

Report of: Chief Executive

Subject: Update on the support provided by the Authority to support the work of Visit Pembrokeshire

Decision Required: Yes

Recommendation:

That Members agree to provide a cash contribution of £25k to Visit Pembrokeshire for the financial year 2025-26, instead of an in-kind contribution.

1. Key Messages

- 1.1 Visit Pembrokeshire has made positive progress in developing its membership base and it is recommended that the Authority changes its previously agreed contribution from an in-kind contribution to a cash contribution of £25k for 2025-26. A further review will be undertaken along with discussions with other partners regarding future funding.

2. Background

- 2.1 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

- 2.2 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.
- 2.3 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.

2.4 We have continued this approach on condition that Visit Pembrokeshire make satisfactory progress in building up their membership base. This papers provides an update on progress.

3. Information Provided by Visit Pembrokeshire

3.1 The following information has been provided by Visit Pembrokeshire. It should be noted that Visit Pembrokeshire operate a financial year from September to August therefore some of the activities and targets listed for 2023-24 apply to the Authority's financial year 2024-25:

MEMBERSHIP DRIVE UPDATE / IMPACT OF THE £25K 2023/24 AWARD

3.2 This additional funding enabled us to extend the contract of our part-time Membership Development Officer (0.60FTE) from May 2024 reporting to our new Membership and Marketing Manager following an internal restructure.

3.3 Specifically key success factors in supporting membership growth over the past 12 months have been:

- Organisational restructure to further strengthen the membership team and better integrate the Membership and Marketing functions.
- The right skills mix within the team and adequate resource to deliver back-office sales calls, lead management and follow up.
- Increased visibility with ongoing face to face meetings across the county
- A full calendar of B2B events -. In 2024 we have organised and delivered over 20 face-to-face networking events and attended the Pembrokeshire County Show, the Pembroke and Marteltwy shows and the Long Course Weekend Expo. Given 99% of businesses in Pembrokeshire are micro business face to face meetings are essential for Member recruitment and retention.
- Introduction of new onboarding system for new members which explains to businesses and organisations how to get the most out of their membership
- Individual account management to secure ongoing retention.

3.4 Membership recruitment and retention is 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 continued to make in 2023/24 made this possible.

MEMBERSHIP SUBGROUP

3.5 To support the work of the team a Membership subgroup of the Board has been set up with 2 Directors (Ed Tomp and Di Clements). This group continues to meet meets to review progress by the team and to support and advise.

RESULTS

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	3	7	6	5	17	13	8	8	7	8	18	102
2024/25	6	4	10	1									21
PROPOSED 2024/25 TARGETS	6	5	8	8	8	16	14	10	10	10	10	15	120
VARIATION TO TARGET	0	-1	2	-7	-8	-16	-14	-10	-10	-10	-10	-15	-99
FINANCIAL TARGETS	1250	1042	1667	1667	1667	3333	2917	2083	2083	2083	2083	3125	25,000
ACHIEVED £	1150	860	1370	120									3500
VARIATION TO £ TARGET	100	182	297	1547	1667	3333	2917	2083	2083	2083	2083	3125	21500
Y2D OVERALL	351	352	358	357									

COMMENTARY

- 3.6 **2023/24** – We are delighted to report that we welcomed 102 new Visit Pembrokeshire members, with an average retention rate of 89% (vs our target of 85%) across the year. We have also upgraded the Seren Collection from a Member to a Strategic Partner bringing us to a total of **9 Strategic Partners** and **4 Ambassador Partners**, namely: LHP Accountants, JCP Solicitors, Castell Howell, Bourne Leisure, Bluestone, TY Hotel Milford, Seren, Milford Haven Port Authority and Haven, as Strategic Partners and Hean Estate, Really Pro, TYF Adventure and National Trust as Ambassador Partners. Discussions are underway with a potential new Strategic Partner which are looking promising, and we hope to bring them on board in early January.
- 3.7 Moving into a positive start to **2024/25**, we have tracking ahead of our 25% YOY growth target with 21 new members. Additionally, the team are now not only reviewing member numbers, but also member value with financial targets

which feed into the annual budget. Please note that 2024/25 Q1 budget reflects a 5% rate increase that wasn't implemented till Q2. This 25% YOY on year growth, although ambitious, we believe is achievable with the current experienced Membership team and the strategies and events planned for 2025.

4. Strategic Policy Context

- 4.1 The information and recommendation(s) contained in this report are consistent with the Authority's statutory purposes and its approved strategic policy context.

5. Financial, Risk & Compliance Considerations

- 5.1 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 year 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.
- 5.2 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.
- 5.3 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.

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