

**8 September 2015****Agenda Item: 9****REPORT OF THE GROUP MANAGER CORPORATE STRATEGY****MARKETING NOTTINGHAM AND NOTTINGHAMSHIRE - FUNDING****Purpose of Report**

1. The purpose of this report is to seek approval to enter into a three year funding agreement with Marketing Nottingham & Nottinghamshire (MN&N) from 1<sup>st</sup> October 2015 to 30 September 2018 with a contribution of £200,000 per year from this Committee.

**Information and Advice**

2. As members are aware both tourism marketing and inward investment activities support the growth of the Nottinghamshire economy. The most recent economic activity data on the Visitor Economy show that its value was £1.557 billion to Nottinghamshire in 2013 an 8% increase from 2011. There has been an increase of 3.95% in the number of overnight visitors between 2011 and 2013 with 3.42 million overnight visitors in 2013. Inward investment successes have also increased over the last year with 10 companies relocating into the county in 2013/14 with 150 jobs created and 30 safeguarded.
3. At Economic Development Committee in March this year a report was considered on progress in establishing a place marketing organisation for Nottingham and Nottinghamshire. The report detailed the functions of the PMO and outlined the benefits anticipated from an integrated organisation. Committee gave in principle agreement to enter into a three year funding arrangement from October 2015 with the new Place Marketing Organisation MN&N.
4. Following a long period of work and negotiations between local authority and private sector partners, the new PMO has now been brought into existence. In March 2015 the Board of Experience Nottinghamshire Ltd agreed to expand its objectives and operations and reframe its structure as a company to take on a broader remit for place marketing.
5. MN&N's remit will be to deliver inward investment, visitor economy marketing and place marketing objectives through proactive marketing and effective management of events, activities, resources and enquiries. It will be responsible for providing strategic leadership as well as delivering tactical campaigns and will provide a broad range of services in support of growth aspirations across the County.
6. Since this decision in March there have been a number of developments:

- Experience Nottinghamshire has been incorporated as Marketing Nottingham and Nottinghamshire (MN&N) with new Articles of Association, establishing it as the PMO for the County and City.
  - The Company has become a local authority 'influenced' company with three local authority Directors appointed from the County, City and Newark and Sherwood District Councils. The Chair of this Committee is now a Director.
  - Local authorities' combined voting rights as members of the company have increased from 20% to 30%, with the ability to effect changes in key positions on the board through the company's Articles of Association. The Councils now collectively exercise control over the appointment of the Chair and Directors.
  - Paul Southby (formerly Chair of Nottingham Means Business and a partner at Geldards) has been appointed as interim Chair for 12 months,
  - New Board members, who represent both the visitor economy and inward investment sectors, and reflect the geography of the County have been agreed
  - A transition group led by the Chair is working to ensure the new organisation becomes a fit for purpose and appropriately resourced PMO. Work being undertaken includes: the development of a strategy for place marketing; a review of senior management; the transfer of the Invest in Nottingham service to MN&N; and the development of a future membership scheme.
7. As outlined in paragraph 5 it is the intention of MN&N to set the strategic direction for the marketing of Nottingham and Nottinghamshire to business and tourist audiences, nationally and internationally. This will be developed through the agreement of a proactive and targeted Place Marketing Strategy which will provide a clear and unified approach to inward investment and the development of the Visitor Economy
8. This Strategy will focus on the professional delivery of effective, targeted campaigns that promote Nottingham and Nottinghamshire to a national and international audience, change the perception of national decision-makers and build the confidence of local stakeholders.

## **Funding**

9. Both the County and City Councils have funded the destination marketing organisation Experience Nottinghamshire since its inception. The City Council also currently runs the inward investment team *Invest in Nottingham* to which the County Council makes a financial contribution.
10. The City Council's current funding for Experience Nottinghamshire is £250k in addition they fund their existing in house inward investment service. The City Council have committed to provide funding in the region of £800k per annum to MN&N through a three year agreement. This will include support for tourism marketing; staffing and operational costs of the inward investment function that will transfer from the City Council to MN&N; as well as support for national and international marketing campaigns.
11. This Council's current funding agreement with Experience Nottinghamshire expires on the 30<sup>th</sup> September 2015 and provides funding equivalent to £118k a year. It is now proposed that a three year funding agreement is entered into with MN&N to provide funding of £200k a year to support both the inward investment and tourism marketing functions to be carried out by MN&N. This increased contribution can be contained within

existing budgets and was outlined in the Economic Development Delivery Plan and Budget 2015-16 report agreed by members in March 2015.

12. It is recognised that the proposed funding commitment from the two primary funders of the City and County Council's will be insufficient to deliver the scale of operation that will achieve the ambition and desired impact. It is anticipated therefore that MN&N will focus on business and stakeholder engagement, and develop mechanisms for attracting significant additional resources, e.g. from the Universities, large corporates, European Structural Investment Funds (ESIF) , Visit England, etc. In addition a membership scheme will be put in place building on the successful membership schemes currently operating for Experience Nottinghamshire and Nottingham Means Business.

### **Outcomes:**

13. For the funding contribution of £200k per annum it is proposed that the County Council require MN&N to deliver a number of high level outcomes:
  - Nottinghamshire becomes a top 10 location for Foreign Domestic Investment in the UK
  - Nottinghamshire has a higher profile as a destination for visitors; demonstrating growth in visitor numbers and sector spend for the benefit of the economy of the County.
  - The area's image and reputation, nationally and internationally, is enhanced with Nottinghamshire regarded as a vibrant destination for investment and visitors.
  - MN&N is the natural membership organisation for relevant businesses in the County – sustainable and with a recognised brand with discernible added value and recognition locally, regionally and nationally
14. In addition MN&N will be required to develop its' place marketing strategy by December 2015 and its business plan by March 2016. Through this process and through dialogue between the Councils and the MN&N Board performance indicators and outcome targets will be developed. The types of sector performance indicators that could be measured could include the value of the visitor economy to Nottinghamshire; increase in overnight visitor stays; number of domestic and foreign tourism marketing campaigns; amount of match funding attracted from Universities, Businesses, etc; increase in membership for the organisation. The production of the Strategy; Business Plan and agreement of performance indicators will be included as a condition of the funding.

### **Statutory and Policy Implications**

This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described in the report.

### **RECOMMENDATIONS**

It is recommended that Committee:

- a. Agrees to enter into a three year funding arrangement with Marketing Nottingham and Nottinghamshire from 1<sup>st</sup> October 2015 to 31<sup>st</sup> September 2018 with a contribution of £200k per year
- b. Agrees that six monthly reports detailing the progress being made against the outcomes and the delivery of the Place Marketing Strategy are considered by Committee.

### **Report of the Group Manager, Corporate Strategy**

For any enquiries about this report please contact Celia Morris, ext. 72043

### **Constitutional Comments (SLB 26/08/2015)**

Economic Development Committee is the appropriate body to consider the content of this report.

### **Financial Comments (NDR 26/08/2015)**

The financial implications are set out in paragraphs 9-12 of the report.

### **Background Papers**

Report to Economic Development Committee 2 April 2014 - A Place Marketing Organisation for Nottingham and Nottinghamshire.

Report to Economic Development Committee 16 September 2014 A Place Marketing Organisation for Nottingham and Nottinghamshire – An Update

Report to Economic Development Committee 3 March 2015 - A Place Marketing Organisation for Nottingham and Nottinghamshire

### **Electoral Division(s) and Member(s) Affected**

All