

Adding value

VisitBritain's Business Plan for 2010 – 2013

Introduction

This business plan will guide VisitBritain's activities for the next three years.

It sets out our role at the heart of the tourism sector and the results we are working to achieve.

Specific outputs and targets are included for the first twelve months only, as our budgets for the financial year 2011-12 and onwards have not yet been set. Yet our strategic direction is certain.

We trust you will find this business plan both useful and stimulating. We would be happy to provide more details of any of the projects it refers to and will report regularly on their outcomes.

Contents

The **Executive Summary** provides a quick snapshot of our plan, covering all the key headlines.

Part 1 sets out our vision and four-point strategy and where we plan to add most value.

Part 2 explains the context in which we operate, covering the economic and political environment and other factors affecting our industry.

Part 3 outlines our agenda for the next three years, including the overarching targets we are working to achieve.

Part 4 sets out all the financial information for FY 2010-11 as well as the KPIs and measures that govern all of our activities.

Finally in the **Appendix** you can find more information about our specific programmes for FY 2010-11.

Executive summary

Britain has some amazing assets: our culture, heritage, countryside and great cities, good air and sea connectivity, the English language, excellent accommodation, pubs and restaurants and fantastic attractions. We are also soon to host the world's biggest event – the 2012 Olympic & Paralympic Games - as part of a really exciting decade of sport.

But many other destinations boast equally wonderful assets, often with much bigger promotional budgets than ours. And as routes open up and the virtual world grows ever smaller, persuading potential visitors to come or return to Britain instead of going elsewhere gets ever more challenging.

VisitBritain's strategy for the next three years is all about adding value. We have a critical role at the heart of the visitor economy, through providing vital export channels for our partners and making it easy for visitors to choose and book Britain. We also help to move tourism up the political and economic agendas so that policy decisions support our industry.

By the end of these three years we aim to improve Britain's global position as one of the world's top destinations. We also want to leave a firm, sustainable legacy in the wake of the 2012 Games, thus further underlining the central role that tourism is playing in the UK's economic recovery.

A new study by Deloitte valued VisitBritain's annual contribution to the UK visitor economy at £1.1 billion, which accounts for around 4.7% of the total tourism impact and supports 28,000 jobs. Continuing to make best use of public investment in tourism is a key driver for us and we will work in collaboration with partners to achieve even further efficiency gains for UK plc.

We have a unique and critical role in addressing the market failures which limit consumer and business access to information and each other. By co-ordinating information from across Britain and the international markets and providing a global framework for Britain's various nations and regions, we pave the way for individual destinations and small businesses to market themselves.

We hope this document will provide you with a real insight into our activities for the coming years and how you can be engaged. We look forward to working with you.

Part 1: Our vision and strategy

Our vision is to inspire the world to explore Britain.

Our mission is to build the value of tourism to Britain, working in partnership with the industry and nations and regions.

In order to increase overseas visitor spend to all parts of Britain and improve Britain's ranking on the destination wish-list for international travellers.

Our Four-point strategy

We will support the growth of Britain's visitor economy in four key ways:

1. Inspiring travellers from overseas to visit and explore Britain.
2. Delivering a global network to support tourism promotion overseas.
3. Championing tourism and engage industry and Government in support of its growth.
4. Maximising the tourism legacy benefits of the 2012 Olympic Games and Paralympic Games.

Everything we do will be centred around these four key outcomes, thereby maximising the impact of public investment in tourism.

Where we make a difference

According to 'The contribution of VisitBritain' published by Deloitte in March 2010, we make a difference to the UK visitor economy in three key ways:

1. We inject over £1 billion of revenue into the economy every year through the additional visitor spend directly and indirectly generated by our international marketing and our commercial activities.
2. Our export platforms and business services achieve economies of scale of around £159 million, significantly reducing costs for many of our partners and saving public money.
3. We help enhance Britain's overall image as a country in which to work, invest and do business, thus contributing to the wider economy.

These three effects combine to create an overall contribution of around £1 billion.

What we are working to achieve by the end of 2013

- Britain's destination ranking will have risen by an average of one place in all 'Britain-led' international markets.
- Enhanced services for industry and destinations that will help increase overseas visitor spend throughout all Britain's nations and regions.
- Government policies will pave the way for greater industry productivity and investment.
- We will be on track to securing at least £2.1 billion of additional tourism thanks to the profile of Britain achieved by hosting the Olympic and Paralympic Games.
- There will be less duplication in spend among tourist boards and industry, with far greater consumer reach overall.

Part 2: The Context

Tourism is a complex business and many different issues have informed this business plan. This section explains the key parameters and influences that underpin our planning.

Industry size and structure

Tourism matters. It supports 2.6 million jobs and over 200,000 small and medium-sized enterprises. It already contributes £115 billion (8.2%) to the UK's GDP and is set to be one of Britain's best performing sectors over the coming decade. The highlight will be spending by foreign visitors, which is forecast to almost double to £31 billion by 2020.

Working Together to Promote England, London, Scotland, Wales and Britain

As the international promotional arm for Britain's tourism VisitBritain has a budget of £30.4 million and works with a wide range of partners to promote Britain and its various destinations. Our strategies and activities for each market depend on the degree to which customers in that market are familiar with Britain. This means that in certain 'familiar' markets, which are geographically close to and/or already have a good understanding of the UK, activities are led by the agencies for the devolved parts of Britain. In these markets, our role is mainly to provide a platform of marketing intelligence and services which help our tourist board and industry partners directly promote their own destinations, products and experiences.

Economic conditions

The global recession started to hit inbound tourism towards the end of 2008 which then received a further blow from the 'swine flu' pandemic. The full year of 2009 saw an overall 7% decline in inbound visitors, with a massive drop in business travellers being slightly offset by a growth in holiday travellers.

Although many economies are now emerging from recession, consumers remain cautious. The volume of air travel is stabilising but most airlines are still struggling and hotel occupancy rates and yields have dropped. Many businesses have been affected and the total number of jobs supported by the visitor economy in the UK has declined by over 150,000 since 2007.

Of course the weak pound and the relative strength of the dollar and euro presented a great opportunity to focus on value, with London dropping from 2nd to 20th in the list of most expensive world cities. As a result, unlike many of our European competitors, Britain's visitor economy largely managed to hold its own during the recession also aided by 'staycationers' as 15% fewer UK residents went abroad. Recent figures for 2009 suggest that the tourism industry has reached a turning point, marking it as an economic driver to lift Britain out of recession as we move towards 2011 and beyond.

Britain's image

The United Kingdom is a strong nation brand, ranking 4th out of 50 countries in the 2009 Nations Brand Index. Research consistently shows that Britain's key strengths are its heritage, culture, education, sport and London.

We do not perform so well on tourism competitiveness however (source WEF Travel & Tourism Report 2009). This means we need to demonstrate that the UK can provide value for money and narrow the gap between perceptions and the reality of British food and our overall welcome. We also need to showcase Britain's natural beauty as it is seen by many potential travellers as an urban destination, and to explain where places are in relation to one another.

Visitor trends

Britain's traditional visitor base is getting older so we also need to attract younger visitors. And younger people are showing a definite trend towards 'experiential' holidays and genuine experiences, rather than just 'tick the box' destinations. This means that destinations and their tourism products need to be able to guarantee visitors a real experience, for example by giving them opportunities to immerse themselves in local culture, traditions and activities.

A changing world

The competitive environment is very tough and set to get even tougher as 'new' destinations enter the market.

At the same time, the way people choose, book and share their holidays is being transformed. The explosion of social networking and other technologies means that customers can now receive tips from strangers halfway across the globe and they can compare prices at the click of a mouse. They can also tell their friends about their good – and bad – holiday experiences almost the instant they happen.

Technology is also transforming VisitBritain's role as the national tourism agency as well as the way we carry out our marketing. We now produce hardly any printed guides and brochures and within the next three years are likely to move away from publishing altogether.

Major events

In 2006 an Oxford Economic Forecasts predicted that the London 2012 Olympic Games and Paralympic Games could generate between £2.1 - £2.9 billion in incremental tourism revenue between then and 2016. The 2012 Games form part of a golden decade of sport which include the 2010 Ryder Cup in Wales, the Glasgow 2014 Commonwealth Games and the Rugby World Cup in 2015.

Ramping up of the Olympic Cultural Festival and other activities related to these events will start in 2010 and continue through to 2013 and beyond.

Resources

VisitBritain's own financial landscape has changed considerably in recent years and we are now working to a Grant in Aid which in real terms is 25 per cent less than it was in 2006. Increasing costs of services globally and exchange rate movements have also reduced our spending power. To respond to these tighter budgets we have reduced staff by over 100, moved to cheaper office accommodation and introduced a number of shared services and other innovations which provide efficiency savings. Yet despite all this we remain vulnerable to the outcomes of the forthcoming General Election and Comprehensive Spending Review, which might further reduce our operational capacity.

A framework for action

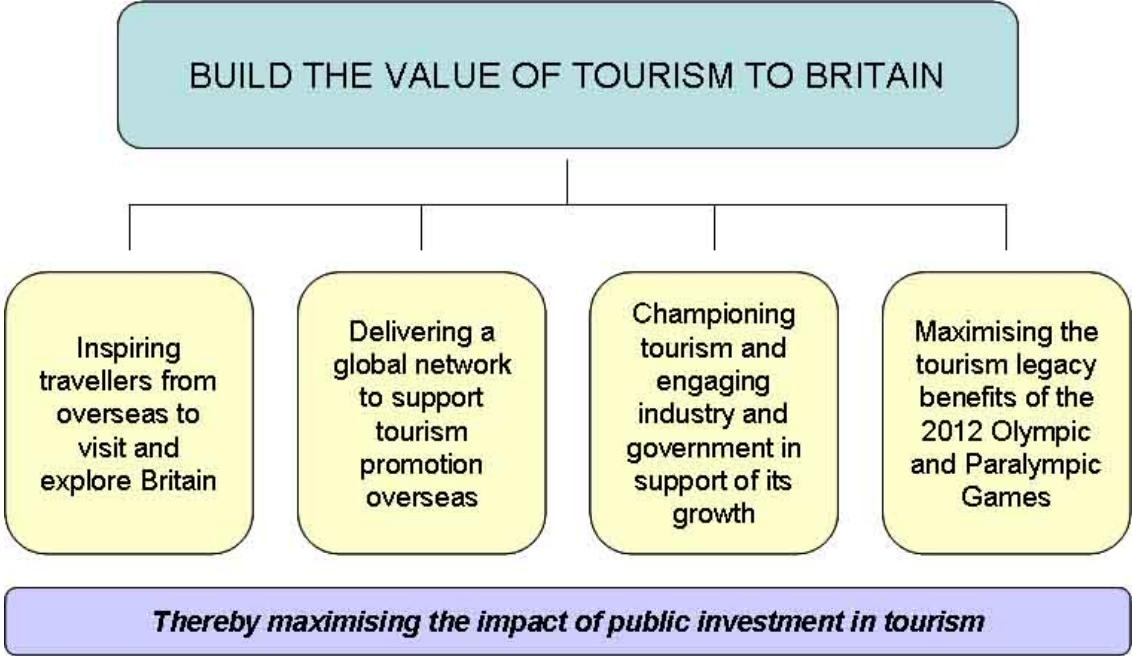
In 2008 British Tourism Framework Review looked carefully at what role each of the constituent parts of the industry should play if we were at one in our desire to achieve the full potential of the visitor economy. VisitBritain's role has been redefined and streamlined in response and the national tourist boards of Britain and Visit London (the 'strategic partners'), together with VisitBritain have signed a new agreement which governs the use of the overseas network of offices and representatives which VisitBritain employs. This framework will help us to achieve the complementary marketing of all of the constituent parts of Britain for the benefit of all the constituent parts.

Implications for VisitBritain

VisitBritain clearly has a vital role to play. As Britain's national tourism agency we are working in partnership with the Government, the industry and our strategic partners in London, England, Scotland and Wales to ensure that Britain emerges from this period in good shape. We are also preparing to meet the challenge of showcasing Britain and maximising the tourism benefits in the run-up to the London 2012 Olympic Games and Paralympic Games and beyond.

Part 3: Our Three-Year Agenda

Our agenda for the next three years includes four key strategies which combine to produce one high level outcome – the growth of the UK’s visitor economy.



Each of our four key strategies includes a number of different objectives, as explained on the following pages.

Strategy 1	INSPIRING TRAVELLERS FROM OVERSEAS TO VISIT AND EXPLORE BRITAIN
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We will work with a range of carriers, industry, brand and public diplomacy partners to deliver inspirational websites, digital content, marketing and PR programmes that encourage overseas visitors to come here - perhaps for the first time - and build their knowledge and understanding of the nations and regions of Britain.

The aim is to firmly secure Britain's position as one of the world's top destinations in the face of ever-increasing competition.

Outcomes:

- 1. Contribute £1.1bn of revenue into the economy through the additional visitor spend directly and indirectly generated by our international marketing activities.***
- 2. Create 2 billion OTS / £52m AEV media coverage which helps to enhance Britain's overall image as a country in which to work, invest and do business.***
- 3. Secure a ROI of 20:1 on all marketing activity in the Britain-led markets***
- 4. Attract 20 million unique visitors a year to VisitBritain's own sites***
- 5. Provide content to an additional 20 million people via third party sites***

Objective 1.1 Increase awareness of and interest in Britain among potential visitors, particularly in our emerging markets

- by:
- Establishing the newly refreshed Britain destination brand and a clear supporting narrative throughout all our activities
 - Projecting Britain in 25 developing markets, while developing segments in and providing our partners with connections to a further 10 well-established markets
 - Creating three consistent master campaigns in Britain-led markets, and two master campaigns for emerging segments in long-haul devolved markets, which project Britain's wealth of cultural, environmental and sporting assets alongside our traditional brand assets, and which can be easily adapted to suit local markets
 - Working with local media in each market to secure compelling editorial that reflects the brand and inspires readers/listeners/viewers about Britain

Objective 1.2 Outsmart rather than outspend our competitors

- by:
- Using social media and other new technologies to get closer to our potential customers and provide information via channels they wish to use
 - Taking full advantage of the much wider reach of our main intermediaries: the media, the travel industry and brand partners
 - Providing these intermediaries with information, tools and content which adds value to them and can help them promote Britain on our behalf

Objective 1.3 **Influence every stage of the consumer decision-making process**

- by:
- Working with third parties to reach international travellers on sites where destination decisions are still being made
 - Making the content of our consumer websites even more inspirational to help convince people who are already considering Britain
 - Expanding our CRM programmes so that we take account not only whether customers are familiar/unfamiliar with Britain but also the frequency of their travel and lifetime value
 - Implementing an integrated strategy for mobile devices that covers pre-trip planning, information provision during the trip and follow-up information

Objective 1.4 **Improve Britain's ranking as a destination for business and sporting visits and events**

- by:
- Showcasing Britain's event and sporting facilities alongside our more traditional assets in our international marketing work
 - Supporting regional and sector bids for international events
 - Working with event organisers to including 'extender' and leisure messaging into the information they provide to delegates before and during their visits
 - Work with global travel agencies to create a business tourism partner marketing campaign and include leisure extender messaging

Strategy 2	DELIVERING A GLOBAL NETWORK TO SUPPORT TOURISM PROMOTION OVERSEAS
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Through our international network of tourism specialists we'll provide an accessible service for our industry partners in the UK. By sharing our market intelligence and customer insights, local contacts and operational and execution capabilities, we will help them reach overseas customers in the most efficient way.

Outcomes:

- 1. Efficiency gains through VisitBritain's export platform of over £35m.*
- 3. Develop robust measure of export earnings generated directly resulting from VisitBritain's interventions.*
- 4. 80% satisfaction rating from UK trade and strategic partners using our network.*

- Objective 2.1 **Sustain an international network which covers all the most significant inbound tourism markets for the next five years**
by:
- Utilising a new Market Investment Model which balances market attractiveness alongside operational costs and constraints to help determine exactly which markets offer the greatest ROI potential for ourselves and our partners
 - Connecting suppliers (UK tourism businesses and distributors) to overseas markets/buyers by identifying and providing sales opportunities through consultation advice, missions, workshops and exhibitions
 - Working with partners to ensure public funds are used effectively in global marketing activities and duplication is driven out
 - Identifying synergies and opportunities for greater efficiencies across Britain-wide publishing activities and conferences and exhibitions
- Objective 2.2 **Provide our industry and strategic partners with relevant and timely market intelligence and customer insights**
by:
- Sponsoring and/or collating a wide range of research studies which collectively generate real insights into overseas markets' travel prospects
 - Focusing our primary research on markets where we and our partners currently know the least
 - Ensuring that the research and analysis we produce is disseminated widely and usefully
- Objective 2.3 **Provide essential services on territory that connect potential visitors with tourism providers**
by:
- Maintaining local language web content and developing e-commerce platforms
 - Building and sustaining trade and media contacts in all markets
 - Engaging and managing appropriate product and destination partners that support the key campaign themes that are being used in each market
 - Providing a self-funding retail platform (aka the online shop) for UK providers
- Objective 2.4 **Ensure that every part of our network is responsive to the needs of our UK partners as well as remaining focused on its local customers**
by:
- Keeping our overseas network regularly briefed on the needs of our partners
 - Facilitating direct contact and exchange between key partners and their target markets
 - Monitoring our UK partners' level of satisfaction with our network and the services we provide
 - Making certain that all parties fully understand the respective roles and responsibilities of VisitBritain and its strategic partners

We'll provide government and industry with trusted and authoritative research, intelligence and advice to shape the tourism debate. We'll also champion tourism to Government and other opinion formers, advocating policy interventions where necessary to ensure that the industry's value as a wealth and job creator is fully recognised and supported.

Outcomes:

- 1. Tourism to be demonstrably considered in policy making by 5 key government departments which impact on it*
- 2. 75% of new Parliamentarians, including all members of DCMS Select Committee and APPG on Tourism, to be informed about and engaged with tourism issues*
- 3. £3 million AVE of UK media coverage on the value of tourism to the economy*

Objective 3.1 Fulfill our statutory duty to advise government on matters relating to tourism

- by:
- ensuring that MPs, Ministers and their advisors are informed about tourism developments and issues
 - Maintaining good formal and informal access to the key Ministers, special advisers and other key policy influencers
 - Supporting and participating in relevant advisory bodies and working groups
 - Drafting answers to PQs and providing briefs for ministers and parliamentarians

Objective 3.2 Facilitate an ongoing climate of goodwill towards the visitor economy

- by:
- Securing appropriate recognition of the role tourism plays as an employer and driver of the national economy
 - Publicly celebrating major tourism successes
 - Acting as source of accurate and reliable data and comment for media and stakeholders

Objective 3.3 Provide leadership on key issues which threaten the ongoing success of our industry

- by:
- Sharing a manifesto which clearly sets out where intervention is needed
 - Collating strong evidence from overseas to underpin concerns on areas in which tourism action or policy is required
 - Run effective coordinated tourism communications globally in times of crisis through the Tourism Industry Emergency Response group

Strategy 4	MAXIMISING THE TOURISM LEGACY BENEFITS OF THE 2012 OLYMPIC AND PARALYMPIC GAMES
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The 2012 Games will be seen by 4.7 billion people around the world. This spotlight and the impetus it generates is a unique opportunity for our industry. Over the next three years we will work with our partners to maximise the economic benefits for tourism across the UK, boost the UK's image as a visitor destination and deliver a warm and professional welcome to visitors in 2012 and beyond.

Outcomes:

- 1. Help secure an additional tourism dividend of at least £2.1bn from the staging of the 2012 Olympic & Paralympic Games during the period 2007-2017*
- 2. 1 billion OTS of 2012 Games related media coverage which helps boost Britain's overall image as a country in which to work, invest and do business*
- 3. Increase (from 19%) the percentage of visitors feeling extremely welcome in Britain (CAA survey)*

Objective 4.1 Maximise the economic benefits for tourism across the UK

- by:
- Using the 2012 Games as a platform to secure more sporting and business events throughout Britain
 - Providing information and opportunities to help the industry engage with the 2012 Games before, during and after the Games
 - Providing platforms that help the industry reach Games visitors
 - Delivering marketing campaigns around the 2012 Games that inspire international visitors to explore Britain

Objective 4.2 Boost the UK's image as a visitor destination

- by:
- Drawing on the 2012 Games and its family of sponsors to cost-effectively enhance the appeal and reach of Britain
 - Using the heightened media interest in Britain because of the 2012 Games to reach new customers and raise the destination's profile
 - Positioning visitbritain.com - and its wider family of strategic partner websites – as a definitive source of tourism information surrounding the Games

Objective 4.3 Deliver a warm and professional welcome to visitors in 2012 and beyond

- by:
- Working with partners across government and the tourism & hospitality industries to significantly improve the visitor experience throughout every stage of the customer journey

RUNNING THE BUSINESS AND ALIGNING OUR ORGANISATION TO DELIVER OUR STRATEGY

In 2009 our finance, HR, IT and facilities departments were merged into a single Business Services unit to serve the newly redefined remits of VisitBritain and VisitEngland.

Business Services' objective is to deliver cost effective and customer focused services which support the achievement of organisation objectives. We are committed to reducing the cost of services by 2.5% in each of the next three years so that our service costs are less than Treasury benchmark for similar NDPBs.

Business Services operates through the guiding principles of:

- Activity should be managed at the most appropriate operating level
- Developing our staff to maximise their potential.
- Outsourcing activities and working in partnership with other public and private organisations will be our preferred option
- We work in partnership providing a knowledge and expertise resource for VisitBritain and VisitEngland
- Developing robust processes which embed our knowledge and understanding
- Operating on standard IT software and adapting our business processes to suit
- Not implementing leading edge IT solutions

We also ensure that staff feel valued and are given the opportunity to develop and progress their careers. In 2009 we were among a small percentage of London based businesses and the first DCMS NDPB to be awarded the Investors in People silver award.

Commercial Activity and National Tourism Operating Platform

We will also help where appropriate the nations and regions maximise the impact of public sector investment in digital and non digital services where cooperation and collaboration result in efficiencies for all UK tourism agencies.

With public money tight and spend under ever tighter scrutiny DCMS is encouraging its sponsored bodies to raise funds through alternate means, and encouraging a more entrepreneurial approach to income generation. This year our commercial activities will contribute £0.2m and through our web site and industry and non-industry partnerships provide visitors with the opportunity to purchase goods and services that facilitate their visit to Britain. We will champion the delivery of shared digital platforms and other services which maximise partner, industry and consumer benefits. Through the National Tourism Operating Platform we provide a national database for the storage and collation of information on UK tourism product delivering annual cost savings of £118m.

Part 5: Our accountability, Governance and Risk Management

Sustainability

VisitBritain aims to ensure that its inbound marketing activities are defined under the World Tourism Organisation VICE principles: Visitor satisfaction, Industry profitability, Community acceptance and Environmental protection. The organisation's aim is to promote sustainable business and encourage responsible visitors. Sustainable development – economic, environmental and social – is directly addressed in the British Tourism Framework Review and VisitBritain is developing a policy agenda that encompasses relevant sustainable tourism issues. Wherever possible we aim to incorporate sustainable tourism products within our marketing content and provide guidance and education for the customer.

In 2009 VisitBritain made significant improvement in its carbon footprint by co-locating its office within DFID's offices at 1 Palace Street. We have reduced space used by 40% and in conjunction with DFID's facilities department continue to implement improvements in energy consumption.

At our old offices in Hammersmith we provided 30 parking spaces which were in regular use by staff to travel from home to work up until we vacated the offices in October 2009. All staff now travel to work by public transport, cycle or walk.

In 2010/11 we will introduce extensive recycling of office waste to recycle at least 80% and eventually 95% of all waste generated.

As a global business managed from our HQ in London and via regional hubs in New York and Singapore our staff are required to travel extensively to manage the business and to escort media and sales missions. In 2010/11 we plan to reduce our business travel by up to 50%. Through the use of improved global communications we will provide effective technology alternatives to face to face meetings reducing the need for international and UK travel.

Risk Management

Operating in a commercial environment across a global network of 35 markets, it is inevitable that we will be affected by a range of risks.

Our strategy for identifying and managing risks is based on best practice and embedded in our operational plans, with established policies and procedures to effectively identify, treat and monitor principal business risks. We have a Risk Management Framework which categorises risks into four distinct categories: Strategic, Reputational, Operational and Financial.

For example, a notable financial risk is volatility in foreign exchange rates. Although we protect our in year off shore purchasing power by forward purchasing foreign exchange each year, we have seen a significant decline in off shore purchasing power over the last few years.

Our risks are reviewed by management on a regular basis, bi-annually by our Board and are subject to regular review by our Audit Committee.

The key identified risks are:

Risk	Funding <ul style="list-style-type: none"> ie Funding income reductions or movement in foreign exchange rates erode VisitBritain's effectiveness
Mitigation	<ul style="list-style-type: none"> Reinforce the contribution made by Tourism through advocacy and liaison with DCMS and tourism stakeholders. Proactive engagement with DCMS over VisitBritain's priorities and outcomes Focused purchase of 70% of foreign currency requirement to reduce impact on anticipated expenditure in any one year Close monitoring and proactive management of commercial activities

Risk	Partner and Stakeholder expectations not met <ul style="list-style-type: none"> ie VB does not meet expectation of stakeholders or industry partners reducing their effectiveness in overseas markets
Mitigation	<ul style="list-style-type: none"> Communication strategy to ensure regular industry engagement Britain Marketing Board identifies strategic partner objectives Development of Market Investment Model to assist resource allocation Review of digital activity being undertaken with strategic partners

Risk	Failure to comply with legislation ie VB does not comply with or there are unexpected changes in the legislation or tax regimes within the UK or in overseas markets
Mitigation	<ul style="list-style-type: none"> Policies in place and regularly reviewed for major legislative risks, i.e. Data Protection Professional advisers retained to provide specific local knowledge and legislative and tax advice.

Risk	Benefits of 2012 Olympic and Paralympic Games not realised <ul style="list-style-type: none"> ie VB is unable to maximise the benefits of the London 2012 Olympic and Paralympic Games for the UK tourism industry.
Mitigation	<ul style="list-style-type: none"> 2012 Games Strategy & Management Board in place to deliver targeted approach to VB's 2012 Games programmes Joint planning and delivery with VisitLondon

Budget

VisitBritain's grant in aid has been progressively cut over the last 3 years from £49.9m to £40.9m. The final cut affecting this business plan is £4.5m, reducing grant in aid to £40.9m (£45.4m 2009-10).

The British Tourism Framework Review established VisitEngland as a separate operating entity funded from VisitBritain's total grant in aid. In the 2010-11 financial year VisitEngland will receive £10.5m for its activities. VisitBritain will have £30.4m to fund its activities as outlined in this business plan.

Leveraging Partnerships

Partnership Contributions

Our organization is founded on the principle of partnership between the public sector and private industry. Through contributions from partners that match our own funding, we are able to achieve the maximum return on investment for our tourism marketing initiatives.

Partnership funding for next year is estimated at £4.6m.

- **VB-led marketing or sales campaigns:** Arrangements whereby we manage joint campaigns with a commercial partner. Partner funding of joint campaigns £3.9m
- **VB Other Contributions:** Funding from other contributions £1.6m

Commercial Income

- **VB Commercial Activities:** Sales made through VB commercial activity mainly consist of British tourist services sold in local markets. Forecast turnover next year is £13.2m

Significant Assumptions

The significant assumptions underpinning our forecast financial statements are:

- a) We make no use of accumulated reserves
- b) Grant in aid is £40.9m
- c) There is no change in countries served by the Overseas Network (offices in 25 countries with representation in a further 10 giving us a presence in 35 countries)
- d) Key exchange rates assumptions US\$ 1.63 and Euro 1.14
- e) We will not be able to recover 33% of VAT incurred on expenditure
- f) Our pension scheme is in deficit and will require additional funding
- g) Our commercial operations will be profitable
- h) There is no significant capital expenditure

Financial Statements

	£
Revenue	
Grant Income	30.4
Partnership Income	4.6
Commercial Income	13.2
Other Income	1.8
Total Revenue	50.0
Expenditure	
Marketing	13.1
Overseas Network	12.6
Championing Tourism	0.8
2012	0.2
Digital Services (NTOP)	1.7
Commercial Activity	12.9
Other Overheads	6.7
Exceptional Items	2.0
Total Expenditure	50.0

Appendix

Summary of Activities during 2010/11

In this section we detail our key activities for the 2010-11 financial year, grouped under our four key strategies. These are taken directly from the detailed business plans produced by individual divisions and functions within VisitBritain and contribute to:

OUR OVERARCHING TARGETS

- Improve Britain's destination ranking by an average of one place in Britain-led markets
- Achieve economies of scale for the industry of around £159 million p.a.
- 20m unique visitors to visitbritain.com by 2012 and 20m visitors to VisitBritain content on third party sites by 2012
- Positive destination PR value in excess of AVE £50m and 2bn OTS
- Inject £1 billion revenue into the economy p.a.

Project Britain in each of our Britain-led markets

- Project Britain in each of our Britain-led markets using one or more of these campaign themes: Classic Britain, Dynamic Britain, and Luxury Britain
- Roll-out the new 'Britain: You're invited' brand ID throughout all our international marketing activity
- Produce new photography and video material to support the new brand

Work with commercial & brand partners to inspire travel to Britain

- Run cooperative campaigns with commercial partners generating £2.7m NGF
- Work with the Premier League to promote Britain as the home of football
- Create movie tie-ins around relevant blockbusters, e.g. Robin Hood

Build the business visits market to Britain

- Deliver National Meetings Week in the UK
- Create the Discovery 2011 event to bring 125-150 senior association buyers from 35 markets to all the nations of the UK, showcasing the best venues, hotels and ancillary facilities
- Implement brand tracking of Britain against our competitor set in multiple countries (with a particular emphasis on Britain-led markets). This will measure our progress towards the target of improving Britain's destination ranking by an average of one place in Britain-led markets. We will also calculate the ultimate ROI value of these positive shifts in the equity of the Britain brand.

Add value to Strategic Partners' international marketing delivery

- Develop and implement the Market Investment Model to inform country investment decisions in consultation with strategic partners
- Deliver insights and marketing services to strategic partners as laid out in the "Service Delivery Guidelines"
- Manage a web presence in all markets working especially closely with strategic partners in the 10 well-established markets

Provide opportunities for overseas & UK travel industry to build business to Britain

- Expand reach and content of the Brit Agent programme as the prime tool for engaging and educating the international travel trade
- Provide a platform for UK partners to promote themselves to international buyers at EIBTM, IMEX, BOBI, ILTM, WTM, CIBTM
- Bring qualified buyers to major tourism events in the UK such as BOBI and Scotland Expo
- Run sales missions to China, Japan, India, Brazil, Central Europe, and North America including Destination Britain & Ireland and Britain Marketplace

Provide market insights & marketing opportunities to enable UK industry to reach export markets

- Hold two marketing summits and three webinars to engage UK tourism providers in our campaigns and activities
- Provide quarterly intelligence reports and an annual 'Business Barometer' for each market
- Deliver an Emerging Markets roadshow

Participate fully in public diplomacy initiatives to enhance the image of Britain globally

- Work with public diplomacy partners on the welcome agenda, especially visas
- Examine and develop opportunities for joint working and efficiencies in operations and marketing
- Implement the new MOU with the British Council

Strategy 3

CHAMPIONING TOURISM AND ENGAGING INDUSTRY AND GOVERNMENT IN SUPPORT OF ITS GROWTH

- Provide robust evidence to persuade government intervention or industry action to improve British tourism's welcome, value for money, transport infrastructure and sustainability
- Produce an assessment of the UK's competitive position
- Chair and organise the national events for British Tourism Week

Provide stakeholders with market intelligence, trends & forecasts

- Provide accurate estimates and forecasts for the volume and value of inbound tourism
- Provide comprehensive intelligence on each of our 35 international markets
- Produce reports and newsletters to keep our industry and government stakeholders updated on tourism performance and issues

Advise Government on matters relating to tourism

- Provide evidence to Select Committees and tourism enquiries and participate in All-Party group meetings
- Support our Ministers by drafting briefings and answers to PQs and facilitate Ministerial visits to our overseas offices

Strategy 4

MAXIMISING THE TOURISM BENEFITS OF THE 2012 OLYMPIC AND PARALYMPIC GAMES

Integrate London 2012 in all our international marketing activity

- Utilise the key milestones (2 years to go, 500 day countdown, tickets on sale etc) to showcase and promote Britain to international trade and media
- Develop a campaign to invite international bodies to host conventions in Britain post-2012

Develop new partnerships which showcase Britain around the 2012 opportunity

- Enter joint agreements with tourism agencies in Canada, Russia and Brazil to develop mutual opportunities to build tourism around Vancouver 2010, Sochi 2014 and Rio 2016
- Create partnerships with two global (TOP) sponsors and 10 NOC sponsors to integrate Britain destination messaging into their 2012 Games activation programmes
- In partnership with Visit London and others, finalise plans for a campaign to minimise the Games displacement effect and for the London Media Centre and Service

BUSINESS SERVICES AND SHARED PLATFORM ACTIONS AND OUTPUTS
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Review shared platforms & services

- Complete a Digital Review to identify where we and our Strategic Partners could work more closely together to deliver cost effective digital services
- Manage the National Tourism Operating Platform on a maintenance only basis from May 2010

Ensure sound financial management

- Agree recovery plan for pension deficit identified at the March 2009 valuation
- Produce statutory report and accounts to be agreed by NAO and laid before Parliament
- Complete response to the 2010 Comprehensive Spending Review
- Conclude negotiations on dilapidations at Thames Tower

Deliver cost effective business IT

- Develop IT strategy and global communications to provide effective technology alternatives to face to face meetings

Provide HR service to support organisational development

- Develop training plan to support organisational development and the new strategy