



SCRUTINY COMMISSION: 10 APRIL 2019

PLACE MARKETING, STRATEGIC TOURISM AND INWARD INVESTMENT

REPORT OF THE CHIEF EXECUTIVE

Purpose of report

1. The purpose of this report is to update the Commission on recent developments in relation to the jointly funded City and County Council Place Marketing Service which incorporates place marketing, strategic tourism and inward investment activities.
2. A presentation will be given to the Commission by the Director of the Place Marketing Service on progress to date and future plans.

Policy Framework and Previous Decisions

3. 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.
4. Following a review, on 23rd November 2016 the Cabinet supported the establishment of a 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.
5. Following delays in establishing the Company, the Cabinet agreed in February 2019 to revise their decision to establish a Company and instead to extend interim joint working arrangements (see paragraphs 7 and 8).

Background

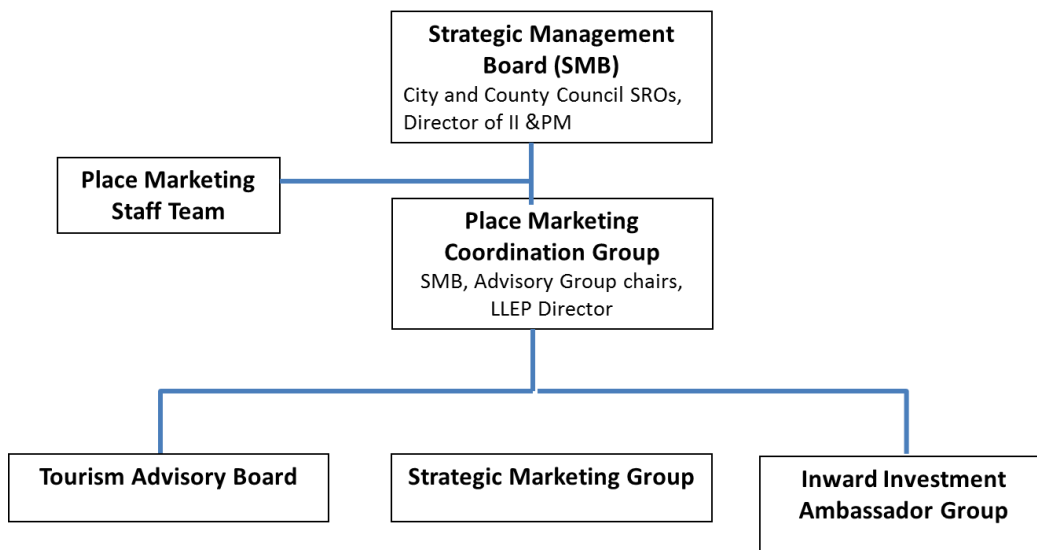
6. In March 2016 the Cabinet agreed to consult on a model for the governance, management and delivery of tourism support services. In June that year it agreed to explore the establishment of a local authority-owned company to deliver tourism support services and to consider widening activities to include 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.

7. 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. This has led to the implementation of interim arrangements, including the establishment of a staff team in September 2017; the team is hosted by the City Council and based at City Hall, Leicester.
8. To date 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.

Joint Working Arrangements

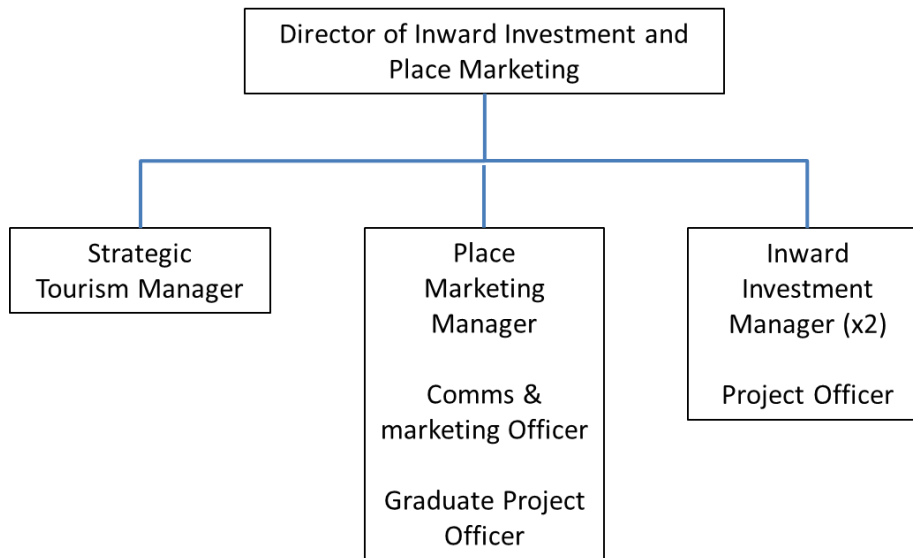
9. Current governance arrangements are illustrated in Figure 1 below. In the absence of a company board senior officers from the City and County Councils meet regularly with the Director of the Place Marketing Team to oversee delivery of the business plan, budgets and to monitor performance. In addition, 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



10. The staff team is illustrated in Figure 2 below. All staff are currently in post 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



11. A Joint Working Agreement is being developed by the City and County Council legal teams 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. If officers within the respective authorities cannot agree on a significant strategic, governance or financial issue this will be referred to members as necessary.
12. The Director of Inward Investment and Place Marketing will report on performance and financial information to the Strategic Management Board on a quarterly basis.

Resource Implications

13. 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.
14. 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.
15. Leicester City Council intends to maintain its existing staffing and operational budget which is around £390,000 per annum.

Timetable for Decisions

16. Views of the Scrutiny Commission will be reported to the next Strategic Management Board meeting (see Figure 1) and considered when finalising the Joint Working Agreement, Business Plan and budget profile for 2019-2022. These will be completed by the end of April 2019.

Background papers

Report to the Cabinet on 8 February 2019: Place Marketing Organisation -
<http://politics.leics.gov.uk/documents/s144178/Cabinet%20Report%20PMO%20210119%20final.pdf>

Circulation under the Local Issues Alert Procedure

17. None

Equality and Human Rights Implications

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

Partnership Working

19. 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.
20. 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.
21. 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.

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