

3 March 2015

Agenda Item: 8

REPORT OF THE GROUP MANAGER CORPORATE STRATEGY

A PLACE MARKETING ORGANISATION FOR NOTTINGHAM AND NOTTINGHAMSHIRE

Purpose of Report

1. Committee's approval is sought to agree various issues in relation to the creation of a Place Marketing Organisation.

Information and Advice

2. Some information relating to this report is not for publication by virtue of Schedule 12A of the Local Government Act 1972.
3. Having regard to all the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption; information relating to the financial or business affairs of individuals or organisations. This is because the information would add a limited amount to public understanding of the issues.
4. The exempt information is set out in the Exempt Appendix.
5. 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.
6. There are two key organisations currently delivering place marketing across the County and City - Invest in Nottingham - attracting inward investment and Experience Nottinghamshire Ltd (EN) - attracting visitors. The inward investment function is primarily provided by the City Council, with a funding contribution from the County Council. Experience Nottinghamshire, a company limited by guarantee, is a private-public partnership drawing on local, regional and national funding. The County Council is a founding member and key funder of EN.
7. Discussions have been taking place for over a year with both public and private sector partners as to whether bringing these two functions together would enhance the effectiveness of work in this area. At the Economic Development Committee

(EDC) meeting on 1 April 2014 Committee gave in principle agreement to the establishment of a Place Marketing Organisation (PMO) for Nottingham and Nottinghamshire that would bring together inward investment and tourism functions. This was subject to further consideration of more detailed proposals on the vision, operating model and legal status of the PMO at a future Committee meeting. This report outlines for Committee these more detailed proposals. Some of these proposals are outlined in the Exempt Appendix.

8. The PMO Steering Group, which oversees the project and includes public and private sector representatives including the Chair of this Committee, the City Council, Newark and Sherwood District Council, the Chair of EN and a representative of NMB have now considered the establishment of the PMO in greater detail including vision and objectives; functions; benchmarking and good practice from other areas; operating model; the phasing and implementation of organisational change and future funding arrangements.
9. A vision and objectives for the PMO have been agreed by the Steering Group and these were shared with Committee at the EDC meeting in September 2014.

Functions

10. The proposed broad tourism and inward investment functions for the PMO are shown below:

PMO Functions

TOURISM	INWARD INVESTMENT
<ul style="list-style-type: none"> • Tourism marketing and associated campaigns – leisure and business • Event bidding • Nottingham TIC operations • Advising on development of visitor economy • Visitor economy skills development • Visitor economy market intelligence • Relations with VisitEngland and VisitBritain as DMO • Relations with neighbouring DMOs 	<ul style="list-style-type: none"> • Inward Investment marketing – UK and priority markets overseas • Lead generation targeting priority sectors • Local business engagement • Proposition development • Account management of prospective investors to conversion • Inward investment market intelligence • Relations with UKTI, intermediaries and neighbouring agencies

11. **What will be better in the integrated organisation?**

It is anticipated that there will be a number of benefits from an integrated organisation which will lead to greater economic impact, including:

- **Unified strategy**
One of the early priorities for the PMO will be to agree a unified strategy for place marketing in Nottingham & Nottinghamshire, with a clear vision of the future and a

route for getting there. This should be done in consultation with the other organisations including business leadership groups, the District & Borough Councils, the Business Improvement Districts (BIDs) and the Universities.

- **Consistent messages**

Informed by the agreed strategy, there is an opportunity for a more co-ordinated approach to branding across the place marketing family, with consistency of messages to target customer groups.

- **Increased resources**

The City Council intends to significantly increase its core funding for place marketing through the PMO subject to agreement with partners on the strategic framework and delivery plans. The Councils will support bids for Government and European funding and will work alongside the PMO to lever in enhanced support from the private sector. There is also potential for other organisations to deliver their place marketing through the PMO over time, including District Councils and BIDs.

- **Engaging the private sector**

There is scope for having a better joined-up approach to local business engagement in relation to tourism and inward investment. This will build on Experience Nottinghamshire's strong membership scheme and bring in inward investment members based on the scheme currently operated by Nottingham Means Business, but also working with other business leadership groups in the County such as North Notts Envoys and Ashfield & Mansfield Ambassadors. The proposal is to operate parallel membership schemes for tourism and inward investment.

- **Improved market intelligence**

With additional resources, greater priority will be given to building the PMO's market intelligence, to inform the priorities in the strategy and the development of the product. This intelligence will be available to local authority partners.

- **More proactive lead generation**

There will be a more proactive approach to inward investment lead generation, working closely with the PMO's business members. A more transparent and trusting relationship will be developed over time with the District/Borough councils.

- **Benefits from integration**

There is significant scope for adding value from the closer connections between tourism and inward investment and for achieving efficiencies through integrated operations. For example: there will be increased opportunities for joint events and promotional activities in overseas markets; the inward investment team will be better able to work alongside the tourism team in bringing new business investment into the visitor economy; and events secured by the tourism team will be a useful channel for generating new leads for inward investment. There will be a number of operational functions that can be managed on a shared basis in the new organisation, with some efficiencies as a result.

Stakeholder Engagement

12. There is a range of stakeholders/funders involved in both EN and inward investment and their engagement and buy in to the benefits of the creation of a new PMO is sought. In addition several of the District/Borough Councils also fund and deliver tourism and inward investment marketing activities in their areas. A programme of stakeholder engagement is to be undertaken outlining the proposal, rationale and benefits to the current membership of EN and NMB; the Business Improvement Districts in the County; Nottinghamshire Business Engagement Group and the wider business community.
13. The County Council held a meeting in July with District and Borough Councils to seek their views on future approaches to inward investment and visitor economy marketing activity and how to secure the best outcomes for Nottinghamshire through this work. All councils agreed on the importance of this activity and the need to work together on this agenda to secure jobs and growth for Nottinghamshire. The Nottinghamshire Local Government Leaders Group on 20 February was updated on the proposed future approach to Place Marketing work.

Future Funding

14. The Council currently has a three year Service Level Agreement with EN which expires on the 31st March 2015 and provides funding of £118k a year. In addition inward investment activity is managed through a Memorandum of Understanding with the City Council for the provision of inward investment services and an Economic Development Officer works with the City Council's inward investment service on a part time basis.
15. During the transition period it is proposed that the Council's current Service Level Agreement with Experience Nottinghamshire is continued for a six month period to September 2015. In addition it is proposed that the current arrangements with regard to inward investment activity continue until September 2015.
16. Subject to the establishment of the PMO it is proposed that the Council gives in principle agreement to entering into a three year funding agreement with the PMO from October 2015. The level of funding provided to undertake both inward investment and tourism marketing activities would be anticipated to be in the region of £200k per annum. Outcomes and outputs expected for the funding will be negotiated during the 6 months transition to September 2015 and a report on the three year funding proposal will be brought to a future meeting of this Committee for its consideration.

Statutory and Policy Implications

17. 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

18. It is recommended that Committee:
- a. Agrees the proposals to extend the existing funding and service level agreement with Experience Nottinghamshire until the end of September 2015 as outlined in paragraph 15 of this report and continue the current work on inward investment activity until September 2015.
 - b. Agree in principle to a three year funding arrangement for the new Place Marketing Organisation.
 - c. Agrees the proposals set out within the Exempt Appendix at paragraph one.

Report of the Group Manager, Corporate Strategy

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

Constitutional Comments SLB 19/02/2015

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

Financial Comments NR/18/02/2015

The financial implications are set out in paragraphs 14 to 16 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

Electoral Division(s) and Member(s) Affected

All