



# SHEFFIELD CITY COUNCIL

## Executive Report

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**Report of:** Executive Director of Place  
Simon Green

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**Report to:** Cabinet Member for Business, Skills and  
Development

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**Date:** 25 July 2015

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**Subject:** City Marketing & Major Events

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**Author of Report:** Director of Marketing Sheffield  
Brendan Moffett

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**Key Decision:** YES

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**Reason Key Decision:** Expenditure over £500,000

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### Summary:

This report seeks Cabinet Member approval, in principle, for the City Council to invest funds into a 3 year city marketing & major events project.

The project aims to reshape the future delivery of city marketing & major events by developing a collaborative model whereby the City Council works with partners to jointly support a mutually agreed programme that benefits the City of Sheffield and its wider stakeholders.

This is, in effect, an 'invest to save' approach through the creation of a new operating model where the precise amount to be committed by the City Council will be determined by the realisation of partner contributions. This will ensure a move towards a partnership approach in which city partners and external funders see the value in providing contributions (financial & otherwise) towards city marketing and major events activity.

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## **Reasons for Recommendations:**

The activities and outcomes of the project will directly contribute to the delivery of the Corporate Plan priorities:

- Strong Economy
  - Attract more visitors to Sheffield by increasing the City's vibrancy and raising the City's profile.
  - Attract investment across the city
  - Attract individuals and businesses to Sheffield as the UK's top Outdoor City
  
- An in-touch organisation
  - Working better together: with public, private and voluntary organisations - to achieve the best possible outcomes for Sheffield people
  - Being innovative – be open to different ways of doing things and seeking out new ideas
  
- Thriving Neighbourhoods and Communities
  - Promoting opportunities to developers with the aim of building new homes in the City.

Developing long term solutions – that will provide long term benefits for the city and its residents, and address issues early, before they develop into bigger problems

The Marketing Sheffield service has no allocated General Fund budget beyond April 2015. The additional funding will support the City Council to work with city partners to deliver crucial areas of work in order to drive Sheffield's economy.

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## **Recommendations:**

The Cabinet Member is recommended to:

- a) Note the contents of this report together with the Business Case (Appendix 2);
  
- b) Approve in principle the budget for this City Marketing & Major Events project (as set out in Appendix 2), the absolute size of the budget in any year being subject to securing the necessary external funding, additional income streams and delivery of outcomes which will be reviewed by the appropriate programme board on an annual basis, and to consist of such funds as are made available from time to time for this purpose in

accordance with the Council's financial processes and decision making arrangements;

- c) Approve the approach to collaborate with city partners to leverage additional financial contributions to mutually agreed city marketing and events;
- d) Support the move to a partnership model;
- e) Request and authorise the Executive Director of Place to convene two Project Governance Boards (as described in Paragraph 4: Governance) and determine the arrangements for these;
- f) Authorise the Executive Director of Place generally to take such steps to implement the project and to protect the Council's interests in relation to it as he may consider appropriate, including (without limiting the generality of this authority) deciding how the funding made available for the project by the Council is to be spent and making such agreements or arrangements (for example with external contributors), and on such terms, as he shall consider appropriate. Provided that such authority shall at all times be exercised strictly within the constraints of the project budget available at the time, in accordance with the Council's Constitution and financial procedures, in consultation as appropriate with the relevant Project Governance Board and, where expenditure is involved, in consultation with the Executive Director of Resources; and
- g) Agree that the delegated authority conferred on the Executive Director of Place in recommendation (f) above may also be exercised independently by a director grade Council officer nominated for this purpose in writing by the Executive Director of Place, but subject to all the constraints and requirements set out in recommendation (f) above and any other constraints or requirements that the Executive Director may impose.

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### **Background Papers:**

1. The Corporate Plan: Strong Economy  
<http://intranet/performance--statistics/corporate-plan-2015-18/communicating-the-plan>
2. City Centre Masterplan  
<https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/masterplans/city-centre-masterplans-and-reports/city-centre-masterplan.html>
3. Sheffield City Region Growth Plan  
<http://sheffieldcityregion.org.uk/about/growthplan/>

4. Everything grows Outdoors including jobs and the economy  
<http://www.welcometosheffield.co.uk/business/developments/future-developments/outdoor-capital-city1>

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**Category of Report: OPEN (Appendices 1 and 2 are CLOSED, i.e. not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended))**

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### Statutory and Council Policy Checklist

<b>Financial Implications</b>	
YES	Cleared by: Eugene Walker
<b>Legal Implications</b>	
YES	Cleared by: Gillian Duckworth
<b>Equality of Opportunity Implications</b>	
YES/NO	Cleared by:
<b>Tackling Health Inequalities Implications</b>	
YES/NO	Cleared by:
<b>Human Rights Implications</b>	
YES/NO	Cleared by:
<b>Environmental and Sustainability implications</b>	
YES/NO	Cleared by:
<b>Economic Impact</b>	
YES/NO	Cleared by:
<b>Community Safety Implications</b>	
YES/NO	Cleared by:
<b>Human Resources Implications</b>	
YES/NO	Cleared by:
<b>Property Implications</b>	
YES/NO	Cleared by:
<b>Area(s) Affected</b>	

<b>Relevant Cabinet Portfolio Lead</b>
Cabinet Member for Business, Skills and Development
<b>Relevant Scrutiny Committee</b>
Economic and Environmental Well Being
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES/NO
<b>Press Release</b>
NO

## **REPORT TO THE CABINET**

### **City Marketing & Major Events**

#### **1.0 Summary**

- 1.1 This report seeks Cabinet Member approval, in principle, for the City Council to invest funds into a 3 year city marketing & major events project.
- 1.2 The project aims to reshape the future delivery of city marketing & major events by developing a collaborative model whereby the City Council works with partners to jointly support a mutually agreed programme that benefits the City of Sheffield and its wider stakeholders.
- 1.3 This is, in effect, an ‘invest to save’ approach through the creation of a new operating model where the precise amount to be committed by the City Council will be determined by the realisation of partner contributions. This will ensure a move towards a partnership approach in which city partners and external funders see the value in providing contributions (financial & otherwise) towards city marketing and major events activity.

#### **2.0 Background**

- 2.1 The City Council faces its biggest ever challenge in terms of dramatically reducing budgets, including the Marketing Sheffield service which has no revenue funding beyond March 2015.
- 2.2 This comes at a time when it has never been more important to invest in promoting Sheffield due to the following key factors:
- The City Council will increasingly have to utilise localised income generation further to City Deal and Devolution Deal powers which will require the City Centre to deliver uplifts in business rates. The City Council will also become more reliant on business rate

income due to Government cuts in budget and so it is crucial for the council to invest in activity that will deliver uplift. A strong, vibrant and expanding city centre is an essential pre-requisite for this ambition.

- There are moves to create a Northern Powerhouse to re-balance the UK economy and Sheffield needs to ensure it plays an integral part in this by attracting significant investment alongside Manchester and Leeds.
- The City Council has major plans to regenerate Sheffield. For example, the City Centre Masterplan (report included in Background papers) which includes the recently announced Sheffield Retail Quarter, the development of 3 new Business Districts and ambitions for a city centre HS2 location. This regeneration project, among others, will all need to leverage external funding to be successful.
- Vibrancy measures in the City will remain very challenging until major retail and office development in the city centre is delivered. Interventions will be required, such as sustaining our cultural events & attractions to stimulate city centre activity and maintain metrics on footfall and spend as well as protecting the Hospitality sector which is a major employer in the city.

2.3 All the above has led to the need for Marketing Sheffield to develop a new model for the delivery of city marketing and major events to ensure Sheffield remains competitive. The proposed project aims to deliver a long term sustainable model to ensure that Sheffield maintains its competitive position as a leading core city.

### **3.0 Proposed approach**

3.1 The proposed strategy is for the City Council to invest in a 3 year City Marketing and Major Events project that will deliver the creation of a new operating model.

3.2 This new operating model will engage partners with the City Councils vision to utilise city marketing & major events to drive city profile and economic growth. The Business Case attached at Appendix 2 further sets out the detail of this project.

3.3 Partnership working with other stakeholders is central to the project and this will be assisted by the setting up of the 'Sheffield Brand Trust'. Initially this will take the form of a meeting forum in relation to city marketing and events. One of its functions will be to increase the confidence of its members.

3.3 Initially at least it is not envisaged that the Sheffield Brand Trust will be a separate legal entity.

3.4 The driver is that new investment will contribute to the profile and delivery of city events which will increase the likelihood of further businesses contributing to the Sheffield Brand Trust to invest in Marketing & Events as there will be clear evidence of a return on investment.

#### **4.0 Governance**

4.1 The governance arrangements for the project will include two internal 'Governance Boards' - City Marketing Governance Board and Major Events Governance Board – each holding the responsibility of ensuring the delivery of their specific activity.

4.2 It is envisaged that each Governance Board will act as an advisory body to the Executive Director of Place, or his nominee, who will have delegated authority to make decisions on strategic priorities and the Council's spend for specific activities/events in line with the business case about the use of funds dedicated to the project (in consultation with the Executive Director of Resources). Such decisions will be subject to securing the required funding and the official approval from the Executive Director of Place.

4.3 The exact Council budget for the project will consist of such funds as are made available by the Council from time to time for this purpose in accordance with the Council's decision making procedures and financial processes.

4.4 Upon specific activity being agreed and having funding allocated, it is envisaged that proposals will then be presented to the Sheffield Brand Trust to engage partnership involvement who will then either confirm their participation or decline involvement.

4.5 Confirmation of involvement will trigger the delivery of activity which will be monitored by the relevant Project Governance Board and reported on a monthly basis to the relevant Programme Board as part of the Council's Gateway Process and a project management platform for capital projects.

#### **5.0 Outcome and Sustainability**

5.1 The project is aligned to, and supports the delivery of the Corporate Plan: Strong Economy by attracting more visitors to Sheffield by increasing the City's vibrancy and raising the City's profile. It will also seek to support Thriving Neighbourhoods and Communities by promoting opportunities to developers with the aim of building new homes in the City.

5.2 The wider outcomes expected are:

- Delivery of proposed new office, retail and leisure and residential schemes
- Increased demand for and occupancy of office and residential space
- Increased investment in Sheffield
- Increased vibrancy measures – footfall, overnight visitors & visitor spend.

5.3 Although this project is initially for 3 years, there will still be a requirement from the City Council to remain a key member of any partnership beyond this period. We anticipate however that this would be achieved through a significantly reduced contribution.

## **6.0 Legal and Financial Implications**

### **6.1 Legal Implications**

The statutory power for the Council to participate in the project as envisaged in this report is provided by section 1, Localism Act 2011, the so called 'general power of competence'. This basically gives the Council the power to do anything that an individual may do. However, this is subject to any statutory restrictions that may be in place. For example, in the case of these proposals, it will be important to ensure compliance with any applicable EU State Aid laws, and with the rules surrounding public procurement exercises.

The Council cannot assume that the final outcome of the project will meet their precise aspirations or expectations unless full engagement and financial backing from potential stakeholders is achieved. It will be essential to the delivery and success of the project that the commitment from private sector partners is secured in the form of contractual obligations.

It must be recognised that this project has the potential to become complex and in the course of its implementation many legal issues may arise. These will have to be addressed by Officers in Legal and Governance as required as the project evolves.

### **6.2 Financial Implications**

6.2.1 In the 2015/16 Budget, the City Council has already resolved to move the Marketing Sheffield service to an alternative business model which requires no general fund support. It is envisaged that this will be achieved by utilising innovative short term funding streams available to the Council and leveraging additional financial support through partnership working. This would save £362k from the general fund in



2015/16. This report is consistent with the approved budget strategy.

- 6.2.2 The City Council is being asked to provide further support to the marketing and events budget for a 3 year period. This will include the creation of a new strategically focussed 3 year profile raising campaign specifically targeted to attract major investors, and developers and expanding the existing major events and cultural festivals programme to sustain and grow vibrancy in the city in order to maintain Sheffield's competitiveness with other major UK cities.
- 6.2.3 Approval of the expenditure will be on an incremental basis subject to securing the required funding and demonstration to the supervising programme board that the strategy is working. This would be achieved by an annual review (as a minimum frequency).
- 6.2.4 Funding streams for this project will be dependent on private sector contributions which will in turn determine the Council's spend on particular activities and events. When financial commitment is secured from the Sheffield Brand Trust partners the budget agreed 'in principle' will then be subject to a later decision in relation to a particular activity/event made in accordance with the Council's financial processes and decision making arrangements.

Appendix 1 and the Business Case at Appendix 2 set out further detail of funding arrangements and projections.

## **8.0 Alternative Options Considered**

- 8.1 The first option considered was to take no action due to Marketing Sheffield having no allocated budget beyond April 2015. The obvious benefit to this option is that there would be no costs to the City Council. However, the negative consequences of this option far outweigh the benefits.
- 8.2 The second option would be to approve the budget as a 'city council only' approach to city marketing, without the involvement of partners. Although this would focus the organisation on key priorities it would fail to leverage the additional investment that will make the programme more successful. It would also limit collaboration and prevent a move to a partnership model.
- 8.3 The third option considered was to concentrate on purely a Major Events Programme in order to mitigate the effects of the on-going reconstruction work in the city centre and grow City Vibrancy. The main advantages were identified as a short-term boost to vibrancy and an increase in visitor economy and spend. However, this option was also dismissed due to the following reasons:
  - Longer term vibrancy needs to be driven by the pro-active

- attraction of retail, leisure, office and residential development.
- A Major Events programme in isolation would create no direct relationship with investors and developers.
- There would be a serious lack of a long-term strategic vision for the City.
- This would not fully support the ambitions of the City Centre Masterplan or drive long-term economic growth.

## **9.0 Reasons for Recommendations**

9.1 The activities and outcomes of the project will directly contribute to the delivery of the Corporate Plan priorities:

- Strong Economy
  - Attract more visitors to Sheffield by increasing the City's vibrancy and raising the City's profile.
  - Attract investment across the city
  - Attract individuals and businesses to Sheffield as the UK's top Outdoor City
- An in-touch organisation
  - Working better together: with public, private and voluntary organisations - to achieve the best possible outcomes for Sheffield people
  - Being innovative – be open to different ways of doing things and seeking out new ideas
- Thriving Neighbourhoods and Communities
  - Promoting opportunities to developers with the aim of building new homes in the City.

9.2 Developing long term solutions – that will provide long term benefits for the city and its residents, and address issues early, before they develop into bigger problems

9.3 The Marketing Sheffield service has no allocated General Fund budget beyond April 2015. The additional funding will support the City Council to work with city partners to deliver crucial areas of work in order to drive Sheffield's economy.

## **10.0 Reasons for Exemption**

10.1 Appendix 1 and Appendix 2 attached to this report are presented as exempt items because they contain exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) (i.e. information relating to the financial or business affairs of any particular person (including the Council). In considering this exemption the report author has decided that in all the circumstances of the case the public

interest in maintaining the exemption outweighs the public interest in disclosing the information, because it might weaken the City Council's position in a competitive environment by revealing market sensitive information and information of potential usefulness to competitors and adversely affect the City Council's bargaining position.

## **11.0 Recommendations**

11.1 The Cabinet Member is recommended to:

- a) Note the contents of this report together with the Business Case (Appendix 2);
- b) Approve in principle the budget for this City Marketing & Major Events project (as set out in Appendix 2), the absolute size of the budget in any year being subject to securing the necessary external funding, additional income streams and delivery of outcomes which will be reviewed by the appropriate programme board on an annual basis, and to consist of such funds as are made available from time to time for this purpose in accordance with the Council's financial processes and decision making arrangements;
- c) Approve the approach to collaborate with city partners to leverage additional financial contributions to mutually agreed city marketing and events;
- d) Support the move to a partnership model;
- e) Request and authorise the Executive Director of Place to convene two Project Governance Boards (as described in paragraph 4: Governance) and determine the arrangements for these;
- f) Authorise the Executive Director of Place generally to take such steps to implement the project and to protect the Council's interests in relation to it as he may consider appropriate, including (without limiting the generality of this authority) deciding how the funding made available for the project by the Council is to be spent and making such agreements or arrangements (for example with external contributors), and on such terms, as he shall consider appropriate, Provided that such authority shall at all times be exercised strictly within the constraints of the project budget available at the time, in accordance with the Council's Constitution and financial procedures, in consultation as appropriate with the relevant Project Governance Board and, where expenditure is involved, in consultation with the Executive Director of Resources; and

- g) Agree that the delegated authority conferred on the Executive Director of Place in recommendation (f) above may also be exercised independently by a director grade Council officer nominated for this purpose in writing by the Executive Director of Place, but subject to all the constraints and requirements set out in recommendation (f) and any other constraints or requirements that the Executive Director may impose.

**Author:** Brendan Moffett

**Job Title:** Director of Marketing Sheffield

**Date:**