

Appendix**Leicester and Leicestershire Place Marketing Organisation****Outline Business Plan****1. Introduction**

Over the past two years the economic potential of Leicester and Leicestershire has been significantly enhanced with recent events including the reinterment of King Richard III and the success of Leicester City Football Club being crowned as the premiership champions. Both these events have significantly raised our profile worldwide. In addition we have unrivalled economic assets including businesses of international stature, a strong and growing SME sector, a truly vibrant City and County with a strong industrial, cultural and sporting heritage, three world class universities delivering cutting edge innovation and a central location with excellent connectivity.

There is an opportunity to develop a sustainable and memorable narrative that will attract visitors, businesses, investors and students to the area for years to come. The City and County Councils are committed to working with stakeholders to maximise the economic benefits of this unique opportunity.

2. A New Place Marketing Organisation for Leicester and Leicestershire

Over the past 12 months, led by the City and County Councils, local stakeholders have been considering how best to market our place. There has been considerable consultation and engagement with over 100 public and private stakeholders as part of a tourism review. In addition, key messages about the importance of place marketing were repeated throughout extensive business consultation during the development of the Leicester and Leicestershire Enterprise Partnership Sector Growth Plans. Some key messages that emerged included:

- Need for a strong, clear brand and narrative for the destination
- Support for an effective destination management, development and marketing body that is better connected with strategic decision-making
- Potential for a broader place marketing role similar to that of other comparable city regions

Many successful cities and counties promote their respective territories to business investors, leisure and business tourists and to students and potential workforces through a shared set of messages and communication channels.

These arrangements invariably engage other key stakeholders such as universities and leading business professionals and are delivered through bodies that have distinct identities and brands. Some are municipally owned but carry a distinct brand, others are entirely independent. Such profiles and structures also typically underpin and assist sponsorship strategy and commercial income earning.

Therefore based on the current opportunities, consultation and review of other area the City and County Councils are proposing to establish a new Place Marketing Organisation for Leicester and Leicestershire.

This document provides an outline business plan for the new organisation which will require further refinement following political approval from both the City and County Councils and subsequent discussion with key stakeholders.

3. Marketing Leicester and Leicestershire

The title 'Marketing' followed by a named geography is commonly used to describe similar organisations elsewhere. It is proposed that the registered name for the company should be Marketing Leicester and Leicestershire. How the company is branded will be developed subsequently by a newly established Place Marketing Group which will advise the PMO.

Following independent legal advice, the City and County Councils will jointly establish the company as a Company Ltd by Guarantee. Ownership will be limited to local authorities and subsequently the Teckal Exemption will apply allowing local authority funding to be directly transferred to the PMO; however this will limit trading or commercial activity to no more than 20% of turnover.

4. Governance

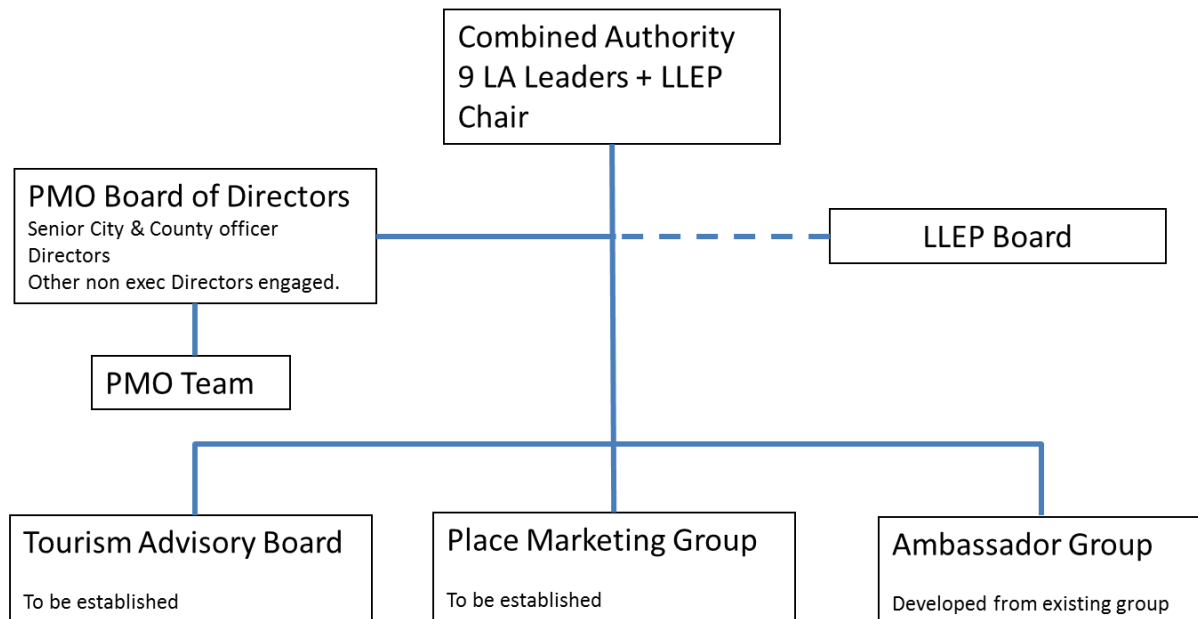
The PMO will receive strategic direction from the Combined Authority (CA), subject to approval by the CA for this role once established.

It is proposed that the role of the CA will be to:

- Make decisions on strategic priorities in relation to place marketing, tourism and inward investment; including approval of the Destination Management Plan and Place Marketing Strategy
- Align and prioritise public sector resources and wider policies / services to maximise the economic outcomes of place marketing, inward investment and tourism.
- Identify and exploit collaborative opportunities for the LLEP and local authorities to jointly deliver better outcomes for less.
- Commission the PMO to undertake activity on its behalf and monitor its ongoing performance.

The Combined Authority and PMO will be advised via three stakeholder boards for each of its three main functions: place marketing (new Board established to include senior stakeholder communication and marketing representatives); inward investment (extended private sector Ambassador Group currently in existence); and strategic tourism (new private-public Tourism Advisory Board to be established). The proposed governance structure is illustrated in figure 1.

Figure 1: Governance Structure



It is suggested that the Director of Tourism, Culture and Investment for the City Council and the Assistant Chief Executive for the County Council act as Directors for the PMO Company. Having ‘officers’ as Directors will provide a more hands-on approach to company management in terms of finance, staffing issues and business planning.

Further consideration will be given to the appointment of Non-Executive Directors and / or having an independent chair. Many other Place Marketing Organisations do this deliberately to emphasise the importance of external stakeholder engagement, particularly with the business community. It would be possible for example to draw non-exec Directors from the various advisory boards and other key stakeholders such as the LLEP Board.

Note: Decisions relating to local authority financial contributions, amendments to the Articles of Association, Members Agreement or wind-up of the company will be reserved for the respective authority’s political decision-making processes.

5. Stakeholder Engagement

Under the auspices of the Combined Authority, the PMO will seek to engage a broad range of stakeholders including residents, businesses, universities and public partners to develop the Leicester and Leicestershire brand, narrative and investment priorities through its Place Marketing Strategy and Destination Management Plan. The development of which will be a priority for the PMO.

Members on the advisory boards will be selected to ensure there is good private and public representation from across the sectors and the required expertise to effectively advise the CA and PMO on strategic priorities and required interventions.

The PMO will seek a close relationship with any new BID company for the city centre if one is established in 2017. Options could include potential co-location, the delivery of services for the BID (for a financial contribution), a BID nominated Director on the Board etc.

The PMO will also work closely with county bodies including the five District Tourism Partnerships (currently in Melton, Harborough, Charnwood, North West Leicestershire, and Hinckley and Bosworth), the three town centre BIDs (Melton Mowbray, Loughborough and Hinckley) and the National Forest Company.

6. Company Functions

The PMO primary functions will include Inward Investment, Place Marketing and Strategic Tourism. Further details of each of these functions are provided below:

Place Marketing

To position and promote Leicester and the wider sub-region as a destination of choice to live, invest, visit and study through brand management and targeted place marketing activities focusing on measurable outcomes shared by key stakeholders.

Activities to be delivered:

- Development and implementation of a Place Marketing Strategy and Action Plan.
- Identification of market segments and key target audiences with the most potential for return on investment.
- Develop a place brand that defines, shapes and manages the place image through a strong, clear narrative.
- Create a sense of place that target audiences can identify and engage with.
- Establish collaborative place marketing approaches with key stakeholders and partners to maximise the impact domestically and internationally on target markets and audiences.
- Increase awareness of place and improve perceptions inside and outside of the region.
- Manage the place brand and integrated place marketing strategy consistently to all consumer touch points and relevant communication channels.
- Develop and manage brand imagery and video library in order to create a coherent, recognisable “place” visual identity.
- Develop and implement digital content marketing plan for place marketing websites and social media channels.

The PMO will co-ordinate the development of effective ‘Place Marketing’ initiatives, particularly via digital channels, working closely with other key stakeholders in the city and county to develop a shared narrative and key messages that can be used to attract and retain talent, lure visitors and encourage investors. This will complement other ‘Place Making’ activity that is already re-shaping the public realm of the city, along with the enhancement of market towns and visitor attractions across the county.

Inward Investment

Strategic lead for securing new jobs and business investment into Leicester and Leicestershire. Promoting the city and county as a global investment location, through delivering of the inward investment strategy.

Activities to be delivered:

- Investor development work in the UK (and overseas in USA, China and India)
- After care and account management
- Supporting existing strategic businesses to expand in order to safeguard jobs
- Assisting Leicester businesses to export their products and services, with networking opportunities and specialist advice
- Lead generation and enquiry handling
- Creating networking opportunities and specialist advice

The City Council Inward Investment service has already delivered hundreds of high quality new jobs for the city, has won a national award and has ambitious plans for expansion. The County Council is contributing £100,000 to support the expansion of the Inward Investment team as part of this PMO initiative and the service scope will extend across the sub region.

Strategic Tourism

To coordinate the sub-regions strategic approach to maximising the economic potential of the tourism sector.

Activities to be delivered:

- Development and delivery of a Destination Management Plan (DMP) for Leicester and & Leicestershire.
- Establishment and servicing of the Tourism Advisory Board.
- Coordinating implementation of the Tourism and Hospitality SGP.
- Economic strategy development working closely with the LLEP and LAs to inform local economic strategies and associated investment and funding decisions.
- Management of the Tourism strand for the 'Collaborate for Business Growth' programme (ERDF).
- Sector research and intelligence collation.
- Strategic engagement with major hotels and attractions.
- Working in partnership to develop new products and funding bids which support delivery of the DMP.
- Supporting effective partnership and collaborative working within the sub-region and beyond.

The PMO will also commission some tourism support services including a Destination Management Plan for the sub region and tourism business support activity funded through the ERDF Collaborate for Business Growth project.

The PMO will work closely with Leicestershire Promotions Ltd (LPL) which has extensive experience in delivering tourism support services across the city and county. LPL have indicated that moving forward their primary focus would be to deliver tactical marketing campaigns which could include:

- Short and extended leisure break activity.
- Event bidding and conference support services
- Product development activity – mainly in the districts
- Event development and delivery
- Support for town centres and BIDs

LPL is also a registered Destination Management Organisation for the sub-region.

7. KPIs / Targets

The new PMO will be responsible for an ambitious programme to deliver new jobs, investment, bed spaces and visitors. Some of these activities and targets are linked to European funding that will be used to help establish the company. Others are drawn directly from the LLEPs tourism and hospitality growth plan. A three year summary is illustrated in Table 1.

Table 1: Indicative KPIs 2017-2020

PMO Key Performance Indicators	2017/18	2018/19	2019/20
Jobs Safeguarded	50	70	80
Jobs Created	60	80	110
£ Value of new Investment Projects	£15m	£20m	£30m
Increased bed spaces in city and county	tbc	tbc	tbc
Grow value of tourism and hospitality sector to £2.2bn by 2020			£2.2bn
Increase annual visitors to 35,000			35,000

Other performance measures to be developed include:

- Growth in numbers using Visitor Centre
- Improve positive perceptions of Leicester and Leicestershire
- Growth in use of Place Marketing websites and social media platforms
- Increase average visitor spend

8. Staffing

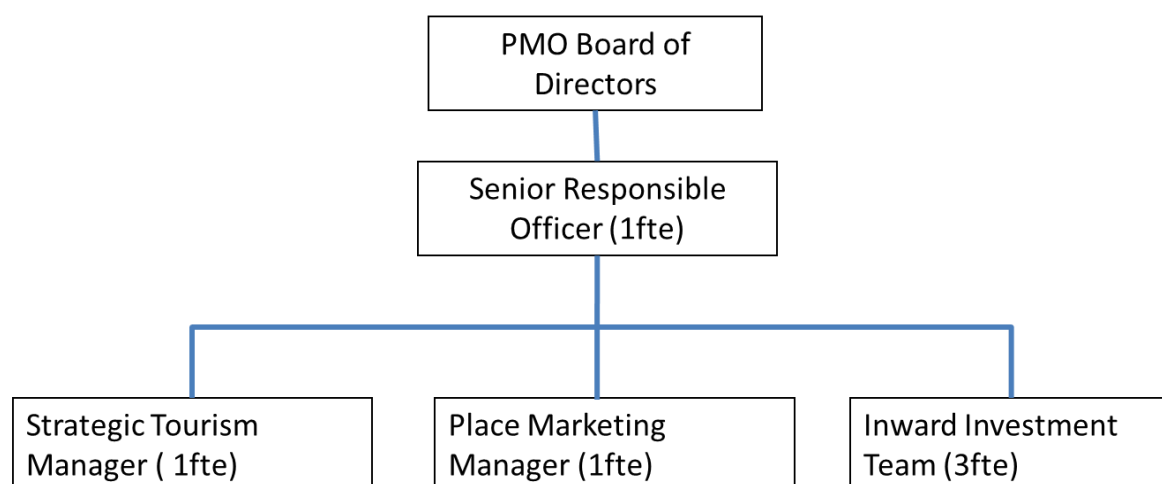
It is proposed that on establishment the PMO will initially fund six employees. Further consideration is required to consider whether TUPE may apply.

If it is determined that TUPE does not apply then secondment arrangements for any existing staff currently fulfilling the proposed PMO services e.g. the existing inward investment team, and newly appointed staff could be entered into. In this instance it

would be necessary to have a secondment agreement in place recording the arrangement.

The proposed staffing structure is illustrated in figure 2.

Figure 2: PMO Staffing Structure



In terms of support resources for the PMO, independent legal advice will be externally procured and financial support will be provided by the City Council finance team at market cost. It is proposed that media and PR support for the PMO will also be provided, at cost, by the city or county council – yet to be determined.

9. Location

To be determined but there is a preference for the PMO to have a city centre base for central accessibility purposes and to allow for easy joint working with key stakeholders including the LLEP, LPL, City Council and County Council, similar to the arrangements now in place for the LLEP team.

10. Finance

The total proposed 3 year financial contributions to the PMO include City Council £1.2m, County £0.475m, ERDF £0.5m (awaiting final approval); totalling approx. £2.2m.

These resources will comprise:

- i) existing staffing and operational budgets transferred to the new PMO
- ii) resources from the 'Collaborate for Business Growth' ERDF project
- iii) some existing budget previously used to support tourism support services
- iv) new County Council contribution to expand the inward investment service
- v) in future - membership subscriptions, sponsorship and / or trading income

An outline budget for the first 3 years is illustrated in table 2. The figures show what is anticipated to be available for the period and are cautious but appear adequate to generate a strong PMO team that is adequately resourced to make an impact.

Table 2: PMO Indicative Expenditure 2017-20

PMO Expenditure 2017-20	17/18	18/19	19/20	Total
Staffing				
Inward Investment	£233,620	£234,055	£223,343	£691,018
Place Marketing	£50,000	£50,000	£50,000	£150,000
Visitor Economy Support Officer	£50,000	£50,000	£50,000	£150,000
Operational				
Overheads and operational budget	£352,600	£476,800	£381,050	£1,210,450
TOTAL	£686,220	£810,855	£704,393	£2,201,468

These figures don't assume any income from membership subscriptions, trading / sponsorship or from a new BID company at this stage. Neither do they assume any contributions to the PMO from District Councils though that may be possible.

Over the three year period it is anticipated that such income streams will be developed and used i) to replace ERDF resource once that project expires and / or ii) to reduce further city and county contributions if that is felt to be feasible and desirable and / or iii) to expand the service offer of the company. Targets for income generation will be established as part of a year one PMO workplan.

Collaborate for Business Growth – is a wide ranging and sub-regional ERDF business support programme titled 'Collaborate' and is due to be approved imminently by DCLG. It has been developed and will be managed via the city council's economic regeneration team and will attract a little more than £3m of ERDF resource over the next 3 years.

Several strands of the Collaborate project will directly support the establishment of the new PMO. In particular, almost £400k ERDF will enable the Inward Investment team to recruit a further officer to lead on international activity and to commission specific analysis work on key business sectors, generate and manage new leads and deliver services across the county as well as city area.

A further £150k ERDF will support the PMO to commission tourism business support services.

11. Indicative Implementation Timeline

PMO Set-up - Indicative Timeline	Timeline					
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
APPROVAL PROCESS						
City Council Executive Briefing	10					
County Scrutiny Commission	16					
County Council Cabinet	23					
Economic Growth Board		5				
Combined Authority sign-off (date tbc)						
Articles of Association and Members Agreement approved by City Executive and County Cabinet						
GOVERNANCE						
Establishment of Advisory Boards						
Articles of Association and Members Agreement drafted						
Board of Directors appointed						
New Company Established as Legal Identity						
OPERATIONS						
Confirm Scope for Year 1 Strategic Tourism Commissioning						
Strategic Tourism Activity Procured (ERDF)						
TUPE implications considered in detail						
Recruitment of 3 'new' posts						
Full Business Plan developed in consultation with key stakeholders						
PMO Board of Directors sign-off company 3-year business plan						

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