



Economic Value of Boating Tourism in Scotland

National Survey, 2022

Research partners



With support from



Direct enquiries regarding this report should be submitted to:

Chris Kelly

EKOS Director

Email: chris.kelly@ekos.co.uk

EKOS Limited,
St. George's Studios,
93-97 St. George's Road,
Glasgow, G3 6JA
Reg 145099

www.ekos-consultants.co.uk

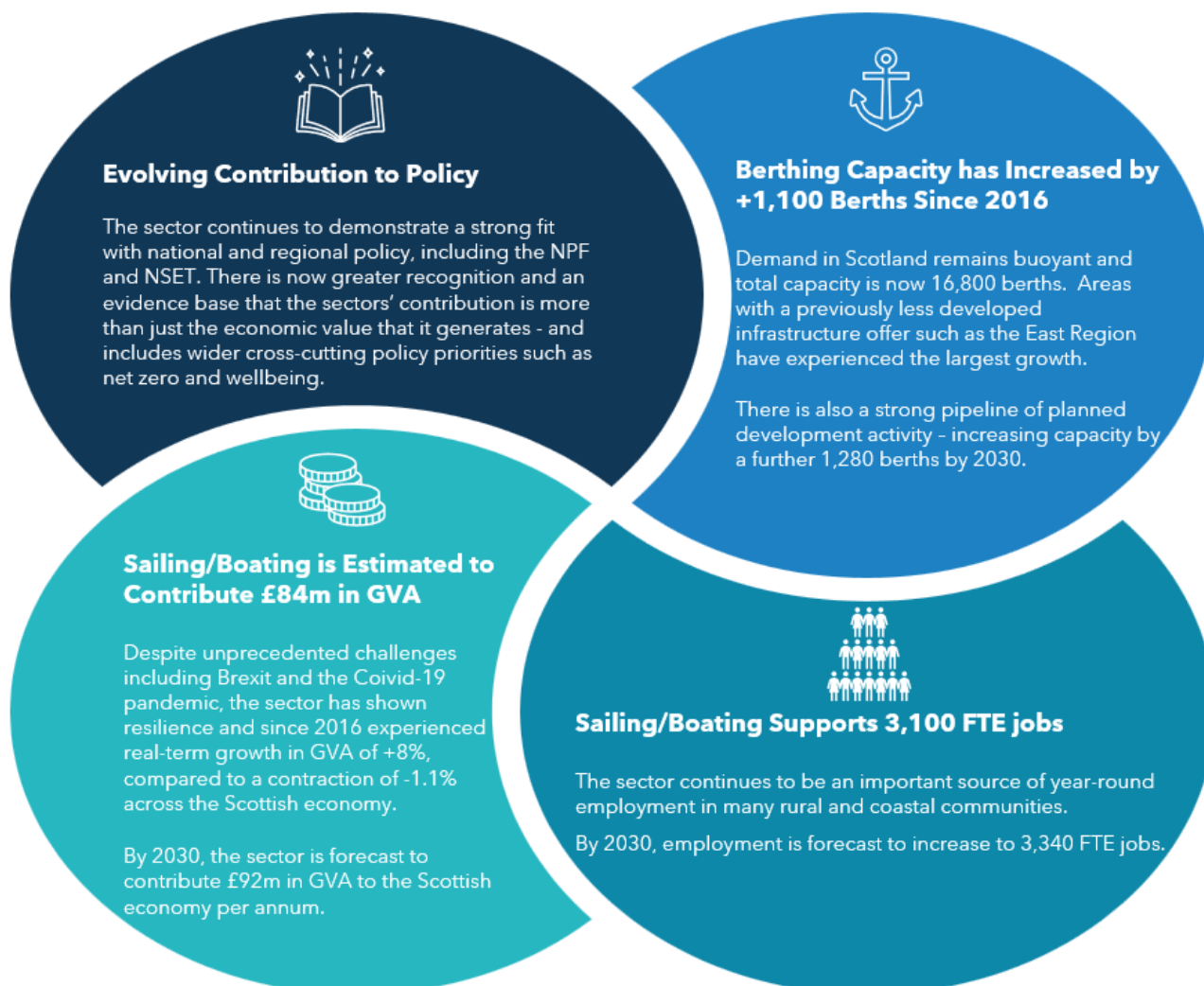
Reporting date: Final report published on 27
March 2023



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Key Findings



Looking to the Future

Opportunities for Growth - The staycation market, integrating a mixed sport and activity offering, and enhancing the green credentials of the sector all offer an opportunity for the sector to grow.

New Approaches - We need to reframe the lens by which the sector considers future development opportunities:

- **Sport First** - integration with other rapidly growing areas of water-based tourism - SUPs, kayaks, coastal rowing.
- **Community First** - locally-led activity where revenues can be reinvested by, and for the betterment of the local community.
- **Region First** - driving regional change through economies of scale and positive spillovers.

Executive Summary

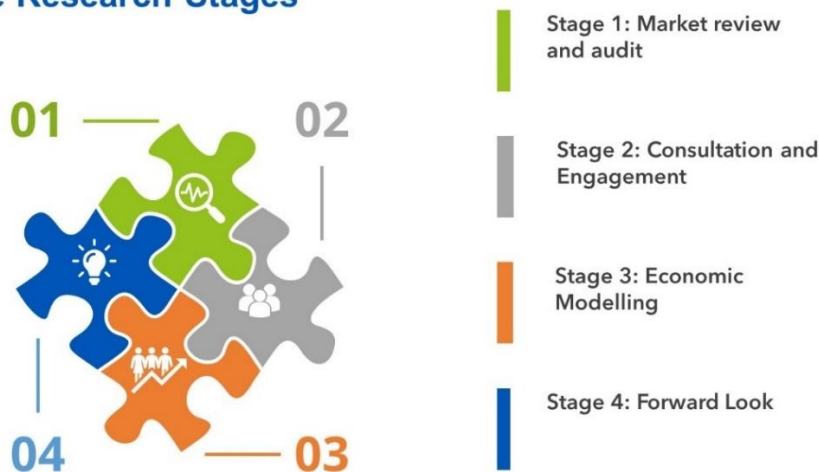
The study represents the third report in a series (previous studies were prepared in 2009 and 2016) that measures the economic value and contribution of the boating/sailing tourism sector to the Scottish economy.

The study outputs will provide industry and partners/stakeholders with up-to-date, robust intelligence and data on recent performance and the current shape of the sector, with a forward-looking view to identify future challenges and opportunities.

Overarching Study Objective: To prepare an independent assessment of the current economic contribution that the sailing tourism sector (both sailing boats and motor cruisers) makes to the Scottish economy and to provide analysis of the potential that exists to grow the sector and its value¹.

To address the study objectives, the research was undertaken in four complementary and intersecting research stages.

Core Research Stages



Significant engagement, consultation and survey work was undertaken over a four-month period to gather the relevant data and qualitative insights to feed into the study. EKOS would like to record thanks to all those that contributed:

- Boaters and leisure cruisers – 297 responses.

¹ Study note: To ensure comparability and compatibility with the previous reports produced in 2009 and 2016, the data excludes the tourism elements of small craft watersports such as dinghy sailing, kayaking, rowing, and SUPs, etc.

- Operators – 37 responses.
- Charter organisations – 13 responses.
- Strategic stakeholders – 22 responses.

Context and Scene Setting

In the intervening period since the publication of the previous report in 2016 there has been significant change in the policy and external operating environment - which have presented both challenges and opportunities for the sector.

Policy Focus

Marine Tourism. In 2015 Scotland’s first marine tourism strategy was published, [Awakening the Giant \(2015 - 2020\)](#) and has recently been succeeded with the launch of [Giant Strides \(2020 - 2025\)](#). Both strategies have played an important role in terms of promoting the valuable role that marine tourism and boating/sailing plays in Scotland’s overall visitor offer and the wider contribution the sector makes to the regeneration of (often remote/rural) coastal communities.

Growth of the wellbeing economy. The recent publication of the [National Strategy for Economic Transformation \(2022\)](#) has highlighted a shift in economic development policy in Scotland. While economic prosperity remains a core objective, this needs to be balanced with considerations for social and environmental dimensions.

Net Zero and Natural Capital. With Scottish Government declaring a climate emergency in 2019, accelerating the transition to a net zero economy has become the over-arching priority that has been cascaded down across all areas of policy.

Fit with Policy

The boating/sailing sector continues to demonstrate a strong fit with, and contribution towards, relevant and emerging policy priorities. Nonetheless, it is important that the sector continues to work in collaboration to ensure that the messaging and narrative with regards to the specific role is clear and concise. There are three areas we believe are of relevance:

- Continued contribution to economic development and coastal regeneration – creating and sustaining jobs (directly and within the supply chains) and economic value added.
- The wider benefits to physical and mental wellbeing (“blue health”) from being active in the outdoors, whether through competitive sports or leisure activity.
- The approach to promoting sustainability within the sector, including the transition to more sustainable fuel sources and repowering of vessels.

External Environment

Brexit. The direct effects and implications of the UK's exit from the EU are perhaps more nuanced, for example, anecdotally there has been some impact on the supply chains (for example, sourcing parts and fittings), and a short-term decline in the number of non-UK based visitors visiting the UK/Scotland due to uncertainty regarding travel and visa restrictions, etc.

However, the impact of Brexit can be most acutely seen within the downstream supply chains - notably the onshore visitor offer (accommodation, food and drink provision and attractions). Restrictions on the movement of labour/workforce, particularly in remote/rural areas that typically have had a greater reliance on seasonal migrant labour has proved challenging for many operators.

COVID-19 Pandemic. While the wider tourism sector has experienced a notable decline in activity in 2020 through to early 2022, the boating/sailing sector has shown resilience. In addition to the furlough and other support schemes, operators were able to generate revenue and income during the various lockdowns through berthing and storage fees (albeit the charterers experienced more hardship due to travel and social distancing restrictions). Further, recreational boating and sailing (as an outdoor activity and exercise) was one of the earlier sectors that was able to reopen when lockdown restrictions began to ease, albeit legislation/guidance relating to social distancing and 'support/household bubbles' remained. Evidence suggests that the sector was able to bounce back to pre-pandemic levels relatively quickly after restrictions were lifted/relaxed.

Inflation and Cost of Living Crisis. The instability and uncertainty within global financial markets that has led to soaring levels of inflation and interest rates has meant that in the short-term (at least) there will be challenges for individuals/households and businesses alike, with both being asked to absorb the increasing costs for goods and services. While the implications are not yet fully understood, at the very least this is expected to have some effect on levels of demand.

Marine Tourism Infrastructure -an Updated View

An updated audit has reviewed the current capacity in the sector - supply of resident and visitor berthing and mooring facilities in Scotland². This has been assessed against the demand, which has been based on the average occupancy rates reported by operators.

² To ensure comparability with previous studies we have employed the following definitions: 'resident' berth - contracted berth holders of more than one month, and 'visitor' berth - anything up to a one month stay.

In addition, the report has identified the pipeline development activity that either has planning permission secured (or is the process of applying) and/or has been included within Heads of Terms of a Regional Growth Deal.

Capacity and Supply

As shown in **Table 1**, the total berthing capacity in Scotland is c. 16,800 and has increased by 1,100 /+7% since 2016. Further detail is provided in the main body of the report regarding the split between 'resident' and 'visitor' berths.

Table 1: Berthing Capacity, 2016 - 2022

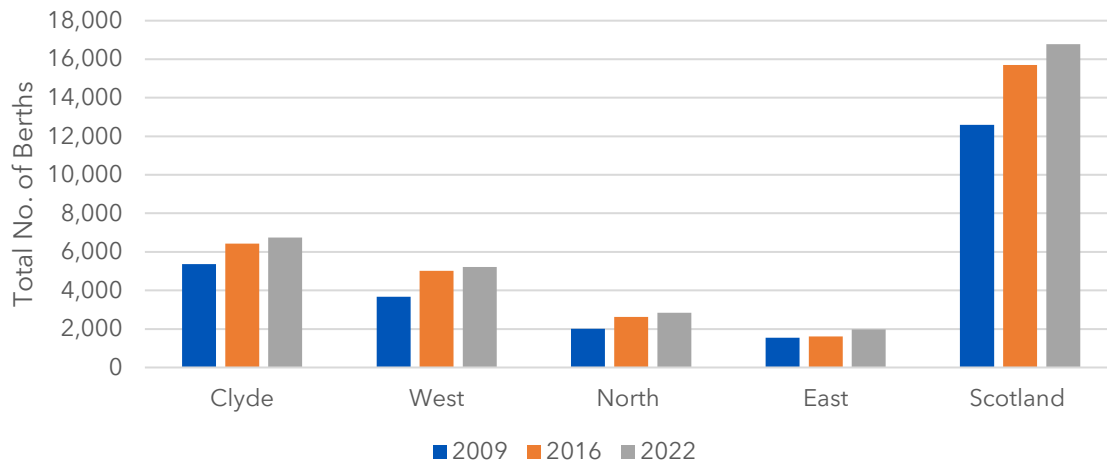
Region	2016	2022	Absolute Change	% Change
Clyde	6,437	6,742	305	5%
West	5,021	5,218	197	4%
North	2,618	2,836	218	8%
East	1,617	1,981	364	23%
Scotland	15,693	16,777	1,084	7%

The Clyde and West regions remain as Scotland's most popular destinations due to their reputation for accessible sailing waters (for all levels and abilities) and the well-established (shoreside and onshore) offer. Together, they account for 71% of Scotland's total capacity and growth in berthing capacity across these regions was, +5% and +4%, respectively.

While starting from a smaller base in terms of berthing capacity, positively, the North and East regions have seen the largest absolute and proportionate growth (+23% and +8%, respectively). Within the East region, the additional capacity has come within resident berths, principally at Eyemouth, North Berwick and Arbroath. In comparison, the North region has seen growth across berths at sites in Wick and across Orkney at Kirkwall, Stromness and Westray/Pierowall.

Taking a longer-term view, **Figure 1** presents the changes since 2009.

Figure 1: Total Berths 2009 - 2022



Occupancy and Demand

Across Scotland, the average occupancy rate for resident berths is 94%, and since 2016 demand has broadly kept pace with the increasing capacity/supply. Feedback from operators also identifies many have waiting lists and regular enquiries for 'resident' berthing space and/or have to turn away vessels during the peak season in July and August.

Table 2: Demand for Resident Berths, 2022

Region	Total supply	Total occupied	Occupancy (%)
Clyde	5,743	5,199	91%
West	4,386	4,278	98%
North	2,513	2,348	93%
East	1,820	1,729	95%
Scotland	14,462	13,554	94%

Scotland has experienced growing demand for 'transient' or 'visitor' berthing as shown in **Table 3**.

Table 3: Levels of Visiting Craft Demand

Region	Formal Stock*	Nights per Formal Stock	Formal Boat Nights	Drop the anchor**	Total Boat Nights	Share of Total Boat Nights
Clyde	999	49	48,677	36,568	85,244	32%
West	832	64	53,269	82,042	135,312	51%
North	448	38	16,805	8,553	25,358	10%
East	161	54	8,670	9,608	18,278	7%
Total	2,440	52	127,422	136,771	264,192	100%

*Formal stock refers to the total supply of visitor berths (including pontoon, mooring and quayside/harbourside) at formal facilities. Therefore, formal boat nights refer to the number of nights spent at formal berthing facilities.

**Drop the anchor refers to the number of nights when a visiting boat anchors somewhere other than a formal facility (e.g. in a sheltered area close to shore).

The most popular destination for visiting craft are the West and Clyde regions - together accounting for 83% of all visiting boat nights, albeit this is down from 87% in 2016 - which shows increased demand across other regions.

Overall, total visitor boat nights have increased from 176,000 in 2016 to just over 264,000 in 2020, a 50% increase.

These results suggest that visitor demand has outpaced supply, for example, while some drop the anchor will be intentional or planned, many will be caused by lack of availability at formal berthing facilities.

Pipeline Activity

Over a seven-year period (up to 2030), it is estimated that there will be 17 projects that will either create new infrastructure provision or upgrade/extend existing provision, **Table 4**. Much of this proposed activity will be part funded through the public sector via Regional Growth Deals.

Table 4: Pipeline Projects

Region	Number of Pipeline Projects	Number of Proposed Berths	Current Berthing Supply (capacity)	% Change
Clyde	4	435	6,742	6%
West*	8	130	5,218	2%
North	3	147	2,961	5%
East	2	569	1,981	29%
Scotland	17	1,281	16,902	8%

*Note: the data presented for the west region does not include projects being developed through the Rural Growth Deal - with proposals still at an early stage.

If all the projects are delivered then this will increase berthing capacity by c. 1,280 berths, representing an uplift of +8% on the current (2022) baseline.

Economic Value and Benefits

Despite unprecedented geo-political and economic challenges, Scotland's boating and sailing tourism sector has continued to develop and it **achieved real term annual growth since 2016 (over and above inflation) of £13.5 million expenditure (+15%) and £6 million (+8%) Gross Valued Added (GVA)**. In comparison, the Scottish economy contracted by -1.1% over the same period (based on annual GVA).

The sector is now estimated to **generate £84 million GVA per annum for the Scottish economy** and **support around 3,100 Full-Time Equivalent (FTE) jobs** - many in rural and fragile coastal communities.

In terms of future growth projections, based on the 17 pipeline development projects that would enhance the overall berthing capacity in Scotland by 1,280/ +8%, **GVA could increase to £90 million - £92 million per annum, and support 3,250 - 3,340 FTE jobs.**

Delivery Against Targets

Scotland's first marine tourism strategy, [Awakening the Giant](#) set out to drive "visitor expenditure from £101m to £145m". In 2022 the visitor expenditure (considered as economic output) was forecast at £160m and has now exceeded the targets set out in the strategy by £15m / + 10%.

In addition, British Marine estimate the total GVA contribution of the wider marine tourism sector is £450m. The boating and sailing sector alone, therefore accounts for almost 19% of the sectors' economic contribution.

Emerging Approaches to Measuring Value

While the study has intentionally focused on highlighting the economic benefits to ensure direct comparability with the 2009 and 2016 studies, we would note that there are alternative and complementary techniques and approaches which can help quantify and qualify the wider social value and benefit that can be attributed to the sector. These are:

- Immediate and longer-term benefits (for example, reputational) from hosting events, sporting competitions, and regattas.
- Catalytic effects - supporting regeneration activity and wider (place-making) amenity benefit.
- Physical and mental health and wellbeing benefits from natural capital - nature-based recreation and welfare value of outdoor recreation sites and the physical and mental health and wellbeing benefits from spending time in nature. The proposed mixed-activity centres at Kintyre and Stranraer would act as showcase to pilot this type of approach.

Forward Look

The forward look has set out a series of shared challenges and opportunities that will likely have some bearing or impact on the sector in the coming years. Partners and stakeholders within and aligned to the sector need to consider how best to work in collaboration to address these.

Challenges

Cost of living and inflationary pressures - we are likely to be operating within a constrained fiscal environment for at least a couple of years, and rising costs may affect levels of demand. For the operators, there is a threshold for the level of additional cost that they can pass on to consumers.

For visitors and recreational boaters, cost and affordability considerations are likely to be a key driver in their decision-making over the short-medium term.

Supply chains – external circumstances such as growing inflation, Brexit, and the war in Ukraine means that there are pressures on the supply chain in terms of importing goods and services, resulting in increasing costs and waiting times.

In addition, a more systemic and closer to home challenge is with regards to the workforce and access to skilled labour within the boatbuilding/repair and maintenance sector. In spring 2022, British Marine Scotland (BMS) undertook a workforce, skills, and training survey to inform the development of a future action plan. Emerging findings have identified issues in terms of skills gaps in areas such as engineering (boat builders and electricians), boat handling (commercial skippers and crew), and management (marina managers and boatyard operatives), and skills shortages driven by an ageing workforce.

Ageing Assets

Over the medium term, much of Scotland's berthing and shoreside infrastructure assets will be 30+ years old, and in line with Scottish Government/Scottish Future Trust [Infrastructure Investment Plan for Scotland 2021/22 to 2025/26](#) the focus will be on maximising the useful life of existing assets through maintenance, repair, and upgrades.

Feedback identified that while the overall offer in Scotland was felt to be good, in comparison to other destinations (particularly in mainland Europe and Scandinavia), the shoreside and onshore infrastructure and facilities were felt to be inconsistent.

Access to capital funding and investment will therefore be important to help ensure Scotland can deliver a consistent and good quality service offering.

Opportunities

Staycation and other market opportunities – there is a need for a collaborative and strategic approach across the sector (operators, charterers, shoreside and onshore provision). Adopting a 'Team Scotland' approach whereby the focus is on growing the scale and value of the sector at a national level first and foremost, will help ensure that operators are able to access their share of a larger market opportunity. One area for potential growth is within the charters sub-sector, in particular – opportunities to view marine wildlife. Survey feedback and wider intelligence shows that Scotland's standing as a destination that offers spectacular scenery and opportunities to watch wildlife is unrivalled and there is a growing charter market that offers group and custom tours. It is therefore important that the charter stock is of a good standard and has a diverse offer if this sector is to compete against the wider European offer, which is generally well regarded.

Mixed sports activities and promoting accessibility - one of the ways in which the sector can grow its contribution to the economic and social value it generates is through adopting a targeted approach to educating (for example - providing information on suitable/safe locations and safety advice, etc) and promoting access to the water/bluescape and encouraging participation in water sports and recreation more generally, for example, kayaks SUPs, dinghy sailing, coastal rowing, etc.

Enhancing the 'green credentials' of the sector - the sector can play a strong leadership role in identifying a phased pathway to achieving and delivering against the net zero agenda, acting as an early adopter of new technologies and processes to enhance sustainability and reduce the carbon footprint. The development of working/ technical partnerships could be a valuable mechanism in supporting the sector develop a consistent approach in terms of the 'product offer', seascape, and promotion/marketing.

New Approaches

As the sector looks to the future, in contrast to the 'string of pearls' approach which looks at gaps/opportunities based on a geographic mapping of available infrastructure, we have considered new approaches on which to assess strategic gaps and opportunities for new development and investment based on three criteria:

- **Sport First** - integration with other rapidly growing areas of water-based tourism - SUPs, kayaks, coastal rowing. Examples include the Kintyre Sea Sports development at Campbeltown.
- **Community First** - locally-led activity where revenues can be reinvested by, and for the betterment of, the local community. Examples include Lochaline Harbour led by the Morven Community Development Trust.
- **Region First** - driving regional change through economies of scale and positive spillovers. Examples include the Rural Growth Deal in Argyll and Bute.

1 Introduction

The study has been prepared on behalf of the funding partners, British Marine Scotland, Crown Estate Scotland, South of Scotland Enterprise Agency and the local authorities of North Ayrshire, Argyll and Bute, Dundee, Highland, and Inverclyde hereby referred to as “the funding partnership”.

The study represents the third report in a series (previous studies were prepared in 2009 and 2016) that measures the economic value and contribution of the boating/sailing tourism sector to the Scottish economy.

The research has measured the sector’s progress since 2016, and where data allows considered the pre-and-post-COVID-19 operating environment to better understand how the sector has rebounded or whether challenges remain.

As with the previous iterations of the research, it is the intention that the report will be the foremost ‘go-to’ source of industry data and intelligence and will have several applications both for those directly involved in the sector and wider partners/stakeholders. These uses include informing sectoral, regional, and national policy³, providing robust and up-to-date intelligence to support decision-making and the preparation of funding and other approval mechanisms such as HM Treasury Business Cases, and providing a shared resource that acts as a focal point for the sector to progress ambitions and address challenges.

1.1 Study Objectives

To ensure comparability with the 2016 report, the study objectives have remained aligned, with the overarching objective... *to prepare an independent assessment of the current economic contribution that the sailing tourism sector (both sailing boats and motor cruisers) makes to the Scottish economy and to provide analysis of the potential that exists to grow the sector and its value.*

The detailed objectives of the study are to:

- Provide an overview of current sailing infrastructure in place, supported by information on sailing numbers and an understanding of sailing market trends and forecasts.

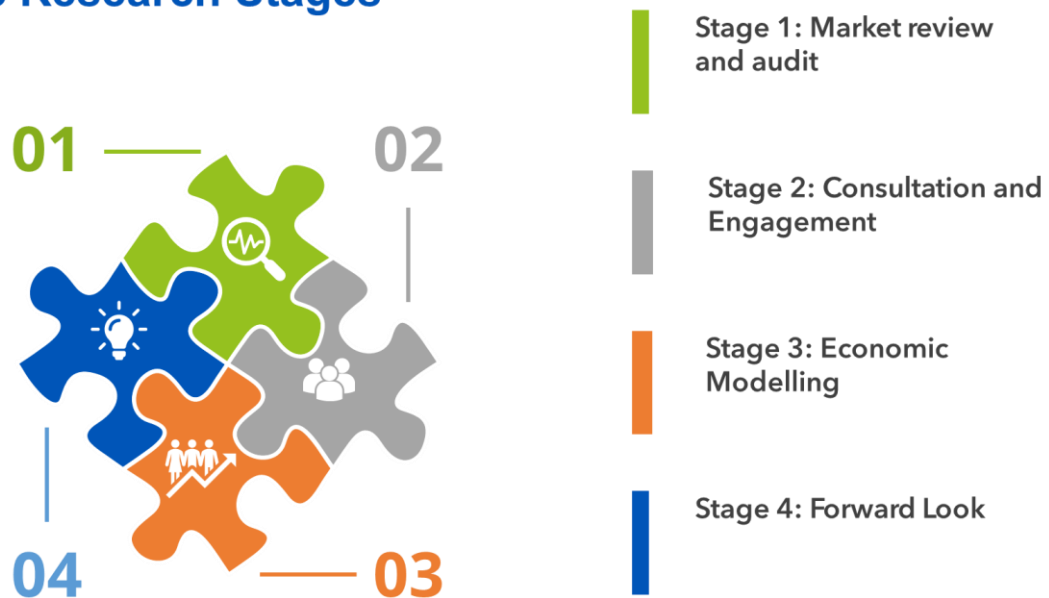
³ The 2016 study was used to inform Scotland’s two previous marine tourism strategies, [Awakening the Giant \(2015 - 2020\)](https://scottishtourismalliance.co.uk/wp-content/uploads/2019/03/Awakening-the-Giant-final.pdf), see here: <https://scottishtourismalliance.co.uk/wp-content/uploads/2019/03/Awakening-the-Giant-final.pdf> and [Giant Strides \(2020-2025\)](https://scottishtourismalliance.co.uk/wp-content/uploads/2020/08/FINAL-Strategy-Document_Giant-Strides-2020-2025.pdf), see here: https://scottishtourismalliance.co.uk/wp-content/uploads/2020/08/FINAL-Strategy-Document_Giant-Strides-2020-2025.pdf

- Calculate the current total berthing capacity within Scotland, both permanent and visitor (fixed berth and swing mooring).
- Quantify the contribution made by the existing sailing infrastructure to overall Gross Value Added (GVA) in Scotland.
- Identify any marine tourism projects in Scotland that are in the development pipeline.
- Provide an update on the growth potential of the sector in Scotland, using the 2016 report as a baseline.
- Relate this growth potential to the strategic priorities identified in [Giant Strides \(2020 - 2025\)](#) and established and emerging policy areas such as inclusive growth, the net zero transition, and fair work.
- Through consultation, identify any geographical and service gaps in the market which are hindering the development of sailing tourism across the four regional sailing zones.
- Quantify the likely economic growth, in terms of GVA and employment/income, that will be associated with pipeline/planned developments.

1.2 Study Method and Approach

To address the study objectives, the research was undertaken in four complementary and intersecting research stages.

Core Research Stages



Market Review and Audit

The market review and audit stage sought to provide an update on the current sailing/boating infrastructure across Scotland (supply side - capacity) and the demand for facilities (demand side - occupancy). Our definition of sailing/boating infrastructure includes⁴:

- Leisure marine pontoons, berths, and moorings (available as 'home port' resident berths or as moorings for visiting craft).
- Other pontoon berths and moorings in harbours, landing slips, etc.
- Private swinging moorings - individual and association/trust owned.

This stage included both desk-based research and direct engagement with the sector:

- Survey returns from marinas, harbours, community organisations and other operators - to gather data on capacity and occupancy.
- Crown Estate Scotland data on private moorings.
- Web search of facilities.
- Comparative analysis against the 2016 study.

In addition, to inform the assessment of potential future impact, the study team identified a range of emerging proposals that would either create a new facility or enhance/extend existing facilities.

Consultation and Engagement

Gathering data and feedback from the sector was vital to ensure that the outputs are robust and representative. We undertook a significant co-ordinated programme of consultation to gather data to inform the economic model and more qualitative feedback on perceptions, strengths, and weaknesses of the Scottish boating/sailing offer:

- Boaters and leisure cruisers - an online survey was promoted directly by marinas, harbours, clubs, and member associations. Data gathered through this survey included: expenditure, average trip length, perceptions of the Scottish offer, and the future. The total number of responses was 297.
- Operators - an online survey with guidance for completion was sent directly to operators to complete. Data gathered through this survey included: financial performance, occupancy, and capacity, waiting lists and enquiries, and key business drivers. The total number of responses was 37 (note that some operators had multiple sites/locations).

⁴ To ensure comparability with previous studies we have employed the following definitions: 'resident' berth - contracted berth holders of more than one month, and 'visitor' berth - anything up to a one month stay.

- Charter organisations - an online survey with guidance for completion was sent directly to operators to complete. Data gathered through this survey included: financial performance, occupancy, destinations, waiting lists and enquiries, and key business drivers. The total number of responses was 13.
- Strategic stakeholders - one-to-one remote consultations were completed with stakeholders and partners to gather more qualitative feedback and insights on the sector. The total number of consultations undertaken was 22 consultees covering 17 organisations.

A summary of the stakeholder organisations that contributed to the study are presented at **Appendix A**.

Economic Modelling

A bespoke economic model aligned to HM Treasury Green Book guidance was developed to measure the current (2022) value, and the potential future economic value that could be generated through the boating/sailing tourism sector in Scotland (based on emerging pipeline proposals being delivered over the next few years).

As noted, the economic model was populated with data gathered directly from the sector and supplemented with bespoke sector co-efficients derived from the Scottish Annual Business Statistics (SABS) and represents a robust analysis.

Forward Look

Through consultation and review of the wider geo-political and strategic operating environment, we sought to provide an overview of the wider context in which the sector operates and specifically, to identify the main opportunities and challenges for the sector over the short-to medium term.

1.3 Reporting Structure

The report is structured as follows:

Chapter 2: Context and Scene Setting - provides a summary of the main changes that the sector and the Scottish economy more generally have experienced since 2016.

Chapter 3: Market Review and Audit - provides an overview (nationally and broken down by region) of the boating/sailing infrastructure, including the current supply of, and demand for, berthing, pontoons, swinging moorings, etc. This chapter also provides further details on the pipeline developments and emerging proposals.

Chapter 4: Industry Engagement - provides a summary analysis of the three surveys (boaters and leisure cruisers, operators, and charterers) that were undertaken to inform the research.

Chapter 5: Economic Value and Benefits - presents the economic assessment that measures both the current and potential future value of the sector.

Chapter 6: Forward Look - provides the study teams' reflections on the key emerging issues, challenges, and opportunities that the sector needs to be awake to. While not designed to be a "call to action" it is intended to act as a starting point for discussion and cross-industry engagement.

The report is supported by the following appendices: **Appendix A: Stakeholder Consultees.**

2 Context and Scene Setting

It is important that the economic assessment, which measures the overall value and growth of the sector since 2016 is considered in the appropriate context and takes cognisance of the internal and external factors that may have influenced performance. Specifically, we have considered the changing policy and external geo-political environment.

2.1 A Changing Policy Environment

Since 2016 there has been a significant change in the policy drivers and priorities at the national level and we have focused on three core policy areas that have implications for the sailing/boating tourism sector.

2.1.1 Marine Tourism

Scotland's first marine tourism strategy, [Awakening the Giant \(2015 - 2020\)](#) was published in 2015 and has recently been succeeded with the launch of [Giant Strides \(2020 - 2025\)](#). Giant Strides outlines four strategic themes for intervention.

The new strategy fits within the wider hierarchy - with [Scotland Outlook 2030](#) (the national tourism strategy).

As a direct consequence of [Awakening the Giant](#) and [Giant Strides](#), there have been significant levels of investment within marine tourism infrastructure to help develop and grow the sector.

Notably, over the period 2015 to 2020, Highlands and Islands Enterprise (HIE) was tasked with leading activity on behalf of the Enterprise Agencies and have invested £25 million of public sector funding within marine tourism infrastructure across the region.

In addition, there are currently proposals for public sector partners to invest a further c. £68 million across 10 projects through the Regional Growth Deals. This proposed activity will enhance and improve the existing capacity and facilities and help leverage additional investment into regional and local communities.

Strategic Themes - Giant Strides (2020 - 2025)



Over the past few years across both the marine and national tourism strategy there has been a shift from a focus that was primarily on the economic and financial value of the sector(s) that now recognises the need to adapt to evolving consumer trends and make explicit the wider benefits that can be supported.

EKOS comment on the boating/tourism sectors' fit with policy

The boating/sailing sector remains an important part of Scotland's tourism offer with travellers looking for an "authentic experience" – as noted in the survey feedback from boaters, Scotland's scenery, seascape, and wildlife is its USP and is what differentiates it from other sailing destinations.

2.1.2 Economic Development

At a national level, we would first highlight the publication of [the National Strategy for Economic Transformation \(2022\)](#)⁵ (NSET) which sets out the priorities for Scotland's economy over the next decade to achieve the vision of a "wellbeing economy".

"Our vision is to create a wellbeing economy: a society that is thriving across economic, social, and environmental dimensions, and that delivers prosperity for all Scotland's people and places. We aim to achieve this while respecting environmental limits, embodied by our climate and nature targets."

National Strategy for Economic Transformation

This represents a noticeable change from [Scotland's Economic Strategy \(2015\)](#)⁶ which had a stronger focus on productivity and absolute growth. There is now a wealth of evidence that shows that approaches to delivering economic development such as "picking winners" and "trickle-down economics" were not working, and that the inequality gap was growing across Scotland.

The [National Performance Framework \(NPF\)](#)⁷ (2018) provides an over-arching framework for everyone in Scotland to work together to deliver against the 11 national outcomes - based on the United Nations Sustainability Goals (UNSG). The Framework is one of the core documents that underpins NSET and again, speaks to the change in policy direction that is more rounded in its ambitions and values.

⁵ Scotland's Economic Strategy and the National Strategy for Economic Transformation, see here: <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

⁶ Scotland's Economic Strategy (2015), see here: <https://timeline.hie.co.uk/media/1399/hie-story-scotlands-economic-strategy-2015.pdf>

⁷ National Performance Framework, see here: <https://nationalperformance.gov.scot/>

The [Strategic and operating plans of the Enterprise Agencies](#) have (to some extent) been gradually moving away from a 'traditional' sector-based approach for delivery to prioritising cross-cutting interventions, for example, digital, innovation, decarbonisation, and (particularly within the South of Scotland and Highlands and Islands) place-based approaches. As further detail on NSET is provided and priorities agreed, it is expected that the operating plans of the Enterprise Agencies will adapt to reflect the national policy.

First established in 2015 with the Glasgow City Region Deal, [City-Region and Regional Growth Deals](#) are packages of funding, agreed between Scottish Government, UK Government, and local partners (for example, local authorities, universities, and NHS Health Boards). They are designed to bring about long-term strategic approaches to improving regional economies, leverage investment, create new jobs and accelerate inclusive economic growth. They are being implemented by regional partners (Regional Economic Partnerships) and tailored to reflect regional priorities - supporting interventions that more accurately reflect the needs of the local areas/communities. There are now City-Region and Regional Growth Deals covering every local authority in Scotland.

In addition, at the UK level, the introduction of the [Levelling Up Fund](#) (LUF) and [Shared Prosperity Fund](#) (SPF) provide a capital and revenue funding source that can be used to match fund projects being delivered through the City -Region and Growth Deals.

EKOS comment on the boating/tourism sectors' fit with policy

From an economic development perspective, the sector remains significantly important to areas and locations that have coastal communities and towns, for example within Argyll and Bute, North Ayrshire, Highlands and the Islands, Dumfries and Galloway, and the Moray Firth where the sector provides a source of direct employment but also demonstrates strong upstream (for example, boat repair/maintenance) and downstream (tourism sector) supply chain linkages.

Further, the evidence for investing in marine leisure infrastructure as a mechanism to support regeneration and deliver economic benefits can be seen permeating through the Regional Growth Deals - with major capital projects proposed within the Ayrshire Growth Deal (Ardrossan, Millport, and Arran), Rural Growth Deal (Campbeltown, Helensburgh, Dunoon Waterfront, Rothesay, and Ardrishaig), Borderlands Inclusive Growth Deal (Stranraer), and the Tay Cities Deal (Dundee Marina).

As the policy lens broadens around wellbeing to incorporate economic, social, and environmental dimensions, the sector has potential to make a strong contribution, in particular to the social aspect. For example, the positive relationship between physical and mental health and wellbeing and being outdoors, being active and having access to the sea and coast are now universally accepted and understood.

The ‘blue health’ concept relates to both people’s happiness, but also preventative health spend i.e. people are healthier (physical and mental health) and therefore less likely to require medical treatment and hospital stays, etc.

Giant Strides provides a useful graphic that illustrates where the four thematic priorities for the sector interact and contribute with both the NPF and UN SDG’s – noting that it contributes to all 11 national outcomes and 12 of the 17 UN goals.

We would however, caution that, as economic policy continues to move away from a sector-based approach, those in, and aligned to the sector need to ensure that the messaging is clear and concise with regards to the sectors’ position.



2.1.3 Net Zero and Natural Capital

In 2019 the Scottish Government declared a climate emergency and emphasised the need to accelerate our transition to a net zero economy. This is now the core aim of Government and is reflected in both policy and legislation. Alongside this, and linked to the wellbeing agenda, there is a renewed focus on natural capital and safeguarding the natural environment – sustainability is at the forefront in how we utilise our natural resources.

EKOS comment on the boating/tourism sectors’ fit with policy

In comparison to sectors where investment and intervention is being prioritised, such as energy and transport decarbonisation, the marine tourism and sailing/boating sector has a lower environmental and CO2 footprint. For example, most of the boats (estimated at c. 75%+) berthed in Scotland are sail boats and have mix of small diesel-powered inboard motors and outboard motors on the smaller vessels, and while the structures are (usually) comprised of Fibre-Reinforced Plastic – if well maintained then the vessel will have an operational lifespan of 30+ years (two to three times that of an average car).

That being said, the sectors' contribution to the net zero agenda could be considered more "passive" and while there are emerging technologies and markets investigating more sustainable approaches to re-powering boats, for example in relation to hybrid and electric motor-powered vessels, these technologies are developing but not likely to be adopted by the market or widely adopted within the short-term. Looking forward, if electric power is deemed to be the most cost effective and optimal way solution, then this will require significant investment in the installation and ongoing maintenance of charging infrastructure.

The priority and current opportunity to make a notable contribution to reduce the carbon footprint of the sector is expected to be in the development of more sustainable/greener fuels (for example, biofuels, green hydrogen) for existing boat stock. There is also potential to develop new markets for refitting/retrofitting older boats to modern standards to extend the life of vessels and at end-of-life recycling - contributing to sustainable and circular economy principles.

In terms of the sectors' contribution to natural capital, there have been initiatives to enhance the environmental sustainability credentials of the sector, for example, promoting alternatives to traditional antifouling coatings/paint and marine litter awareness campaigns.

2.2 External Shocks and Challenges

While it has only been seven years since publication of the previous report, in the intervening period there have been several events that have had, and will continue to have, far reaching consequences. We have considered three of these below.

2.2.1 Brexit

In the summer of 2016, the United Kingdom voted to leave the European Union (EU). After years of negotiation the withdrawal agreement was ratified in January 2020 and the transition period ended in December 2020.

There is limited data available on the direct effects and implications of the UK's exit from the EU on the boating and sailing sector. However, anecdotally Brexit stalled and stagnated the market - there has been some impact on the supply chains (for example, sourcing of boats, parts and fittings), and a short-term decline in the number of non-UK based visitors visiting the UK/Scotland due to uncertainty regarding travel and visa restrictions, etc.

The impact of Brexit can be most acutely seen within the wider marine tourism and tourism sectors - visitor economy more generally, and the most notable implications include⁸:

Trade and the Economy - the headline data shows that across the UK, levels of trade are down resulting in a decrease in economic output (-2.1% of Gross Domestic Product (GDP)), productivity has plateaued and barriers to movement/trade have resulted in increased supply chain costs and delays. All these factors have resulted in a challenging operating environment.

Workforce - lower migration is having a more acute negative impact on sectors that rely on migrant workers, such as tourism - rural areas also have a disproportionate reliance on seasonal migrant labour.

Onshore activities such as food and beverage provision, retail, accommodation, and visiting attractions, etc are a key part of Scotland's wider offer to the sailing/boating tourism, and a significant driver of the economic activity generated by the sector. Office for National Statistics (ONS) Business data for January 2021, showed that the proportion of accommodation and food businesses in Scotland that reported a decrease of EU workers over the previous nine months - almost four times the rate for the economy (21.1% vs 5.5%).

In addition, Scottish tourism industry representatives have said there is currently a shortfall of staff in occupations such as front-of-house staff and chefs.

This onshore tourism offer is a key part of what makes Scotland an attractive destination - any challenges with capacity could have a knock-on effect, particularly during the peak summer periods.

2.2.2 COVID-19 Pandemic

The wider tourism sector including accommodation, hospitality and food and drink provision were among the most affected sectors of economy during the pandemic. A Fraser of Allander study (2022)⁹ estimated that Scotland will see a £5.5 billion (-49.3%) reduction in tourism spend in 2021 compared to the estimated baseline.

While restrictions on movement and social distancing meant that tourism more generally was acutely impacted, our stakeholder feedback suggests that the boating/sailing sector did not experience the same level of negative effects as other industries.

⁸ Data taken from Scottish Government Information Note, The Brexit Referendum 5 Years on - Summary of Impacts to Date see here: <https://www.gov.scot/publications/brexit-vote-5-years-know-far/documents/>

⁹ COVID-19 and Scottish Tourism in 2021, Fraser of Allander. See here: <https://fraserofallander.org/covid-19-and-scottish-tourism-in-2021/>

For example, recreational boating and sailing (as an outdoor activity and exercise) was one of the earlier sectors that was able to reopen when lockdown restrictions began to ease, albeit legislation/guidance relating to social distancing and 'support/household bubbles' remained. In addition to the furlough and other support schemes, operators were able to generate revenue and income during the various lockdowns through berthing and storage fees. This resilience and ability to 'weather the storm' may be part of the reason the sector was able to bounce back to pre-pandemic levels so quickly.

2.2.3 Inflation and Cost of living Crisis

Emerging from the COVID-19 pandemic and coupled with the instability and uncertainty within global financial markets has led to a 'perfect storm' and the annual headline rate of inflation is currently 11.1% (October 2022) - the highest it has been trending in 40 years¹⁰.

In an attempt to dampen the soaring rate of inflation, on 3 November 2022, the Bank of England raised interest rates to 3.0% but could (or is likely to) go higher - raising the cost of finance for everyone.

The uncertainty and austere fluctuations in the market are having a direct impact on the cost of raw materials (including energy and transport) and wages which will undoubtedly put more pressure on businesses to absorb rising costs - only some of which they will be able to pass on to consumers. Over the short-medium term this will have a knock-on impact in terms of reducing demand for some goods and services.

In addition, on the back of the most recent Autumn Budget (17 November 2022)¹¹ it was identified that the UK had a public sector deficit of £13.5 billion¹², with implications including an increase in taxes and a protracted period of economic recession (forecast to last in to 2024).

2.3 EKOS Summary View

In the intervening period since 2016 there has been a shift in policy focus and priorities - whereby what we measure, and value is no longer primarily centred on economic growth and is more nuanced and balanced to consider dimensions such as wellbeing and net zero.

¹⁰Rising cost of living in the UK, House of Commons Research Briefing. See here: <https://commonslibrary.parliament.uk/research-briefings/cbp-9428/>

¹¹ Autumn Budget Statement, see here: <https://www.gov.uk/government/publications/autumn-statement-2022-documents/autumn-statement-2022-html>

¹² ONS, see here: <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance>

Feedback and insight suggest that these two priorities will be the central pillars driving economic development agendas for at least the next decade. While we believe that the sector currently makes an observed and demonstrably strong contribution to these policy agendas, it is important that the sector continues to take stock and reflect where it fits and contributes within the emerging policy landscape and comes together to present a consistent narrative in relation to its continued important role.

As validation of its important strategic role as a mechanism/approach to help deliver regeneration and economic development, particularly within some of Scotland more rural and fragile coastal communities, the public sector has continued to support and back the sector. Since the publication of [Awakening the Giant](#), there has been over £25 million of investment in wider marine tourism infrastructure from HIE and a further £68 million subject to the Gateway approval process of the various Regional Growth Deals. This co-ordinated approach to delivering new infrastructure (as opposed to one-off discrete investments) has meant the sector has been able to respond to demand and constraints in capacity, and also help ensure a more equitable distribution of the economic development benefits.

In terms of the challenges that lie ahead, the outlook over the short-term is that there is likely to be continued uncertainty in global financial markets, constraints on public sector finance, and inflationary and other pressures on operators and consumers.

3 Market Review and Audit

3.1 Introduction

This section provides an updated audit of the sailing/boating infrastructure across Scotland.

Section 3.2 sets out the current (as of 2022) supply of berthing and mooring facilities in Scotland – nationally and by region. The definition of sailing/boating infrastructure includes:

- Leisure marine pontoons, berths, and moorings (available as resident berths/moorings or as visiting berths/moorings)¹³.
- Other pontoon berths and moorings in harbours, landing slips, etc.
- Private swinging moorings – individual and association/trust owned.

In addition, we have also reviewed the demand for berthing and mooring facilities in Scotland and provided data on the average occupancy rates reported by operators (**Section 3.3**). The demand data is supplemented by information on the current waiting lists and level of enquiries that operators have received.

Where relevant and appropriate we have reviewed both the supply and demand side against the 2016 position to identify key changes.

Finally, **Section 3.4** provides a review of pipeline development activity that either has planning permission secured (or is the process of applying) and/or has been included within Heads of Terms of a Regional Growth Deal (and is subject to the agreed Deal gateway and approval process – for example, Business Case approval).

3.1.1 Regional Disaggregation

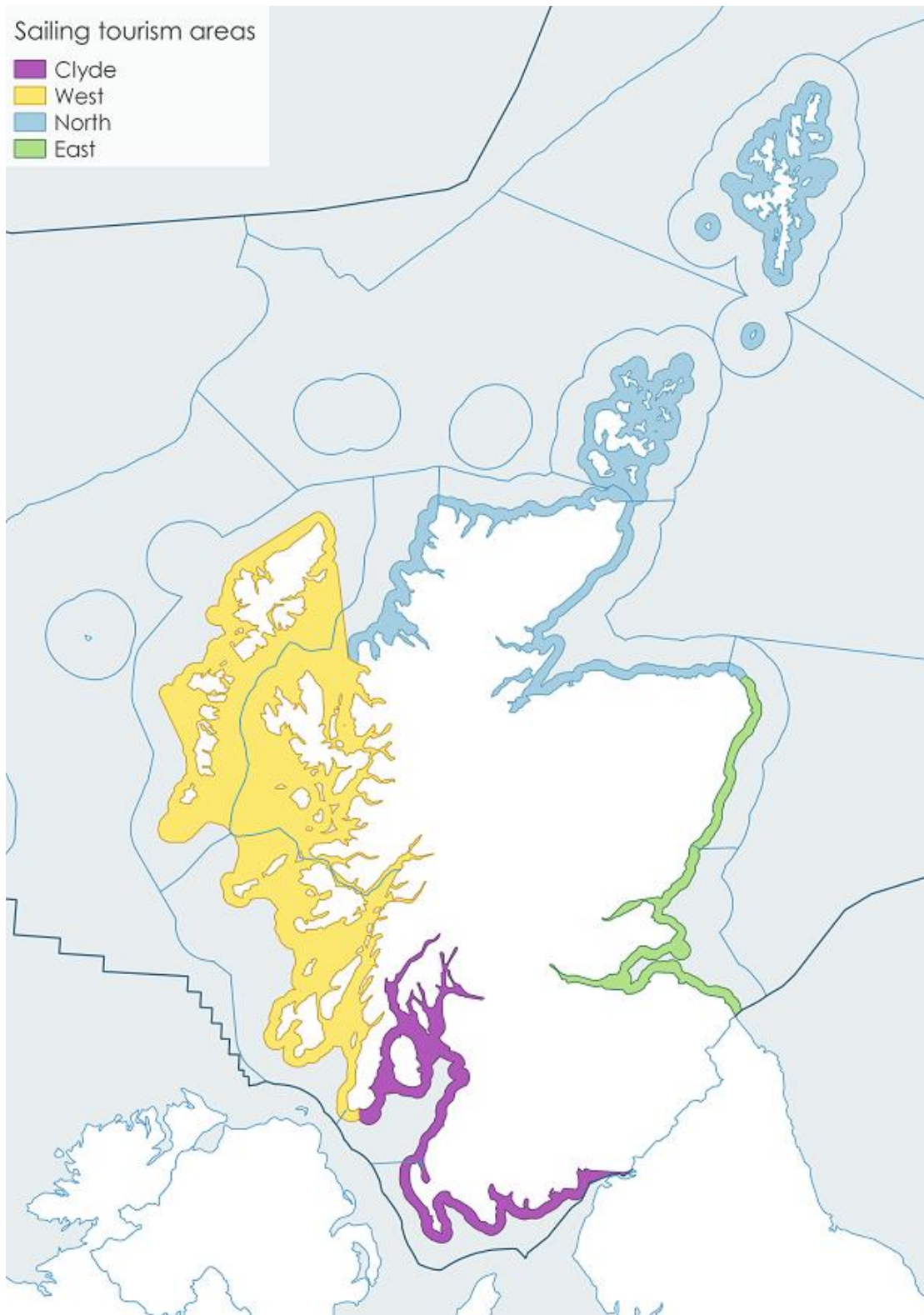
Scotland can be broadly broken down into four sailing zones or regions, see **Figure 3.1** (over).

- Clyde – covering the Solway Firth from Annan up the west coast into the Firth of Clyde, up to Loch Fyne, and covering the east side of the Kintyre Peninsula (Campbeltown).
- West – covering the west side of the Kintyre Peninsula and all the way up the coast to Gairloch, including the islands of Argyll and Bute and the Inner and Outer Hebrides.

¹³ For the purposes of the research a resident berth is defined as any berth under a contract for one month or more (commonly six month or annual contract), while visitor berths are defined as any occupancy for a period of less than one month.

- North - covering the north coast of Scotland from Gairloch to Fraserburgh and including the Orkney and Shetland Islands.
- East - covering the entire east coast of Scotland from Fraserburgh in the north down to Eyemouth at the border with England.

Figure 3.1: Scottish Sailing Zones



3.2 Overview of the Market – Supply Side

The supply side audit/mapping of sailing and boating infrastructure is presented below.

3.2.1 Resident Berths

The current supply and change in resident berths since 2016 are presented below. Of note is the inclusion of quayside/harbour-side berthing in the current audit, which were not explicitly counted in the 2016 report.

Table 3.1: Resident Berths, 2022

Region	Pontoons	Moorings	Quayside	Total	% of total resident berths
Clyde	3,761	1,958	24	5,743	40%
West	1,158	3,228	0	4,386	31%
North	1,711	593	103	2,407	17%
East	1,120	520	180	1,820	13%
Scotland	7,750	6,299	307	14,356	100%

The Clyde and West regions continue to be the main drivers of activity within the sector, accounting for over 70% of residential berthing capacity. However, that picture is starting to change as can be seen in **Table 3.2**.

Table 3.2: Change in Resident Berths, 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	5,462	5,743	281	5%
West	4,288	4,386	98	2%
North	2,261	2,407	146	6%
East	1,459	1,820	361	25%
Scotland	13,470	14,356	886	7%

The total resident berthing capacity in Scotland has increased by c. 900 berths, +7%. Of note, we would highlight the following:

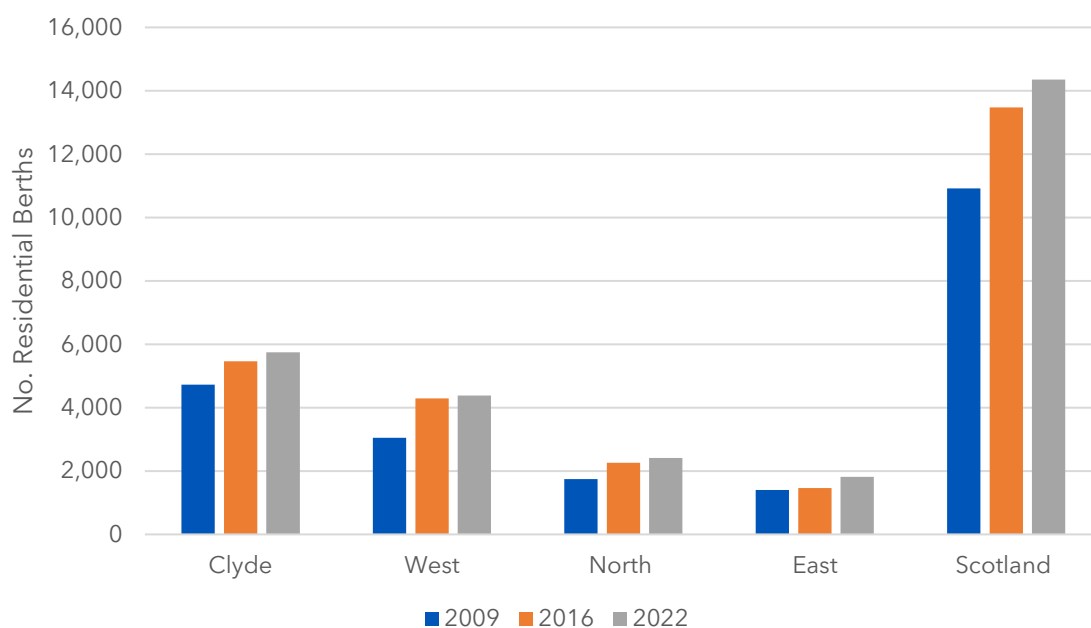
- Most significant growth in absolute and relative terms is the East Region adding c. 360 residential berths and growing by 25%. Driving this change has been new berths at Eyemouth, North Berwick, and Arbroath, which together have added 87 residential berths to the East.
- The North increased its residential berthing capacity by 6%, including Wick Harbour which added 20.

- The Clyde region added the second most residential berths in absolute terms (c. 280), led by Largs Yacht Haven which has increased its residential berthing capacity by 65 since 2016.
- The West saw more modest levels of growth at just 2%. However, several facilities increased berthing capacity, including Craobh Marina, Port Ellen and Mallaig Harbour which together added 48 residential berths.

It is worth noting that increased residential berthing capacity may also be influenced by the explicit inclusion of quayside and harbourside space within the 2022 audit. This has enabled the study to capture the (more informal) visitor infrastructure and facilities within sites/locations that historically have a greater commercial focus for example, fishing. Locations that balance commercial and visitor activity are more common on the East and North coasts (for example, Stonehaven).

Taking a longer-term view, **Figure 3.2** presents the changes since 2009.

Figure 3.2: Resident Berths 2009 - 2022



Since 2009, the West and North regions have experienced the largest proportionate growth in berthing capacity, +44%.

3.2.2 Visitor Berths

The current supply and change in visitor berths since 2016 are presented below.

Table 3.3: Visitor Berths, 2022

Region	Pontoons	Moorings	Quayside	Total	% of total visitor berths
Clyde	591	372	37	999	41%
West	387	433	12	832	34%
North	370	30	29	429	18%
East	119	11	31	161	7%
Scotland	1,467	846	108	2,421	100%

Table 3.4: Change in Visitor Berths, 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	975	999	24	3%
West	733	832	99	14%
North	357	429	72	20%
East	158	161	3	2%
Scotland	2,223	2,421	198	9%

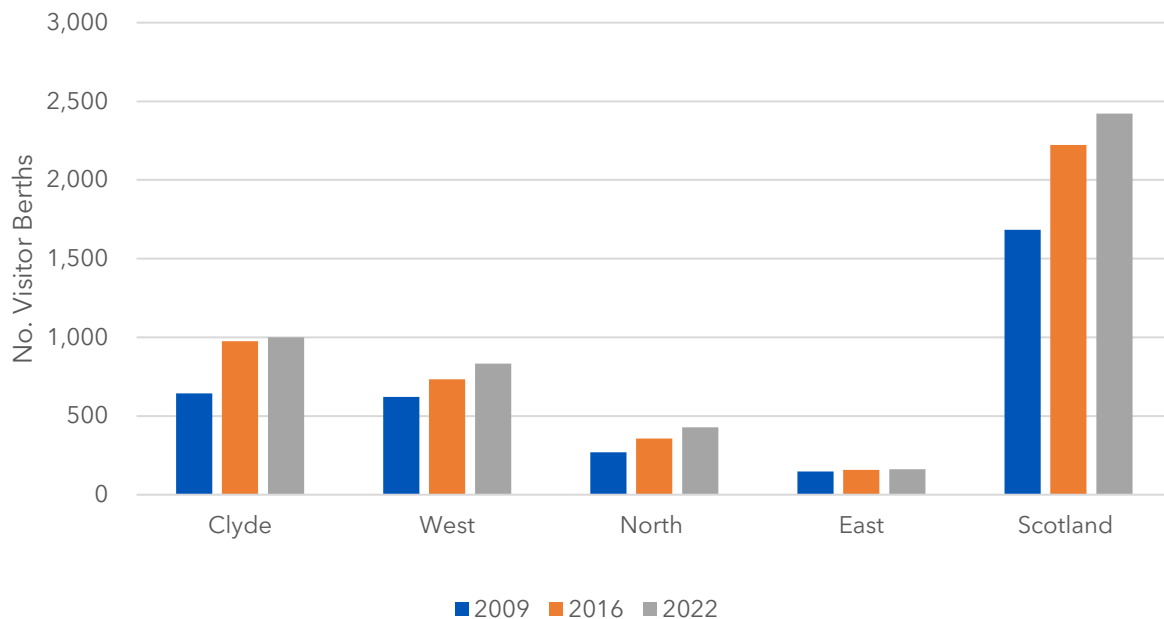
The total visitor berthing capacity in Scotland has increased by +9%. Of note, we would highlight the following:

- The North region experienced the largest relative change in visitor berth capacity, increasing by 20%. Wick and Lossiemouth Marina added 8 and 10 visitor berths, respectively.
- The West region added the most visitor berths (c. 100) since 2016, with significant increases at Tobermory Harbour and Oban North Pier Pontoons.
- The Clyde and East regions each saw more modest levels of growth in visitor capacity at 3% and 2% respectively.

Across all regions it is important to note that growth in visitor berth capacity does not necessarily indicate net growth at any specific site. Feedback suggests that some growth in capacity has been driven by a shift in (re)allocation of resident and visitor berths at an individual facility.

Taking a longer-term view, **Figure 3.3** presents the changes since 2009.

Figure 3.3: Visitor Berths 2009 - 2022



3.2.3 Total Supply of Berths

The current supply and change in berthing capacity across Scotland since 2016 are presented below.

Table 3.5: Total Berthing Capacity, 2022

Region	Pontoons	Moorings	Quayside	Total	% of total berths
Clyde	4,351	2,330	61	6,742	40%
West	1,545	3,662	12	5,218	31%
North	2,081	623	132	2,836	17%
East	1,239	531	211	1,981	12%
Scotland	9,216	7,145	415	16,777	100%

Table 3.6: Change in Berthing Capacity, 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	6,437	6,742	305	5%
West	5,021	5,218	197	4%
North	2,618	2,836	218	8%
East	1,617	1,981	364	23%
Scotland	15,693	16,777	1,084	7%

The total berthing capacity in Scotland is c. 16,800 and has increased by 1,100 / +7% since 2016.

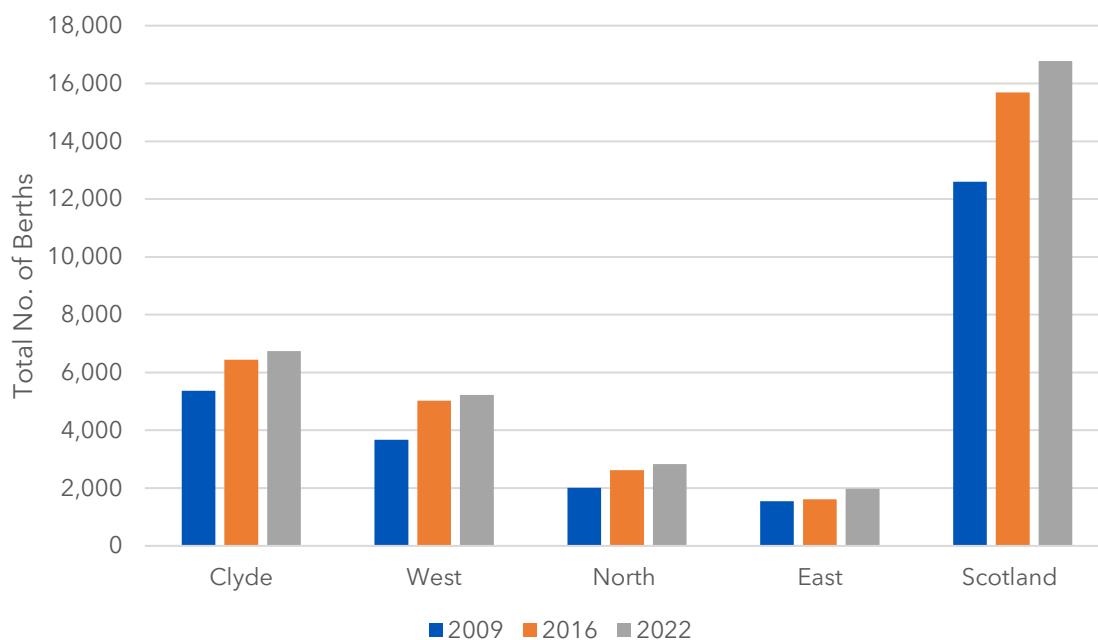
While starting from a smaller base in terms of berthing capacity, positively, the North and East regions have seen large absolute and proportionate growth, albeit the composition of this growth is different.

Within the East region, almost all the additional capacity has come within resident berths, principally at Eyemouth, North Berwick, and Arbroath. In comparison, the North region has seen more balanced growth across resident and visitor berths at sites in Wick and across Orkney at Kirkwall, Stromness, and Westray/Pierowall.

The Clyde and West regions which have typically been Scotland's most popular destinations due to their reputation for accessible sailing waters (for all levels and abilities) and the well-established (shoreside and onshore) offer. Growth in berthing capacity across these regions was more modest, +5% and +4%, respectively.

Taking a longer-term view, **Figure 3.4** presents the changes since 2009.

Figure 3.4: Total Berths 2009 - 2022



3.3 Overview of the Market – Demand Side

The proceeding section provides a summary of the current demand for berthing/mooring facilities.

3.3.1 Resident Berths

Data obtained through a survey of operators identified that demand for resident or “home” berths has remained high – average occupancy across Scotland of 94%, see **Table 3.7**.

Table 3.7: Demand for Resident Berths (6-months summer period), 2022

Region	Total supply	Total occupied	Occupancy (%)
Clyde	5,743	5,199	91%
West	4,386	4,278	98%
North	2,407	2,249	93%
East	1,820	1,729	95%
Scotland	14,356	13,455	94%

Occupancy levels during the six-month summer period have shown a slight decline at the Scotland level since 2016 (-1% point). We would, however, note that occupancy is based on the six-month summer period, which will likely underestimate overall annual occupancy rates.

As shown in **Section 3.2.2**, the visitor berthing capacity across Scotland has increased, however, we are uncertain whether this is a result of new berths being added or a (temporary or permanent) reallocation of existing resident berths. In effect, resident boats will leave their ‘home’ facility and become a visitor boat elsewhere, lowering resident occupancy at their home facility, but freeing capacity for visitor boats.

The data presented in **Table 3.7** would seem to contradict the feedback from the sector and stakeholders (**Section 4** and **Section 5**) who reported that the market had been buoyant and commercial performance has been strong. It is important to consider other potential drivers of this and we would note the following points:

- Time-lag and churn - there will be a lead-in time for when new berthing supply comes on the market and the ‘slack’ (i.e. available berths) is taken up. In addition, there is likely a level of churn i.e. as new berths become available then boaters have greater choice of where to berth and may change the location of their resident berth. It will likely take several months after this “shake-out” for the market to settle.

- Different approaches to market development - for example, some of the pipeline projects will be demand-led i.e. there are known capacity constraints and the supply of new berths is being developed to meet an identified unmet demand/need. In comparison, other projects may be more supply-led whereby operators are trying to “pump prime” and create a market opportunity. This feeds into the bullet above regarding time lag.
- Competition and choice - within the assessment we have made no distinction with regards to the perceived ‘quality’ of the supply-side provision. It may be that there are lower levels of occupancy in locations that are more remote or have a less well-developed offer in terms of facilities and services.
- The approach to classifying berths as either ‘resident berths’ or ‘visitor berths’ may oversimplify how the market operates - for example, achieving very high occupancy may not be achievable or even desirable for operators as they require to retain an element of flexibility during the peak season.

3.3.1.1 Waiting Lists and Enquiries

Data provided by operators regarding waiting lists and enquiries for ‘resident berths’ identifies that 21 operators from the survey of 37 had a waiting list with indicative demand for c. 900 berths. Almost half of the total enquiries/numbers on the waiting list are attributed to Scottish Canals - feedback and market intelligence identifies that demand for berthing is highest for sites along the Caledonian Canal.

Table 3.8: Waiting List and Enquiries

Region	Number on waiting list
Clyde	61
West	114
North	143
East	153
Unspecified*	400
Scotland	871

* Note: the 400 unspecified relate to data provided by Scottish Canals that operate across Scotland.

It should be noted that the enquiry/waiting list data is based on a sample of operators. While we cannot be exact without engaging with the entire sector, based on survey feedback we estimate that there could be up to 2,000 individuals registered on a waiting list for ‘resident’ berths (c. 14% of the total supply).

While waiting list data is a useful proxy to indicate potential gaps or levels of demand, we would also advise caution in how this data is interpreted for the following reasons:

- Boat owners can have their details registered on multiple waiting lists - leading to 'double counting'.
- Many prospective boat owners will join waiting lists years before they own/purchase a vessel.
- The waiting lists represent a snapshot at a moment in time and it is unclear how up-to-date and robust the data is.
- It is also worth noting that the waiting lists and enquiries data is only indicative of demand within existing sites/locations and will not capture areas where no provision currently exists.

3.3.2 Visitor Berths

Table 3.9: Levels of Visiting Craft Demand

Area	Formal Stock*	Nights per Formal Stock	Formal Boat Nights	Drop the anchor**	Total Boat Nights	Share of Total Boat Nights
Clyde	999	49	48,677	36,568	85,244	32%
West	832	64	53,269	82,042	135,312	51%
North	429	38	16,096	8,192	25,358	10%
East	161	54	8,670	9,608	18,278	7%
Total	2,421	52	126,712	136,409	263,122	100%

*Formal stock refers to the total supply of visitor berths (including pontoon, mooring and quayside/harbourside) at formal facilities. Therefore, formal boat nights refer to the number of nights spent at formal berthing facilities.

**Drop the anchor refers to the number of nights when a visiting boat anchors somewhere other than a formal facility (e.g. in a sheltered area close to shore).

The primary destination for visiting craft are the West and Clyde regions - together accounting for 83% of all visiting boat nights (down from 87% on 2016). Since 2016, the number of nights per formal stock has increased in all regions except for the North (where it is unchanged).

The overall increase in formal stock coupled with the increased intensity of visitor use has driven a strong increase in the number of (formal) boat nights across Scotland, from c.97,000 in 2016 to c.127,000 in 2020 (a 31% increase). All four regions have also experienced increased volume in drop the anchor nights.

Overall, total boat nights have increased from 176,000 in 2016 to just over 263,000 in 2020, a 50% increase. These results suggest that visitor demand has outpaced supply.

The increased intensity of formal stock use has not been enough to meet visitor demand as evidenced by the increase in drop the anchor nights. While some drop the anchor will be intentional or planned, many will be caused by lack of availability at formal berthing facilities.

This is mirrored in feedback from the operator survey which suggest that 40% of operators have had to turn away visiting craft during peak times. This is particularly notable in the West region where drop the anchor nights outpace formal boat nights.

3.4 Pipeline Development Activity

To estimate the potential future impact and value of the sector, the review has included an economic assessment of the pipeline projects and emerging proposals (if they are delivered as specified - covers the period up to 2030). We have adopted a pragmatic approach that has only included projects that are 'appropriately' advanced in their planning and development - planning permission secured or applied for, and/or being developed through the Regional Growth Deals.

The assessment of pipeline and emerging projects is based on intelligence and consultation with the sector and a desktop-based review of planning applications and web searches.

Note on approach and variances with the 2016 study

While the study method has been designed to be broadly complementary to the 2009 and 2016 studies, we would highlight a key difference to the approach adopted for identifying future development activity and estimating the subsequent knock-on economic effects.

Specifically, the 2016 study used publicly available data on planning applications and funding awards (for example, the Coastal Communities Fund and Regeneration Capital Grant Fund), and consultation with stakeholders to inform the assessment of future activity. This approach identified project proposals that were at an advanced stage and therefore more likely to be delivered within the seven-year timescale.

In addition, the 2016 study also used the strategic (conceptual) string of pearls approach of developing sailing clusters (sail from, sail to and sail through) i.e. 25 miles between locations and feedback from the survey of boaters and operators to identify potential opportunities. In this instance, there were generally no advanced proposals for new infrastructure investment/development, but that development could meet a strategic need and/or occupier demand. These projects were more speculative in nature and subject to greater uncertainty as to whether they would be delivered within the seven-year timescale.

The main difference is that the current study has not included the more speculative opportunities, and instead focused on those that are more likely to be delivered by 2030.

3.4.1 Scotland Level

Over a seven-year period (up to 2030), it is estimated that there will be 17 projects that will either create new infrastructure provision or upgrade/extend existing provision. If all the projects are delivered then this will increase berthing capacity by c. 1,280 berths, representing an uplift of +8% on the current (2022) baseline.

Table 3.10: Pipeline Projects

Region	Number of Pipeline Projects	Number of Proposed Berths	Current Berthing Supply (capacity)	% Change
Clyde	4	435	6,742	6%
West*	8	130	5,218	2%
North	3	147	2,836	5%
East	2	569	1,981	29%
Scotland	17	1,281	16,777	8%

*Note: the data presented for the west region does not include projects being developed through the Rural Growth Deal, see below for further detail.

Further details on the pipeline projects are provided below.

Clyde Region

Ayrshire Growth Deal - the Marine Tourism project is a tourism development and place project that develops essential infrastructure to support marine tourism within the mainland, island(s) and Outer Clyde - building significant additional capacity to meet demand within the region and Outer Clyde.

There are three projects at Arran, Millport and Ardrossan that have been allocated capital funding and are currently being progressed through the Business Case approval process.

Arran - project proposal being supported through the Ayrshire Growth Deal to deliver a step ashore transit marina at a location to be confirmed (potentially Lamlash or Brodick) and create 50 berths.

Millport (Isle of Cumbrae) - project proposal to deliver a step ashore transit marina (utilising the new flood defence system being constructed) and create 50 new berths with potential for expansion.

Ardrossan/Clyde Marina - project proposal being developed to extend the existing marina and deliver an additional 150 berths and operational/maintenance facilities and employment at Ardrossan as part of the wider North Shore regeneration project. The project will make Ardrossan one of the largest marinas in Scotland.

Stranraer Marina - project proposal being supported through the Borderlands Inclusive Growth Deal to repurpose Stranraer and Loch Ryan as a distinctive and successful marine leisure destination. The project will deliver 185 new berths, quayside berthing for commercial boats and step ashore facilities including a boatyard, restaurant' bar. In addition, while a separate proposal, there are plans being developed for a water sports centre which can deliver sailing, paddle boarding and kayaking at the waterfront on Loch Ryan, near West Beach - adjacent to the marina.

Loch Long - private sector led development proposal (being led by Ardnagal Estates) to develop 20 residential plots, along with the erection of 40 holiday lodges, 20 glamping pods, a 'bunkhouse', cafe/bar, marina¹⁴, and associated amenities.

West Region

Portree Harbour - a masterplan to support transformational regeneration of the harbour and waterfront at Portree has been prepared as part of an unsuccessful bid for Levelling Up funding submitted by Highland Council (announcement from UK Government in January 2023)¹⁵. The plans identified the following proposals: harbour upgrade, access arrangements, new berthing and mooring infrastructure (50 berths), new quayside facilities, and relocation of fuel tanks.

Staffin Harbour - community led project being delivered by Staffin Community Trust to extend the harbour to support the commercial (fishing and aquaculture) leisure (marine tourism) sectors. Proposals include the construction of a new breakwater and launching and berthing slipway which will enable the installation of 15 pontoons. The project will also include a range of onshore facilities - storage/commercial units, harbour manager's office and public toilets and showers.

Corpach Marina - located at the top of Loch Linnie near Fort William, Caol Regeneration Company (CRC), a not-for-profit community organisation are leading the regeneration of Corpach Marina which includes 40-berth marina and public slipway to launch boats, a community coffee shop, and related shore-side facilities (opening April 2023).

Raasay Community Pontoons - a 24-berth community-owned pontoon next to Raasay's ferry terminal that can accommodate a range of vessels up to 12m. The facility is due to open in March 2023.

¹⁴ Please note that the number of berths has not been made public at the time of reporting. Proposal of Application Notice available here: https://eplanning.lochlomond-trossachs.org/OnlinePlanning/files/15F2C3E2BB0FC39D5649978B1C1741EA/pdf/2021_0456_PAC-Decision_Letter_Final-100392256.pdf

¹⁵ At the time of reporting, it has not been confirmed as to whether Highland Council will resubmit the project as part of an LUF round 3 bid.

Potential projects¹⁶ - while still subject to the outcome of feasibility studies, we are aware of emerging proposals at:

- Leverburgh (Isle of Harris) - development of a small year-round harbour.
- Gairloch, through GALE (Gairloch And Loch Ewe action forum) - undertaking consultation which is to complete before the end of 2022, with the development of the harbour likely be high on the list of projects to be taken forward.

Rural Growth Deal - West Region

As part of the tourism programme for investment (one of seven programmes being delivered via the Deal), the partners are seeking to invest in waterfront infrastructure to support the regeneration of some of Argyll and Bute's key coastal towns and villages. The proposals are still at an early stage - with options being developed and tested as part of the Outline Business Case gateway approval process. At this stage we would include a note of caution that these project proposals are subject to change and approval. As such, we have not included any estimates or assumptions on the likely scale and scope of activity within the assessment.

Helensburgh - potential enhancements to the wooden Pier to provide a berthing pontoon.

Dunoon Waterfront - enhancements to the Victorian Pier to bring closed sections back into use, principally as a promenade enhancement rather than operation use by vessels. In addition, there is potential to open sections for smaller boats/leisure use.

Rothesay Waterfront - Albert Pier building - regeneration and/or demolition and replacement with a facility which will provide capacity for visiting boaters including showers/changing facilities.

Ardishaig/Crinan Canal Corridor - public realm enhancement and regeneration works - building on previous investment and Phase 1 works currently being delivered. Through the project the council will work with Scottish Canals to explore tourism enhancements along the wider Crinan Canal Corridor including facilities for yachters.

Of interest within the West Region - demand for resident berths is the highest reported at 98%, however, this is contrasted with the lowest absolute and proportionate number of proposed pipeline developments.

¹⁶ The potential additional berthing capacity of these projects has not been included within the assessment.

North Region

Ullapool - Shore Street and Inner Harbour Development, led by Ullapool Harbour Trust to redevelop Shore Street and the creation of a promenade. The sea-side infrastructure in the Inner Harbour area at the east side of Ullapool Pier will include 400m of available berthing (40 pontoons) providing space for yachts, local small boats, marine tourism operators and inshore fishing vessels. There will also be a dedicated area for cruise ship tenders. The Shore Street and Inner Harbour Development is due to open in 2023.

Stromness - as part of the Orkney Harbours' Masterplan, the proposals for Stromness include expansion to the Marina (12 additional berths), creating a dedicated cruise tender pontoon, creating additional operational land at Coplands Dock, and improvements to shoreside area.

Kirkwall Pier - as part of the Orkney Harbours' Masterplan, the proposals for Kirkwall include: 200m of multi-purpose quay, Marina expansion, with up to 95 additional berths, a mixed-use waterfront development area and improvements to quayside layout.

Potential projects¹⁷ - the Inverness Harbour Gait project would see a new and expanded marina to address current capacity issues and allow for expansion of the size of boat that can be accommodated. In conjunction with the marina, the proposal incorporates waterfront accommodation and ancillary services, including commercial, leisure and cultural activity.

However, please note that at the time of reporting, while the project has been included as a potential project within the Inner Moray Firth Local Development Plan 2, it is still subject to review, scrutiny, and approval by Scottish Government and relevant key agencies.

East Region

Edinburgh Marina - as part of the holistic and long-term regeneration of Granton Waterfront the project includes a mixed-use development incorporating a range of uses - residential units and retirement village centred around a 429-berth marina, clubhouse and Hyatt Regency Spa and Conference Hotel and serviced apartments.

Dundee Marina - as part of the longer-term regeneration of Dundee Waterfront there have long been proposals for developing Dundee Marina to accommodate leisure craft. The proposals have been subject to change over several years and while there are no approved or committed proposals, the project could incorporate a number of elements - reinstatement of bridge across the dock, new moored berths (c. 140), and the HMS Unicorn and North Carr Lightship situated in a dry dock as part of the public realm enhancements.

¹⁷ The potential additional berthing capacity of this project has not been included within the assessment.

We would, however, note that there are logistical challenges for developing a marina with the Firth of Tay being a tidal estuary that require the installation of engineered dock gates which have yet to be fully designed. Consequently, there are also early discussions taking place with regards to developing a mixed-sport facility that could accommodate a range of water sports, including boating/sailing berths.

Mixed Activity Development

In addition, there are two pipeline projects of significance in the Clyde region that are being led by third-sector providers and aim to develop water sports centres linked to existing marinas that will help create a critical mass and cluster for mixed sport/activity hubs.

Stranraer Water Sports Centre - £3.25 million project proposal being developed for a water sports centre which can deliver sailing, paddle boarding and kayaking at the waterfront on Loch Ryan, near West Beach - adjacent to the marina.

Kintyre Sea Sports - £2.5 million proposal to develop a water sports hub at Campbeltown Harbour. The project is being led by Kintyre Sea Sports and includes a community, education and training hub building and shoreside facilities. The new hub will increase membership capacity from around 50 to 500 and will accommodate sailing, kayaking, canoeing, paddle boarding, windsurfing, and scuba diving.

3.5 Summary Highlights

The key points to note from the audit include:

- Overall supply has increased by 1,084 berths/+7% since 2016. The greatest absolute and proportionate growth has been within the North and East.
- Demand remains high with average six-month summer occupancy levels of 94%.
- There is a strong pipeline of projects that could be delivered up to 2030 - increasing capacity by 1,280 berths and meeting demand at locations that have been long identified as strategically important - such as Arran, Edinburgh and Portree.

At this stage it is worth taking stock of progress since 2016.

The 2016 report provided an element of future forecasting based on industry trend data - from this data, scenarios were identified that estimated demand for future berthing capacity in Scotland by 2023 would increase by 3,200.

In terms of progress to addressing this potential market demand, we would note:

- The c. 1,100 additional berths delivered since 2016 represents 34% of the forecast demand.
- The proposed pipeline projects (if delivered as specified) would increase capacity by a further 1,280 berths.

Combining the additional berthing already delivered with the pipeline project proposals means that Scotland could deliver an additional c. 2,380 berths over and above the 2016 supply figures. This would represent 74% of the potential demand identified within the 2016 report.

This could indicate demand for an additional 800 – 850 berths based on the previous forecasts.

4 Industry Engagement

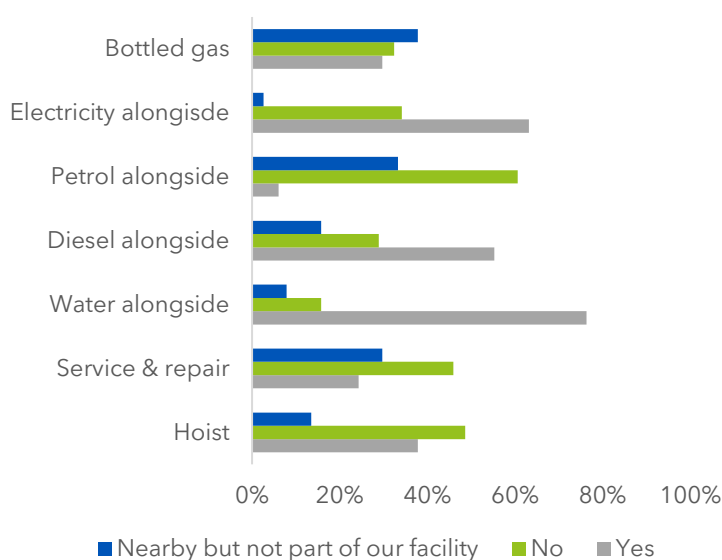
This section provides a high-level summary of feedback and main discussion points from the survey and consultation programme. As noted, selected data has been used to inform the infrastructure audits and economic models, while other feedback has supported the Forward Look presented at **Section 6**.

4.1 Operators Survey and Feedback

An online survey of marina and harbour operators was undertaken, receiving feedback from 37 organisations within the public, private and third sector (please note that some operators are responsible for more than one site/location):

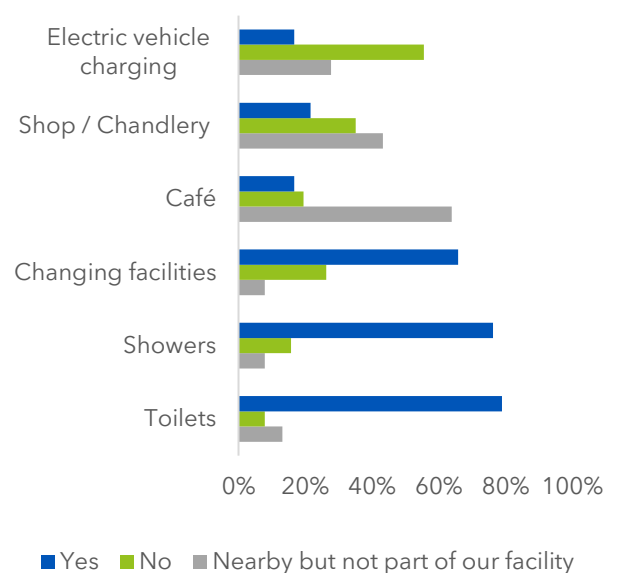
- Around one in five operators had invested in expanding their berthing capacity (new berths) since 2019.
- 80% of those responded identified that they are busier than ever or have returned to 2019 levels of activity.
- There was a broad mix of boating/sailing specific and wider facilities available onsite or nearby - **Figure 4.1** and **4.2**.

Figure 4.1: Boating Facilities available



N=37

Figure 4.2: Additional Facilities



N=37

- Tariffs have broadly kept up with inflation over the past few years, see **Table 4.1**.

Table 4.1: Median resident tariffs for a 10.5 metre boat

	6 months summer			6 months winter			12 months		
	Av	Low	High	Low	High	Low	High		
Pontoon	£989	£10	£3,843	£740	£10	£1,746	£1,794	£50	£5,050
Mooring/quayside	£238	£10	£2,100	£66	£66	£1,680	£319	£75	£3,045
Boatyard	£795	£11	£1,890	£1,028	£94	£1,733	£853	£11	£2,993

N=26

- Visiting boats are typically from Scotland, England Wales, and Northern Ireland (78%), however, demand remains high from international visitors, with one in five boats estimated to be from overseas, **Table 4.2**.

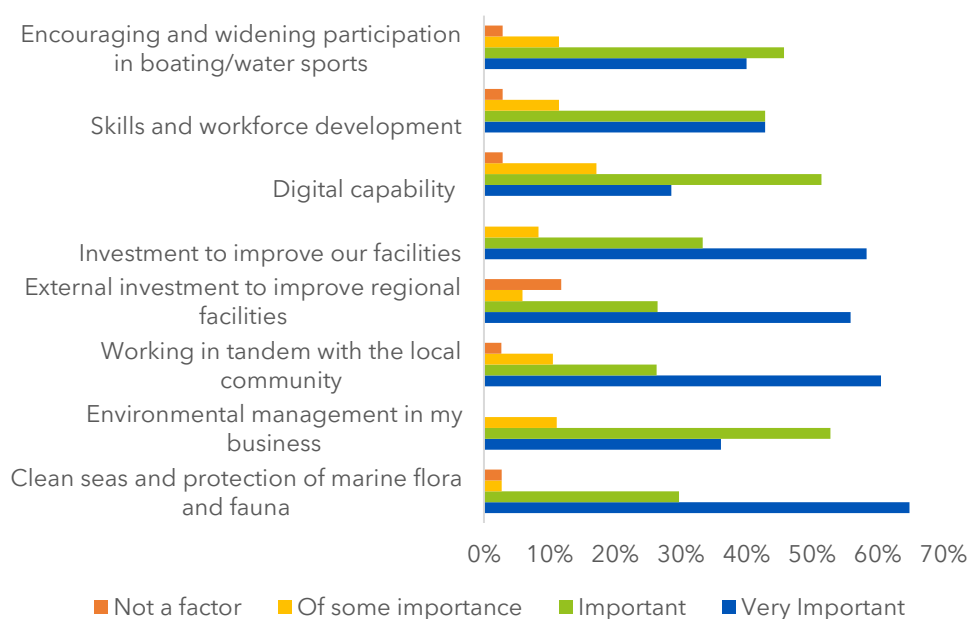
Table 4.2: Visitor Boats Origins (%)

Country	Median (%)
Scotland	48%
England, Wales, and Northern Ireland	30%
Republic of Ireland	5%
Overseas	18%

N=31

- As noted in **Figure 4.3**, there are a broad range of issues that operators consider important to their future business.

Figure 4.3: Factors Impacting Business



N=36

- Most resident boats are sail boats and sized between 9-12 metre, but the proportion that are 12+ metres has been increasing in recent years.
- Around two-thirds of respondents (63%) have a waiting list for securing resident berths.
- Specific growth opportunities and challenges were noted as follows:
 - Growth opportunities included: development of water sports facilities and renting equipment and availability of public sector funding for improving facilities.
 - Constraints for growth included: lack of staff with relevant skills and experience, seasonal nature of the sector due to the inclement weather and maintaining quality/availability of facilities.

4.2 Charterers Survey and Feedback

Charter operators that offered bareboat and skippered charters were also targeted to provide feedback via an online survey, the survey received 13 responses:

- Both bareboat and skippered charters are popular, though over four-fifths (86%) of respondents stated that bareboat trips accounted for more than half of their charter weeks sold this year.
- The costs for a week-long hire ranges from £1,300 to £16,500 for a skippered boat and from £1,750 to £3,000 for a bareboat hire, see **Table 4.3**.

Table 4.3: Median Price for a Weeklong Hire

Season	Bareboat (£)	Skippered (£)
High	£2,500	£4,000
Medium	£2,310	£3,410
Low	£1,981	£2,741
Average for the year	£2,246	£2,938

N=7

- Respondents were asked about the nationality of their charter guests for both skippered and bareboat trips and interestingly there is a notable proportion of international visitors that hire a bareboat charter.

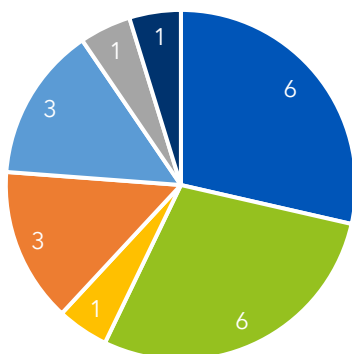
Table 4.4: Nationality that hire a bareboat charter (%)

Nationality	Bareboat (%)	Skippered (%)
Scotland	40%	50%
England, Wales, and Northern Ireland	30%	20%
Republic of Ireland	1%	1%
Overseas	25%	15%

N=7

- Scotland is a popular sailing destination due to its scenery and wildlife. Half of those surveyed reported offering skippered charters which focused on wildlife.

Figure 4.4: Target Market - Skippered Charters

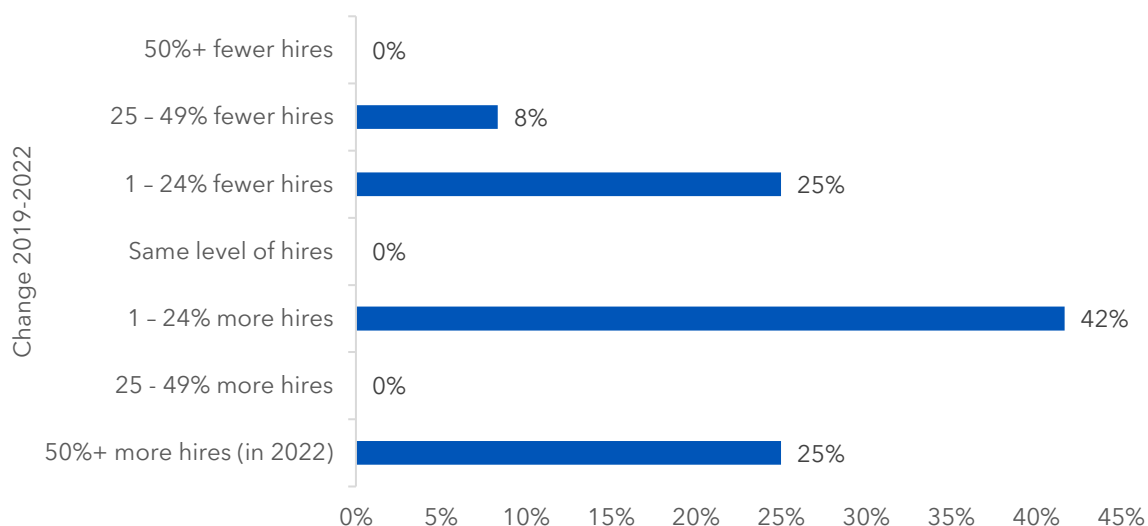


■ Leisure Cruising ■ Wildlife ■ Photography ■ Heritage ■ Diving ■ Fishing ■ Swimming

N=12

- Two-thirds of respondents (67%) have seen an increase in hires when comparing the 2022 boating season to 2019. Many felt this was due to the COVID-19 pandemic causing a rise in staycations, **Figure 4.5**.

Figure 4.5: Charter hires 2019-2022



N=12

- Over half of respondents (54%) stated that there were locations they would like to use but are unable to due to a lack of suitable facilities. This included both offshore and onshore facilities, such as a lack of showers, restaurants, water depth and electricity.

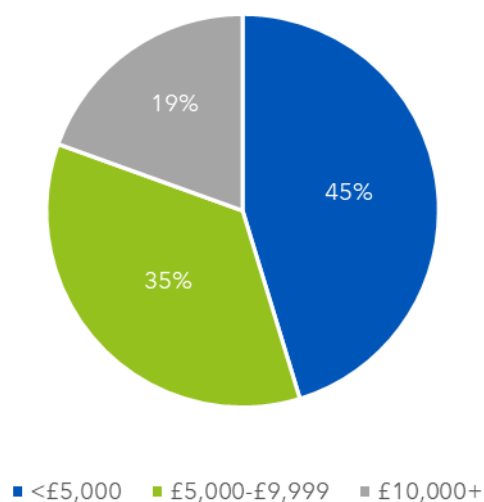
4.3 Boaters and Leisure Craft Survey

An online survey was undertaken with resident (home port) and visiting boaters and was open to responses from July to September 2022 – covering the peak of Scotland’s boating season – and received a total of 297 responses from resident and visiting boaters. This represents an uplift of /+23% from the 2016 survey.

The main points noted include:

- Scotland’s natural environment and wildlife differentiate it from other sailing areas within the rest of the UK. Over two-thirds of survey respondents (71%) stated that the scenery was the best/their favourite aspect of sailing in Scotland.
- Boating expenditure has increased since the COVID-19 pandemic. Boaters estimate that in 2022 they will spend anywhere between £400 and £50,000 on boating and its associated costs – with a median spend of c. £5,000 per annum. This is an increase of £1,200 from 2019, where the median spend was around £3,800.

Figure 4.6: 2022 Predicted Total Spend

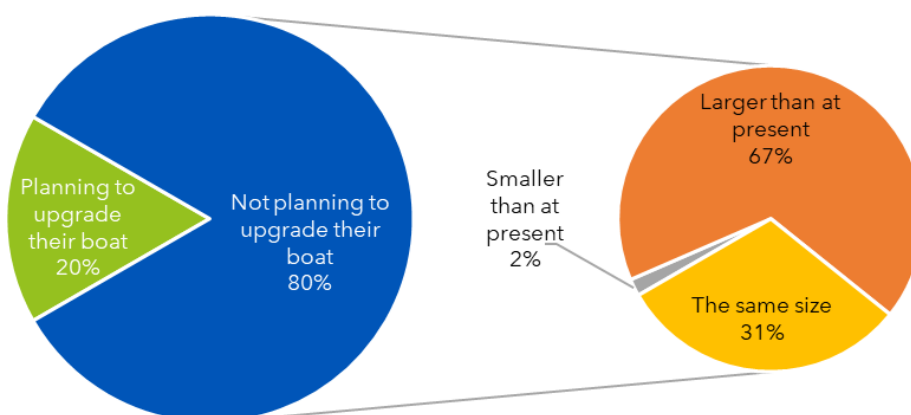


N=159

- Boaters consistently highlighted the need for more/upgraded onshore and offshore facilities, with chandlery, bars and restaurants, marinas, and storage being frequently mentioned.
- Affordability was highlighted as an issue by a number of respondents. Boaters criticised the cost of fees and expenses associated with boating. Many feel that there is a discrepancy between the cost of fees and the quality of services.

- Boat size is increasing. 13% of survey respondents own a boat larger than 12 metres, compared with 9% in the 2016 survey. Of those who plan to purchase a new boat in the next two years, 67% are planning to upgrade to a larger boat, **Figure 4.7**.

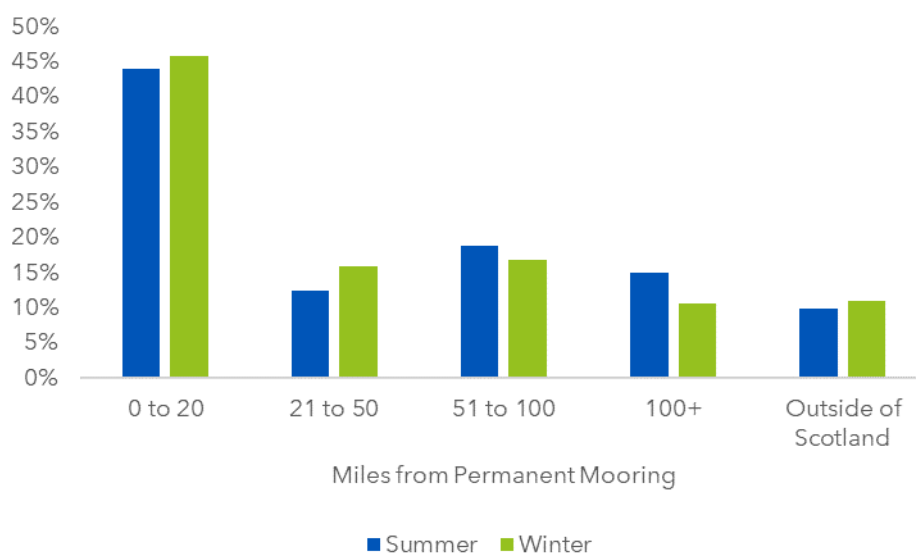
Figure 4.7: Plans to Upgrade Boats



N=275

- Most respondents live within 1.5 hours' drive time of their resident berth/mooring for both summer (56%) and winter (62%). Transport and travel time were major factors inhibiting boaters from mooring at an alternative preferred location.

Figure 4.8: Distance to Permanent Resident Mooring



N= 227

5 Economic Value and Benefits

This section presents the estimated current (2022) and future (up to 2030) economic value and output generated through the boating/sailing sector in Scotland.

5.1 Technical Note

We have provided a high-level guide to support the readers understanding of technical terms and concepts.

5.1.1 Economic Indicators

A summary and description of the economic indicators used within the assessment is provided below.

Expenditure

We consider expenditure generated from two sources – resident berths and visitor berths.

Expenditure estimates are derived from boat user survey data. **Annual resident berth expenditure** considered annual spend on resident berthing fees, fuel, boat insurance, repair and maintenance, food and drink, retail, and transport spend on days when a boat user visits their boat without cruising and/or uses their boat to go sailing.

Visitor berth expenditure considers two distinct expenditure per night coefficients. The first is per night spend when in a formal berthing facility (i.e. a pontoon, mooring and quayside at a marina or harbour). The second is per night spend when anchored outside of a formal berthing facility (i.e. “drop the anchor”). Formal berthing facility per night spend considers visitor berthing fees, accommodation, entertainment and leisure, food and drink, retail, and transport spend. “Drop the anchor” spend considers the same expenditure areas as formal berthing nights with the exclusion of berthing fees.

Output

Output considers the wider impact on the economy that is associated with direct expenditure.

These are:

- **Supplier (indirect) effects:** this is further economic activity within regional and national supply chains associated with direct expenditure from resident and visiting boat owners.
- **Income (induced) effects:** this is further economic activity associated with expenditure by those employed directly or indirectly within the sector.

These effects are captured by applying an economic multiplier known as the Type-2 multiplier (see **Section 5.1.2**).

GVA

Gross Value Added (GVA) is a measure of economic output that considers the value of goods and services produced before allowing for depreciation or capital consumption. GVA is the Government's preferred approach to measuring economic output. The estimate of GVA includes direct, indirect, and induced GVA impacts.

Employment (FTEs)

Full Time Equivalents (FTEs) are used to measure employment supported by expenditure associated with boating activity.

5.1.2 Economic Coefficients and Multipliers

Coefficients and Ratios

A set of economic coefficients and ratios are employed to derive estimates for GVA and employment. These coefficients are based on official economic data sourced from the Scottish Annual Business Statistics (SABS). Bespoke coefficients have been constructed based on the proportion of resident and visitor berth spend allocated to specific sectors of the economy. These spending patterns have been derived from data collected through the boat user survey and rely on survey respondents providing self-reported estimates. Areas of spend have been best-matched to sectors at the 2-digit SIC07 classification level.

The table below summarises the economic coefficients employed. Note that the Output to FTE coefficient is based on the same coefficient employed in the Crown Estate Scotland Private Moorings and Mooring Associations Socio-Economic Assessment (2022)¹⁸.

	Coefficient/Ratio
Resident Berth Turnover to GVA ratio	53%
Visitor Berth Turnover to GVA ratio	47%
Output to FTE coefficient	£53,414

¹⁸ Crown Estate Scotland Private Moorings and Mooring Associations Socio-Economic Assessment. Tourism Resources Company, August 2022. See [here](#).

Multipliers

A set of bespoke output, GVA and employment Type-2 multipliers have been developed from official economic data sourced from Scottish Input/Output tables. These, like the coefficients, are based on the best-match of resident and visitor spending profiles to specific sectors of the economy. The table below summarises the economic multipliers employed.

Multiplier	Value
Resident - Output Multiplier	1.55
Resident - GVA Multiplier	1.57
Resident - Employment Multiplier	1.63
Visitor - Output Multiplier	1.55
Visitor - GVA Multiplier	1.53
Visitor - Employment Multiplier	1.23

5.1.3 Constant Prices

All financial values are presented in constant 2022 prices. In the comparison tables throughout this section, **all 2016 values have been updated to 2022 prices using data from the ONS GDP deflator.** This accounts for inflation and allows us to make comparisons which reflect real growth in the sector.

5.1.4 Discounted Activity and Impacts

To ensure consistency with the previous assessments undertaken in 2009 and 2016 we have focused the economic modelling on the directly attributable economic effects - output, GVA, and FTE jobs generated through expenditure on three core areas - onshore spend during trips or visits to the boat, berthing fees, and other associated spend such as repair and maintenance, insurance etc. As such, the assessment does not include the potential impacts and benefits the sector has generated through:

- Events, regattas, and sporting competitions linked to boating/sailing and marine tourism.
- Catalytic effects in terms of leveraging and supporting regeneration activity and wider amenity benefit.
- Physical and mental health benefits from natural capital.

We have, however, provided some further thoughts and observations on these additional metrics at **Section 5.5.**

5.2 Current Economic Value

5.2.1 Expenditure

This section presents the estimated expenditure associated with resident and visitor boating activity.

5.2.1.1 Resident and Visitor Berth Expenditure

Resident berth expenditure is calculated by applying a regionally derived average annual expenditure¹⁹ coefficient from the boat user survey to the total number of occupied resident berths.

Visitor berth expenditure is calculated by applying a spend per formal berthing boating night and spend per “drop the anchor” boat night coefficients to the total number of formal berthing boat nights and drop the anchor nights, respectively.

Table 5.1 summarises regional expenditure coefficients for resident and visitor berths.

Table 5.1: Resident and Visitor Boat Expenditure Coefficients

Region	Average Annual Resident Spend	Average Nightly Spend - Formal Visitor Berth	Average Nightly Spend - “Drop the Anchor”
Clyde	£6,118	£159	£89
West	£5,973		
North	£3,852		
East	£2,782		
Scotland	£5,249		

Regional average annual resident spend patterns are broadly consistent with the 2016 data - Clyde and West have a higher average spend. It is likely that lower expenditure in the East is driven by a smaller average boat size. It is expected that pipeline developments such as Edinburgh Marina will contribute to increasing the value of the regional offer and draw larger boats, which spend more on average.

¹⁹ Note that the methodology here differs from that applied in the 2016 study. This study employs the average annual expenditure in each region based directly on data collected in the boat user survey, whereas the 2016 study employed an indirect method by classifying individual facilities as low, medium, or high value and applying spend coefficients to each classification. We note that despite these differing approaches spending patterns follow the same general trend with higher average spend in the Clyde and West and lower spend in the East and North.

Further, compared to 2016, the average nightly spend for formal berth visitor night has risen by £18 per night in real terms.

Table 5.2 shows regional and national combined resident and visitor expenditure, and **Table 5.3** provides a comparison to 2016.

Table 5.2: Combined Resident and Visitor Expenditure

Region	2022
Clyde	£42.8m
West	£41.4m
North	£11.9m
East	£7.0m
Scotland	£103.1m

Combined spend across Scotland is just over £103 million for 2022. The Clyde and West regions account for a significant majority of overall expenditure (42% and 40%, respectively).

Table 5.3: Change in Combined Resident and Visitor Expenditure 2016-2022

Region	2016	2022	Absolute Change	% Change
Clyde	£38.9m	£42.8m	£4.0m	10%
West	£35.0m	£41.4m	£6.4m	18%
North	£9.1m	£11.9m	£2.8m	31%
East	£6.7m	£7.0m	£0.3m	5%
Scotland	£89.6m	£103.1m	£13.5m	15%

Note: Financial values presented in constant 2022 prices.

Overall, the annual expenditure associated with the boating/sailing sector has experienced real-term growth of £13.5 million since 2016, representing average annual growth of +2.2%. There is variation in regional performance. The North has seen 31% growth in expenditure driven by both increased capacity and increased average expenditure. The East, while still growing by 5% in real terms, has lagged behind the other regions.

5.2.2 Output

For comparison with the 2016 Study, we calculate total output by applying bespoke resident expenditure and visitor expenditure economic multipliers which capture income and supply chain effects. Multipliers are sourced from Scottish Input Output tables (Type-2 multipliers) and reflect spending patterns of resident and visitor expenditure based on survey data of boat users. The multiplier used for the resident and visitor output is 1.55.

Table 5.4: Combined Total Economic Output

Region	2022
Clyde	£66.4m
West	£64.2m
North	£18.5m
East	£10.9m
Scotland	£160.1m

As output is derived from total expenditure, regional activity follows a similar distribution with the Clyde and West regions accounting for largest shares of output, followed by the North and East.

Table 5.5: Change in Combined Total Economic Output, 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	£65.3m	£66.4m	£1.2m	2%
West	£58.7m	£64.2m	£5.5m	9%
North	£15.2m	£18.5m	£3.2m	21%
East	£11.3m	£10.9m	-£0.3m	-3%
Scotland	£150.5m	£160.1m	£9.5m	6%

Note: Financial values presented in constant 2022 prices.

Compared with 2016, overall output has increased across Scotland by £9.5 million or +6%. There is significant regional variation with output increasing by 21% in the North driven by strong growth in both resident and visitor expenditure, and output falling by 3% in the East. This is linked to lower real term average annual resident expenditure in the East in 2022 compared to 2016.

5.2.3 GVA

Expenditure driven by activity associated with resident and visitor berths will drive turnover within the economy, which in turn will generate economic activity measured by GVA. GVA is calculated by applying bespoke turnover to GVA co-efficient ratios sourced from SABS and based on the spending patterns indicated by the boat user survey.

A turnover to GVA ratio of 53% is applied to resident berth generated expenditure and a ratio of 47% is applied to visitor berth generated expenditure.

To capture the impact of income and supply chain effects bespoke resident and visitor expenditure induced GVA multipliers are applied. The resident GVA multiplier is 1.63 and the visitor GVA multiplier is 1.53.

Table 5.6 shows regional and national GVA generated by the boating/sailing sector and **Table 5.7** provides a comparison to 2016.

Table 5.6: Combined GVA

Region	2022
Clyde	£35.3m
West	£33.4m
North	£9.8m
East	£5.8m
Scotland	£84.3m

Unsurprisingly, as the most popular sailing destinations, the Clyde and West regions are the biggest drivers of economic activity, which is estimated at c.£84 million per annum.

Table 5.7: Change in Combined GVA 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	£33.9m	£35.3m	£1.4m	4%
West	£30.5m	£33.4m	£2.8m	9%
North	£7.9m	£9.8m	£1.9m	24%
East	£5.9m	£5.8m	-£0.1m	-2%
Scotland	£78.2m	£84.3m	£6.0m	8%

Note: Financial values presented in constant 2022 prices.

Since 2016, the real-term growth in GVA is estimated at £6.0 million, average annual growth of 1.33%. This growth compares favourably to the Scottish economy as a whole which has seen a -1.1% decline in GVA from 2016 to 2022²⁰, an average annual decrease of -0.2%.

5.2.4 Employment

Employment is measured through FTE jobs and calculated by applying an output to FTE coefficient of £53,414²¹.

Table 5.8 shows regional and national FTEs supported by the boating tourism sector and **Table 5.9** provides a comparison to 2016.

²⁰ ONS. Model-based early estimates of regional gross value. Percentage change from 2016 Q2 to 2022 Q1. Accessed [here](#).

²¹ Crown Estate Scotland Private Moorings and Mooring Associations Socio-Economic Assessment. Tourism Resources Company, August 2022. See [here](#).

Table 5.8: Boating Sector Regional and National Employment (FTEs)

Region	2022
Clyde	1,270
West	1,230
North	350
East	210
Scotland	3,060

The sector supports around 3,100 FTE jobs with over 80% of these jobs attributed to activity in the Clyde and West regions.

Table 5.9: Change in Employment 2016 - 2022

Region	2016	2022	Absolute Change	% Change
Clyde	1,190	1,270	90	7%
West	1,070	1,230	160	15%
North	280	350	90	28%
East	210	210	0*	2%
Scotland	2,740	3,060	320	12%

*Displayed as 0 due to rounding.

The uplift in FTE jobs since 2016 is estimated at 320, +12%.

5.3 Future Potential Economic Value

As described at **Section 3.3**, we have identified 17 pipeline project proposals across Scotland that could increase berthing capacity by 1,280 / +8% up to 2030. **Table 5.10** provides a summary.

Table 5.10: Pipeline Projects

Region	Resident Berths	Visitor Berths	Total
Clyde Region			
Arran	21	29	50
Millport	21	29	50
Ardrossan	63	87	150
Stranraer			185
West Region			
Portree	43	8	50
Staffin	13	2	15
Raasay	20	4	24
Rural Growth Deal*	-	-	-
Corpach Marina	34	6	40
North Region			
Ullapool	26	14	40
Stromness	8	4	12
Kirkwall	62	33	95
East Region			
Edinburgh Marina	322	107	429
Dundee Marina	105	35	140
Scotland			
Total	737	358	1,281

* Projects being developed through the Rural Growth Deal and at Loch Long have not been included within the assessment of pipeline activity.

Note 1: Except for projects proposed under the Ayrshire Growth Deal (Ardrossan, Millport, and Arran) there is no publicly available detail on the breakdown split between 'resident' and visitor' berths - we have therefore included assumptions based on the 2022 audit.

To calculate the potential future uplift, we have used national and regional average co-efficient data based on the 2022 audit, as well adopting a 'market focused approach'. Please note that as the proposals are at varying stages of development, we have included sensitivity analysis of +/- 20% on the results.

Table 5.11 summarises economic indicators at the regional and national levels. Low, medium, and high estimates are presented and represent the -20%, baseline and +20% sensitivity scenarios, respectively.

Table 5.11: Summary of Future Economic Activity by 2030

Region	Low	Medium	High
Clyde			
Expenditure	£2.2m	£2.7m	£3.3m
Output	£3.4m	£4.3m	£5.1m
GVA	£1.7m	£2.2m	£2.6m
Employment	60	80	100
West			
Expenditure	£0.6m	£0.8m	£1.0m
Output	£1.0m	£1.2m	£1.5m
GVA	£0.5m	£0.7m	£0.8m
Employment	20	20	30
North			
Expenditure	£0.7m	£0.8m	£1.0m
Output	£1.0m	£1.3m	£1.5mm
GVA	£0.5m	£0.7m	£0.8
Employment	20	20	30
East			
Expenditure	£2.8m	£3.5m	£4.2m
Output	£4.4m	£5.4m	£6.5m
GVA	£2.3m	£2.9m	£3.4m
Employment	80	100	120
Scotland			
Expenditure	£6.3m	£7.9m	£9.4m
Output	£9.8m	£12.2m	£14.7m
GVA	£5.1m	£6.4m	£7.6m
Employment	180	230	270

Note: Financial values presented in constant 2022 prices.

In line with the scale of potential development activity, the East and Clyde regions are forecast to lead sector growth, with the East expected to add £2.3 million - £3.4 million in GVA and 80 to 120 jobs, while the Clyde could add £1.7 million - £2.6 million in GVA and 60 to 100 jobs.

Overall, the Scottish Marine Tourism sector could add £5.1 million - £7.6 million in GVA and 180 to 270 jobs, representing 6% - 9% growth²².

²² Assuming no other changes in the sector.

5.4 Economic Highlights

The key highlights and insights from the economic assessment are that, overall, despite some regional variance in performance and a challenging external environment, the sector has shown strong real-term growth and resilience since 2016:

- Expenditure:
 - 2022 value: £103.1 million.
 - Change since 2016: £13.5 million / +15%.
- Economic output:
 - 2022 value: £160.1 million.
 - Change since 2016: +£9.5 million / +6%.
- GVA:
 - 2022 value: £84.3 million.
 - Change since 2016: +£6.0 million / +8%.
- FTE jobs:
 - 2022 value: 3,060.
 - Change since 2016: 320 / + 12%.

In addition to this, if the pipeline projects are delivered as specified, by 2030 we estimate that the annual value of the sector will rise to:

- GVA:
 - Estimated 2030 value: £90.7 million.
 - Estimated change 2022 - 2030: +£6.4 million / +8%.
- FTE jobs:
 - Estimated 2030 value: 3,300.
 - Estimated change 2022 - 2030: +230 / +7%.

5.4.1 Delivery Against Targets

Scotland's first marine tourism strategy, [Awakening the Giant](#) set out to drive "visitor expenditure from £101m to £145m". In 2022 the visitor expenditure (considered as economic output) was forecast at £160m and has now exceeded the targets set out in the strategy by £15m / + 10%.

In addition, British Marine estimate the total GVA contribution of the wider marine tourism sector is £450m. The boating and sailing sector alone, therefore accounts for almost 19% of the sectors' economic contribution.

5.5 Emerging Approaches to Measuring Value

Aligned to the points above regarding the shifting policy focus toward wellbeing, and at the UK level, 'Levelling Up', so too are the guidance and tools by which we measure impact and value change - this includes the use of Social Cost Benefit Analysis.

As noted at the beginning of the section, we believe there are three additional areas or receptors whereby there is a strong case for attributing impact and value to boating and sailing.

5.5.1 Social Value

Events, Regattas, and Sporting Competitions

Boating and sailing events regattas, and sporting competitions are a key part of the sector's appeal and can have a direct economic effect but also a longer-term benefit.

For example, the St Ayles Skiff World Championship were hosted in Stranraer in 2019 over seven days that attracted 2,700 competitors from across the globe and 30,000 spectators/visitors. Independent research identified that the net additional economic impact of SkiffieWorlds to the local area was between £3.5 million and £4.0 million²³.

While the attributable and quantifiable benefits could be considered "one-off", we would also highlight the longer-term benefits and impacts related to promotion and marketing for example through word of mouth and/or Advertising Value Equivalency.

This has potential to impact positively on both the location through increasing visitors and footfall and through driving-up participation at the grass roots and club level by sports/activities being showcased.

Catalytic Effects - Supporting Regeneration Activity and Wider Amenity Benefit

The place-based and regeneration effects from investment in marine infrastructure are well understood and are key part of many coastal local authorities approaches to delivering economic development. Physical and capital development and change that local people and others can see on the ground has a significant positive effect on their sense of place.

²³ Online media articles, see here: <https://www.itv.com/news/border/2019-09-26/stranraer-skiffies-brings-4million-to-local-economy> / <https://www.dgwgo.com/business/skiffieworlds-a-catalyst-stranraer-development/>

Some recent Scottish-based examples include the initial phase of the marina redevelopment and expansion at Ardrossan (c. 2012) which was part of a wider masterplanning approach to regenerate the town. The marina development helped leverage additional investment in new housing and public realm. An external economic impact assessment evidenced that this additional investment secured from the private sector would not have occurred in the absence of the marina and harbour upgrades, not least due to the uplift in land values which helped to enhance the commercial viability of the development.

The next phase of regeneration within Ardrossan is set to take place as part of a wider masterplanning approach (part funded through the Ayrshire Growth Deal) that includes harbour upgrades, a new learning and education campus and innovation space - again the redevelopment and extension of the marina is a key part of this mix.

Similarly, within Argyll and Bute as part of the CHORD programme (c. 2010 - 2015) several waterfront development and marine infrastructure projects (e.g. Oban and Campbeltown) were taken forward as a means to support local regeneration. More recently, the council and partners are developing proposals which include marine tourism infrastructure at key coastal towns as part of the tourism programme being proposed through the Rural Growth Deal.

In addition, in terms of amenity value i.e. the positive impacts on the sense of place or attractiveness of a location, the updated HMT Green Book (2022) guidance²⁴ identifies two potential receptors that relate to both blue and green space:

- Local amenity - the additional value per (residential and commercial) property within 100m - 500m of accessible green or blue space.
- Visual amenity - the price premium for a property with a view over green or blue space.

We would contend that, where marine infrastructure enhances and supports access to the sea, coast, and inland waterways, and/or enhances the visual appeal of the seascape and local area then there is an attributable amenity value to consider.

Physical and Mental Health Benefits from Natural Capital

There is a rich and growing evidence base to support the intrinsic links between having access to nature and physical and mental health. In terms of quantifying and measuring this effect, again we would turn to the refreshed Green Book 2022 guidance that notes the following indicators:

- Nature based recreation - welfare value of outdoor recreation sites.

²⁴ HMT Green Book 2022, see here: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

- Physical health benefits from nature - indicative health savings/benefits from physically active visits to blue and green space. The two generally accepted approaches for measuring this health effect is to consider length of life (longevity) and the equivalent avoided health service costs, and health-related quality of life.

5.5.2 Social Costs

While there are new approaches to measuring the social and wider benefits of investments and interventions, so must we consider the social costs of our activities. While not designed to be exhaustive, we would highlight the following two primary additional cost receptors that may be appropriate to measure/quantify in the context of the sailing and boating sector:

- Pollution:
 - Air pollution (Carbon Monoxide) from petrol and diesel motors.
 - Water pollution from anti-foulant coatings/paint, fuel spills/leaks, emptying of septic tanks or introducing invasive species to the marine ecosystem.
 - Noise pollution from motors or people on the water.
- Carbon:
 - Construction carbon - for example, the construction activity associated with developing new, or upgrading, marine infrastructure.
 - Transport carbon - for example, the carbon impacts from boat owners traveling to and from their berths and from powering the boats (when not using sail power).
 - Operational carbon - for example using utilities for the operation of marinas, harbours, and repair/maintenance yards, etc.

Scottish Government has developed guidance for the City-Region and Growth Deals on how to measure the potential carbon impacts (costs) from projects and programmes²⁵.

²⁵ Scottish City Region and Growth Deals: carbon management guidance for projects and programme. See here: <https://www.gov.scot/publications/scottish-city-region-growth-deals-carbon-management-guidance-projects-programmes/>

6 Forward Look

Informed by consultation and EKOS views, the concluding section has considered the short - medium term outlook for the sector, specifically the challenges, opportunities, and the strategic gaps in infrastructure provision where we consider that there remains untapped market potential.

6.1 Challenges

In terms of the main challenges facing the sector, these are both external constraints i.e. areas where the sector has limited opportunity to influence change, and also internal issues where the sector has a clearer and more direct role in trying to address the issues.

6.1.1 Cost of Living and Inflationary Pressures

Fluctuations and instability in global financial markets means that we are currently living in challenging times, for individuals and industry alike.

Households

The cost-of-living crisis which has been prevalent across the UK since late 2021 and buoyed by record inflation and rising energy costs has resulted in a decrease in 'real' disposable income. In addition, following the recent Autumn 2022 budget²⁶, taxes as a proportion of GDP are set to hit 37.1% - their highest sustained level since the second world war.

As such, based on forecast data provided by the Office for Budget Responsibility (OBR), UK households are forecast to experience a 7.1% fall in living standards over the next two years - the largest decline in 60 years²⁷.

While we cannot know with any degree of certainty the knock-on effects for the boating/sailing sector because of the current financial situation, what we can say is that as cost of 'essential' goods and services increases and coupled with stagnating wage levels - households will have less income to spend on leisure activities.

²⁶ Ibid

²⁷ Institute for Government. See here: <https://www.instituteforgovernment.org.uk/comment/autumn-statement-2022>

Some of the potential negative outcomes on the dynamics of the sector/market include a:

- Decrease in the number of trips and/or the average length of the trips is shorter.
- Change in the profile of boaters i.e. more Scottish-based visitors as international visitors less willing/able to travel.
- Decrease in expenditure during trips.
- Delay to all non-urgent boat/vessel maintenance or upgrades.
- Change of location/site where vessels are berthed, for example, where logistically feasible, relocating from a marina to a private mooring.
- Diversifying of water-based activities - people taking up other activities that could be considered less cost prohibitive such as SUPS, kayaks, and canoes, etc.

While the financial implications for households is certainly a concern, at the time the survey was undertaken (June - September 2022) the longer-term implications and 'shake out' from the current financial situation were perhaps less well understood and any potential challenges or knock-on effects were not borne out in the data. Based on our findings from the 297 boaters that participated in the survey, the average expenditure for the season was higher (in real terms) than previous years and 20% were planning to upgrade their boat within the next year.

Much like the fallout from the COVID-19 pandemic, with cost and affordability considerations likely to be a key driver over the short-medium term, one of the inadvertent "upsides" from the current financial situation might be continued growth of the staycation market. As potential visitors look at more affordable destinations, the increasing cost of air travel in line with rising fuel costs, and the weak performance of the pound, staying closer to home within Scotland/UK could become an attractive option for many.

There is also a potential market opportunity in terms of boat membership and fractional ownership schemes whereby members have an equity share or simply pay a regular membership fee. This type of flexible model offers several advantages in terms of having access to a good quality vessel without the upfront capital costs and ongoing fees in relation to berthing fees, maintenance, and cleaning, etc. Further, there is also potential for sailing clubs to help meet any gaps in demand through boat hire and rental schemes.

Businesses

For businesses, operating costs have been increasing throughout 2022, driven by inflation, rising wage levels, increased cost of energy, fuel, and transport, and supply chain pressures.

While the survey data suggests that performance in 2022 has been strong and the sector has bounced back to pre-pandemic levels this season, the current financial outlook, and coupled with emerging from two years of restricted trading because of the COVID-19 pandemic looks set to test the resilience of the sector.

This may have a disproportionate negative effect on certain operators, for example those in remote/rural areas that rely more heavily on a busy summer season to support the quieter off-season through the winter.

For example, anecdotal feedback from operators suggest that those with utilities on fixed price contracts that have recently or will soon expire are facing an increase in their electricity costs of up to six-fold (not including any discount or relief from the UK Government Energy Bill Relief Scheme)²⁸. While operators will seek to adjust their pricing structure to reflect the increase in operating costs, it was recognised that they cannot pass all this increase onto customers and must therefore absorb some of the costs.

Again, while it is too early to predict the scale of the challenges, increasing operating costs and (potentially) lower or slower income growth means that sector will likely be operating in a restricted environment over the short-term.

6.1.2 Supply Chain

The challenges within the supply chain relate to both the availability and cost of goods/services and labour.

Goods and Services

Across the boating/sailing supply chain there are ongoing challenges with demand outstripping supply - orders taking longer to process and are more expensive. For example, feedback suggests that there is a shortage of new boats being built - exacerbated by the lockdowns during the pandemic (manufacturing went into hiatus for c. 12 - 15 months) and an increase in demand since the economy opened back up. In addition, access to spare parts and the rising costs of steel are adding further pressure to the supply chains.

It should be noted that these are not unique to marine tourism and we are seeing the same issues and increased competition/demand across the economy.

²⁸ UK Government Energy Bill Relief Scheme. See here: <https://www.gov.uk/guidance/energy-bill-relief-scheme-help-for-businesses-and-other-non-domestic-customers>

However, as the recession and rising interest rates start to temper demand (across all industry sectors) then we are likely to see a gradual return to 'business as usual' within supply chains in 2023/24.

6.1.3 Skills Gaps and Shortages

As already noted at **Section 2**, the impact of Brexit is having a knock-on effect for businesses within the wider tourism sector to attract and retain seasonal staff in sectors such as accommodation and food and drink, with remote/rural areas being disproportionately affected. These staff shortages and constraints in capacity have a direct impact upon the marine tourism and leisure sector as the onshore offer is an important part of the overall offer to visitors.

While labour/staff shortages in the wider tourism/visitor economy could be considered more of a periphery challenge, there is also a direct and immediate challenge for the sector with regards to boatbuilding/repair and maintenance.

In spring 2022, BMS undertook a workforce, skills, and training survey to inform the development of a future action plan. The research is ongoing; however, some emerging findings include:

- 82% of businesses indicated that there were skills gaps, particularly in engineering and boat handling skills. The main drivers of the skills shortages were noted as:
 - Competition from other sectors.
 - Seasonality of work and lower wages.
 - Location of opportunities – often remote/rural.
 - Lack of investment in, and promotion of, training opportunities.

The observed skills shortages can be broken down into three core areas:

- Technical:
 - Engineers.
 - Electricians.
 - Boat builders.
- Boat handling:
 - Instructors.
 - Commercial skipper/crew.
- Marina/hospitality:
 - Marina manager/staff.
 - Boatyard operatives.

Finally, the demographic profile identifies that the sector is comprised of an ageing workforce which suggests additional demand (over and above growth) for replacement jobs. Over half (58%) of businesses expect retirements in the next five years and only 12% are employing apprentices – potentially amplifying the skills challenge in the short-medium term.

The challenges and skills shortages in the labour market are an ongoing issue and were prevalent when the previous 2016 study was undertaken²⁹.

6.1.4 Policy

As noted at **Section 2**, boating/sailing and marine tourism continues to make a strong observed contribution to national, regional, and local policy agendas in areas such as coastal/rural regeneration, supporting economic development and wellbeing.

Nonetheless, as the policy environment continues to evolve the marine tourism sector needs to ensure continued alignment and importantly, that its standing and influence does not get diminished in what is a busy and ever-changing landscape.

Due to the sector's cross-cutting nature and the growing evidence base that helps to articulate the wider benefits of boating/sailing, it is becoming less clear where the "natural fit" is in terms of policy. EKOS has therefore provided some observations below.

Tourism

Traditionally, boating and sailing was considered within the tourism policy agenda – supporting jobs and activity directly and attracting visitors and expenditure to Scotland. The development and publishing of two marine tourism strategies has helped embed the sector. For example, in 2016, [Awakening the Giant](#) had just been published and the important role of marine tourism (including boating and sailing) was recognised within the [Tourism Development Framework for Scotland \(refreshed 2016\)](#)³⁰.

However, fast forward to 2022 and we note that there is no explicit mention of marine tourism or sailing/boating within the [Outlook 2030 Strategy](#) and across the Enterprise Agencies in Scotland there is a deliberate regression from sector-based prioritisation towards a more thematic policy focus.

²⁹ Yachts and Yachting (20 September 2016). See here: <https://www.yachtsandyachting.com/news/192341>

³⁰ Tourism Development Framework for Scotland (refreshed 2016), VisitScotland. See here: <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/policies/tourism-development-framework-dec16.pdf>

Blue Economy

More recently, Scottish Government and some regions (for example North Ayrshire and Highlands and Islands) have been developing their strategic thinking to target the blue economy³¹ -

Scotland's blue economy includes the marine, coastal and the inter-linked freshwater environment of Scotland, the different marine, and maritime sectors it supports, and the people connected to it.

From a planning perspective it makes sense to include all areas of activity that make use of/exploit the marine and coastal environment and will help identify areas of synergy and overlap for example, making use of physical infrastructure or supply chains.

However, there are some large sectoral and thematic areas of activity grouped under the blue economy umbrella, such as energy (oil and gas and renewables - offshore wind, tidal, and wave), the operation of ports and harbours (for importing and exporting, decommissioning, etc) and fishing/aquaculture. Marine tourism and boating/sailing therefore represents a very limited part of the blue economy and should be aware of the risk of being "crowded out".

Placed-based

This report represents the third iteration to measure the value and contribution of the boating/sailing sector and again has demonstrated strong performance with economic output, GVA, and employment all trending upwards. The rationale for investing in coastal tourism infrastructure as a catalyst for local/regional economic development and regeneration is well established and the pipeline of proposed projects demonstrates a continued validation in this approach.

However, while 22 (out of 32) local authorities have a coastal boundary, there are only eight to ten of these that have a 'well developed' offer for boating/sailing in terms of infrastructure and shoreside provision. Therefore, in terms of place development, the sector's fit is not universal and there are a number of coastal local authorities with further untapped potential for additional marine tourism growth.

Wellbeing

As noted above, one policy priority area that has been gaining increasing traction at a national, regional, and local level is the 'wellbeing economy' which adopts a more holistic view of the drivers of inequality and how we measure growth and progress.

³¹ A Blue Economy Vision for Scotland, Scottish Government. See here: <https://www.gov.scot/publications/blue-economy-vision-scotland/>

Not only does the boating/sailing sector make a direct and attributable economic contribution, arguably it makes a more significant contribution to other areas. As noted in the recent study undertaken by CES³², VisitScotland research³³ and Scottish Canals³⁴, sailing/boating and access to blue space more generally has evidenced positive effects on the following receptors:

- Physical and mental health.
- Community participation and social interaction, through clubs, events, and sports.
- Personal development of young people - building confidence, learning communication skills, team working, etc.
- Opportunities for learning and training.
- Environmental sustainability - the sector has a limited environmental footprint and can help educate those using and benefitting from the marine environment on how to protect it.

6.1.5 Service Offer

Feedback from the 297 boaters surveyed was in the main, positive, however, in comparison to other destinations (particularly in mainland Europe and Scandinavia), the Scottish offer in terms of shoreside and onshore infrastructure and facilities was felt to be inconsistent. For example, boaters highlighted the need for more/upgraded onshore and offshore facilities, with chandlery, bars and restaurants, marinas, and storage being frequently mentioned. In addition, some felt that there is a discrepancy between the cost of fees and the quality of service and infrastructure. In light of the points noted above regarding inflationary pressures and cost of living, if the sector is to continue to expand and flourish then it needs to be able to deliver value for money for participants.

Over the medium-term, as much of the berthing and shoreside infrastructure assets will be 30+ years old, and in line with Scottish Government/Scottish Future Trust [Infrastructure Investment Plan](#)³⁵ the focus will be on maximising the useful life of existing assets through maintenance, repair, and upgrades.

Access to capital funding and investment will therefore be important to help ensure Scotland can deliver a consistent and good quality service offering.

³² Ibid

³³ VisitScotland, Coastal Tourism, see here: <https://www.visitscotland.org/research-insights/about-our-visitors/interests-activities/coastal-tourism>

³⁴ Scottish Canals Research, see here: <https://www.scottishcanals.co.uk/news/scottish-canals-health-research>

³⁵ A National Mission with Local Impact: Infrastructure Investment Plan for Scotland (2021/22 - 2025/26), see here: <https://www.gov.scot/publications/national-mission-local-impact-infrastructure-investment-plan-scotland-2021-22-2025-26/>

6.1.6 Availability of Capital Funding

Historically, local authorities and operators have been able to access capital funding (for infrastructure) from several sources including the Regeneration Capital Grant Fund and the Big Lottery Coastal Communities Fund (the UK-wide fund is now closed and the CCF in Scotland is replaced with new arrangements for funding coastal community benefit from Scottish Crown Estate net revenue)³⁶.

In recent years the City-Region and Growth Deals and Levelling Up Fund have offered an opportunity for funding large-scale capital project activity. However, much of the Deal monies have already been committed via Heads of Terms agreements and it is unclear if the LUF will continue beyond round 3 – provisionally set to launch in summer 2023.

As public sector spending will be restricted in the short-medium term, the main capital grant funding streams that may be appropriate for large-scale infrastructure development or upgrades/repairs include: HIE's Grant in Aid, Scottish Government Place Based Investment Programme, and Crown Estate Scotland's Capital Investment Challenge Funds³⁷. Over the short-medium term there is anticipated to be intense levels of competition for accessing funding

6.2 Opportunities

While the external environment is certainly challenging, there is still reason to be optimistic with regards the future of the sector. First and foremost, we would recognise that the sector has shown resilience over several years and continued to grow – expanding berthing capacity within Scotland by +7% which has helped increase the annual GVA output of the sector to £84 million and support 3,100 FTEs annually. The sector has achieved real-term GVA growth of 8% since 2016, in comparison to a -1.1% contraction across the Scottish economy.

6.2.1 Staycation and Other Market Opportunities

The 2022 season has shown strong performance (expenditure growth of £13.5 million/+15% since 2016) and one of the few encouraging trends to emerge from the COVID-19 pandemic has been the growth of the staycation market³⁸.

³⁶ Supporting impact - Scottish Crown Estate net revenue: local authority use and insights, see here: <https://www.gov.scot/publications/supporting-impact-scottish-crown-estate-net-revenue-local-authority-use-insights/documents/>

³⁷ Crown Estate Scotland, Capital Investment Challenge Funds, see here: <https://www.crownestatescotland.com/our-projects/capital-investment-challenge-funds>

³⁸ The Sykes Scotland Staycation Index 2022, see here: <https://www.sykescottages.co.uk/blog/the-sykes-scotland-staycation-index-2022/>

While it is unclear whether the rise in staycations is a short-term response to the lockdowns and restrictions on travel (the majority of legal COVID-19 restrictions ended in March 2022), the Scottish-based operators should look to actively promote and market sailing/boating holidays and coastal destinations to UK-based tourists.

As noted above, as the impact of the forecast two-year recession starts to bite and cost and affordability become increasingly more important, there exists an opportunity to convert those that are less familiar with Scotland as part of the staycation offer.

We would, however, advise that to effectively capture a share of this potential market, this requires a collaborative and strategic approach across the sector (operators, charterers, shoreside and onshore provision). Adopting a 'Team Scotland' approach whereby the focus is on growing the scale and value of the sector at a national level first and foremost, will help ensure that operators are able to access their share of a larger market opportunity.

One area for potential growth is within the charters sub-sector, in particular - opportunities to view marine wildlife. Survey feedback and wider intelligence shows that Scotland's standing as a destination that offers unrivalled scenery and opportunities to watch wildlife is unrivalled and there is a growing charter market that offers group and custom tours³⁹.

6.2.2 Mixed Sports Activities and Promoting Accessibility

In line with the [Giant Strides Strategy](#), how we use the sea, coast and inland waterways is changing. With the growth in areas such as coastal rowing:

- There are now c. 45 clubs in Scotland compared to a handful a few years ago (partly driven by Stranraer hosting the St Ayles Skiff World Championship - SkiffieWorlds in 2019).
- SUPS - regarded as one of Scotland's fastest growing water sports.
- Other paddle sports such as kayaking and canoeing⁴⁰.

Historically, boating/sailing was viewed as a separate area of activity (and still is amongst some), however, there is emerging more of a blended offer for sport, recreation, and tourism. This can be seen in some of the recent project proposals with mixed activity locations and destinations at Stranraer Watersports Centre, Kintyre Sea Sports and early conversations at Dundee Marina.

³⁹ Assessing the economic impacts of nature based tourism in Scotland, NatureScot. See here: <https://www.nature.scot/professional-advice/social-and-economic-benefits-nature/tourism>

⁴⁰ British Canoeing, see here: <https://www.britishcanoeing.org.uk/news/2022/be-part-of-the-nations-fastest-growing-watersports-and-go-paddling>

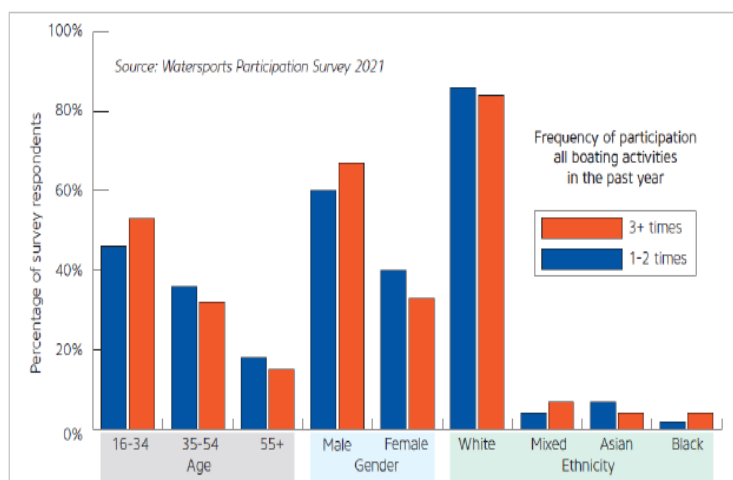
The survey of boaters also reflected this trend with 44% of respondents reporting that during their most recent sailing trip they took part in other water-based activities and sports. In addition, some operators identified this as a potential opportunity for their business.

6.2.2.1 Water Sports Survey 2021

Providing further support for this, research undertaken by British Marine (October 2022) on changes in participation and consumer trends (across the UK) identified the following⁴¹:

Volume of participants undertaking activity in the UK (000's)			Online method	
			2020	2021
Any boating activity	1-2 times		6,305	11,753
	3 or more times		765	1,006
Sailing activities	1-2 times		2,206	6,175
	3 or more times		134	351
Powered activities	1-2 times		4,339	9,095
	3 or more times		337	452
Manual activities	1-2 times		4,515	8,359
	3 or more times		774	1,048
Paddlesport activities	1-2 times		3,785	7,272
	3 or more times		508	714
Coastal activities	1-2 times		21,337	25,406
	3 or more times		10,975	8,992

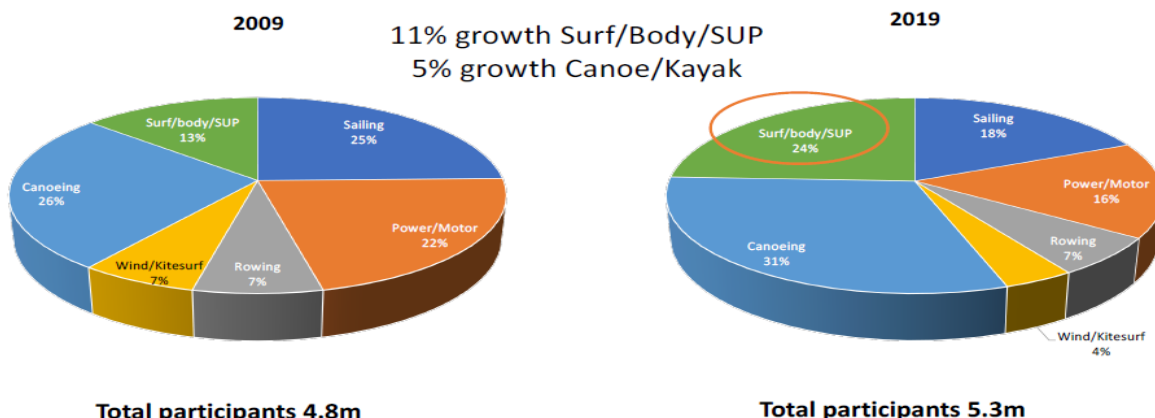
- 24% increase in newcomers to water sports.
- Casual participation has shown significant growth in all activities - driven by staycations, users looking for new experiences and greater choice.
- Key challenge remains - converting casual to regular participants.



- The demographic data on respondents would indicate that more could be done to ensure wider accessibility and participation in water sports.

⁴¹ All charts and data in **Section 6.2.2.1** taken from Changes in Participation and Consumer Trends, British Marine, prepared by Rushall Marketing.

- Greater choice means that new areas of activity are growing.



- Importantly - people are doing multiple activities, meaning that the sector/market needs to cater for these changing trends.

PRIMARY ACTIVITY

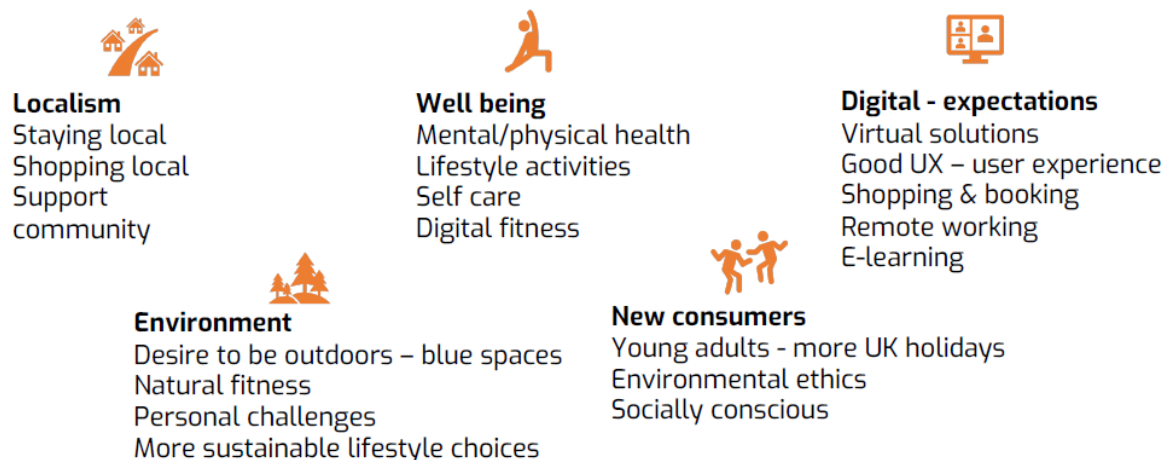
	Small Sail Boat Racing	Small Sail Boat Activities	Yacht Racing	Yacht Cruising	Windsurfing / Wind Foiling	Powered activities	Canal Boating	Power Boating	Motor Boating / Cruising	Using Personal Watercraft	Water Skiing / Wakeboarding	Manual activities	Kitesurfing	Kite Foiling	Stand Up Surfing	Body Boarding	Leisure Sub Aqua	Leisure Surfing	Leisure Surfing From Shore	Leisure Surfing From A Boat	Paddlesport activities	Canoeing / Kayaking	Rowing / Sculling	Stand Up Paddle Boarding
Small Sail Boat Racing (Dinghies)		33%	48%	33%	31%	17%	21%	30%	21%	27%	37%	17%	36%	36%	34%	25%	37%	39%	38%	19%	19%	38%	22%	
Small Sail Boat Activities (Dinghies)	63%		57%	47%	53%	31%	33%	50%	38%	43%	57%	31%	47%	51%	49%	38%	52%	53%	55%	33%	35%	48%	37%	
Yacht Racing	39%	24%		33%	33%	15%	16%	30%	19%	25%	39%	15%	38%	44%	35%	26%	36%	38%	38%	16%	17%	36%	19%	
Yacht Cruising	48%	37%	57%		38%	26%	27%	43%	36%	38%	47%	24%	47%	46%	10%	32%	50%	53%	53%	24%	26%	44%	27%	
Windsurfing / Wind Foiling	35%	32%	45%	29%		21%	22%	33%	23%	37%	53%	21%	47%	50%	8%	37%	45%	47%	47%	22%	23%	39%	27%	
Canal Boating	49%	41%	47%	42%	15%	48%		38%	35%	37%	47%	30%	45%	52%	2%	35%	52%	53%	54%	32%	35%	47%	32%	
Power Boating	46%	40%	56%	44%	14%	31%	25%		34%	42%	51%	25%	53%	54%	14%	34%	51%	53%	53%	25%	26%	44%	28%	
Motor Boating / Cruising	48%	45%	52%	54%	46%	46%	34%	50%		41%	55%	29%	48%	50%	43%	33%	50%	51%	53%	30%	32%	45%	33%	
Using Personal Watercraft	48%	41%	56%	47%	59%	37%	29%	50%	33%		60%	31%	63%	62%	56%	43%	54%	57%	57%	32%	33%	47%	36%	
Water Skiing / Wakeboarding	30%	25%	39%	26%	40%	17%	17%	28%	21%	28%		17%	44%	44%	38%	26%	43%	46%	46%	17%	18%	35%	22%	
Kitesurfing	31%	25%	44%	30%	39%	17%	18%	33%	20%	33%	49%	20%		56%	40%	29%	42%	44%	44%	18%	18%	36%	22%	
Kite Foiling	26%	19%	39%	22%	32%	14%	16%	26%	16%	25%	38%	15%	43%		33%	22%	38%	41%	41%	14%	14%	29%	19%	
Stand Up Surfing	34%	26%	43%	27%	43%	18%	18%	29%	20%	31%	46%	21%	43%	46%		44%	42%	45%	45%	21%	20%	37%	29%	
Body Boarding	31%	25%	40%	26%	40%	17%	18%	27%	18%	29%	45%	20%	43%	46%	38%	26%	43%	46%	46%	17%	18%	31%	33%	
Canoeing / Kayaking	59%	57%	65%	54%	62%	41%	47%	53%	44%	56%	66%	64%	58%	59%	61%	54%	60%	62%	62%	76%	66%	66%	58%	
Rowing / Sculling	31%	21%	36%	24%	28%	13%	17%	24%	16%	21%	35%	17%	31%	33%	29%	20%	30%	33%	31%	20%	17%		18%	
Stand Up Paddle Boarding	41%	36%	43%	34%	46%	25%	26%	35%	28%	38%	51%	39%	45%	48%	53%	50%	43%	44%	45%	47%	36%	42%		

Question: Which of these activities you have taken part in within the past years?
 Base: all respondents (12,010)
 Weighting: Demographic

Source: Watersports Survey 2021

- Boating and sailing need to compete for consumers time and money, emerging trends include:
 - Desire different experiences - try anything.
 - Skills to try and just start.
 - Quick, easy, convenience - time poor.
 - Less interest in competitive sport / formal training.
 - Less young people - compete for their attention.

Consumer trends accelerated by pandemic



Insights from: Adventure Travel Trade Association, Nov 2020; Google insights; Strategy & PWC Leisure & Tourism report autumn 2020; McKinsey UK Consumer Pulse, Deloitte Leisure Consumer 2021

Linked to **Section 6.1.3** above which notes the growing policy focus on wellbeing, one of the ways in which the sector can grow its contribution is adopting a targeted approach to promoting access to the water/bluescape and encouraging participation in water sports and recreation more generally. In addition to the wider promotion, there is also a requirement to provide more education and advice to those engaging in other mixed sport activity. For example, providing information on suitable/safe locations and safety advice for interacting with other users/participants, what to expect, etc.

As noted in [Giant Strides \(2020 - 2025\)](#), there are important relationships with many of the more accessible and lower cost experiences acting as a gateway to encourage participation in other areas such as boating/sailing.

There is therefore an important role for the 'grass roots' such as sailing clubs and other water sports membership organisations to lead this activity - developing a stronger collective voice that promotes the wider benefits of being outdoors and access to the marine environment.

6.2.3 Transition to Net Zero

Sustainability, environmental protection/enhancement, and net zero are becoming more important, both from a policy perspective, but also in the choices and spending decisions that consumers make (95% of the survey identified that protecting the environment was important to them to some extent). In addition, 'clean seas and protection of marine flora and fauna', and 'environmental management in my business' were noted as important/very important factors for operators' future activities.

The sector needs to have a clear and consistent message regarding net zero and environmental sustainability. A recent report prepared by the Carbon Trust, [Roadmap for the Decarbonisation of the European Recreational Marine Craft Sector](#)⁴² identified four broad categories of technologies that could make a notable contribution to decarbonisation of the marine craft sector which includes recreational boating and sailing:

- Technical design and performance.
- Alternative energy sources.
- Drive train hybridisation/electrification.
- Alternative fuels.

Table 6.1 provides the Carbon Trust’s summary overview on these technologies with regards their potential to support reductions in operational emissions - with due recognition that the technologies vary in regard to their current maturity level, emission reduction potential and applicability to specific boat types.

Table 6.1: Decarbonisation technology assessment by technology maturity and operational emission reduction potential

Measure category	Technology	TRL ⁹⁷	Operational emissions reduction potential
Technical design and performance	Hull design optimisation	8-9	Low
Technical design and performance	Foiling technology	9	Low
Alternative energy sources	Hydro-generators	9	Low
Alternative energy sources	Solar PV systems	9	Low
Alternative energy sources	Marine wind generators	9	Low
Drive train hybridisation/electrification	Electric motors	9 – for current low voltage systems	High
Drive train hybridisation/electrification	Conventional hybrid-electric motors	9 – for current low voltage systems	Medium
Alternative fuel use	Hydrogen (ICE)	8-9 ⁹⁸	High
Alternative fuel use	Hydrogen (FC)	6-7	High
Alternative fuel use	Biofuels	9	High ⁹⁹

Source: Carbon Trust

⁴² Roadmap for the Decarbonisation of the European Recreational Marine Craft Sector, Carbon Trust, (June 2021). See here: <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/a-roadmap-for-the-decarbonisation-of-the-european>

Based on the assessment above, it is the Carbon Trust's view that developing alternative and alternative blend low-carbon fuel sources offers an appropriate approach to support decarbonisation and lower emissions. However, it does also recognise the need for further and ongoing investment within R&D.

6.2.4 Data and Intelligence

Partly due to the changing dynamics within the sector, one of the challenges encountered during the research in terms of ensuring comparability with previous studies was with regards to ensuring the consistency of data reporting.

The sector should consider the opportunity to standardise data collection and establish a process/mechanism to gather and report data annually/bi-annually that could effectively track performance and act as a 'health check' for the sector. As well as providing a rich source of up-to-date data (e.g. capacity, occupancy, seasonality, demand, etc) it would also better position the sector to be proactive to emerging opportunities and challenges.

For example, as highlighted through consultation, the 2009 and 2016 studies have been a valuable source of robust sector data and acted as the "go to" research for many partners over the years. Nonetheless, the intermittent reporting periods has meant that there will inevitably be a time-lag in the data. Developing a system to gather and track data on a regular basis could help ameliorate these challenges.

6.2.5 Future Trends and Other Points to Note

The final section summarises some of the wider trends and points of note that we have gleaned through the research:

- Size of vessels - both anecdotal and survey feedback suggest that boats/vessels are getting larger (62% have a boat over 9m and the average length has increased since the 2016 survey). In addition, those that reported that they plan on upgrading their boat (20% of the sample), the majority indicated that they would get a larger vessel). This change in market dynamics will have potential implications for shoreside infrastructure and operating models. We would, however, note that this view must be balanced and considered within the context of the current cost-of-living crisis. As affordability is a key consideration for participation in any sport/activity, we may see these trends regress over the next few years as boaters/sailors opt for smaller/more affordable vessels.

- Aligned to **Section 6.1.6** above, the availability of capital funding/investment and prevailing market conditions indicates that any growth in capacity to meet demand is likely be 'incremental' – expanding existing capacity or developing smaller and step ashore-type facilities or moorings.

6.3 Strategic Opportunities and Gaps in Provision

As we look ahead to 2030, we have reflected on the current supply of berthing in Scotland – specifically where there may be gaps in provision and/or there is latent demand.

The delivery of the pipeline projects presented at **Section 3.4** notwithstanding, we have (cautiously) identified indicative demand for an additional c. 750 berths across Scotland. There is, however, further scoping and mapping work required to identify the potential locations, anticipated levels of demand, and commercial viability/sustainability of developing additional infrastructure.

6.3.1 A New Approach

While the 'string of pearls' approach has been a useful tool to geographically map provision and identify gaps in provision across Scotland, it adopts a somewhat "traditional" method to identifying the need/demand for step ashore facilities based on sail to, sail from, and sail through destinations.

Given what has been reported above, there is a consequence to inaction i.e. the sector can't rest on the success achieved to date and should look to the future. To remain relevant in a competitive and fast changing landscape, we would challenge the sector to reframe the lens by which it views and assesses the need/demand for infrastructure. As a starting point, we have suggested three approaches by which the sector could consider the strategic opportunities and/or gaps.

Sport First

As noted above at **Section 6.2.2**, there has been rapid growth in other parts of the marine tourism sector in areas such as SUPs, kayaking and canoeing which is having a positive influence on casual participation. There are new sites/locations that are being developed such as Kintyre Sea Sports that seek to make use of the cross-selling opportunity that links emerging water-based activities with more traditional forms of boating/sailing – helping to capture a larger share of the market and boost the resilience of the destination.

The **Sport First** approach therefore recommends that when identifying potential sites and locations there is a need to consider where the intersection between traditional sailing and growing areas of activity such as SUPs, kayaks and open water swimming can be accommodated.

The focus is on developing infrastructure whereby multiple complementary water/coastal uses can take place with a view to growing grass roots participation and widening access to all.

Community First

There are many towns and villages in Scotland that rely on the marine/coastal environment as the backbone of their local economy. Maximising the use of this 'asset' (in a sustainable way) is therefore an important mechanism to help deliver economic development.

For example, Lochaline Harbour⁴³, located in Morven and operated by the Morven Community Development Company is a good model of community led development activity. With funding support from HIE, the community initially installed 30 pontoons in 2011 and then in 2013 developed new onshore facilities such as showers, changing facilities and Harbour office - a new safe access road linking the harbour and village was also developed. Finally, in 2016 10 new swinging moorings were installed - increasing the overall capacity and also the size of vessels that could berth (up to 12m).

At Lochaline the new facilities were developed incrementally based on latent demand and all the revenues received from the Harbour fees are reinvested in facilities and projects in and around Lochaline/Morven. This approach helps to retain value locally but also ensures that the local community have a say/stake in where any revenues are reinvested.

The **Community First** approach recommends that the sector considers sites and locations where new infrastructure is linked to, and developed with, the needs of the local community as the core priority. In this sense, the infrastructure will act as an "anchor" to attract further investment and economic activity and will help promote sustainable and incremental growth.

Region First

Following on from the **Community First** approach which is more focused on local economic development that supports individual towns and villages, the Region First approach considers how we can maximise all the regional marine and coastal assets with a view to creating economies of scale and positive spillovers or agglomeration effects.

For example, through the Rural Growth Deal Argyll and Bute Council are seeking to build on their natural assets and existing infrastructure. This is both the marine and wider tourism infrastructure such as accommodation and attractions, but is more than just the physical infrastructure, for example, the business support provision such as the Argyll and the Isles Tourism Cooperative.

⁴³ Lochaline Harbour, see here: <http://www.lochalineharbour.co.uk/>

The aspiration is to open access to Argyll's coasts and waters to develop Argyll as a West of Scotland "must visit" location for the maritime leisure market - sailing/boating and charters.

The [Region First](#) approach suggests that stakeholders need to consider where an opportunity exists to deliver significant benefit to the region both in terms of increasing capacity and/or delivering improvements to the quality of the infrastructure/facilities. This would be with a view to enhancing the reputation of the region and Scotland as a visitor destination - not just a sailing destination.

6.3.2 Concluding Remarks on the New Approach

The three suggested approaches noted above - [Sport First](#), [Community First](#), and [Region First](#) provides an initial view and we would recommend that further research, analysis, and market testing should be undertaken across the sector to understand how this could be practically embedded into decision making and implemented in the future.

Nonetheless, we would identify that these new approaches could deliver significant strategic benefits to the sector, these include *inter alia*:

- Demonstrating contribution to key policy priorities, including net zero and wellbeing.
- Better integration and embedding marine, coastal, and land-based tourism.
- Opportunities to develop new partnerships.
- Potentially opening-up new capital and revenue funding sources/opportunities.

7 Appendices

Appendix A: Stakeholder Consultees.

Appendix A: Stakeholder Consultees

EKOS would like to extend thanks to the following organisations for contributing to the research.

Table A1: Stakeholder Consultees

Scottish Canals
Royal Yacht Association
Crown Estate Scotland / Bidwells
South of Scotland Enterprise
Highlands and Islands Enterprise
North Ayrshire Council
Argyll and Bute Council
Dundee City Council
Comhairle nan Eilean Siar
Dumfries and Galloway Council
Aberdeenshire Council
Royal Tay Yacht Club
VisitScotland
Scottish Tourism Alliance
Scottish Enterprise
Cross Party Group on Recreational Boating and Marine Tourism