

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1887

Author:

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Department:

Development

Contact:

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Subject:

Proposals for a Place Marketing Organisation for Nottingham and Nottinghamshire

Total Value:

£391,000 (Type: Revenue)

Decision Being Taken:

1. To agree the proposals to support the establishment of a Place Marketing Organisation (PMO) for Nottingham and Nottinghamshire set out in Exempt Appendix A.
2. To approve the allocation of £391k funding to Experience Nottinghamshire Ltd to establish itself as the PMO for Nottingham and Nottinghamshire, maintain operational continuity during and after the transition period, and operate the Tourist Information Centre.
3. To dispense with part 5.1.2 of Nottingham City Council's contract procedure rules in accordance with section 3.29 of the Council's Financial Regulations to fund Experience Nottinghamshire to deliver Place Marketing services that will create the environment for the continued development of tourism and the visitor economy in, and the attraction of business investment to Nottingham.
4. To delegate authority to the Director for Economic Development to finalise and enter into the Grant Agreement on behalf of the Council.

Reasons for the Decision(s)

The City Council is committed to an approach to marketing the City to inward investors and visitors that will:

- (a) maximise its contribution to growth aspirations in the area**
- (b) deliver additional spending and investment in the local economy**
- (c) lead to the creation of new jobs in the area**

Nottingham and Nottinghamshire are currently marketed separately as destinations for inward investment and visitors. The marketing is delivered in the main by Invest in Nottingham (inward investment) and Experience Nottinghamshire (visitor economy). A functionally and geographically integrated organisation offers a range of benefits, which will lead to a greater economic impact, including:

- A unified strategy for place marketing in Nottingham and Nottinghamshire, with a clear vision of the future and a route for getting there.**
- A more coordinated approach to branding across the place marketing family, with consistency of messages to target groups, informed by the agreed strategy.**
- Increased resources - the County Council intends to significantly increase its core funding for place marketing (to £200k pa) through the PMO, and there will be opportunities to lever in additional support from both public and private sectors.**
- Scope for a better joined-up approach to local business engagement in relation to tourism and inward investment.**
- Improved market intelligence to inform strategic priorities and product development.**
- A more proactive approach to inward investment lead generation.**
- Benefits from integration - closer connections between tourism and inward investment, with integrated operations such as joint events and promotional activities in overseas markets, and efficiencies through shared operational functions.**

Background:

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, leading to better outcomes.

In April 2014 the City Council agreed in principle to the establishment of a Place Marketing Organisation (PMO) for Nottingham and Nottinghamshire, subject to the formal approval of detailed proposals on the vision, operating model and legal status of the PMO. (These more detailed proposals are set out in Exempt Appendix A.)

A PMO Steering Group was set up to oversee the project, and includes senior public and private sector representatives from the City Council, County Council, Newark and Sherwood District Council, Experience Nottinghamshire and Nottingham Means Business (NMB, formerly the Invest in Nottingham Club). It has considered the establishment of the PMO in greater detail, including: vision and objectives; functions; benchmarking and good practice; the operating model; the phasing and implementation of organisational change; and future funding arrangements.

The Steering Group (including the City Council Portfolio Holder for Jobs and Growth) has agreed a vision and objectives for the PMO, and set out the case for integration and proposals for re-modelling Experience Nottinghamshire as the PMO (Exempt Appendix B).

Other Options Considered: Establish a Place Marketing Organisation for Nottingham City only:
Rejected as (i) neither investors nor tourists generally have need to recognise administrative boundaries, and decisions to invest in or visit either the city or the surrounding county are likely to benefit both, and (ii) a smaller organisation would access to fewer resources, and as a consequence its impact, and opportunities for economies of scale, would be limited .

Do nothing - i.e. maintain the status quo:
Rejected as the opportunity to create and exploit the synergies that arise from a unified approach to place marketing would be lost, alongside the opportunity for greater efficiency (e.g. through shared back office functions).

Background Papers: n/a

Published Works: Delegated decisions ref 1438 (published 22 April 2014) and 1847 (published 16 Feb 2015).

Affected Wards: Citywide

Colleague / Councillor Interests: Cllrs Chris Gibson and Malcolm Wood are Board members of Experience Nottinghamshire. Cllr Nick McDonald and Chris Henning (Director, Economic Development) attend Board meetings in an observer capacity.

Dispensation from Financial Regulations: Yes

Exempt Information:

Description of what is exempt: Two appendices to this report are exempt from publication under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial or business affairs of individuals or organisations and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

It is not in the public interest to disclose this information because disclosing details of matters that are currently under negotiation could prejudice the outcome of these negotiations

Documents exempt from publication:

Exempt Appendix A_Proposals for a PMO.docx, Exempt Appendix B_Marketing for Growth.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: There are no changes to policies, services or functions.

Decision Type:

Portfolio Holder

Subject to Call In:

No

The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Cllr Brian Parbutt

Consultation Date: 05/03/2015

On 16th March 2015 Experience Nottinghamshire members are due to vote on a special resolution and, if passed, reconstitute itself as the PMO for Nottingham and Nottinghamshire. The City Council's nominated member of the company must be authorised to approve the proposals if they are to vote for the special resolution.

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The City has chosen to provide grant funding to the PMO. It is requiring the PMO to provide certain services set out in the grant agreement. However the City does not need to procure those services through a competitive tender for the following reasons. The City has been in discussions with the PMO in connection with the provision of these services prior to the introduction of the new Public Contracts Regulations 2015 and in consequence the 2006 regulations apply to this procurement. As the services are for the supply of tourism activities they are categorised as part B services and as such are exempt from the requirement for a competitive tender. It may be considered unlikely that there could be cross-border interest because of the requirement for local knowledge to provide the services.

The consequence to the PMO of adopting the revised articles together with the grant funding is that it will become a local authority influenced company. It will be necessary to determine whether the PMO will be a Regulated company in accordance with the Local Authorities (Companies) Order 1995 as this involves greater financial and proprietary controls. The Legal Services Team will assist the report author as necessary with the above issues. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 13/03/2015.

Finance Advice:

This decision seeks approval to allocate grant funding totalling £0.391m in financial year 2015/16 to Experience Nottingham to support the establishment of a Place Marketing Organisation for Nottingham and Nottinghamshire.

The expenditure will be funded as follows:

2015/16 existing budget within Economic Development	£0.266m
Good to Great reserves	£0.125m
Total	£0.391m

A further £0.125m has been identified within the Good to Great reserve for funding for 2016/17.

Dispensation from Contract Procedure Rule 5.1.2 is required under Financial Regulation 3.29 is required for operational reasons.

Advice provided by Maria Balchin (Finance Analyst) on 04/03/2015.

Procurement Advice:

It is agreed following discussion that this matter is not affected by the 2015 Regs for reason of 118 (c)the contracting authority has contacted any economic operator in order to- .

(i)seek expressions of interest or offers in respect of a proposed public contract, framework agreement or dynamic purchasing system, or .

(ii)respond to an unsolicited expression of interest or offer received from that economic operator in relation to a proposed public contract, framework agreement or dynamic purchasing system.

The value of the requirements is above the EU threshold however it is considered to fall under Part B of the Public Contract Regs 2006 Cultural or Other Services. It is considered that there would be no cross border interest as the service is delivered locally and requires extensive local knowledge.

The report requests a dispensation which is in accordance with Fin regs 3.29.

Advice provided by Viv Bolland (Corporate Procurement Manager) on 13/03/2015.

Signatures

Nick McDonald (Portfolio Holder for Jobs and Growth)
SIGNED and Dated: 12/03/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 09/03/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 16/03/2015
Chief Financial Officer's Comments: