

**Date:** 30 January 2003  
**Time :** 9:00 to 12:30  
**Venue:** Committee Room 3, National Assembly for Wales, Cardiff Bay  
**Title:** WTB Remit Letter 2003-2004

**WALES TOURIST BOARD (WTB): REMIT LETTER 2003-04 (DRAFT)**

1. This Remit letter comprises two parts. [Part A](#) confirms the WTB's budget for 2003-04 and sets out the specific operational priorities and targets that I want WTB to deliver through its 2003-04 Operational Plan. [Part B](#) provides strategic and financial guidance for Corporate Planning purposes in years 2004-05 to 2006-07; it also gives guidance on Corporate and Assembly Government issues and priorities.

2. I attach great importance to the WTB's Operational Plan as it sets out the WTB's main programmes, activities and targets for 2003-04. In drawing up the Operational Plan the WTB should consult with the WDA and ELWa. The Plan should be submitted to me for my approval early in March 2003.

3. The Operational Plan must be consistent with the WTB's Corporate Plan for 2003-04 to 2006-07 which, in turn, must be linked to the appropriate longer term strategic objectives and targets contained in *A Winning Wales* and *Achieving Our Potential*. Further guidance on the aims and content of Operational Plans and Corporate Plans can be found in CEO 02/2002.

4. This Remit Letter replaces and supersedes the Remit Letter issued on 4 February 2002.

**PART A**

**WTB Budget for 2003-04**

5. The Welsh Assembly Government's budget, finalised on 6 November 2002, gives the following allocation to the WTB:-

**Budget Expenditure Lines (BELs) £000's**

Running Costs 4,912

Current Expenditure 13,724

Current Receipts - 400

Capital Expenditure 3,550  
Depreciation/Cost of Capital \* 304  
**Core-GIA TOTAL £ 22,090**

*\*Note: Non cash capital charge cover for assets held by Board. The percentage charged for the cost of capital has been reduced to 3.5% from 6% as soon as the revised allocations have been agreed with HMT, the Board's capital charge cover will be adjusted. This will have no effect on the spending power of the Board.*

6. In addition, the WTB will receive funding for Pay Remit costs (£256,000); the balance of funding under the Rural Recovery Plan for the Adfywio scheme (total of £5m during 2002-2004); funding from the Steel Regeneration Package (£1.4m during 2002-05); funding for additional marketing initiatives (£441,000) to capitalise on new Bmi baby routes; and, funding for the development of Golf Tourism (£200,000) in 2003-04. Funding should also remain earmarked for the development of the WTB's Destination Management System.
7. The WTB must endeavour to spend all allocated funds (including EU and Assembly Match Funding resources) within the financial year to which they are allocated as there is no guarantee that any unspent funds can be carried forward.
8. The payment of grant continues to be contingent on compliance with the contents of the WTB's Management Statement and Financial Memorandum.

#### **WTB OPERATIONAL PLAN 2003 - 04**

9. In drawing up the WTB's Operational Plan, I want you to ensure that the following priorities and targets are clearly reflected in the Plan:-

#### **Priorities**

- **Marketing** - the WTB should continue with and develop, its UK and Overseas marketing activities and programmes. In doing this, the WTB should work closely with the reformed British Tourist Authority, the Assembly Government, and the WDA. Activities should include:
  - **National Events Strategy:** continue to work closely with the Assembly Government and others in developing this strategy and seek opportunities to maximise economic and social benefits from events - including opportunities arising from major sporting events throughout Wales;
  - **Golf Tourism:** continue to implement and develop your strategy to maximise tourism potential and, as appropriate, work with the WDA, SCW, local authorities and the 'Ryder Cup Company' to maximise the benefits to Wales of the

- successful Wales' Ryder Cup bid;
- **Bmibaby**: develop a WTB marketing programme to capitalise on new routes which offer significant incoming tourism potential. Work with airline to keep informed of new routes and activities which the WTB may utilise in specific marketing and product development;
  - **Wales International Centre**: where practical, consider arrangements with BTA to make effective use of the first Centre based in the Chrysler building in Manhattan for marketing purposes. A number of other International Centres are proposed for the near future possibly in San Francisco, Tokyo and Hong Kong – the WTB should also consider/plan the use of such centres.
- **Capital Development Programme** - the WTB's S4 programme should now operate in accordance with the recommendations contained in the WTB's Quinquennial Review. I would like the WTB to work with the Assembly Government, WDA and other Team Wales members to identify significant investment opportunities which will make a real difference to the Welsh economy, especially in areas of greatest need.
  - **Statutory Registration** – continue to work with Assembly Working Group on detailed proposals and options for Statutory Registration.
  - **Quality Grading Schemes** – continue to work with other UK tourist boards to develop a common national grading scheme for Britain. Report back to me by early May 2003 on progress.
  - **EU Funds** - ensure that all funds secured (including match funding) are used to maximum effect and strive to promote and submit applications in Objective 2 areas.
  - **South Wales Valleys** - the WTB should work with other bodies and relevant local authorities to implement the South Wales Valleys Heritage Initiative.
  - **'Activity Holiday' Products** – continue to develop and market these products, particularly where they help extend the tourism season; and, explore opportunities for the development of **Strategic Coastal Facilities** to promote water borne activities and sports. I would welcome a report on this following up the WTB's recent seminar in Aberystwyth.
  - **Adfywio** - ensure that all funds are allocated and spent in 2003-04; and continue to develop and support tourist 'activity' products and plans.
  - **DMS** - work with businesses to promote and increase the use of the system particularly in relation to accepting bookings and payments online.
  - **Quinquennial Review** - the review has now been completed [due to be debated in Plenary on 5 February 2003] and an Implementation Plan will be drawn up. I expect the WTB to work with my officials to address and action the recommendations in the Report.

## Targets against core grant in aid

10. The targets that should be included in the WTB's 2003-04 Operational Plan are set out in Annex 1.

11. Included in these targets are specific targets for approved ERDF projects, P2P match funding and farm tourism. I would like these included in the WTB's Operational Plan.

## **Evaluation, Monitoring and Review**

12. The Assembly Government is keen for ASPBs to have an input into the Assembly Government's policies across all relevant policy areas. I am aware that the WTB is currently undertaking a review of its Policy Framework; and, as part of this, it is essential that the WTB take account of the Assembly Government's evolving policies, initiatives and issues which address the objectives of *A Winning Wales* and the Assembly's *Plan for Wales*. I am grateful for the contribution the WTB has made to the work of the Economic Research Advisory panel and the research programme developed for 2003-06. I expect the WTB to continue contributing to the work of this panel.

13. Progress against the WTB's operational priorities and targets will become one of the core agenda items in the quarterly monitoring meetings held between my officials and your relevant Directors. I will also require a formal written progress report on the WTB's half-year year performance against targets. This report will be put before the Economic Development Committee around November 2003 and you and senior WTB officers will be required to attend. I also want to have a review meetings with you and Board Members and your senior Directors to discuss WTB activities and progress. The first of these will be around end June/early July 2003 to discuss your draft Corporate Plan and discuss/review strategies and priorities. The second will need to be in February 2004 to consider the WTB's draft Operational Plan for 2004-05 and review performance - my officials will be in touch about these meetings in due course.

## **PART B**

### **CORPORATE PLANNING 2004 - 07**

14. For the purposes of drafting the WTB's Corporate Plan, you should work on the basis of the following indicative allocations over the next two years:-

#### **2004-05 2005-06**

#### **£000 £000**

Running Costs	5,168	5,168
Current Expenditure	14,024	14,024
Current receipts -	400	400
Capital Expenditure	3,550	3,550
Depreciation/Cost of Capital	304	304
<b>TOTALS</b>	<b>£22,646</b>	<b>£22,646</b>

15. These indicative allocations (which include £200,000 for golf tourism and £300,000 for

BMIbaby in years 2004-05 and 2005-06) will be reviewed each year, and the WTB's Corporate Plan should identify outputs based on these allocations and guidance provided. I want the Corporate Plan to include targets for each year of the Plan. The draft Corporate Plan should be submitted to me in June 2003.

16. The WTB's Corporate Plan needs to support the Assembly Government's strategic priorities and targets and help promote its cross-cutting themes of sustainable development, equality of opportunity and addressing social deprivation. These are set out in *A Winning Wales* and the *Plan for Wales* which contain specific medium and long term objectives and targets for the WTB. The Assembly Government's Cultural Strategy for Wales *Cymru Greadigol* should help to inform the WTB's work.

### **Corporate and Assembly Government Issues**

17. I have set out in Annex 2 a number of corporate management issues which the WTB should take account of in both its Operational and Corporate Plans. In addition to this, I would also like you to have full regard to the Assembly Government's key messages for 2003-04 which are included in Annex 3.

18. Copies of this letter will be placed in the Assembly Library and copies will be sent to Assembly Government Ministers, the Chair of each Subject Committee, the Auditor General for Wales, the National Audit Office, the WDA, the WLGA, ELWa, ACW, NMGW, CBI, WTA and the Wales TUC.

### **ANNEX 1**

<b>Tourism Spend:</b>	<b>Target</b>
Contribute towards the Strategic Objective of achieving an average annual increase in tourism expenditure of at least -	<b>6%</b>
<b>Capital Investment:</b>	<b>Target</b>
Leverage (WTB:Total project cost) -	<b>1 : 5</b>
Private Sector Investment -	<b>£21.5m</b>
Total Investment Generated -	<b>£35m</b>
Number of Jobs - Created	<b>765</b>
- Safeguarded	<b>220</b>
<b>Marketing:</b>	<b>Target</b>
UK Marketing -	

WTB's expenditure on its UK marketing campaign	
to provide a ROI (Return/Conversion:WTB expenditure) of -	<b>30 : 1</b>
Overseas Priority Markets -	
WTB's expenditure on its Overseas priority markets	
To provide a ROI (Return/Conversion:WTB expenditure) of -	<b>12 : 1</b>
Promotion of Destination Management system -	
Total number of businesses actively using the DMS	<b>5,000</b>
<b>Star Quality Grading Scheme:</b>	<b>Target</b>
Proportion of 3, 4 and 5 star accommodation businesses to increase from 81% to -	<b>85%</b>

## ANNEX 2

### Corporate Governance & Management Issues

I would like the WTB to take account of the following corporate and management issues in both its Operational and Corporate Plans :-

- **Risk Management** - for 2003-04 the WTB must have a fully operational risk management system in place, be managing operations/corporate planning taking full account of it and recognise that its operation will be audited by the Auditor General for Wales.
- **Relocation of Offices** - a relocation strategy has been published by the Assembly Government and the WTB should take account of CEO 15/02 and other relevant advice and action accordingly.
- **Assembly Government Logo** - this must appear on all WTB office building signage and all other marketing materials – without exception. To be fully implemented by St David's Day 2003. The WTB should work with the Assembly's Communications Directorate (and Working Group) on this. Revised guidance is scheduled to issue in March 2003.

- **WTB Communication Plan** - in all communication work, WTB should take into account the wider policies of the Assembly Government and reflect how this will be done in your draft Strategic Communication Plan which should be submitted and discussed with the Assembly Government's Director of Communications before the Plan is finalised.
- **Co-ordinate Publicity and acknowledge Assembly Government Funding** - work closer with the Assembly Government and other ASPBs to co-ordinate publicity on projects and other major initiatives receiving funding. Including signage acknowledging receipt of Assembly Government funding on buildings and other appropriate sites.

## ANNEX 3

### Welsh Assembly Government's key messages for 2003-04

- **Capital Investment** - WTB to develop a Strategy for encouraging major new capital investment in Wales and to work the WDA, Assembly Government and other bodies like the ACW, SCW, NMGW and local authorities to identify strategic projects (and sites) and contribute to a co-ordinated programme of strategic support for economic development.
- **Action Plan for bilingual Wales** - the Assembly Government is committed to revitalising the Welsh language as set out in our National Action Plan for a Bilingual Wales. The Welsh language will be a permanent cross-cutting policy and I want to ensure that all the opportunities to work positively for the language are identified and acted upon. The WTB should work to draw up an effective strategy working with its sponsoring division to ensure the principles of mainstreaming the Welsh language into policy making and delivery are acted upon.
- **Communities First** - this is the Assembly Government's unique, flagship programme aimed at addressing poverty and social disadvantage in our most deprived areas. Your programmes should take account of the need to give priority to activities within such areas.
- **Community Strategies** – in conjunction with Regional Tourism Partnerships, the WTB must engage with appropriate local authorities and its partners in preparing community strategies; these emerging strategies must be reflected in WTB planning processes and programmes.
- **Biodiversity** - the Assembly has duties under Section 74 of the Countryside and Rights of way Act 2000 relating to the conservation of biodiversity. The Minister for Environment will shortly publish *Cymru Byw*, which sets out proposals for implementing these duties. Our priorities include action to promote a wider public understanding of the

importance of biodiversity, and to enhance access in Wales to the practical skills and specialist expertise required for conservation action. I would like the WTB to contribute to the delivery of these priorities through the Wales Biodiversity Group, which is the forum of biodiversity partners in Wales.

- **Rural Issues** - the Assembly Government is committed to promoting social, economic, environmental and cultural vitality in rural areas, thereby allowing rural communities to prosper and adapt. ASPBs already play a key role here in that they make an essential contribution to rural areas, but this contribution needs to be quantified and monitored and we will be asking for information in this regard from you shortly. We are also keen for policies and programmes to be 'rural proofed', by that I mean that they are considered for the contribution they make to the future of rural areas. Guidance and information about these requirements will be issued to ASPBs shortly under cover of a CEO letter.