

Discussion Paper

O&S Committee – 19 April 2021

Marketing Cheltenham

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

- 1.1 A discussion paper appraising members of the purpose of Marketing Cheltenham, its areas of focus and how delivery and success would be measured was presented to this Committee in February 2020. A recommendation from this discussion was that a subsequent paper be presented at a suitable future point to consider the performance, outcomes and the return on investment from Marketing Cheltenham ahead of a potential second phase of delivery beyond July 2021.
- 1.2 This paper presents both a review of performance and delivery over the past year, whilst also appraising members of the process that is underway to undertake a service review of Marketing Cheltenham (in the context of the wider organisational review) that will set out a clear business case for its future.

2. Summary of the Issue

- 2.1 Following recommendations made in the 2015 'Strategic Tourism Outcomes' report, the subsequent 2016 Cheltenham Visitor Economy Strategy and ultimately the Cheltenham Place Vision for a new delivery body to lead the growth of Cheltenham's visitor economy and wider place ambitions, Marketing Cheltenham was created by CBC in 2017. Initially outsourced to a team of consultants, Marketing Cheltenham has been in its current form, comprising an internal team of 5 FTE, since mid-2019.
- 2.2 As presented at the February 2020 O&S Committee meeting, with the initial funding commitment from CBC only in place through to July 2021, there has always been a need for Marketing Cheltenham to demonstrate clear added-value to Cheltenham and CBC in a relatively short space of time – and to therefore secure the necessary confidence in its delivery and financial commitment to its longer term future.
- 2.3 In the intervening year, the impact of Covid-19 has naturally changed the landscape considerably and, coupled with the challenging financial climate that the Council is operating within, there are now additional implications to consider, both in terms of corporate priorities, the town's economic recovery and how the future funding case is packaged.

3. Summary of evidence/information

3.1 Financial Performance

- 3.1.1 The original business case for Marketing Cheltenham set a notional CBC base budget of £130,800 in 2018/19 and £148,800 in the remaining two years (19/20 and 20/21) See table 1 below. This was based on Marketing Cheltenham securing sufficient commercial income streams – from partnerships, sponsorships, new

events, a membership scheme (businesses paying an annual fee to access services and marketing benefits) and advertising sales – to fund/offset this budget from CBC and to steadily increase this income over its initial term, leading to a more sustainable and resilient financial model that would become self-funding.

Table 1

	2018/19	2019/20	2020/21 (forecast)	
Original CBC Budget	130,800	148,800	148,800	
Commercial Income	92,256	176,672	128,232	
	223,056	325,472	277,032	
Expenditure	144,284	346,117	344,126	
Gain/Loss	78,772	-20,645	-67,094	-8,967

- 3.1.2** Whilst Covid-19 has had an inevitable impact on income in 2020/21, this summary demonstrates that Marketing Cheltenham was in fact performing very close to budget in both 2018/19 and, more specifically 2019/20, once the full in-house team had been established. In fact, in each of these years, Marketing Cheltenham returned a better financial position than the original approved projections had predicted.
- 3.1.3** Building on the performance in 2019/20, Marketing Cheltenham was therefore approaching the 2020/21 year with momentum – and with confidence in hitting its budget projections. With almost a year under the team's belts and with delivery having accelerated rapidly over this time, there was every expectation that the projected financial performance in 2020/21 (and target income of £208,750) would be met, if not exceeded.
- 3.1.4** However, as Covid-19 hit and the impact of the lockdowns and restrictions took hold, it became increasingly clear that 2020/21 would be a very different year – with the visitor economy sector – on which much of Marketing Cheltenham's projected income relied - being amongst the hardest hit.
- 3.1.5** The subsequent cancellation of almost all of Cheltenham's 25+ annual festivals and events along with the decimating impact of Covid-19 on the town's tourism, retail, cultural and hospitality businesses meant that Marketing Cheltenham's commercial income streams largely disappeared for the majority of the year. Little or no advertising was taking place and many of Marketing Cheltenham's members were no longer in a position to open or operate, hence many delayed or deferred their membership renewals for the year.
- 3.1.6** Given the unprecedented challenges and market conditions over the course of the 2020/21 year therefore, this forecast end-of-year position and overall performance over the three years represents a relatively modest loss to CBC compared to the original forecast of a modest gain.

3.2 Operational Performance

- 3.2.1** As illustrated in the KPI summary (provided as a background paper below), Marketing Cheltenham has delivered above-target performance on a number of performance metrics, while externally, it is recognised and respected as being an effective and trusted delivery body:

Quote from Dev Chakraborty, Deputy CEO of GFirst LEP: *The team at Marketing Cheltenham have been fully supportive of numerous countywide LEP initiatives. The team are creative, proactive, collaborative and a pleasure to deal with. We see them as a real asset to Cheltenham, but also to the whole of Gloucestershire.*

- 3.2.2** Much has been achieved in a relatively short space of time therefore, representing a good platform on which to build on-going economic recovery work. Achievements and outcomes over the past 18 months are summarised below:

Economic Development & Recovery

- Pre-Covid, Marketing Cheltenham was on track to achieve on/above target growth in the value of Cheltenham's visitor economy (£172m in 2019 – up 6% on 2018 and an 18% uplift since 2014).
- Played a significant role in supporting and articulating the Council's response to economic recovery and the wider growth agenda, including the Reopening High Street Safely Fund; provision of business support, information and signposting; engagement with strategic partners including GFirst LEP and support of the new Cheltenham Economic Recovery Task Force.
- Mobilised quickly to provide marketing and comms support to the Golden Valley/Cyber Central project, from a virtual launch in May through to shortlisted developers now.
- Devised, developed and delivered Cheltenham's 'We're Open' recovery campaign, including related public information and signage in line with Cheltenham's Reopening High Streets Safely (RHSS) funding. Saw record traffic to visitcheltenham.com in July and August 2020 (up 35% on 2019). Town centre footfall was also up considerably on 2019.
- Developed and led the new inward investment and business growth initiative We're Moving to Cheltenham, which launched in September 2020. This has received an overwhelmingly positive response from the business community and has been widely recognised as another example of CBC leading a step-change in the town's ambitions and direction.
- Produced new Cheltenham Events Strategy (approved by Council in June 2020) which provides an important enabling mechanism for both existing and new events and the subsequent Culture Strategy which is set to follow.

Destination Marketing (Visitor Economy, Culture, Hospitality)

- Launch and roll-out of The Festival Town branding, which has created a much stronger identity and narrative for Cheltenham's visitor economy and cultural sector and continues to be adopted by partners across the town.
- Refreshed visitcheltenham.com website and supporting social media channels. In both 2019 and 2020 (despite Covid), visitcheltenham.com received more than half a million visitors – a huge 67% increase on 2018, while our social media following and reach has doubled in the past year.
- Secured more than 100 pieces of national and international PR and media coverage for Cheltenham, from The Times and FT to some of the most influential online influencers and bloggers.

- Delivery of a range of marketing campaigns for Cheltenham BID and CBC. Campaigns and event marketing to date have included major Christmas campaigns in 2018 and 2019; Light Up Cheltenham in 2019 and 2020; Cheltenham – We're Open/Welcome Back and the new Great Taste of Cheltenham campaign – both 2020.
- Partnered with Cotswolds Tourism on a major overseas tourism project, securing £250k from Visit Britain to grow international visitors into the region. A further extension to this project secured a further £120k in 2020/21.
- Launched a new Meet in Cheltenham (MIC) conference and venue finding service to grow the volume and value of business tourism in the town (visiting Cheltenham for meetings, incentives, conferences and exhibitions).
- Actively engaged in related strategic groups, including Cheltenham Culture Board, Cotswolds Tourism Partnership and the GFirst LEP Visitor Economy Sector Group.
- Recognised by Visit Britain and Visit England as the official Destination Marketing Organisation for Cheltenham and actively engaged in the national destinations forum (and post-covid Regional Task Force).

Partnerships & Collaboration

- Partnership agreements and funding commitments secured from Cheltenham BID and The Jockey Club with shared marketing and event programmes.
- Marketing Cheltenham membership scheme established, with c.100 businesses in membership, plus a further 350+ retailers and hospitality businesses via an affiliate scheme with BID levy payers.
- Actively engaged in related strategic groups, including Cheltenham Culture Board, Cotswolds Tourism Partnership and the GFirst LEP Visitor Economy Sector Group.
- Recognised by Visit Britain and Visit England as the official Destination Marketing Organisation for Cheltenham and actively engaged in the national destinations forum (and post-covid Regional Task Force).

3.2.3 Reflecting on this performance and outcomes, despite the impact of Covid-19, Marketing Cheltenham has demonstrated its ability to be a versatile in-house asset and skill set – able to support and add real value to CBC in a range of areas whilst also securing the support and goodwill of industry and the business community.

3.3 2021/22 – Service Review and Future Business Case

3.3.1 In recent weeks, in readiness for a more formal service review in 2021/22, there has been an ongoing dialogue with ELT on the future of Marketing Cheltenham which has sought to reflect on activities and performance together with engagement with stakeholders internally and externally. From this process, it is clear that there is consensus in the value of Marketing Cheltenham, not least in continuing to play an important role in supporting the town's reopening and recovery and to provide valuable capacity and continuity during this challenging period. As such, it has been agreed that Marketing Cheltenham staff contracts,

currently ending on 31 July 2021, be extended to 31 March 2022.

- 3.3.2** During this extended period, a formal service review of Marketing Cheltenham will be undertaken (commencing April 2021) feeding into and forming part of CBC's wider organisational review. This will include a review of job roles, skills and functions in light of Marketing Cheltenham's broadening and increasingly sector-blind outlook.
 - 3.3.3** It will also provide an opportunity to review the scope of CBC's communications and marketing activity and ability to deliver a town-wide approach. Equally, it will provide an opportunity to explore a model that supports both CBC commercial services as well as external partners (both new and existing - such as Cheltenham BID), opening up wider sales and commercial opportunities and allowing Marketing Cheltenham to become more agile and inclusive in its approach and agnostic in terms of working with all and any businesses.
 - 3.3.4** An outcome of the service review of Marketing Cheltenham will be a clear and robust business model for the service from 2022/23 onwards. The required financial commitment from CBC for 2022/23 and future years will therefore be determined as part of this review and will be subject to a subsequent recommendation at that point.
- 4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.**
- 4.1** To continue to recognise the value of Cheltenham's visitor economy and culture in place shaping, economic development and recovery and in creating a place where people want to live, work, visit and invest.
 - 4.2** To note the service review that is due to commence in April and to therefore consider the need for a further paper to this Committee on the outcomes of this review and future Business Case for 2022/23 onwards.

Background Papers	Marketing Cheltenham KPI Summary 2019 & 2020
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Accountability	Cllr Victoria Atherstone
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