

Y Pwyllgor Datblygu Economaidd a Thrafnidiaeth

Dyddiad: 29 Mehefin 2005

Lleoliad: Ystafell Bwyllgora 1, Adeilad Cynulliad Cenedlaethol Cymru,
Bae Caerdydd.

Amser: 9.00 -12.30

Teitl: Bwrdd Croeso Cymru – Cynllun Busnes 2005-06 i 2007-08 ac
adroddiad diwedd blwyddyn 2004-05

Diben

1. Hysbysu Pwyllgor Bwrdd Croeso Cymru am:
 - Y Cynlluniau Busnes a Gymeradwywyd ar gyfer 2005-06 i 2007-08 (**Atodiad A**); ac
 - Adroddiad Perfformiad ar gyfer blwyddyn gyfan 2004-05 (**Atodiad B**).
2. Bydd Philip Evans, Cadeirydd Bwrdd Croeso Cymru, Jonathan Jones, Prif Weithredwr Bwrdd Croeso Cymru a Steve Webb Cyfarwyddwr Strategaeth Bwrdd Croeso Cymru yn bresennol yn y cyfarfod ac yn barod i ddarparu mwy o wybodaeth os oes angen/yn ôl yr angen.
3. O ganlyniad i'r broses sydd ar y gweill o uno Bwrdd Croeso Cymru, mae Llywodraeth Cynulliad Cymru yn gweithio gyda Bwrdd Croeso Cymru ar gylich cynllunio busnes ar y cyd ar gyfer 2005-06. O ganlyniad mae Cynllun Corfforaethol a Chynllun Gweithredol Bwrdd Croeso Cymru bellach wedi eu huno i greu un Cynllun Busnes. Mae'r Cynllun yn cynnwys Cynlluniau Corfforaethol ar gyfer 2005-06, yn edrych ar yr heriau sy'n wynebu'r diwydiant ac yn pennu amcanion Corfforaethol diwygiedig.

BWRDD CROESO CYMRU
WALES TOURIST BOARD

Business Plan

2005/2006 – 2007/2008



BWRDD CROESO CYMRU
WALES TOURIST BOARD

Noddir gan
Lywodraeth Cynulliad Cymru
Sponsored by
Welsh Assembly Government



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The mission of the Wales Tourist Board is to:

**“Maximise tourism’s
contribution to the
economic, social and
cultural prosperity of
Wales”**

1. Introduction

The Development of Tourism Act 1969 gave the Wales Tourist Board (WTB) the statutory responsibility: -

- To encourage people to visit Wales and people living in Wales to holiday there;
- To encourage the provision and improvement of tourist amenities and facilities in Wales.

The Act also empowers WTB to undertake the following subsidiary functions:-

- To advise Ministers and other public bodies on tourism matters;
- To promote or undertake publicity in any form;
- To provide advisory and information services; and
- To promote and undertake research.

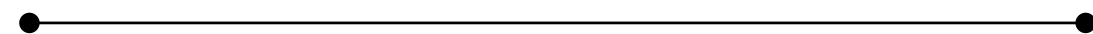
Originally restricted to marketing Wales within the UK, the Tourism (Overseas Promotion) (Wales) Act 1992 subsequently gave WTB increased independence to market Wales overseas.

The strategic framework for tourism in Wales is set out in '*Achieving Our Potential*', the national tourism strategy for Wales. WTB led the preparation of this strategy, which seeks to encourage a co-ordinated approach by the public, private and voluntary sectors to secure long-term prosperity and sustainable growth for the industry. WTB's Business Plan 2005/06 – 2007/08 describes how it intends to fulfil its statutory role over this three-year period and how its organisational priorities support the strategic goals of '*Achieving Our Potential*' and those contained in '*Wales – A Better Country*', '*A Winning Wales*' and '*People, Places, Futures – the Wales Spatial Plan*'.

'*Wales: A Better Country*', the strategic agenda of the Assembly Government, outlines 4 key objectives for Wales: - helping more people into jobs; improving health; developing strong and safe communities; and creating better jobs and skills. WTB has been asked to focus on the first and fourth objectives, namely, helping more people into jobs and creating better jobs and skills

'*A Winning Wales*', is the National Economic Development Strategy of the Assembly Government, which identifies 10 objectives and priorities for Wales:-

- Encouraging innovation;
- Encouraging Entrepreneurship;
- Making Wales a Learning Country;
- Promoting Information and Communication Technologies;



- Supporting businesses;
- Setting a Fresh Direction;
- Establishing Wales in the world;
- Improving transport;
- Creating strong communities;
- Supporting Rural Wales.

'People, Places, Futures – the Wales Spatial Plan' is the Assembly Government's strategy for aligning policymaking with the differing geographical needs within Wales.

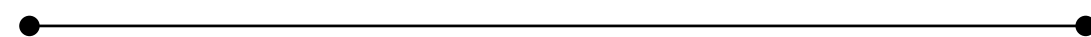
In addition to the 3-year forward view, this Business Plan also details WTB's annual spending proposals, activities, performance targets and other outputs for the financial year 2005/06. The plan is supported by a framework of internal planning documents, including WTB's Strategic Marketing and Business Support action plans which provide a longer-term direction for specific areas of responsibility. The Plan describes what WTB intends to achieve during 2005/06 and seeks to fulfil two important performance-monitoring functions: -

1. To provide the Assembly Government with a reference point against which to monitor the performance of WTB;
2. To provide WTB with an internal management tool against which it can monitor progress towards the delivery of its activities and objectives.

WTB receives an annual remit letter (*Appendix I*) from the Assembly Government that sets priorities for the year ahead and clarifies WTB's role in relation to the strategic agenda of the Assembly Government. The key objectives detailed in this Plan are designed to address those strategic priorities set for WTB and take account of the underpinning priorities of equality of opportunity, sustainable development and social justice, the central pillars of the Assembly Government's plan for a better and more prosperous Wales.

There is also a requirement to integrate WTB planning systems with those of partner organisations such as the Regional Tourism Partnerships (RTPs), VisitBritain and other Assembly Sponsored Public Bodies (ASPBs). In readiness for the pending merger of WTB with the Assembly Government, Welsh Development Agency (WDA) and Education and Learning Wales (ELWa), this plan has been prepared jointly with these organisations with the aim of moving towards a common planning and budgeting approach.

The WTB business-planning timetable to support the preparation of key documents for 2006/07 is detailed in *Appendix II*.



2. The Challenge for Tourism

'Achieving Our Potential' seeks to identify an effective response to the many strategic challenges that are likely to face tourism in Wales over the period 2000 – 2010. It is a customer-facing strategy that emphasises the importance of understanding market needs to inform future marketing and development activities. 'Achieving Our Potential' has the following strategic vision for tourism in Wales: -

"A mature, confident and prosperous industry, which is making a vital and increasing contribution to the economic, social, cultural and environmental wellbeing of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry."

'Achieving Our Potential' and 'A Winning Wales' set stretching growth targets for tourism in Wales, total spend from overnight tourism is forecast to increase by 6% per annum from £1.2 billion in 1998 to £2.5 billion by 2010. While the domestic market will remain of core importance to Wales, spend from overseas visitors is forecast to more than double to £350 million over the strategy period.

Table 1: Strategic Targets for Tourism (as stated in Achieving Our Potential)

| | 1998 | 2006 | 2010 |
|------------------------------|---------|-------------------|---------|
| UK TOURISM | | | |
| Tourism Trips | 9.8mn | 11.9mn | 13.2mn |
| Tourism Spend | £1100mn | £1759mn | £2213mn |
| OVERSEAS TOURISM | | | |
| Tourism Visits | 0.79mn | 1.01mn | 1.26mn |
| Tourism Spend | £176mn | £280mn | £354mn |
| EMPLOYMENT IN TOURISM | | | |
| (Full time equivalents) | 100,000 | 109,000 | 115,000 |
| PROPORTION OF G.D.P. | 7% | 7.5% ¹ | 8% |

During 2004/05 a mid-term review of *Achieving Our Potential* was initiated, informed by the Futures research carried out by The Henley Centre on behalf of WTB. This work considered the major supply/demand factors and the strategic challenges that are likely to impact upon tourism in Wales over the next decade. Tourism will need to adapt and change in response to the many challenges ahead to ensure its future prosperity. The strategic challenges that have emerged from the work identify a need to: -

¹ Total tourism expenditure in Wales from overnight and day visits in 2003, reached £3.5 million, equivalent to 7.5% of Welsh GDP

- Improve the quality of tourism products;
- Improve the access to information and booking facilities for accommodation in Wales and increase the accessibility of Wales for both domestic and international visitors;
- Generate and consistently apply a strong Wales brand;
- Raise the skill levels of all those working within the tourism industry;
- Encourage innovation within the tourism industry;
- Base all activities and resource allocation on sound research and evidence;
- Develop strong and effective working partnerships.

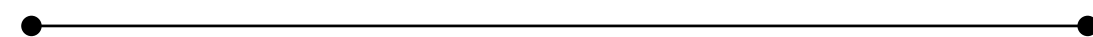
The mid term review of *'Achieving Our Potential'* will be completed in 2005/06, following extensive consultation with the industry and will enable the strategic planning period to be extended to 2013. Through its new business planning procedures, WTB has reviewed its role in addressing the strategic challenges facing the industry. Further information on the nature of these challenges can be found at *Appendix III*.

Current Performance

In 2003 tourism spend in Wales grossed some £3.4 billion from overnight and day visitors. The UK market is by far the biggest source of overnight tourism business for Wales and in 2003 generated 93% of visits and 87% of all overnight tourism spend. The UK holiday visitor is the mainstay of Wales' domestic tourism market, accounting for 74% of domestic tourism expenditure in Wales in 2002. The corresponding figure for the UK as a whole is around 65%, thus confirming Wales' dependency on holiday tourism.

During 2003, research indicates that Wales out-performed other parts of the UK. Tourism expenditure increased by 14% compared with the previous year. At the UK level, expenditure decreased by 1%. Tourism in Wales is unlikely to show steady reliable year on year growth. The market is volatile and subject to unpredictable influences. WTB seeks to secure growth over a longer-term timeframe, which is sustainable and real. Wales needs to maintain and consolidate these good results relative to competitor destinations through sustained and co-ordinated activity at all levels of the industry, improving the quality of the product and enhancing perceptions of Wales as an attractive tourism destination.

While international tourism is very important for Wales, the share of international tourism business compared to the UK is low (4% of visits and 2% of spend by overseas visitors to the UK). It is difficult for Wales to benefit from growth in the European short breaks market, and awareness of Wales remains low in many overseas markets. WTB works closely with partners, especially with VisitBritain, to promote Wales as a safe and attractive tourism destination. A higher awareness of Wales in key markets and improved access to Wales are crucial if Wales is to benefit from a growth in international visitors.



3. WTB's role in addressing the challenges facing the tourism industry

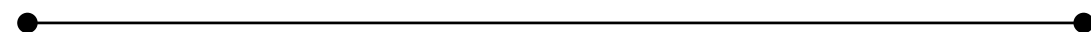
WTB provides strategic leadership to a fragmented and diverse industry, seeking to ensure that its activities complement, support, enhance and add value to those undertaken by individual businesses. This is achieved by providing the appropriate framework within which private enterprise can achieve growth and success. Despite the considerable benefits that tourism brings to Wales, the industry on its own would not be able to secure them, Government intervention is needed to enable the tourism industry to maximise its potential.

WTB's activities seek to help individual tourism businesses overcome the constraints that may exist in the market place, intervening on behalf of the Assembly Government where there is a clear need to do so and where its intervention will generate net economic gains for Wales. WTB's activities seek, wherever possible, to address and overcome the existence of market failure, the main causes in tourism are: -

- The lack of information to guide decision making by buyers and sellers;
- An aversion to risk which may be a constraint to investment in product development or marketing;
- Barriers to entry which may be due to a deficiency in start up costs, skills or technology;
- The existence of externalities such as the potential for tourism businesses to 'free ride' on the activities funded by others in the industry.

The market mechanism will not always achieve an effective balance between supply and demand for the tourism product, and the private sector may be constrained from operating in a fair and equitable market place. The provision of public sector intervention in the form of grant assistance for capital works is justified on the grounds of market failure and seeks to accelerate quality improvements in the industry, to meet current and future market needs and to improve Wales' competitive standing.

It is not the responsibility of WTB to promote individual tourism businesses or to undertake activities or provide services that are best done by the private commercial sector. Its rightful role is to intervene where there is a need to do so and to undertake only those activities that are beyond the scope of the industry to deliver. Activities such as developing the tourism brand for Wales, quality assurance and market research are examples of the interventions undertaken by WTB on behalf of the Tourism industry in Wales.



4. WTB's Corporate Objectives

WTB's corporate objectives have been revised for 2005/06 to more clearly reflect the role it performs in supporting the tourism industry in Wales. Although tourism in Wales has traditionally proved itself to be a robust, resilient and adaptable growth industry, it is not immune from the damaging impacts of global uncertainty. The next decade will continue to be a challenging time for tourism and the industry will need support and direction to achieve success. We will target our resources carefully towards those priorities that will most benefit the industry.

To assist in raising the quality of the tourism offer in Wales

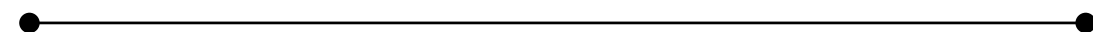
The availability of EU and additional match funding for Wales has provided a unique opportunity to boost capital investment in the tourism product and to deliver more specialised business advice and support. The financial assistance schemes administered by WTB on behalf of the Assembly Government have proved an effective mechanism to ensure that EU funds are directly benefiting individual tourism businesses in Wales.

WTB seeks to adopt a strategic approach to investment by identifying development priorities on the basis of market need. Investment is targeted both sectorally and spatially throughout Wales to aid indigenous business growth and also to act as a catalyst for inward investment. The priorities for WTB over the period of this plan will be to stimulate internal investment and, in line with the principles set out in *"Making the Connections"* – the Assembly Government's vision for public services, to work more closely with the WDA, Assembly Government, local authorities and other bodies to identify and stimulate opportunities for inward investment in strategic projects.

WTB has led the way in the harmonisation of quality grading schemes across the UK that are designed to give greater reassurance to the consumer and improved standards of service through regular inspection. WTB has also worked in partnership with the Assembly Government in the developing a statutory registration scheme for accommodation in Wales and will be actively involved in the promotion of the scheme when it is launched. Through its business support services, WTB provides support, guidance and advice to the tourism industry. The service provided is flexible and focused on improving competitiveness through the adoption of more effective business practices.

WTB recognises that training and the improving of skills is vital to improving the quality of the tourism experience in Wales. Therefore continued support will be given to the "Welcome Host" programme and to the work of The Tourism Forum for Wales (TTFW).

WTB will work with the industry to develop a distinctive Wales experience that rates among the best in the world.



To stimulate growth in the demand for Wales and to position Wales as a must see travel destination

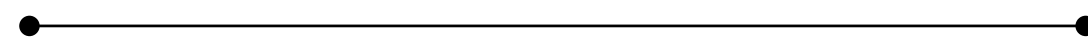
The markets for tourism to Wales are global and fragmented, which makes it difficult and expensive for many of the individual businesses in Wales to communicate with them in an effective way. WTB has a key role in facilitating communication between businesses and key markets to increase the demand for the tourism product in Wales. Via its Customer Response Marketing Campaigns, WTB will continue to provide a cost effective service, using traditional and on-line marketing techniques. WTB will continue to evolve the Customer Relations Marketing approach to ensure that it operates efficiently across the work of WTB, the RTPs and Local Authority Marketing Areas, our key partners in implementing this type of Marketing on behalf of the tourism industry.

WTB are working with the Assembly Government and other bodies to agree a strategic branding framework, which can be applied to a wide range of products and services associated with Wales. WTB will take a lead role in promoting the brand image to the tourism industry and assisting in its implementation. WTB will continue to work closely with VisitBritain to actively promote Wales as a distinctive destination in key overseas markets. A more strategic working relationship with VisitBritain will be taken forward in 2005, which will see WTB taking the lead marketing role in selected priority markets, and VisitBritain working to promote Britain in emerging markets.

It will be essential for the tourism industry in Wales to take advantage of the marketing opportunities available through new forms of Information and Communication Technology. The development of integrated systems that can combine information provision with an instant booking facility will become a key part of the future marketing of Wales. This will require a co-ordinated and planned approach to develop and evolve suitable systems that can be accessible to all tourism operators in Wales. WTB launched the Destination Management System, www.visitwales.com in July 2002, which enables tourism-related businesses to market themselves to a global audience and provides an active booking mechanism. WTB will seek to maximise the opportunities that exist within the VisitWales system and, through working with private sector partners and the industry, develop the range of online channels visitors can access to book accommodation in Wales.

WTB are supportive towards the Assembly Government's plans to introduce a Route Development Fund designed to increase accessibility to Wales by air. WTB will also work with the travel trade to enhance the packaging of the Welsh offer to overseas visitors.

Through the RTPs, WTB will work with public transport providers to encourage the promotion of existing, and development of new, packages that assist with leisure travel to and within Wales.



Use effective partnership working to achieve mutual benefits for Wales

Fundamental to the achievement of this objective is a clear understanding of the role and responsibilities of the many different organisations involved in tourism as no single organisation has the range of skills, resources or remit to work in isolation. In line with the Assembly Government's vision for public services, set out in "*Making the Connections*", to improve the quantity and quality of services through more effective co-operation and co-ordination between agencies across Wales, WTB will continue to strengthen its relationships with the other key stakeholders involved in delivering the strategic agenda.

WTB will work to build and promote the credibility and reputation of tourism in Wales, and introduce more robust planning, targeting and monitoring both internally and with partner organisations.

WTB will continue to fund the RTPs who will lead the implementation of regional tourism strategies and will ensure that arrangements are put in place to monitor their performance. An independent review of RTP performance is planned to take place in 2005/06.

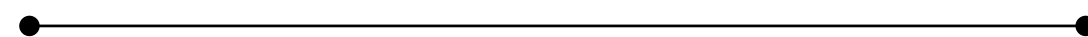
To encourage, support and reward innovation

WTB will continually review and develop its own operations in search of new and innovative ways to support the industry. Advice and support services will be reviewed to ensure they promote enterprise and innovation and WTB will reward and recognise innovation in the industry. WTB will promote best practice and encourage the industry to use innovative solutions to advance the competitive standing of Welsh Tourism.

Encourage a skilled and professional workforce equipped to deliver a quality Wales experience

WTB will continue with ELWa to support TTFW who, working in partnership with People 1st, the Sector Skills Council for the hospitality, leisure, travel and tourism industries, will stimulate more tourism businesses to invest in skills development. Higher skill levels will support a high quality, competitive Welsh tourism industry, and influence training providers to respond to the learning needs of tourism businesses.

TTFW will continue to work in partnership with the RTPs in ensuring that the people development elements of the regional tourism strategies are delivered.



5. Delivery principles

As a public body, WTB must demonstrate that appropriate management controls and measures are in place to ensure that public funds are being used efficiently and to best effect. WTB seeks to ensure that not only are resources allocated for the benefit of tourism, but that the activities support the overall development of Wales in line with the Assembly Governments' underpinning priorities. WTB is committed to mainstreaming these priorities into operational processes and procedures.

Research and Evaluation

WTB administers an annual programme of research informed by the strategic priorities identified in "*Achieving Our Potential*". Many of the research activities are undertaken jointly with partners and are designed to service essential information needs, both internally and externally. All research undertaken by WTB will be made publicly available. WTB views evaluation and monitoring as an active tool to inform its own activities and the investment decisions of individual tourism businesses. Whenever possible, WTB seeks to quantify the net additional tourism spend for Wales through Return on Investment analysis for key marketing activities. WTB's three-year research programme is attached at *Appendix IV*.

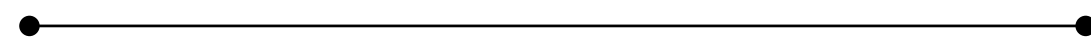
Corporate Governance and Risk Management

WTB has prepared a statement of internal control in accordance with the guidance issued by the Treasury. WTB's Audit Committee has also considered the application of Corporate Governance and Risk Management throughout the organisation. WTB has prepared a Corporate Risk Register that identifies a range of high-level external and internal risks that could impact upon WTB's strategic objectives and an Operational Risk Register that looks at risks associated with specific areas of activity. The Corporate Risk Register is attached at appendix V. Risk management will continue to be integrated within WTB's evolving business planning systems so that it becomes a more dynamic tool in priority setting and resource allocation.

Sustainable Development

The principle of sustainable development is at the heart of "*Achieving Our Potential*" recognising that the scale, pace and character of tourism development must be carefully controlled to safeguard Wales' environmental, historical and cultural assets. Similarly, tourism can only thrive if it has the support of local host communities.

"*Achieving Our Potential*" sets out four objectives for sustainability: -



- To extend the tourism season to spread the benefits of tourism throughout the year;
- To spread the benefits of tourism spatially, socially and economically;
- To improve revenue yield by increasing skills, professionalism and innovation in tourism businesses;
- To minimise the adverse impacts of tourism through effective visitor management and by encouraging tourism operators to adopt environmentally friendly business practices.

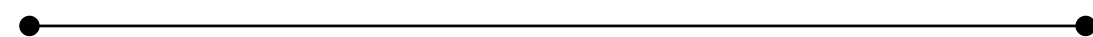
In line with the principles outlined in *“Making the Connections”*, WTB will work with key stakeholders in finalising the Sustainable Tourism Action Plan in 2005/06, which will form a framework for mainstreaming the principles of sustainability within our work. WTB will continue to invest in projects and initiatives that will help deliver a sustainable future for local economies and communities. WTB has also incorporated the Assembly Governments’ Integration Tool into its business planning and policy processes.

Specific activities that demonstrate WTB's commitment to Sustainable Development include:

- Green Sea Partnership - WTB chairs an all Wales partnership involving over 40 organisations that works to improve the coastal environment;
- Green Dragon scheme - WTB has introduced an environmental accreditation scheme operated through Arena Network. Accreditation to Level Two of the Green Dragon Environmental Standard is a condition of WTB's Investment Support. WTB also signposts to the environmental advisory service offered by ARENA Network through the Business Support Gateway and has produced a Greening Your Business Toolkit in partnership with ARENA Network to assist tourism businesses to operate more sustainably. WTB has achieved Green Dragon Level two at both the Colwyn Bay and Machynlleth offices and is committed to achieving the same at it's Cardiff office;
- WTB has designated 16 Tourism Growth Areas (TGAs) around Wales. Each TGA is required to adopt the principles of Integrated Quality Management.

Equality of Opportunity

WTB is committed to the advancement of equal opportunities both internally and throughout the tourism industry in Wales. WTB encourages the tourism industry to adopt flexible and innovative approaches to staff recruitment and training, which seek to deliver equal opportunities for all. With other UK Tourist Boards and Disability Wales, WTB is committed to developing the National Accessibility Scheme and has appointed a specialist disability advisor who provides advice and guidance to WTB and the industry to ensure compliance with the Disability Discrimination Act 1995. In line with the Assembly



Government's Race Equality scheme, WTB has reviewed its own race relations provisions and actively encourages awareness amongst staff of diversity issues.

Mainstreaming of the Welsh Language

The mainstreaming of the Welsh Language is recognised as being crucial to creating a bilingual Wales in which Welsh and English flourish. WTB's Welsh Language Policy gives detailed guidance to all staff to ensure that the needs of Welsh and English speakers are equally provided for. The policy has been well received by staff and its principles are embedded into operational activities.

Spatial Planning

WTB seeks to ensure that its activities benefit all parts of Wales and will align its activities more closely to the Assembly Government's Strategic Agenda and to *'People, Places, Futures – the Wales Spatial Plan'*. Some areas offer more obvious potential for developing and promoting tourism, but all communities stand to gain from the benefits that tourism can bring. In supporting the implementation of the Wales Spatial Plan, WTB will work with key stakeholders.

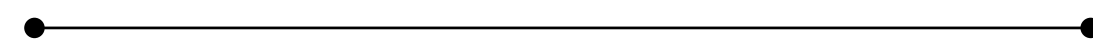
Social Inclusion

WTB's overall aim is to achieve a more prosperous tourism industry that sustains more and better jobs and generates a higher contribution to Welsh GDP. The achievement of this aim will in itself, stimulate direct and indirect benefits to all communities in Wales.

WTB engages with Communities First through the TGAs where their areas overlap. The Communities First programme is a long-term strategy for improving the living conditions and prospects for people in the most disadvantaged communities in Wales. WTB is also a member of a Communities First Support Network sub-group on Green Tourism and provides support to assist community groups to undertake tourism related feasibility studies. Eight projects have received funding to date.

The Regional Tourism Partnerships (RTPs) provide the opportunity for tourism to become more fully integrated within the local Community and the regeneration plans developed and implemented by the Local authorities, the WDA and the regional Economic Fora. Through the RTPs, WTB also engages with the 8 LEADER+ groups in Wales. LEADER+ is a European Community Initiative to assist rural communities to improve the quality of life and economic prosperity in their local area.

Through its support of Wales in Bloom, WTB has encouraged communities to work together to improve and regenerate their local environments through imaginative planting of trees, shrubs, flowers, attractive landscaping, environmental conservation, and cleanliness. In addition to the main scheme,



WTB has sponsored the new "Neighbourhood Category." The aim of this new category is to help communities and voluntary groups start local improvements.

In partnership with Keep Wales Tidy WTB is undertaking a pilot project entitled 'Cymru'n Lan.' This project has a dedicated officer based at KWT from 1st February who will assist community groups in the Rhondda Cynon Taf and Blaenau Gwent areas to tackle the problem of litter in their locality. If successful it is hoped that the programme can be extended across Wales.

WTB is an active partner in HERIAN, which seeks to coordinate the industrial heritage product within stories of community, landscapes, people, arts and activity against a backdrop of economic regeneration of towns/villages. The HERIAN initiative is ambitious, with wide ranging objectives and is making good progress in taking forward the action plans. Although there is still a long way to go, HERIAN has overcome significant communication challenges and with WTB support has provided significant funds, both capital and revenue, to assist the implementation of a plan that has the potential to unlock the economic value of the unique heritage of the valleys area. HERIAN clearly demonstrates WTB's involvement in Community First Programmes and driving forward Social Inclusion.

WTB is also heavily involved in other community based Government initiatives such as Corus, Heads of the Valleys Partnership Programme, and the 'Fishguard and North Pembrokeshire' and 'Cardigan and South Ceredigion' Regeneration Plans

6. How WTB will measure progress against the Corporate Objectives

It is important to establish appropriate performance measures in order to test the effectiveness and efficiency of WTB activities. We acknowledge however, that although WTB will have some influence over the performance of Welsh tourism, many other external factors including variations in foreign exchange rates and significant global events, such as the threat of terrorist attacks and the Iraq war, will be beyond its direct control. There are potentially, therefore, two types of measures which could be applied as indicators of WTB performance:

Organisational- A range of measures, which relate to outputs associated with particular areas of WTB activity and against which WTB can be held to be directly accountable;

Industry-wide- A range of measures that relate to tourism performance overall and which are more the joint responsibility of the industry as a whole.

A Winning Wales Targets

The Assembly Government's National Economic Development Strategy sets a specific target for tourism expenditure in Wales to increase by an average of at least 6% per year up to 2010. This is a target for the industry overall and is in line with the growth target defined in "*Achieving Our Potential*". WTB will seek to ensure that it contributes directly to the achievement of this key target and contributes to the realisation of other targets within "*A Winning Wales*" relating to GDP growth, employment and the application of ICT within the industry, and the establishment of Wales in the world.

Welsh Assembly Government Annual Targets

WTB's annual remit letter from the Assembly Government sets priorities for the year ahead, which tend to be more organisational in nature. It also clarifies WTB's role in relation to the strategic agenda of the Assembly Government as set out in "*Wales: A Better Country*". Table 2 summarises progress in the achievement of targets set for 2004/2005 and summarises some key targets agreed for 2005/2006.

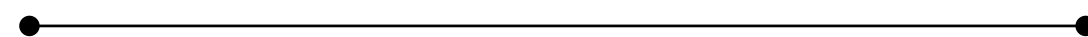


Table 2: Assembly Government Annual Targets 2004/2005, 2005/2006

| | 2004/05 Target | 2004/05 Forecast Out-turn | 2005/06 Target |
|--|---------------------------|--|---------------------------|
| Tourism Spend² | 6% | -10% ³ | + 6% |
| Average annual increase between 1998-2003 | | 6.1% | |
| Capital Investment⁴ | | | |
| I. Leverage (WTB:Total project cost) | 1:5 | 1:6 | 1:5 |
| II. Private sector investment | £33m | £21.2m | £33m |
| III. Total investment generated | £55m | £40m | £55m |
| IV. Jobs: Created/Safeguarded | 660/165 | 394/41 | 660/165 |
| Marketing | | | |
| I. Main UK Marketing Campaign ROI | 30:1 | 30:1 ⁶ | 30:1 |
| II. ROI from primary overseas markets | 12:1 | 12:1 | 12:1 |
| III. Additional Spend ⁵ | N/A | N/A | £85m |
| Quality Grading Scheme | | | |
| Proportion of 3,4 and 5 star accommodation maintained. | 85% | 86.9% | 85% |

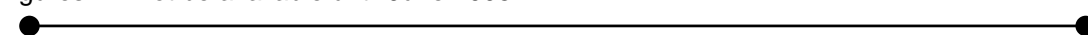
² Tourism spend target includes domestic and overseas spending in Wales. WTB is dependant on the United Kingdom Tourism Survey (UKTS) for monitoring domestic tourism spending in Wales. This survey is subject to significant annual fluctuations and the sampling error for Wales is unacceptably high. The survey results for Wales in 2004 do not reflect the statistics gathered from other sources and do not match the anecdotal evidence received from the industry. The need for improvements in tourism statistics is acknowledged at the UK level and steps are being taken to improve the UKTS methodology for 2006 onwards. Tourism in Wales is unlikely to exhibit steady year on year growth trends but when viewed over a longer timeframe there are good growth patterns, between 1998-2003, for example, overnight tourism spending in Wales increased by an annual average of 6%.

³ to December 2004.

⁴ The original targets were based on a planned allocation of £11m in the form of grant assistance. There were timing differences in the receipt of the various sources of funding which were to make up the £11m and in the event only £6.8m was allocated during the year. The balance of funding has not been lost but will continue to be allocated through 2005/6. The outputs associated with this allocation will therefore be spread over a wider period of time. There is an explainable pro-rata consistency of performance with the targets set for Private Sector Investment and Total Investment generated. The actual achievement of jobs created/safeguarded, however, is below the pro-rata expectation. The reasons for this are that there were significant number of infrastructure projects, farming connect and regeneration projects approved during the year. These projects were afforded a higher 'cost per job' grant than average. These awards were consistent with the targets set by those individual streams of funding.

⁵ Additional Spend targets have been included alongside the ROI measures used in previous years. Additional spend provides a more accurate measure of the impact of WTB's Marketing activity.

⁶ ROI figures for the UK and Overseas campaigns are expected to meet the target set, but final figures will not be available until June 2005



Corporate Plan Performance Measures

WTB has developed a range of high-level performance measures for its corporate objectives (see Table 3). Where appropriate, WTB seeks to benchmark these measures against other destination areas. Many of the performance measures identified are strategic in nature and are industry-wide rather than organisational targets for WTB, in some cases WTB will have only a limited ability to influence their achievement. The level of funding made available to WTB and partner organisations will also control the size of outputs achievable for each of the measures. We have assumed outputs/outcomes on the basis of indicative budgets for the plan period.

At a lower level, more specific performance measures have been defined for the programme of activities undertaken by WTB and these are defined in the activities section of this plan. Many of these measures are more process-based but are supported, where possible, by more quantifiable output targets.

Table 3: WTB Corporate Objectives and Performance Measures

| Corporate Objectives | Strategic priorities | Performance Measures |
|--|---|--|
| 1. To assist in raising the quality of the tourism offer in Wales | <ul style="list-style-type: none"> – Working with the industry to raise overall quality standards – Attract inward investment to develop a new higher quality offer – Encourage internal investment in new and existing tourism businesses – Support and actively promote the introduction of Statutory registration in partnership with the Assembly Government. | <ul style="list-style-type: none"> – % increase in the level of customer satisfaction – Net % of properties moving to a higher grade – Increased participation in WTB grading schemes – Investment leverage ratios – Jobs created/safeguarded |
| 2. To stimulate growth in the demand for Wales and to position Wales as a must see travel destination. | <ul style="list-style-type: none"> – Create and communicate a relevant, and differentiating destination brand that is motivating to both stakeholders and consumers – Generate leads and enquires for Wales through cost effective brand response campaigns, product and niche campaigns and CRM initiatives – Encourage and nurture effective marketing partnerships with public and private sectors partners within Wales and in our source markets – Identify market and product potential for Wales through market focused research and insights – Improve consumer access to Wales' tourism products through effective information provision and by increasing the visibility of Wales in key distribution channels | <ul style="list-style-type: none"> – Changes in customer perception of Wales – Number of bookable products on VisitWales – Number of Welsh tourism offers featured within UK and overseas brochures – UK and overseas additional spend figures |
| 3. To encourage, support and reward innovation | <ul style="list-style-type: none"> – Develop new ways of supporting innovation in the industry | Balance between Evaluation/Measurement and predictive research |

| Corporate Objectives | Strategic priorities | Performance Measures |
|---|--|---|
| | <ul style="list-style-type: none"> – Reward innovative ideas and practice – Focus on the future needs of the customer – Incubation for ideas | |
| <p>4. Use effective partnership working to achieve mutual benefits for Wales</p> | <ul style="list-style-type: none"> – Position WTB more effectively within TeamWales – Introduce more robust planning, targeting and monitoring of those who deliver on WTB's behalf – Influence WAG to provide funding into areas of greatest opportunity i.e. route development funds to increase accessibility to Wales by air – Influence public transport providers to develop leisure travel offers | <ul style="list-style-type: none"> – Total value of investment by key stakeholders to promote/ develop/ support tourism – Number and value of external sponsors for events i.e. Tourism awards |
| <p>5. Encourage a skilled and professional workforce equipped to deliver a quality Wales experience</p> | <ul style="list-style-type: none"> – Encourage professionalism and higher skills within the industry – Influence skills providers to focus on tourism requirements – Develop a reputation as a learning and development organisation | <ul style="list-style-type: none"> – Take up of training by tourism businesses in the regions – Take up rates of TTFW initiatives – Internal and industry staff turnover rates – Industry pay rates – Customer satisfaction – Number of tourism businesses liP/excellence through people accredited |

7. Resources

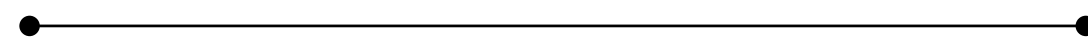
This plan has been prepared on the basis of indicative funding for the period 2005/2006 – 2007/2008. Grant-in-aid funding will be maintained over these three years, *Table 4* provides an indicative Expenditure/Funding Summary for WTB for the plan period. The level of funding available to WTB for each year of the plan will dictate the depth and range of its programme of activities.

WTB has benefited from an increase in grant-in-aid from the Assembly Government in recent years and this has provided the opportunity to apply for additional EU and PtP match funding to support a range of essential activities. The ability to access additional funding has enabled WTB to deliver a range of benefits for the industry through our enhanced Integrated Business Support scheme and through additional Tourism Promotion and Marketing initiatives.

WTB's UK marketing campaign, the "Big Country" launched in early 2002, was backed by an unprecedented media spend of £10mn over its first three years. Research confirms that the direct response campaign has generated additional spend of more than £58mn for the Welsh economy during 2002 and £89mn during 2003. Prior to the "Big Country" campaign, the unprompted recall level for Wales was 7%; by the end of March 2003 this figure had risen to 27%, this is higher than any other destination advertising on UK TV.

The additional funding available for Investment Services and Business Support has stimulated record investment levels in the tourism product in Wales. During 2003/04, WTB invested £14.9mn in 286 tourism businesses, generating total investment of £63.5mn and creating or safeguarding 1042 full-time equivalent jobs. The mid-term evaluation of WTB's Integrated Business Support Scheme and its Tourism Promotion and Marketing Scheme, both funded by EU/ PtP, was extremely positive and demonstrated that WTB was acting as an effective and efficient conduit of funding to the private sector

WTB's overall budget has risen since 2000/2001, although total funding will fall significantly from 2005/2006 onwards, unless we are able to secure additional resources from EU and/or other sources. From a total budget of £40.1mn in 2004/2005, WTB's core budget for 2005/2006, on the basis of indicative funds, will be maintained. By the final year of the plan, WTB's total funding could fall to £24mn as current structural funds come to an end. Such a fall in budget provision will have consequences on WTB's ability to deliver an integrated and mutually supportive range of activities on behalf of the tourism industry. A reduction in budgets could, for example, have a serious impact on WTB's ability to meet the obligations of the new agreement made with VisitBritain, which expects WTB to take the lead in Marketing Wales in key mature markets. With the UK market expected to remain largely static for the next few years, real growth will need to be concentrated in overseas markets. It will be crucial, therefore to seek to increase spending in target overseas markets which have most growth potential.



The risks associated with this changing budgetary situation have been reviewed and are reflected in the Corporate Risk Register.

As resources fall over the plan period, it is inevitable that WTB will need to become more focussed in terms of the range of activities it will be able to deliver on behalf of the tourism industry. In order to support a more targeted delivery of activities, WTB has initiated new internal business planning procedures to improve the way that priority areas of activity can be identified and delivered. A reducing budget, however, is unlikely to result in increasing outputs and WTB's planning of priorities could result in significant reductions and even curtailment of certain areas of activity.

It will be essential to ensure that, in a declining budget situation, targets are set at achievable levels. If funding falls, targets will need to become less challenging, in a wider context if budgets for tourism in Wales decline, but those in England and Wales increase, there will be increasing competitive pressures on Wales and targets will need to reflect these competitive influences.

WTB will need to plan strategically for a realignment of available resources. This will become apparent from 2006/07. This will include a review of human resources. In January 2005, WTB employed 164 full time equivalent staff, divided into 129 permanent and 35 contract staff.

Commercial revenue streams for WTB continue to be investigated but for budgeting purposes we have assumed commercial receipts being maintained at £1.5mn for the plan period, on the basis of previous achievements. More ambitious internal commercial targets will be set on an annual basis and for 2005/06 this internal target totals £2.5mn. This figure will be made up of cash and in kind receipts. In kind services are included within this target figure as they other allow activities to go ahead that otherwise would not have done, or release Grant in Aid to be invested in other areas. Any income over and above the budget line will be used to fund priority areas of activity.

Table 4

Expenditure and funding summary

| Funding Summary | 2004/05 £000 | 2005/06 £000 | 2006/07 £000 | 2007/08 £000 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| 1. Assembly Core Funding | | | | |
| Programme Expenditure | 14,024 | 14,024 | 14,024 | 14,024 |
| Running Costs | 5,168 | 5,168 | 5,168 | 5,168 |
| Depreciation/Cost of Capital | 215 | 215 | 215 | 215 |
| Capital – Section 4 | 3,150 | 3,150 | 3,150 | 3,150 |
| Total Core Grant-in Aid | 22,557 | 22,557 | 22,557 | 22,557 |
| 2. Ring-Fenced Assembly G.I.A | | | | |
| Supplementary Funding for S4 projects | 500 | 500 | | |
| Regeneration – Corus | 550 | | | |
| Regeneration – Fishguard/N.Parks | 360 | 452 | | |
| Regeneration – Cardigan/S.Cered. | 249 | 255 | | |
| BMI Baby | 300 | | | |
| Rural Tourism | 81 | | | |
| Rural Development Grant | 100 | 50 | - | - |
| Total | 2,140 | 1,257 | | |
| 3. EU Funding | 9,239 | 10,819 | 4,056 | - |
| 4. Pathway to Prosperity | 4,555 | 3,836 | - | - |
| 5. Commercial Revenue Annual | 1,555 | 1,555 | 1,555 | 1,555 |
| 6. S4 transfer | 140 | 140 | - | - |
| 7. Total Funding | 40,186 | 40,164 | 28,168 | 24,112 |
| Funding Summary | | | | |
| Revenue | 29,884 | 29,774 | 25,018 | 20,962 |
| Capital | 10,302 | 10,390 | 3,150 | 3,150 |
| Total | 40,186 | 40,164 | 28,168 | 24,112 |
| 8. Expenditure Summary | | | | |
| Marketing | 14,868 | 14,774 | 10,975 | 7,530 |
| Development | 1,306 | 1,476 | 1,014 | 514 |
| Commercial | 3,462 | 3,354 | 2,859 | 2,779 |
| Regional Fund | 3,500 | 3,500 | 3,500 | 3,500 |
| Strategy | 1,365 | 1,287 | 1,287 | 1,256 |
| Running Costs | 5,168 | 5,168 | 5,168 | 5,168 |
| Depreciation/Cost of Capital | 215 | 215 | 215 | 215 |
| Total Revenue Expenditure | 29,884 | 29,774 | 25,018 | 20,962 |
| Capital Expenditure | 10,302 | 10,390 | 3,150 | 3,150 |
| Total Expenditure | 40,186 | 40,164 | 28,168 | 24,112 |

8. Annual Divisional plans

The following sections of this plan detail the annual activities and performance measures for each Division during 2005/06.

An organisational chart explaining the current internal staffing structure of WTB is shown in *Appendix VI*.

Development

The role of the Development Department is to develop and implement an integrated Tourism Development Strategy by working with key partners to support and enhance the work of the marketing activities of the Board. The Development Strategy is aimed at developing the right product to meet the needs of the changing tourism market.

Divisional Aim

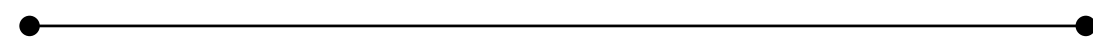
To maximise the value of the capital grant fund and allocate it in a focussed, efficient and strategy-compliant way.

Divisional Objectives

- To seek to attract maximum additional funding from the Assembly Government and the European Union.
- To fully integrate Development and Marketing strategies.
- To improve communication both internally and with the industry through the successful utilisation of the Client Management System (CMS).
- To maximise outputs while making valid contribution to the Assembly Government's cross cutting themes.

Divisional Priorities

- Administration of an efficient strategy-compliant Grant Scheme.
- Develop and monitor WTB bids for Objective 1 & 2 and continue to represent WTB on EU structural Partnerships and Thematic Groups.
- Continue to develop and implement the Strategic Development Framework to underpin the continuation of work with WDA and WAG in the identification of nationally strategic projects with a view to securing 'Team Wales' support for appropriate development.
- Manage the coordination/implementation of the Activity Action Plans to include Golf, Walking, Cycling, Watersports, Fishing, Cruising and Riding ensuring they are complementary to WTB's marketing activities and that appropriate capital funds are ring fenced and allocated.
- Continue to chair and co-ordinate the Green Sea Partnership to implement the Green Sea Strategy, with Coastal Local Authorities, Keep Wales Tidy, CCW and the Environment Agency. The aim of the partnership is co-ordinated practical action to improve the quality of our coastal environment and to publicise this effort for the benefit of communities, tourism, the economy and public understanding of these environments



- Continue to progress the implementation of sustainable coastal watersports development across Wales, working through the Inter-Agency initiatives with the WDA and Local Authorities.
- Continue to work with RTPs to ensure that each TGA action plan is successfully implemented.
- Work in Partnership with HERIAN to ensure objectives achieved.
- Continue to implement tourism plans in areas of special need as identified by the Assembly Government (including North Pembrokeshire, Cardigan, Heads of the Valleys Road and possible extension of the 5 Counties programme).
- Develop and implement a Departmental communication plan.

Key Outputs

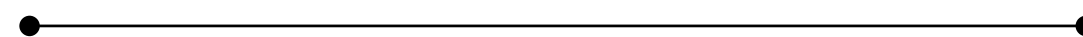
The Capital Budget for 2005/6 is likely to be in the region of £11m made up from Grant in Aid, Objective 1, Objective 2 and ring fenced funding for North Pembrokeshire.

The targets therefore for 2005/6 are the same as those originally identified for 2004/5 as the allocation at the time of setting these targets was also in the region of £11m. Due to timing differences allocation over 2004/5 was lower than originally anticipated and this obviously had a proportionate impact on targets achieved.

Table 3: 2005/06 Targets

| | |
|-------------------------------------|---------|
| Full Time Jobs created/safeguarded | 660/165 |
| Private Sector Investment Generated | £33m |
| Total Investment Generated | £55m |
| Leverage ratio | 1:5 |

The timing of outputs between 2004/5 and 2005/6 needs to be carefully monitored.



| Key activities | Performance measures |
|--|--|
| Implementation of the Strategic Development Framework | <ul style="list-style-type: none"> • Annual update on the Tourism Economic Impact model Jan'05 • Provision of specialist information and advice, commissioning of specialist studies/reports/research as outlined • Production of Departmental Communication Plan. March '05 |
| Manage the implementation of the TGA Action Plans in conjunction with RTPs | <ul style="list-style-type: none"> • Allocation of capital budget in line with agreed financial tables • Soft developments achieved as per individual Action Plans • Quarterly progress report (WTB Exec/Board) |
| HERIAN | To work positively with HERIAN with regard the implementation of the interpretive plan, provide quarterly reports (WTB Exec/Board) |
| Activity Plans | A review ongoing to be completed by end of December. Work programmes and outputs will flow from thereview |
| Cross Cutting themes | <ul style="list-style-type: none"> • Review Green Sea Initiative and provide an agreed 3-year forward strategy • Ensure that a minimum of 150 businesses achieve the Green Dragon Standard • Establish a minimum of 20 communities in the Neighbourhood category of the Wales in Bloom Initiative <p>*** A review to be undertaken very shortly of Cross Cutting theme activity and this section may be reviewed in light</p> |

Development resource allocation 2005/06

| | CORE GRANT-IN- AID £000 | RING- FENCE D GRANT -IN-AID £000 | EU FUNDS £000 | PTP £000 | COMM £000 | S4 transfe r £000 | TOTAL £000 |
|--|--|---|------------------------------|---------------------|----------------------|--------------------------------------|-----------------------|
| Investment Services Literature & Stationery, Professional Fees, Business Development Consultants Total | 18 | 50 | 192 | - | - | 140 | 400 |
| Product & Programme Development Herian, Product Development, Strategic Projects /Inward Investment (including TGAs), Sustainable Development Total | 496 | | 400 | 180 | - | - | 1,076 |
| Divisional Total (Revenue) | 514 | 50 | 592 | 180 | - | 140 | 1,476 |

| | | | | | | | |
|---------------------|--------------|--------------|--------------|--------------|----------|----------|---------------|
| Capital – Section 4 | 3,150 | 1,207 | 4,934 | 1,099 | 0 | 0 | 10,390 |
|---------------------|--------------|--------------|--------------|--------------|----------|----------|---------------|

Marketing

The role of the Marketing Division is to develop and implement marketing communication strategies designed to achieve WTB's key marketing objectives. It also plays a key role in meeting the Assembly Government's priority of helping people into jobs. The Division works closely with partners within Wales, Britain and overseas and uses the complete range of marketing and communications disciplines and techniques to achieve these objectives. The Division is responsible for evolving and developing the brand development and communication strategy, which underpins all WTB campaigns. The division also plays a vital role in various Team Wales activities including Branding Wales, Securing International Air Access and Winning major Events for Wales.

Divisional Objectives

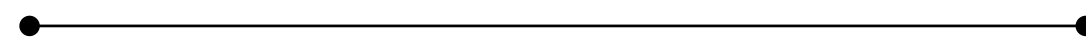
The overall objectives of the Marketing Division are:-

- To develop and promote awareness of Wales as a destination for leisure and business travel;
- To help maintain Wales' competitiveness as a tourism destination in the long and short term;
- To generate enquiries for Welsh tourism businesses particularly, from WTB and partner marketing initiatives;
- To assist and encourage the domestic and overseas travel trade to feature and promote Wales;
- To maximising the economic benefits from structural funds.

Key Strategic Challenges

In order to enhance the competitiveness of Wales the following key strategic challenges identified in the Strategic Marketing Action Plan 2002-05, will need to be addressed:-

- Present a positive brand image;
- Evolve and improve our targeting;
- Take advantage of new technology;
- Develop effective marketing partnerships;
- Increase visitor yields;
- Improve the seasonal nature of tourism;
- Nurture improvements in the competitiveness, professionalism and confidence of our tourism businesses;
- Develop effective customer relationships;



- Promote a shared vision.

The programme of activities undertaken by the Marketing Division needs to contribute to the successful achievement of these key challenges.

Divisional Priorities 2005/6

- Ensure that the marketing teams remain motivated and focussed on delivering key outputs during the merger process.
- Play a key role in influencing the policy and strategy for overarching the Wales Brand in the lead up to merger. Demonstrate through leadership, success and innovation in this area.
- Accelerate the implementation of the Promoting Wales To The World, Objective 1 Programme.
- Complete the creation of a set of management tools and guidelines to ensure greater consistency in the promotion of the tourism brand. Continue to generate high levels of response to Direct Response Campaigns thus demonstrating an additional tourism spend of at least £85m.
- Ensure the success of the new creative approach for the UK Campaign by achieving awareness and response targets. Explore roll out of the Creative approach and Tone of Voice to other campaigns and activities. Adjust marketing activity to take account of the new operating model with VisitBritain, in particular ensure that we fill any vacuums created in Ireland, France, Germany and Netherlands
- Agree the framework for the introduction of effective database and CRM marketing for WTB marketing partners and tourism businesses.
- Further establish Wales as a golf tourism destination through the “Golf as it should be” campaign. To exploit fully the marketing benefits secured from the European Tour. Maintain close relationship with Ryder Cup Wales.
- Host a successful Showcase Wales event in Autumn 2005, attracting high levels of quality trade buyers. To work with partners to further develop international air access into Wales. Also to implement a plan to position Liverpool Airport as a major gateway to North Wales.
- Ensure that success of the new partnership marketing agreements for specific sectors such as Water sports and Pony Trekking.
- Ensure the effective performance of our network of PR agencies achieving at least £16m of coverage.
- Maintain the progress of niche marketing campaigns such as walking, cycling, adventure and fishing.
- Secure the continued support and involvement of Tourism Marketing Areas and Local Authorities in Coordinated Marketing initiatives.

- Working with RTPs to ensure complementary regional and national strategies.
- Work to leverage major tourism benefit from major events in Wales such as Wales Rally GB and Celebrity Golf Challenge. Also to work with partners to secure new major events for Wales.

Business Tourism, Golf & Events Marketing

The Business Tourism, Golf and Events Marketing department is responsible for the implementation of marketing activity in three areas of tourism. Firstly it focuses on business tourism, (the promotion of Wales as a venue for conferences, meetings, conventions or incentive programmes,) delivering all aspects of the marketing and media relations activity with strategic Wales partners across key UK and international markets. Similarly a golf team undertakes to deliver all golf tourism marketing related activity and is responsible for exploiting the potential of the Ryder Cup Wales 2010. Finally the department plays a key role in evolving the Board's event support scheme and working with other partner organisations to maximise the benefits of attracting major national and international events to Wales. The unit focuses on key markets of: UK, Ireland, France, Germany, USA/Canada, and to a lesser degree Belgium and Scandinavia.

Objectives

1. To raise awareness of Wales as a business tourism destination and to stimulate an increase in bookings of conferences, meetings and incentive travel programmes from the UK and international business tourism sectors.
2. To raise the profile of Wales as a golf destination and to increase the level of UK and overseas golf tourists and spend to Wales.
3. To create awareness of Wales as a major event destination and maximise the economic benefits for Wales by prioritising and fulfilling commitments of support for key and hallmark events in Wales.

| Key activities | Performance measures |
|---|---|
| <p><i>Business Tourism</i></p> <p>Develop plans with the new agency to deliver an effective direct mail and integrated brand response campaign to distribute the new Incentive Planner and residual Conference Planners and stimulate bookings for partners</p> | <p>To achieve £10million pounds worth of additional tourism spend across all business tourism activity</p> <p>Generate 1500 responses to the campaign in the UK</p> <p>4,000 Incentive Planners & 7,000 Conference Planners distributed</p> |

| | |
|---|--|
| <p>Maximise usage of the business tourism database and enhance through campaigns</p> <p>Redesign the business tourism website ensuring improved content, interaction and flexibility for integration in response campaigns</p> <p>Maximise partner participation and Wales' exposure to buyers at key UK and international business and industry events: International Confex, National Venue Show, IMEX, IT&ME, Trailblazers and EIBTM</p> <p>Ensure positive business tourism coverage in targeted media in the UK and USA. Exploit new media networking opportunities around business events in the UK and USA</p> <p>Enhance promotion of the Business Class Award to potential suppliers to increase participation in the scheme and secure a business tourism award at the National Awards in 2005</p> <p>Co-ordinate a business buyer /supplier networking event at Showcase</p> <p>Maintain a key role in the BACD, Wales Academic Venues and RTP stakeholder group meetings to discuss joint marketing initiatives and opportunities</p> | <p>Ensure there are at least 4,500 effective contacts on the database</p> <p>Regular update of content management. Attract 10% responses online</p> <p>Secure a total of 20 partners at the business tourism events</p> <p>Secure two hosted buyer group visits to Wales</p> <p>Achieve a total of £1m media coverage value. Secure 6 business journalist visits to Wales</p> <p>Regular monitoring of scheme to ensure a target of 180 business tourism products in the scheme is achieved</p> <p>Secure 12 business UK/overseas buyers at the event</p> <p>Undertake 2 joint promotional initiatives</p> |
| <p><i>Golf</i></p> <p>Evolve the current brand response campaign with the new agency to distribute the residual golf brochures and generate effective response targets to populate the golf database</p> <p>Continue to support UK and overseas golf tour operators to develop golf tour programmes to Wales</p> | <p>Generate 10,000 unique responses to the campaign</p> <p>Increase the number of Team Wales golf operator partners to 10</p> |

| | |
|---|---|
| <p>Co-ordinate two US Advisory Board meetings in Wales and the US respectively in order to facilitate contact between US operators and intermediaries in Wales and to advise WTB on market needs. Encourage the development of plans to promote Wales to specific market segments in the US</p> | <p>Maintain 9 key US golf tour operators as members of the Advisory Board</p> |
| <p>Redesign the golf gateway website to be more flexible and interactive, aligning it with the 'Golf as it should be' campaign, and integrate online responses via the VisitWales system. Ensure site is kept relevant and up to date. Develop an e-newsletter for regular communication with stakeholders/partners</p> | <p>Secure 6 members on a facility visit to Wales</p> <p>The website alignment and redesign to be completed by April 2005. The E-newsletter being distributed monthly.</p> |
| <p>Maximise all promotional opportunities around the key golf tournaments and golf trade shows engaging partner participation and optimising (Ryder Cup Wales) RCW hospitality, advertising and media benefits. Explore the outsourcing of staff management at the tournament events</p> | <p>Secure one partner for each of the 14 tournaments. Generate 5,000 contacts for database from events</p> <p>Secure 30 trade and media interviews.</p> |
| <p>Increase golf database through campaigns and tournaments. Enhance profile data for future exploitation of product offers to golf contacts</p> | <p>Secure a total 25,000 on contacts database and maintain integrity of data</p> |
| <p>Continue to sponsor the World International Pairs Final maximising all promotional opportunities available in participating countries and around the tournament final</p> | <p>Increase in number of overseas countries participating.</p> |
| <p>Ensure positive Wales coverage in targeted golf media in the UK and USA</p> | <p>Achieve a total of £1m media coverage value</p> |
| <p>Exploit all media opportunities around golf events in the UK and USA</p> | <p>Secure 12 golf journalist visits to Wales</p> |
| <p>Undertake cost effective online golf marketing activities with VisitBritain in Scandinavia and Ireland</p> | <p>Achieve at least 500 online responses for Wales in each market</p> |
| | <p>To secure at least £7m additional tourism spend across all golf marketing activities</p> |

| | |
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| <p><i>Events</i></p> <p>Process all applications of the Events Marketing Support Scheme currently committed for 2005/06 and undertake an annual end of year evaluation of events supported in 2005</p> <p>Improve the monitoring report template and ensure that RTP report formats are consistent</p> <p>Work closely with tourism stakeholders and other organisations and assist in the formulation of bid documentation for future events</p> <p>To undertake bespoke marketing activity around events – production of promotional collateral, banners, advertising, exhibition displays, supplement features, distribution to TIC's, PR /media opportunities, website links to ensure the success of high profile events and maximisation of visitor levels</p> <p>Ongoing enhancement of event organisers database</p> | <p>£285K committed for key and hallmark events Sustain a tourism revenue value of £27m or more from events supported by WTB</p> <p>Improved monitoring report sent out with all contracts</p> <p>Attendance/representation at all stakeholder and working groups</p> <p>Ongoing</p> <p>Over 150 contacts on database</p> |
|--|--|

International Marketing and Sales Development

This department delivers all marketing and media relation's activity in the targeted international markets. The department develops partnership initiatives with VisitBritain and TEAMWALES TOURISM (TWT) partners. Our preferred partners work with us through our TWT initiative, which has been in existence in the UK since January 1998. The motivation for the initiative was the need to develop a structured plan of action that would promote pro-activity amongst domestic tour operators who feature Wales in their programmes and, as a result, to increase business into the country. Since September 2002, the TWT initiative has been rolled out to international markets. We develop an ongoing relationship with these partners to build Wales content in their programmes by actively supporting their marketing activity.

The unit is also responsible in all markets for the travel trade distribution channels through the sales development function: it also has responsibility for international print production and for planning the Wales tourism presence at major travel trade events.

WTB has defined a hierarchy of primary and secondary markets and has prepared detailed marketing plans for these countries;

Category A: USA, Germany, Netherlands

Category B: Ireland, France, Belgium, Canada, Australia and Japan

| Key activities | Performance measures |
|---|--|
| <p><i>Consumer marketing</i></p> <p>Evolution of the "Find a New Path" campaign in the key markets of Netherlands and Germany targeting prospects already predisposed to Britain – Build on partnership campaigns with carriers in Ireland and France. Explore opportunities in Canada with Zoom the low cost carrier. Formulate a Wales branded campaign under the Visit Britain umbrella in the USA as befits market awareness</p> <p>Continue to maintain marketing relationships with previous contacts, develop e-mail campaigns and direct mail with appropriate offers. Ensure gateway sites in key markets are developed and maintained to support campaigns</p> <p>Develop framework for implementation of on-territory campaigns with Visit Britain, to take full advantage of newly emerging contractual relationships in nearer</p> | <p>Achieve 200,000 responses across all major campaigns</p> <p>Achieve 12:1 ROI from monitored campaigns</p> <p>Framework in place by October 2005</p> |

| | |
|--|--|
| <p><i>European markets</i></p> <p>Develop framework and guidelines for Wales tourism brand ensuring marketing fit in international markets and plan communication roll-out for key stakeholders</p> <p>Continue with specific campaigns to ex-pat and independent traveller (backpacker) market segments</p> <p>Deliver the Overseas Guide and B & B map – ensure strong communication of defined brand values are reflected in all materials</p> <p>Further develop the “independent explorer” segmentation process to inform market planning</p> <p>Maintain the productive relationship with LAs and RTPs to ensure that the European consumer holiday exhibition programme is maintained, under the Tramor umbrella</p> | <p>Framework in place by May 2005, guidelines by August 2005, roll out between October 2005 and March 2006</p> <p>Achieve ROI 12:1</p> <p>Produced within budget by October 2005</p> <p>Evaluation by December 2005</p> <p>Distribution of 50,000 brochures through the total of 12+ exhibitions £15m of additional tourism spend secured across all International Consumer Activity</p> |
| <p><i>Media</i></p> <p>Continued enhancement of PR activity to reflect the tourism brand values and support key marketing messages</p> <p>Stimulate and organise media visits from target markets through WTB agency activities. 25 visits from other markets stimulated by VisitBritain and other sources. Ensure PR programme takes advantage of possibilities to publicise all new carriers with routes to Wales</p> <p>Co-ordinate 2 month lecture programme to the Smithsonian Institute in Washington DC in conjunction with Tourism Ireland, ensure a distinctive presence for Wales within the Celtic theme.</p> <p>Secure Smithsonian travel programme to Wales by 2007, with buy in by key Welsh institutions such as National Museums and Galleries and CADW for provision of academic speakers</p> | <p>Achieve £8million advertising value equivalent</p> <p>Stimulate 150 total media visits 25 through VisitBritain</p> <p>Monthly e-mail or news release to all key contacts</p> <p>50,000 mail out to upscale Smithsonian members</p> <p>Generate additional PR in the Washington Dc area,</p> <p>Event delivered by May 2005 Completed by July 2005 Report produced by end October 2005</p> |

| | |
|--|--|
| Support Welsh Assembly Government and other ASPBs in mutually beneficial joint promotional events | St David's Day celebrations in international markets. |
| <p><i>Sales development</i></p> <p>Organise the Wales Showcase event for 05</p> <p>Organise presence at World travel Market ITB Berlin and BTTF plus one other sales mission with Wales trade</p> <p>Continued delivery of CruiseWales initiative in conjunction with Development department colleagues</p> <p>Maintain the WWW.traveltradewales.com site incorporate cruise Wales web based information on site, and evolving the Wales Portfolio to a computer based sales portfolio as a tool for sales team and agencies</p> <p>Half yearly communication with network of Agencies and operators through e-mail newsletters and print versions if relevant</p> <p>Maintain the current network of TWT members in UK Europe and Australia/New Zealand, initiate a programme of sales, promotions and calls to US operators in Spring 2005 and secure US members to sales network</p> <p>Maintain partnership with British Council and higher learning establishments to secure foreign nationals to Learn English in Wales (LEW)</p> <p>Seek to encourage and exploit new air services into Wales and develop Liverpool Airport as a Gateway to North Wales</p> | <p>Secure 120 Wales suppliers and 320 buyers, generating 40 significantly enhanced tour programmes</p> <p>Events plan produced, September 05</p> <p>50 cruise visits by 2007</p> <p>Secure 1,000 registered users by end 2006</p> <p>20 Wales Portfolio members as part of sales team presentation.</p> <p>Newsletters issued</p> <p>35 TEAM Wales members in UK Europe and Australia, New Zealand</p> <p>Direct Contact with 28 operators on hit list, secure 6 TWT Partners (USA)</p> <p>Secure 8 new business leads in 2006</p> <p>With partners, achieve at least 2 new international air routes. Implement key elements of Liverpool gateway plan, Jan 06</p> |

UK Consumer Marketing

Role of the Department

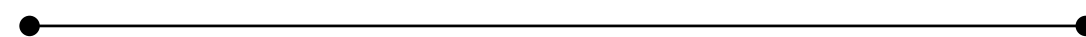
The Department runs UK Consumer and Activities Marketing campaigns, the UK consumer/lifestyle PR campaign and provides financial support towards marketing campaigns run by external partners for products that have been identified as strategically important to Wales' tourism mix.

The Department is this year charged with running planned marketing programmes as a result of a European funding programme.

Departmental Priorities

- Generate holiday business to Wales from the UK marketplace using brand building and response generating marketing approaches.
- Generate visits to Wales to participate in an activity as part of, or as the main reason, for a holiday using image building and response generating marketing campaigns. The activity products being promoted specifically by this Unit are fishing, walking, cycling, mountain biking, and adventure activities.
- Provide support to WTB contracts let to external suppliers of strategic marketing projects including horse-riding, marine watersports, luxury tourism and business clusters, ensuring they are well integrated into WTB's marketing.
- Promote Wales as a quality, aspirational UK destination offering a quality holiday experience and to achieve positive media coverage in UK national, broadcast, lifestyle and on-line media.

| Key activities | Performance measures |
|---|--|
| <i>UK Consumer Marketing</i> | |
| To develop the Big Country branding and creative approach to support the UK consumer campaigns | 400,000 direct campaign responses (boosted by offering a car prize) |
| To evolve the targeting approach to support WTB's UK consumer campaigns | ROI 30:1 for direct response campaigns |
| To deliver a series of seasonal integrated brand response campaigns to promote Wales to defined target markets during key times of the year | £4.50 cost per response 30% of enquiries to be from new/lapsed visitors |



| | |
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| <p>Work with marketing area partners to provide co-ordinated marketing opportunities to promote the holiday areas of Wales and add value to the overall Big Country campaigns</p> <p>To develop and optimise the use of the UK consumer database to support WTB and partner customer relationship marketing activities</p> <p>To develop and promote an initiative to encourage amateur photographers in Wales to contribute photographs of Wales to support UK consumer and PR campaigns</p> <p>To work with the activity products team to ensure that activity products and UK consumer campaigns achieve optimum integration</p> <p>To work with UK Consumer PR team to ensure that campaigns are covered appropriately</p> <p>To work with Production Services to evolve and produce Autumn/Winter 05 and Spring/Summer 06 editions of the View of Wales magazine</p> <p>To integrate on line media and response channels into all campaigns</p> <p>To redevelop and maintain a dedicated website to support the UK consumer campaigns</p> | <p>30% of enquiries via on-line</p> <p>sustain relative unprompted advertising awareness levels across the year</p> <p>To achieve at least £50m of additional tourism spend through UK consumer activity</p> |
| <p><i>Activities Marketing</i></p> <p>To plan, develop, roll out and evaluate a suite of appropriately branded campaigns to support the activity tourism products being promoted.</p> <p>Three key campaign cycles per annum – Spring, Early Summer and Autumn – supported by a baseline presence in key media.</p> | <p>ROI 25:1 for direct response campaigns</p> <p>£4.50 cost per response</p> <p>To achieve at least £7m of additional tourism spend through activities marketing</p> |

New customer acquisition activity will be the focus, developing strong databases and a CRM programme that can help develop the future value of those databases

The focus of marketing communications will be new markets for Wales

To support the work of WTB's strategic marketing funding Unit, working with partners to water-sports and horse-riding campaigns

To work with various Departments within WTB to increase the number of activity businesses involved in our campaigns

To work with partners (e.g. local authorities) to provide them with opportunities to promote themselves to activity tourists

To ensure that activity product marketing activity is well co-ordinated with WTB's main UK and overseas consumer campaigns

To ensure that the marketing function is well co-ordinated with the development of high quality activity tourism products by working with WTB's product development function and through effective private and public sector partnerships

To seek to maximise the contribution that activity tourism can make to environmentally sustainable development in Wales

| | |
|--|--|
| <p><i>UK Consumer PR</i></p> <p>Maintain/grow high levels of coverage in travel and broadcast media</p> <p>Increase coverage in lifestyle media</p> <ul style="list-style-type: none"> – Run a targeted campaign focusing on target media to achieve this – Work with key events across the year (e.g. St. David's Day) to create coverage – Identify and tackle barriers that are preventing target audiences visiting Wales and tailor PR activity to combat this – Focus on the new and quirky – Research and promote a range of lifestyle “products” for Wales (e.g. food, interiors, gardens, activities and style) – Work with young Welsh celebrities to promote Wales as young and fashionable – Work with aspirational Welsh brands to support PR activity <p>Support and enhance WTB's UK consumer and activity tourism marketing via travel/lifestyle PR</p> | <p>Advertising value coverage of £6 million p.a.</p> |
| <p><i>Strategic Marketing Partnerships/Joint Marketing Funding Unit</i></p> <p>Ensuring that the 38 Joint Marketing Funding scheme projects that will have been completed by 31 March 2005 are finalised to European audit standard</p> <p>To work with external partners to assist them in delivering marketing projects identified by WTB as being important to the tourism product of Wales. These will include, horse-riding, marine water sports, “Clusters” of particular businesses (e.g. fishing, golf, horse-riding, business tourism, water sports, activities) and a “luxury” tourism product</p> <p>The assistance provided will differ in different circumstances dependent upon the particular expertise of the external partner but the suite of advice available will cross marketing, integration with the work of WTB and setting up business and administrative support systems to deliver the projects</p> | <p>At the time of writing the performance measures for the new scheme are in the process of being agreed. Progress on this will be covered in the quarterly up-date statements</p> |

Marketing resource allocation 2005/06

| | Core grant- in-aid £000 | Ring fenced grant- in-aid £000 | EU funds £000 | PtP £000 | Comme rcial £000 | Total £000 |
|--|--|---|------------------------------|---------------------|---------------------------------|-----------------------|
| UK Consumer Marketing | | - | | | 606 | |
| Joint Marketing/Partnerships | | - | | | - | |
| International Marketing & New Business Development | | - | | | 108 | |
| Marketing & Commercial Operations | | - | | | 83 | |
| Research | - | - | | | - | |
| Travel | - | - | | | - | |
| Admin | - | - | | | - | |
| Total | 6,733 | 0 | 4,744 | 2,500 | 797 | 14,774 |

Commercial Division

The Commercial Division takes the lead role in Business Development and generating commercial income. The division consists of Production Services, Business Support, Quality Assurance and Information Services and New Media. The work of the four departments integrates closely with the Marketing and Investment Services Divisions and together they assist prospective customers in identifying the right product.

During the merger reorganisation the priority will be to focus on existing challenges such as the effective implementation of the VisitWales review. New initiatives such as charging for some aspects of business support will be put on hold until the outcomes of the merger are known.

WTB has undertaken the PMMS Welsh Procurement Initiative Procurement Fitness Health Check. The findings of the subsequent report, which were published in December 2004, concluded that the WTB procurement operation as “Emergent/Bronze” status. The Health Check has proved very valuable, demonstrating that WTB has procedures in place appropriate to the business and provides recommendations and action plans for building on this foundation for the procurement operation achieving Silver status within 2 years.

Divisional Objectives:

- Secure greater support and buy-in across the organisation and achieve stronger commitment to the development and implementation of specific commercial opportunities.
- Monitor and coordinate the work of TTFW so that it integrates well with the Business Support and related activities of WTB.
- Work in partnership with the wider business support network in Wales to help improve the competitiveness of Wales’ tourism SME sector, promoting continued investment in business development, coordinating provision and ensuring access to specialist advisory support.
- To provide an efficient and cost effective print and service.
- Establish and maintain a procurement process modelled on best practice.
- The continued delivery of a range of quality assurance schemes that aim to raise the quality of the tourism product in Wales.
- Continue to support the Marketing Division in the fulfilment of customer enquiries and the provision of various customer contact services.

DIVISIONAL PRIORITIES

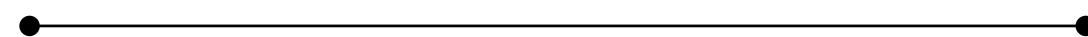
The priorities for 2005/06 are to continue and drive through a more commercial approach and in so doing leverage the increasing number of opportunities to increase commercial income.

- Undertake a further commercial audit to highlight opportunities to broaden the range of revenue generating collateral
- Launch a new integrated approach to the media sales of print and non print media
- Escalate the growth in the number and broaden the range of accommodation businesses signed up to the quality grading scheme
- Secure the technical and commercial agreement with Visit Britain to deliver operability that will result in current live Wales Based Product on the Visit Britain Websites.
- Secure the building blocks to enable the successful launch of VisitWales 2
- Ensure that WTB is fully compliant with FOI and DPA legislation
- Put into place an evaluation process that monitors the value each activity delivers
- Working within the framework of the merger procurement work stream, implement where appropriate the WPIT/PMMS recommendations and action plans that will see WTB make solid progress towards the procurement operation achieving Silver status.
- Continue to work with the Assembly Government on the development and implementation of a statutory registration scheme for tourism businesses within Wales

Production Services

The department provides a “common service”, to the entire organisation, for the procurement and production of design, repro and printing of stationery, leaflets, folders, brochures and guides etc. It sets up and co-ordinates mailings, data capture of information and responses to the Board’s marketing campaigns including fulfilment, manages the Image Centre/Photographic Library and manages and directs the Board’s external “Storage and Despatch” contract.

| Key activities | Performance measures |
|--|---|
| <p><i>Print Production</i></p> <p>1.The Marketing and Advertising Opportunities 2.“A View of Wales” Autumn/Winter 05/06 3.“A View of Wales” Spring/Summer 2006</p> | <p>Production of the main WTB publications within budget and to the agreed production deadlines with increased revenue from advertising</p> |



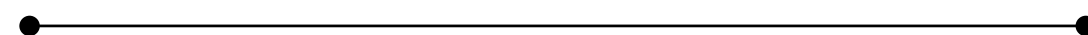
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|--|---|
| 4. "Wales – Where to Stay" 2006 5. "Wales Overseas Brochure" | space sales |
| <i>Exhibition stand presences</i> Procurement and production of WTB's presence at – World Travel Market – Tramor European shows – Prydain Shows – Manchester, London and NEC, Birmingham – BTTF – Other exhibition/display requirements | Undertake the tendering of requirements as briefed by appropriate dept and deliver to schedule |
| <i>Image Centre/ Photographic Library</i> – Increase current 6,000 digitised images – Establish "Walesonview" web site – Investigate joint photography opportunities – Revisit commercial policy for Image Centre | – 7,000 digitised images – In operation by April/May 05. – Generate income from third party sources for undertaking joint photographic shoots – Revenue target £10,000 – Establish an agreed commercial policy, which will deliver £25,000 revenue target. |
| <i>Storage and Despatch Contract</i> – Managing and directing this contract – Investigating ways of reducing cost of this service | – All Service Levels are met – Target to reduce costs by 10% |
| <i>Marketing Campaign Fulfilment</i> – Setting up and co-ordinating the data capture of responses to WTB's marketing campaigns including the prompt fulfilment of all requests – Ensuring all fulfilment is done in accordance with the commissioning department 's brief and budget | – Effective data capture, fulfilment of all campaign requests and transfer of data to the WTB database – Fulfilment achieved within terms and deadline |
| <i>Work Flow procedures</i> Implementation of project planning with workflow processes for use in all production requests | Provisional plan revisited and implemented |

| | |
|--|--|
| <p><i>Commercial Publishing</i></p> <ul style="list-style-type: none"> - Identify partners interested in entering commercial publishing ventures. - Research and identify products for such Ventures | <ul style="list-style-type: none"> - Possible partners identified - Previous commercial titles revisited with a view to these forming part of the initial core range of titles |
|--|--|

Business Support

The Business Support department ensures the integrated development, delivery and communication of WTB's Integrated Business Support initiative to the tourism industry and WTB's partner organisations. The department acts as a gateway for business support, providing direct advice and signposting to other sources of assistance both within and outside WTB. Securing future success and prosperity for the tourism industry depends upon effective ongoing working relationships.

| Key Activities 05/06 | Performance Measures |
|--|--|
| <p>Work with Marketing and Investment Services and other industry partners to provide specialist advice, positively support and influence tourism businesses to take the necessary action to improve the competitiveness of the tourism industry in Wales.</p> | <ul style="list-style-type: none"> - 80% satisfaction with service from IBS research survey - Provision of Specialist Advice to 400 businesses - Increased take up of VisitWales and Quality Grading Schemes |
| <p>To raise the profile of Welsh food by working in partnership with WDA Food Directorate, WTB's Marketing Division and the Regional Tourism Partnerships</p> | <ul style="list-style-type: none"> - Employ Food Specialist as part of WTB's Specialist Advisory Team - Develop food section on VisitWales.com - Promote eating places and Welsh food in existing WTB consumer publications |
| <p>Management of CMS to improve internal and external communication, to develop improved customer relationships and deliver a seamless effective business support service to the industry in Wales. To make the necessary organisational, business, cultural and technical changes to enable CMS to integrate and maintain accurate data until such time that WTB has been fully merged into the Assembly Government</p> | <ul style="list-style-type: none"> - CMS being used effectively by all WTB staff - Accurate and up to date system data - Ongoing representation on WAG Client Relationship Management Merger Working Group |

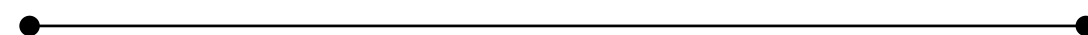


| | |
|---|--|
| <p>To disseminate information on best practice to the industry in Wales</p> | <ul style="list-style-type: none"> – Enhance and maintain wtbonline business support content. Site unique visitors to increase by 15% – Enhance existing publications range and develop new titles in identified key areas of tourism and seek sponsorship as appropriate – Deal effectively and efficiently with all business enquiries received via Business Support gateway, Business Advice Support Service and Specialist Advisory Service |
| <p>Continued briefing of all WTB personnel who provide direct advice to tourism businesses and WTB partners to ensure a consistency of service and better product knowledge</p> | <ul style="list-style-type: none"> – Regular briefing sessions to be held – Regular meetings to be held with key partners – Stage business clinics at relevant National and Regional events – Stage four Regional Road shows in partnership with RTPs |
| <p>Working with partners and the private sector ensure the ongoing enhancement of all existing Business Support activities to improve efficiency and service delivery.</p> | <ul style="list-style-type: none"> – Seek opportunities for collaborative working with key partners – Sponsorship sourced for appropriate business support activities |

Quality assurance

The QA department operates at both strategic and operational levels directly contributing to WTB's corporate objective of raising the quality of the tourism product in Wales. The department delivers a range of quality assurance schemes that grade accommodation, and accredit tourist attractions and activity providers. In addition to providing an accreditation service, our team of quality advisers and support staff will provide practical advice to businesses to encourage improving standards for the consumer. These officers also provide frontline access to the range of additional business support service delivered through the Business Support team.

At a strategic level the department works with other tourism professionals in England and Scotland with the objective of securing harmonised standards for the whole of Britain. In addition officers continue to work in partnership with the Assembly Government in establishing a system of statutory registration for tourist accommodation.



The department also leads on the issues arising from the implementation of the Disability Discrimination Act (DDA) and coordinates the activities of the Board's specialist adviser on accessibility. The department also provides a range of services and opportunities designed to encourage the tourism industry to consider its obligations under the DDA.

| Key Activities 2005/06 | Performance Measures | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------------------|---------------|---------------------|------------------------|------|----|---------------|-----|----|---------------|------|----|---------|-----|-----|--------------------|----|----|-------------|-----|-----|
| <p>Operation of an efficient grading system within constraints of available resources</p> | <p>Increase number of operators within the scheme:</p> <table border="1" data-bbox="770 562 1390 913"> <thead> <tr> <th data-bbox="770 562 1090 651">Scheme</th> <th data-bbox="1090 562 1246 651">No. operators</th> <th data-bbox="1246 562 1390 651">% increase on 04/05</th> </tr> </thead> <tbody> <tr> <td data-bbox="770 651 1090 725">Serviced accommodation</td> <td data-bbox="1090 651 1246 725">2100</td> <td data-bbox="1246 651 1390 725">5%</td> </tr> <tr> <td data-bbox="770 725 1090 763">Caravan Parks</td> <td data-bbox="1090 725 1246 763">350</td> <td data-bbox="1246 725 1390 763">9%</td> </tr> <tr> <td data-bbox="770 763 1090 801">Self-Catering</td> <td data-bbox="1090 763 1246 801">3500</td> <td data-bbox="1246 763 1390 801">9%</td> </tr> <tr> <td data-bbox="770 801 1090 840">Hostels</td> <td data-bbox="1090 801 1246 840">130</td> <td data-bbox="1246 801 1390 840">30%</td> </tr> <tr> <td data-bbox="770 840 1090 878">Activity Providers</td> <td data-bbox="1090 840 1246 878">65</td> <td data-bbox="1246 840 1390 878">3%</td> </tr> <tr> <td data-bbox="770 878 1090 913">Attractions</td> <td data-bbox="1090 878 1246 913">200</td> <td data-bbox="1246 878 1390 913">New</td> </tr> </tbody> </table> <p>Total accommodation – 6080 (8% growth over 5620 target in 2004/05) Proportion of 3, 4 and 5 star accommodation businesses to be maintained at 85%. Reflects as yet indeterminate impact of grading scheme harmonisation – see below</p> | Scheme | No. operators | % increase on 04/05 | Serviced accommodation | 2100 | 5% | Caravan Parks | 350 | 9% | Self-Catering | 3500 | 9% | Hostels | 130 | 30% | Activity Providers | 65 | 3% | Attractions | 200 | New |
| Scheme | No. operators | % increase on 04/05 | | | | | | | | | | | | | | | | | | | | |
| Serviced accommodation | 2100 | 5% | | | | | | | | | | | | | | | | | | | | |
| Caravan Parks | 350 | 9% | | | | | | | | | | | | | | | | | | | | |
| Self-Catering | 3500 | 9% | | | | | | | | | | | | | | | | | | | | |
| Hostels | 130 | 30% | | | | | | | | | | | | | | | | | | | | |
| Activity Providers | 65 | 3% | | | | | | | | | | | | | | | | | | | | |
| Attractions | 200 | New | | | | | | | | | | | | | | | | | | | | |
| <p>Introduce harmonised grading schemes for serviced, hostel and self-catering accommodation – harmonisation involving VisitBritain, VisitScotland, the AA and RAC.</p> | <p>Completion by March 2006 with full implementation in 2008 guides</p> | | | | | | | | | | | | | | | | | | | | | |
| <p>Continue to work with the Assembly Government to agree proposals for statutory registration</p> | <ul style="list-style-type: none"> – Complete informal consultation with tourism industry representatives regarding entry criteria, end 1st Quarter – Analyse responses to consultation, end 2nd Quarter – Finalise entry criteria in readiness for formal consultation once legislation allows by year end | | | | | | | | | | | | | | | | | | | | | |
| <p>Continue to work with specialist accessibility advisor to establish links with local access groups and provide advice to businesses seeking to comply with the provisions of the Disability Discrimination Act</p> | <p>Review the operation of the National Accessibility Scheme in England with a view to its implementation in Wales. Investigate “requiring” WTB approved businesses to compile an access statement</p> | | | | | | | | | | | | | | | | | | | | | |

Information Services and New Media Systems

The overarching aim of the department is to support the Marketing Division in the fulfilment of potential customer enquiries and to support the customer through various Customer Contact Services. These include:

- The provision of information about the tourism products in Wales to consumers. This information is collated through MyBusiness.com tool for which QA systems and support are also provided.
- The infrastructure to provide websites for use in marketing Wales and in keeping people informed about the work of WTB – both a technical infrastructure and the staff to implement the marketing directions.
- The provision of additional channels to take the product information to the customer – including the operation of the VisitWales Centre, onward data distribution deals and reporting mechanism to extract useable data from the databases in order to support strategy work, etc.
- The coordination of the TIC network across Wales and linking into the UK network – with the aim of ensuring that the visitors sees the service as one network even though the 77 centres in Wales are currently funded and arranged by over 30 organisations.
- The coordination of WTB's Data Protection and Freedom of Information responsibilities.

For 2005/6 the key priorities will be:

- The implementation of the VisitWales Review.
- The development and support of the TIC network
- The effective operation of WTB's DPA and FOI responsibilities, including the coordination of the development of improved Document Handling procedures and policies.

| Key activities | Performance measures |
|---|---|
| Implement a new suite of VisitWales websites – in collaboration with the campaign gateway editors | <ul style="list-style-type: none"> – Roll out of new websites by July 2005 – 50% improvement in the levels achieved via search engines – in line with a defined set of target words and phrases – Improved visit duration – by 20% – Increases in product page views – 20% pa |
| Creation of data supply and data distribution deals | <ul style="list-style-type: none"> – The implementation of 5 data import deals direct to VisitWales – 250 products that are bookable online via the data import deals |

| | |
|--|---|
| | <ul style="list-style-type: none"> – Define a way forward for the integration of data to VisitBritain via N4T by end June 05 – A three fold increase in the overall exposure of the information on Welsh tourism products |
| Implementation of new Industry Support mechanisms | <ul style="list-style-type: none"> – A seamless transition of the industry training programme at the end of the EU funding period – The recovery of 50% of training/support delivery costs. |
| Improvement in the costs effectiveness and the transparency of costs of the VisitWales Centre operations | <ul style="list-style-type: none"> – Reduce the cost per call to £4 – By June, provide detailed breakdowns of the costs associated with the operation of each line/service |
| The promotion of the work of the TIC Network and individual TIC's | <ul style="list-style-type: none"> – An increase of 10% of TIC's visits – Implement a common window promotional treatment across 50% of TIC's prior to June |
| Implement WTB's DPA and FOI policies | <ul style="list-style-type: none"> – Deliver all DPA and FOI work within the defined timescales – Implement a functional (but pragmatic) Records Management process by June |

Commercial resource allocation 2005/06

| | Core grant-in-aid £000 | Ring fenced grant-in-aid £000 | EU funds £000 | PtP £000 | Commercial £000 | Total £000 |
|--|-----------------------------------|--|--------------------------|---------------------|----------------------------|-----------------------|
| Production Services | 400 | - | - | - | 228 | 628 |
| Quality Assurance and Business Support | 1,050 | - | - | - | 530 | 1,050 |
| Information Services and New Media | 571 | - | 518 | 57 | - | 1,676 |
| Total | 2,021 | - | 518 | 57 | 758 | 3,354 |

Finance and Resource Services

The role of the Finance and Resource Services Division is to provide a financial, IT, HR and programme support service for WTB to enable the achievement of corporate goals and objectives. The division is comprised of four departments: -

- Information Technology
- Human Resources (HR)
- Finance
- Programme Support

Divisional Objectives:

- To provide WTB with a full range of Human Resource services.
- To provide well-designed, efficient and capable IT systems that are fundamental to support the work programme of WTB.
- The sound administration of WTB's financial control systems.
- To provide a supporting role to WTB's operational programmes in the administration of funding streams.

2005/06 is a particularly challenging year as WTB seeks to build on its more commercial approach and achieve further cost efficiencies. The Assembly Government has asked WTB to hold its running costs constant for the foreseeable future and, as a result, the pay settlement for September 2005 will need to be fully financed through efficiency savings by a review of operations prior to the merger with WAG. This could include non-replacement of staff that leave through natural wastage or those that are transferred to merger related work. The figure sought would be in the region of £100,000. WTB will need to look at all aspects of its running costs budget to ensure that further efficiencies can be achieved.

Information Technology

The IT environment is constantly changing, and the upgrading of equipment and software systems combined with training support is required across all Divisions of WTB.

| Key activities | Performance measures |
|--|---|
| IT Operational and maintenance service | Migration of all workstations to Microsoft Windows XP and Microsoft Office 2003 (both with Welsh optional interface) – by 31 December 2005. Install replacement servers for Agresso financial system – by 30 September 2005 |
| IT Training | Undertake WTB-wide IT training needs analysis by 30 Sept 2005. Provide conversion training for all staff in |



| | |
|-------------------------------------|---|
| | support of migration to Windows XP and Office 2003. |
| Telecommunications | Transfer provision of mainstream telecommunications services to Office of Government Commerce's Managed Telephone Service (MTS). Timetable to be agreed with MTS. |
| IT Strategy and Systems Development | Work with WAG and ASPB colleagues to plan merging of ICT support for completion by 30 March 2006. |

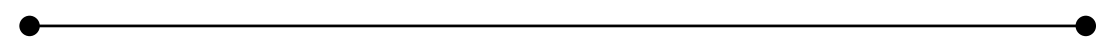
Human Resources

The department has successfully transformed itself from a predominantly personnel focussed department to that of HR. This change has resulted in a more strategic approach in providing guidance to line management on a range of staff issues. This is to continue in 2005/06 taking into account the merger into the Assembly Government.

Performance Management and IIP will be the focus together with ensuring that WTB Conditions of Service will merge as seamlessly as possible into Assembly Government, utilising best practice.

The department continues to manage WTB's payroll, provide central support for learning and development, manage WTB premises and provide a service to line management and staff on a range of policies and procedures.

| Key activities | Performance measures |
|---|--|
| Investors in People – IIP | Assessment for Accreditation by November 2005 |
| Training for Line Management | Ongoing development of line management guidance and training linked to merger best practice |
| Health & Safety training for WTB staff | Follow up training to comply with legislation by December 2005 |
| Data Protection and Freedom of Information Acts | To ensure that WTB complies with DPA and FOI training for all WTB staff prior to merger into WAG |
| Harmonisation of WTB Conditions of Service with that of WAG, wherever practicable | Input into all HR issues as part of the WTB's merger into WAG by 1 April 2006 |



Finance

The sound administration of WTB's financial control systems requires central support to ensure that established procedures are adhered to in line with Assembly Government and audit requirements.

The Finance department is responsible for; invoice payment, employee expenses and issuing of invoices, financial reporting, grant payments, the preparation of the annual accounts, monthly reporting to the Assembly, VAT, the drawing down of funds from the Assembly and the quarterly management reports.

| Key activities | Performance measures |
|--|--|
| Further development of electronic methods of payment of supplier invoices and employee expense claims | <ul style="list-style-type: none"> – 10% improvement in supplier prompt payment percentage by Sept 05. (actual % achieved taken from 2004/05 audited base.) – Expenses project completed by October 2005 |
| Further development of electronic methods of receipt of payment of customer invoices e.g. via direct debits and credit cards | Maintain customer response rate throughout 2005/06 |
| Preparing Annual Accounts | Audited Accounts by August 2005 |
| Further development of Agresso accounting package to improve reporting facilities for WTB staff, specifically for budget holders | Improved methods in place by December 2005 |
| Review the Assembly Governments procurement initiatives and implement revised WTB procurement guidelines | New procurement guidelines implemented by September 2005 |

Programme Support

The objective is to provide a supporting role to the Development and Marketing Divisions. The main functions are the issue of grant offers, compliance with grant conditions, processing grant payment claims, EU grant claims to Wales European Funding Office (WEFO), budget monitoring, cash flow monitoring, producing an update report for the Projects Board, liaising with the National Audit Office (NAO), answering queries for WAG.

| Key activities | Performance measures |
|---|---|
| Submit claims for grant to WEFO | All claims within WEFO deadlines |
| Timely issue of grant offers to applicants | All offers comply with published timescales |
| Fast and efficient processing of grant payment claims | All processing to comply with published timescales |
| Budget monitoring | Ongoing – reporting at least quarterly |
| Cash flow monitoring | Ongoing – reporting at least quarterly |
| Investment Services Progress Report to the Projects Board | Ongoing – all reports completed in line with Projects Board timetable |

Finance and Resource Services resource allocation 2005/06

| | Core grant- in-aid £000 | Ring fenced grant- in-aid £000 | EU funds £000 | PtP £000 | Commercial £000 | Total £000 |
|-------------------------|--|---|------------------------------|---------------------|----------------------------|-----------------------|
| Human Resources | | | | | | |
| Salaries | 3,490 | | | | | 3,490 |
| Other Office Expenses | 318 | | | | | 318 |
| Accommodation | 491 | | | | | 491 |
| Staff Training | 65 | | | | | 65 |
| Total | 4,364 | - | - | - | - | 4,364 |
| IT | | | | | | |
| IT Equipment | 220 | | | | | 220 |
| Telecomms | 150 | | | | | 150 |
| IT Training | 20 | | | | | 20 |
| Total | 390 | - | - | - | - | 390 |
| Finance | | | | | | |
| T&S/Overtime etc. | 319 | | | | | 319 |
| Professional Fees | 95 | | | | | 95 |
| Total | 414 | - | - | - | - | 414 |
| Divisional Total | 5,168 | - | - | - | - | 5,168 |

Strategy and Communications

The Strategy and Communications Division has responsibility for five closely integrated areas of organisational activity: -

Strategy and Policy

Responsible for preparing key strategy documents and for formulating policies, and policy advice, based on relevant research and wider evidence. Additional responsibility for aligning WTB policy with the Assembly Government's policy agenda

Research

Responsible for planning and delivering an annual research programme, which seeks to monitor trends, tourism performance statistics and to evaluate WTB's activities. Additional responsibility for aligning WTB research programme with priorities set by the Assembly Government's Economic Research Advisory Panel (ERAP).

Business Planning

Responsible for preparing and monitoring a range of key planning documents which provide the basis for priority setting, resource allocation and performance monitoring. Additional responsibility to work closely with WAG to develop an integrated approach to business planning.

Communications and Corporate affairs

Responsible for ensuring that WTB communicates its purpose and role, vision and achievements with clarity and purpose, in a timely way, to the right individuals and groups. Additional responsibility to work closely with the Assembly Government to develop a joint Strategic Communications Plan for 2005/06.

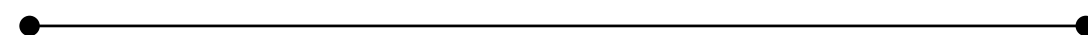
Regional Tourism Partnerships

Responsible for leading the implementation of regional tourism strategies.

The Strategy and Communications Division provides an essential support service for the delivery functions of WTB relating to the Marketing and Development of tourism in Wales. The outputs of the Division will be judged more on qualitative than quantitative measurements, as the role we perform is to plan, advise, inform and to communicate.

Divisional Objectives:

- To co-ordinate the preparation of an up to date strategy and policy framework for WTB;
- To implement WTB's annual research programme and to communicate the findings internally and externally;



- To co-ordinate the preparation of WTB's key planning documents (Corporate/Operational Plan) to satisfy internal and Assembly Government's monitoring needs;
- To communicate WTB's strategic objectives and achievements and seek to improve the profile of tourism to key audiences;
- To guide, support and monitor the activities of the four Regional Tourism Partnerships.

Strategy and Policy

The policy priorities of WTB have evolved over the years in response to shifts in government policy and to changes in product and market needs.

As well as being responsible for key policy and strategy documents, which identify effective responses to the main challenges that confront tourism in Wales, WTB also has a statutory duty to provide policy advice to government and to the tourism industry on matters affecting tourism in the UK and in the EU. In providing such advice, WTB seeks to reflect the crosscutting themes of the Assembly Government while balancing the needs of the industry with those of the consumer. Wherever possible, WTB's policies and policy advice are based on appropriate research so that they are relevant and evidence-based.

Objectives

- To manage the preparation and formulation of tourism policies and strategies on behalf of the Board;
- To prepare, on behalf of WTB, responses to consultative documents from the Assembly Government and other public bodies;
- To ensure that an up to date policy framework is in place to inform WTB staff, other public bodies and the industry of WTB priorities;
- To monitor the implementation of the Regional Tourism Strategies, ensuring they continue to reflect WTB policy priorities.
- To coordinate the implementation of the cultural tourism strategy and to maintain progress in implementing other strategic programmes

| Key activities | Performance measures |
|---|---|
| Coordinate the implementation of the Cultural Tourism Strategy. | <ul style="list-style-type: none"> – Implementation plan for Musical Nation Concept by 31st Dec '05 – Preparation of a Sense of Place in the public realm guide/toolkit by 31st March '06 – feasibility studies for cultural gateways in SW & Mid Wales by 31st March '06 – Host a successful European |

| | |
|---|---|
| | <p>Cultural Tourism Network (ECTN) Conference with a min, of 100 delegates and 8 member states</p> <ul style="list-style-type: none"> – Set up project management arrangements and agree work programme with partners by 30 April 06 for ECTN |
| Achieving Our Potential Mid Term Review | <ul style="list-style-type: none"> – 1st Quarter: Complete consultation phase, analyse responses and prepare final version of AOP review document – 2nd Quarter: Set up implementation action plan monitoring group – 3rd Quarter: Monitor progress and use document to inform future business planning round – End year: Prepare end year progress report |
| Sustainable Tourism Framework | <ul style="list-style-type: none"> – Publish consultation draft by June 05, final document by Feb 06 – Subject to consultation set up Sustainable Tourism Forum |
| To advise on and prepare responses, to consultative documents, from the National Assembly and other public bodies. | To ensure responses within deadlines of set consultation period |
| To monitor policy initiatives relevant to tourism from the EU through liaison with WEC | <ul style="list-style-type: none"> – Provide reports to the Executive on significant policy changes – Represent WTB, on WAG External Stakeholders group |
| To monitor implementation of the Action Plan For the Countryside Experience, the Sports Tourism Framework and the Regional Tourism Strategies | To provide, annual reports, to the Executive on progress |
| To undertake an assessment as to how best to mainstream social inclusion into the work of WTB | Commission consultants to undertake assessment by 30 th June 05, publish final report by 31 st Jan 06 |
| To undertake an assessment of the implications of the Spatial Plan to the work of WTB | Commission consultants to undertake assessment by 30 th June 05, publish final report by 31 st Jan 06 |
| To represent WTB on WAG working groups | To attend on a regular basis the |

| | |
|------------------|---|
| and partnerships | following meetings: Rural Partnership and Steering Group, the Environment Strategy Reference Group, the Regional Policy External Stakeholders Group, the Wales Coastal & Maritime Partnership, Iaith Economi Group, Cymru'n Creu. |
|------------------|---|

Research

Under the 1969 Development of Tourism Act, WTB has statutory powers to promote or undertake research to assist the development and marketing of tourism in Wales. The Research department is a specialist service unit, which gives advice to all other WTB units and provides information to the wider tourism community in Wales. The annual research programme is compiled in consultation with all user units within WTB, having regard to the strategic priorities identified in *Achieving Our Potential*, the national tourism strategy for Wales.

WTB initiates and manages a wide-ranging programme of research studies, many of which are funded on a joint basis with other public and private sector partners, in order to achieve a cost-effective use of resources. The research programme is planned on an annual basis and priority is given to those areas of research that will support the achievement of WTB's strategic objectives (see *Appendix iv*).

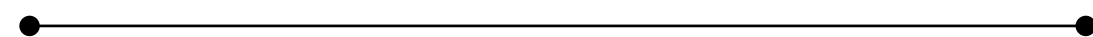
The research activities of the WTB are designed to service information needs both internally and externally. Tourism in Wales is a fragmented industry and businesses are predominantly small scale in nature, making it difficult for operators to conduct detailed research on a regular basis. As a consequence, the industry relies heavily upon the WTB for market intelligence and research advice. The WTB seeks to circulate the results of its research programme as widely as possible to benefit the industry by identifying emerging market opportunities, changing consumer tastes and product development needs.

WTB collects and communicates information on market trends, returns on investment data and predictive intelligence to help inform the future product investment and marketing activities of WTB and other organisations/individuals involved in tourism. While the measurement of historical demand trends remains important, WTB has identified a need for more forward-looking, predictive research so that tourism businesses in Wales will be better able to understand the changing needs of the market and be in a better position to improve their competitive position.

WTB is currently working with the other UK Tourist Boards on the re-tendering of the United Kingdom Tourism Survey (UKTS), the key survey for monitoring visitor activity.

Objectives

- To co-ordinate the preparation of an annual research programme and to manage its effective implementation to budget and timescale;
- To provide a professional research service to WTB and the wider tourism community (i.e. tourism businesses, local authorities, Assembly Government) on matters of research advice and on joint research initiatives;



- To communicate research-based knowledge to support policymaking and to inform future marketing and product investment activities carried out by WTB and the wider tourism community in Wales.

| Key activities | Performance measures |
|---|---|
| Manage, control and deliver WTB's annual research programme by identifying corporate research priorities and liaising closely with WTB colleagues and partner organisations | Manage the research budget efficiently in accordance with WTB's financial manual and seek to optimise value for money |
| Analyse, interpret and communicate the results of research internally and externally via electronic and more traditional methods | Communicate research information clearly and effectively to internal and external users by electronic and more traditional methods |
| Continue to develop a portfolio of return on investment ratios for an extended range of WTB activities and advise RTPs on a consistent approach to evaluation | Ensure that return on investment findings are accurate and are used as an active tool to inform future marketing planning by WTB and performance assessment of RTPs |
| Co-ordinate the operations of the tourism research partnership with local authority and RTP representatives to improve opportunities for joint research activity and the sharing of information | Achieve improved pan Wales co-ordination in the identification of research priorities, the development of joint research activities and the sharing of information |
| Co-ordinate the marketing planning process in line with research findings, the business-planning timetable and in partnership with marketing colleagues | Ensure that essential data is available to support the marketing planning process by colleagues |
| Maintain the research library as an active knowledge source for internal and external users | Undertake a review of the research library stock by May 2005 and rationalise by July 2005 |
| Continue to contribute to the work of the ERAP and, in particular, to progress the development of a Tourism Satellite Account for Wales | Attend ERAP meetings, present WTB's forward research programme and seek to identify and overcome essential research gaps |

Business Planning

In light of the pending merger, the Assembly Government has requested that WTB should produce a single planning document that provides both a three-year forward looking view in addition to an annual plan of activities. This document will provide a management tool against which the Assembly Government can monitor the performance of WTB. WTB will work with colleagues in the WDA and Assembly Government towards a more integrated business planning approach during 2005/06.

Objectives

- To lead the preparation of key planning documents for WTB that are required by the Assembly Government;
- To effectively communicate the plans of WTB to all staff and other stakeholders;
- To co-ordinate a more integrated approach to business planning in WTB to provide an active tool for priority setting, resource allocation and performance monitoring.

| Key Activities | Performance measures |
|--|---|
| To manage and co-ordinate the preparation of key planning documents for WTB in line with specifications and timescales set by the Assembly Government | Readable, concise and relevant planning documents produced in accordance with Assembly Government guidelines and timescales |
| Liaise with Assembly Government colleagues to negotiate and agree the strategic and operational priorities and targets contained in the annual remit letter from the Assembly Government | WTB strategic priorities and operational activities and targets are in line with annual remit letter |
| Co-ordinate the preparation of performance monitoring reports (i.e. quarterly, half-yearly and annual) in accordance with Assembly Government requirements | Performance monitoring reports delivered in accordance with guidelines and timescales |
| Work with UK Tourist Board and other ASPB colleagues to share good practice in business planning and to achieve consistency in objective and target setting | Attend and contribute to regular meetings, reviewing practices and their suitability for WTB |
| To continue to develop the business planning process within WTB to become an active tool for priority setting, target setting, resource allocation, performance monitoring and risk management | Business Planning further integrated in the operational processes of WTB. |

Communications and Corporate affairs

The role of the Communications department is to ensure that WTB communicates its purpose and role, vision and achievements with clarity and purpose, in a timely way to the right individuals and groups.

The department's objective is to communicate and support the delivery of WTB's strategic objectives to identified key stakeholders. The priorities are to continue building effective communication channels with all stakeholders and to demonstrate how WTB is delivering against Assembly Government strategies and targets, to the benefit of the Welsh economy. The corporate communications unit undertakes five main areas of activity, which are detailed below.

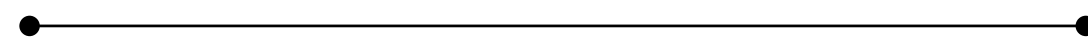
Corporate media relations: this function is the voice of WTB and seeks to provide an effective, professional and rapid service to all news media, aiming to increase the quality and quantity of targeted and positive media coverage. It targets all in-Wales media, all national media and also works closely with the marketing function to widen the general coverage of Wales in the UK press.

Trade communications: this function aims to foster two-way communication channels between WTB and the trade. WTB has a role to give advice and information to tourism businesses on new developments and how WTB can help them in raising standards and improving their business. WTB seeks to ensure that its activities complement, support and add value to those undertaken by individual businesses and aims to communicate messages to businesses that are relevant, informative and concise.

Employee communications: effective communication with the staff of WTB is an essential step, particularly within the context of WTB's merger with the Assembly Government; they need to be well briefed, engaged with and strongly motivated to support the achievement of WTB's corporate objectives and priorities. Staff must be trusted and valued, providing them with information before any external audience.

Government relations: it is vital that WTB communicates with all levels of government – local, Wales, UK and Europe – in order to explain its strategic priorities and gain support for the programme of activities it undertakes. It is also vital that government understands how WTB is successfully implementing government strategies through the successful and dynamic development of tourism and its contribution to the Welsh economy.

Corporate affairs: the ability of WTB to fulfil its corporate objectives will be dependent on the development of strong partnership working with individuals and organisations – in the public and private sector. A clear, distinctive and accurate corporate image for WTB is an essential building block in achieving trust and commitment from partners who can share our aims and objectives. A number of crosscutting themes and initiatives are coordinated centrally,



such as the Welsh Language Policy, corporate information provision, such as the annual report, and corporate identity.

| Key activities | Performance measures |
|---|---|
| Targeted and sustained media activity according to flexible activity calendar | 80:20 ratio of good: bad news coverage |
| Through involvement in merger project ensure that the new organisation's communications function(s) best support the strategic priorities of the Assembly Government and its agencies | Jointly with merger partners, agree clear and coherent proposals for future communications structures |
| Successfully promote the National Tourism Awards for Wales 2005 throughout the year | Evaluate coverage |
| Continue to develop and improve Trade Talk | 12 monthly issues |
| Review and develop www.wtbonline.gov.uk | Ongoing monitoring of visits to site |
| Fully engage in merger communications | Engage and inform staff on the merger process |
| Organise successful Team Day for 2005 | Evaluate feedback |
| Continue to develop staff newsletter, Speakeasy/Clebran, which is now monthly | 12 issues |
| Continue to develop Intranet | Evaluate success of new site |
| Organise successful National Tourism Awards for Wales 2005 (October 20 th) | Higher number of entries Increase sponsorship revenue |
| Design, write, compile and publish annual report that can be used as a corporate promotional tool to highlight the work and successes of WTB | Report published by end summer 05 |
| Engage with merger partners on a joint summer event programme for 2005 | Evaluate success |
| In line with guidance from the Assembly Government, develop a Welsh Language Strategy that highlights how WTB integrates the development of the Welsh language into every aspect of its work and strategy | Following receipt of guidance, produce strategy that meets with WAG and Welsh Language Board approval |
| Ensure proper administration of WTB complaints procedure | Collate 6-monthly reports |

Regional Tourism Partnerships

Four Regional Tourism Partnerships (RTPs) have been established in Wales, coterminous with the four economic fora areas. Their main role is to lead the implementation of the regional tourism strategies, which seek to improve the competitiveness and performance of the industry so that tourism makes a better contribution to the social and economic prosperity of Wales. The RTPs work in partnership with WTB, local authorities, the private sector and other organisations with an interest in tourism to undertake a range of marketing, product investment and business support activities on behalf of the tourism industry. Most of these activities will be delivered under contract by third parties. The RTPs have small executive teams of staff who plan, manage and monitor the delivery of these contracts. WTB works closely with the RTPs to minimise duplication and to ensure that resources are used to best effect for the benefit of the tourism industry and the economy of Wales.

WTB is not responsible for the day-to-day operation of the RTPs. As companies limited by guarantee their respective Boards of Management are responsible for preparing a business plan and for monitoring its effective implementation. WTB's role is to ensure that the business plans of the RTPs are clearly focussed on the implementation of the regional tourism strategies. These plans set out how the RTPs can enhance, support, add value and make more efficient the activity that is already undertaken at the national and sub-national level. Where gaps exist, the RTPs consider the need to step in with fresh initiatives. WTB has introduced a performance management system to monitor the activities and outputs of the RTPs and to ensure that lines of accountability are operating effectively.

| Key Activities | Performance measures |
|---|--|
| Co-ordinate WTB's response to RTP business plans and recommend final endorsement | Ensure WTB response by end January 2005 |
| Prepare and agree an Annual Funding Agreement with each RTP which sets out the terms on which WTB provides funding | Finalise signed Funding Agreement by March 2005 and ensure compliance with its obligations during the year |
| Represent WTB as an observer at RTP Board meetings and act as a central communication channel between WTB and the RTPs | Ensure effective two-way communication links between WTB and the RTPs |
| Monitor the performance of the RTPs and recommend a fair and equitable apportionment of the Regional Development Fund (RDF) for 2006/07 | Co-ordinate performance monitoring arrangements and confirm the apportionment of the RDF by end January 2006 |
| Monitor RTP activity in helping to inform and take account of Local Authority Community Strategies. | Ensure that regional tourism strategies are informed by and inform community strategy development/implementation |

Strategy and Communications resource allocation 2005/06

| | Core grant- in-aid £000 | Ring fenced grant- in-aid £000 | EU funds £000 | PtP £000 | Comm ercial £000 | Total £000 |
|-------------------------------|--|---|------------------------------|---------------------|---------------------------------|-----------------------|
| Strategy/Policy | 186 | - | 31 | - | - | 217 |
| Research | 400 | - | - | - | - | 400 |
| Business Planning | 40 | - | - | - | - | 40 |
| Communications | 630 | - | - | - | - | 630 |
| Regional Tourism Partnerships | 3,500 | - | - | - | - | 3,500 |
| Total | 4,756 | - | 31 | - | - | 4,787 |

Wales Tourist Board (WTB)

Guidance and Priorities Letter 2005–06

1. The Welsh Assembly Government's strategic agenda for its four-year term is set out in *Wales: A Better Country*. This Guidance and Priorities Letter sets out the role that we have agreed the WTB will fulfil in relation to this strategic agenda during 2005-06. The financial support allocated to underpin this work is set out in Annex 1.
2. *Wales: A Better Country* sets out the Cabinet's overall vision for change, four key priority outcomes, and the underpinning priorities of sustainable development, social inclusion and equality of opportunity. The priority outcomes are:
 - helping more people into jobs;
 - improving health;
 - developing strong and safe communities; and
 - creating better jobs and skills.
3. The WTB has a significant role in helping more people into jobs and creating better jobs through the delivery of the Assembly Government's long-term economic development strategy *A Winning Wales*.
4. In the light of the impending merger between the WTB and the Assembly Government, we have agreed to operate a joint business-planning round for 2005-06 within a context of needing to ensure business continuity while delivering this major organisational change. In the light of this, there will be no sharp changes in priorities from those set out in the 2004-05 remit letter.
5. We have however jointly identified the following areas from the 2004-05 remit letter that will warrant particular emphasis both in terms of priority and resources in 2005-06:
 - Structural Funds – maximising the economic benefit from the Structural Funds programme will continue to be our top priority in 2005-06;
 - Mergers – continuing to play a full part in the merger of WDA, WTB and ELWa with the Assembly Government;
 - Business Support
 - Promoting Wales as the ideal location for visitors
 - Promoting the use of ICT
 - Statutory Registration

- Water sports – working in partnership with LAs, CCW, National Parks and WDA, take forward the strategy on Marinas/safe havens/moorings.
- HERIAN – continue to be active partners in the HERIAN initiative, which seeks to coordinate the industrial heritage product within stories of community, landscapes, people, arts and activity against a backdrop of economic regeneration of towns/villages. In doing so the WTB should take account of the WDA's work in developing a sub-regional regeneration strategy for the Heads of the Valleys.
- Commercial income – continue to explore opportunities to increase non-Governmental funding.
- Contributing fully to the planned revision of A Winning Wales, the Assembly Government's economic development strategy.

Making the Connections

6. The Welsh Assembly Government's vision for public services set out in *Making the Connections* seeks to improve the quantity and quality of services through more effective co-operation and co-ordination between agencies across Wales. The merger between the Assembly Government and the WTB is a significant step forward towards an integrated Welsh public service. To that end, it is essential that during 2005-06 WTB continues and strengthens its relationships with the other key stakeholders involved in delivering our strategic agenda. In particular, this means:
 - Supporting the implementation of the Wales Spatial Plan, and the Sustainable Development Action Plan;
 - Through your work with Regional Tourism Partnerships, supporting the delivery of local authorities' Community Strategies and, where appropriate, to assist in the delivery of Community Action Plans; and
 - Your plans should include details of how you intend to communicate, engage and work closely with the Voluntary Sector.

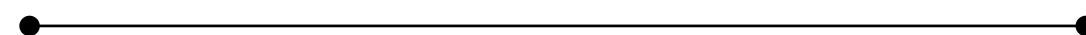
Communication

7. We have discussed the need for Team Wales to make more of opportunities, such as the Ryder Cup in 2010 and the Wales Rally GB, to raise Wales' profile at home and abroad. It is also important that we build on the progress made in 2004-05 to develop a more coherent and integrated approach to our communication work. To that end we will work together to develop a joint Strategic Communication Plan for 2005-06.

Mainstreaming

8. The Assembly Government's duties towards sustainable development⁷ equality⁸, partnership working⁹, and promoting the Welsh language¹⁰ need

⁷ Section 121 of the Government of Wales Act 1998



to be fully integrated into all business practice, procurement and programme design and delivery. The business plan needs to set out how these statutory duties and principles will be mainstreamed in 2005-06.

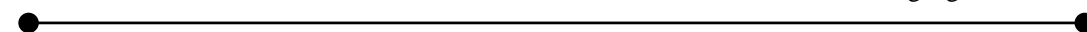
Outputs

9. The WTB's Operational Plan for 2005-06 will include targets and other key indicators of performance, based on your gross budget for 2005-06. Like last year, they will be challenging targets that have been agreed between us.
10. As you know, financial support from the Assembly Government for all the WTB's activities is contingent upon compliance by the Board with the contents of its Management Statement and Financial Memorandum.
11. Copies of this letter will be placed in the Assembly Library. Copies are also being sent to my Cabinet colleagues, the Chairs of the National Assembly's Subject Committees, the Auditor General for Wales, and the Chairs of - the National Council, ELWa, HEFCW, the Countryside Council for Wales, the Environment Agency, WDA, the Welsh Local Government Association and the Director of Job Centre Plus. Copies also go to the Directors of the Confederation of British Industry Wales, Wales Tourism Alliance, the Wales Trades Union Congress, and the Directors of the Federation of Small Businesses, the Institute of Directors, and Chamber Wales.

⁸ Section 120 in the Government of Wales Act 1998

⁹ The Assembly has a duty under sections 113, 114 and 115 of the Government of Wales Act 1998 to promote the interests of Local Government, the Voluntary Sector and the Business Sector.

¹⁰ As set out in section 47 of the Government of Wales Act 1998, and the Welsh Language Act 1993.



WELSH ASSEMBLY GOVERNMENT FUNDING

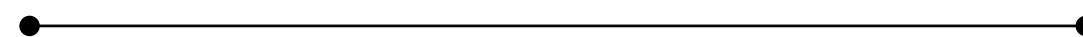
Your allocations in the Assembly budget for 2005-2006 and the indicative allocations for 2006-2007 and 2007-2008 are:

| Budget Expenditure Lines | £000's | | |
|----------------------------------|----------------|----------------|----------------|
| | 2005-06 | 2006-07 | 2007-08 |
| Running Costs | 5,168 | 5,168 | 5,168 |
| Current Expenditure | 14,024 | 14,024 | 14,024 |
| Current Receipts | -400 | -400 | -400 |
| Capital Expenditure | 3,550 | 3,550 | 3,550 |
| Depreciation/Cost of Capital | 215 | 215 | 215 |
| Total Wales Tourist Board | 22,557 | 22,557 | 22,557 |

Ring-Fenced Budgets

In addition to grant in aid, the Assembly Government also makes available a number of other budgets for specific individual projects, known as ring-fenced budgets. The WTB must endeavour to spend these amounts within the financial year to which they are allocated, as there can be no guarantee of authorisation to carry forward any funds that remain unspent, that are in excess of the WTB's carry over delegation as set out in the WTB's Financial Memorandum.

| RING-FENCED BUDGETS 2005-06 | |
|---|-----------------|
| Fishguard and North Pembrokeshire Regeneration Plan | £452,000 |
| Cardigan and South Ceredigion Regeneration Plan | £255,000 |
| TOTAL RING-FENCED | £707,000 |



WTB's Business Planning Timetable 2006/07

| Plan Preparation | |
|--|-------------------|
| WTB Staff Seminar – review key policy objectives and agree shared priorities/principles | April/May '05 |
| Corporate Planning meeting – review staff seminar day outcomes. Agree priorities and draft divisional resource allocation. Agree opportunities for additional funding bids. Discuss potential strategic targets. | 9 May '05 |
| Draft Corporate Plan agreed by Strategy Board (19 June) and submitted to WAG. | End June '05 |
| Market analysis in key UK /Overseas markets – PEST/SWOT/Competitor analysis. | March – April '05 |
| Joint meetings with WAG to develop common planning approach | TBA |
| Plan Development | |
| Marketing planning meetings with RTP/VisitBritain/partner colleagues | Sept/October'05 |
| Prepare and finalise marketing plans for UK/Overseas | End November '05 |
| RTP draft business plans submitted to WTB | End December '05 |
| 2005/2006 Budget confirmation from WAG to WTB | November '05 |
| 2005/2006 remit letter from WAG to WTB | January '06 |
| WTB response to RTP draft Business Plans | End January '06 |
| Agree divisional resource allocation | January '06 |
| Plan Finalisation | |
| Discuss final plans and integration with WAG | TBC |
| Prepare and finalise divisional Business Plans incorporating Risk Management | End December '05 |
| Prepare and finalise Business Plan for agreement by Strategy Board and submission to WAG | End December '05 |
| RTPs prepare and finalise Business Plans | March '06 |
| Team plans finalised | End February '06 |
| Submit WTB Business Plans to Minister for Agreement | February '06 |
| Personal objectives setting | March '06 |

The Strategic Challenges facing Tourism in Wales

Improve the quality of tourism products

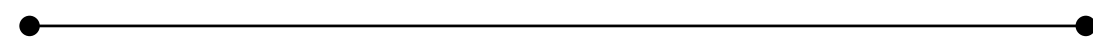
The quality of accommodation and attractions in Wales is variable. Today's discerning customer expects value for money and will not accept low standards. Wales has high quality natural assets and a distinctive culture and heritage, which differentiate it from other parts of the UK. However, at the top end of the market there are too few luxury hotels, which create their own demand and increase the profile of Wales as a quality destination. At the bottom end of the market there is still too much low quality accommodation, which damages the Wales offer and reputation, many businesses are run by 'lifestyle' operators who choose to work for only part of the year.

Attractions are also of variable quality and are often unable to sustain demand outside of the traditional holiday season. An increase in the number of attractions over recent years has not been reflected by an increase in demand. Market share has been lost to other leisure activities, for example shopping and health or fitness related activities. Seasonality is a major issue for this sector and must be addressed for the benefit of the whole industry. Wales needs high quality, icon, flagship attractions that are distinctive to Wales and reflect the character and culture of Wales, provide a distinctive experience and reflect the Wales brand.

Improve the access to information and booking facilities for accommodation in Wales and increase the accessibility of Wales for both domestic and International visitors.

The time squeeze experienced by consumers means that they want to be able to make decisions about holidays efficiently and quickly. New technologies enable consumers to gather information and book holidays independently and at their own desired pace. Wales' online visibility is fragmented. The industry in Wales has been slow to respond to the opportunities afforded by new marketing and purchasing channels such as the Internet. VisitWales has been developed as a framework that allows individual operators to take advantage of these developments. More needs to be done to increase Wales' online visibility to make it accessible to a larger share of the market.

Poor transport networks and gateway links often hinder access to some parts of Wales. Despite the fast train connection from Paddington to Cardiff and West Wales, it appears to be little used by visitors. The public transport infrastructure needs investment and is geared towards the needs of regular users. Visitors can often feel that public transport does not suit their requirements and that it is expensive. The main road gateways for getting to Wales can be heavily congested, which increases journey times. North-south connections remain poor. Extremely popular parts of Wales suffer from the 'honey pot' problem, which can, unless responsibly managed, affect visitors' enjoyment, as well as having a damaging impact on the environment and communities in these areas. WTB welcomes the recent announcements made by the Minister regarding road network developments.



The proportion of international visitors to Wales is significantly smaller than domestic visitors. The European short break market is dominated by low-cost airlines. Opportunities for Wales to benefit from this have been limited due to the lack of competitive regional airports beyond Cardiff. Despite the presence of bmi baby at Cardiff Airport, it has been mostly successful in taking Welsh people on holiday rather than bringing new visitors into Wales. Air access to North Wales could be improved by developing greater links with Manchester and Liverpool John Lennon airports.

Generate and consistently apply a strong Wales brand

The brand positioning of Wales as a holiday destination has been significantly improved over recent years. Outdated images of Wales have been challenged and perceptions are changing. Internationally, there is still a lack of awareness about Wales, resulting in a relatively low proportion of overseas visitors coming into Wales.

More needs to be done to create and communicate a differentiating brand for Wales, which is motivating to consumers and can be delivered by the industry. All those involved in tourism development must work together to reinforce the brand and communicate it effectively at all levels in the marketplace. The brand positioning of Wales should be based on assets that are best in class, distinctively and uniquely Welsh.

There will remain an essential need to generate enquiries for Wales through cost effective brand response campaigns, product and niche campaigns to ensure that tourism spending is maximised, both in the short and longer term.

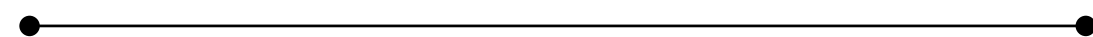
Raise the skill levels of all those working within the tourism industry

Quality improvements are only possible through enhanced skill levels. The lack of essential skills and staff shortages are key challenges for the tourism industry in Wales. The shrinking labour market and youth migration patterns are making this problem worse, particularly in rural areas.

The negative perceptions of the industry as a career choice are widely recognised. Tourism is viewed as an employment option that is badly paid, seasonal with unsociable working hours and limited career prospects. Recruitment and retention issues are widespread.

Skills and staff shortages impact on business performance, quality of service and the visitor experience. There is a growing trend towards recruiting overseas staff to fill the vacancies in the industry, with more and more employers looking to Eastern Europe for seasonal and longer-term workers.

Some operators recognise the importance of training their staff and ensuring that they are given as many development opportunities as possible. However, this is not the case across the whole industry, which is dependent upon multi-skilled staff. Businesses often find investing in training difficult, as this often



means releasing employees and incurring costs, something that is even more difficult where there are significant staff shortages. There is a mismatch between learning providers and the needs of the businesses. Innovative training opportunities need to be developed to fit business needs.

Attitudes towards training need to be changed. Investment in training for seasonal or casual staff is often felt to be unaffordable, and managers and proprietors may feel that they have learned all they need through experience. Many of the micro-businesses that characterise the industry are not sufficiently equipped with practical business and marketing skills to compete successfully. The skills developed in the tourism industry are easily transferable to offer customer-facing occupations. Skills need to be upgraded and professionalism amongst employers and employees must be improved. A training culture must be developed within the industry to ensure that skills development becomes an integral part of overall business performance.

Encourage innovation within the tourism industry

The tourism market is changing in line with the evolving tastes and needs of consumers. Whilst some industry professionals are developing new products or evolving existing products in line with market changes, others are reluctant to risk doing this. The result will be that Wales' tourism offer will stagnate and be unable to compete with other destinations.

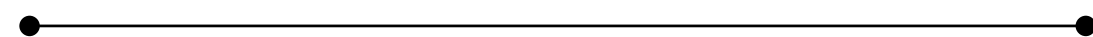
Wales' tourism product is diverse, based on the variety of its assets, such as the quality of the natural and built environments, culture and heritage. The success of the industry depends on the ability of tourism businesses to innovate and develop their existing products to meet market needs. Innovative businesses need to operate within an environment where they feel confident in taking risks and investing in developments.

Celebrating the successes of innovative tourism products and communicating good practice will be beneficial to the whole tourism industry in Wales.

Develop strong and effective working partnerships.

Effective partnership working between the private and public sectors is essential in tourism marketing and development. The nature of tourism means that it is also essential for tourism businesses to work together. Increasing numbers of tourism associations have emerged in recent years, enabling the coordination of action at a local or sectoral level. The development of the Wales Tourism Alliance has resulted in a strong voice for the tourism industry that works effectively alongside public sector partners. The four Regional Tourism Partnerships have facilitated more collaborative and democratic working at a more local level.

There are numerous bodies engaged in tourism, economic development, heritage and cultural development, and their work needs to be further integrated. This may require a change of culture or attitude in some of the



public agencies that may not think that they make a significant contribution to tourism.

Greater collaborative working will ensure that the benefits of tourism development are spread more widely both sectorally and spatially. More integration will ensure that these resources are targeted effectively for mutual gain of all tourism stakeholders.

Provisional 3-year research programme

| Research Project | 2005/6 | 2006/7 | 2007/8 |
|--|--------|--------|--------|
| United Kingdom Tourism Survey (UKTS) <i>Annual telephone survey of the adult UK population undertaken by the national Tourist Boards, covering all overnight tourism trips</i> | ✓ | ✓ | ✓ |
| International Passenger Survey (IPS) <i>Annual survey of passengers entering and leaving the UK from main ports and airports, undertaken by the Office of National Statistics. This forms the main information source on overseas visitors.</i> | ✓ | ✓ | ✓ |
| Serviced Sector Occupancy Survey <i>Monthly postal survey of serviced accommodation within Wales measuring occupancy levels</i> | ✓ | ✓ | ✓ |
| Self-Catering Occupancy Survey <i>Monthly postal survey of self-catering accommodation within Wales measuring occupancy levels</i> | ✓ | ✓ | ✓ |
| Survey of Visitors to Attractions <i>Annual survey to monitor trends in the tourism attractions sector</i> | ✓ | ✓ | ✓ |
| Tourism Business Survey <i>Survey of businesses in Wales undertaken, five times annually following main holiday periods</i> | ✓ | ✓ | ✓ |
| Advertising & Tracking Studies <i>Measures awareness and recall of WTB advertising</i> | ✓ | ✓ | ✓ |
| Golf Tourism Monitor <i>To monitor trends in the golf tourism sector</i> | ✓ | ✓ | ✓ |
| Return on Investment & Monitoring Research <i>Calculation of ROI of WTB Marketing campaigns</i> | ✓ | ✓ | ✓ |
| Evaluation of Media/PR Activity <i>Measures the impact of WTB PR work</i> | ✓ | ✓ | ✓ |
| Development of Tourism Satellite accounts (TSA) for Wales <i>To further refine Wales TSA and undertake Expenditure Survey as input to the Wales TSA</i> | ✓ | ✓ | ✓ |

| | | | |
|---|---|---|---|
| Research into aspects of visitwales <i>To clarify future development and assess impact of changes in terms of usability and call to action.</i> | ✓ | | |
| Research on Effectiveness of Business Advice Service <i>Annual telephone survey to gauge the effectiveness of the Business Support Service</i> | ✓ | | |
| Research on Motivations for Visiting Wales <i>Qualitative research to gather and refine information on visitor motivations in visiting Wales</i> | ✓ | ✓ | |
| Activity Benchmarking/ Tracking a) <i>To establish the proportion of respondents who holiday in Wales.</i> b) <i>To evaluate influence of WTB activity marketing campaigns on decisions to take holiday.</i> c) <i>To develop ROI.</i> | ✓ | ✓ | ✓ |
| Develop VisitBritain Targets for Wales <i>Ongoing dialogue with VisitBritain</i> | ✓ | ✓ | ✓ |
| Review of RTPs <i>To assess and review activities of the 4 Regional Tourism Partnerships</i> | ✓ | | |
| Research on Visitor Perceptions (UK) <i>To update information on visitor perceptions as input to marketing and development planning</i> | ✓ | ✓ | |
| Research on Visitor Perceptions (Overseas) <i>To update information on visitor perceptions as input to marketing and development planning</i> | ✓ | ✓ | |
| Development of Common Core Questionnaires for Local, Regional and National Visitor Surveys, a rolling programme of Local/Regional Surveys, with Aggregation of Results | ✓ | ✓ | |
| Self-catering Sector Study <i>To profile and evaluate impact of self-catering sector</i> | ✓ | | |

WTB Corporate Risk Register

| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--|--|---|----------------------|--------------------------|-------|-------------------|---|--|-------------|-------------|
| | | | | | | | | | | |
| Merger | | | | | | | | | | |
| | Decreasing staff retention and morale | Uncertainty relating to the HR and location issues in the Merger process | 4 | 4 | 16 | NA | Maintain regular communication with the | Jonathon Jones | Ongoing | 06/05 |
| | | Uncertainty relating to the merger process | 4 | 3 | 12 | NA | Completed - Dedicated internal communications post established, Line Managers cascading relevant information | Line Managers and Communications | 11/04 | 06/05 |
| To raise the quality of the tourism experience in Wales | | | | | | | | | | |
| 1a | Industry does not rise to the challenge of developing a world class and distinctive Wales experience | Insufficient WTB resources to stimulate investment by the industry. WTB fails to convince the industry that raising quality is key to success. | 5 | 4 | 20 | None | Seek to maximise funding from WAG, EU and other sources by demonstrating positive benefits for Wales. Provide Business Support services which promote the benefits of higher | Investment Services/ Business Support | Ongoing | Annually |

¹¹ Ref No, refers to the Strategic Priority each risk relates to within the Corporate Plan

¹² The impact of the risk occurring is scored:

1 = insignificant, 2 = minor, 3 = moderate, 4 = major, 5 = catastrophic.

¹³ The likelihood of the risk occurring is scored:

1 = rare, 2 = unlikely, 3 = moderate, 4 = likely, 5 = almost certain

| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--|--|---|----------------------|--------------------------|-------|---|--|------------------------|-----------------|-------------|
| | | | | | | | quality | | | |
| 1b | Fail to attract inward investment – Loss of market position | Competition, Interest rates, Potential Euro entry price, Insufficient WTB resources to trigger investment | 4 | 4 | 16 | Discussions with WDA on identifying strategic investment priorities | Develop stronger working links with WDA Use research more effectively Need to Build a case for additional resources | Investment Services | Within one year | Annually |
| 1b/c | Attract investment in the wrong areas | Lack of product/market knowledge, Political pressure | 4 | 2 | 8 | Section 4 evaluation is robust | Targeting investment spatially through Tourism Growth Areas and in line with Market needs. Need to align with the Spatial Plan | Investment Services | 2 years | Annually |
| 1d | Fail to meet quality standards - Loss of consumers, loss of business | Lack of research, knowledge and resources | 4 | 3 | 12 | Section 4 scheme stimulates investment in quality improvements | Prioritise Section 4 funds to more effectively meet product gaps/market needs | Investment Services | Within one year | Annually |
| To develop a distinctive brand for Wales and communicate it effectively | | | | | | | | | | |
| 2a | Lack of brand clarity | Poorly communicated, WAG impose a counter brand | 5 | 2 | 10 | Brand Strategy being discussed with WAG | Ensure tourism brand is based on best research and clearly communicated | Marketing | In progress | End June |
| 2b | Lack of industry buy-in | Poor communication | 5 | 4 | 20 | Limited | Allocate sufficient resource, communicate well, utilise existing channels, produce internal/external campaign | Marketing | End 2004 | Annually |

| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--|---|---|----------------------|--------------------------|-------|--|--|------------------------------------|-----------------|-----------------------------------|
| 2c/d | Lack of impact with consumers | Insufficient resources may result in low market penetration | 4 | 2 | 8 | Maintain discussions with WEFO | Demonstrate that additional resources stimulate positive benefits for Wales in improving perceptions/attitudes | Marketing | June 2004 | Additional European Funds Secured |
| | | Ineffective response generating campaign | 4 | 2 | 8 | Tendering process and monitoring | Undertake response analysis and conversion research | Marketing | Jan 2005 | Annually |
| To increase the accessibility of Wales as a tourism destination | | | | | | | | | | |
| 3a | Insufficient businesses with booking available online | Industry fails to capitalise on new technology | 4 | 4 | 16 | Communication, training and advice given to the industry | Utilise WTA, WAG, Opportunity Wales and BT to spread the message | Information services and new media | Ongoing | Annually |
| 3b | Route Development Fund not established | Lack of support from WAG | 4 | 4 | 16 | Discussions with WAG are at an early stage | Produce evidence based examples to convince WAG of the benefits | Marketing | March 2005 | Annually |
| 3c | Tour operators resist the Wales product | Lack of awareness of suitable product in Wales | 3 | 4 | 12 | Work with tour operators to promote Wales product | Demonstrate innovative/distinctive product packages | Marketing | Ongoing | Annually |
| 3c | Industry does not develop innovative packages | Industry lacks professionalism and competitive presence | 3 | 4 | 10 | Business Support guidance | Work with winners to encourage innovative packaging of product | Marketing | Within one year | Annually |
| 3 | No-one promotes in-Wales travel | Uncertainty over roles and responsibilities in the marketing of Wales | 4 | 3 | 12 | Discussions with RTPs and other stakeholders | Increased communication, increase involvement in RTP business planning | RTPs in discussion with Marketing | Within one year | Annually |

| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--|---|---|----------------------|--------------------------|---------------------|--|---|---|-----------------|-------------|
| To develop effective working relationships | | | | | | | | | | |
| 4a/d | Unable to maximise resources | Breakdown of relationships with: RTPs VisitBritain WAG Industry/ WTA | 5 5 5 5 | 1 4 2 3 | 5 20 10 15 | Discussions with key stakeholders | Listen, consult, and work to achieve mutual benefits through sharing resources/ expertise. | All | Ongoing | Annually |
| 4b | The credibility and reputation of tourism in Wales does not improve | Insufficient WTB resources available to promote positive perceptions/ attitudes towards tourism | 4 | 4 | 16 | Delivery of WTB Corporate Communications Strategy | Identify other possible opportunities for raising the profile of tourism with partners e.g. TTFW, WTA, RTPs | Communications | Ongoing | Annually |
| 4c | ROI/ Additional spend methodology not accepted by WAG | WAG changes WTB strategic targets | 3 | 2 | 6 | Communicate methodology and discuss need for improvement | Demonstrate that effective methodology is being used. Presentation of methodology given to WAG | Strategy and Communications | July 2004 | Annually |
| To encourage, support and reward innovation | | | | | | | | | | |
| 5 | The concept of innovation not understood by the industry | Unclear communication | 4 | 3 | 12 | None | Clarify meaning of Innovation internally. Communication to include good practice examples. | Business Support | Within one year | Annually |
| 5a | Targets set for WTB will restrict the potential for supporting innovation | WAG does not support the innovation approach | 4 | 4 | 16 | None | Seek to persuade WAG that innovation in tourism will involve higher risks, lower short term gains | Strategy and Communications/ Investment | Within one year | Annually |

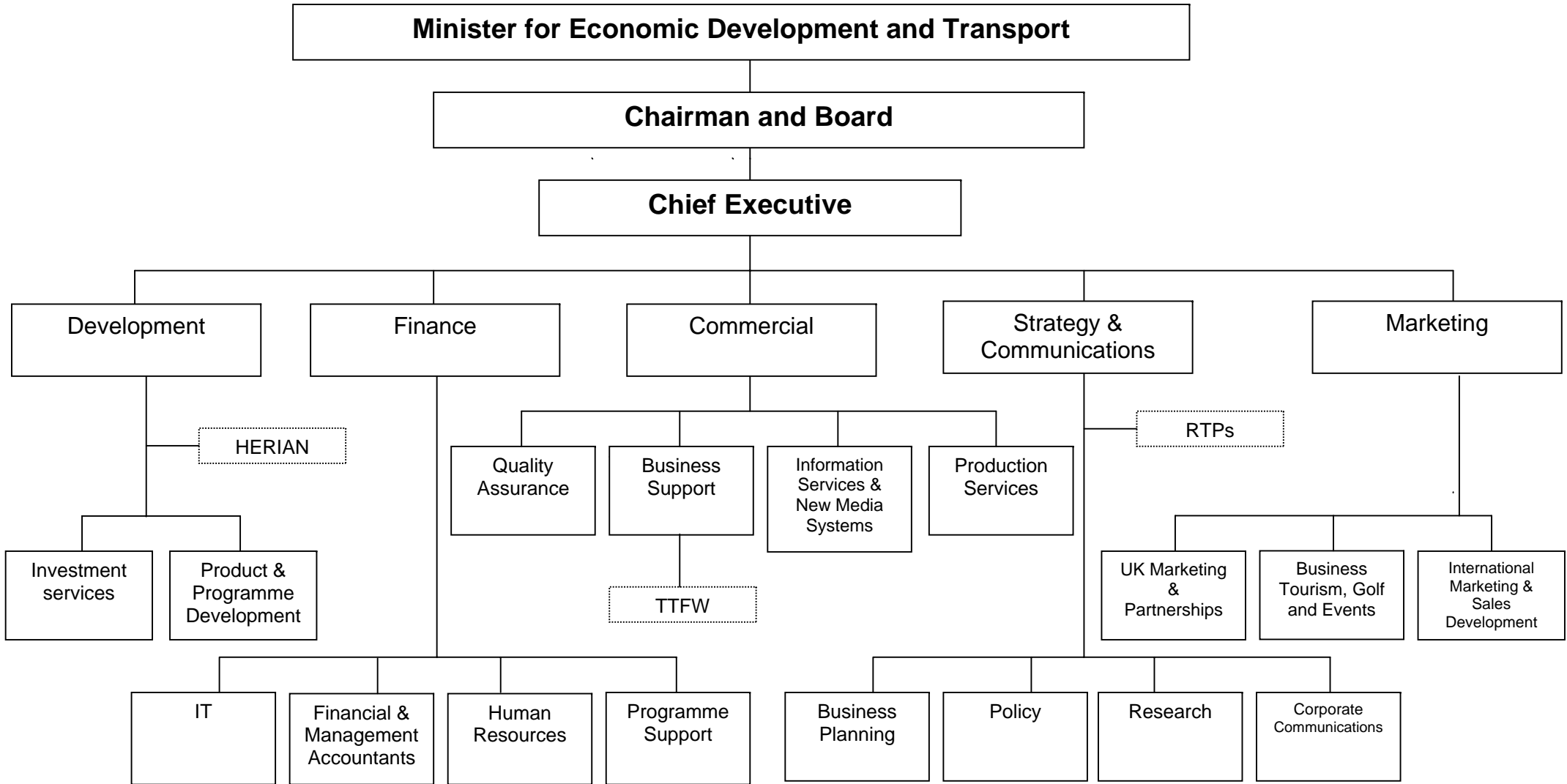
| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--|--|---|----------------------|--------------------------|-------|---|---|----------------------------------|-----------------|-------------|
| | | | | | | | and higher level of support | services | | |
| 5b | Future needs of the visitor not identified correctly | Limited resources prevent research into futures | 5 | 3 | 15 | All departments are canvassed annually regarding their research needs | Source secondary research produced by others. Work in partnership to reduce the cost of research to WTB | Research | Annually | Annually |
| 5c | Innovative ideas are not forthcoming | Failure to identify the levers that will generate and incubate innovative ideas | 5 | 3 | 15 | None | Review approaches to encouraging innovation through benchmarking study and develop range of tools for Wales. | Business Support | Within one year | Annually |
| 5d | Unable to sustain ongoing support for innovation | Insufficient WTB resources to stimulate relatively high risk ventures | 4 | 4 | 16 | None | Seek to persuade WAG to increase resources to support innovation fund | Investment Services | Within one year | Annually |
| To encourage higher skill levels in tourism | | | | | | | | | | |
| 6a | Unable to attract sufficient staff into the tourism industry | Status of tourism remains low | 4 | 4 | 16 | None | Work in conjunction with WAG/ELWa on a Wales wide publicity campaign for tourism | Strategy and Communications/TTFW | Within one year | Annually |
| 6a | Skill levels within the industry do not improve | Insufficient resource allocated to bridge the skills gap | 4 | 4 | 16 | Provide remit letter to TTFW | Assert the right influence to ensure training provision is in line with industry needs. Not just an issue of money | TTFW | Within one year | Annually |



| Ref. ¹¹ | Potential Risk | Cause | Impact ¹² | Likelihood ¹³ | Total | Existing controls | Action required to put control in place or enhance existing controls | Responsible Department | Action Date | Review Date |
|--------------------|---|---|----------------------|--------------------------|-------|---|--|------------------------|-----------------|-------------|
| 6b | Partners do not promote tourism as a career prospect | Inability to influence skills providers/careers service | 4 | 4 | 16 | Provide remit letter to TTFW | Influence key stakeholders to promote tourism as a viable career option. Impose stronger controls over TTFW | TTFW | Within one year | Annually |
| 6c | WTB does not develop as a learning and development organisation | Insufficient funds allocated to the training and development budget | 4 | 4 | 16 | Training needs identified by Line Managers on an annual basis | Develop a cost effective training plan, that delivers in-house training, e-learning and external courses. WTB has an ongoing IIP Action Plan and the training budget for 2005/06 will be looked at over the next three months as we plan WTB's overall budget for that year | Human Resources | Ongoing | Annually |



WTB's organisational structure (including links to TTFW, RTPs and HERIAN)



Wales Tourist Board

Full-year performance report 2004 – 2005

Introduction

This report describes WTB's performance in achieving strategic targets and progress against broad and specific operational priorities contained within the Remit letter for 2004/05.

WTB Budget for 2004/05

WTB received £22.257m in grant-in-aid funds for 2004/05. In addition, WTB was awarded the balance of the funding under the Rural Recovery Plan for the Adfywio scheme of £1m, and ring-fenced budgets of £452k and £255k for the Fishguard and North Pembrokeshire, and Cardigan and South Ceredigion Regeneration Plans.

The Strategic Agenda

WTB's Operational Plan describes its detailed spending plans, activities, performance targets and other outputs for 2004/05. The plan clearly sets out how WTB's activities support the Cabinet's overall vision for change set out in *Wales: A Better Country*. The plan identifies WTB's contribution to the underpinning priorities of sustainable development, social inclusion and equality and to the priority outcomes, particularly helping more people into jobs and creating better jobs and skills.

The Operational Plan was submitted to the Minister for approval in March 2004. The Economic Development and Transport Committee considered the draft Corporate Plan for 2005/06 – 2007/08, which sets out how WTB intends to deliver in the longer term against the strategic agenda set by the Assembly Government, at the end of June 2004. In line with guidance from the Assembly Government the Operational Plan for 2005/06 and the Corporate Plan for 2005/06 – 2007/08 have been merged into a single, integrated Business Plan. The Business Plan was submitted for the Minister's approval in March 2005.

WTB's Operational Plan for 2004/05 provided the Assembly Government with a key reference point against which to monitor the performance of WTB. Challenging targets were set by the Assembly Government to support its objective of promoting a diverse, competitive and high-added value economy as set out in *A Winning Wales*. A summary of performance against these targets can be found at Appendix 1.

This report describes how WTB has contributed to the Assembly Government's priorities. WTB strives to work in partnership and in consultation with all relevant stakeholders in all activities it undertakes. In accordance with the priorities set in the Remit letter, WTB has continued to

lead the implementation of Achieving Our Potential, the national tourism strategy for Wales.

Supporting Welsh tourism businesses to enable them to provide the highest possible standards

Encouraging Investment

During 2004/05 WTB has continued to build on the competitive strengths that exist in Wales by encouraging investment in new and improved tourism facilities to meet the changing needs of the market.

Working with both public and private sector tourism organisations and businesses, WTB encourages investment in the development of quality tourism products in Wales. WTB's Investment Strategy identifies both weaknesses in the existing product and opportunities for real market growth. Funds are distributed in accordance with this Strategic Framework and WTB has worked with partners including Local Authorities, the private sector and other public sector bodies to identify strategic projects such as Herian, the Tourism Growth Areas and the Product Action Plans. With these partners, WTB has developed a co-ordinated programme for tourism investment throughout Wales - particularly in areas of greatest need such as the Objective 1 area.

To encourage new investment in the tourism industry, WTB is undertaking Hotel Supply/Demand studies within Cardiff, Carmarthenshire, Swansea and the Heads of the Valleys and collecting market intelligence for key sites to stimulate investment potential.

WTB has contributed towards the development of a Strategic Development Framework to underpin partnership activities with WDA and the Assembly Government in the identification of nationally strategic projects with a view to securing 'Team Wales' support for appropriate investment projects.

WTB has continued to work in partnership with Herian to stimulate economic and social regeneration throughout the South Wales Valleys.

A study into the potential for future cruise development was completed in April 2004. The recommendation that a CruiseWales committee be established was implemented immediately thereafter, with membership drawn from relevant port, tourism, local authority, and other interested bodies. Initial indications are that cruiselines are very interested in including more Wales stops, as they view Wales as the 'missing-link' in round Britain and western Europe itineraries.

Performance against target for 2004/05 is set out in Table 1.

Table 1

| | Target 2004/05 | Actual 2004/05 |
|--|-----------------------|-----------------------|
| Planned allocation | £11m | £6.8m |
| Full time equivalent jobs Created/ Safeguarded | 660/165 | 394/41 |
| Private investment | £33m | £21.2m |
| Total investment | £55m | £40m |

The original targets for 2004/5 were based on a planned allocation of £11m in the form of grant assistance. There were timing differences in the receipt of the various sources of funding which were to make up the £11m and in the event only £6.8m was allocated during the year. The balance of funding has not been lost but will continue to be allocated through 2005/6. The outputs associated with this allocation will therefore be spread over a wider period of time. There is an explainable pro-rata consistency of performance with the targets set for Private Sector Investment and Total Investment generated. The actual achievement of jobs created/safeguarded, however, is below the pro-rata expectation. The reasons for this are that there were significant numbers of infrastructure projects, farming connect and regeneration projects approved during the year. These projects were afforded a higher 'cost per job' grant than average. These awards were consistent with the targets set by those individual streams of funding.

Developing Business Support activities

WTB has established an effective Client Management System (CMS) to support the delivery of individualised advice to business customers. Statistics indicate that during 2004/05:

- 5,269 specialist tourism enquiries were handled by the Business Support Department,
- 2,341 Business Advisory Signposting Service advisory visits were undertaken,
- 319 Specialist Advisory visits were undertaken,
- 2,253 Toolkits were distributed,
- 5,841 Fact sheets were distributed.

A new series of business support fact sheets has been prepared with online print versions/ downloadable copies being available to the industry by the end of the 1st quarter of 2005. Subjects covered include Broadband (sponsored by BT), Insurance, Data Protection Act, Freedom of Information, Fire Precautions and Complaints Procedures.

WTB's Business Support and WDA Food Directorate Teams jointly produced a new toolkit aimed at assisting tourism businesses to develop and promote their food offer, 'Food for Thought'. The current WTB suite of toolkits were also enhanced and updated during the period.

In partnership with the Regional Tourism Partnerships (RTP's), WTB held a second series of tourism road shows in February 2005. All four events were fully subscribed, with attendances averaging 100. Tourism businesses from across Wales were able to benefit from the wide range of business support available from WTB and its partners. A good cross section of organisations were represented at the exhibition, including Business Eye, Finance Wales, Tourism Training Forum for Wales and many Local Authority tourism departments.

WTB is committed to delivering the regional road shows again in 2006, and is currently inviting views from our business customers on next year's agenda.

The CMS not only supports WTB's business advisory and grant support services, it is now being used to capture and track WTB's Freedom of Information & Data Protection Act requests and manages WTB's complaints process. Three of the four RTP's are also linked to the data.

WTB's industry website, www.wtbonline.gov.uk was further enhanced and updated during the year. It is a key communication tool, providing an evolving range of business advice, research information and a signposting service to the tourism industry.

Raising standards within the tourism industry

WTB has continued to operate an efficient grading and advice service to the various sectors covered by its grading schemes. As at 5 April 2005 the number of operators participating within the schemes was as follows:

| Scheme | Target | Actual |
|-----------------------------|--------|--------|
| Serviced Accommodation | 2000 | 1959 |
| Caravan Parks | 320 | 328 |
| Self-Catering Accommodation | 3200 | 3674 |
| Hostels | 100 | 139 |
| Activity Providers | 50 | 72 |
| Attractions | | 126 |

87% of 3, 4 and 5 star accommodation businesses are within the scheme – exceeding the 85% target.

WTB are investigating opportunities to offer additional commercial benefits to operators participating in the grading scheme; co-ordinated sales activity has been introduced and field officers will be used to market advertising opportunities to businesses.

Significant work has been undertaken during 2004/05 on the grading harmonisation project with the other UK Tourist Boards, the AA and the RAC. Agreement has now been reached on both the harmonised self-catering and

serviced accommodation schemes and work on the hostels scheme will take place during 2005.

Statutory registration

WTB has continued to work with the Assembly Government to take forward the proposals for a scheme for the statutory registration of tourism accommodation in Wales. In-house drafting of the scheme criteria has been completed and consultation with sectoral trade representatives via the Wales Tourism Alliance began in March 2005.

Promoting Wales as the ideal location for visitors

UK Marketing

WTB has continued to build on the success of its Big Country campaign during 2004/05, achieving all the targets set as described in Table 2.

Table 2

| | Target | Actual |
|----------------------|---------|---------|
| Direct responses | 300,000 | 405,000 |
| Cost per response | £4.50 | £4.32 |
| Unprompted awareness | 25% | 26% |
| Online responses | 30% | 45% |

Other UK based Marketing activities have also proved very successful:

- Adventure, Walking and Cycling campaigns have consistently achieved well over their target Return on Investment (ROI) of 20:1
- The Joint Marketing Scheme is on target to achieve a WTB:private sector leverage of £1.00:£1.04 against a target of £1:£0.90,
- £6 million (advertising equivalent value) of media coverage was achieved against a target of £4 million.

Team Wales Tourism

In the UK and International Markets, WTB has established 34 Team Wales Tourism (TWT) partners, and by managing these relationships, WTB has ensured the maximum usage of the business-to-business and business to consumer distribution channels. Additional exposure in all 34 programmes has raised the profile of Wales tourism businesses.

Product training sessions have been run with partners and the following results have been achieved:

- 3 walking tours from an Australian niche partner,
- 3 B2B events for over 30 suppliers have been organised in Ireland, France and the Netherlands,
- Travel Trade advertising has been achieved in the US, Ireland and Canada,

The first ever solely inbound series charter to Wales from Switzerland has been announced, predicted to bring an extra 800 overseas passengers to Wales.

Overseas Marketing

WTB has continued to work to maximise the benefits for Welsh tourism from VisitBritain's overseas marketing activities. A memorandum of understanding has been signed, confirming the basis of a new model for cooperation on overseas marketing, between VisitBritain and WTB. Under the new relationship, WTB has invested in the Britain Touring Campaigns in Germany, the Netherlands, Austria, Belgium and France and in the US Spring campaign. In partnership with VisitBritain and P&O, a Wales press supplement has also been put in place in Germany.

Amendments were made to the design plans for the major marketing trade exhibitions, ITB Berlin and BTTF 2005 resulting in WTB winning the BTTF Exhibition Excellence Award.

It is too early to tell the exact sales results from World Travel Market as these will be generated during the summer and autumn of 2005, but partners, through questionnaire responses, have indicated that they have made in excess of 400 contacts and on average they believe 50% of these will deliver business to Wales.

A distance learning package for the Travel Trade has been developed on www.traveltrade.com - the website has over 300 registered users mainly from the US. 10 users have completed the programme and 100 further have undertaken the learning, 50% have already passed 1 or more of the tests.

The "Meet the Press" event scheduled to coincide with the opening of the Wales Millennium Centre was very successful. 63 Journalists from the Netherlands, Ireland, Australia, USA, Canada, Japan, Belgium, France and Germany attended and were hosted by 20 of Wales' tourism businesses. 75% of the journalists combined the visit with out of Cardiff tours and the Australian and US contingents extended their visits into the Objective 1 area.

Media visits to Wales from overseas journalists during 2004/05 have proved extremely effective. In addition to the "Meet the Press" event, the 222 visits have created enthusiasm for print and programmes – 58 journalists from Germany have already shown interest in covering storylines for 2005/06,

which well exceeds the annual target. Overall, the coverage is expected to well exceed £9 million (advertising equivalent value), £3 million above the expected level.

Golf, Business Tourism and Events

An evaluation of WTB's Events Marketing Scheme indicated that WTB's investment of just under £1.2m has generated £27million of event related spending for the Wales economy since 2002, excluding the value of the media coverage generated from these events.

WTB has continued to develop relationships with UK and overseas golf tour operators, 10 new golf tour operator programmes to Wales have been developed and a further 5 have been enhanced. The golf gateway website www.golf.visitwales.com has also been aligned with the "Golf as it should be" campaign, and "Driving Change" training seminars have also been held, which include VisitWales training. Opportunities provided by the Ryder Cup continue to be exploited - 28 guests were hosted at the Ryder Cup in Detroit and agreement has been reached on a new tournament programme for 2005.

Promoting the use of ICT

At the beginning of March 2005 there are 5689 products publishing on WTB's Destination Management System www.visitwales.com – an increase of 37% on the previous year. 69% of individually graded properties are now appearing on VisitWales.

During 2004/05:

- 470 Businesses attended workshops,
- 292 Businesses attended presentations,
- 470 Fishing related businesses received information regarding VisitWales,
- 603 Businesses have received assistance from the Contact Centre.

In total 1023 businesses have participated in VisitWales workshops during 2004/05.

Contribute to the Assembly's work on Sustainable Development

WTB is currently developing a Sustainable Tourism Action Plan in partnership with Cynnal Cymru. A discussion paper has been submitted, which will be used to inform the drafting of the consultation paper that will be finalised in May 2005.

Partnership working

WTB recognises that Community Strategies for Local Authority areas, and the emerging Spatial Plan, are key policy documents through which the all-Wales vision set out in *Wales: A Better Country* will be translated into specific actions. Through the Regional Tourism Partnerships, the Board has ensured

that the four Regional Tourism Strategies help inform and take account of Local Authorities' Community Strategies. All local authorities are represented on the Boards of RTP's and the review of the regional tourism strategies has been transparent and inclusive.

WTB seeks to ensure that its activities benefit all parts of Wales. Some areas offer more obvious potential for developing and promoting tourism, but all communities stand to gain from the benefits that tourism can bring. In supporting the implementation of the Wales Spatial Plan, WTB will work with key stakeholders and will align its activities more closely to the Assembly Government's Strategic Agenda and to *'People, Places, Futures – the Wales Spatial Plan'*

The Regional Tourism Partnerships are members of the regional economic fora and seek to ensure consistency between the regional economic strategies and their own regional tourism strategies, which reinforce the main themes and objectives of *Achieving Our Potential*.

WTB's acknowledges the importance of partnership working in achieving its own and the wider Assembly Government vision and seeks to fully engage with all stakeholders relevant to particular activities. WTB's Business Plan 2005/06 – 2007/08 fully sets out Boards commitment to partnership working.

Communication

WTB recognises that clear, timely and co-ordinated communication is fundamental to successful delivery. The Board has forwarded its strategic communications plan to EDT Communications group and is aiming to fully acknowledge Assembly Government investment in all communications and to coordinate publicity with Assembly Government and other TEAM Wales partners. The department is also fully engaged in PR coordination for Cardiff 2005 and in discussions on merger communications.

Mainstreaming

WTB is committed to the advancement of **equal opportunities** both internally and throughout the tourism industry in Wales. WTB encourages the tourism industry to adopt flexible and innovative approaches to staff recruitment and training, which seek to deliver equal opportunities for all. With other UK Tourist Boards and Disability Wales, WTB is committed to evaluating the National Accessibility Scheme with a view to introducing the scheme next year. In line with the Assembly Government's Race Equality scheme, WTB has reviewed its own race relations provisions and actively encourages diversity awareness amongst staff.

WTB are continuing to work with a specialist accessibility adviser to establish links with local access groups and provide advice to businesses seeking to comply with the provisions of the Disability Discrimination Act. Members of the access group in South East Wales worked with WTB on subsidised "Walk

& Talk” surveys. WTB are working with the Swansea Institute on plans to develop a centre of excellence for “accessibility – 1500 businesses now have access statements, which can be published on www.visitwales.com. Special WTB grants for accessibility improvements are being effective, with many businesses undertaking improvements to meet the Disability Discriminations Act obligations.

The mainstreaming of the **Welsh Language** is recognised as being crucial to creating a bilingual Wales in which Welsh and English flourish. WTB’s Welsh Language Policy gives detailed guidance to all staff to ensure that the needs of Welsh and English speakers are equally provided for. The policy has been well received by staff and its principles are embedded into operational activities. WTB has also developed a Welsh Language Strategy that has been submitted to Welsh Assembly Government, and will be further developed for 2005/06.

The principle of **sustainable development** is at the heart of “*Achieving Our Potential*” recognising that the scale, pace and character of tourism development must be carefully controlled to safeguard Wales’ environmental, historical and cultural assets. Similarly, tourism can only thrive if it has the support of local host communities.

WTB will prepare a Sustainable Tourism Action Plan in 2005/06, which will form a framework for mainstreaming the principles of sustainability within WTB’s work. WTB will continue to invest in projects and initiatives that will help deliver a sustainable future for local economies and communities.

Specific activities that demonstrate WTB's commitment to Sustainable Development include:

- Green Sea Partnership - WTB chairs an all Wales partnership involving over 40 organisations that works to improve the coastal environment;
- Green Dragon scheme - WTB has introduced an environmental accreditation scheme operated through Arena Network. Accreditation to Level Two of the Green Dragon Environmental Standard is a condition of WTB's Investment Support. Through the Business Support Gateway, WTB signposts to the environmental advisory service offered by ARENA Network and has produced a Greening Your Business Toolkit in partnership with ARENA Network to assist tourism businesses to operate more sustainably. WTB has achieved Green Dragon Level two at both the Colwyn Bay and Machynlleth offices and is committed to achieving the same standard at the Cardiff office;

WTB recognises the importance of **social inclusion** and seeks, through an integrated range of programmes, to support the social justice agenda of the Assembly Government. A more prosperous tourism industry will sustain more and better jobs, generate a higher contribution to Welsh GDP and stimulate direct and indirect benefits to all communities in Wales. Specifically, WTB

has been engaged in the following activities to support the social justice agenda:

Investing in areas in need of regeneration

- Tourism Growth Areas - through the TGA programme, WTB has provided capital funding for tourism projects in Communities First areas - TGA's cover 17 Communities First wards.
- WTB is implementing tourism plans in areas of special need (Heads of the Valleys, Cardigan, North Pembrokeshire and possible extension of the 5 Counties programme).
- Core and Programme funding for Herian, which acts as a catalyst for social and economic regeneration in South Wales.
- The RTPs provide the opportunity for tourism to become more fully integrated within the local Community and the regeneration plans developed and implemented by the Local authorities, the WDA and the regional Economic Fora. Through the RTPs WTB also engages with the 8 LEADER+ groups in Wales, European Community Initiatives to assist rural communities to improve the quality of life and economic prosperity in their local area.

Promoting community involvement in tourism development

- WTB promotes community involvement in tourism through encouraging local authorities and tourism growth areas to adopt the concept of Integrated Quality Management.
- WTB is a member of the work of the Communities First sub-group on Green Tourism – a group that assists communities in Communities First areas to develop small-scale tourism initiatives.
- WTB has commissioned the production of a toolkit on developing community tourism.
- WTB sponsors the main Wales in Bloom Awards and an additional 'Neighbourhood' category, which encourages community groups to make environmental and horticultural improvements to their area with a view to entering the main Wales in Bloom awards in future.
- In partnership with Keep Wales Tidy, WTB is undertaking a pilot project entitled 'Cymru'n Lan.' This project has a dedicated officer based at Keep Wales Tidy who will assist community groups in the Rhondda Cynon Taf and Blaenau Gwent areas to tackle the problem of litter in their area. If successful, it is hoped that the programme can be extended across Wales.

Marketing activity/Objective One areas

- WTB's key marketing activities are designed to increase awareness of Wales as a holiday destination and to grow tourism demand for all parts of Wales. This activity will serve to increase the value of tourism in Objective One areas and the creation and maintenance of jobs within a wide variety of small to medium enterprises.

WTB has been reviewing its procurement processes and has held internal workshops with external facilitators. WTB is seeking to ensure that its processes are in line with the approach recommended by the Wales Procurement Initiative (WPI) and undertook a WPI Health check during 2004.

The Assembly Government's Integration Tool has been adopted by WTB as part of the business planning process. Following discussions with the Assembly Government high-level strategies will be tested and measured through the tool in 2005/06.

Outputs

Working closely with the Wales European Funding Office, WTB has delivered its core business by maximising the use of Structural Funds and WTB's own resources during 2004/05. The prudent use of funds has delivered quality programmes and projects with the potential to make a lasting and significant impact on the capacity of the Welsh economy.

WTB has developed and monitored bids for additional Objective 1 & 2 funding and continued to be represented on EU Structural Partnerships and Thematic Groups.

WTB has reported progress against operational priorities and targets in the quarterly monitoring meetings held with the Assembly Government.

WTB has continued to contribute to the work of the Economic Research Advisory Panel, particularly in the development of a Tourism Satellite Account (TSA) for Wales. Plans are being developed for a tourism expenditure survey, which will provide essential additional data to deliver more accurate TSA outputs.

WTB has prepared a statement of internal control in accordance with the guidance issued by the Treasury. WTB's Audit Committee has also considered the application of Corporate Governance and Risk Management throughout the organisation. WTB has prepared a Corporate Risk Register that identifies a range of high-level external and internal risks that could impact upon WTB's strategic objectives and an Operational Risk Register that looks at risks associated with specific areas of activity. Risk management will continue to be integrated within WTB's evolving business planning systems so that it becomes a more dynamic tool in priority setting and resource allocation.

WTB: Performance Against Core Grant in Aid Targets 2004 – 2005

| | 2004/05 Target | 2004/05 Out-turn | 2005/06 Target |
|--|---------------------------|-----------------------------|---------------------------|
| Tourism Spend¹ | 6% | -10% ² | + 6% |
| Average annual increase between 1998-2003 | | 6.1% | |
| Capital Investment³ | | | |
| I. Leverage (WTB:Total project cost) | 1:5 | 1:6 | 1:5 |
| II. Private sector investment | £33m | £21.2m | £33m |
| III. Total investment generated | £55m | £40m | £55m |
| IV. Jobs: Created/Safeguarded | 660/165 | 394/41 | 660/165 |
| Marketing | | | |
| I. Main UK Marketing Campaign ROI | 30:1 | 30:1 ⁵ | 30:1 |
| II. ROI from primary overseas markets | 12:1 | 12:1 | 12:1 |
| III. Additional Spend ⁴ | N/A | N/A | £85m |
| Quality Grading Scheme | | | |
| Proportion of 3,4 and 5 star accommodation maintained. | 85% | 86.9% | 85% |

¹ Tourism spend target includes domestic and overseas spending in Wales. WTB is dependant on the United Kingdom Tourism Survey (UKTS) for monitoring domestic tourism spending in Wales. This survey is subject to significant annual fluctuations and the sampling error for Wales is unacceptably high. The survey results for Wales in 2004 do not reflect the statistics gathered from other sources and do not match the anecdotal evidence received from the industry. The need for improvements in tourism statistics is acknowledged at the UK level and steps are being taken to improve the UKTS methodology for 2006 onwards. Tourism in Wales is unlikely to exhibit steady year on year growth trends but when viewed over a longer timeframe there are good growth patterns, between 1998-2003, for example, overnight tourism spending in Wales increased by an annual average of 6%.

² to December 2004.

³ The original targets were based on a planned allocation of £11m in the form of grant assistance. There were timing differences in the receipt of the various sources of funding which were to make up the £11m and in the event only £6.8m was allocated during the year. The balance of funding has not been lost but will continue to be allocated through 2005/6. The outputs associated with this allocation will therefore be spread over a wider period of time. There is an explainable pro-rata consistency of performance with the targets set for Private Sector Investment and Total Investment generated. The actual achievement of jobs created/safeguarded, however, is below the pro-rata expectation. The reasons for this are that there were significant number of infrastructure projects, farming connect and regeneration projects approved during the year. These projects were afforded a higher 'cost per job' grant than average. These awards were consistent with the targets set by those individual streams of funding.

⁴ Additional Spend targets have been included alongside the ROI measures used in previous years. Additional spend provides a more accurate measure of the impact of WTB's Marketing activity.

⁵ ROI figures for the UK and Overseas campaigns are expected to meet the target set, but final figures will not be available until June 2005