



---

**Joint Report of the Acting Director of City Development and the Assistant Chief Executive (Planning, Policy and Improvement)**

**Executive Board**

**Date: 30 March 2011**

**Subject: Driving the City Forward: City Marketing, Supporting Investment and Engaging Business**

---

|  |  |
|--|--|
| <p><b>Electoral Wards Affected:</b></p><br><br><br><br><br><br><br><br><br><br><input type="checkbox"/> Ward Members consulted (referred to in report) | <p><b>Specific Implications For:</b></p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input type="checkbox"/></p> |
| <p>Eligible for Call In <input checked="" type="checkbox"/></p>  | <p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>   |

---

**EXECUTIVE SUMMARY**

In December 2010, Members of Executive Board agreed, in principle, to support the bringing together of a number of services relating to the marketing and promotion of the City, as currently undertaken by Marketing Leeds, Financial Leeds and the City Council. Positive progress has been made in taking forward the new arrangements, including: the advertisement of the post of Chief Executive of the new organisation; a proposal that Council staff will be seconded into the new organisation; and, confirmation that the existing Objectives and Memorandum and Articles of Association of Marketing Leeds are appropriate for that company arrangement to be used as the basis for the new combined functions. Given the need to appoint a Chief Executive and develop a staffing structure before staff can be formally transferred, it is anticipated the company will become operational in its new form in late Summer. Nevertheless, integrated working is already underway to ensure most effective use is made of existing resources across the various services and agencies.

## **1.0 Purpose of this Report**

- 1.1 This report updates Members of Executive Board on the work undertaken since December and seeks approval to: the secondment of City Council staff to the public-private partnership company, Marketing Leeds; to the transfer of relevant operational budgets; and, to the development of a detailed service specification and business plan which will form the basis of the formal agreement between the Council and Marketing Leeds.

## **2.0 Background**

- 2.1 Executive Board considered a report on 15 December 2010 proposing that a number of services relating to the marketing and promotion of the City and the attracting of visitors and investment, as currently provided by Marketing Leeds, Financial Leeds and the City Council, be brought together.

- 2.2 The aim being to maximise efficiencies and effectiveness whilst at the same time protecting critical functions that were at risk from public sector budget reductions.

- 2.3 At its meeting in December, Members of Executive Board resolved:

- (a) That the outline proposition detailed in paragraph 3.1 to 3.15 of the submitted report be agreed in principle
- (b) That the proposal that those Council services detailed at paragraph 3.2 be part of the new delivery arrangements be agreed in principle
- (c) That as joint shareholder of Marketing Leeds, Leeds City Council is content for the existing company arrangements to be evolved into the new delivery vehicle as part of a broader merger for these services
- (d) That as joint shareholder of Financial Leeds, Leeds City Council is supportive of the proposal for sector marketing and inward investment activities to become the responsibility of the new delivery vehicle
- (e) That the Assistant Chief Executive (Planning, Policy and Improvement) and Acting Director of City Development be authorised to take the necessary steps to bring about the change proposed, ensuring Members are kept informed as matters progress
- (f) That a further report be submitted to Executive Board in March 2011, outlining a set of specific proposals for implementation in April 2011

- 2.4 A Project Board comprising representatives of Marketing Leeds, Financial Leeds, the Council and the Chamber of Commerce (the latter two being the owners/shareholders of Marketing Leeds) has been meeting regularly since early January, and good progress is being made. The next section of this report outlines the progress made on a number of fronts.

## **3.0 Progress**

- 3.1 The project board has been progressing a number of workstreams and these are set out below:

- 3.2 **The Company:** The December Executive Board report proposed that the existing Marketing Leeds company be used as the basis for the new delivery vehicle. More detailed work has confirmed that the existing Memorandum and Articles of Association remain appropriate. Some changes to the composition of the Board will be appropriate in due course, but formally this will be a matter for the existing Marketing Leeds Board to progress. The current Council directors are Councillor Andrew Carter and the Assistant Chief Executive (Planning, Policy and Improvement). As a minimum the Council will retain two directorships with a preference for a third.
- 3.3 **The Chief Executive:** The appointment of a Chief Executive for the new combined entity is being progressed. The post has been advertised with a closing date of 25 March 2011 and interviews are scheduled for early April 2011. This is a critical post in terms of the new structure and operation of the company and, therefore, the project board have taken the view that full implementation of the new arrangements should follow this appointment.
- 3.4 **Mission Statement:** A draft mission statement has been developed and this is attached. This is important to ensure that partners and stakeholders have a clear understanding of what the new company will, and will not, do, and as a key document for the recruitment of the Chief Executive.
- 3.5 **LCC Staff and Services:** Consideration has been given to the position of City Council staff in the new organisation. Two options have been considered: a TUPE transfer or secondment arrangement. After careful consideration of the two options, the project board have proposed that a secondment based arrangement is the most appropriate way forward – initially for a 3-year period. The rationale for this relates to the fact that the Council is not proposing to delegate its functions but to deliver services in partnership (see also para. 5.2) that a secondment gives greater certainty for staff and the protection of existing terms and conditions of employment; and that there is a desire to minimise the liabilities of the new company. These would be considerable for a very small non-public sector organisation if staff were transferred, e.g. concerning pensions and terms and conditions. Also the potential impact of any further Council budget reductions that affect staff from the City Council can be better managed if those staff continue to be employed by the Council rather than by the new company. Staff and Unions have been informed of the proposal to second, but have not yet been formally consulted. It is not proposed to undertake formal consultation until a more detailed business plan and structure and detailed service specification has been developed (see paragraph 3.10 below).
- 3.6 **Budgets:** Since December's Executive Board report, Yorkshire Forward has confirmed funding for Marketing Leeds of £570k for 2011/2012 and the Council's 2011/2012 budget has also been agreed which includes funding of £300k for Marketing Leeds. In terms of the current City Council budget relating to staff to be seconded, the staffing budget will remain with the City Council. Further, it is not possible at this stage to determine exactly the amount of operational budget that will form the basis of the agreement with Marketing Leeds which is around £300k in a full year. This figure excludes income of around £60k which currently supports tourism activities and which should also be available to the new company. This will need to await the agreement of the business plan for the continued operation, and will of course depend on the date to be agreed for full implementation.
- 3.7 However, close working between Marketing Leeds and the Council is continuing to ensure activity undertaken prior to the formal implementation date is fully aligned.

- 3.8 **Membership/Champions Offer:** Financial Leeds is a membership organisation and Marketing Leeds has a number of 'Champions' who make both a financial and in-kind contribution. Work is ongoing to develop a joint offer for the new organisation.
- 3.9 **Premises and other Support Services:** Existing premises commitments means it is unlikely that a single location will be operational before April 2012. More detailed work on this and associated support services will need to begin in late Summer.
- 3.10 **Consultation:** As indicated in 3.5 above, whilst staff have been informed of progress and two meetings have been held with the relevant Trade Union(s), no formal proposal has been issued for consultation. Detailed structures and management responsibilities need to be determined for formal consultation to take place, and the Chief Executive when appointed will need to be party to this.
- 3.11 **Timescales:** The original Executive Board report envisaged that the new arrangements could be operational by 1 April 2011. This was driven by the expected loss of Yorkshire Forward funding on this date. Fortunately, it has proved possible to secure a further £570k funding from Yorkshire Forward (as part of the previously agreed contract and commitments) to support the work of Marketing Leeds in 2011/2012. This has allowed more time to ensure that the new delivery vehicle is in the best position to meet the City's ambitious objectives in the context of a challenging economic environment.

#### **4.0 Conclusions and Next Steps**

- 4.1 Progress is being made in developing the new arrangements but key is the appointment of the new Chief Executive and a verbal update on the latest position will be provided at the meeting.
- 4.2 Alongside this, it is important that existing activity to market and promote the city and attract and support investment and development continues. To this end, joint working is continuing between Marketing Leeds, Financial Leeds and the City Council and new projects and initiatives are being developed together.

#### **5.0 Implications for Council Policy and Governance**

- 5.1 The marketing and promotion of the City and the attraction of visitors and investment are essential to delivery of the emerging revised Vision for the City and the City's economic and cultural related priorities.
- 5.2 The Council services which are the subject of this report are provided under powers in Section 144 of the Local Government Act 1972, and Section 2 of the local Government Act 2000. If Members accept the assessment by officers outlined in the report to Executive Board in December 2010, that these proposals are likely to achieve the promotion or improvement of the economic or social well-being of the Council's area, then the powers in Section 2 will enable the Council to participate in Marketing Leeds and to incur expenditure, give financial assistance, and provide staff by way of secondment for these purposes. In addition, these powers enable the Council to provide services through the company
- 5.3 Consideration has been given to the need to amend the Council's constitution and delegated decision making arrangements. It is unlikely that these will need to be changed as the relationship between Marketing Leeds and the Council relates to the provision of services in partnership with the Council. However, further consideration to this will be given when more detail of the business plan and structure of the new entity

is available, and a draft contract or service level agreement is developed. This will follow on from the appointment of the Chief Executive.

## **6.0 Legal and Resource Implications**

6.1 These are dealt within the section on Progress and Council Policy and Governance – namely paragraphs 3.2, 3.6 and 5.1, 5.2.

## **7.0 Equality Impact Assessment**

7.1 An equality impact assessment has been undertaken and further work will be required once a new structure has been determined and before staff are finally seconded to the new organisation.

## **8.0 Recommendations**

Executive Board is asked to:

- (i) note the progress made and the timetable for the appointment of a Chief Executive
- (ii) approve the secondment of staff to Marketing Leeds and to delegate the detailed arrangements to the Director of Development
- (iii) agree that the destination marketing, tourism and inward investment activities required by the Council are delivered in partnership with Council by Marketing Leeds from a date to be determined by the Director of Development
- (iv) delegate to the Director of Development, in consultation with the Director of Resources, the level of operational budget to be provided to Marketing Leeds to deliver services associated with the staff to be seconded

## **Background Papers**

Driving the City Forward: City Marketing, Supporting Investment and Engaging Business.  
Report to Executive Board 15 December 2010