The Importance of the Visitor Economy

A strong visitor economy helps to position Scotland on the world stage whilst the economic impact of the visitor spend spreads out from the traditional component parts of the tourism industry into other sectors such as arts and crafts, food and drink, cultural activities, sports events and activities, retail, and finally into the Scottish Government’s core priority industries which are central to the economic growth strategy.

The total annual direct and indirect contribution of the visitor economy is £11.6 billion and it supports more than 292,000 jobs.

VisitScotland’s Role in Developing the Visitor Economy

VisitScotland supports the continued growth of the visitor economy through our principal activities.

These involve: the marketing of Scotland to all parts of the world (including Scotland and the rest of the United Kingdom) to attract visitors; providing information and inspiration to visitors and potential visitors so that they derive the best experience from a visit to Scotland; providing quality assurance to visitors and quality advice to industry; working with partners to assist the tourism industry in not only meeting but exceeding visitors’ expectations; and the development of a portfolio of events that deliver impact and an international profile for Scotland by establishing Scotland as a perfect stage for events.

VisitScotland has been tasked by the Cabinet Secretary for Finance, Employment and Sustainable Growth to position itself across the public sector agencies as both a marketing specialist and as a key economic development agency, driving growth in the visitor economy alongside Scottish Development International, Highland and Islands Enterprise and Scottish Enterprise.

The organisation is the lead body for the visitor economy and specifically in respect of the major events of 2014, where VisitScotland was a key player in maximising the benefits from the Commonwealth Games, the lead public agency in the highly successful delivery of The 2014 Ryder Cup and the development, design and delivery of Homecoming Scotland 2014.

In fulfilling this role in economic development the organisation pushes beyond its previous boundaries and takes a proactive role in areas such as air connectivity, skills, national and local planning, including the National Tourism Development Framework for Scotland, and is the holder of the vision for the Scottish Visitor Economy.

Corporate Activities and Strategy

VisitScotland’s core business priority is to maximise the sustainable economic benefit of tourism to Scotland, and through its activities continue to seek to achieve
this by working closely in partnership with the industry and public sector partners to help boost sustainable economic growth.

The need to work in partnership with multiple stakeholders to ensure the successful delivery of sustainable economic benefit to Scotland is reflected within our strategic priorities, as outlined in our 2013-2016 Corporate Plan:

Marketing: To support sustainable growth in the Visitor Economy by marketing Scotland to defined audiences and markets.

Information Provision: To provide information and inspiration to visitors before, during and after their visit via the device of their choice.

Quality and Sustainability: To provide support and advice to businesses, with the goal of improving the quality and sustainability of the tourism sector in Scotland, and to provide assurance to visitors through our quality schemes.

Working in Partnership: To grow the Visitor Economy by maximising our reach and return on investment by harnessing the collective strength of our partners across public, private and third party sectors.

Events: To maximise the benefits from The Winning Years and their legacy, and to implement the national events strategy, Scotland the Perfect Stage, and sustain, develop and promote Scotland’s international profile as one of the world’s foremost events destinations.

Marketing Campaigns

VisitScotland runs effective, award-winning campaigns targeting key markets around the world and across the UK. The launch of the Brilliant Moments campaign in November last year represented the consumer side of our Scotland Welcomes the World message. At the heart of the £5.3 million multi-touchpoint campaign was a new TV advert showcasing Scotland’s Brilliant Moments of 2014: Homecoming, the Commonwealth Games and The 2014 Ryder Cup, as well as personal brilliant moments of the people of Scotland. The first burst of TV advertising reached 17 million ABC1 adults.

This campaign built on from the highly successful Surprise Yourself campaign, which in financial year 13/14 delivered £247.9 million to the Scottish economy.

By targeting our campaigns at the best prospects we are able to encourage visitors from across the globe and the UK to enjoy a visit to Scotland. Evidence of Scotland’s place as a leading destination was highlighted recently with the publication of International Passenger Statistics, showing that visits to Scotland from North American tourists rose by 32 per cent in the year to end June 2014, which led to an 18 per cent growth in expenditure.

The Figures from the Office for National Statistics show that North American visitor numbers rose sharply from 385,000 to 510,000 in the year to the end of June 2014.

Overall, overseas tourist visits increased from over 2.2 million in the year to the end of June 2013 to almost 2.6 million in the year to the end of June 2014. Whilst
spending by our international tourists was also up, rising from almost £1.5 billion in the year to the end of June 2013 to over £1.6 billion in the year to the end of June 2014.

**International Events Programme**

With the focus of 2014 on the major events we have and continue to stage, Scotland is clearly now recognised as the perfect stage for events.

VisitScotland through our events directorate EventScotland will continue to fund major, world class events which raise the profile of Scotland around the world. Events supported through the International Funding Programme: generate substantial economic benefits for Scotland through increased visitation; highlight Scotland as an events and tourism destination through high profile international media coverage; enhance Scotland’s opportunities to host further major events.

Since inception in 2003, EventScotland has delivered more than £800 million of economic impact for Scotland through investment in events included in the international programme.

This year’s success story will continue in 2015 with the following major events already secured for the country: The presentation of the 2015 Turner Prize; The 2015 Gymnastics World Championships; The 2015 Orienteering World Championships; The 2015 IPC Swimming World Championships; The 2015 Judo European Championships; FEI European Eventing Championships. Whilst in golf The Open returns to St Andrews and The Ricoh Women’s 2015 British Open will be played at Turnberry.

**Supporting Tourism Scotland 2020**

VisitScotland works in partnership with the wider tourism industry to implement the detailed action plan arising from the industry strategy, Tourism Scotland 2020. We share and are committed to working together with the Scottish Tourism Alliance to fulfil their core objective: making Scotland a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people.

In the strategy the industry sets out its ambition to grow visitor spend by £1 billion by 2020.

**Support to Businesses**

VisitScotland provides opportunities through partnership working on campaigns or through direct funding opportunities like the Conference Bid Fund and the Growth Fund. We sell Scotland to the world by bringing visitors to the country and we encourage businesses to take the lead role in pulling in visitors once they arrive. Enhanced web content, more responsibility for understanding customers’ needs, the quality of the experience and encouraging repeat business are all a part of this.
Conference Bid Fund

In support of Scotland’s growth sectors and business tourism industry (meetings, conferences, conventions and associated support services) VisitScotland and the Scottish Government has established the Conference Bid Fund which provides qualified match-funding to support conferences and conventions which align to Scotland’s priority industries and sectors. These are major reputation boosting conferences for up to 5,000 delegates at a time, which support Scotland’s positioning and credentials on the global stage in areas including Pharmaceuticals, Finance, Tourism, Energy and Food and Drink, in addition to generating economic benefit to both rural and urban parts of Scotland.

The fund has been instrumental in confirming £107.5 million of business into the country between 2013 and 2020. This represents business on-the-books that could not have been converted without the competitive edge that the fund gives to Scotland’s conference destinations, large and small. Whilst the cities of Glasgow, Edinburgh, Dundee and Aberdeen have the greatest capacity to host larger conferences and have continued to take the initiative, a push for wider use of the fund has seen applications and match-funding successes in St Andrews, Stornoway, Inverness and Perth for as few as 50 delegates in the case of the adventure conference held on the Isle of Skye.

The Growth Fund

VisitScotland’s Growth Fund supports the development of collaborative marketing campaigns, delivered by our industry partners. It plays an important part in supporting the wider work of the organisation through its role in stimulating collaboration between industry, engendering partnership working with VisitScotland and achieving strategic alignment to grow tourism in Scotland. Through the Growth Fund VisitScotland supports locally led collaborative marketing initiatives. It is an effective platform for leveraging additional and more focused marketing investment, aligned with national strategy and helps improve the marketing effectiveness and competitiveness of individual businesses within groups, by encouraging a more strategic, focused approach to marketing.

VisitScotland.com

VisitScotland provides a ‘best in class’ website to both Scottish tourism businesses and consumers through VisitScotland.com. This includes providing consumers with a single digital gateway enabling them to discover the very best Scotland has to offer and providing businesses with a user-friendly extranet.

We have introduced a service which will refer consumer bookings for accommodation to a web-based booking system of the providers’ choice, therefore removing VisitScotland from this type of activity. The number of referrals to the industry for 2012-13 was 5.2m.

VisitScotland.com offers industry a platform from which to reach a global audience of some 12million users. Listings are free and we encourage individual businesses and associations to use this increasingly vital sales tool. VisitScotland organises an
outreach programme around the country to assist those businesses that want to take advantage of the opportunity.

VisitScotland also plays a full role in the Scottish Government’s Digitisation of Public Services project, drawing on our experience of delivering and managing major digital projects, with the Chief Executive a member of the Advisory Board.

Business Gateway

VisitScotland works collaboratively with Team Scotland (Business Gateway www.scottishbusiness.gov.uk, Highlands and Islands Enterprise and Scottish Enterprise) to achieve better linkages across all our business support offerings to ensure we are joined up in our approach and provide a more supportive environment for businesses. This will range from signposting and information to marketing opportunities and funding initiatives for businesses of varying sizes and sectors.

Tourism Intelligence Scotland

We will continue to learn from and share best practice with the many businesses that are distinguished by high quality of service, continuous investment in their product, and training of their staff, brilliant marketing and a can-do attitude around controlling their own destiny. As part of Tourism Intelligence Scotland, VisitScotland, along with HIE and SE provides reliable information and good market intelligence to help businesses grow.

Streamlined Approach to Business Support

We provide focused and individual support to businesses to offer consistent, quality advice delivered in the right way at the right time. This is via a multi-channel approach and includes face-to-face events; online and social media activity and printed materials designed for use by our industry facing staff or the tourism businesses themselves.

Collateral includes a series of AdviceLink guides which are available online and in print, and will utilise the wealth of expertise within VisitScotland teams. Topics include: Online Marketing, Working With The Media, Accessibility, Customer Care, Sustainability, and Best Practice to name a few. In addition, we will develop and disseminate toolkits for industry and stakeholders to maximise their involvement with and support for future themed years.

We utilise the corporate website, www.visitscotland.org, to encourage use of toolkits and downloads of advice and support materials, and to monitor visits and activity. Twitter, YouTube, LinkedIn and Facebook are all used as additional means of communicating with tourism businesses.

Our Business Tourism and Partnership Relations teams have efficient and effective partnership working with, and between, the City Convention Bureaux and Local Authorities to take advantage of the National Bid Fund, whilst building on partnerships with other external stakeholders such as the Business Tourism Ambassador programmes and SDI for maximising the sectoral contacts and
linkages. The Team Canada project, with a full time VS representative based in Toronto, will spearhead and template this type of working overseas.

**Quality Assurance (QA)**

Through our QA schemes we offer businesses a range of bespoke advisory services, specifically designed to help them understand and get the most from VisitScotland Quality Assurance. The advice is designed to help ensure the business meets the needs of its target market and assist in improving all quality aspects of the business. Consequently, this leads to investment in facilities, fittings, IT staff development and customer service training.

Amongst all participating businesses total additional investment that can be attributed to the QA schemes is estimated to be £71.2 million per year.

As user generated content sites increase we have positioned our QA schemes alongside them, providing an independent and trusted opinion.

**Transport Connectivity**

Direct transport links are key to growing Scotland’s tourism industry. VisitScotland will continue its close partnership working with the various providers of rail, sea, road and air transport. Our recent success in securing new routes to Scotland, including routes from Chicago, Philadelphia, Toronto, Halifax, Doha and Istanbul, demonstrates the confidence Scotland is generating among our transport partners, while also ensuring that there will be the capacity to meet heightened demand for Scotland. We will exploit opportunities to enhance marketing campaigns with strong messages of affordability and accessibility. Joint campaign activity will continue with long-standing ferry partners DFDS and Caledonian MacBrayne, and with rail partners including East Coast and Scotrail to exploit both core and Focus Year opportunities.

The ongoing improvement of the Scottish air route network is not only important for growing inbound leisure tourism, but also supports business tourism and provides vital connectivity for exporters across all sectors, and we will continue to pursue opportunities both on point-to-point routes and, critically, with those carriers who can deliver onward connectivity via major international hubs and airline alliances.

Working together as Team Scotland (VisitScotland, Transport Scotland, Scottish Government, SE, SDI and HIE) with airports and other partners we will look to further develop a Strategic Framework for International Air Connectivity which will assist in the prioritisation and the support of those new and extended services delivering the greatest economic benefits for Scotland.

**Cohesion**

**Accessible Tourism**

Improving accessibility has real potential to enhance social equalities, help achieve industry growth ambitions and boost the wider economy. Accessible tourism enables people with access requirements, including mobility, vision, hearing impairments, to enjoy their visit to Scotland independently, with equity and dignity through the
delivery of universally-designed tourism products, services and environments. These improvements not only benefit those with permanent disabilities, but also parents with small children, senior travellers, people with temporary injuries, as well as their travel companions.

Accessible tourism generates £391 million for the economy each year although it remains a largely untapped market and has been identified as an area with growth potential within the industry’s Tourism Strategy, Tourism Scotland 2020.

VisitScotland is leading a project to help ensure Scotland’s tourist destinations, products and services are accessible to all people. Our aim is to make Scotland Europe’s most accessible destination.

**National Events Programme**

The National Events Programme, administered by EventScotland, plays an important role in providing cohesion by developing domestic tourism across all regions in Scotland. By supporting events which take place outside the cities of Edinburgh and Glasgow, priority is given to more balanced growth across Scotland as well as growing Scotland’s wider events portfolio which forms the backbone of our events industry.

**Partnership**

We are continuing to build and further develop partnerships with businesses, local organisations and community groups. We are extending our level of engagement even further, through an outreach programme of events bringing peer groups together to discuss, debate and learn from each other.

Included in this is our work with social enterprise networks including Senscot. The Senscot Tourism Survey from August this year demonstrates that there is a range of social enterprises working within tourism across Scotland - from outdoor pursuits to accommodation providers to accessible tourism. Tourism spend with such organisations comes with additional value for both the visitor and the deliverer in that the profits are re-invested to provide positive community or environmental impacts and the visitor receives an added feel good factor.

VisitScotland will continue to work with social enterprises, supporting areas including up-skilling and connecting them to the wider tourism network and business support available.

In addition to this formal work, VisitScotland supports the work of Pilotlight and The Cranfield Trust with staff undertaking challenging assignments helping charities and community groups achieve their goals, with the help of professional advice and support.

**Planning and Investment**

The Tourism Development Framework for Scotland: role of the planning system in delivering the visitor economy, sets out the framework to assist and promote growth in Scotland’s visitor economy to 2020. VisitScotland, with contributions from a number of national agencies and bodies including Cosla and local authorities, took
the lead on the creation of the plan which was also sent to a wide range of stakeholders and tourism organisations across Scotland.

The primary purpose of the Framework is to provide guidance to development planning authorities to help secure growth in the visitor economy. It is also valuable to other partners in the public sector as it highlights future opportunities for investment and development. Additionally, it will help businesses in the tourism industry by focusing on two key parts of Tourism Scotland 2020 development strategy: Improving the Customer Journey and Providing Authentic Experiences.

It promotes the required actions to support growth in a structured and consistent manner to the Scottish planning system. Our Regional Directors are actively engaging with all local planning authorities to turn the ambitions set out in the Framework into real budgeted action plans.

Through the Framework £80.4 billion of current and future investment in tourism infrastructure projects has so far been identified.

**Skills**

VisitScotland supports the implementation of the Skills & Quality action plan from the Tourism Scotland 2020 strategy through the work of the Skills Group. This will tackle the following key priorities for skills development within the tourism sector in Scotland improving the appeal of the sector/attracting new talent; improving skills; customer service; and management and leadership.

VisitScotland has also had significant input to the consultation process for a new Skills Investment Plan for Tourism led by Skills Development Scotland in close collaboration with the Tourism Leadership Group and will continue to support its promotion and delivery to and within the industry.

The Glasgow Tourism Service Initiative ‘Glasgow Service with Style’ is an innovative industry-led project managed by VisitScotland on behalf of industry and the Glasgow tourism strategy partners. Principal funders are Scottish Enterprise, with additional funding provided by Skills Development Scotland and the Glasgow city partners. The key aim is to support the ongoing delivery of a world class customer experience across the customer journey for the benefit of the city, its visitors, and its businesses. As a key legacy project from the Commonwealth Games, the initiative secured commitment from more than 10,000 industry professionals for its flagship Glasgow Welcomes: Service Excellence Programme, which is ensuring the city, maximising the benefits of major events.

**Destination Organisations**

We work with destination organisations across Scotland, offering advice, assistance and on occasion financial support through the VisitScotland Growth Fund programme and EventScotland activity. In addition to their relationships providing information on VisitScotland activity and the opportunity to engage through quality assurance and marketing opportunities, we are taking a project approach to help support their respective focus on developing the tourism product and quality of the visitor experience in their area.
Team Scotland

Challenging economic times mean that it is more important than ever that we work with our partners, and while the focus may be slightly different for each of the partners in Team Scotland, we all have the same goal - to promote Scotland on the global stage as the place to visit, do business, study, live. Recent VisitScotland led Team Scotland successes include Scotland House at the Commonwealth Games (which built on the experience of Scotland House at the London Olympics), Scotland Week in North America, as well as the delivery of past and future focus years.

Shared Services

VisitScotland is committed to seeking greater efficiency, streamlined delivery, improved quality of public services and working collaboratively with other national/local organisations in Scotland with related remits and objectives. Savings have continued to be made in line with the Scottish Government’s commitment to Efficient Government, and during 2013-14 new savings have been made totalling £1,693,000.

Research

Our Insight department works with partners to generate valuable research, ensuring that the marketing strategies of VisitScotland and the Scottish tourism industry are based on the best possible information and thinking. Through our Research and Statistics section on www.visitscotland.org and our partnership with Scottish Enterprise and Highlands and Islands Enterprise through vehicles such as www.tourism-intelligence.co.uk, we share with industry knowledge of the operating environment, activity performance, tourism trends, worldwide markets and consumers’ expectations.

This in turn enables Scottish tourism businesses to develop effective operational strategies and world-class products and services.

Sustainability: economic, social and environmental

The additionality generated from our marketing directly benefits the Scottish economy, protecting livelihoods and increasing jobs. We work with businesses and other partners to extend the traditional season. We are also working with accommodation providers and the industry to understand more about their capacity and business cycle. The more we understand about the variations around the country, the better we can support businesses and tailor our marketing accordingly. We showcase local food and drink and arts and crafts through literature featured in or on sale in VisitScotland Information Centres, thus providing a stage for the local offering and putting money back into communities producing the products.

With a rich built and natural heritage and culture, Scotland has a unique offering for our visitors. All our activities have to encourage our cultural heritage to flourish, including our contemporary culture and vibrant creativity. Tourism is a uniting force for towns and cities in Scotland and helps bring social cohesion.
As a result of the reach of VisitScotland marketing, visitors spend money in fragile communities, helping to sustain them. Through our diversity strategy we aim to fully meet our public sector equalities duties to position ourselves as an employer of choice.

We contribute towards a healthy cultural environment through the Growth Fund and the work of EventScotland, as well as through our work with Destination Organisations.

We know that more than 58 per cent of our visitors come to Scotland because of its natural landscape and scenery. We share the responsibility (along with other public agencies) to protect and nurture our precious environment. As Scotland’s national tourism organisation we balance the need to encourage visitors whilst protecting our assets. This means we promote low carbon public transport options for visitors and work closely with agencies responsible for transport and infrastructure to increase low carbon options for visitors.

Additional opportunities exist to further engage and support the tourism sector to become more sustainable and reduce its carbon footprint. We have an opportunity to maintain our position as world leader in Quality Assurance through meaningful integration of sustainability and accessibility into our Quality Assurance model. This process has already begun and will provide us with a mechanism to drive up sustainability performance across the sector over time.

International Recognition and Engagement

The work of VisitScotland, EventScotland and Scotland’s position as a leading visitor destination is increasingly recognised around the world. This is evidenced through VisitScotland’s international relationships with a number of countries where we are providing consultancy on the development and implementation of QA schemes. This includes Sweden, Canada, Norway, Malta and Northern Ireland. Whilst MOU’s on major events have been established with a number of countries including New Zealand.

VisitScotland will continue to expand its international influence and this will include work with the European Commission, to engage with and influence Europe’s emerging tourism agenda.

Additional information requested

EventScotland

With an annual budget of £5 million, EventScotland, a fully integrated directorate within VisitScotland, invests funding in international and national events on behalf of VisitScotland, and works to generate, bid for, attract and sustain events which drive tourism and increase the international status of Scotland.

Since its establishment in 2003 EventScotland has delivered more than £800 million of economic impact for Scotland through the international programme. Over the last ten years £30 million has been invested across the international and national event
programmes, developing and supporting a portfolio of some 1,000 events across the country, with events in all 32 local authorities supported.

In financial year 13/14 EventScotland supported 75 events in the national & international programme, with £3.3 million of investment generating £81.7m net additional spend.

With the success of the Commonwealth Games and The 2014 Ryder Cup behind us momentum continues to build, with Scotland now firmly established as a world leading events destination and EventScotland recognised internationally as an expert in its field.

This fact is underscored as Scotland prepares to host three World and two European Championships next year, alongside the first ever presentation of the Turner Prize in Scotland and the return of both The Open Championship and the Women’s British Open.

The World Gymnastics Championships, taking place at the SSE Hydro in October next year, was secured against stiff competition from Orlando and Paris. Scotland has also recently been named by UEFA as a host for four matches during EURO 2020, which followed the week after Tollcross in Glasgow was chosen as the venue for the 2018 European Swimming Championships.

Business Tourism

A report by Meetings Professionals International Foundation valued Scotland’s business tourism industry at almost £2 billion, demonstrating the ongoing and growing importance of this part of global tourism.

In addition to year round work to market Scotland as destination for conferences, meetings and incentives, in year 13/14 VisitScotland’s Business Tourism team also took part in three major international MICE trade shows - IMEX Europe, IMEX America & EIBTM Barcelona.

IMEX America enabled circa 12,000 meeting planners to network and engage with selected Scottish partners, including, Aberdeen Exhibition and Conference Centre, Edinburgh International Conference Centre, Glasgow City Marketing Bureau, Historic Scotland, Scottish Exhibition and Conference Centre, Apex Hotels, Cashel Travel, St Andrews Old Course Hotel & Spa, SPECTRA DMC, The Balmoral Hotel, The Dome, The Gleneagles Hotel, Macdonald Hotels and the Sheraton, showcasing the many world class suppliers and hotels that we have in Scotland, the culmination of which generated in excess of £11 million of specific leads for Scotland.

Business tourism enquiries for the full year 2013/14 reached £134m, up on the previous year’s figure of £116m.

The Conference Bid Fund was introduced as a direct result of representations from Scottish destinations, who highlighted they were at a competitive disadvantage when bidding for major international conferences. As well as the direct economic benefits derived from these and other business tourism activity, business tourism offers an
excellent opportunity to market Scotland to the world as an excellent place to live, learn, work in, and invest.

To further these aims, VisitScotland works with Scotland’s industry leaders and universities to connect delegates with Scottish based companies in the relevant sectors, helping to establish enduring connections and create future opportunities.

Tourism Framework For Change

Tourism 2020, described earlier in this paper, sets out the industry’s ambitions through to 2020, with ultimate aim of growing visitor spend by £1 billion. The Tourism Framework For Change, which in 2005 set out the industry ambition to grow tourism by 50 per cent by the end of 2015. Although this has been superseded by Tourism Scotland 2020 VisitScotland has, at the request of the Committee, measured progress against this original industry ambition.

The Tourism Framework for Change ambition was to run from 2005 to 2015 and be measured on visitor expenditure from two primary sources, Domestic Visitor Overnight spend (from the Great Britain Tourism Survey – GBTS) and International Inbound visitor spend (from the International Passenger Survey – IPS).

Progress against the ambition is presented here as a steady rate of annual growth from 2005 to 2015, which assumes 4 per cent per annum. It should be noted that a steady annual growth was not part of the ambition, but can be regarded as an optimal growth pattern. In 2005 visitor expenditure was £4.1 billion and therefore the objective of 50 per cent growth would set an ambition to grow to £6.1 billion. The graph summarises the position over time.

Table: Visitor Expenditure in Scotland 2005-2013 Constant Prices (exc inflation)

![Graph showing Visitor Expenditure in Scotland 2005 - 2013 Constant Prices (exc Inflation)]

The TFFC was introduced at a time of increased confidence in the ongoing economic growth of the economy and people’s ability to spend on tourism – for leisure and business. However, it is clear from the table above - and not at all
surprising - that the unparalleled economic recession forced a slump in not just Scotland's tourism fortunes, but tourism industries across the world.

VisitScotland’s successful promotion and delivery of Homecoming Scotland 2009 undoubtedly helped to stabilise the situation in that year, capitalising on the staycation effect. This continued with the development of the Focus Year themes (2010 to 2013) and the introduction of the Winning Years message, uniting the industry to improve quality and the visitor experience in the build up to 2014.

2011 showed growth and 2013 was another good year for the industry in the face of ongoing economic challenges and uncertainty.

VisitScotland’s ability to be fleet of foot in delivering marketing campaigns targeting key markets undoubtedly enabled the industry to respond to this ongoing challenge - outperforming the rest of the UK at various points over the last few years. This has continued with the development of the Brilliant Moments campaign and the focus on the major events of 2014. The indications for 2014 are positive and full results from the Commonwealth Games, The 2014 Ryder Cup and Homecoming Scotland will be ready next spring.

VisitScotland remains ambitious for the growth and development of the industry and the Visitor Economy and we will continue to work with the Scottish Tourism Alliance in assisting in the delivery of all the elements of Tourism Scotland 2020.

VisitScotland
October 2014
### Annex 1 – Table: Financial Summary by Theme

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Corporate Plan 2014-15</th>
<th>Forecast Outturn 2014-15</th>
<th>Change £m</th>
<th>Explanation of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing activities</td>
<td>49.00</td>
<td>50.53</td>
<td>1.53</td>
<td></td>
</tr>
<tr>
<td>Partnership Engagement</td>
<td>5.00</td>
<td>4.10</td>
<td>-0.90</td>
<td></td>
</tr>
<tr>
<td>Support Services</td>
<td>5.90</td>
<td>5.90</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Capital Grant</td>
<td>0.70</td>
<td>1.05</td>
<td>0.35</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash investment</strong></td>
<td><strong>60.60</strong></td>
<td><strong>61.58</strong></td>
<td><strong>-0.59</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Corporate Plan 2015-16</th>
<th>Projected 2015-16</th>
<th>Change £m</th>
<th>Explanation of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing activities</td>
<td>37.80</td>
<td>42.76</td>
<td>4.96</td>
<td></td>
</tr>
<tr>
<td>Partnership Engagement</td>
<td>4.90</td>
<td>4.00</td>
<td>-0.90</td>
<td></td>
</tr>
<tr>
<td>Support Services</td>
<td>5.80</td>
<td>5.80</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Capital Grant</td>
<td>0.70</td>
<td>0.85</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash investment</strong></td>
<td><strong>49.20</strong></td>
<td><strong>53.41</strong></td>
<td><strong>4.21</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Annex 2 – Table: Reconciling with GIA

<table>
<thead>
<tr>
<th>VisitScotland</th>
<th>2013-14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Government Funding (including Capital &amp; non-cash)</td>
<td>49.89</td>
<td>53.23</td>
<td>46.66</td>
</tr>
<tr>
<td>Commercial Income</td>
<td>5.28</td>
<td>3.71</td>
<td>3.00</td>
</tr>
<tr>
<td>Retail Income</td>
<td>2.38</td>
<td>2.48</td>
<td>2.19</td>
</tr>
<tr>
<td>Local Authority Funding</td>
<td>2.26</td>
<td>1.98</td>
<td>1.86</td>
</tr>
<tr>
<td>ERDF income</td>
<td>1.97</td>
<td>1.15</td>
<td>1.50</td>
</tr>
<tr>
<td>Other income</td>
<td>1.38</td>
<td>1.23</td>
<td>0.40</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>63.16</strong></td>
<td><strong>63.78</strong></td>
<td><strong>55.61</strong></td>
</tr>
<tr>
<td>Less non-cash</td>
<td>2.20</td>
<td>2.20</td>
<td>2.20</td>
</tr>
<tr>
<td><strong>Total cash</strong></td>
<td><strong>60.96</strong></td>
<td><strong>61.58</strong></td>
<td><strong>53.41</strong></td>
</tr>
</tbody>
</table>
Annex 3 – Table: Budget over Time

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing activities</td>
<td>51.64</td>
<td>49.48</td>
<td>50.53</td>
<td>42.76</td>
<td>(7.77)</td>
<td>-15%</td>
</tr>
<tr>
<td>Partnership Engagement</td>
<td>4.34</td>
<td>4.21</td>
<td>4.10</td>
<td>4.00</td>
<td>(0.10)</td>
<td>-2%</td>
</tr>
<tr>
<td>Support Services</td>
<td>6.24</td>
<td>6.12</td>
<td>5.90</td>
<td>5.80</td>
<td>(0.10)</td>
<td>-2%</td>
</tr>
<tr>
<td>Capital Grant</td>
<td>1.32</td>
<td>1.15</td>
<td>1.05</td>
<td>0.85</td>
<td>(0.20)</td>
<td>-19%</td>
</tr>
<tr>
<td>Total cash investment</td>
<td><strong>63.54</strong></td>
<td><strong>60.96</strong></td>
<td><strong>61.58</strong></td>
<td><strong>53.41</strong></td>
<td><strong>(8.17)</strong></td>
<td>-13%</td>
</tr>
</tbody>
</table>