



**CABINET – 8<sup>TH</sup> FEBRUARY 2019**

**PLACE MARKETING ARRANGEMENTS**

**REPORT OF THE CHIEF EXECUTIVE**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to propose amendments to the governance and management arrangements, previously agreed by the Cabinet, for the delivery of place marketing, strategic tourism and inward investment across Leicester and Leicestershire.
2. In June 2017 the Cabinet agreed to the formation of a new Place Marketing Organisation for this work but a continuation of existing joint working arrangements is now recommended.

**Recommendations**

3. It is recommended that -
  - (a) Place marketing, strategic tourism and inward investment activities are delivered through joint working arrangements between Leicester City Council and Leicestershire County Council;
  - (b) That the Chief Executive be authorised to agree the terms of the Joint Working Agreement for place marketing arrangements with Leicester City Council.

**Reasons for Recommendations**

4. Since September 2017 the above services have been delivered jointly by the two Councils through a co-located team based at Leicester City Council. There has been good progress against the agreed business plan and strong private sector engagement; this has led to the conclusion that a company model is not required at the current time.
5. A Joint Working Agreement will set out the financial and service delivery commitments between the two Councils.

**Timetable for Decisions (including Scrutiny)**

6. Subject to the Cabinet's approval of the proposed arrangements a refreshed 3-year business plan and budget (for 2019 to 2022) will be drawn up and a Joint Working Agreement will be developed between the two authorities which will document respective financial and service delivery commitments.
7. A report will be taken to the Scrutiny Commission on 10 April 2019 to update on 2018/19 activities and those prioritised for 2019/20.

**Policy Framework and Previous Decisions**

8. The County Council's Strategic Plan and Enabling Growth Plan both highlight the importance of enhancing the profile of Leicestershire as a place to visit, live, work and do business; thus encouraging investment and creating the right environment to attract businesses which can grow and flourish now and in the future.
9. The Council's Medium Term Financial Strategy (MTFS) agreed in February 2015 included a £0.3m saving to be made with regard to economic development activities, including a £175,000 reduction in funding for tourism support services.
10. On 23<sup>rd</sup> November 2016 the Cabinet supported the establishment of a Teckal-compliant Company, to be jointly owned by the County Council and Leicester City Council to lead on Place Marketing, Inward Investment and Strategic Tourism across Leicester and Leicestershire. The Cabinet agreed the governance arrangements, Articles of Association and Members Agreement for this Place Marketing Organisation in June 2017.

**Resource Implications**

11. Since 2016/17 £100,000 savings have been achieved by working in partnership with Leicester City Council to deliver place marketing and strategic tourism work. Income generation has however been challenging and some core funding is still required. For this reason the remaining £75,000 saving has been removed from the latest MTFS proposals for 2019/20 to 2022/23.
12. The revised MTFS includes an additional £50,000 per annum ongoing funding to support an extra post in the Council's Inward Investment Service. One-off funding of £30,000 has also been agreed for 2019/20 and a growth bid for future years will be considered. This will result in a total funding contribution of £155,000 for 2019/20. Alternative funding arrangements for the future will continue to be explored.
13. Leicester City Council intends to maintain its existing staffing and operational budget which is around £390,000 per annum.

14. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

**Circulation under the Local Issues Alert Procedure**

15. None.

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## PART B

### Background

16. In March 2016 the Cabinet agreed to consult on a model for the governance, management and delivery of tourism support services. In June that year it agreed to explore the establishment of a local authority-owned company to deliver tourism support services and to consider widening activities to include place marketing and inward investment. In the November a Teckal-compliant company Limited by Guarantee was recommended to members; a Place Marketing Organisation (PMO) which would be jointly owned by the County and City Councils.
17. Proposed governance and working arrangements for the PMO were agreed by the Cabinet in June 2017. However since then a number of unforeseen technical issues have caused delays in its registration, notably IT licensing matters that would prove costly to overcome.
18. In the meantime, place marketing arrangements have been established and the team has based at City Hall in Leicester since September 2017. During this time significant progress has been made against the three main themes delivered by the Team and these are summarised below.

### Progress to Date

#### Strategic Tourism

- Establishment of a private sector led Tourism Advisory Board chaired by the CEO of Twycross Zoo. Other members include the Great Central Railway, Bruntingthorpe Events, National Forest Company, East Midlands Airport, National Space Centre, and district councils.
- Extensive consultation with the tourism sector and data collation to help provide the evidence base that will inform a Tourism Growth Plan for the sub-region.
- Development of a Business Tourism Strategy and processing of business tourism enquiries for the city and county.
- Work to develop local itineraries for China tour agencies.
- Delivery of sector specific support to 70 tourism businesses in the area.
- Engagement of local businesses in the “England’s Waterways” project which promotes tourism businesses adjacent to waterways to overseas markets – recipients include Bosworth Battlefield and Great Central Railway.
- Strengthened links with both the Midlands Engine and Visit Britain.

#### Inward Investment

- Providing a high quality inward investment service to attract and handhold inward investment enquiries across Leicester and Leicestershire.
- Maintaining an up-to-date commercial site and premises database search facility to support investors.

- Development of a 2019 Strategic Sites map to promote the major investment opportunities across Leicester and Leicestershire.
- Investor development work in the UK (and overseas in USA, China and India).
- Establishment of the Leicestershire China Forum, commissioning and adoption of the Leicestershire China Strategy.
- Commissioning of an India Strategy and lead generation support in the US.
- Supporting existing high-growth businesses to expand and safeguard jobs.
- Working with Department for International Trade (DIT) on lead generation, enquiry handling, account management and aftercare; including Space industry related High Potential Opportunity prospectus.
- Supporting Team Leicester at MIPIM (an international property event) to showcase Leicester and Leicestershire.

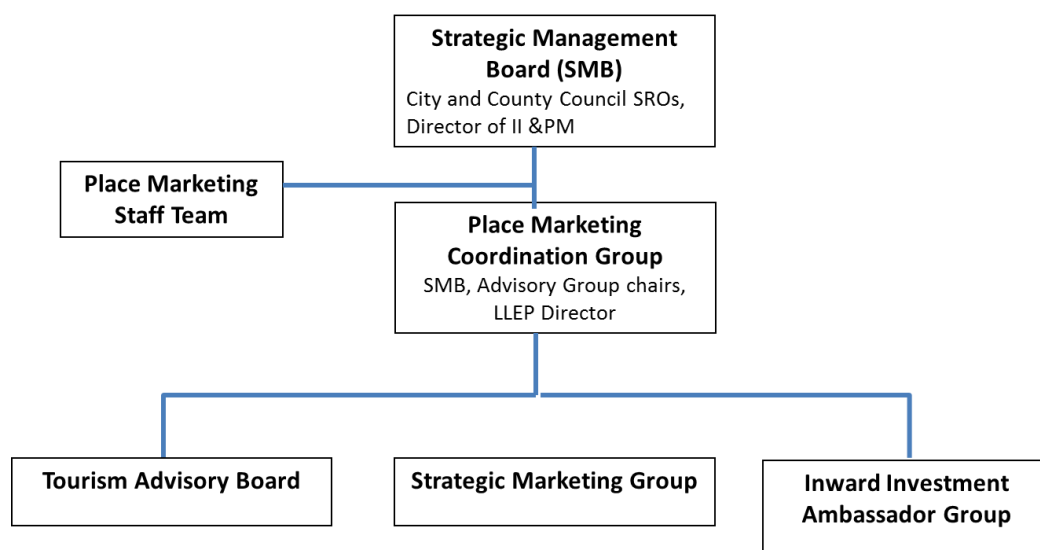
### Place Marketing

- Increasing Leicestershire’s presence on the Place Marketing websites – noting that further improvement is planned in 2019 utilising European Regional Development Funding (ERDF).
- Commissioning of Public Relations and Media support to strengthen the profile of Leicester and Leicestershire’s tourism and inward investment offer.
- Producing “Welcome to Leicestershire” guide available in hotels.

### Proposals for Future Joint Working arrangements

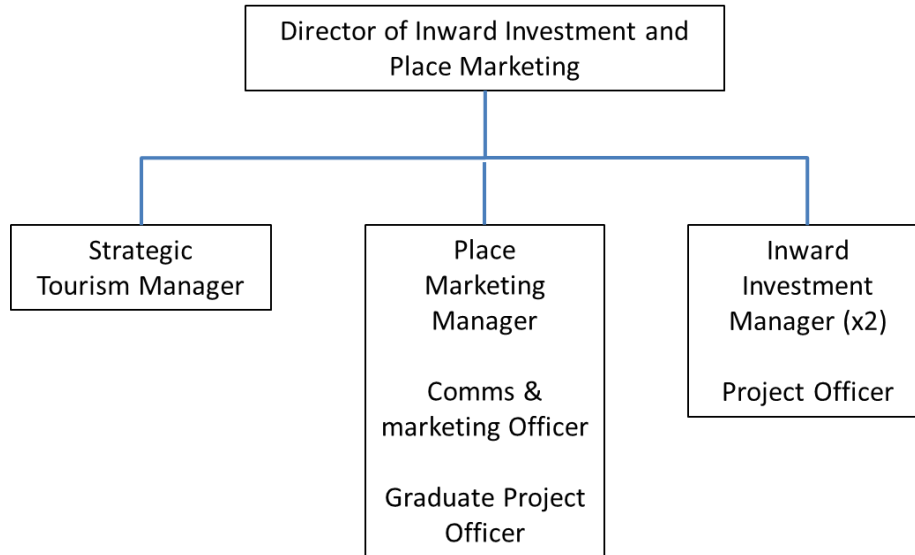
19. Revised governance arrangements are illustrated in Figure 1 below. In the absence of a company board it is proposed that the senior officers from the City and County Councils will meet regularly with the Director of the Place Marketing Team to oversee delivery of the business plan and budgets and to monitor performance. In addition, the Strategic Management Board will meet with the chairs of the private sector led Advisory Groups which have been established to provide sector expertise to help inform the strategic direction and work programmes of the service. As shown, there are three Advisory Groups for Tourism, Strategic Marketing and Inward Investment.

Figure 1: Place Marketing Governance Arrangements



20. The staff will largely stay the same, apart from the addition of a new County Council-appointed Inward Investment Manager who will provide much needed additional capacity to the Inward Investment function within the Place Marketing team - especially in the County. The Strategic Tourism Manager is also employed by the County Council. The other team members are employed by the City Council.

Figure 2: Team Staff Structure



21. A Joint Working Agreement will be developed between the City and County Council to document financial and service delivery commitments. This will be underpinned by a 3-year business plan and supporting budget which will be reviewed and approved annually by the responsible senior officers within the two Councils. Decisions relating to financial contributions will be referred to the respective authority's decision-making processes; the arrangements for the next few years are set out in Part A above (this will be subject to approval of the MTFs on 20 February). If officers within the respective authorities cannot agree on a significant strategic, governance or financial issue this will be referred to members as necessary.
22. The Director of Inward Investment and Place Marketing will report on performance and financial information to the Strategic Management Board on a quarterly basis.

### **Equality and Human Rights Implications**

23. There are no equality or human rights implications arising from the recommendations in this report.

### **Partnership Working**

24. Working in partnership, especially with the private sector will continue to be at the core of the team's ethos. It is imperative for the future sustainability of the service that, wherever possible, activities are co-designed with businesses to maximise opportunities for sponsorship and membership schemes.

25. At a local level liaison with the Leicester and Leicestershire Enterprise Partnership, district tourism partnerships, the city tourism forum and other tourism organisations (e.g. Leicestershire Promotions Ltd) will be a priority to ensure that delivery of local tourism priorities and activities are aligned.
26. At a regional level the team will also continue to engage positively with the Midlands Engine (ME) through the ME China Group and ME Visitor Economy Group; and nationally with the Department of Investment and Trade and Visit Britain.

### **Background Papers**

Report to the Cabinet on 23 June 2017 'Place Marketing Organisation – Governance Proposals': <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5120>

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