

Report from the Chief Executive

Subject:

Update on the support provided 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 organising 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.

Changes to the Original Proposal

In January 2023 Members of the Authority agreed:

“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. “

This paper provides an update on how the support provided to Visit Pembrokeshire has been used to support its work.

Information Provided by Visit Pembrokeshire

The following information has been provided by Visit Pembrokeshire:

Membership Drive update/ impact of the £25k 2022/23 Award

This additional funding provided by the Pembrokeshire Coast NPA enabled us to recruit an additional part time Membership Development Officer (0.60FTE) from May 2023 to support the existing Membership lead within the organisation. This appointment has been an important success factor in ensuring that our Membership drive has been successful.

Key success factors in supporting membership growth over the past 12 months have been :

- Adequate resource to deliver back-office sales calls, lead management and follow up (20 calls a day)
- An increase in one to one, face to face meetings across the county
- A full calendar of B2B (Business to Business) events - In 2023 we organised and delivered 12 face to face business networking events and attended Pembrokeshire County Show, the Pembroke and Martletwy shows and the Long Course Weekend Expo.
- An increased focus on individual account management to secure ongoing retention.

Membership recruitment and retention is all about building and nurturing relationships. People like buying from people and in a rural destination like Pembrokeshire this requires staff being out on the road and visible on a regular basis. The £25k grant award in 2022/23 made this possible.

Unfortunately, our initial Membership Development Officer appointment was only with us for 4 months. However, in November 2023 we made an excellent appointment with an individual who has extensive sales experience in Pembrokeshire and across Southwest Wales and who has made excellent progress since joining us.

Membership Subgroup

To support the work of the team a Membership subgroup of the Board has been set up with 2 Directors (Ed Tomp and Cllr Di Clements). This group meets bimonthly, and its role is to review progress by the team and to support and advise.

Commentary (VP operate a Financial Year from September to August)

NEW MEMBERS VS TARGETS													
YEAR	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	ANNUAL TOTAL
2020/21	3	11	5	5	4	4	2	1	9	5	0	5	54
2021/22	5	9	4	3	4	5	9	1	0	3	2	2	47
2022/23	1	2	6	2	0	13	14	13	5	13	10	5	84
2023/24	2	4	8	6	5	11							35
PROPOSED YOY 25% GROWTH	1.25	2.5	7.5	2.5	0	16.25	17.5	16.25	6.25	16.25	12.5	6.25	105.00
VARIATION TO 25% GROWTH	0.75	1.5	0.5	3.5	5	-5.25	-17.5	-16.25	-6.25	-16.25	-12.5	-6.25	-70

2022/23 –

The Annual Membership target of 84 new members has been achieved and there is a retention rate of 85% across the year. This is in addition to recruiting 5 new Strategic Partners; LHP Accountants, JCP Solicitors, Castell Howell, Bourne Leisure and Coastal Cottages of Pembrokeshire/Activity Wales Events.

The Visit Pembrokeshire Membership Subgroup set a target of 25% growth. This represents significant growth and is a realistic target taking into account the continued economic uncertainty and following a poor tourism season last year.

NB: The “Variation to 25% growth” column in the table above tracks performance to date and illustrates that Visit Pembrokeshire is performing just above this YTD which is encouraging.

In addition, for the period September 2023 to January 2024 Visit Pembrokeshire are tracking at **94.5% retention.**

To set this in context the annual Membership target in cash terms for 2023/24 is **£117k** (including strategic and Ambassador partners which account for £45k) The annual cumulative costs of salaries for the Membership team will be **£57k**.

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 two years and therefore continuing to change the original in-kind commitment with a direct cash contribution 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.

The changes that were possible as a result of the change to a cash support for Visit Pembrokeshire has seen an increase in Membership of the organisation and therefore contributed to Visit Pembrokeshire become a sustainable organisation in the future. While continuing this arrangement is affordable for the next year, it would be prudent for Visit Pembrokeshire to be aware of the extremely challenging financial situation the Authority is likely to face over the next few years and that we may not be able to continue this level of support once the original agreement has come to an end. This makes it more essential for Visit Pembrokeshire to make best use of this resource to ensure that it can attract a sufficient membership base to deliver its work.

Summary

Visit Pembrokeshire has met its membership target over the past year and in line with the decision taken by the Authority in January 2023 it is recommended that the Authority changes its previously agreed contribution from an in-kind contribution to a cash contribution of £25k for 2024-25. A further update will be provided before deciding on the approach for 2025-26.

Recommendation

That Members agree to continue with the decision taken in January 2023 and provided a cash contribution of £25k to Visit Pembrokeshire for the financial year 2024-25, instead of an in-kind contribution.