

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 6 December 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: Report – Not Exempt
Appendix One and Two– Exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Key Decision

REPORT OF THE DIRECTOR OF COMMERCIAL DEVELOPMENT & INVESTMENT AND PORTFOLIO HOLDER: INCLUSIVE GROWTH AND THIRD SECTOR

LIVERPOOL CITY REGION GOOD BUSINESS FESTIVAL

1. PURPOSE OF REPORT

- 1.1. This report seeks Combined Authority (“CA”) approval to fund the delivery of the 2020 Good Business Festival.
- 1.2. Since the Combined Authority last considered this matter at their meeting on 6 September 2019, a procurement exercise has been carried out and a consortium bid prepared by Culture Liverpool of Liverpool City Council and Hemingway Design LLP was identified as the successful bidder.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Liverpool City Region Combined Authority:
 - a. Approve the provision of funding of up to £3,000,000; and
 - b. Grant authority to the Director of Commercial Development and Investment to finalise negotiations of detailed terms of the agreement and Festival approach in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer.

3. BACKGROUND

- 3.1. Liverpool successfully hosted the International Festival for Business in 2014, 2016 and 2018 on behalf of the UK. They were noteworthy interventions in the UK economy and had a clear mandate from Government to promote international trade,

generate jobs and enable investment by bringing businesses together and connecting them with new trading and investment opportunities.

- 3.2 The Festival also provided a platform for international partnerships to be formed and brought businesses and governments from across the globe under one roof in Liverpool to talk about opportunities, share innovation, be inspired by thought leaders and do business together.
- 3.4 This focus on trade and investment delivered significant outputs and help to raise awareness of the LCR as a key destination, not only for investment and trade but also as a vibrant and ambitious visitor destination.
- 3.5 Equally, this focus also presented some limitations, reducing the potential for local businesses across the city region to engage as fully as they could; nor did it maximise the potential that the 'Place' could offer such an event.
- 3.6 Previous festivals have recorded good value for money according to the evaluations undertaken.

2020 Festival

- 3.7 Building on this legacy, but recognising the need to change in a changing world, it is intended that the Business Festival will be staged once again in Liverpool City Region in October 2020 and a new delivery partner has been selected that will harness the sense of place, which LCR represents and will also enable inclusive participation from across the LCR. It is intended that the new product will not just focus on globally trading businesses but showcase the key assets and capabilities from across the LCR including its culture, music and business proposition.
- 3.8 Very importantly, there is a strong emphasis on delivering a Festival that focuses on social purpose and lives up to its name in delivery, form and function.
- 3.9 Specifically, the LCR CA has worked up the objectives of the Festival as follows:
 - Has a focus (whether thematic, sectoral, demographic or otherwise) that:
 - Is contemporary and capable of appealing to a local, national and international audience
 - Can showcase the Liverpool City Region's character, strengths and economy
 - Is relevant to the debate about Britain's place in the world (under any Brexit scenario)
 - Comprise, at a minimum, four days of events in the Liverpool City Region
 - Events shall comprise talks, panels, workshops, lunches, guided walks, dinners etc.
 - Generate a narrative thread and activity profile that links Liverpool City Region with the Festival focus and enables follow-on festivals to occur in future years
 - Be inclusive by design, i.e. positively enables participation by groups otherwise unlikely to participate in a business festival
 - Be experiential, bold and green, with good design credentials

Devolution Agreement

- 3.10 It is important to note the festival's unique position in the devolution agreement, which compels the CA to deliver a festival in 2020 and for which SIF funding is the sole available source. For the Festival, the choice, therefore, is not whether to pursue the Festival but how best to pursue it; and the procurement exercise undertaken was designed to establish the best delivery method.

4. RESOURCE IMPLICATIONS

4.1. Financial

The CA funding required to deliver the festival is intended to be drawn entirely from the Strategic Investment Fund. A budget of *up to* £3m has been set out in the contract¹.

In addition to the SIF request, the organisers will seek to gain commercial sponsorship. In the event that commercial sponsorship exceeds £2m, the CA has the contractual right to reduce its own contribution.

4.2. Human Resources

The CA intends to recruit a small internal team, of 2-3, to act as intelligent client in delivering the festival. Its cost shall also be included in the SIF allocation to the festival. The team shall join the mayoral CA priorities service and play a role in steering group discussions.

The Delivery Partner selected shall nominate 3-5 senior individuals to resource a Festival steering group. The group shall meet monthly until circa 2 months before the Festival when it shall meet weekly. The group shall meet in person when practicable and otherwise by video call.

4.3. Physical Assets

Not applicable

4.4. Information Technology

Not applicable

5. SUMMARY APPRAISAL

- 5.1. The approach for previous Business Festivals in the LCR has been to provide an ex poste evaluation of the event. The focus of the organisation of the Festival has been to provide high quality and business relevant events over the duration of the event (in 2020 over 4 days) and to undertake a comprehensive marketing approach to ensure that the events draw on a large and relevant audience.

- 5.2 The evaluations of previous events have demonstrated strong value for money measures.

¹ The £3m budget represents the funding for the overall event. Within this the festival organiser will receive a management fee. The management fee structure has been established as a fixed fee expressed as a single sum ("Base Fee"); and a sponsorship incentive fee expressed as a percent of sponsorship revenue obtained up to a maximum of 15% ("Sponsorship Incentive Fee")

- 5.3 The expectation is that the economic output for the 2020 Festival will be proportionately in line with the results recorded for 2018 recognising the lower budget and shorter duration of the proposed 2020 event.
- 5.4 Indicative targets are as follows:
- 50 events / activities
 - 10,000 core attendees including those participants who view events remotely / virtually
 - 300,000 involved in wider participation from across LCR and beyond in advance of, during and after the Festival – this figure is inclusive of; virtual and digital participation through online streams, wider events contributed to by the Festival including fringe events, aligned Cultural programmes, educational and community programme and other promotional events.

6. RISKS AND MITIGATION

- 6.1. The risks of the project to the CA relate predominantly to the performance of the Delivery Partner. It is for this reason that a strong internal team acting as an 'intelligent client' with a role in the steering group is an extremely important aspect within the management of delivery.

The Delivery Partner has established a clear framework for the management of risk and has identified the categories of risk as strategic, operational and technical. Their approach is to RAG rate risks according to likelihood and impact and has a requirement to fully inform the CA of all risks rated as 'red'.

Whilst the risk register will be maintained by the Delivery Partner, the risks are considered to relate to:

- Attendance – the attraction of sufficient numbers of delegates of appropriate quality to create a financial return, add to the Festival atmosphere and help drive economic outcomes.
- Quality of experience – the experience of delegates in signing on to the programme and the quality of the events that they attend.
- Costs and Financial Return – the ability to procure high quality venues and services within the budget envelope and add commercial sponsorship to share the cost burden and provide a greater capacity to run more activities.
- Economic outcomes – the business outcomes achieved through the learning, introductions, networking and brokerage opportunities for delegates.

A combination of these factors will create an overall reputational risk to the CA and the LCR.

The CA will therefore scrutinise all aspects of these identified risks in particular as part of its work managing the Delivery Partner.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1. The Equality and diversity implications mainly relate to the procurement activity that will be provided by the Delivery Partner. Within the Delivery Partner, Culture

Liverpool will be responsible for procurement. All procurement from Culture Liverpool will be carried out in line with LCCs procurement policy.

- 7.2 A pillar of the 2020 Business Festival is that it will be inclusive by design, i.e. positively enables participation by groups otherwise unlikely to participate in a business festival.
- 7.3 Culture Liverpool has developed a strategy for the Festival seeking to match the highest standards of equality and diversity. The organisation already delivers events to ISO20121:2012, the guidelines for sustainable events, but has identified that the Festival will need to go beyond this to ensure that the entire design establishes the values required – their approach includes (for example);
- Ethical and inclusive ticketing strategy
 - Waste management with recycling bins and reusable cups/bottles.
 - Streaming content to allow participation without travel.
 - All purchases and suppliers should be sourced from the local supply chain where possible, sustainable and delivered by the best local/regional businesses – supporting local SMEs and providing opportunities for local employment where possible by also reducing carbon footprint.
 - Partner with local enterprise TLC (Transform Lives Company) to create meaningful opportunities for those in long term unemployment to volunteer with high profile organisations to get new skills, improve their confidence and build their professional and social networks. <http://transform-lives.org/>
 - Create a truly inclusive festival by engaging local companies who specialise in DDA/Accessibility.

8. COMMUNICATION ISSUES

- 8.1. The communication issue for the CA will be ensuring that the work in promoting the Festival aligns with the communication messaging of the CA. This will be managed by the steering group. In particular, the communication issues associated with the Festival will need to reference the SIF Funding.
- 8.2 The Delivery Partner has established a comprehensive marketing strategy for the marketing of the Festival and this is provided as an appendix.

9. CONCLUSION

- 9.1 A 2020 business festival is a requirement under the Liverpool City Region devolution agreement. The CA's approach, to be SIF funded with up to £3m, can ensure a high quality festival of global interest and local impact.

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Appendices:

1. Business Plan for the Festival
2. IFB Q5.5.1 Tender Response

Background Documents:

N/A