



Executive Director Non-Key Executive Decision Report

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Report to: Executive Director of Place
Date of Decision: 26th January 2018
Subject: Discover England Funding - Adrenaline Fuelled City Breaks

Which Cabinet Member Portfolio does this relate to? Cabinet Member for Business and Investment

Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? N/a

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."

Purpose of Report:

Sheffield City Council has been awarded £500,000 by Visit England as part of Visit England's Discover England Fund. The funding will enable the Council to create adrenaline fuelled city breaks designed to attract international adventure sports enthusiasts.

This report seeks the approval for the Council to act as Accountable Body and to accept a grant offer from Visit England for the above project.

Recommendations:

That the Executive Director of Place:

- Agrees that Sheffield City Council will act as Accountable Body for the Adrenaline Fuelled City Break Project.
- Authorises the Council to accept the grant offer from Visit England for £500,000 and notes the requirement that this will need to be spent by March 2019.

Background Papers:

N/a

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: M.Wassell, Finance Manager, External Funding
	Legal: David Hollis Assistant Director Legal and Governance
	Equalities: Annemarie Johnston, Business Improvement Manager
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	Lead Officer Name: Diana Buckley
	Job Title: Head of Economic Strategy and Marketing Sheffield
Date: 26 th January 2018	

1. PROPOSAL

- 1.1 Recognising the potential of the city's fantastic outdoor offer to contribute in a more significant way to the economy, both by attracting tourism as well as attracting business and workers to the city, Sheffield City Council has been developing its Outdoor City identity and expertise since 2015, having developed an Outdoor City Economic Strategy along with a website and marketing strategy.
- 1.2 As part of the delivery of the Outdoor City Strategy, the Council has explored opportunities for enhancing its outdoor recreation offer for tourists, positioning Sheffield as a destination where visitors can experience a unique blend of exciting outdoor facilities and city-life.
- 1.3 As a result of this work, Sheffield City Council has been awarded £500,000 by Visit England as part of Visit England's Discover England Fund (DEF). The purpose of the fund is to support the growth in the number of international tourists to England. The funding will enable the Council to create adrenaline fuelled city breaks designed to attract international adventure sports enthusiasts. The funding will need to be spent by March 2019.
- 1.4 There are three key objectives for the proposed project:
 1. Making existing 'Adrenaline Fuelled City Break' products more easily bookable. The DEF funding will enable the Council to support providers to ensure that their product is bookable, building on existing online distribution channels to enable greater access to market.
 2. Packaging up existing products into a complementary offer. The DEF funding will be used to bring together existing complementary products, allowing themed itineraries to be developed and targeted at specific groups.
 3. Increasing awareness within our target markets of the experiences and product offer which are available in our partner destinations. The DEF funded project will enable us to promote and market our products to an appropriate international audience
- 1.5 This report seeks the approval for the Council to act as Accountable Body and to accept a grant offer from Visit England for the above project.
- 1.6 The Director of Finance and Resources will be consulted to agree the terms and sign off any variations to the above grant offer letter.
- 1.7 Decisions regarding expenditure of the funding will be made following the normal decision making framework and do not form part of this report. The Council's Legal and Governance service will be consulted on the route for any future decisions and any grant scheme being established as part of the project.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 In 2014, a study undertaken by Sheffield Hallam University looking into the economic impact of outdoor recreation in Sheffield highlighted the tourism

market as one of the key ways to maximise the economic value of Sheffield's outdoor offer. By improving access to and information about Sheffield's outdoor recreation opportunities, the DEF project will not only benefit international tourists and the local businesses they utilise: a knock-on impact is that it will also benefit Sheffield residents who will have better awareness of the facilities available in Sheffield and will find it easier to access them. Enabling the DEF project will therefore support the delivery of the Corporate plan, contributing to the Council's priorities on strong economy and better health and wellbeing.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There is no legal requirement to consult arising from the decision however the development of the project proposal has involved consultation with key partners including the Culture Consortium and Visit England, using industry insights and international representatives.

3.2 Consultation has also taken place with the Outdoor City Joint Venture, the group overseeing the delivery of the Outdoor City Economic Strategy bringing together key organisations and landowners, and The Outdoor 100, a group of businesses and other organisations engaged in the outdoor economy.

3.3 It is recognised that during the delivery of the project, stakeholder relationships will need to be formed with the following:

- the providers of outdoor adventure facilities, and landowners, who bring the key assets which the project will be seeking to access and exploit more fully for the international tourism market
- Sporting federations and governing bodies, who are keen to grow interest in their sport and have links with the international federations that we will seek to work with to promote our offer
- Transport providers, particularly air and rail transport providers who will bring visitors through the regional gateways that they will use to access the new city break
- Existing and new tourism sector businesses, including accommodation providers, specialist equipment hire and guide businesses, and night-time economy businesses – in Sheffield this will include the Outdoor 100 industry group
- Organisations with whom we have an existing relationship, who have a particular specialism which strengthens our bid, including Sheffield Hallam University and its specialist Outdoor Recreation Research Group (ORRG), and the Outdoor Industries Association (OIA), which is the trade body for manufacturers, retailers and other organisations that provide products and services for the outdoor leisure pursuits market in the United Kingdom.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 There are no direct equality implications, positive or negative, arising from this proposal. Therefore, a detailed Equality Impact Assessment is not required to be carried out

4.1.2 The proposal contained within this Report should have a positive benefit for

people and communities across Sheffield. For example, improvements in awareness and easier booking options will lead to more Sheffield people taking part in outdoor pursuits.

4.1.3 The Equality Act 2010 provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The legal duties within the Act are fundamental to the management of all Local Authorities.

4.1.4 Equalities implications will be considered throughout the delivery of the project and individual decisions relating to project activity will be subject Equality Impact Assessments where this is appropriate.

4.2 Financial and Commercial Implications

4.2.1 The provisional budget for the Adrenaline Fuelled City Breaks Project is summarised in Table 1 below:

Table 1: Visit England Grant : Adrenaline Fuelled City Breaks (Provisional Budget)	2017/18 £	2018/19 £	Total £
Partnership Development	2,500	7,500	10,000
Research	48,800	0	48,800
Research (centrally bought by Visit England and cost deducted at source)	31,200	0	31,200
Product Development	0	169,000	169,000
Itinerary Development, Travel Trade & Media, Distribution & Marketing	20,000	163,000	183,000
Monitoring & Evaluation	0	18,000	18,000
Project Management Costs	18,410	64,829	83,239
VB in-market staff resource (deducted at source)	1,590	5,171	6,761
Total Project Expenditure:	122,500	427,500	550,000
Visit England Grant			(500,000)
<u>SCC Match Funding:</u>			
SCC: Cash Contribution	(22,500)	(27,500)	(50,000)
SCC: In Kind Financial Contributions.	(30,500)	(75,500)	(106,000)

4.2.2 Key features (not exclusive) of the Funding Agreement are summarised as follows:

- Payable in arrears on the basis of actual costs incurred.
- Grant payment: (17/18) £100,000 & (18/19) £400,000. The Grant offer remains open until 15 January 2018, but the funder has indicated that this deadline is flexible.
- There will be a minimum requirement of 10% in cash co-financing contributions and also 10% in-kind contributions to support the project. SCC will be expected to provide match funding as follows: cash (17/18) £22,500 and (18/19) £27,500 and also in-kind match funding (17/18) £30,500 and (18/19) £75,500. SCC will need to ensure this match funding is eligible to use and can be evidenced.
- Up to £1,590 (2017/18) and £5,171 (2018/19) will be automatically deducted from the grant in 2017/18 and 2018/19 respectively to cover the cost of additional DEF-focussed staff resources based overseas.
- SCC must use the in-market overseas staff resource provided by Visit England and cannot use the DEF grant to employ their own additional staff resources.
- The costs of campaign media bought and SCC's attendance at any Visit England-organised events will be agreed with SCC and deducted from the grant.
- SCC must undertake an independent assessment of the compatibility of the project with State Aid Law ensuring that the Project is compliant with State Aid Laws. SCC must provide a Legal report by 31 December 2017 and written confirmation through the signing of this Grant Offer Letter from SCC re: compliance with the EU State Aid Regulations.
- SCC must finalise project outputs, outcomes and impacts, including the return on investment target by 28 February 2018.
- All eligible project activities must be wholly delivered and financial completed within each of the relevant two financial years in which the activity is scheduled as per the Project Delivery Plan. The project ends on 31/3/2019.
- In 2017/18, the grant shall be up to £100,000 and shall take the form of re-imbursment of 81.6% of the eligible project costs funded from the grant and the % remainder from third parties' cash co-financing contributions amounting to £22,500 and are actually incurred. The intervention rate is calculated as the percentage that the awarded grant takes in the overall project budget.
- In 2018/19, the grant shall be a maximum of up to £400,000 and shall take the form of 93.6% of the eligible project costs funded from the grant and the percentage remainder from third parties' cash co-financing contributions amounting to £27,500 and are actually incurred. The intervention rate is calculated as the percentage that the awarded grant takes in the overall project budget.

- No unclaimed grant funds may be transferred to subsequent financial years.
- The Grant Manager will need to read, understand and comply with the Project Monitoring and evaluation requirements (project monitoring period means up to 31 March 2021) and also the required grant claim procedures.
- The grant is subject to clawback if the terms and conditions are not met
- All public sector procurement is governed by both European Legislation and UK National Law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).
- Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.
- There should be no grants or other payments from any public authority received or receivable in respect of any element of the Project.

4.2.3 The Grant Manager will need to read, understand and comply with all of the grant terms and conditions.

4.3 Legal Implications

4.3.1 The Council has the power to take steps to promote the economic development of the city by virtue of section 1 of the Localism Act 2011 (the so called 'general power of competence') and has a specific power under s144 Local Government Act 1972 (either alone or jointly with any other person or body) to encourage persons, by advertisement or otherwise, to visit their area for recreation, for health purposes, or to hold conferences, trade fairs and exhibitions in their area; and also to provide, or encourage any other person or body to provide or improve facilities for the same purposes . In addition promoting the outdoor areas of the city for recreation will contribute to the Council's duty under s2B of the National Health Service Act 2006 to take such steps as it considers appropriate for improving the health of the people in its area.

4.3.2 The Local Authority may accept the grant under s.1 of the Localism Act 2011, the general power of competence. It also has the power to deliver the project, to which the grant applies, under s.111 of the Local Government Act 1972 as facilitating the powers in 4.3.1 above.

4.3.3 Other legal implications are set out 4.2.2 above and should be noted in particular around state aid and procurement. It is not anticipated that in accepting the grant the Council will be unable to comply with these legal requirements conditions

4.4 Other Implications

- 4.4.1 Implications resulting from the expenditure of the fund will be considered separately as part of the normal decision making framework.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not Accepting The Grant
- There is currently no other programmed activity aimed at tourists that will achieve these benefits at the same scale, and therefore not accepting the grant will be an economic opportunity lost for the city.
 - Whilst existing officer time will be required, particularly in the early stages of establishing the project, the vast majority of the costs associated with project management will be funded through DEF.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The funding will support new activity to promote Sheffield as a tourist destination, stimulating new economic activity and raising the profile of the city to an international audience.
- 6.2 As well generating direct benefits for local businesses, it is anticipated that the organisational learning from managing the project will leave a legacy for future initiatives relating to tourism.