 2022, supporting 4,124 FTE jobs across East Lothian. (Scottish Tourism Economic Activity Monitor STEAM). Note this is higher than in 2019 when the impact was £279million.

Through utilising existing environmental, historical, cultural, and geographic assets, as well as through new developments and product creation, tourism is a key economic driver capable of stimulating further growth and development opportunities. Tourism can benefit the assets on which it depends to support community wealth building, for example through assisting in the financing of conservation or enhancement initiatives or developing other local assets. In towns tourism can contribute positively to urban regeneration. In rural areas, tourism is important to the development of the rural economy by offering opportunities for increased local employment, for example, opportunities for farm diversification or the development of other rural businesses.

The World Tourism Organisation (WTO) promotes sustainable tourism and defines this as *“Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.* Sustainable tourism development is brought about by balancing the needs of tourists and progressing the tourism industry along with protecting the assets of the destination. The land use planning system has a key role in managing tourism-related development through planning policies that provide a framework for identifying appropriate development opportunities and safeguarding tourism assets from harmful development.

2. Policy Context

Nation Planning Framework 4 (NPF4)

The NPF4 was adopted in February 2023 and introduced three broad themes for future Local Development Plans to address climate change, nature crisis, and health inequalities. Each of these has links to tourism set out below.

Climate Change: It is widely recognised that climate change will now cause changes that we are unable to prevent even with reductions in greenhouse gases. A changing climate has potential effects on tourism with weather being more unpredictable and severe weather events. For coastal areas in particular, climate change could mean sea level rise affecting our beaches, protected landscapes, and certain species of birds, animals, trees and plants. Although not a new concept, the issue of sustainable tourism is a key theme that runs through the NPF4. It is closely linked with climate change and net zero, and aims to address the needs of visitors, the industry, the environment, and host communities. Every decision we make in planning (and as a Council) must now demonstrate how tourism related development meets the important climate change and net zero targets and priorities to limit the future effects.

Nature Crisis: Linking with climate change and carbon emissions, the nature crisis is a significant challenge for every sector. The area is highly dependent upon its high-quality landscapes and natural environment for attracting tourists. Declining overall biodiversity could significantly change the tourism sector in East Lothian. For example, an abundant bird population attracts visitors to the coast and the Scottish Seabird Centre in North Berwick. The damage to or loss of these habitats would affect the tourism sector.

We must therefore ensure that decisions involving new tourism related development are made in a way which protects and enhances our natural environment. There are good examples of managed developments elsewhere from which we can learn.

Health: Tourism relates to the health of the population of both the visitors and of the existing communities to which tourists are attracted. Health is both physical and mental, and tourism can help people improve both. It is worth noting that global trends show an increase in wellness tourism. Tourists often visit East Lothian to engage in sports or recreation (golf, walking, cycling, surfing etc.) which naturally improve physical and mental health. There is a balance to be made however, as tourism can, if too impactful on existing communities have measurable negative effects.

Tourism, especially as it relates to and impacts on the natural environment, local communities, and public services, must be well managed and based on effective infrastructure and well-funded.

NPF4 Policy 30: Tourism

The NPF4 provides a specific policy on tourism which is set out within Policy 30. The intent of the policy is to encourage, promote and facilitate sustainable tourism development which benefits local people, is consistent with net zero and nature commitments, and inspires people to visit Scotland. Overall, the policy is supportive of sustainable tourism development, and in particular resilience, job creation, and post-pandemic economic recovery. Communities and places should be able to enjoy economic, social, and cultural benefits from tourism. There is also a recognition that tourism activity can place pressure on local infrastructure and services and negatively impact upon the health and wellbeing of existing communities in which it occurs. Future LDPs must therefore do two key things:

- *Identify suitable locations which reflect opportunities for tourism development by taking full account of the needs of communities, visitors, the industry, and the environment.*
- *Identify areas of pressure where existing tourism provision is having adverse impacts on the environment or the quality of life and health and wellbeing of local communities, and where further development is not appropriate.*


These requirements are inter-related with many other aspects of work within the next Local Development Plan, and a balanced and place-based approach will be necessary to achieve them.


East Lothian Local Development Plan 2018:

There are four tourism related policies with LDP 2018: TOUR1, TOUR2, TOUR3 and TOUR4. Policies TOUR1 – TOUR3 relate to specific sites or locations in East Lothian (Archerfield, Belhaven Chalets and Dunbar Castle Vaults respectively). TOUR4 (Hotels and Guest Houses) is a protective policy applicable to development proposals involving change of use of buildings away from hotel or guest house use.

As part of LDP 2018, a Countryside and Coast Supplementary Planning Guidance (SPG) was produced and gives additional guidance on development within coastal locations. This relates to tourism as much of East Lothian's tourist draw is due to the coastal location of settlements and quality of beaches. Elements of this SPG are likely to be transferred to form part of the next LDP but should be largely retained.

3. Background Evidence

Key Strategies, Policies and Data Sources		
Scotland Outlook 2030	Scotland's national tourism strategy.	Scotland Outlook 2030 - Scotland's tourism strategy (scottishtourismalliance.co.uk)
East Lothian Local Economy Strategy 2024 (Vision and Evidence Paper)	Updates and replaces the EDS to provide the most up to date Local Economy Strategy for East Lothian.	Approved at committee April 2024.
East Lothian Economic Development Strategy 2012-2022 (refreshed 2018)	Sets ELC's Economic Development Strategy (EDS).	East Lothian Economic Development Strategy 2012-2022 East Lothian Council
East Lothian Visitor Accommodation Sector, Commercial Needs Study, Avison Young (2021)	East Lothian Visitor accommodation sector commercial needs study examines the future capacity in East Lothian.	 Avison Young - tourism.pdf
East Lothian Visitor Survey (2021)	Presents main findings from the visitor survey and outlines the key conclusions, including visitor profiles, visit patterns, perceptions about the area and expenditure habits.	East Lothian Visitor Statistics and Insights East Lothian Council
East Lothian Visitor Management Plan – February (2022)	An evidence-based plan that helps to identify how the full range of East Lothian Council policies and services (in planning, transport, environmental management, economic development, leisure and recreation, culture, and the arts) can support the visitor economy on the one hand and be supported by it on the other.	This document is an internal working document used by ELC officers in determining tourism infrastructure projects. It has identified clear projects and initiatives to assist with visitor management of predominantly East Lothian's coastline. The document will be reviewed in the future and may become public.

East Lothian STEAM Tourism Economic Impacts 2022 year in review	Sets out a summary of the annual tourism economic impact research data for 2022.	 East Lothian Infographic - 2022.pd
Local Transport Strategy 2018 – 2024	Is the most up to date Local Transport Strategy for East Lothian.	Local Transport Strategy 2018-2024 East Lothian Council
East Lothian Council Climate Change Strategy 2020 - 2025	Sets out the council’s commitment to tackling the Climate Emergency at a local level.	Climate Change Strategy 2020-25 East Lothian Council
Visit Scotland Scottish Tourism Statistics and Research		Scottish Tourism Statistics & Research VisitScotland.org
Research into the Private Rented Sector in East Lothian - Arneil Johnson (November 2022)	Research into the private rented sector in East Lothian and data on the extent to which it has impacted the growth of short-term lets.	LHS 2024-2029 Supporting Paper 5- Research into the Private Rented Sector in East Lothian East Lothian Council
Public Register of Short-Term Let licenses in East Lothian.	Identifies all properties in East Lothian that have applied for a STL license and what stage the application is at e.g., granted/withdrawn/pending.	Short-term Let (STL) Public Register East Lothian Council

4. Analysis of background evidence, trends, and current issues

This section of the background paper looks at the above documents drawing out the main issues from each and identifying any common threads throughout the information. Elements of this Evidence were presented alongside the public and stakeholder engagement with views also being sought on how the issues raised could be addressed in the Proposed Plan.

Scotland Outlook 2030

This is Scotland's national tourism strategy which was developed through an equal partnership between the Scottish Tourism Alliance, Scottish Government, VisitScotland, Scottish Enterprise, Highlands and Islands Enterprise, and Skills Development Scotland. All the key priorities developed locally align with this document.

East Lothian Local Economy Strategy (Vision and Evidence Paper) 2024-2034

In 2023 East Lothian Council appointed Stantec to support the development and delivery of a Local Economy Strategy for East Lothian 2024-2034 which will replace the East Lothian Economic Development Strategy 2012 – 2022 (EDS). It will include the Visitor Economy and negate any requirement for a separate tourism strategy or action plan.

The Local Economy Strategy (LES) consists of three documents: the evidence paper, the vision paper, and the delivery plan.

The LES was adopted in April 2024. The information within it will be important for development and delivery of LDP2. The information noted below is an extract from the draft LES document in relation to the visitor economy and will provide a base for future discussions around the development of the shared vision, objectives, action plan and monitoring framework.

The report draws on statistics from the East Lothian Visitor Survey 2021 and STEAM reports 2022 which are both examined in more detail in a later part of this background evidence section. It is however interesting to look at the outcome of the stakeholder and community engagement as these will help to shape the direction of the vision and objectives for final LES.

Local Economy Strategy (LES)

Vision:

"In 2034, East Lothian will be an increasingly thriving, sustainable, and inclusive economy.

We will adopt a joined-up approach to economic development, with all local economy stakeholders working together to give East Lothian's people, communities, and enterprises the support they need to reach their potential and achieve their goals.

East Lothian will be recognised nationally and internationally as a great place to live, work, visit, learn, and invest and as a leading partner in delivering regional prosperity, community wealth, and driving forward Scotland's just transition to a net zero economy".

Objective 6: To promote a successful, accessible, and sustainable tourism sector that provides quality experiences and benefits our local communities.

Addresses: Tourism is a significant contributor to the East Lothian and Scottish economy. Edinburgh is the key national driver for higher spending overseas visitors and East Lothian can build on its proximity to the capital city by continuing to promote the destination as Edinburgh's Coast & Countryside to maximise the benefits of that proximity. The Edinburgh and South East Scotland City Region Deal Visitor Economy & Culture Programme is set to deliver ambitious cross regional working to benefit the regional visitor economy. It will be the vehicle to inform, develop and deliver regional visitor economy projects, with the aim of becoming a world-class year-round destination, delivering a forward-looking responsible approach to tourism development. This affords opportunities for East Lothian to contribute and benefit from the key investment areas including DDI, cycling and culture. Scotland Outlook 2030 is the national tourism strategy which aims to deliver responsible tourism for a sustainable future. East Lothian should continue to collaborate towards achieving this goal building on the destination offer and assets to sustainably grow a responsible visitor economy in the interest of communities, businesses, and visitors.

LES Key Findings: Socio-Economic Review

- **Strong destination performance:** East Lothian has a strong visitor economy with 1.22m tourists visiting in 2022. The vast majority of visitors (64%) are from Scotland and the average length of stay is 4.6 nights.
- **Changing customer preferences:** Demand for non-serviced accommodation (oncl. short term holiday let) in East Lothian has doubled in the past ten years, while demand for serviced accommodation remains broadly unchanged. Consumer trends towards slow tourism, authentic experiences, wellbeing and escaping fit the Visit East Lothian offer well.
- **Key economic contribution:** 4,124 F-T equivalent jobs supported by tourism activity. Generated £299m in the local economy in 2022.

LES Key Findings: Stakeholder & Community Engagement

- East Lothian has a strong and distinctive tourism offer: However, there was a perception that more could be done to improve the availability and quality of visitor accommodation across the area in light of the impact of short-term let legislation.
- Rural tourism connectivity opportunities: Stakeholders identified opportunities to improve public transport and active travel connections to rural visitor attractions (including National Museum of Flight, Glenkinchie Distillery, long distance walking and cycle routes, beaches, and villages in the Lammermuir Hills).
- Need for a sustainable approach: There is potential for conflicts to occur between residents and visitors in popular tourist areas and on beaches. Future tourism development therefore needs to be sustainable and in alignment with the Visitor Management Plan.

LES Action Areas

Developing Key Sectors

Actions to support a successful and sustainable visitor economy; to continue development of the area's food and drink sector; to target innovation and opportunities in the clean energy sector; and to improve provision of healthcare, social care, and childcare.

Proposed Actions:

Visitor Levy Feasibility - Undertake feasibility research and consultation to explore the cost / benefits and potential opportunities of implementing a visitor levy scheme as a mechanism for funding future visitor economy activity and other core support services / infrastructure provided by ELC.

Net Zero Skills Accelerator - Work with Edinburgh and South East Scotland Regional Prosperity Framework partners to assess the feasibility of establishing a Net-Zero Skills Accelerator Hub location in East Lothian. This would address green skills requirements in a variety of sectors and to grasp future 'green' job opportunities, including in renewables, retrofit, agri-environment, wider land-use, and nature.

Heating & Powering Businesses and Communities - Support the delivery of the actions in the Local Heat & Energy Efficiency Strategy which have the potential to support economic development in East Lothian. These could include the opportunities to develop heat networks and associated jobs and supply chains.

East Lothian Food, Drink, Hospitality & Leisure Sector Development Programme - Develop targeted interventions to support food, drink, hospitality & leisure sector businesses to access new markets, including building partnerships between local providers, public sector organisations and visitor destinations, and routes to market to showcase opportunities for East Lothian, attractions, businesses, and produce.

6. **Agritourism** - Work with the sector to promote and advise those already operating or interested in diversifying into agritourism. Ensure that work to develop the next Local Development Plan considers how such developments can be enabled. Provide advice to support farm businesses who are looking to diversify into other sectors, including retail, hospitality, and accommodation (including short-term letting to grow bedstock).

Cycling & Walking Tourism - A programme to support businesses to enhance their cycling and / or walking tourism facilities. This could include investment in new secure covered cycle / walking kit storage; new open cycle parking, sheltered cycle parking; drying rooms / boot cleaning; enhancement to existing cycle / walking product offer; and e-bike charging facilities. Work to maximise the potential of existing routes and product and link to the Regional Prosperity Framework and enable opportunities for cycling and walking tourism to be factored into any wider infrastructure development.

East Lothian Visitor Accommodation Sector, Commercial Needs Study, Avison Young (2021)

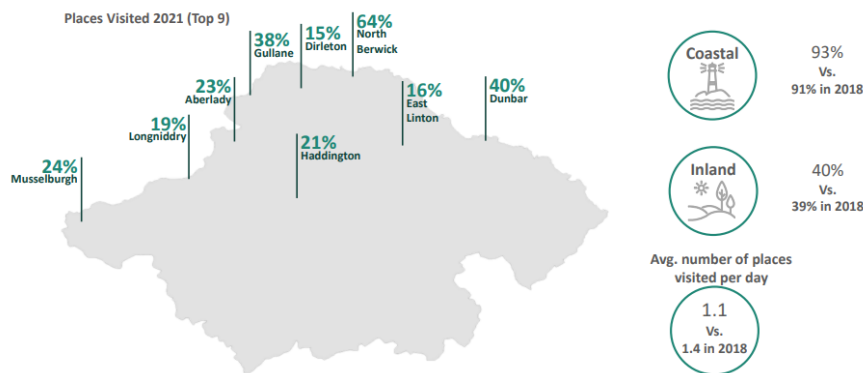
In 2021, East Lothian Council commissioned Avison Young consultant to carry out a study of East Lothian’s visitor accommodation. This study looked at the trends for visitors, amount, and suitability of tourism accommodation, and post-covid tourism recovery. There were limitations to the study as it was that it was carried out during a period of lockdown, meaning visitor numbers and patterns of use of accommodation are not reflective of the typical situation pre-pandemic. Key issues and opportunities from the study were:

	Level of impact	Key Issues	Resolution
Lack of Large Hotel/ Resort	High	<ul style="list-style-type: none"> Impacts on East Lothian’s ability to capture several business segments e.g. golf tours, conferences and events, groups. Missing out on opportunity to attract higher spending visitors Large drop in occupancy and rates in the quiet season impacts on sector performance. 	<ul style="list-style-type: none"> Encourage the development of up to two hotels as outlined in this section.
Seasonality	High		<ul style="list-style-type: none"> Methods to extend the season, e.g. annual events calendar (with a focus on food and drink and the historical attraction of East Lothian’s town and villages for example), supported by a comprehensive marketing plan. Due to cuts in funding such ventures would have to be led by the private sector. Successful development of commercial projects, e.g. new Innovation Hub at QMU, to drive demand in the low season. Hotel options identified will ensure year-round employment for staff (with some seasonal employment in summer).
Short-Term Lets (Airbnb)	Low	<ul style="list-style-type: none"> Not viewed as a serious threat to existing accommodation providers, many of which utilise it as an additional marketing tool. 	<ul style="list-style-type: none"> Regulation to be considered; poor quality lettings seen as detrimental towards the ‘high quality destination’ East Lothian aspires to be; Further research required to measure negative impact (including the need for any control area) on the housing market. The positive impact on the tourism industry needs to be balanced with the needs of the local housing market and local communities.
Proximity to Edinburgh	Low	<ul style="list-style-type: none"> Viewed as a positive overall; East Lothian offers a contrast to the city break holiday Edinburgh, combining two destinations in one However, some impact on hotel market performance by increased supply in Edinburgh 	<ul style="list-style-type: none"> Marketing to ensure consumers are aware of the unique nature of East Lothian, combining rural with nearby city centre attractions. Emergence of the ClimatEvolution zone as a destination in its own right, attracting both business and leisure visitors. ‘Hub and spoke’ accommodation offering; i.e. development of complementary ‘urban’ and ‘retreat’ hotels (e.g. The Gleneagles Hotel, Perthshire and Gleneagles Club, Edinburgh).

East Lothian Visitor Survey (2021)

Since the LDP 2018 was adopted, there have been quite significant changes to the economic and environmental context of East Lothian. The impacts of Covid on the industry continued to be felt as travel began to open up with ongoing restrictions on facilities and travel and changes in visitor numbers and type of trip. This is reflected in the East Lothian Visitor Survey 2021 which was commissioned by East Lothian Council. Some of the key statistics are highlighted below.

Visitor numbers to coastal areas remained roughly the same. It is the area visited by most people coming to East Lothian.



In terms of visitor origin, 64% of the visitors came from within Scotland, 34% from the rest of the UK, and 2% came from overseas. Edinburgh residents alone made up around 25% of all visitors. In terms of overseas tourists, the United States, Netherlands, and Canada had the highest representation, in that order, with the United States accounting for half of all overseas visitors. The continuing impacts of travel restrictions are evidenced in these figures, and it should be noted that the overseas markets had not yet fully recovered to pre-pandemic levels.

In terms of activities undertaken, visiting the beach was by far the most popular. The second most popular activity was going to restaurants and cafes, followed by sightseeing and touring, and shopping. Over half (54%) of sampled shoppers reported visiting farm shops during their visit, highlighting the importance of local produce. In terms of geography, North Berwick was the most visited town, followed by Dunbar and Gullane.

East Lothian Scottish Tourism Economic Activity Monitor (STEAM) 2022 year in review

This document sets out the annual tourism economic research for East Lothian for the calendar year 2022. The report notes that some outputs remain below the level of usual economic outputs for the area, due to the residual effects of the COVID-19 pandemic on business and consumer activity.



Visitor types – staying visitors accounted for 32.6% of visits against day visitors 67.4%. There is still a need to increase the level of staying visitors, and this is mirrored in the Avison Young report and draft Local Economy Strategy.

Visitor numbers – 1.22m tourism visits to East Lothian in 2022, up 35.7% on the previous year. Between 2017 and 2019 the area had seen the total number of visits rise by 4% to a total of 1.4m visits. The results from 2022 evidence a slow but steady recovery from the height of the covid pandemic, total visitor numbers are still -11.2% below 2019 pre-covid levels.

In 2022, .397m visitors stayed in some sort of accommodation within the area. The sector saw an increase of 53.4% compared to 2021, this continues the steady recovery we saw last year, and it is now just -6.1% below pre-covid 2019 figures. This sector is still to see the impact from short-term let legislation; the next few years figures will give a better indication of the real number of properties across East Lothian.

Visitor days – total visitor days to East Lothian were 2.64m. Total staying visitors accounted for 1.8m visitor days in 2022, an increase of 51% on 2021 and they are now just -2.5% below pre-covid 2019 figures. The figures indicate a promising recovery for this sector again the area is yet to see the impact of short-term let legislation and there may be some shift in numbers.

Economic impact – The value of tourism activity in East Lothian was estimated to be £299m in 2022 (a substantial increase of 58.5% on the previous year). In comparison, the area's visitor economy was worth £279m in 2019, so the economic impact of tourism has surpassed pre-covid levels by 7.4% for the first time since the pandemic affected tourism activity.

Employment supported by tourism - The expenditure and activity of visitors to East Lothian supported a total of 4,124 Full-Time Equivalent jobs (FTEs) in 2022, up by 34.1% when compared to 2021, when employment was estimated to have been 3,075 FTEs. Nationally, there have been many

reports of businesses still facing challenges in job recruitment and retention, with evidence to suggest that this was serving to reduce operating capacities in some cases.

Local Transport Strategy 2018 – 2024

The Regional Transport Plan provides the context for improving the way transport functions within the wider Lothian area. Whilst tourism is often considered to be mainly people who travel from further afield to the area, there is a considerable amount of traffic movement within the region, often for day trips to East Lothian. Ensuring that the public transport network is sufficient to reduce private car use is a key priority.

The Local Transport Strategy (LTS) provides a more localised approach to transport in East Lothian, and deals with key areas where improvement is needed to travel patterns such as shifting towards more sustainable modes (walking, cycling including electric bikes), public transport access, congestion, multi-modal routes etc.

Linked to the LTS is the issue of town centre parking including length of stays for on-street spaces, dedicated off-street car parks, charging for parking etc. All of these will interact with tourism and there needs to be a joined-up approach between Planning, Economic Development and Transport to ensure that cross-service decisions consider the different remits and priorities of each.

As noted above, visitor numbers are highest in North Berwick which is also a known area of pressure in terms of parking. In April 2023, following extensive consultation, the Council gave approval to advance proposals for parking management within North Berwick town centre to the next stage. These proposals include the introduction of controlled parking zones, time restrictions and changes to parking within the town centre car parks.

East Lothian Council Climate Change Strategy 2020 - 2025

Underpinning everything is the need to manage the irreversible effects of climate change and to limit further deterioration for future generations. The Council's Climate Change Strategy 2020-25 was approved following the declaration of a climate emergency in East Lothian. It contains seven outcomes for the 5-year period including Active Travel and Sustainable Transport, Net Zero Energy Efficient Homes and Buildings, and a Low Carbon and Sustainable Economy.

Tourism will be affected by climate change and to achieve the aims of the Climate Change Strategy, there needs to be significant change in policy and practice. The next LDP will be climate change focussed, addressing the global climate emergency and nature crisis by ensuring the spatial strategy will reduce emissions and adapt to current and future risks of climate change by promoting nature recovery and restoration in the area, achieving sustainable tourism will be a key priority.

Visit Scotland Scottish Tourism Statistics and Research

Scotland Visitor Survey is currently underway the results of the research will be available in 2024. This is informed by the International Passenger Survey (ONS) and the domestic sentiments tracker on the type of visits made to and from the UK and the likelihood of UK residents take short breaks and holidays. East Lothian Council accesses all data, research, and statistics available to inform activities and it should be noted that the STEAM Report contains the most robust data for East Lothian.

East Lothian Local Development Plan – Tourism Policy Review

A review of policy usage within planning applications granted showed limited use of TOUR1 (Archerfield Estate), Tour 2 (Belhaven Chalets), Tour 3 (Dunbar Castle Vault) and TOUR4 (Hotels and Guest Houses) policies. There are two potential reasons for this:

- There have not been many tourism related development proposals put forward since the LDP 2018 was adopted, or
- Policies are not suitably worded for determining relevant proposals, or other policies providing the necessary context and reasoning for decisions.

Indications are that policies TOUR2 – TOUR3 are underutilised, and consideration may be given to removing them. Tourism policies, TOUR1 and particularly TOUR4, could be retained but reworded and updated to cover a wider tourist development decision-making basis.

Short-Term Lets

Short-Term Lets are known to provide a relatively large proportion of tourist accommodation in Scotland and indeed within East Lothian. The flexibility of short-term lets is one of their main reasons for attracting guests in terms of booking, facilities, cost, and location. In general, the benefit of short-term lets to areas can include increased tourism overnight stays, spending more in local shops, cafes, restaurants and tourist attractions, job creation etc.

There have however in some areas been problems associated with too many short-term lets including noise and disturbance to more permanent residents, lower perceived safety due to regular changing of guests, less community cohesion, less longer-term rental accommodation particularly in town centres, etc. Prior to introduction of the legislation the management and regulation of short-term lets in certain areas had been problematic, particularly where operators were not fulfilling their obligations.

As a result, the Scottish Government introduced new legislation in 2021 named the Town and Country Planning (Short-term let control areas) (Scotland) regulations. This legislation gives Local Authorities in Scotland additional powers to help them manage the number of short-term lets and also ensures that they are operating in an acceptable manner. All short-term lets must now be licensed, and there is a deadline for those currently operating to obtain this ended on 1st October 2023. New short-term lets will automatically be required to apply for a license in order to commence operation.

Planning authorities are now able to designate a control area for short-term lets, where they would require planning permission in addition to a license. There are specific criteria for determining applications for short-term lets, and these are set out within the Scottish Government's Planning Circular 1:2022 – Establishing a short-term let control area.

There continues to be much debate and challenges around the introduction of the system in Scotland. Planned monitoring of the scheme has resulted in two initial actions include amendments to The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 and convening a short life sub-group to explore short-term let licensing operations improvements.

The Scottish Government intend to provide the Scottish Parliament with the comprehensive update on short-term let licensing implementation at the end of June 2024.

Research into the Private Rented Sector in East Lothian - Arneil Johnson (November 2022)

In November 2022 East Lothian Council commissioned research into the private rented sector (PRS) in East Lothian. A key question underpinning the research study related to the extent to which the PRS in East Lothian has been affected by the growth of short-term lets (STLs). The results indicated limited effects on the private rented sector however in certain locations this may be more significant.

5. Key Issues Raised in Engagement

Over the past year the Council has undertaken a variety of engagement exercises to gather the views of communities, stakeholders, and other interested groups the Record of Engagement sets out in more detail all consultation that has been undertaken.

A general public engagement exercise ran from June to September 2023 and provided opportunities across various platforms for interested parties to find out about the types of evidence or information we need to produce the next Local Development Plan (LDP), and to assist in identifying issues that the next LDP could try to address. All events were widely advertised in the local press, on the East Lothian Council website and social media, East Lothian LDP newsletter, along with posters, and leaflets distributed across East Lothian.

Engagement included:

- A series of public drop-in sessions were held throughout June 2023 in Musselburgh, Dunbar, North Berwick, Haddington, Prestonpans, Wallyford and Tranent
- An online survey and story map, accompanied by topic-based factsheets providing more detailed technical information.
- A mail out to all those on the LDP mailing list.
- Discussion with Community Councils and
- Questionnaire and the Place Standard tool.

General Public Consultation

The main issues gathered from the public consultation in relation to tourism are highlighted below:

Sustainable day trips

90% of respondents suggested that day trip visits to, and within, East Lothian could be made more sustainable by improving sustainable transport options throughout the area. We already know that there are areas of pressure particularly around the beaches and coastal towns, where there can be high levels of congestion during peak season. While possible solutions are being looked at, particularly in relation to North Berwick, suggestions for East Lothian included:

- *Promotion of existing park and ride facilities and creation of new ones, where required.*
- *Encourage train travel.*
- *Improve transport links across East Lothian.*
- *Improve walking and cycling infrastructure between towns.*
- *Frequent, reliable, and affordable integrated transport system.*
- *Free Parking.*
- *Rural bus services.*
- *Beach buses.*
- *Increase electric charging points.*

Other suggestions were around protecting and enhancing the natural environment and reuse of brownfield land, suggestions included:

- *Encourage tree planting and other climate mitigation activities.*
- *Promote existing and new woodland trails to encourage visitors away from the coast.*
- *Develop derelict sites for tourism activities.*

Encourage overnight stays.

Many of the responses focused on sustainable transport, as noted for day trips above. Most of the suggestions, however, were around supporting the accommodation offer we already have in East Lothian while recognising that there may be a need to encourage some new development in the form of a hotel. The issue of short-term lets was mentioned by some respondents and will be a key issue for consideration.

- *Regulation of short-term lets so they do not overwhelm certain areas.*
- *Short-term let control area for certain towns.*
- *Encourage new hotel development.*
- *Support for local hotels and traditional B&bs.*
- *Out of season tourism.*
- *At capacity.*

More year-round activities

Just over 60% of those who respondents felt that there are opportunities to encourage a wider range of activities which are not solely based around the summer season. While it was noted that East Lothian already has a lot to offer, work around encouraging more year-round activities would hopefully help to address the impact of tourism during peak season. Comments included:

- *Encourage healthy tourism.*
- *Too many events reduces quality of life for locals.*

Tourism without negative environmental impacts

- *Identify if there are any trigger points that overburden infrastructure.*
- *Planning restrictions for short-term lets.*
- *Park and ride options for North Berwick.*
- *Environmental assessment of businesses especially for places of scenic value.*
- *Limit campervans and overnight parking.*
- *Encourage active tourism.*

Children and Young People Engagement

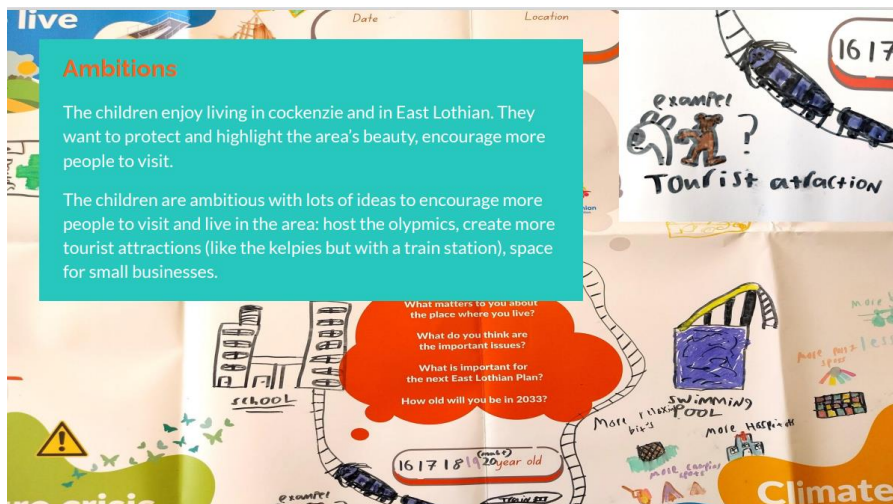
Through engagement with children and young people, the following were identified, with relevance to tourism:

Primary aged young people:

Cockenzie Primary School:

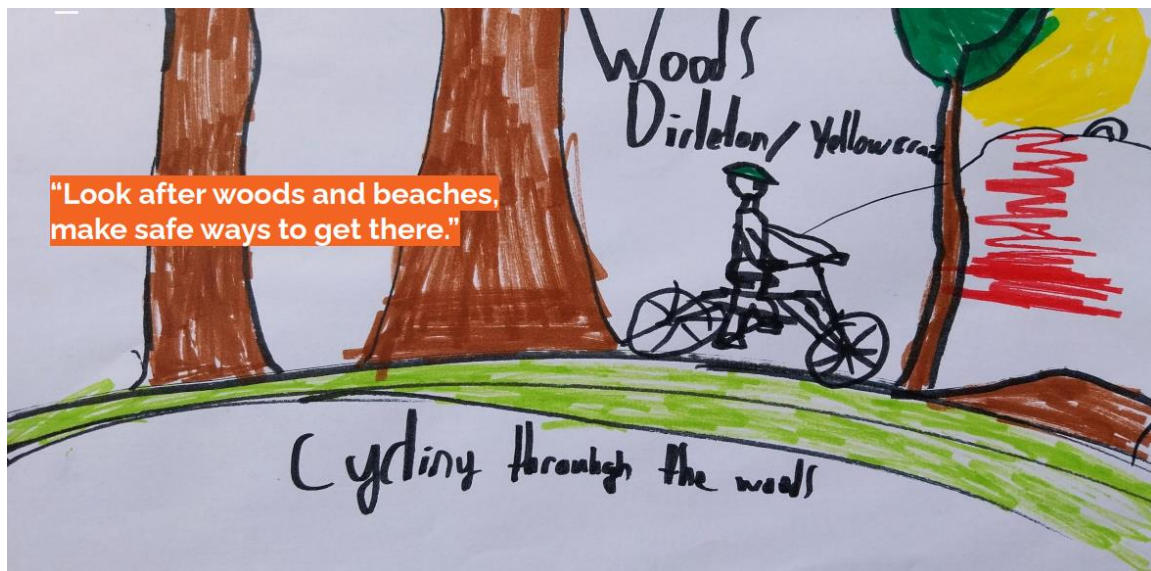
The children want to “protect the and highlight the areas beauty, encourage more people to visit”.

They are ambitious with lots of ideas for people to visit and live in the area: “host the Olympics, create more tourist attractions (like the kelpies but with a train station, space for small businesses”.



Dirleton Primary School:

"I like yellowcraigs, I can go there without a car."



Sandersons Wynd Primary School

"The children's wish list included hotels".



Wish list

- More parks, especially around Sandersons Wynd area with equipment for all ages
- A pump track and skatepark
- Safe places to walk and play - fewer cars, better lighting, safe crossings
- Hotels
- A cleaner high street with more shops and restaurants
- Swimming pool and sports facilities, including accessible opportunities
- Natural areas, with grass, flowers and wildlife

Short-Term Lets Consultation

To gather information on short-term lets (STLs) in the area and to understand more about public opinion, the Planning Service carried out a public consultation between February and April 2022. The consultation provided figures for the total number of Short-Term Let properties in five of East Lothian's main towns and an analysis of STLs against designated town and local centres against a percentage of the total dwellings. At the time of the consultation there were 572 STLs available in East Lothian. It was recognised that this figure fluctuates daily. There were 194 respondents to the consultation, 175 were resident in East Lothian and 19 out with. Overall responses gathered across the five towns were divided. Many respondents considered STLs to be important in terms of tourism, jobs and supporting the local economy, particularly in the winter months. Many respondents raised concerns around the availability of housing, anti-social behaviour, lack of sense of community and the cumulative impact on residents.

A fuller picture on the number of available STLs and where they are located should become available once all of the existing STL licensing applications have been determined.

6. Conclusions

The evidence presented in this background paper has set out the national and local tourism strategies priorities for East Lothian. These must be carefully balanced with the needs of communities, visitors the industry and the environment.

This balance was echoed in terms of the consultation evidence gathered where some communities consider themselves to be at capacity in terms of visitors and the impact that this has locally. However, some responses also recognised how important the tourism sector is in East Lothian in terms of the economy, supporting jobs and local businesses.

7. Implications for the Proposed Plan

The following key issues will need to be considered in the Local Development Plan:

LDP policies will need to be reviewed to ensure that they are consistent with the key objectives of NPF4, which include addressing the global climate emergency. This review should include assessing whether policy should be introduced to control or restrict tourism development in certain locations on the coast or change the approach in the general countryside.

1. The LDP will need to determine whether specific sites should be identified to assist in the availability of hotel/visitor accommodation. Hotel/visitor accommodation uses will be sought as part of the call for sites exercise.
2. Evidence shows that there are areas of ongoing pressure in some settlements in terms of visitor numbers and this must be carefully balanced and linked to ways to relieve this pressure, particularly in terms of access to settlements along the coastal areas.
3. Agritourism is a growing sector, particularly in East Lothian. The LDP will need to balance supporting this type of development while protecting the sustainability of the countryside and coast.
4. The issue of short-term lets will be further examined once a fuller picture of the overall number of STLs in East Lothian is available.

8. Areas where there is Agreement or Dispute on issues.

There are no disputes to be considered at gatecheck.