



Tourist Facilities

**Planning advice
PA2023-18**

September 2023

Purpose of this planning advice

This planning advice sets out guidance on the way that Policy B3 Tourist Facilities of the Aberdeenshire Local Development Plan 2023 will be implemented by Aberdeenshire Council. Policy B3 provides a permissive framework for new tourist facilities, but also seeks to safeguard Aberdeenshire’s tourist infrastructure by placing conditions on the change of tourist facilities to other uses. This planning advice has been published to provide guidance on matters associated with obtaining planning permission for the provision of new tourist facilities and managing the change from a tourist facility to an alternative use. It identifies the supporting documents that are required to support change, or for the provision of new tourist facilities.

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1. Introduction

This planning advice provides a working definition of ‘tourist facilities’ for the purposes of the Local Development Plan (LDP) and outlines the requirements that need to be met for change of use from a tourist facility (including hotels and bed and breakfast) to an alternative use.

The LDP supports the development of tourist facilities in a much greater range of potential sites than other development types, but to gain this relaxation the policy requires the use to be for a “tourist facility” and to demonstrate that it is financially viable. There is no definition of what a tourist facility might be within the LDP, and this planning advice provides general guidance on which proposed uses would be in that classification.

In certain cases, planning permission may be sought to change a tourist facility to another use if it is found to be no longer commercially viable. This may be for a range of reasons including changing trends in demand from tourist consumers that the tourist facility cannot adapt to, or an inability to invest in necessary improvements. Aberdeenshire Council recognises that a change of use of a closed tourist facility would be a more sustainable use than leaving it unused, but it is also mindful that tourism is a collective industry and there is a justification for putting in place measures to sustain tourist uses.

The attractiveness of an area to tourists is significantly influenced by the scale and diversity of the facilities and services provided to this customer group. Incremental decline in the tourist offering can lead to reduced footfall and turnover for other tourist facilities, leading to a spiral of decline due to the impact on their viability. This may result in some facilities closing and over time, the sites becoming disused. To avoid long-term erosion of the tourist facility base, the LDP restricts change of use to an alternative function unless there is clear evidence that the business is not viable, and there is no market interest in a new owner taking it over. In such cases an application for planning permission for alternative use would be in accordance with this policy of the LDP. This planning advice provides guidance on these requirements for changing to an alternative use should a tourist facility become unviable.

2. National and Regional context

National Planning Framework 4 (NPF4) promotes the importance of tourism and how tourism plays an important role for the economy. NPF4 encourages sustainable tourism that benefits local people, is consistent with our net zero and nature

commitments, and inspires people to visit Scotland. Recovery, growth and resilience are key elements to be considered in planning for tourism.

In 2018, tourism generated £12 million in economic activity in the wider Scottish economy, making it one of the leading industries for generating employment and investment. Tourism is one of the main economic drivers in Aberdeenshire. Around 80% of the tourists that visit Aberdeenshire are residents of the UK, with the remaining 20% being from overseas¹. The majority of the overseas tourists are from Germany, France, Belgium, Norway, USA and Canada. Some of the tourists come to Aberdeenshire to visit their friends and families who are working and living in Aberdeen City and Aberdeenshire.

3. What constitutes a tourist facility?

Tourist facilities can include, but are not limited to, businesses such as holiday parks, caravan parks, guest houses, hotels, hostels, campsites, concert arenas, conference and exhibition space, theatres, activity parks, museums, amusement parks, cafes, restaurants, pubs, nightclubs and sporting venues. They can also include facilities that are not run as commercial businesses but passively serve as specific attractions such as castles, historic monuments, important historic buildings, and walking and cycling routes. Gift shops, cafés, restaurants, etc that are located within the building, or at a in very close proximity, are generally ancillary to the tourist facilities. Town centres also play an important role in attracting tourists every year. Town centre uses have their own policy in the LDP to govern land use, but tourist businesses within town centres would also be protected by the LDP policies.

In general, Aberdeenshire Council considers the following Standard Industrial Classifications² (SIC) to indicate that a business is a tourist facility. The descriptions that follow are only indicative of the class of business that have been identified as tourist facilities, and greater details of what uses are included in each class can be found in the SIC itself.

¹ Informal communication with VisitAberdeenshire

² See <http://resources.companieshouse.gov.uk/sic/>

Table 1 Standard Industrial Classification codes (SIC) for tourist facilities

SIC	Description
01700	Hunting, trapping and related service activities
47791	Retail sale of antiques including antique books in stores
47799	Retail sale of other second-hand goods in stores (not incl. antiques)
47760	Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialised stores
47210	Retail sale of fruit and vegetables in specialised stores
47220	Retail sale of meat and meat products in specialised stores
55100	Hotels and similar accommodation
55201	Holiday centres and villages
55202	Youth hostels
55209	Other holiday and other collective accommodation
55300	Recreational vehicle parks, trailer parks and camping grounds
56101	Licensed restaurants
56102	Unlicensed restaurants and cafes
79120	Tour operator activities
79901	Activities of tourist guides
90040	Operation of arts facilities
91020	Museums' activities
91030	Operation of historical sites and buildings and similar visitor attractions
91040	Botanical and zoological gardens and nature reserves activities
96040	Physical well-being activities
93290	Other amusement and recreation activities

These codes reflect the four different categories of tourist facility that can be identified:

- Activity Tourism, where tourists engage with any form of activities. It includes indoor and outdoor activities, such as golf courses and cookery schools. These would generally be SIC codes 96040 and 93290 respectively.
- Attraction Tourism relates to the places, people, events, and things that attract tourists to these destinations. These would generally be SIC codes 90040, 91020, 91030 and 91040 but for others, principally natural and historic features, facilities may be required to manage access although no “business” exists. These types of facilities represent a special case in terms of definition as a tourist facility. Likewise, distilleries and breweries may play a tourism role, but this would be ancillary to the primary production processes and should not be considered as “tourist facilities” *per se*.
- Hospitality Tourism includes hotels, bed and breakfast, holiday caravan sites, holiday homes, holiday pods, guest houses, holiday lodges. These are generally contained within SIC codes 55100, 55201, 55202, 55209, and 55300. Cafés, restaurants and bars that play a role in attracting tourists into the area should be considered as codes 56101 and 56102.
- Retail Tourism, those shops that attract visitors to an area due to their speciality or uniqueness are also considered to be tourist facilities. This would include uses such as antique shops, farm stores, garden centres and specialty food providers, who would fall under SIC codes 47791, 47799, 47760, 47210 and 47220. Provision of new retail facilities in Town Centre would also be controlled by Policy B1 Town Centre Development and be required to demonstrate that there would be no significant adverse impact on the vitality and viability of any existing town centre from their development.

Companies House will register a business under an SIC code even if the company is dormant or not trading. SIC codes for existing businesses are to be found by following the links on the Companies House website³. Where development is promoted by an existing business the most recent and relevant “Confirmation

³ <https://www.gov.uk/government/organisations/companies-house>

Statement” should be provided by applicants to confirm the SIC code of their business. When there is no record of the business at Companies House the prospective applicant should consider the SIC codes above and provide a justification that their existing business proposal will, or will not, fall within one of these classes. Aberdeenshire Council will review this information prior to determining any planning application.

4. Viability and marketing tests for change of use

If it is claimed that a tourism business is no longer viable, and there is an aspiration to seek a change of use from a tourism business to another use, there are two principal tests that are required by Policy B3:

Firstly, a statement of the financial standing of the business covering a minimum of 3 years must be submitted on behalf of the applicant by a suitably qualified professional person. This would normally be by a member of the Institute of Chartered Accountants of Scotland and regulated by the ICAS Code of Ethics but could include other bodies with whom ICAS has mutual recognition agreements in place. If the statement of financial standing demonstrates a profitable business, it is assumed that the business could be sold and continued under new ownership and change of use would not accord with the development plan.

Secondly, if the business is not viable under current ownership there remains the opportunity for a third party to invest in the facility so as to make it a sound business proposition. Policy B3 states that the facility must be marketed for no less than 12 months before Aberdeenshire Council will accept that the business is no longer a viable proposition, and a change of use could be supported by the policy.

It will be necessary for the prospective change of use to be supported by real evidence of active marketing during this period, including the use of dedicated marketing firms, at local, regional and national scale and at a true market value. Any subsequent planning application should be accompanied by a log of the marketing activity undertaken and evidence that a good range of market audience was reached (even if the sale was not achieved) by the noting of interested parties and queries made that could have resulted in sale of the business. If it is not demonstrated to Aberdeenshire Council that the marketing activity was truly genuine then it will not

consider that the terms of the policy have been met and the change of use can occur.

5. Validity tests for a new tourist facility

New tourist facilities are welcome. Granting planning permission to a proposal when there is no evidence that the business is likely to be successful would be not in accordance with the policy. Therefore, in such cases a supporting statement should confirm the likely long-term viability of the tourist business and that there is sufficient demand for the tourist activity to make it profitable. This will usually be in the form of a business plan, such as that used to secure bank finance to demonstrate a viable proposition. Sensitive information will remain confidential. It is necessary to demonstrate how the new tourist facility would be connected to a settlement and existing natural environment and how it would deliver net economic and social benefits.

Any new proposal for a tourist facility must also provide some form of evidence to show that there is capacity for the new development and that other tourist facilities in close proximity⁴ will not be so adversely affected, as to result in them becoming unviable. This is not to say that healthy market competition for a customer base should not take place, or that unpredictable impacts should be accounted for. Potential impact may be difficult to demonstrate, and a common-sense approach should be taken to assess the likely risk to other facilities, based on predicted impacts on types of facility similar to the proposal and taking account of matters such as levels of use and availability of bookings, types of tourist facility and its scale. Some small scale developments (for example, a maximum of 5 glamping pods) are unlikely to have a major effect on the neighbouring tourist accommodation.

The design, material and size should complement the use of the proposed facility and should blend in with the wider landscape. Any development proposed to be

⁴ Tourist developments that are close to the proposed development. It should be assessed on case-by-case basis because the distance depends on the location of the site.

located within the countryside shall also be assessed under Policy R2: Development Proposals Elsewhere in the Countryside.

This requirement may be waived for a “bed and breakfast” proposal as it can be returned to its original use (usually a house) without affecting the economy and seeking further planning permission.

Appendix 1 Checklist for 'change of use' of tourist facilities to an alternative use

- Have you promoted your tourist facility via local, national or UK tourism bodies, e.g., VisitAberdeenshire, VisitScotland, VisitBritain or Business Gateway?
- Have you sought advice from any of these bodies on promoting your business to visitors?
 - If yes, which body did you contact? What advice was sought and what action did you take?
- Was the site advertised for sale for a minimum of 12 months?
 - Can you provide evidence that the site was advertised for sale in the local newspaper/social media for a continuous 12-month period?
 - Can you provide evidence that the site was advertised for sale in the regional and national newspaper/social media for a continuous 12-month period?
- Do the financial statements show that the business isn't viable?
- A Supporting Statement can be provided with the history of the business, the stresses it has been subjected to and any marketing plan undertaken to address these stresses. This could include statements such as:
 - Whether the overall strategy for the business has been adjusted.
 - Whether the marketing plan has been changed to attract different customers and expand the customer base?
 - Whether the facility had any investment in recent years to maintain its appeal? If not, was this explored?