

Finance and Resources Committee

10.00am, Tuesday, 25 June 2024

Convention Bureau Funding

Executive/routine
Wards

Executive
All

1. Recommendations

1.1 It is recommended that Committee:

1.1.1 Note the intention to create a small Convention Bureau function in the Council's Business Growth and Inclusion team, to sit alongside the Destination Marketing team, until a business case can be presented as part of the Council's 2025/26 budget setting process;

1.1.2 Agree the use of assets currently in reserve as follows to support Convention Bureau activities in-house:

1.1.2.1 £68,396.08 from the retained Discretionary Fund;

1.1.2.2 £9,000 from the reserves earmarked to meet subvention commitments made by Marketing Edinburgh; and

1.1.2.3 £72,000 from the general reserves fund, if required.

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Convention Bureau Funding

2. Executive Summary

- 2.1 This report outlines the activities that can be undertaken by an in-house team to support Convention Bureau activities at the end of Edinburgh International Convention Centre's guardianship and makes recommendation for reserve sources of funding to be utilised.

3. Background

- 3.1 A [report](#) to Finance and Resources Committee on 30 April 2024 outlined the importance of business tourism (often referred to as MICE (Meetings, Incentives, Conferences, and Exhibitions)) in boosting the visitor economy of Edinburgh and the central role a Convention Bureau (CB) plays in coordinating business tourism activities in Edinburgh.
- 3.2 The report summarised the activities undertaken by Edinburgh International Conference Centre (EICC) in their capacity as guardian of the CB over the last two and a half years (following the closure of Marketing Edinburgh Limited) and outlined a number of proposals for how these activities could be continued once the guardianship agreement ends in June 2024.
- 3.3 On 9 May 2024, the Council agreed to fund continuation of the CB in-house, with a maximum of £150,000 for one year in addition to the resource that the Council currently contributes. The Council also agreed that funding should initially be from any related provisions or relevant reserves that can be released for this purpose.
- 3.4 The Council requested a report to the next Finance and Resources Committee regarding transition of the CB in-house; with a further report ahead of the budget decision making process for 2025/26 that recognises the importance of a CB by making it sustainable and self-funding, for example through membership contributions, transparent service fees or other funding mechanisms. This report will follow later in the year.

4. Main report

- 4.1 As reported in April, the Council currently does not have capability or capacity to support business tourism. Although there is a team in the Council who manage destination marketing for the city and there may be some synergies, their work is aimed at leisure tourists (which is very different from that required for business tourism). In order to establish an in-house function for business tourism, a new team would therefore need to be created.
- 4.2 EICC have, to date, been operating the CB with one full-time and three part-time team members to deliver sales, marketing and research activity.
- 4.3 Due to the funding allocation being for one year only, it is not possible to permanently recruit an equivalent team in the Council. It is therefore proposed to create a smaller team with the aim of managing sales and providing a limited service, focussed on responding to direct enquiries and performing limited city-wide promotional activity.
- 4.4 This team would, in the first instance, utilise the existing budget, with the additional one-off funding used to add temporary capacity in the Business Growth and Inclusion team. This would be on a fixed-term basis to allow for oversight of these activities and development of a business case to be presented as part of the budget decision making process for 2025/26 that clearly sets out the path for how a Council-led CB can leverage private sector funding mechanisms going forward.
- 4.5 Legal advice is currently being sought but, as the majority of activities currently undertaken by EICC would transfer to the Council, even in a reduced form, it is likely that Transfer of Undertakings Protection of Employment rights (TUPE) will apply. Due to staff members currently working less than 50% of their time on the CB activities, they will likely not be in scope. For the staff who dedicate more than half their time on CB activities, TUPE will be offered.
- 4.6 It is understood that EICC will not make any redundancies because of the transition. Everyone working on the CB activities were originally employed by EICC and have been seconded to these roles and, if not in scope or not wishing to take up a TUPE offer, will be retained in EICC's normal business.

5. Next Steps

- 5.1 Officers will work with EICC to transition control of assets such as website, Client Relationship Management Systems and data into the Council as of 1 July 2024.
- 5.2 Any 'live bids' will be assessed and, where the bid is at an advanced stage with a venue already allocated, will be handed over to the venue to take forward. Bids that are less advanced will be transitioned to the Council to pursue.

- 5.3 TUPE conversations will be held and depending on the outcome of these, recruitment may be required.
- 5.4 A report which recognises the importance of a CB by making it sustainable and self-funding (for example through membership contributions, transparent service fees or other funding mechanisms) will be prepared for Committee ahead of the 2025/26 budget setting process.

6. Financial impact

Existing funding

- 6.1 Following the closure of Marketing Edinburgh, a small budget allocation of £50,000 was retained to cover expenses mainly associated with business tourism. It is proposed that this is used to pay for at least one permanent post, managing business tourism enquiries and performing reactionary sales activities.

Additional funding

- 6.2 The Council agreed to allocate up to £150,000, initially from any related provisions or relevant reserves that can be released, for one year only towards business tourism activities.
- 6.3 During the Covid-19 pandemic, the Council were provided with discretionary funding to support businesses in Edinburgh. It provided financial support for thousands of businesses who were not eligible for other support from the Scottish or UK Government and also paid for an extra round of support funding for taxi and private hire drivers in addition to that provided by Scottish Government.
- 6.4 At that time, it was confirmed from Scottish Government that any residual funding would require to be used 'to support economic development activities in Local Authorities'. The Council has used some of this funding to support Edinburgh Voluntary Council (EVOC) take over Gorgie Farm, support the management in Muirhouse Millennium Centre and other economic development activities. There is currently a balance of £68,396.08 in the fund and it is recommended that this is repurposed to support delivery of convention bureau activities in 2024/25.
- 6.5 At the time of transferring assets and liabilities from Marketing Edinburgh, a provision of £168,500 was set aside to meet subvention undertakings made before the closure of Marketing Edinburgh. Of these, £17,500 have been paid out, £142,000 is still potentially to be claimed and £9,000 can be written off as the creditor has ceased trading. It is recommended that the £9,000 is also reallocated to support convention bureau activities in 2024/25.
- 6.6 This would leave £72,000 to be made available from the Council's general reserve budget, should it be required, to support CB activities in 2024/25, including

developing a business case for how the CB can be structured and funded going forward, to be submitted for the budget setting process in 2025/26.

7. Equality and Poverty Impact

- 7.1 The existence of a CB in Edinburgh could have both equality and poverty impacts, though they might not be immediately apparent. On one hand, conventions and events can boost the local economy, potentially creating job opportunities and stimulating growth in various sectors. This economic activity could contribute to reducing poverty by providing employment opportunities, particularly if there is a focus on inclusion and fair hiring practices.
- 7.2 However, the impact on equality might not be as straightforward. Convention attendance and participation often require financial resources, including travel and accommodation expenses, which may exclude individuals from lower socioeconomic backgrounds. Additionally, the benefits of increased tourism and business activity may not equally reach all segments of the population, potentially widening existing inequalities.
- 7.3 To mitigate these effects, an in-housed CB could, once established, work with other Council services to implement policies that promote accessibility, inclusivity, and equitable distribution of economic benefits. This could involve initiatives such as promoting participation for underprivileged groups, investing in infrastructure that benefits all residents, and fostering partnerships with community organisations to ensure that everyone can access and benefit from the opportunities created by the convention industry.

8. Climate and Nature Emergency Implications

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties requiring public bodies to contribute to climate change mitigation and to climate change adaptation, and to act sustainably. Relevant Council sustainable development policies have also been considered.
- 8.2 Business tourism can have negative climate and nature impact. Officers recognise that managing business tourism within the city is likely to increase, or at the very least maintain, the number of people travelling to the city, particularly by air.
- 8.3 Any arrangement will need to include measurable targets on carbon reduction within the activity delivered by the CB, including travel by sustainable modes, and wider use of natural resources.

9. Risk, policy, compliance, governance and community impact

- 9.1 The Visitor Levy (Scotland) Bill is clear that any income generated must be spent on “developing, supporting or sustaining facilities or services, which are substantially for or used by persons visiting the scheme area for leisure or business purposes”.
- 9.2 However, the Council and partners have not yet agreed an overall approach to how revenue raised from the Visitor Levy will be allocated and so there is no certainty that the visitor levy can be a source of funding for the CB in the future.
- 9.3 The business plan proposal to be submitted will therefore need to take this as well as other revenue streams into consideration.
- 9.4 It is anticipated that, should a plan to support convention activities for the city not be progressed until the outcome of the Visitor Levy Bill is known and (assuming that business tourism is supported) an Edinburgh Visitor Levy introduced, there are likely to be financial impacts for partners and reputational impacts for the city. These were outlined at length in the report submitted to Committee in April.

10. Background reading/external references

- 10.1 None.

11. Appendices

None