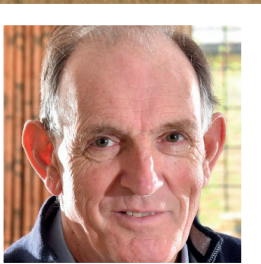




islands
partnership

ANNUAL REPORT 2021/22 &
Membership
Prospectus
2022/23



Foreword

Andrew Sells, Chairman,
Islands' Partnership

As I look back on the 2021/22 financial and operating year from the summer of 2022 it is with the confidence that we – IP, its stakeholders, partners, and our members, have weathered the pandemic and emerged with a clearer view of our common interests and our priorities for sustainable growth – individually as businesses, and across the visitor economy.

IP's 2021/22 budget and business plan were prepared while we were in the 3rd national lockdown, nonetheless they accurately predicted a swift lifting of restrictions and high domestic market demand for holidays. Demand in 2022 was indeed extraordinary and the season extended longer into the autumn than it has done for several years. Furlough and grant aid had mitigated against the worst economic threats of the previous year and

effective vaccinations were rapidly made readily available, but operating conditions were not ideal - social distancing remained a feature of the earlier part of the season and this impacted on capacity in food and drink venues. Recruitment in the hospitality sector remains a major challenge for businesses. There are too few homes available for local people and too little accommodation for seasonal staff – which further contributes to our members' recruitment and staff retention challenges. As the business year progressed, we became more conscious of other external threats, initially awareness that as pandemic restrictions lifted and consumer confidence in travelling returned, that we shall be increasingly competing with international destinations for market share. Later in the year rapidly rising inflation domestically and internationally, with increases and forecast increases in food, fuel and energy costs, war on the continent etc have issued various threats to our competitiveness as a visitor destination.

Yet despite these threats and risks we maintained a confident outlook throughout the last financial year - far more so than during the shocks and uncertainties of 2020/21.

There is a consensus amongst stakeholders in the economy toward priorities for sustainable economic growth and a clear case for investment in areas including maritime infrastructure and in cultural development. The government's levelling-up agenda has presented opportunities for much needed investment and IP has been a supportive partner of the Council of the Isles of Scilly, Steamship Company, Duchy of Cornwall and Tresco in their go-getting approach to the vessel and quay infrastructure bid. We led on the feasibility case for a new museum, and by the end of the first quarter of the year there was a clear case for investment – so we worked with the Council on a successful bid to the Community Renewal Fund for revenue that would fund museum and cultural centre project development to the point of submission of planning approval. I am very pleased that since then that milestone has been achieved. Partnerships at county level recognise the immediate importance of Shared Prosperity Fund investment in our cultural development agenda as well as in maintaining our local business grant infrastructure so we don't lose the resources that were established to administer ERDF investments – my colleagues on the Board of IP, and my executive team, are clear in our commitment to continue to offer the Council every practical support in these areas in the interests of our members and the community.

2021-22 was the third of IP's three-year strategic partnership agreements with the Steamship Company, Tresco, Duchy of Cornwall and Penzance Helicopters. During the third and last quarter of the year we reflected on what had and hadn't gone well against our mutual commitment to continuing to work together to grow the visitor economy and develop the destination sustainably. We certainly hadn't met our tourism volume and value growth targets or delivered the event programme we set out in earlier business plans - but it was clear that the season could be extended and there was a clear

consensus that we had responded to challenges with agility and added value to stakeholders, members, and partners in so doing.

In 2021/22 Sarah Mason retired from Board of IP as she left her role running the Isles of Scilly Wildlife Trust and Luke Humphries announced his intention to retire as co Vice-Chair because of a new job opportunity with the Duchy. I'm pleased to say that since the end of the year Natalie Geen has joined the board of IP, replacing Luke. Dave Page has also become a director of IP, representing Penzance Helicopters – in a board position that was previously vacant; and this is indicative of renewed common purpose with all four of our strategic partners over the course of the years ahead.

Recently Nick and Amanda Bond have announced their intention to relocate to Devon for family reasons. We are restructuring and recruiting to maintain capacity and skill in the executive team and to respond to potential new partnership opportunities including with Visit Cornwall.

Whereas last year we spoke of recovery, we now focus on maintaining market share and on sustainable growth. The future is no less certain. We recognise threats, but we are clear about our economic and environmental priorities and opportunities to work with partners locally, regionally, and nationally. As I write, the government has very recently published its response to the Independent Review of Destination Management Organisations in England, and this presents new opportunities - particularly with colleagues in Cornwall, which we are just beginning to explore.

The Board of IP is grateful for your ongoing support, we know that this is conditional on us delivering value for IP's members and this is what my Vice Chair Euan Rodger, the directors and I always task and support the executive team to continue to deliver against. I look forward to seeing you at the forthcoming AGM.

IP BOARD OF DIRECTORS



Andrew Sells
Chairman



Euan Rodger
Vice Chairman
Tanglewood Kitchen



James Francis
Star Castle Hotel
& Mermaid Inn



Natalie Geen
Duchy of Cornwall



Nick Halliday
Tresco Estate



Zoe Julian
Scilly Flowers &
Churchtown Farm
Cottage & Apartment



Amy Langdon
Atlanta, Glenhope & Glenhope High
self-catering cottages & Meneth
& Kelyn-Mor chalets



Jon May
Sandpiper Apartments
& Shop, Peninnis Farm
& Lodges



David Page
Penzance Helicopters



John Peacock
St Agnes Boating



Sharon Sandercock
Isles of Scilly
Steamship Group

ISLAND PARTNERSHIP EXECUTIVE TEAM



Nick Bond
Executive Director



Amanda Bond
Head of Marketing



Victoria Bond
PR Manager



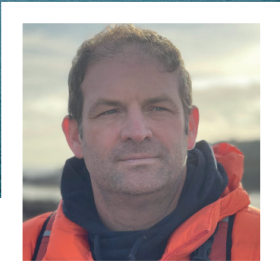
Will Lethbridge
Business Support
Co-ordinator

OUR STRATEGIC PARTNERS



WORKING IN PARTNERSHIP WITH





Post Pandemic Bounce Back and Focus on Future Market Share

Nick Bond, Executive Director,
Islands' Partnership

We produced an extraordinary business plan for 2021/22 as an amendment to the existing 3-year plan (which had not anticipated any pandemic). None of our core strategic priorities were changed, but the plan sought to highlight how IP would be responsive to the extraordinary conditions. The plan noted that post-lockdown inflation was anticipated; we were thinking then in terms of bounce-back from frustrated domestic consumer demand and discretionary spend by consumers who had not spent as much of the money they earned during the pandemic than they usually would. At the start

of 2021/22 none of us foresaw war in Ukraine and associated impacts on gas, oil, and food prices - certainly not domestic inflation at 13% (which is what the Bank of England is forecasting as I write this in early August 2022).

With hindsight 2021/22 may be memorable for circumstances almost as peculiar as the previous year - late/post pandemic confident consumer demand and spending capacity. The pandemic was brought under control by the vaccination programme and the economy recovered incredibly rapidly in 2021 - but economic shocks are anticipated, and as it stands there are much more complex threats to tourism and hospitality business in England now than there were at the start of last financial year. That is to say - the pandemic is over, but the risk of domestic and

global recession is running high. Our most important job is to retain and grow consumer market share against competitive domestic and international tourism products – the travel trade doesn't sell your product, you do – that model is to our enormous credit in terms of customer loyalty and retention of market share. We are here to ensure that your customers are reminded of the benefits of choosing to buy a holiday on the Isles of Scilly when inflation makes them question the value of relatively fewer pounds in their pocket. We caution against complacency such as high consumer demand can solicit – now is not the time to misunderstand what effective marketing achieves or be naïve to the risks of high inflation and probable forthcoming recession.

So, we learn from the year past only in so far as it informs our approach to the future; (I was never persuaded that the pandemic was a great lesson in consumer behaviour as far business planning, except in confirming customer loyalty amongst more economically resilient core market and insights into the expectations of some new customers for whom our product didn't quite fit). But to me, the key learning feature of last year was in our practical capacity to grow the value of the visitor economy by encouraging and responding to market demand for more visits early and later in the season than normal – it was confirmed that there is more potential for value from extending the season than we ordinarily realise, and that growth is available to us if we work collectively for it.

The last financial year started during the third national lockdown, but it wasn't dominated by the pandemic like 2020 was. IP's turnover the year before last was low relative to normal business; for instance, TIC income was £43.7K in 2020/21 and it was £163,3K last financial year. Even then, there were changes in customer behaviour relative to the pre-pandemic norm at the TIC; family or social groups tended to 'send-in' one of their number rather than visit en-famille. So, there was less footfall in the TIC in 2021 than there was in 2019 but visitors spent money - they bought boat tickets, maps, and the new branded items for sale we invested in. The TIC had operated to a restricted timetable the year before, and this was

financially prudent in the circumstances; but it was noted at the 2021 AGM of the IP that it wasn't what IP members wanted and the decision to take the risk to reopen the TIC to a normal schedule last year, fully as soon as restrictions allowed, was informed by that member advice. As usual, but certainly not taken for granted by any party, the TIC staff were essential to the functioning of emergency response to travel cancellation when there was little capacity to accommodate stranded visitors - your support of IP helps make this happen.

Another area where income and spend were higher than in the previous year, and in-fact where the year-end actuals were entirely different to the budget I asked the Board of IP to approve, was in event income and spend. The change against what we forecast in our event plans illustrates our great practical partnership with the Council of the Isles of Scilly. And again, we thank our members for having the foresight to support us to work in this way; it means we can staff partnership work efficiently and respond to opportunities. Normal early season events including Walk Scilly and the Otillo swim-run, were cancelled, but later in the year there were new opportunities not anticipated in the business plan; the Council of the Isles of Scilly appointed IP to deliver a programme of event and marketing activity which was funded by the Welcome Back Fund. This included an autumn Creative Scilly event, a pre-Christmas street event (with more LED lights, cinema and presents for children than we usually organise), new flags on Holgates Green, new glass and tapestry artwork in the TIC and an early season Mini Taste of Scilly Festival including a publication – A Taste of Scilly - about food and drink producers (this tells stories about local food producers and more about Scillonian enterprise than our normal marketing content).

The Islands' Partnership published the Isles of Scilly Manifesto for Culture early in the financial year; it outlines common purpose with our partners in cultural development including the aspiration to build a new museum and cultural centre on St Mary's. The manifesto provided the context for another round of investment in cultural development by Arts Council England –

somewhat regrettably for IP it was necessary for the local authority to assume project management responsibility in order for us to continue to satisfy ACE's funding criteria for a next round of their investment in creative development in Scilly. Nonetheless this means our creative islands project continues and funding for further rounds of IP's Creative Scilly event has been secured in the current financial year. Our partnership with the Council of the Isles of Scilly in cultural development continued with our participation as budget holder of Community Renewal Fund revenue to prepare museum and cultural centre plans – this work started in the last quarter of the financial year. The plans have since been approved and we aim to continue to support the Council, the Museum Association and other partners in achieving our common aims for cultural development.

Our strategic priorities are unchanged from last year, they are in fact even more relevant in the circumstances:

Market growth and season extension

Delivering effective destination marketing to inspire more visits throughout the year, increase spend and encourage visitors to recommend and return.

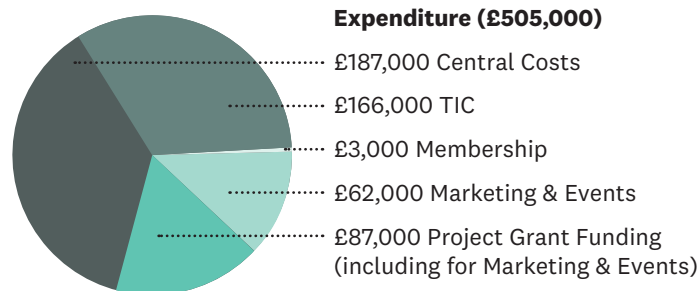
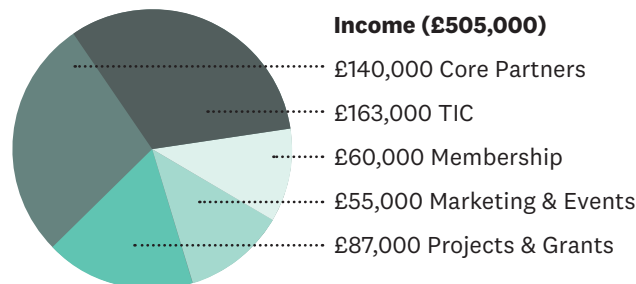
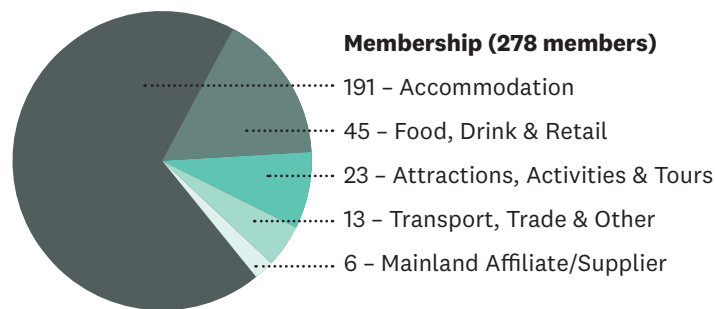
A world class visitor destination - fit for the future

Knowing our audience and shaping a sustainable destination experience which exceeds expectations.

Leading from the front and delivering in partnership

Delivering value for our strategic partners, members and stakeholders - working in partnership for the benefit of the islands.

2021/22 IN NUMBERS



2021/2022 Highlights

DIGITAL MARKETING

- Visitislesofscilly.com is the go-to portal for visitors – in 2021/22 users increased from 550,000 the previous year to 615,000 and page views increased from 2.8M to 3M - generating thousands of booking enquiries for members.
- A new transport booking widget was developed and is live on the homepage of visitislesofscilly.com. Consumers tend to book travel somewhat later than accommodation – the widget aims to add value to all parties – consumers, travel providers and accommodation owners - encouraging consumers to book travel earlier and enhancing their commitment to their accommodation booking.

- IP's social media audience has risen by more than 10% from nearly 50,000 to more than 55,000 followers.
- Our email database remains a valuable and effective marketing asset - with nearly 100,000 active subscribers with an average open rate of 30%.



CULTURAL DEVELOPMENT

- IP worked with the Council of the Isles of Scilly to secure another round of Arts Council England investment in our common interests in the cultural development agenda. Key priorities include engagement with the creative industries sector on Scilly, creating bespoke cultural events including the Creative Scilly programme, raising awareness of local artists, and developing relationships with mainland partners in ongoing investment in cultural development in Scilly.
- The Isles of Scilly Manifesto for Culture was published - this outlines common purpose for cultural development with our key partners including the Council of the Isles of Scilly, updating, and expanding on the cultural objectives set out in the Destination Management Plan with renewed ambition.

- IP worked with the Council of the Isles of Scilly to secure Community Renewal Fund revenue from the Government for development of plans for a new museum and cultural centre. Project work started in the last quarter of 2021/22. This followed a successful study into museum feasibility led by IP's Creative Islands consultants and recommended a preferred site and outline for project development and investment feasibility.



2020/2021 Highlights

VISITOR SERVICES

- 26,500 people visited the TIC in 2021 – many more than in 2020, when there were only 8,000 visits – but still only about 50% of the volume of visits in 2016 and 2017. Nonetheless – spend per head was disproportionately high, total TIC income was £163,000. The TIC opened later than usual because of the 3rd national lockdown but re-opened to full schedule as soon as it could.



PUBLIC RELATIONS AND MEDIA

- IP continued to invest in professional PR services undertaken by Victoria Bond throughout the 2021/22 operating year securing money cannot buy print, digital and broadcast media coverage.
- In 2021 media content IP was involved in reached an online audience of almost 900 million and a print content reached about 6 million. This was made up of 63 pieces of coverage – 38 in print, 19 online, 4 broadcast and 2 on social media. IP was involved in 13 press trips in 2021.



STRATEGIC LEADERSHIP AND INFLUENCE

- The Destination Management Plan continues to define the strategic context for our work with strategic partners toward the sustainable future of the Islands' visitor economy.
- The IP continues to champion the islands' tourism industry, providing leadership and representation at local, regional, and national levels.
- We continue to invest in research and market intelligence.



INDUSTRY SUPPORT

- IP constantly undertakes to act as a conduit to business services, funding opportunities, education, advice, and opportunities for its members – working in partnership with other organisations and service providers.
- We encourage our members to seek our advice on anything from quality schemes to IT queries and from business support to regulatory issues.





As a new creative business on Scilly, now based at Phoenix Studios, Islands' Partnership have been great in helping support and promote my work by involving me in local community events such as the Christmas Festival project. It was fantastic to see so many local, handmade businesses all coming together to create a really successful event. I very much look forward to taking part in future projects run by the Islands' Partnership.

Emily Shaw, Emily Mary Woven Textiles



As a new company Scilly Chilli has greatly appreciated the strong promotional service the Islands' Partnership has provided over the past year. The Christmas marketing campaign, alongside e-slots, publication in Olive magazine and Taste of Scilly events, have all helped to increase the profile of Scilly Chilli and drive sales.

Ruth & Graham Egghs, Scilly Chilli



The Islands' Partnership's services have been fantastic this year. Every time we've contacted them, we've received the most friendly and helpful support and advice. We're almost fully booked for next year, which is largely down to the marketing and promotional work they do and being able to advertise on visitislesofscilly.com. As a small accommodation provider, I can't recommend them enough - 100% satisfaction!

Bridget and Richard Larn, The View, Harbour Gaze



We firmly believe that we need to promote the islands more generally as a destination, before we begin to market our own product. The plans, strategies and activities from the Island Partnership facilitate this, providing strong support for the tourism sector, and especially for us in the accommodation sector. The support has been especially valuable over the last two years, helping to guide and advise the sector through the 'roller-coaster' caused by the pandemic.

Rob Baldry, Tregarthen's Hotel

Membership



REMEMBER...

The Islands' Partnership is a not-for-profit organisation and every contribution made by businesses on the islands is spent on growing the value of Scilly's visitor economy.

MEMBERSHIP BENEFITS

PROVEN MARKETING CHANNELS

- Our website visitislesofscilly.com is the official destination website for the islands; in 2021/22 there were 615,000 users of the website - 12% more than the year before.
- Nearly 900,000 sessions on the website and 3M pageviews – half of these were of the accommodation pages.
- Almost 100,000 people subscribe to our email marketing and receive our newsletters. Members of IP find the opportunity of sharing their message on this channel valuable, especially with average open rate of 30%.
- More than 50,000 people are fans of our social media channels. Almost three times as many people follow us on Instagram than 3 years ago. We have more than 23,000 Instagram followers, 22,000 followers on Facebook and 10,000 Twitter followers; that's retention with Facebook and Twitter – growth on Instagram.
- We are responsible for much of the press and media coverage for Scilly – we feature only member businesses who then benefit directly from profile in the resulting coverage.
- Our members have access to photography, video content, branding and marketing assets which complement members' own brands with a recognisable Scilly destination identity.

ACCESS TO DATA AND THE LATEST RESEARCH

IP invests in market research and intelligence to ensure we know who our visitors are, where they are from, their preferences and attitudes to Scilly. This insight, together with figures for the number of visitors coming to Scilly and how much they spend etc is available to members to help inform your own plans.

ACCESS TO TRAINING, BUSINESS ADVICE AND INDUSTRY NEWS

The IP facilitates training sessions and access to business support on the islands. We issue regular members' newsletters, which contain useful news, information, and opportunities for member businesses, including What's On.

BENEFITS FOR THE ISLANDS

EVENTS

IP supports organises and hosts events on and for the islands that help drive new visitors, particularly in the shoulder seasons. There were disruptions to the event programme in 2021 but we responded to the opportunity of the Welcome Back Fund by hosting new events including an autumn 2021 Creative Scilly event and an early 2022 season Mini Taste of Scilly.

PROMOTION

However big or small your business, when signing up to be a member of the IP, you buy into the benefits of collaborative investment in marketing Scilly as a visitor destination. Working together on a partnership approach to communicating the benefits of the destination is crucial to the visitor economy and it can only take place with all our members' support and contribution.

TOURIST INFORMATION CENTRE

With no public funding of the core operational costs of the TIC, support from our members is vital to ensure the continued operation of the TIC for the benefit of visitors and businesses. And this includes its proven role in helping house stranded passengers.

FLYING THE FLAG FOR TOURISM

Our small team champions the tourism visitor economy on Scilly and works with colleagues and partners regionally and nationally. We fly the flag for Scilly at every opportunity, making sure the islands' interests and its vital economy are represented and supported.

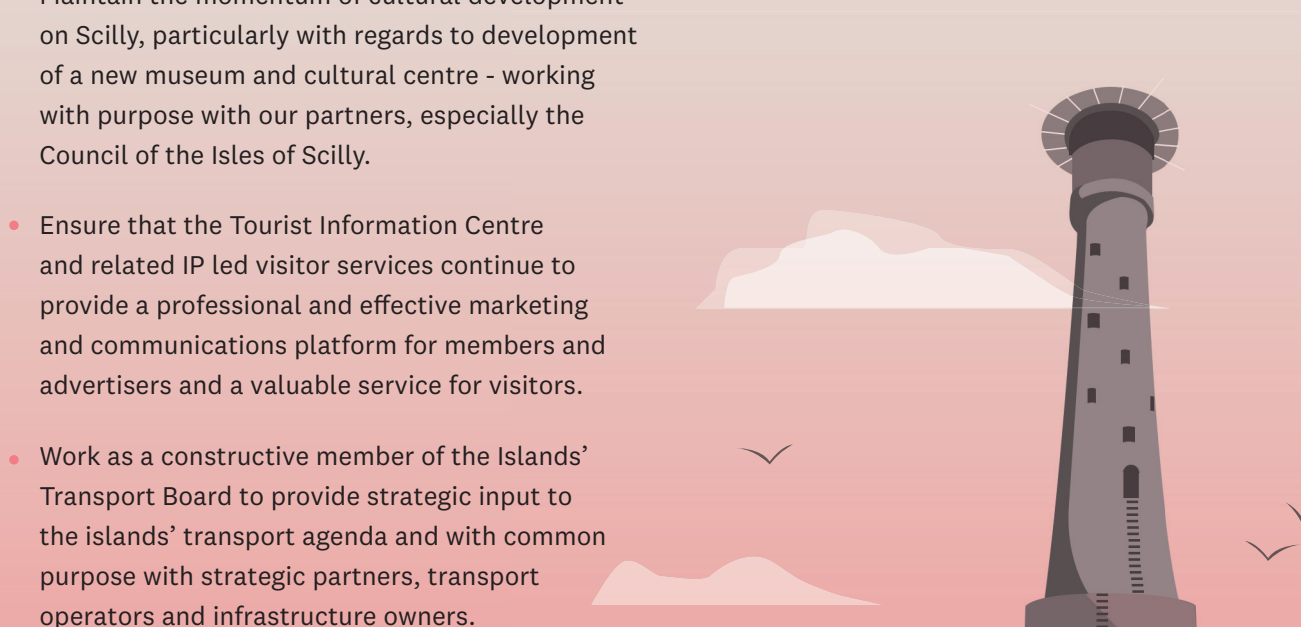
SUPPORTING THE LOCAL ECONOMY

Tourism visitor spending is the core of the Scillonian economy. Our work contributes to visitor retention and attracts new visitors; the money visitors spend directly with visitor facing businesses creates secondary local expenditure across the entire island economy – its services and trades. More higher spending visitors benefits and sustains the whole of our economy.

Looking Ahead...



Our strategic priorities and work programme for the 2022/23 year ahead reflect a business as usual approach to retention and growth, with a renewed focus on inevitable forthcoming competition in the high inflation economic conditions ahead:

- Building on the value of the start and end of the season and making the most of domestic demand we will, working with our partners, continue to support businesses to stay open for a longer season with marketing content, media communications and events that support the visitor economy throughout the year.
 - Continue to improve the [visitislesofscilly.com](https://www.visitislesofscilly.com) website and with renewed focus on the most effective online booking options for our members.
 - Maintain the momentum of cultural development on Scilly, particularly with regards to development of a new museum and cultural centre - working with purpose with our partners, especially the Council of the Isles of Scilly.
 - Ensure that the Tourist Information Centre and related IP led visitor services continue to provide a professional and effective marketing and communications platform for members and advertisers and a valuable service for visitors.
 - Work as a constructive member of the Islands' Transport Board to provide strategic input to the islands' transport agenda and with common purpose with strategic partners, transport operators and infrastructure owners.
 - Continue to work in close partnership with the Isles of Scilly Wildlife Trust to encourage businesses and visitors to adopt sustainable, low carbon practices to protect and preserve the unique environment on which we depend.
 - Provide sector and industry leadership, acting as the spokesperson for the islands' visitor economy, providing strategic insight and input on matters affecting or impacting Scilly's visitor economy.
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Marketing Opportunities



We want to help you market your business. Our marketing and advertising opportunities provide businesses with proven reach and return.

EMAIL MARKETING

The size of our customer database has grown significantly – almost 100,000 contacts have now signed up (10K more than last year) and these Scilly lovers have an appetite for your good news and offers.



We regularly send our contacts emails with reasons to come to Scilly; each newsletter is the subject of a content marketing plan and offers opportunities for member content.

Open rates for our emails are much higher than industry averages and have increased another 5% over last year to 30% and they are consistently high.

VISITISLESOFSCILLY.COM

Our website is exactly where it needs to be in Google search results:

1st for -

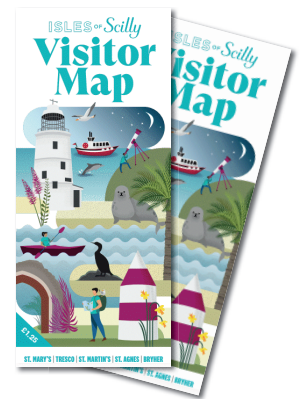
- Isles of Scilly
- Isles of Scilly accommodation
- Isles of Scilly things to do
- Isles of Scilly places to eat
- Isles of Scilly B&B
- Isles of Scilly cottages
- Isles of Scilly attractions



The website is used by 62% of all staying visitors and 75% of first-time visitors use it when planning and booking their visit to the islands.

POCKET MAP

We continue to make improvements to the popular on-island Pocket Map with more information about things to do and places to eat and drink. Your support makes it comprehensive, financially viable and valuable for guests.



We are planning to produce a new version early in 2023 – distributed by the TIC and many other outlets the map is incredibly popular with visitors planning their days out.

TOURIST INFORMATION CENTRE

The TIC has been operating at its normal capacity in 2022 and communicates with a vast number of visitors in person, on the phone, by email and through social media. It provides an outlet for boat ticket sales, bespoke advice, maps, souvenirs, event tickets and of course What's On!



PUBLIC RELATIONS AND THE MEDIA

Press trips and PR activities arranged by the IP Press trips and PR activities arranged by the IP lead to extremely valuable print, digital and broadcast.

EVENTS

Some events were cancelled in 2021 because of travel restrictions and social distancing rules but new events including an autumn 2021 Creative Scilly and early 2022 Mini Taste of Scilly festival were held. A more normal event programme has now been reintroduced to include Walk Scilly, ÖTILLÖ, Taste of Scilly and Creative Scilly - with opportunities to get involved in the events programmes and related marketing activity. We have also taken on a greater role in the delivery of the World Pilot Gig Championships.

CONTENT MARKETING

The IP delivers marketing content planned around the calendar - raising awareness of seasonal and product benefits and responding to consumer buying behaviour. We also work with partners to undertake tactical promotions. This approach means we need to work closely with members to create story content and highlight product benefits which resonate with our market.



Joining the Islands' Partnership is easy...

Contact our team by email, phone or by post and we can share the details and advantages of becoming a member. If you are on the islands, please make an appointment to meet us to discuss the benefits of membership.

enquiries@islandspartnership.co.uk

01720 620601 | visitislesofscilly.com

Islands' Partnership, Steamship House,
Hugh Town, Isles of Scilly, TR21 0LS

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