

Closure of the Bervie Braes to Light Vehicular Traffic: An Initial Economic Impact Assessment

A Final Report for Stonehaven Town Partnership

February 2013



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1. Background

1.1. Introduction

This report presents an overview of the economic impacts associated with the closure of the Bervie Braes road to all vehicular traffic.

1.2. Background

The Stonehaven Town Partnership has commissioned an initial appraisal of the economic impacts associated with the continued closure of the Bervie Braes for all vehicular access.

The Bervie Braes road is a well known tourist route, linking the region's most visited paid attraction, Dunnottar Castle, with Stonehaven. It has been closed, or partially closed, by Aberdeenshire Council for a number of years because the Council considered that there were risks associated with health and safety. The Council has recently invested in a series of stabilisation works but the road remains closed in both directions for all vehicles.

1.3. Approach

The aim of this report is to provide an independent appraisal of the scope and likely scale of the economic impacts associated with the continued closure of the Bervie Braes road. As set out in the brief, the assessment has focused on the tourism related impacts of the closure as these are understood to be the main concern of local businesses.

The analysis is based on a review of economic, tourism and transport policy, an overview of the economy and visitor market and an appraisal of the socio-economic benefits associated with the development. The impact evidence is drawn from a review of secondary information and from a survey of local businesses and consultations with Dunecht Estates and incoming tour operators.

The assessment does not constitute a full economic impact as it has not included a survey of visitors and traffic counts. This work is recommended as a next step during the tourist season.

The structure of the report is as follows:

Section 2: Provides the context in economic, tourism and transport policy and strategy terms;

Section 3: Provides an economic overview to illustrate the economic conditions, challenges and outlook of the area – with a particular focus on the and visitor market;

Section 4: Presents an assessment of the likely socio-economic impacts as a result of the review of secondary data sources and the consultation with local businesses and incoming tour operators; and

Section 5: Highlights the overarching findings and conclusions of the assessment.

2. POLICY CONTEXT

2.1. Introduction

A review of relevant policies has been completed to present the current policy framework governing economic development, tourism and transport:

| | Policy Overview | Relevance to Stonehaven | Relevance to Bervie Braes |
|---|---|--|--|
| National | | | |
| Government Economic Strategy | Focus on sustainable economic growth, with particular focus on key sector growth including tourism. Supporting rural areas by harnessing the geography of an area to support growth ambitions. | A well known tourist location, especially in regard to Dunnottar Castle. Significant economic growth potential from further tourism demand. | Linking town and key attraction can help enhance destination credentials of the town and wider region. |
| National Tourism Strategy | Aim to increase tourism volume through higher value tourism, including activity based tourism and tourism throughout the year. | Widening the appeal for tourists includes the Open Air Pool, Harbour and the Castle. | Providing an 'integrated' experience must ensure a 'seamless' link between the town and the region's most visited attraction - Dunnottar Castle. |
| Transport Scotland | Supporting GES by (1) connecting people to jobs, education, services and recreation and (2) connecting businesses with customers and suppliers | Enhancing the connectivity of Stonehaven with other economic centres and activities is critical to a known dormitory town and tourist location. | Bervie Braes can enhance the connectivity of the town and support the destination credentials of both Dunnottar Castle and Stonehaven. |
| Regional | | | |
| ACSEF Economic Strategy | The Strategy centres around delivering better integrated transport and digital connectivity, attracting and developing skills and increasing the promotion and profile of the region. | Providing a seamless experience and raising the quality across all components of each local destination strengthens the overall appeal of the region. | Small weaknesses can affect the overall appeal, especially in an increasingly competitive global and domestic tourist market. |
| NESTOUR Tourism Strategy | Deliver a consistently high-quality visitor experience, with high standards of facilities, customer service, career opportunities and income levels. | 'Castle and Whisky Country' is a key brand being targeted and the strategy also recognises Stonehaven as offering a unique attraction. | The strategy has a stated objective to 'enhance the experience of visitors to North East Scotland by ensuring that they have easy access to a wide range of culture, arts and genealogy events, facilities and experiences.' |
| NESTRAN Transport Strategy | Aims to create a transport system for the north east which enables a more economically competitive, sustainable, and socially inclusive society. | Supporting sustainable economic growth is the backbone of the strategy, improving local and regional connectivity is proven to support economic activity and | The key economic opportunity afforded by the Bervie Braes is the seamless link between the Castle and the town's historic harbour, open air pool and town centre. |
| Local | | | |
| Aberdeenshire Council Economic Development Plan | To create conditions for sustainable economic growth, diversification and regeneration within Aberdeenshire and the wider region by attracting and supporting businesses and industries and developing communities. To develop a sustainable, enterprising and adaptable economy and promote Aberdeenshire locally, nationally and internationally as a location of choice for employment, tourism, living and leisure. | A key strategic priority is 'to promote Aberdeenshire as a key tourism destination in Scotland and improve the visitor experience by strengthening and supporting the tourism industry.' Tourism is identified as one of four key sectors and Stonehaven can help deliver on the destination ambition of the region. | Capitalising on growth markets is a key feature of plan, tourism is clearly one of the cornerstones of the current plan and 'supporting local businesses' is an area in which Economic Development Plan can help unlock local issues and concerns. |
| Aberdeenshire Council Local Transport Strategy | The aims of the LTS are to: Reduce Non-Sustainable Journeys; Increase Active Travel; Make Travel More Effective; Improve Health and Reduce Carbon Emissions from Transport | The LTS states that the aims will be realised through 'working with local communities to identify the real issues and developing tailor-made solutions to address social inclusion in rural areas'. | The LTS provides a framework for Aberdeenshire Council to work closely with Stonehaven organisations and residents to improve the connectivity of the town, including the important Bervie Braes link to Dunnottar Castle |
| Stonehaven Town Partnership: Whole Town Strategy | The strategic goal of the Stonehaven Whole Town Strategy is to enable Stonehaven as a small town to remain a sustainable and thriving community into the future. | The evidence presented in the Strategy confirm the importance of tourism to the town, improving the town's offer and building on it's tourism potential are key features of the Strategy. | The state of the north and south coastal roads into Stonehaven is poor. If these roads were improved it would considerably improve the first impressions of visitors coming into the town. |

2.2. Summary

A review of the economic development, tourism and transport policy has been completed to present the framework in which this assessment is being undertaken.

It is obvious from the initial review, that all policies and strategies support the Scottish Government's central ambition of 'sustainable economic growth'. A pronounced focus on key sector growth, notably tourism in this instance, is another consistent factor at all spatial areas. This is also the case for the transport strategies which are unpinned by economic development principles in regard to the role the network plays in supporting and encouraging economic activity.

The tourism strategies focus on increasing the volume of tourism, with a particular focus on quality of provision, activity tourism, destination development and customer service. There is a desire to enhance the entire visitor experience for tourists in to Scotland and its constituent parts, from customer service through to physical developments and infrastructure.

There is a clear remit across each Aberdeenshire Council policy to work with local communities to help resolve local issues, both in terms of infrastructure, transport and tourism development.

3. ECONOMIC OVERVIEW

3.1. Introduction

A review of the regional economy has been undertaken to present an understanding of the current opportunities and challenges. This section also assesses the performance of the visitor economy at the regional level.

3.2. Socio-Economic Overview

The North East of Scotland is recognised as an affluent region, with one of the highest GDP per head figures in the UK and EU. The figure below, published by Eurostat, highlights the most affluent areas in the EU, where the North East of Scotland was identified as the 15th most affluent of all EU regions in 2009.

GDP per head: Top EU Regions

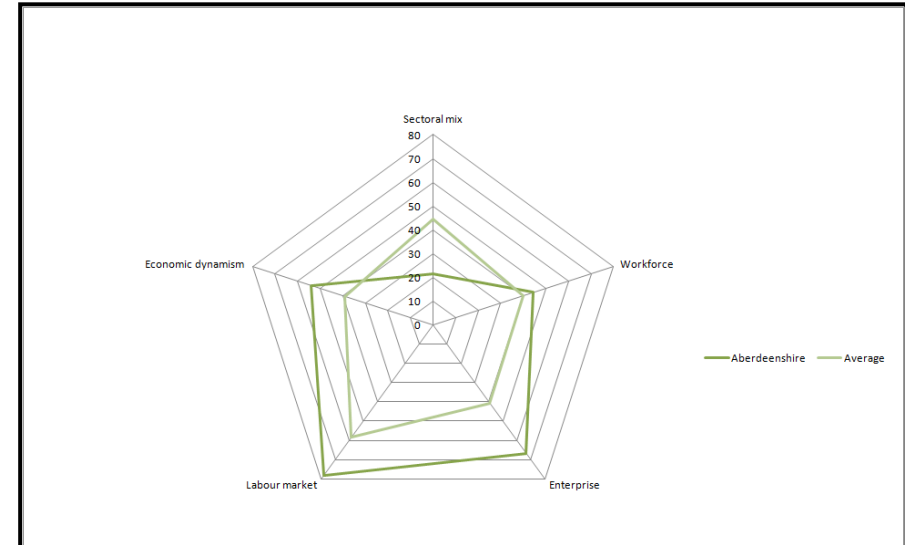
| Rank | Region | Index |
|------|---------------------------------|------------|
| 1 | Inner London (UK) | 303 |
| 2 | Luxembourg (Lux) | 251 |
| 3 | Brussels (Bel) | 248 |
| 4 | Hamburg (Ger) | 195 |
| 5 | Vienna (Aut) | 180 |
| 6 | Ile de France (Fra) | 175 |
| 7 | Berks/Bucks/Oxon (UK) | 174 |
| 8 | Oberbayern (Ger) | 169 |
| 9 | Stockholm (Swe) | 166 |
| 10 | Utrecht (Ned) | 158 |
| 11 | Darmstadt (Ger) | 157 |
| 12 | Prague (Cze) | 157 |
| 13 | South/East Ireland (Ire) | 157 |
| 14 | Bremen (Ger) | 156 |
| 15 | North East Scotland (UK) | 154 |
| 16 | Groningen (Ned) | 154 |
| 17 | Noord-Holland (Ned) | 154 |
| 18 | Aland (Fin) | 146 |
| 19 | Antwerp (Bel) | 145 |
| 20 | Gloucs/Wilts/Nth Som (UK) | 144 |

Source: eurostat 2009

To maintain current levels of growth the Aberdeen City and Shire Economic Future (ACSEF), a partnership between the local business community and local authority partners, aims to sustain a vibrant business base and build on the success of the oil and gas sector and establish the region as the 'global centre of excellence'. The partnership recognises the vital importance of growing the regions other key sectors, namely food and drink, life sciences, and tourism.

A socio-economic model which measures the performance of each of Scotland's 32 Council areas across five critical determinants of economic strength confirms the key labour market strength but narrow economic base of the Aberdeenshire economy. The chart demonstrates Aberdeenshire is a well structured and advanced economy, with high levels of income, education attainment and employment and lower levels of unemployment and benefit claimants. However, its weak sectoral mix is the obvious economic opportunity.

Aberdeenshire's Economy: An Overview



Source: MKA Economics 2010

In terms of the performance across four of the five key domains, the Aberdeenshire economy can be seen as having one of the best performing economies in Scotland, the UK and indeed the EU. Regional unemployment (December 2012) at 1.2% is well below the Scottish (3.9%) and UK (3.7%) rates. However, the figure validates the important economic opportunity associated with broadening the area's economic base, and this is a known objective of ACSEF.

3.3. Visitor Economy Overview

Utilising Scottish Annual Business Statistics, Aberdeenshire's tourism sector was valued at £151m in GVA terms in 2010, which represented 3% of regional economic output. The sector employed 5,500 people in 2010, representing 8% of the region's workforce. There were 610 registered tourist businesses in 2010, which represented 6% of the total business stock in Aberdeenshire. GVA per employee in the tourism sector was £27,554 in 2010.

Locally, the sector accounts for 8% of all employment, this compares to 10% at the national level. Tourism businesses make up 6% of the business base, this compares to 10% nationally. The GVA per employee (£27,554) in the tourist sector is higher than the national average, but is significantly below the Aberdeenshire average across all employment sectors (£74,606).

According to VisitScotland statistics, it is estimated that in 2011 UK residents made 1.37m trips to Aberdeen and the Grampians spending £260m, equating to an average trip spend of £189, compared to an average spend per trip of £225 at the national level. Overseas visitors made around 575k trips to the Highlands spending £237m, equating to an average trip spend of £412, compared to an average spend per trip of £635 at the national level.

The total number of trips by UK visitors was up 22% on 2010 levels and total expenditure by UK tourists increased by 29% from £202m in 2010 to £260m in 2011. This is greater than the 8% rise in the number of UK trips into Scotland and the 15% rise in associated spending recorded at the national level.

Overseas trips remained the same over the 2010 and 2011 period. This situation validates the importance of the 'staycation' market in recent years. It should also be noted that 2011 tourist figures were greater than 2009, suggesting a robust performance in tourist trade over the period of the economic recession.

It is worth noting that visitors to Aberdeen and Grampian tend to have shorter trip durations than recorded at the national level. According to VisitScotland statistics, the average length of stay in the area for UK tourists in 2011 was 3.2 days compared to the national average of 3.4 days and overseas visitors average stay in the region was 4.2 days compared to the national average of 7.5 days. The other key variance with the national picture is the purpose of trips, where around one third of domestic and international trips are for 'business' purposes in Aberdeenshire, this compares to 17% at the national level.

The regional tourism sector is an important employment generator and has been shown to be resilient during the economic recession. Although tourist performance has been strong in recent times, it is worth noting that Aberdeen and Grampian has lower spend and stay rates when compared to the national picture. The sector is also undervalued at the local level in terms of the proportion of employees and businesses. There is scope for considerable growth in the tourist sector, and the industry is acutely aware of the importance of promoting the region as a leisure destination and much effort has been developed in recent years to compete in this market.

3.4. Summary

There is no doubting the economic strength of Aberdeen City and Shire, the area is recognised as one of the most affluent areas in UK and the EU. The area has been resilient to the economic downturn, unemployment at 1.2% in December 2012 is the same as it was in December 2006, this compares to a 63% increase at the Scottish level and 88% nationally. It is well known that the economy is heavily reliant and benefits greatly from the energy sector, but there is an increasing awareness and motivation to broaden the economic base of the region and focus on key sectors including tourism and food and drink.

The tourist sector has continued to grow during the period of the economic recession, but spend rates and stay duration still lag behind the national. The tourist sector is undervalued and there is scope to increase its contribution to wider economic prosperity in the region. Promoting the tourist industry, notably the leisure tourist market, is a key economic opportunity and recognised by stakeholders at the national and regional levels.

4. SOCIO-ECONOMIC IMPACT

4.1. Introduction

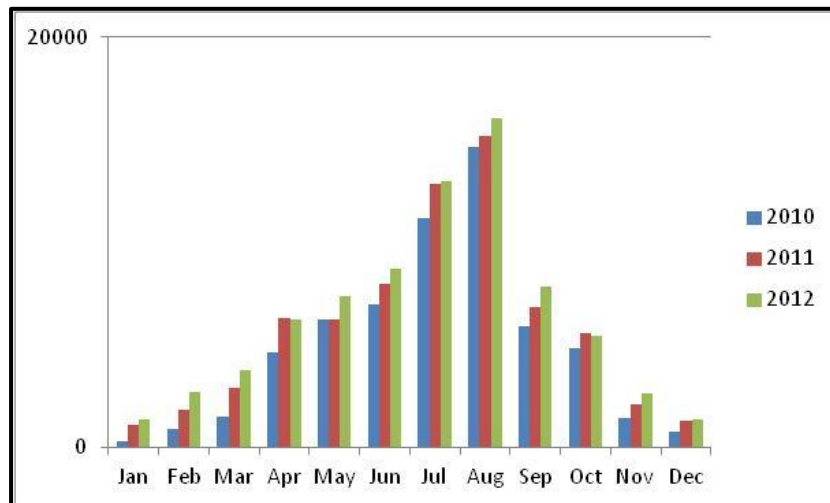
The socio-economic assessment has been undertaken to ascertain the scope of the economic impact associated with the continued closure of the Bervie Braes road to vehicular traffic.

This Chapter is based on a review of secondary information, discussions with Dunecht Estates, a survey of local businesses and accommodation providers and a survey of incoming tour companies.

4.2. Dunecht Estates

As owners of Dunnottar Castle, Dunecht Estates is a vital contributor to the initial assessment of economic impact of the Bervie Braes closure. Dunecht Estates was willing to share figures on recent performance and their plans for the future. Dunecht Estates kindly supplied a monthly breakdown of visitor numbers.

Dunnottar Castle Visitor Numbers (2010 – 2012)



Source: Dunecht Estates 2013

Dunecht Estates record visitor numbers through ticket sales. Dunnottar Castle witnessed significant increases in last three years (from 59,265 in 2010 to 76,511 in 2012). It is also worth noting that the visitor numbers increased from 34,610 in 2008. The initial increase from 2008 to 2010 (+71%) was largely due to the extended opening hours whilst the recent increase between 2010 and 2012 (+30%) was placed on greater marketing efforts. Overall the visitor numbers to the Dunnottar Castle have increased by 121% in the past five years.

Dunnottar Castle is now recognised as the most popular paid visitor attraction in the region and is beginning to enter the 'Premier League' of Scottish castles, which includes Edinburgh Castle, Stirling Castle, Eilean Donan Castle, Urquhart Castle and Culzean Castle.

Dunecht Estates is planning for further growth and is expecting another record year in 2013, partly as the castle was one of two Scottish castles visited by Pixar in the making of the Brave blockbuster. The 'set-jetting' impact of Brave and James Bond (Skyfall) is expected to support a sixth successive increase in Dunnottar Castle's visitor numbers.

In order to accommodate this growth a new car park is being constructed and Dunecht Estates have a refreshed Strategic Plan in place, aspects of which have been made available to the consultant team but are not for direct copy in this report.

Dunecht Estate's own market assessment focuses on the size of the market opportunity, sustaining on the strong growth recorded during the economic downturn, including increases in trips to castle attractions and increasing coach based travel. Their assessment confirms that Dunnottar Castle has access to approximately 1.8million potential visitors, the majority of which made up of the domestic tourist market and the increasing level of the castle going tourists and coach market.

The assessment also compared passing trade figures, in terms of vehicle movements on neighbouring roads in 2010, and compared these to other castles. This presented the annual average daily traffic flows at comparator sites, where the number of vehicles at Dunnottar Castle (A90) was 25,310, compared to 2,132 at Eilean Donan Castle (A87) and 3,240 at Urquhart Castle (A82). The assessment noted that peak vehicle movements occurred in August (29,010) and fell to a low of 6,955 in December. In part this confirms the seasonal tourist related trade passing on the A90.

If one assumes that a vehicle makes an outward journey and a return journey along the same path, this would be equate to approximately 12,655 unique trips on average at the A90 at Dunnottar Castle. Assuming an average vehicle occupancy estimate of 1.5 persons per vehicle, this would amount to around 19,000 people per day. Using this average we can assume that approximately 9.2 million vehicles will traverse the A90 in a year, a total of 4.6 million unique trips and/or 6 million passenger journeys. These figures are unique to Dunnottar Castle due to its strategic location near the A90, attracting more passing trade is a feature of the Strategic Plan and the prize for Stonehaven is to transfer a proportion of these trips into the town centre.

Although the majority of vehicle movements are related to the A90, it is worth noting that the A92 section between Inverbervie (B967) and Stonehaven (A957) had an average of 4,500 in 2010. This figure is also above the vehicle movements at both Eilean Donan and Urquhart Castles.

The market opportunities for Dunnottar Castle are well evidenced by Dunecht Estates and the Trust recognises the mutual benefit in better linkages and promotion between the town and the castle. The Trust is keen to continue to work with the town to enhance the visitor experience and generate greater footfall across both locations. Dunecht Estates acknowledge that the closure of the Bervie Braes is acting as a significant barrier to this opportunity.

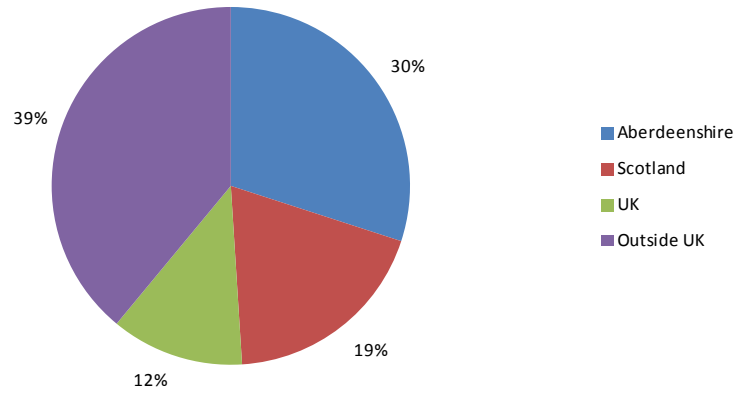
Dunnottar Castle does attract tour operators and bus companies but in many cases this is for a 'photo-stop' and Dunecht Estates is actively working with the industry to encourage more organised tours to the castle. They noted the difficulty in engaging with the tour/coach companies as in most cases they have set itineraries a number of years in advance.

Dunecht Estates flagged up the importance of other key demand generators such as the open air pool and the harbour, and highlighted the importance of linking these facilities with the castle, but the Bervie Braes is making this difficult. Strengthening the destination credentials of the town is critical for the area to compete with other strong competitors notably Royal Deeside and the 'Castle and Distilleries' tour market. Dunecht Estates recognise that more facilities and activities helps generates more demand and longer and more valuable trips. However, they believe this opportunity is being curtailed by the road closure.

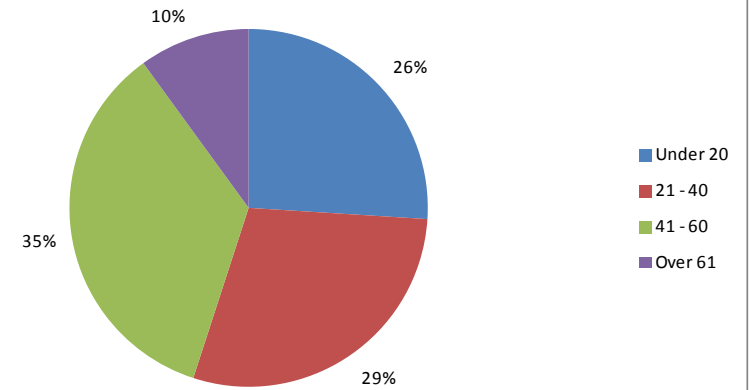
In summary, there is a view from Dunecht that the Bervie Braes closure is weakening the destination credentials of the area. They are keen to continue working with the STP and Tourism Group to market the area better but realise the challenge imposed by the 'missing link' that is the Bervie Braes.

Dunecht Estates carry out an annual survey of visitors to Dunnottar Castle, a number of key headlines were presented as part of the consultation exercise.

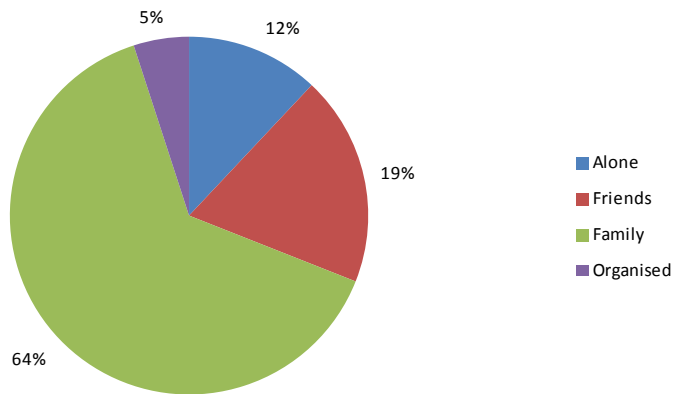
Where have you come from today?



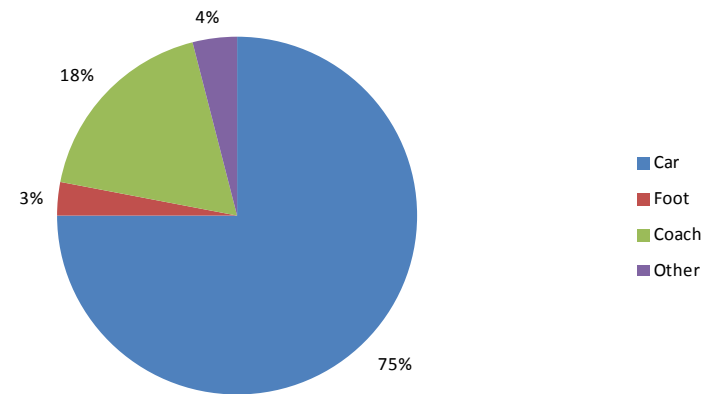
Where have you come from today?



Who have you come with?



How did you get here?



The above figures demonstrate that Dunnottar attracts a sizeable proportion of international visitors (39%), and non-local make up 70% of those surveyed. The majority of visitors were group visits and tended to be families (64%), there is no obvious age bias of visitors and three quarters of visitors visit by car.

The final figure illustrates the importance of car travel, and Dunecht Estates is investing in new car parking to meet continued growth. Assuming 75% of all visits to the castle are made by car, this would equate to around 57,000 annual car based visitors to the castle in 2012. The number of cars that came from or made onward trips to Stonehaven is unknown, and survey work would be required to make a specific assessment on the actual impact of the Bervie Braes.

4.3. Accommodation Providers

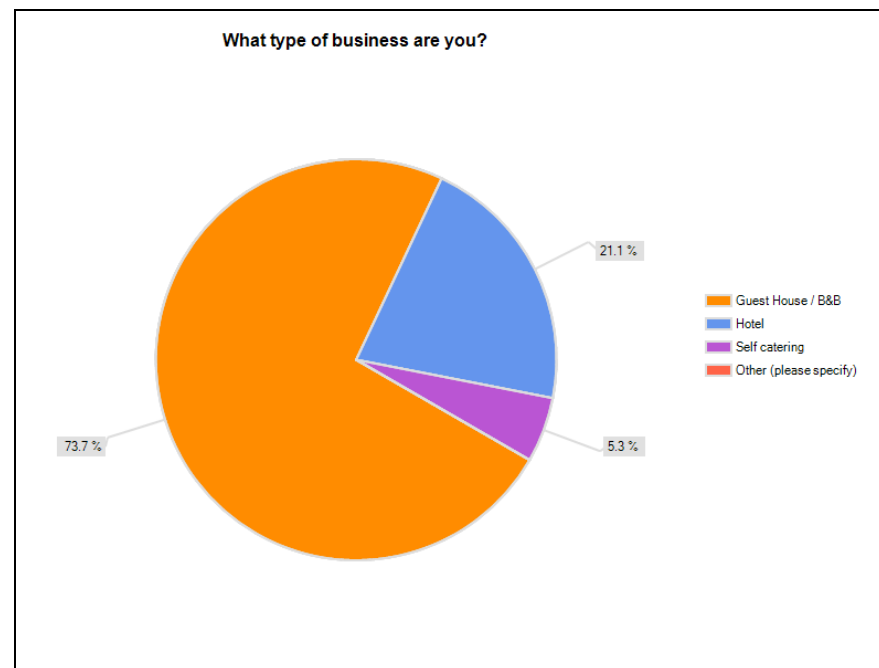
An online survey with local accommodation providers was completed to assess the perceived impact that the Bervie Braes closure is having on tourist trade in the Stonehaven area. The headline results are summarised below.

30 local accommodation providers were contacted to ascertain their willingness to conduct a short online survey, 19 businesses were willing to conduct the survey and are summarised in the table below. The majority of respondents were owners whilst the others were partners in the responding business.

Survey Respondents: Accommodation Providers

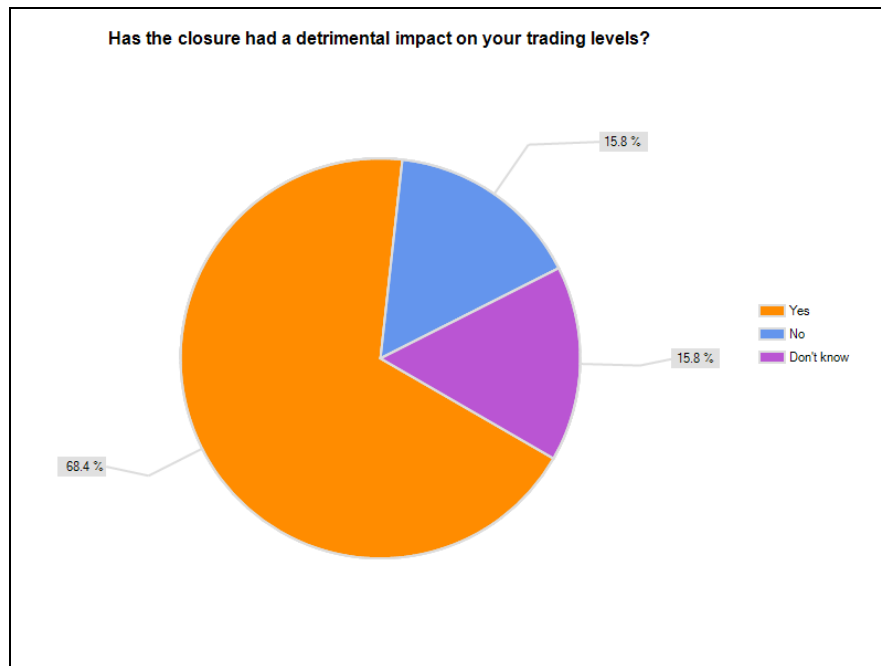
| | |
|-----------------------|--------------------------------------|
| Adina B&B | Harbourside |
| Ambleside B & B | Pitgaveny B & B |
| Bayview B&B | Schonwald Bed & Breakfast, Netherley |
| Beachview B&B | The Korner House |
| Belvedere Hotel | The Marine Hotel |
| Chapel of Barras Farm | The Royal Hotel |
| Craig-ma-Cair B&B | The Ship Inn |
| Crawfield Grange | Twentyfourshorehead B&B |
| Fisherman's cottage | Woodside of Glasslaw Guesthouse |
| Gleniffer B&B | |

The breakdown by business type is presented below. The vast majority of respondents were either B&Bs or Guest Houses.



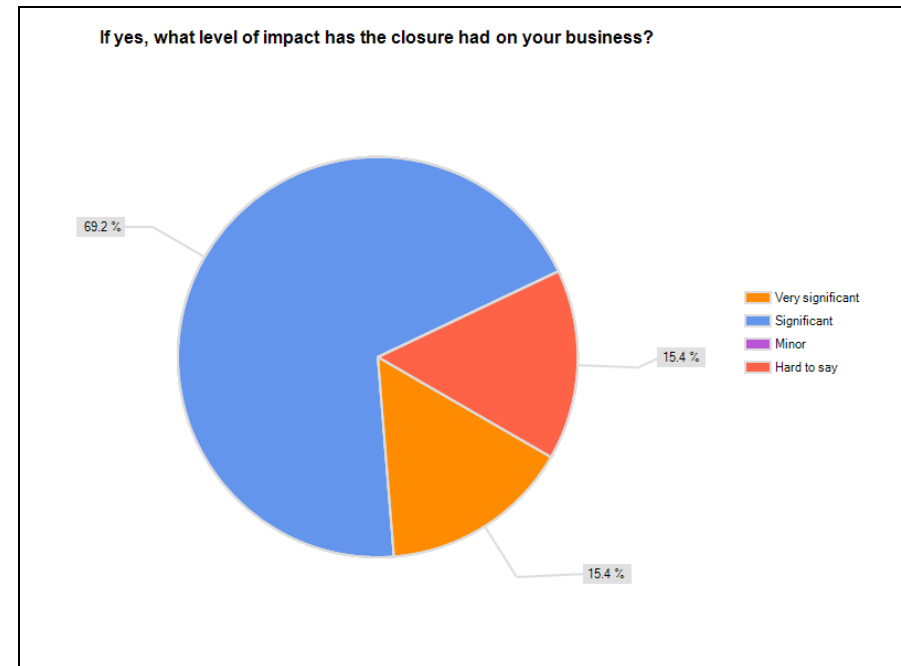
It is important to note that all responding accommodation providers were trading prior to the closure of the Bervie Braes to all vehicular traffic. This was an important question as it ensures the following responses were based on a knowledge and experience of the Bervie Braes being open.

Businesses were asked if the closure of the Bervie Braes to all vehicular traffic had a detrimental impact on their trading position. The figure below indicates that more than two thirds of responding firms noted that its closure had a detrimental impact on their business.



Of the 19 respondents, only three noted that the closure had no detrimental impact on their business with the remaining three firms noting that they did not know what impact the closure may have had on their business.

Local accommodation providers who noted that they had witnessed a detrimental impact on their trading levels were asked to gauge the level of impact which had occurred as a result of the road closure.



The above figure highlights that the majority of the responding firms felt that the closure of the Bervie Braes to all vehicular traffic was having a 'Significant' detrimental impact on their business. Two firms felt the impact was 'Very Significant' and the remaining two firms noted that it was 'Hard to say'. None of the respondents felt the impact was of a 'Minor' detrimental impact.

Firms who noted they had witnessed a detrimental impact on their trading levels were asked to expand on the nature of the impact that the closure had on their business.

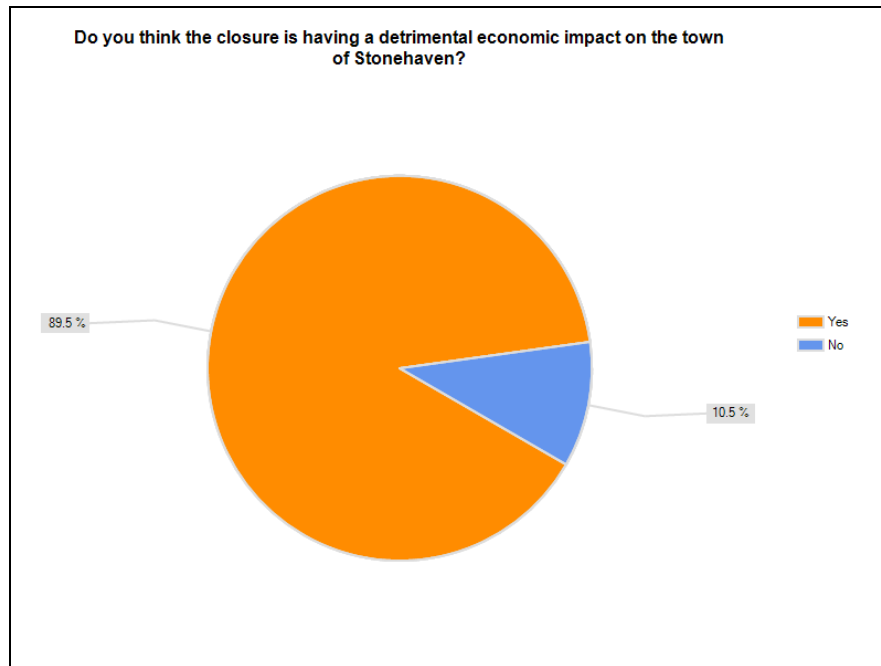
A summary of their responses is shown below:

| |
|--|
| I'm not sure how much impact there has been, but I feel that the road should be re-opened so that traffic can travel along the coast from Dunnottar Castle into Stonehaven. |
| Difficult to quantify negative effect since we are a small B&B, so few rooms, and we are located right on the harbour and fill up relatively easily. It was an enormous inconvenience having the paths to Dunnottar Castle arbitrarily closed without reference to the effect on tourists who had no other way of getting there other than a long boring walk, signposted in English so less than helpful to foreign tourists. It has to be said that the contractors have done a wonderful job but the path was closed for a year and there is bound to be lots of visitors who have gone home and recommended that people delay a visit for the foreseeable future owing to the work happening when they were there. |
| There was a significant decrease in the number of tourists looking for accommodation. |
| This was obvious from the drop in people arriving with no forward booking in an impromptu fashion. |
| Empty rooms at the weekends and fewer lunchtime visitors |
| There are definitely less visitors looking for B&B on spec, coming from viewing Dunnottar Castle. |
| Most of my bookings are now from the Internet and therefore fewer guests apply in person while visiting the town. |
| I have less business which concerns me. |
| There was a marked reduction in "off the street" guests to the B & B immediately after the braes closed and this has persisted to the present day. |

| |
|--|
| Not nearly as many people ringing my door bell wanting accommodation during the summer months especially. I did notice this particularly after the road into Stonehaven, from the Bervie Braes was shut. Even, if I, myself was fully booked, I always endeavour to secure accommodation for visitors in other B&B's in the town and found that these past few years, I had to do this less and less. |
| We have lost all the tourist lunch time trade and early evening trade. Rely solely on Aberdeen overspill for bed occupancy during the week and occupancy very low at weekends hardly any tourists going around and almost none in the winter. |
| There have been fewer people looking for accommodation early evening - we know the visitors are visiting the castle - but have no direct access to Stonehaven |
| We find there are far fewer foreign tourists wandering round the town especially at weekends, and we find if we do not have our rooms reserved they usually don't fill the way they did previously. |
| As my business is located at Stonehaven harbour and can be seen from the Bervie Braes, tourist business from this source stopped on the closure to vehicular traffic causing a 25/30percent drop in tourist visitors |
| I believe there was a downturn of at least 50% of tourists requesting accommodation in the town following the closure of the "braes" road. My register shows a high proportion of business customers rather than tourists staying in my accommodation directly related to the timing of the road closure. One has to presume this is due to tourists bypassing the town after visiting Dunnottar Castle whereas before, they would use the Braes Road into the town and subsequently look for accommodation. |
| The traffic of tourists calling ad hoc has certainly decreased. I do not have any exact figures, and also tourists are finding it difficult to access the walk to the castle, which a major tourist attraction of the area. |

The above findings suggest that most of the affected businesses have seen a marked impact since the closure of the Bervie Braes. The impact focuses on a drop in passing traffic, and in some instances this has been marked, for example, firms noted reductions in bookings in the the region of a 20/30% to 50%.

All 19 responding businesses were asked if they felt the closure of the Bervie Braes to all vehicular traffic was having a detrimental economic impact on Stonehaven.



The overwhelming response from 17 of the 19 local accommodation providers was that the continued closure of the Bervie Braes to all vehicular traffic was having a detrimental impact on the Stonehaven economy.

Respondents who felt that the closure was having a negative impact on the Stonehaven economy were asked what they would like to see being done to rectify the current situation.

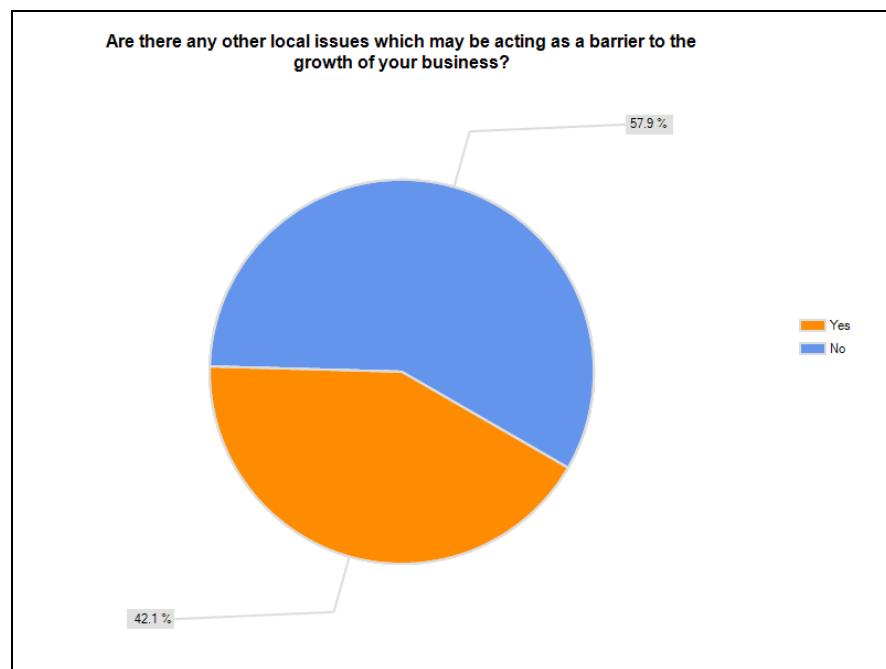
A summary of their responses is shown below:

| |
|---|
| Re-open road to traffic from the castle. |
| Open the road to downward traffic. Pick up litter and provide more bins. Emptying existing bins would be a good start. More parking in town. If we, the people who live here, are frustrated when trying to park then it must be a real deterrent to visitors who may choose to move on somewhere else. |
| I feel if the road is not reopened from the Braes the town will slowly die. The tourist trade built up significantly since Hamlet was filmed at the castle and a few years ago it peaked. The road closure has made a significant impact. If I am noticing it at this level then the town must be suffering as a whole. I think it is vital to make sure that the road is reopened. |
| Road to be opened as the town will lose most of the visitors to the castle once they are on the main road away from the castle. |
| Get the road opened |
| Reinstating the road down to Stonehaven! |
| Obviously open the road to traffic - after having done the necessary work as a priority. |
| I would like to see the re-opening of the Bervie Braes road to light traffic. One way only would be sufficient as visitors see the beautiful harbour and are enticed into coming in to the town and finding out all that it can offer; otherwise they are up to Aberdeen on the dual carriageway and we miss out altogether. |
| The road must be opened immediately. |
| The road opened for traffic coming from the castle to town instead of completely by-passing Stonehaven. |
| The road should be re-opened to vehicular traffic so that we can get the benefit of the hundreds of tourists who visit the castle every day. |
| Clearly, the reopening of the said road would be the answer. |

| |
|---|
| The Braes be made road worthy for traffic. |
| Open road to one way traffic. |
| I think it would benefit the town if the road was at least open for one way traffic, probably heading from the castle into the town. Many tourists visit the castle then head along the A92 onto the A90 and bypass Stonehaven. |

The general view from local accommodation providers was that the road should be re-opened, at least in one direction. It was noted that if it was to be re-opened in one direction then it should be from the Dunnottar Castle to the town direction.

Finally, firms were asked if there were any other local issues which may be acting as a barrier to the growth of your business.



A summary of the other local issues noted by eight of the 19 respondents is summarised below.

| |
|---|
| Incredibly high council tax |
| The Council's general lack of awareness that the viability of the town is due in no small part to visitors and tourists. Stonehaven looks like a town trapped in the 1950s and not in a good way. Thankfully the harbour, the old town and the bay make up for a lot. Things could be tidier. Litter is disgusting - one Spanish gentleman had go at me one morning when I was serving his breakfast asking why the beaches were not swept the way they were swept every morning in Spain. I completely accept his view. Repairs are not timeous. Signage is not good. We will be more and more thankful for tourists in the coming years so we should be welcoming those we have and hope that they pass on a good word to their friends and family. |
| Extortionate rates, water rates and waste costs prevent me expanding my business. |
| Without the boardwalk visitors would be less inclined to visit. |
| Aberdeenshire Council's lack of willingness to support local business. |
| Yes quite possibly, but the biggest draw for tourists is Dunnottar Castle, and at this point, tourists who visit the castle are deterred from visiting Stonehaven because of the road closure. |
| Whilst not exactly a barrier to growth, I do think it absolutely incomprehensible that Aberdeenshire Council has so much trouble finding a suitable site for a supermarket in Stonehaven. It seems very strange that Inverurie has 2 large supermarkets and is positively thriving whilst Stonehaven appears to be the very poor cousin of Aberdeenshire's seat of local government-Inverurie!!! Stonehaven has to make do with a series of corner shops. Aberdeenshire Council should also be actively encouraging larger chains to open outlets in the town, e.g., New look perhaps by offering competitive business rates. This would help the town to become more vibrant thereby attracting more visitors. |

The increasing number of vehicles on the A90 road to Aberdeen, Stonehaven is no longer such a good alternative destination for commuters.

I feel that Stonehaven badly needs a supermarket, which will bring people into the town to do their grocery shop, and they will then use the facilities in the town more. I know I go to Banchory/Portlethen to shop and use some of the amenities when I am there. Stonehaven lacks this.

4.4. Local Businesses

An online survey with local businesses, excluding local accommodation providers, was completed to assess the perceived impact that the Bervie Braes closure is having on general trade in the Stonehaven area. The headline results are summarised below.

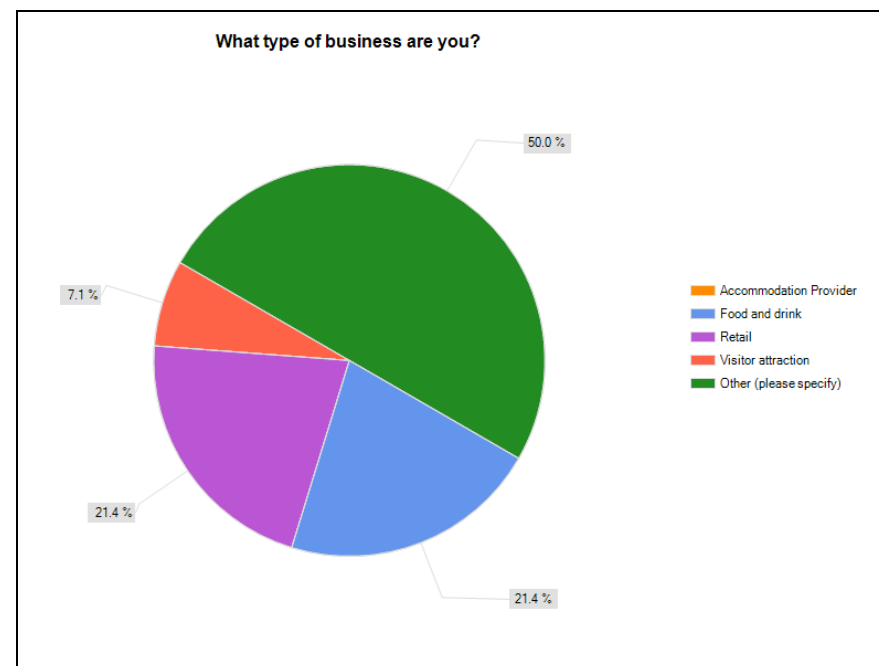
75 local businesses were contacted to ascertain their willingness to conduct a short online survey, of this 14 businesses were willing to conduct the survey, these firms are summarised in the table below.

Survey Respondents: Local Businesses

| | |
|---------------------------------|----------------------------------|
| Aunty Betty's | Les Black Photographer Ltd |
| Bridgefield Services Ltd | Leslies Floor coverings |
| CS Corporate Solutions | Mearns ArtHouse |
| Elma McMenemy Tourism Marketing | Stonehaven Golf Club |
| Jane's Design Studio | Stonehaven Tollbooth Association |
| Jenni Mac's | The bay fish and chips |
| Jon Hairdresser | Treasure trails |

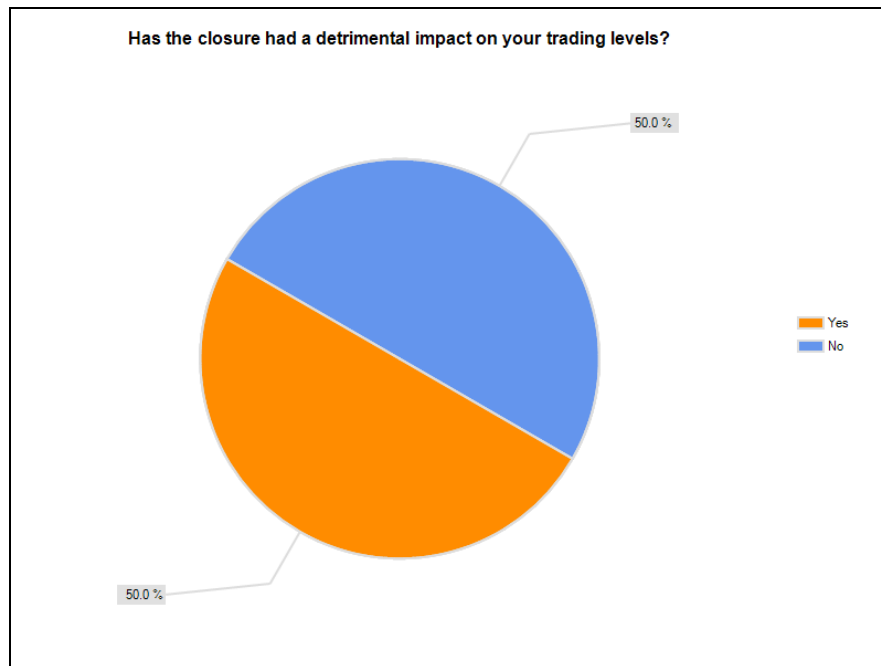
The majority of respondents (10) were owners of the business and the remaining (four) were noted as being a Partner, a Manager, a Trustee and a Director in responding businesses.

The breakdown by business type is presented below. Half of the firms were able to fit one of the pre-assigned categories, the other half included cleaning and property maintenance, photography, leisure, professional services and arts and craft businesses.



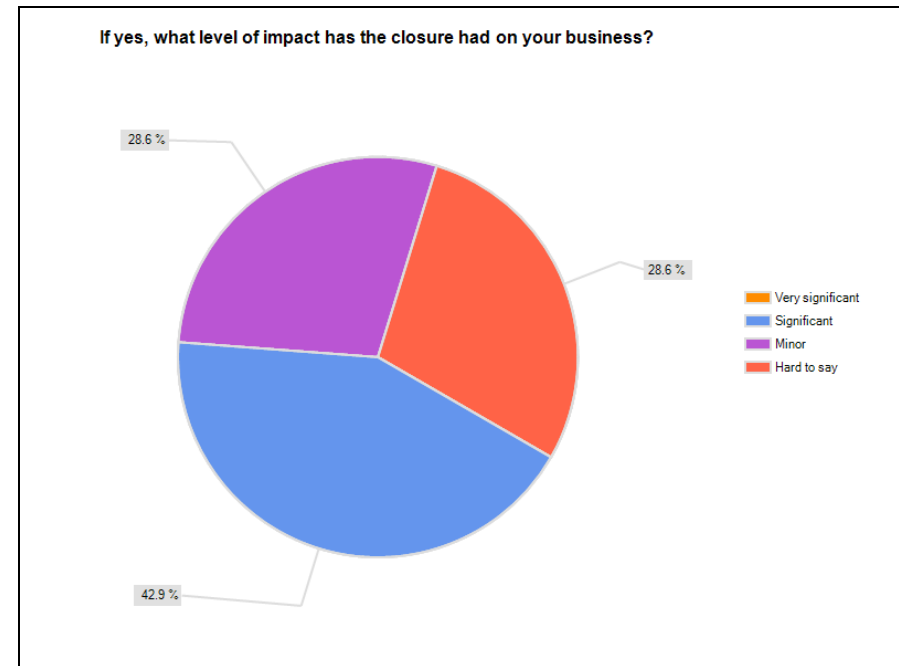
Of the 14 responding firms, 10 (71%) were trading prior to the closure of the Bervie Braes to all vehicular traffic.

Businesses were asked if the closure of the Bervie Braes to all vehicular traffic had a detrimental impact on their trading position. The figure below indicates that half of the businesses noted that its closure had a detrimental impact on their business, whereas 50% felt there had been no detrimental impact.



The perceived level of negative impact was lower for local businesses than it was for the local accommodation providers. This suggests that the impact may be more acute within the tourist sector, and particularly the overnight accommodation market. This in part may confirm the 'tourist trail' nature of the Bervie Braes and its valuable link to Dunnottar Castle.

Firms who noted that they had seen a detrimental impact on their trading levels were asked to gauge the level of impact which had occurred as a result of the road closure.



The above figure highlights that the majority of the responding firms felt that the closure of the Bervie Braes to all vehicular traffic was having a 'Significant' detrimental impact on their business. Two firms felt the impact was 'Minor' and the remaining two firms noted that it was 'Hard to say'.

Again, the degree of impact was lower amongst the general business community, compared to the local tourist providers who rated the impact as more significant in nature. This validates the view that the economic impact of the Bervie Braes closure is more acute amongst tourist related businesses.

Firms who noted they had witnessed a detrimental impact on their trading levels were asked to expand on the nature of the impact that the closure had on their business. A summary of their responses is shown below:

| |
|--|
| I don't actually know if this has had any impact on my business - It was closed before I started trading. However, I do believe that many tourists visiting Dunnottar Castle will pass the town by as the easiest route in is closed. I would imagine all of Stonehaven's business would benefit from more visitors coming in to the town rather than moving on to the next attraction. |
| Everyone wishes to visit Dunnottar Castle then they used to come into Stonehaven, now they simply drive away. Everyone wishes to look down onto the harbour and get placement on Stonehaven, now they don't bother. The harbour is one of a very few twin harbours, the castle is famous, the views are wonderful, we also have a wonderful puffin breeding cliff, all of which depend on tourists. We need the road to be fully reinstated with two way traffic and pavement, for the towns safety should there ever be a need to evacuate the town, to encourage tourists, especial with the climate changing, people are less inclined to walk. |
| Less sales of Treasure trails at Stonehaven Tourist Office presumably due to reduced numbers of tourists. |
| It has reduced the options for access to the town from the south. |
| Those who were local to the area could use the road, if coming from Inverbervie, and save adding to traffic coming down the 'official' route. It makes that road more liable to congestion and delays. |
| As Dunnottar Castle is visited by thousands of people on an annual basis, you would hope that those visitors would filter their way down in to the town. But with the road being closed who knows how many of those visitors will continue on their journeys north or south bypassing Stonehaven completely. |
| So as far as I can see, the road being reopened can only be a good thing. As for the impact to my business it really is impossible to say, but it certainly cannot be helping. |

My business is not location-sensitive. However, I can say that in the past, when the Braes were fully open (i.e. to coaches as well as cars), my guiding clients would frequently request a stop in Stonehaven once they saw the view from Redcliff corner. More recently, that has only been with individuals/families, and since the Braes closed I often have to do quite a hard sell to get my clients to visit the town.

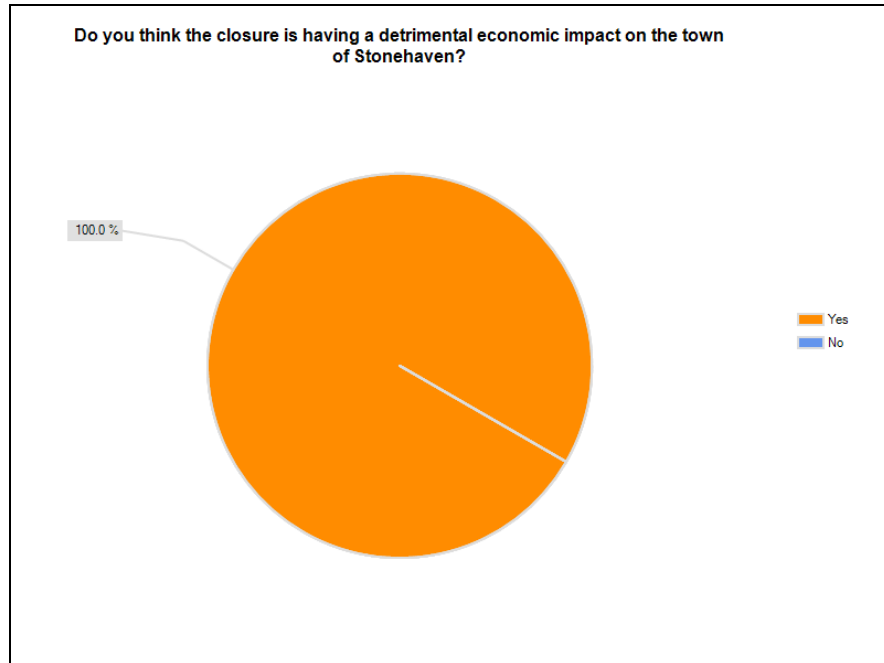
Tourists get confused and don't come back into the town after visiting the Castle.

The major tourist attraction in the area is Dunnottar Castle. Visitors coming from the south stop off at the castle and then proceed either north or west; closure of the Braes prevents tourists with the opportunity to view Stonehaven from the top of the Braes - they can bypass the town by using the A90. Plenty of visitors visit the museum asking for directions to the castle but there are significantly fewer numbers who report that they have come from the castle.

No direct impact on me, but clients report that they think they are suffering - e.g. no take up of discount vouchers left at Dunnottar Castle.

The above findings, although more perception based than those of the local accommodation providers, again validate the view that the continued closure of the Bervie Braes is resulting in a loss of trade for the town and therefore business performance is being adversely affected.

All 14 responding businesses were asked if they felt the closure of the Bervie Braes to all vehicular traffic was having a detrimental economic impact on Stonehaven.



The overwhelming response from all local businesses was that the continued closure of the Bervie Braes to all vehicular traffic was have a detrimental impact on the Stonehaven economy. This degree of impact amongst local businesses was greater than the 90% of local accommodation providers who felt that the closure was having a negative impact on the Stonehaven economy. Across both samples, 32 of the 34 respondents noted that the continued closure was a having a detrimental economic impact on Stonehaven.

Respondents who felt that the closure was having a negative impact of the Stonehaven economy were asked what they would like to see being done to rectify the current situation.

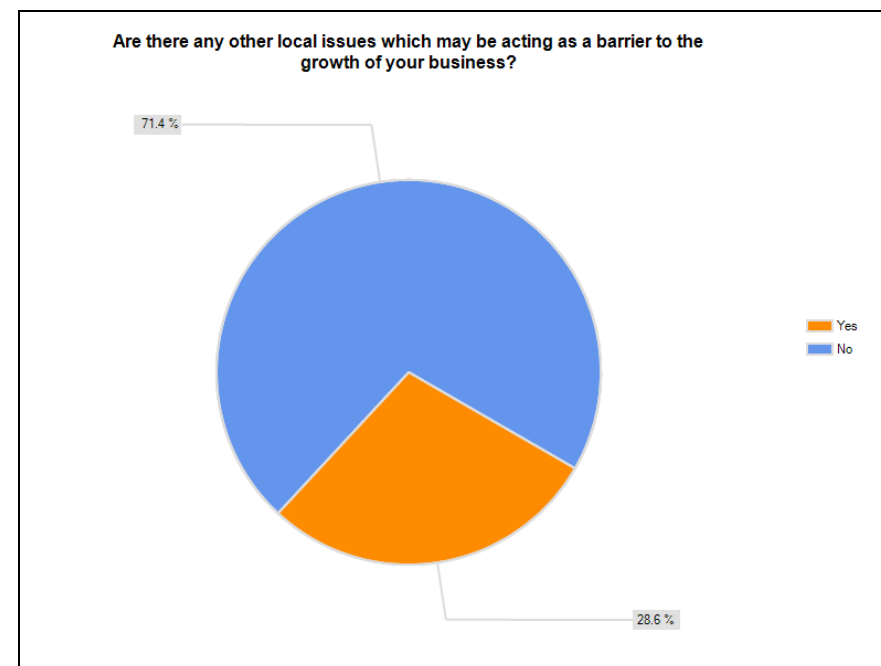
A summary of their responses is shown below:

| |
|--|
| The reopening of the road, given the location & view from the road I see it is a significant tourist route into the town. |
| Careful and considerate planning. Both of our roads rebuilt with two way traffic and pavements. A proper supermarket. No parking fees. Invite and entice leisure businesses to Stonehaven, e.g., phone shops, apple, hobby shops, toy shops. Encourage late nights and all weekend shopping. Lovely to have the caravan club coming, now allow caravan owners to choose their down time, do not close the sites, the caravan should be full at Christmas. Encourage a large 5 Star hotel to invest for spa and leisure facilities, beautiful banqueting for weddings and business away days all linked with outdoor activities, fishing, shooting, off road driving a sailing etc. Please make us a proper indoor pool and gym we are bursting at the seams. Do up the town hall and open it every day for cafe toilets letting tourist information etc. open ups the open air pool for a cafe lovely fish teas and knickerbocker glories and banana splits. Learn to cannot or swim under water, or ice skate. Get the road to the airport started. Please do not do any more surveys, simply use the expertise held in Stonehaven, clean about the drains fix the flood issues and get started on reopening Stonehaven to keep it vibrant for the next 50 years, nothing has been done here for the last 50 years except an allowance by our council to let it decline |
| Re open the road to cars. |
| If possible open the road back up. If that's not possible offer a free bus from market square to Dunnottar Castle in the summer months. This will maintain tourist spending in the town as well as visiting tourist attraction |
| Open the road to north bound traffic. |
| The road being reopened if possible would be a great start. |
| Reopen the road. |
| I would like to see at least one way vehicle access we are often asked the way to the castle and it is difficult to direct people. |

| |
|--|
| It would be beneficial to have the Braes open, if not to traffic then for pedestrian access to the castle from the town itself. |
| Visitors are missing out on the magnificent view of the town from the Braes. |
| This may encourage them to return and to recommend Stonehaven to friends and family. |
| Ideally, I would like the road to be open for pedestrians, cyclists, cars and coaches but not other commercial vehicles (i.e. delivery vans and lorries of any size). |
| Fix the problem and open road to light vehicles. |
| Permit north bound traffic down the Braes using a one way system. The Council appear to be dragging their feet over re-opening the road citing land slippage above the road. To be honest this does occur but is minor as any walk up the Bervie Braes will demonstrate. |
| Re-open the road, or properly market a local discount scheme to castle visitors. |
| The general view of local tourism businesses was that the road should be re-opened, at least in one direction. It was noted that if it was to be re-opened in one direction then it should be from the Dunnottar Castle to the town direction. |

The above findings are consistent with those presented in the local accommodation providers survey, which focused on opening the Bervie Braes, at least in one direction.

Finally, firms were asked if there were any other local issues which may be acting as a barrier to the growth of your business.



A summary of the other local issues noted by four of the 14 respondents is summarised below.

| |
|--|
| The flooding that has affected the town in 2009 & consequently in 2012 is having an immeasurable impact to mine and every business in Stonehaven and is strangling any future investment in the town. |
| Boardwalk round beach to harbour being in a poor state. |
| There are many issues and many local shops have to close. The internet the proximity to Aberdeen are two factors the closure of the path up the Bervie Braes to the castle had a huge effect on tourism this year. I do not believe that enough interest is taken in local shops and their survival. A good supermarket would help to stop shoppers going to Aberdeen. |
| My business is Scotland-wide, therefore does not depend on local issues. |

4.5. Incoming Tour operators

Dunecht Estates kindly supplied contact details for the coach tour companies who visit Dunnottar Castle on a frequent basis, these being MacItalia, Rob Roy Travel, JAC Travel and Panorama Tours. We attempted to contact each operator but only managed to obtain views from MacItalia and JAC Travel.

JAC Travel noted:

"I've spoken to one of our tour drivers about this but apparently it doesn't affect the photostop at Dunnottar Castle since the part of the road which is closed has never been suitable for coaches, being too narrow – apparently they would always approach Dunnottar from the south via the diversion route shown then back-track to continue south."

MacItalia noted:

"The road closure does not dissuade MacItalia from visiting Stonehaven as our tours generally do not go through Stonehaven due to time issues. The tours generally head directly to Dunnottar via A92 and A90 late in the afternoon and then leave Dunnottar for an overnight stay in Aberdeen. If the road was to be re-opened we would possibly visit Stonehaven but generally due to time issues on tour a visit to the town is very difficult"

We also consulted two smaller Scottish based specialist tour operators, Rabbies Small Tour Groups and Real Scottish Journeys.

Rabbies Small Tour Groups noted:

"We very rarely visit Stonehaven it's only for private tours and would only be a few times a year. We would almost always specifically visit Stonehaven for the Castle and the diversion would not stop us from visiting the town."

Real Scottish Journeys noted:

'We have not been to Dunnottar Castle or Stonehaven in a number of year but we have a group visiting this summer and we are booked to stay in Stonehaven, we were not aware of the road closure but this does not dissuade us from visiting the town'

4.6. Summary

Dunnottar Castle visitor numbers have increased by 121% in the last five years and Dunecht Estates is planning for further growth and is expecting another record year in 2013 as the castle was one of two Scottish castles visited by Pixar in the making of the Brave blockbuster. The 'set-jetting' impact of Brave and James Bond (Skyfall) is expected to support a sixth successive increase in Dunnottar Castle's visitor numbers. This is guided by a refreshed Strategic Plan which outlines considerable growth potential.

Dunecht Estates support the opening of the Bervie Braes, at least in one direction, as they believe this will strengthen the overall destination credentials of Stonehaven and help them deliver on their strategic objectives.

Local accommodation providers confirm that they have been adversely affected since the closing of the Bervie Braes, with the vast majority of providers witnessing a marked impact since the closure of the Bervie Braes. In some instances this has been marked, for example, in the region of a 20/30% to 50% reductions in bookings.

Similarly, local businesses have experienced a reduction in trade, although this seems to have been of a lesser impact than that reported by the accommodation providers. In total, 32 of the 34 respondents to both surveys noted that the continued closure of the Bervie Braes was having a detrimental economic impact on Stonehaven.

Incoming tour operators had less knowledge of the area and the road closure, and indicated that the closure was not as much of an issue. It seems the larger coach firms have a set itinerary and only visit the castle whereas the smaller more niche firms were more willing to visit the castle and the town.

Local organisations, including Dunecht Estates and accommodation providers, have provided clear evidence that the continued closure of the Bervie Braes is having a detrimental impact on trade and the overall destination and economic performance of Stonehaven. The initial market research confirms the desire for the road to be re-opened, at least in one direction from the castle to the town.

5. Conclusions

5.1. Findings

The findings from the initial economic impact assessment are set out below.

Policy Context

All current policies and strategies support the Scottish Government's central ambition of 'sustainable economic growth'. A pronounced focus on key sector growth, notably tourism in this instance, is another consistent factor at all spatial areas. This is also the case for the transport strategies which are unpinned by economic development principles in regard to the role the network plays in supporting and encouraging economic activity.

The tourism strategies focus on increasing the volume of tourism, with a particular focus on quality of provision, activity tourism, destination development and customer service. There is a desire to enhance the entire visitor experience for tourists in to Scotland and its constituent parts, from customer service through to physical developments and infrastructure.

There is a clear remit across each Aberdeenshire Council policy to work with local communities to help resolve local issues, both in terms of infrastructure, transport and tourism development.

Economic Context

There is no doubting the economic strength of Aberdeen City and Shire, the area is recognised as one of the most affluent areas in UK and the EU. The area has been resilient to the economic downturn, unemployment at 1.2% in December 2012 is the same as it was in December 2006, this compares to a 63% increase at the Scottish level and 88% nationally.

It is well known that the economy is heavily reliant and benefits greatly from the energy sector, but there is an increasing awareness and motivation to broaden the economic base of the region and focus on key sectors including tourism and food and drink.

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The tourist sector has continued to grow during the period of the economic recession, but spend rates and stay duration still lag behind the national. The tourist sector is undervalued and there is scope to increase its contribution to wider economic prosperity in the region. Promoting the tourist industry, notably the leisure tourist market, is a key economic opportunity and recognised by stakeholders at the national and regional levels.

Economic Impact

Dunnottar Castle visitor numbers have increased by 121% in the past five years and Dunecht Estates is planning for further growth and is expecting another record year in 2013. The 'set-jetting' impact of Brave and James Bond (Skyfall) is expected to support a sixth successive increase in Dunnottar Castle's visitor numbers. This is guided by a refreshed Strategic Plan which outlines considerable growth potential.

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Local organisations, including Dunecht Estates and accommodation providers, have provided clear evidence that the continued closure of the Bervie Braes is impacting on trade levels and the overall destination credentials and economic performance of Stonehaven. The initial market research confirms the desire for the road to be re-opened, at least in one direction from the castle to the town.

Summary

The partners involved in promoting economic development in the North East are acutely aware of the strategic importance attached to broadening the economic base of the area.

Tourism, as one of the key economic sectors in Aberdeen and the Grampians, has continued to grow over the period of the recession, but the region still has a lower proportion of tourism employees and businesses when compared to the national picture. Stay and spend levels are also below the national average. There remains much to be done in promoting the region as a leading tourism destination, notably in terms of a leisure destination.

The performance of Dunnottar Castle has been exceptional over the recessionary period, visitor numbers have increased by 121% since 2008 and are expected to grow for a sixth successive year in 2013.

However, the continuing increase in tourist numbers at both the regional and local levels does not seem to have filtered through to local accommodation providers. Local accommodation providers have indicated that their trade has been adversely affected by the closure of the Bervie Braes to all vehicular traffic.

According to Aberdeenshire Council's own research (Aberdeenshire Profile, July 2012) an estimated total of 1,281,000 tourists visited Aberdeenshire between January and December 2011, an increase of 3% from the previous year. Over the year, revenue spent by visitors in Aberdeenshire totalled £224,773,000, an increase of 6%, over the previous year. Utilising the above statistics, suggests the average spend per tourist trip to Aberdeenshire is in the region of £175.

Based on the Dunecht Estate's figures which indicate 70% of visitors to Dunnottar Castle are from outside Aberdeenshire, this assumes there are in the region of 53,000 non-local tourists within the vicinity of Stonehaven per annum.

Acknowledging Dunnottar Castle is a key attraction in its own right and in many cases is the main factor why visitors are in the area, then the economic prize of retaining visitors in the local area, in terms of accommodation, food and drink, events and retail, can be estimated to be the region of £9.3 million per annum. In other words, the economic prize from retaining more tourists in the Stonehaven can be judged to be in the region of more than £9 million per annum.

This initial economic assessment confirms that this economic prize is not being fully realised and is therefore being lost to other areas. The closure of the Bervie Braes is clearly having an impact in retaining tourist activity in the area and is subsequently weakening the destination credentials of the town, which may result in far greater economic losses in the future.

Next Steps

Although this assessment has confirmed the scope of economic impact, the precise value of economic impact has not been calculated. This requires the completion of a visitor survey and a fully compliant economic impact assessment.

It is recommended that STP co-ordinate a tourist survey during the visitor season in order to gain more detail on trip motivation and behaviour, including capturing metrics such as stay and spend levels and importantly the impact of the Bervie Braes closure plays on tourist behaviour.