

**BIRMINGHAM CITY COUNCIL**

**PUBLIC**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director of Major Projects</b>
<b>Date of Decision:</b>	<b>16 February 2016</b>
<b>SUBJECT:</b>	<b>MARKETING BIRMINGHAM SERVICE LEVEL AGREEMENT 2016-17</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001317/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Members</b>	<b>Cllr Ian Ward – Deputy Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Victoria Quinn – Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To allow Marketing Birmingham to continue delivering services in 2016-17 under contract, to support inward investment, marketing of the city as a leisure and visitor destination and supporting the visitor economy.</p> <p>1.2 To advise Cabinet of work to be undertaken by Marketing Birmingham in 2016-17 to broaden the company's income base and to make changes to its governance, to create a new organisational model aligned to the West Midlands Combined Authority (WMCA).</p>

<b>2. Decision(s) recommended:</b>
<p>That the Cabinet:</p> <p>2.1 Authorises the Assistant Director (Culture &amp; Visitor Economy) to conclude negotiations with Marketing Birmingham to extend and vary the existing contract approved by Cabinet on 6th September 2010 in order to deliver the services set out in Appendix One, incurring expenditure of £2.039m in 2016-17.</p> <p>2.2 Notes the intention of the Marketing Birmingham Board to amend the company's articles and membership during 2016-17, in order to enable it to operate effectively to deliver services to the WMCA.</p> <p>2.3 Authorises the City Solicitor to negotiate, execute, complete and seal all necessary documents to give effect to the above recommendations.</p>

<b>Lead Contact Officer(s):</b>	Val Birchall, Assistant Director Culture & Visitor Economy
<b>Telephone No:</b>	0121 303 2919
<b>E-mail address:</b>	val.birchall@birmingham.gov.uk
<b>3. Consultation</b>	

### 3.1 Internal

The Cabinet Member for Development, Transport and the Economy and the Cabinet Member for Commissioning, Contracting and Improvement have been consulted on the proposals in this report and agree it should progress for decision. Senior officers in Corporate Communications, Regeneration and Culture & Visitor Economy have worked together to develop the Service Level Agreement. Senior officers in Legal Services and Corporate Resources have been involved in developing the governance proposals.

### 3.2 External

The Board of Marketing Birmingham, including the Council's nominated directors Cllr Sir Albert Bore and Cllr Timothy Huxtable, has been engaged in developing the proposals relevant to this report and Marketing Birmingham's Chief Executive has consulted the WMCA Leadership in discussions concerning the future role and governance of the company.

## 4. **Compliance Issues:**

### 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The services outlined in Appendix One will assist in delivery of the inward investment strategy, the visitor economy strategy and business growth and deliver the requirements of the service review in 2015 to diversify the company's income base through attracting funds from other local authorities and private business. These services contribute to the Council's priority of economic growth and jobs. The work proposed to make changes to the company's structure and governance will facilitate future working at a West Midlands Combined Authority level.

### 4.2 Financial Implications

The recommendations in this report will be fully funded from the Council's approved revenue resources for this purpose contained within the Council Business Plan and Budget 2016+ of £2.039m. This is a reduction of £0.170m against last year's budget, which was approved in the Council's Business Plan and Budget 2015+. The Service Level Agreement sets out the basis of the allocation of the budget against the delivery of services in the three service areas of Inward Investment, Location Marketing and Support for the Visitor Economy (shown in the table below and set out in more detail in Appendix 1), as well as the funds allocated to supporting the diversification of Marketing Birmingham's income base. £0.664m of the funding has been used to match a bid to the European Regional Development Fund, which was approved by Cabinet on 8 December 2015.

	£000
Inward Investment (includes ERDF match of £0.664m)	879
Location Marketing	400
Visitor Economy	622
Organisational Change	138
Total Budget	<u>2,039</u>

### 4.3 Legal Implications

Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report which also are within the boundaries and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

Under Regulation 72 of the Public Procurement Regulation 2015 the Council may vary the contract to extend its term provided such variation does not change the economic balance of the contract in favour of the contractor and does not extend the scope of the contract considerably.

The existing three year contract with Marketing Birmingham was extended to provide services to the Council in 2015-16. A further extension will enable Marketing Birmingham to make a managed transition to a new model of company governance in preparation for delivering services for the WMCA from April 2017.

#### 4.4 Public Sector Equality Duty (see separate guidance note)

An initial Equality Assessment (EA000502) has been undertaken and is attached to this report. There are no identified risks to equality from the proposals in this report.

### **5. Relevant background/chronology of key events:**

- 5.1 Marketing Birmingham (and its predecessor organisation) was established in 1982 and is a not-for-profit organisation, a partnership between the private and public sectors. Birmingham City Council has always been its major stakeholder and continues to own 49% of the company, and to be its major funder.
- 5.2 On 6th September 2010, Cabinet approved a contract and Service Level Agreement with Marketing Birmingham for the period 2010-15. This included the requirement to deliver inward investment services and provide support for the visitor economy, as well as attracting events and conferences to the city.
- 5.3 In 2013-14, the Council reviewed the service and concluded that a clear focus on four areas (visitor economy, inward investment, the Birmingham business hub and strategic marketing of the city) would improve the service and removed the requirement to attract events. Cabinet agreed on 28th April 2014 a refocused Service Level and fee. In 2014-15, a further review and proposed reduction in planned resources, was undertaken and the contract was extended for a year, with the expectation that joint working with neighbouring authorities would be established during 2015-16, giving rise to a new "Joint Economic Unit".
- 5.4 Work to develop the delivery model for the West Midlands Combined Authority (WMCA) is on-going, with an expectation that the WMCA will be operational by April 2017. It is likely that some of the services currently provided to the Council through the Marketing Birmingham contract will, in future, be integrated into this arrangement. These developments will require an alteration to the articles and membership of the Marketing Birmingham Board which currently reflect the City Council's 49% ownership.

- 5.5 During 2016-17, Marketing Birmingham will continue to provide the services set out in Appendix One and the new Service Level Agreement establishes clearly the resources which are currently allocated to inward investment, location marketing and support for the visitor economy. In 2016-17, the agreement also includes a one-off allocation of resources for organisational change. It is intended that 2016-17 will be the final amendment to the existing contract and new arrangements will be in place before the start of the 2017-18 financial year.

**6. Evaluation of alternative option(s):**

- 6.1 To undertake a competitive procurement process – this would not be an effective use of the Council's funding on the basis that this is a transition period before the WMCA can be established and funding and demand for these services can be identified.

**7. Reasons for Decision(s):**

- 7.1 To provide services to support economic growth through inward investment and the visitor economy, and to promote Birmingham as a location for business and leisure tourism.
- 7.2 To enable Marketing Birmingham to undergo organisational change to facilitate future working at a Combined Authority level.

**Signatures**

**Date**

Deputy Leader, Cllr Ian Ward .....

Strategic Director of Major Projects, Paul Dransfield .....

**List of Background Documents used to compile this Report:**

Marketing Birmingham Service Schedule 2015-16: Cabinet Report dated 16<sup>th</sup> March 2015  
Marketing Birmingham Investing In Greater Birmingham Project: Cabinet report 8<sup>th</sup> December 2015

**List of Appendices accompanying this Report (if any):**

1. Service Level Agreement 2016-17
2. EA Ref 000502

## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty – see page 9 (as an appendix).

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"><li>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;</li><li>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li><li>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li></ul>
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li><li>(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;</li><li>(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.</li></ul>
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) tackle prejudice, and</li><li>(b) promote understanding.</li></ul>
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"><li>(a) age</li><li>(b) disability</li><li>(c) gender reassignment</li><li>(d) pregnancy and maternity</li><li>(e) race</li><li>(f) religion or belief</li><li>(g) sex</li><li>(h) sexual orientation</li></ul>