

Statutory background

The Scottish Tourist Board was established under the Development of Tourism Act 1969. The Board's principal functions under the 1969 Act are to encourage British people to take holidays in Scotland, to encourage the provision and improvement of tourist facilities and amenities in Scotland, and to advise Government and public bodies on matters relating to tourism in Scotland. The Tourism (Overseas Promotion) (Scotland) Act 1984 provides the authority for the Board to market Scotland overseas. The Scottish Tourist Board now trades under the name of VisitScotland.

Format of accounts

The accounts and supplementary notes have been prepared in accordance with directions made by the Scottish Ministers in accordance with Section 6(1) of the Development of Tourism Act 1969.

Sources of finance

The Scottish Tourist Board is funded primarily by grant-in-aid from the Scottish Ministers through the Scottish Executive Education Department. In addition the Board receives income from commercial activities and joint ventures with the trade, public and private sector interests.

The Board received £36,450,000 grant-in-aid this year, an increase of £3,261,000 on last year.

Review of activities

Our core activities continue to focus on building a successful brand for Scottish tourism, providing the industry with routes to market, offering the industry guidance and support to improve quality and service and promoting a greater understanding of the industry.

This year has seen the start of a joint initiative with the Scottish Executive to establish EventScotland. Funding of £10 million in grant-in-aid through the Scottish Tourist Board has been agreed for the first three years of this new venture which will develop and co-ordinate events and contribute to the dual aims of creating a must-visit destination and gaining economic growth for Scotland.

The Board's Income and Expenditure Account for the year showed a surplus of £2,047,000 (last year a deficit, as restated, of £47,000). Much of this surplus is due to the deferral of certain marketing projects which will now be completed in the 2004/05 year.

The Group Income and Expenditure Account shows a surplus of £1,744,000 which includes a share of the trading loss for the year made by the Joint Venture company eTourism Limited of £505,000.

Future developments

In March 2004 Scottish Ministers announced that the 14 Area Tourist Boards would be integrated with the Scottish Tourist Board to form one Scottish tourism network. A high-level project advisory board, chaired by the Tourism Minister, will oversee the project, supported by a number of project teams. Additional funding for this restructuring process will be provided by the Scottish Ministers in the next two years.

The lease for the Board's main office premises in Ravelston Terrace, Edinburgh, expires on 31 March 2005. Following a full options appraisal and extensive consultation with staff, the Scottish Executive agreed to the Board's proposal to remain in Edinburgh. A decision on the exact location is expected in the summer of 2004.

Fixed assets

There were additions of £474,000 to fixed assets during the year. The main items included replacement of all desktop PCs and screens, upgrading office software and servers, and video conferencing equipment for the Edinburgh and Inverness offices.

The fixed asset investment in TourCo Limited was understated last year by £919,000 and the total investment should have been shown as £1,876,000. The sum of £919,000 was previously shown as being paid in assistance to Area Tourist Boards. The accounts and appropriate notes to the accounts have been restated for the last year to reflect this.

Scottish Tourist Board

continued

Payment of creditors

The Board operates a prompt payment policy in line with the Better Payment Practice Code. The target for payment of invoices to creditors is within 30 days, and the Board achieved a success rate of 91% during the year.

Corporate governance

The Scottish Tourist Board has a Code of Conduct for Board Members which complies with the Standards Commission for Scotland's requirements. A Register of Interests is held for each Board Member and senior executive which is updated annually and is available to anyone who wishes to examine it.

The Chairman and Board Members are appointed through open competition by the Scottish Executive. The Board has responsibility for ensuring that the organisation complies with statutory and administrative requirements for the use of public funds. The Board is also responsible for establishing overall strategic direction within the policy and resources framework agreed with Scottish Ministers, and for overseeing delivery by monitoring performance against targets.

Board Members

Board Members who served during the year were:

Peter Lederer OBE (Chairman)
 Michael Cantlay (Deputy Chairman)
 Donald Anderson
 Pat Buchanan
 Donal Dowds
 Brian Houston
 Alex Pagett

Equal opportunity

The Board is committed to the continued development of equal opportunities, and prohibits any discrimination over gender, race or national origin, religious belief, sexual orientation, disability or age. We take a proactive approach towards the recruitment, induction, training and development of employees. Opportunities for employment, development and progression are based solely on ability, qualifications, skills and experience.

Employee involvement

The Scottish Tourist Board works in partnership with staff and the Public and Commercial Services Union (PCS). Regular formal and informal meetings take place on matters of mutual interest. During the year PCS were consulted on a range of issues including pay, office location and changes to policies affecting staff.

The Scottish Tourist Board undertakes an annual employee survey in which 85% of staff participated this year. The results are discussed with employees and action plans prepared to aid continual improvement in areas such as internal communications. In addition there are regular cascading team briefings, an employee newsletter and an intranet which is updated daily with key messages and news of activities.

Employee learning and development

As a recognised "Investors in People" organisation the Scottish Tourist Board is committed to ensuring that staff are appropriately equipped to deliver business objectives. Our learning and development strategy is rooted in the needs of the business and helps us secure the skills and knowledge we require at organisation, team and individual levels to deliver our remit and meet the challenges ahead. Learning is geared towards working more efficiently and effectively. We ensure equality of opportunity for personal development and a consistent process for accessing training.

Auditors

The accounts of the Board are audited by an auditor appointed by the Auditor General for Scotland in accordance with Section 6(4) of the Development of Tourism Act 1969. This statutory audit provides an independent and objective check on the Board's stewardship of public funds. The auditor provides an opinion on the Board's financial statements and reviews and reports on corporate governance arrangements and performance management. An annual report is made to Board Members and the Auditor General for Scotland. The cost of the audit this year is £28,000.

Philip Riddle

Chief Executive
 Scottish Tourist Board
 5 July 2004