

## Summary

1. Marketing Birmingham will provide services to Birmingham City Council under this Agreement within three defined areas of delivery:
  - i. Inward Investment:
    - a. Delivery of activity as part of the ERDF Investing in Greater Birmingham project
    - b. Delivery of non ERDF activity
  - ii. Location Marketing
  - iii. Visitor Economy
2. Marketing Birmingham will also undertake organisational change to implement changes a governance structure to enable it to broaden its client base and attract contracts from a wider range of public and private sector commissioners, provided that such work does not conflict with the obligations of this agreement. Marketing Birmingham will increase its income from non-Birmingham City Council sources including from other Local Authorities and the West Midlands Combined Authority, Business Subscription Services, Public and Private Sector Contracts.
3. Marketing Birmingham will ensure that the services within this agreement will complement, and not duplicate work, which is included in the contracts for the
  - Enterprise Zone
  - ERDF - Advanced Manufacturing Supply Chain - Developing the Innovation Ecosystem
  - Plus any other additional projects that are awarded to Marketing Birmingham during the contract period

## Fee and Payment Schedule

4. The fee for this agreement is £2.039m which will be paid on receipt of invoices as set out in (5), (6) and (7) below.
5. Marketing Birmingham will provide a summary of monthly income and expenditure and an up to date monthly cashflow forecast covering the next twelve month period with each invoice, together with a summary of outputs delivered to date with a commentary on any variances against projections greater than 10%.
6. Birmingham City Council's Contract Management Group will meet quarterly to review the delivery of outputs specified under this agreement and provided that these are being delivered to the reasonable satisfaction of the Contract Manager, 95% of the fee will be paid by monthly instalment in each of twelve months.
7. 5% of the fee will be retained until the 1<sup>st</sup> May 2017 or receipt of all required monitoring and reporting information relating to the performance of this contract to the satisfaction of the Contract Manager.

Marketing Birmingham will provide all information to Birmingham City Council in formats which can be used and shared with its key stakeholders.

The basis of the calculation of the costs of the services is broken down below.

Table 1 Budget Summary

	Staff Time	Direct Delivery Cost	Total
<b>INCOME</b>			
<b>SLA Value</b>			<b>2,039,000</b>
ERDF provision			664,000
<b>SUB - TOTAL</b>			<b>1,375,000</b>
<b>EXPENDITURE</b>			
Inward Investment	131,000	106,500	237,500*
Location Marketing	222,000	178,000	400,000
Visitor Economy	333,000	267,000	600,000
Organisational Change	97,500	40,000	137,500
<b>TOTAL</b>	<b>783,500</b>	<b>591,500</b>	<b>1,375,000</b>

\* The total anticipated spend by Marketing Birmingham on Inward Investment in 2016-17 comprises:

SLA	£ 215,348
EZ	£141,653
ERDF	<u>£1,328,000</u> (£664k from the SLA matched with £664k from ERDF)
Total	£1,685,001

### **Contract Management**

The supplier will ensure that all plans (strategic and tactical) will be signed off by the designated contract management lead(s).

As part of this approach, sub-items requiring further sign off will be identified and a process will be established to enable sign off and completion.

A timing plan will be developed to ensure effective and efficient delivery, however the supplier will not be held liable for any project variants/delays resulting from missed deadlines by the client.

The supplier will provide all information to the City Council in formats which can be used and shared with its key stakeholders.

The projected outputs are broken down and profiled below.

Table 2 Output Summary

Inward Investment	Baseline 2015	Q1	Q2	Q3	Q4	Annual Target	Year End Actual
Inward investment opportunities	90	30	30	15	15	90	
UKTI Engagement Plan inc. targeting of specific posts	Agree comms plan with UKTI						
Advanced Engineering lead generation: no. of events attended	Representation directly/ indirectly – trade show/ industry conference	3	2	3	2	10	
Development of digital channels – enquiry handling/ generation	(Cross reference with Location Marketing)						
<b>Investor Development Programme</b>							
Investment Sales missions (non SME elements)	4	1	1	1	1	4	
Completed projects (large FDI & UK owned and UK SMEs)	190 prospects 78 projects					20	
New jobs from completed projects (FDI and UK owned)	1900					2000	
<b>Direct channels</b>							
Digital – unique visitors to digital platforms	62k	15k	15k	16k	16k	75k	
Downloads – sales brochures	200	+50	+50	+100	+50	250	
Social networks – reach	45 million	15 million	25 million	35 million	50 million	50 million	
Social networks –klout average	55					57	
Database – subscriber growth	500	+35	+40	+40	+35	650	

2016/17 SLA between Birmingham City Council (Client) and Marketing Birmingham Ltd (Supplier)  
Schedule 1

Database – click to open rate <a href="#">average</a>	350					380	
Enquires – from digital sources	250	+85	+75	+90	+80	320	

Location Marketing	Baseline	Q1	Q2	Q2	Q4	Annual Target	Year End Actual
Media – value	£10m	£2m	£2m	£2.5m	£3.5m	£10m	
Media – volume	1,200	240	240	300	420	1,200	
Media – circulation	100 million	20m	20m	25m	35m	100 million	
Media – sentiment	90% positive/neutral	N/A	N/A	N/A	N/A	90% positive/neutral	

Visitor Economy	Baseline	Q1	Q2	Q2	Q4	Annual Target	Year End Actual
Annual Perception survey	6 <sup>th</sup>	N/A	N/A	N/A	N/A	6th	
Visitor nos. (STEAM)	34.76m	N/A	N/A	N/A	N/A	36.88m	
Value of leisure tourism (STEAM)	£5.98bn	N/A	N/A	N/A	N/A	£6.04bn	
Overseas visitors (BHX)	4,245,909	N/A	N/A	N/A	N/A		
International events (ICCA) world ranking	122	N/A	N/A	N/A	N/A	118	
Hotel Occupancy (STA Global)	72%	73%	73%	76%	78%	75%	
Value of Business Visits and Events	£13m	N/A	N/A	N/A	N/A	£16m	
Britain business Visits and Events ranking (BMIES)	2 <sup>nd</sup>	N/A	N/A	N/A	N/A	2 <sup>nd</sup>	
<b>Direct channels</b>							
Leads generated (ICCA)	11	N/A	N/A	N/A	N/A	15	

conferences)							
Digital channels – unique visitors	1,676,462	20,000	20,000	22,000	21,823	+5% 1,760,285	
Downloads – visitor maps and itineraries	56,929	1,200	1,200	1,646	1,647	10% 62,622	
Social networks – followers and Klout	Followers - 94,897  Klout –above 60	2,000	2,000	2,745	2,745	Increase followers by 10% to 104,387 Klout – maintain above 60	
Database – subscriber growth	25,337	250	250	383	384	+5% 26,604	
Database – click to open rate	Currently 20%	20%	20%	20%	20%	Maintain at 20%	

**i(a). ERDF Delivery of Inward Investment (£664,000)**

The Supplier will deliver this service via the Investing in Greater Birmingham ERDF Project.

The services to be provided is set-out in the ERDF full application (Appendix II) which outlines the services and activity budget over the lifetime of the ERDF Project.

The Investing in Greater Birmingham ERDF Project will achieve the following outcomes for Greater Birmingham:

ERDF Priority 3 Targets
C1 Number of enterprises receiving support: 45
C5 Number of enterprises supported: 45
C8 Employment increase in supported enterprises: 216
Secure £20 million Inward Investment: £900,000
Indirect Jobs Created: 1,632

**i(b). (Non-ERDF) Delivery of Inward Investment (£237,500)**

The Supplier will work with the teams in the Council's Economy Directorate (including the Corporate Communications service) to align messaging around collateral, showcase key development sites and master-plans, and develop strategies for attracting occupiers to the City including the Economic Zones, Enterprise Zone and opportunities for the growth of HS2 supply chain area.

The Supplier will develop and deliver marketing to key sub-sectors and notably targeted sub-sector lead generation activity in the Advanced Engineering sector. Development of a tech and digital media sector attraction strategy will enhance co-ordinated efforts to secure investment from this sector. The Supplier will utilise sales missions in priority markets, attending and exhibiting at major international events and trade shows. It will deliver an Investor Development programme supporting growth of existing strategic employers in Birmingham from key sectors such as Business Professional and Financial Services.

The Supplier will perform the following activities in addition to those set-out in 1(a) above.

Service
Manage delivery of inward investment strategy, providing a pipeline of non-ERDF inward investment opportunities including those from FDI and UK large companies and UK SMEs
Develop the relationship with UKTI and education of key posts overseas to generate incremental growth in FDI pipeline
Advanced Engineering inward investment lead generation activity providing credible investment opportunities in target sub-sectors (automotive, aerospace, rail (HS2) and environmental technology)
Deliver an investor development programme – account management of strategic companies in Birmingham supporting investment expansion projects (FDI and UK owned)
Non-SME focused sales mission and activity in key geographic markets to support FDI lead generation from large companies
Develop Tech and Digital media strategy and proposition to attract both new FDI and UK investment, and support existing investors expand
Marketing Birmingham will work with the Council's Economy Directorate to sense-check and align messaging around collateral, showcase key development sites and masterplan and develop strategies for attracting occupiers to the council's area, including the Economic Zones.
Delivery baseline digital marketing platforms, channels and contact programmes to profile Birmingham as an investment location across domestic/international markets in order generate investment leads and increase conversion rates

Activity
UKTI engagement plan to include: <ul style="list-style-type: none"> <li>- development of UKTI Project Matchmaker with specific overseas posts</li> <li>- targeted communication of value proposition and relationship building with posts covering key target markets and sectors</li> <li>- the undertaking of 5 'Birmingham offer' induction sessions for UKTI staff working in Marketing Birmingham's key markets and sectors per year</li> </ul>
Advanced Engineering inward investment lead generation activity to include: <ul style="list-style-type: none"> <li>- targeted trade show participation in key markets – overseas and UK</li> <li>- targeted industry conferences</li> </ul>
Investor development account management and engagement programme (FDI and UK owned) <ul style="list-style-type: none"> <li>- Identifying, engaging with and supporting expansion projects with major Birmingham employers</li> </ul>
Conduct sales missions in priority markets <ul style="list-style-type: none"> <li>- attending and exhibiting at major international events focussed on attracting larger businesses</li> <li>- pre-qualified company meeting programmes</li> </ul>

<p>Optimise investment messaging</p> <ul style="list-style-type: none"> <li>- Marketing Birmingham will allocate 15 days per year to support the Council's masterplans</li> <li>- All messaging to have explicit sign-off from BCC Corporate Comms</li> </ul>
<p>Supporting/cross-cutting activity</p> <ul style="list-style-type: none"> <li>- Marketing Birmingham will maintain a register of enquiries. Action taken and whether the business was attracted/ supported in expansion and what the jobs achieved would be.</li> </ul>
<p>Digital marketing channels</p> <ul style="list-style-type: none"> <li>- manage channels profiling the city's offer to inward investors</li> <li>- to support and capture new investment leads and enquiries monitoring/ reporting on effectiveness</li> </ul>

Outcomes
Manage delivery of inward investment strategy, providing 15 credible inward investment opportunities
<p>Growth of the Inward investment project pipeline (large companies and SME's)</p> <ul style="list-style-type: none"> <li>- Of which 16% in advanced engineering project pipeline</li> <li>- Of which 16% in digital and tech project pipeline</li> </ul>
15 completed projects (FDI and UK owned) from large companies and UK SMEs
72 new jobs from completed projects (FDI and UK owned)

## **ii. Location Marketing (£400,000)**

Marketing Birmingham will lead (supported by BCC) on the development of a brand building programme for the City of Birmingham. The objective of this work is to position the city as a great place to visit and invest in (it will need to support and inform the activity in the Inward investment and Visitor economy programmes). The brand building programme should align with the emerging vision for the city and should have buy in from other key partners around the city – metaphorically and (ideally) financially. In the long term the programme will be seen to have made a positive difference to the perception of Birmingham.

Service
<p>To develop an overarching brand-enhancing programme for the City of Birmingham that aligns to GBSLEP competitive positioning project, The programme should have buy in from key BCC stakeholders and other partners from around the city.</p> <p>The target timeframe for establishing a delivering a plan is set for the first quarter of FY16/17.</p>

Activity
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To create a brand programme that establishes the current perceptions of the city (as a place to invest and visit) and outlines the area's key brand challenges. The plan should also offer a long term view of the activities we need to take to improve these perceptions.

- The programme will involve a series of sub campaigns and/or other brand enhancing activity that will be agreed with BCC and other partners
- Within this programme of activity MB will actively promote the enabling role of BCC.

To deliver media communications service that profiles Birmingham as a place to invest, visit, study and live

To work with BCC contract leads to engage with internal and external stakeholder and provide brand enabling tools to support holistic representation of the area across owned and earned marketing and communications channels

### Outcomes

A brand plan that primarily focuses on 12 month tactics and activation. However it would include an overarching roadmap for a further 2-5 years period.

To generate media profile across consumer, business and trade channels that will support with external profile raising objectives

To develop communication resources to support with engagement and dissemination of messaging/information (to be determined in the Location Marketing plan – to be established in FYQ1)

### **iii. Visitor Economy (£600,000)**

Marketing Birmingham will deliver Birmingham's Destination Management Plan (DMP) which will be agreed between the Client and the Supplier prior to 1<sup>st</sup> April 2016. In finalizing the DMP the outputs in table 2 may change by mutual agreement.

Table 3 – Visitor Economy Budget breakdown:

	Staff time	Expenditure
Staff resources – leisure and business tourism	£333,000	
Research - insight and monitoring		£53,000
Underpinning work - destination development		£10,000
Going local / Global: Visitor economy digital provision and infrastructure		£25,000
Doing Business - sales development and attendance at national and international trade shows		£30,000
Going Global - travel trade		£30,000
Going Global - consumer campaigning		£94,000
Cultural showcase - media partnership		£25,000
<b>Sub-total</b>	<b>£333,000</b>	<b>£267,000</b>



### 3.1 City Communications and Marketing

International Marketing will grow the market share of inbound visitors (both consumer and business) increasing the region's and country's tourism export value. An increase in inbound visitor volume and value, through opening and developing routes to market and developing trading links to enhance visitor propensity will deliver the highest ratio of economic return to investment.

The SLA Destination Delivery Plan will focus on two growth areas to secure the maximum level of economic impact:

**i. Leisure Tourism**

Birmingham has significant under-utilised capacity and untapped potential within the visitor economy. Making additional resources available to exploit this will contribute to growth generation, job creation opportunities and closing the productivity gap across the Midlands.

**ii. Business Visits and Events**

The aim of developing the region's business tourism portfolio and maximising the potential of the region's key assets will ensure that the city remains competitive in domestic and international business markets.

### 3.2 Underpinning activity

**i. Research**

The Supplier will commission specialist research notably to establish impact measures relating to the visitor economy and the key objectives of the Destination Management Plan.

Table 4 Indicative cost for visitor economy research projects

Research project	Indicative cost plus VAT
STEAM (economic impact)	£10,000
Visitor Survey	£12,000
Hotel market data	£13,000
Annual perceptions survey	£8,000
Business tourism research	£10,000
<b>Total</b>	<b>£53,000</b>

**ii. Destination Management**

In order to offer a destination which competes with national and international competitor cities to offer a warm welcome and excellent visitor experience, the Supplier will provide a Destination Management Function for the Council, taking a leading role in the management and development of business and leisure tourism and supporting the implementation of the GB&BC Visitor Economy Strategy for Birmingham.

### **4. Organisational Change (£137,500)**

Marketing Birmingham will develop an updated governance and organisation structure that will enable MB to work with a wider array of clients across the West Midlands leading to decreased reliance upon the revenue received from BCC. The costs of the necessary specialist advice will be met through this agreement on the understanding that these are one-off costs to the organisation. A programme of business development will be delivered by client facing team members and the management team at Marketing Birmingham with the target of securing additional revenue contracts with public and private organisations. MB will seek to establish SLAs with Local Authorities across the West Midlands and with the West Midlands Combined Authority once it has been formally established. Business Development will also include the attendance of the Management team at various Board meetings that will be used to raise the profile of the business and provide opportunities for expanding clients and projects.

#### 4.1 City Economic Narrative Data

A range of data and intelligence will be sourced and analysed by the Regional Observatory to inform the delivery of the SLA and evaluate progress. Full use will be made of official Government and other published sources. The tables below set out the data which will be drawn upon for the City Economic Narrative, which in turn supports the Visitor Economy and Inward Investment programmes.

It is envisaged that in 2017/18 and beyond that the cost of gathering the data and intelligence to inform the Economic Narrative Data will be met by the West Midlands Combined Authority, LEP's and the Midland Engine.

Table 5 – Data and shared by MB originated by various official sources

Indicator	Source	Frequency
Nominal GVA	ONS Regional Accounts	Annual
FDI projects and jobs	Regional Observatory	Annual
Business births and deaths	ONS Business Demography	Annual
International trade	HMRC Regional Trade Statistics	Quarterly
Average house prices	Land Registry	Monthly
Inbound international passengers at Birmingham Airport	Civil Aviation Authority	Monthly
Employment	ONS Business Register and Employment Survey	Annual
Median gross annual pay	ONS Annual Survey of Hours and Earnings	Annual
Employment rate	ONS Annual Population Survey	Quarterly

ILO <sup>1</sup> unemployment rate		
Economic activity rate		
ILO unemployment rate for 18-24 year olds		
Proportion of pupils achieving at least 5 GCSEs at A*-C including English and Maths	Department for Education	Annual
Number of graduates and undergraduates studying key subjects <sup>2</sup>	Higher Education Statistics Authority	Annual
Proportion of the working age population qualified to degree level or above	ONS Annual Population Survey	Quarterly

Table 6 below outlines the meetings Marketing Birmingham staff currently attend in delivering the SLA, this list may change during the period of the SLA to ensure its smooth delivery.

Table 6 - MB Management Team meetings attendance

	Ongoing Management	Projects
<b>Birmingham</b> <ul style="list-style-type: none"> <li>Major Events Board;</li> <li>Festivals Unit Steering Group</li> <li>Contract Management Group (SLA);</li> <li>Cultural Partnership;</li> <li>Birmingham VES/DMP Deliver Group</li> <li>Investing in Greater Birmingham ERDF Steering Group</li> </ul>	√ √ √ √ √ √	
<b>GBSLEP</b> <ul style="list-style-type: none"> <li>VES Delivery Group</li> <li>Growth Hub</li> <li>GBSLEP Competitive</li> </ul>		√ √ √

<sup>1</sup> Definition of the International Labour Organisation - people without a job, wanting a job who have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks. Differs from the Claimant Count which refers only to those claiming Job Seekers Allowance

<sup>2</sup> Key subject areas - science, maths, ICT, engineering, technology, law, and languages, creative disciplines (music, visual art, craft, design, architecture, dance, drama, marketing)

<ul style="list-style-type: none"> <li>Positioning</li> <li>▪ Optimising Assets Sub-Group</li> </ul>	√	
<b>Midland Engine</b> <ul style="list-style-type: none"> <li>• Promotions Group <ul style="list-style-type: none"> <li>○ Visitor Economy</li> <li>○ Inward Investment</li> </ul> </li> </ul>	√ √	
<b>Client Meeting</b> <ul style="list-style-type: none"> <li>▪ Finance Birmingham</li> <li>▪ ESIF – Technical Assistance Team</li> <li>▪ GBSLEP Marcomms</li> <li>▪ GBSLEP Growth Hub Marcomms</li> <li>▪ EZ <ul style="list-style-type: none"> <li>○ Relocation Services</li> <li>○ Sector Sales Programme</li> </ul> </li> </ul>	√	√  √ √  √ √