

SUBMISSION FROM VISITSCOTLAND

1. Introduction to VisitScotland

VisitScotland is Scotland's national tourism organisation supporting the Scottish Government's Economic Strategy and the industry growth ambition detailed in the recently published National Tourism Industry Strategy. Our vision is 'one team for tourism, working in partnership to exceed visitor expectations'.

The budget given to VisitScotland recognises the importance of tourism to Scotland's economy and the opportunities on the near horizon for the industry.

Our core activities are:

- Marketing – to domestic and international visitors
- Information Provision - through literature, digital media and VisitScotland Information Centres (VICs)
- Quality Assurance – assurance provided to visitors and advice provided to tourism businesses.
- Securing and supporting major sporting and cultural events through the events directorate EventScotland.

International Marketing

Approximately 2.3m visitors arrive in Scotland every year from overseas spending more than £1.4 billion annually. VisitScotland prioritises its international markets according to the size of the potential market; propensity to travel of the country's population; direct access from these markets; interests of the target market's population and alignment with Scotland's product offering.

VisitScotland's international campaigns include:

European Touring Campaign: 'Meet the Scots' has a budget of £1.25 million and generated nearly £71 million additional expenditure in 2011.

Long Haul Touring Campaign 'I Am a Scot' with a budget of £651,000 generated £27 million in additional expenditure in 2011.

UK and Ireland Marketing

Nearly 14m visitors arrive in Scotland every year from the United Kingdom and Ireland. They spend £3201m annually. This year the spring / summer phases of VisitScotland's 'Surprise Yourself' campaign generated an additional £90m for the visitor economy from a dedicated budget of £2.78m.

Business Tourism Unit

Business tourism is worth £809m to Scotland approximately 20% share of total tourism expenditure in Scotland. The main focus of the Business Tourism Unit (BTU) is to promote Scotland as a destination for corporate conferences, professional associations' conventions, incentive programmes for high-achievers and

exhibitions. VisitScotland's new Conference Bid Fund is enabling us to continue to expand work in this important area.

VisitScotland Information Centres (VICs)

VisitScotland has a network of more than 100 VisitScotland Information Centres (VICs) and Information Points in Partnership spread throughout Scotland, welcoming more than 5 million visitors per year. The majority of the VICs are open all year however there are some which are seasonal and are only open from April to October.

Many VICs have undergone extensive refurbishment in the recent years as part of a rolling capital investment programme.

Quality Assurance Schemes

Quality Assurance (QA) is a grading and classification scheme with almost 8,900 businesses taking part. The *grading* refers to the intrinsic quality of the business and its outputs. This is the Star award. The *classification* categorises the business by facilities and services, and type. The classification is represented by the Designator.

The main designators are Hotel, Small Hotel, Guest House, B&B, Budget Hotel, Country House Hotel, Inn, Camping Park, Holiday Parks, Touring Park, Hostel, Campus Accommodation, Scotland's Best Bars, EatScotland Visitor Attraction, Tour, Self Catering, Serviced Apartment, and Exclusive Use Venue.

Digital and Media Strategy

VisitScotland's aim is that VisitScotland.com becomes the definitive guide to visiting Scotland, inspiring visitors through a single source on everything the country has to offer.

Content from all over Scotland - from accommodation and restaurants to walking and wildlife - will feature on the site to give visitors the most comprehensive picture of Scotland ever produced. The improved website is part of VisitScotland's new digital and media strategy, led by VisitScotland's new Digital and Media director and will focus on improving the consumer experience and providing tourism businesses with opportunities to reach potential visitors.

The strategy will focus on giving tourism businesses a quick and easy way to update their information as well as bringing in more tourism spend for individual businesses and their local economies.

From a consumer perspective, VisitScotland.com will improve the visitor experience through innovations including improved online booking, User Generated Content, and a geomapping facility which will provide them with richer information about Scotland.

The strategy was developed from extensive consumer research and focus groups to look at how we could improve the website for visitors.

Partnership Working

VisitScotland is committed to working together to encourage the right conditions for achieving sustainable economic growth by listening to insight provided by industry and using it to shape their offering and support. VisitScotland works with a range of partners and stakeholders including tourism businesses, industry bodies, including Destination Organisations, local authorities as well as offering businesses specialist advice. Funding is also provided through the VisitScotland Growth Fund to assist local businesses to work together to run promotional activity.

Major Events / Event Tourism

VisitScotland's events directorate EventScotland invested £3.4 million in Scotland's events industry in 2011/2012. This investment generated £49.8 million in additional revenue for Scotland's economy.

EventScotland invested in 88 events in 2011/12 and recent bid wins include: the 2015 World Artistic Gymnastics Championships; a three year deal for the MOBO Awards which were held in Glasgow in 2011 and return in 2013 and 2015; the World Orienteering Championships which will be based in Inverness in 2015; The 2015 European Eventing Championships; and the IPC Swimming European Championships.

2014 is a big year for Scotland as we host The Ryder Cup at Gleneagles and the Commonwealth Games in Glasgow. The EventScotland team is leading the delivery of The 2014 Ryder Cup and as part of this commitment we support a wide range of golf events each year.

2. The Opportunities Ahead

Scotland remains a leading tourism destination offering an unrivalled collection of experiences, many completely unique to the country. Each year visitors travel from across the world to experience the very best of holidays and hospitality, with many returning again and again.

VisitScotland believes that if Scotland is to take full advantage of the opportunities offered by the Winning Years, every public sector body, every tourism business and the wider Scottish population need to understand and work together to realise the potential of the country's most important industry.

As we build to 2014 Scotland is enjoying renewed growth in business tourism, improved infrastructure and increased interest from the emerging markets of India, China and Russia. There is also international recognition of VisitScotland's Quality Assurance scheme and our creation of a new digital platform to promote Scotland.

Additionally, EventScotland and VisitScotland are working together to exploit the focus years of Creative Scotland in 2012 and Natural Scotland in 2013 in the build up to Homecoming Scotland in 2014, as well as investing in and securing world-class events for Scotland and promoting them in key visitor markets around the globe.

Tourism is the single biggest investment that can be made right now and can be a tonic for the recession. Investment in tourism is an investment towards economic recovery, growth and jobs.

This fact is recognised in the budget that has been provided to VisitScotland by the Scottish Government, which will allow the national tourism organisation to continue to deliver for Scotland and the tourism industry in the important years ahead.

Our Priorities

Our activity over the next three years will focus on our Winning Years strategy which will see major marketing activity in Europe, North America and in emerging markets.

There will be a continuation of the successful “Surprise Yourself” campaign and a focus on the remaining elements of The Winning Years - Natural Scotland in 2013 and then of course 2014 with The Commonwealth Games, The 2014 Ryder Cup and Homecoming Scotland.

Focus on attracting major international events to Scotland will continue with recent wins for world championships in gymnastics and orienteering excellent examples of how we are delivering legacy events for the country post-2014. Key members of the EventScotland team are also working on the bid to secure The Youth Olympic Games for Glasgow in 2018. Business tourism is being boosted through the Conference Bid Fund.

Partnership working will continue across business and with other public sector agencies to bring more investment in key areas of capital projects, transport, visitor access and to attract the next generation into a career in tourism.

There will also be continued support for businesses through helping them with routes to market and funding their marketing activity through the VisitScotland Growth Fund.

VisitScotland will work to ensure the highest return on these investments and continue to save on costs by working with public sector partners to identify and deliver shared cost saving activity.

3. A Key Investment

Whilst enjoying success, it is vital that Scotland and the tourism industry do not become complacent and this is why VisitScotland has been working hard to make the case for investment.

Some key facts illustrate the scale of the industry and its importance to Scotland:

- Tourism is Scotland’s fourth largest export earner attracting inbound visitor spend worth £1.4 billion each year.
- It is an £11bn industry, employing more than 200,000 people (according to an independent report published by Deloitte).
- Business tourism is on track to be a £1 billion industry and creates a bridge between leisure tourism and inward investment.

- The case for investment can be seen in examples that include the expansion of the Scottish Exhibition and Conference Centre, the Edinburgh International Conference Centre and the Marcliffe Hotel in Aberdeen.

VisitScotland believes that tourism can bring sustainable growth to Scotland's economy. This is a belief reinforced by the Deloitte report. As well as the impressive economic and employment results, as an industry, tourism is growing faster than others including manufacturing, utilities and retail and is also the bedrock of other high yield sectors such as transport, farming and food and drink.

Budget Overview

The projected budgets are attached and show a clear commitment to develop and grow tourism in Scotland.

4. Conclusion

VisitScotland will use the budget invested by the Scottish Government to continue to support tourism businesses by providing access to markets and customers, through destination marketing campaigns and by encouraging businesses to work together.

Scotland has some unique and inspirational opportunities ahead and VisitScotland will use its budget and partnership approach to ensure that the tourism industry and the country as a whole benefits from them.

Campaigns like "Surprise Yourself", plus the major opportunities in 2014 will deliver economic growth and jobs to the country. VisitScotland will ensure its budget is spent to ensure the highest possible return on that investment.

VisitScotland
22 October 2012

1. Financial summary by theme

All figures are in millions of pounds

Budget line	Marketing activities
Corporate Plan 2012-13	48.20
Forecast Outturn 2012-13	49.43
Change £m	1.23

Budget line	Partnership Engagement
Corporate Plan 2012-13	5.30
Forecast Outturn 2012-13	5.26
Change £m	0.04

Budget line	Support Services
Corporate Plan 2012-13	6.10
Forecast Outturn 2012-13	6.10
Change £m	0.00

Budget line	Capital Grant
Corporate Plan 2012-13	0.50
Forecast Outturn 2012-13	0.50
Change £m	0.00

Total cash investment for Corporate Plan 2012-13 is 60.10.
 Total cash investment for Forecast Outturn 2012-13 is 61.29
 Total cash investment for Change £m is 1.19

Budget line	Marketing activities
Corporate Plan 2012-13	46.70
Forecast Outturn 2012-13	47.40
Change £m	0.70

Budget line	Partnership Engagement
Corporate Plan 2012-13	5.10
Forecast Outturn 2012-13	5.20
Change £m	0.10

Budget line	Support Services
Corporate Plan 2012-13	6.00
Forecast Outturn 2012-13	6.00
Change £m	0.00

Budget line	Capital Grant
Corporate Plan 2012-13	2.00
Forecast Outturn 2012-13	2.00
Change £m	0.00

Total cash investment for Corporate Plan 2012-13 is 59.80
 Total cash investment for Forecast Outturn 2012-13 is 60.60
 Total cash investment for Change £m is 0.80.

Strategic Forum Savings: In the Scottish Government budget for 2012/13 a combined savings target of £20m for the Strategic Forum (SF) Partners (SE, HIE, VS, SDS & SFC) was identified. The SF Partners were challenged to work together, and with other public bodies, to achieve savings over the Spending Review period through greater collaboration and alignment, including further work to integrate and streamline back-office and corporate services and potential asset sales. They were also asked to use their expertise to assist other public bodies to achieve savings and/or increased income. VisitScotland's contribution to this in 2012/13 is £2.7m and this reduction in Grant in Aid is reflected in these Financial Tables. Grant In Aid for 2013/14 is currently assumed to be at the level notified to us in October 2012, following the publication of the Draft Budget 2013-14 (£50.7m) and for 2014/15 to be at the level detailed in the Spending Review 2011.

2. Reconciling with GIA

All figures are in millions of pounds

Scottish Government Funding (including Capital & non-cash):

2010-11	47.90, 2011-12	46.77, 2012-13	49.03, 2013-14	50.70
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Commercial Income

2010-11	7.33, 2011-12	6.45, 2012-13	5.85, 2013-14	5.40
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Retail Income

2010-11	3.16, 2011-12	2.74, 2012-13	2.69, 2013-14	2.50
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Local Authority Funding

2010-11	3.49, 2011-12	2.72, 2012-13	2.40, 2013 -14	2.10
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ERDF income

2010-11	2.29, 2011-12	1.65, 2012-13	1.40, 2013 -14	1.00
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Other income

2010-11	0.89, 2011-12	0.62, 2012-13	1.40, 2013 -14	0.40
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Total income

2010-11	65.06 , 2011-12	60.95 , 2012-13	62.77 , 2013-14	62.10
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Less non-cash

2010-11	1.46, 2011-12	1.48, 2012-13	1.48, 2013-14	1.50
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Total cash

2010-11	63.60 , 2011-12	59.47 , 2012-13	61.29 , 2013-14	60.60
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3. Budget over time

All figures are in millions of pounds and all budget lines are in cash terms

Marketing activities

2010-11 Actual:	48.60
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2011-12 Actual:	47.11
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2012-13 Draft:	49.43
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2013-14 Budget:	47.40
2014-15 Budget:	49.00
Change 12-13 to 13-14	-£2.03m or -4%

Partnership Engagement

2010-11 Actual:	6.77
2011-12 Actual:	4.87
2012-13 Draft:	5.26
2013-14 Budget:	5.20
2014-15 Budget:	5.00
Change 12-13 to 13-14	-£0.06m or -1%

Support Services

2010-11 Actual:	7.18
2011-12 Actual:	6.37
2012-13 Draft:	6.10
2013-14 Budget:	6.00
2014-15 Budget:	5.90
Change 12-13 to 13-14	-£0.10m or -2%

Capital Grant

2010-11 Actual:	1.01
2011-12 Actual:	1.12
2012-13 Draft:	0.50
2013-14 Budget:	2.00
2014-15 Budget:	0.70
Change 12-13 to 13-14	£1.50m or 300%

Total cash investment

2010-11 Actual:	63.56
2011-12 Actual:	59.47
2012-13 Draft:	61.29
2013-14 Budget:	60.60
2014-15 Budget:	60.60
Change 12-13 to 13-14	-£0.69m or -1%