

Report from the Chief Executive

Subject:

To agree to amend the contribution agreed by the Authority to support the work of Visit Pembrokeshire

Background:

In February 2020 the Authority agreed to support the setting up of Visit Pembrokeshire as a trade led, stand-alone Destination Marketing Organisation for Pembrokeshire. In addition to supporting the principle of setting up the new organisation and agreeing to appoint a Director to sit on the Board, the Authority agreed financial support on the following basis:

	In-Kind support	Cash	Total
Year 1	£34,900	£30,000	£64,900
Year 2	£34,900	£20,000	£54,900
Year 3	£34,900	£10,000	£44,900
Year 4	£34,900		£34,900
Year 5	£34,900		£34,900

This scale of the contribution was based on the recommendations of a consultant's report prepared during 2019 and was based on a series of assumptions of what was required to support Visit Pembrokeshire in its set up period and first years of operation. The exact nature of this support was not specified as at the time it was not known where Visit Pembrokeshire would require support, however, given the nature of its work it was assumed that the majority of the support would be relating to marketing and public relations.

Visit Pembrokeshire was set up in November 2020 and in September 2021, the Authority agreed to amend the funding for that year from in-kind to cash to enable Visit Pembrokeshire to provide match funding to secure grant funding.

Current and Future Support

While the Authority is committed to supporting Visit Pembrokeshire, as the organisation has developed, it has been challenging to identify how we can provide in-kind support. The Authority has undertaken work to ensure that Visit Pembrokeshire functions as a bilingual organisation however, this has been fairly limited.

The main challenge that Visit Pembrokeshire currently faces is to attract sufficient members to make the organisation financially viable. (growth in Membership income is an important part of the business model alongside grant income). This is not a task that the Authority is well placed to support through our in-kind contribution. In view of

this we have received a proposal from Visit Pembrokeshire to change our contribution for the current year from an in-kind £34,900 to a cash contribution of £25,000 in order to undertake a programme focused on attracting new Members. A copy of the proposal is included as Annex A.

The original commitment to provide in-kind support was based on work undertaken by consultants to develop a model for Visit Pembrokeshire. Over the past three years Visit Pembrokeshire has developed in different ways and it is possible that the original proposal did not focus sufficiently on attracting members to the organisation.

The Board of Visit Pembrokeshire has recognised the risk to the organisation and have prioritised this area of work. A Membership Subgroup has been set up and this proposal is aimed at attracting skills and resources into the organisation in order to attract more members, thus contributing to the long-term sustainability of Visit Pembrokeshire.

Having supported the creation of Visit Pembrokeshire, it is in the Authority's interest for the company to succeed and therefore it is recommended that Members support the attached proposal by changing the nature of the Authority's support.

Future Contributions

It has been challenging to identify how the Authority can provide in-kind contributions to Visit Pembrokeshire and the organisation would benefit more from a direct financial contribution. The need for Visit Pembrokeshire to develop its membership base is a long-term challenge thus impacting on future years. For the past two years a paper has been presented to Members to change the nature of the contribution during the year, which has made it difficult for both PCNPA and Visit Pembrokeshire to plan. To avoid this situation occurring for the remaining two years of the agreement it is proposed to change the agreed £34,900 in-kind contribution to a £25,000 cash contribution for both 2023 – 2024 and 2024-2025. This would be on condition that the money is spent on developing the Membership base of Visit Pembrokeshire, thus contributing to its long-term sustainability. To ensure this it is proposed to enter into a performance focused agreement with Visit Pembrokeshire where payments are reviewed, every six months, and linked to reaching membership targets. If these targets are not met, then payment may be withheld.

Financial, Risk & Compliance Considerations

The Authority is facing a challenging financial picture, with flatline budgets and increased costs, therefore this change will add to the cost pressures. However, the Authority is committed to supporting Visit Pembrokeshire for the next three years and therefore by replacing the in-kind commitment with a direct cash contribution it would free up the Authority to take other cost saving activities, thus potentially reducing the impact.

The Authority, along with other organisations such as Pembrokeshire County Council has invested in setting up Visit Pembrokeshire and should continue to support the organisation as it seeks to reach a sustainable business model. Attracting more members is a key element of this and therefore in agreeing to this proposal we are supporting Visit Pembrokeshire to achieve this aim.

Without an increase in membership it will be challenging for Visit Pembrokeshire to become a sustainable organisation and therefore agreeing to this proposal reduces the risk of the loss of time and resources already invested by the Authority and other public bodies.

Summary

In order to support Visit Pembrokeshire to focus on attracting new members the support provided will change from an in-kind contribution of £34,900 to a cash contribution of £25,000 for the current year and the following two years, in order to focus on attracting new members.

Recommendation

That Members agree to change the support provided to Visit Pembrokeshire for 2022-23 from an in-kind contribution of £34,900 to a cash contribution of £25,000 in order to implement a proposal to attract new members.

For the years 2023 – 2024 and 2024 – 2025 the in-kind contribution of £34,900 to Visit Pembrokeshire is changed to a payment of £25,000 per year. This payment will be based on a performance focused agreement where payments are reviewed, every six months and linked to reaching membership targets. If these targets are not met, then payment may be withheld.

Visit Pembrokeshire – Request to PCNPA to convert £25k of its 2022/23 in kind grant to Visit Pembrokeshire to cash

Background

Visit Pembrokeshire is now in its 3rd year. It launched in November 2020 and during the Covid -19 pandemic and during its first year it was rightly focussed on supporting businesses navigate this challenging period and to prepare for the lifting of restrictions. Since then, working with business, local stakeholders and community organisations we have developed the new Pembrokeshire brand and an integrated year round marketing strategy focussed on attracting new markets, value not volume and building Pembrokeshire's reputation as an all year round destination. In 2022 we led on a review of the 2020-25 Destination Management Plan, in light of Covid-19 and the Climate emergency, held our inaugural Croeso Awards, delivered the Open To All project (CRF funded) whose aim was to improve Pembrokeshire's welcome to visitors with both visible and non-visible disabilities. In addition, we have represented businesses locally on recent WG consultations (182 day rule, the Tourism levy and now Statutory registration)

We have a strategic role delivering an important public purpose, but we are also a business led Membership organisation. Whilst Membership has grown over the past 2 years it has not done so at the pace required (Membership is an integral part of the long-term sustainable VP Business model) and there is scope to double the current membership and more.

PCNPA funding since November 2020

- PCNPA have made cash contributions to support Visit Pembrokeshire during its first three years of operation. Members agreed at total of £60K divided as follows; 2020-21 - £30K, 2021-22 - £20K and 2022-23 - £10K (paid in April 2022).
- In addition PCNPA's proposed in-kind contribution of staff time to help support the new DMO over the first five years of operation. This was committed at a level of £34,900 per year for 5 years.

Unfortunately despite best efforts on both sides, realising this in kind support has not worked in practise and in fact in September 2021 PCNPA agreed to convert this to cash.

Membership Drive

At Visit Pembrokeshire's November board meeting the Board agreed the need to refocus on Membership recruitment as a top priority for the first quarter of 2023. A subgroup of the board has been set up to support the staff team in this and a Membership Growth and Retention plan has been developed and implemented.

This plan sets out a series of activities which will seek to increase membership by 30% by end of August 2023 (the end of Visit Pembrokeshire current financial year). At the core of this will be a Member recruitment campaign involving digital, direct mail, follow up calls and face to face meetings initially from February until end April and then picking up again in the autumn . The plan is then that this will take place annually.

Resource

Such a campaign is resource heavy as we will be seeking to engage with circa 600 businesses during this period and requires a particular Sales and Marketing skillset which not all members of the team have.

Current staff resource – 4 FTE

CEO- Strategic lead and leading on growing Strategic Partner income

Partnership and Commercial Manager- Membership lead

Project, Events and Research Manager -Lead on grant applications, research and events

Business Support Officer-1x FTE – Manages all Press and PR enquires and provides business support across the business

Finance Officer – PT 0.20

Digital Marketing Manager - freelance – 3 days per week

Website issues

The current Visit Pembrokeshire website was transferred to Visit Pembrokeshire from PCC as part of its set up and is already around 7 years old . It wasn't developed with the new business model in mind and over the past 2 years it has become clear that it doesn't provide the functionality and enhanced profile Members expect. Any business in Pembrokeshire can have a listing on www.visitpembrokeshire.com but we offer VP Members an enhanced listing both in terms of presentation and searchability. The current website is not delivering this satisfactorily. As an interim solution we are working to mitigate this with further web development, but we will not resolve this fully without a new website. The aim is to introduce this in 2024.

Proposal

We would like to seek PCNPA Members' support to convert **£25k** of our 2022/23 in kind grant (**£34.9k**) to cash to support our Membership drive.

How would this be used?

- 1) **Staff resource** –the appointment of a Membership officer to support the Partnership and Commercial Manager in Member recruitment and onboarding. This would be a sales and marketing professional with excellent relationship management skills .

Recognising the time imperative and to maintain momentum, this is likely to be Freelance initially with a view, over time, to developing the business case for a fixed terms contract and ultimately budget permitting, a permanent contract.

Indicative costs based on 0.60 FTE from Feb-August initially - £17-£20k

2) Website improvements

- Deliver improvements to the current VP website to increase visibility of Member listings versus non-members and to demonstrate “added value” from Membership.

Deliver improvements to the B2B “Industry” section of the website to provide an improved user journey and deliver exclusive Added value benefits e.g.

- Members only area delivering exclusive access to research and intelligence.
- Member Forum -

Indicative budget - £5k

Should this proposal be approved and the return on investment demonstrated through membership growth, we would like to seek PCNPA's support to review subsequent in kind grants within the lifetime of this agreement (2023/24 and 2024/25) . This would support a new website in 2024 and allow time to build sufficient growth in membership revenue to support a Membership officer on a permanent basis from 2024.

Emma Thornton – CEO Visit Pembrokeshire – 23rd January 2023