

EIF Business Case: Closer working with LBIA

EIF Ambition (<i>i.e. Sustainable Economy; Digital York; Reinvigorate York; Get York Moving; Economic Inclusion</i>):
Create Jobs, Grow the Economy

Proposal Summary: Outline the proposal for investment from the Economic Infrastructure Fund. Please outline the intended investment and the economic growth and employment benefits that this will provide.

Proposal summary (up to 2 sides A4)

Background

In the interest of facilitating greater international market connectivity and awareness of the York offer, the Council’s economic development and transport teams are working closely with the Leeds Bradford International Airport on the development of its strategic masterplan for the future, and are seeking to make maximum use of the Airport as a regional hub for international connectivity – facilitating greater trade between York and international markets, and equally encouraging greater interest from international markets in the York offer – for visitors, business, residents and students.

The Airport is currently undergoing a significant refurbishment, which is offering significant advertising opportunities for interested partners. Given the city’s support of the Airport’s recent development and its interest in working with the Airport on its internationalisation strategy, the Airports Commercial Team have offered a discounted package to the City of York for promotion of the city in key spaces around the terminal, arrivals and departures halls and lounges in the LBIA.

Strategic Need

The strategic need is defined by the York Economic Strategy as the need to enhance the city’s attraction of investment from as wide a market as possible – hence the city’s drive to internationalisation.

Strategic Fit

The project is a strong fit with Council Plan Priority 1: Create Jobs, Grow the Economy, and by extension, the city's York Economic Strategy Ambition 5: Coordinated attraction of investment to the city. By providing a coherent and comprehensive message to international audiences, the project will enable the city to reach a greater set of audiences and thus attract a greater number of visitors, businesses and students to the city.

Proposal

The proposal is to invest c. £10K in the design of a campaign, and c. £75K per annum for initially one year with the option of renewing that campaign on a rolling 12 month campaign.

Given the close working relationship of the Council to the Airport, there is mutual benefit to the campaign and thus the city is being offered a package that provides very good value for money. However, such a campaign could be rolled out with the option of considering further airport options in due course.

The **primary target audience** for the campaign is inbound passengers – both leisure and business, and our **primary target airlines would be** British Airways (particularly the London link flights but also other flights); Monarch and Ryanair.

The mechanism for generating interest via these target markets will be a strategically targeted campaign designed to build perceptions of the city as not only a great place to visit for history and heritage (for which the city is most widely known), but as a great place to visit for a wider audience as well as to invest as a business and student.

Specifically, the campaign will aim to attract:

- Leisure visitors – particularly those of younger and more diverse backgrounds
- Business visitors
- Inward investors
- Students

To develop the design concept, the proposal is to invest up to £10K in the design of a campaign that will showcase the city as a

dynamic modern but historic and unique city, with much to offer the visitor, business, student and potential resident market.

The campaign will then be rolled out at a cost of £75K per annum for a package of sites offered by Leeds Bradford Airport. With over 450 flights per week, LBIA will offer the city the opportunity to advertise to a market of 2.7 million passengers a year, from a total of 75 destinations, including cities in over 25 international countries.

The package offered includes:

- One (1) strategically positioned light box in International Arrivals
- A large section of International Arrivals corridor prior to Immigration
- Banner on the wall at top of stairs on entering the International Arrivals corridor
- The British Airways Baggage Belt 4 (A frame and 2 floor to ceiling wall vinyls)
- 100 Airport luggage trolleys (200 sides)

The proposal will be for a 12 month initial contract with LBIA with an option of renewing at the end of this period for a further 12 months.

Outcomes/outputs: Outline the proposed outcomes and outputs, detailing contribution to CYC economic, social and environmental targets.

Outcomes

- Increased awareness of the York offer with the international passengers arriving through LBIA
- A 10% increase in leisure and business visitor inquiries via Visit York and other official agencies promoting the city
- A 5% increase in inward investment inquiries via CYC and other official agencies promoting the city as a destination to do business
- A 10% increase in student enquiries at the University of York and York St. John University as well as York College and Askham Bryan College

<i>Contribution to economic targets</i>	
Direct Economic Growth	Primary impacts are indirect – see below
Indirect Economic Growth	Increased footfall via York’s visitor economy will have indirect supply chain impacts; contribution to increased business investment could have direct impact on GVA generated in the city
Direct jobs created	Primary jobs impacts are indirect – see below
Indirect jobs created	Supply chain impacts and business investment has the potential to generate local jobs.
<i>Contribution to social targets</i>	
By providing a boost to the city’s attraction of visitors and potential investment, the city is increasing its chances of providing a greater supply of jobs to enable the city to achieve fuller employment.	
<i>Contribution to environmental targets</i>	
Any attraction of new visitors to the city will see income generated by the city’s historic and newer attractions, which in turn will help in the upkeep of the city’s environment. The city will need to continue to work with providers to then identify options for public transport for connecting the Airport to the city – options, which when in place, can be promoted through this campaign.	

Timetable: Outline the proposed project timetable for the investment, including key milestones in the development, implementation and return stages.

Timetable
September 2013 – Design commissioned October 2013 – Installation of campaign at Airport March 2014 – Initial monitoring and evaluation report June 2014 – Second stage monitoring and evaluation report August 2014 - Cabinet decides on whether to renew contract

Financial Projection: Clarify the level of investment required along with the budget, per year, for the life of the proposal. Additional investment and income forecasts should be detailed, along with the amount of the investment that will be returned to the Fund.

Financial Projection	
Investment sought	£85K
Additional investments/income/funding	In kind support from partners
Recycled return on investment if any	
The intention is to generate greater footfall and investment in the city's economy – visitor, business and student markets – which if successful, will generate increased supply chain impacts, and thus an indirect increase in business rates – providing an indirect recycling of investment.	

Options: Outline the options explored and indicate the preferred option and how it was decided.

Options
<p>Option 1: Status Quo By not undertaking this opportunity and maintaining the status quo, the city will save the initial investment required and minimise the impact on resources for the Council and partners involved. However, the city also stands to lose out on the potential GVA and supply chain impacts of increased footfall projected by the project.</p> <p>Option 2: Investing in a one year, targeted campaign at LBIA The option presented in the report is the targeted campaign at LBIA. Given that there are other airports and ports of international travel with which the city could explore marketing, the opportunity to test the model at a relatively modest cost is only being made available by LBIA given the strategic relationship between the airport and CYC geographically.</p> <p>Option 3: Investing in a campaign at another airport or port, or multiple ports The ideal option would be to market the city at a full range of ports identified by target international markets, but the option is far too costly to justify the investment without the opportunity to test the model at a more modest package as offered by the option in this report.</p>

Other funding sought: Outline other funding options explored and whether there is potential for matching EIF funding with other sources.

Other Funding sources

Other public monies are not available for this activity.
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The EDU have sought funding from other partner organisations, but current budgets will not allow for such contributions from core funding.
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Project Team: Please provide basic information about partner organisations and key project team members. Indicate whether partners are contributing investment, staffing or other resources to the proposal and how they will benefit from the investment (if at all) relating this back to the anticipated benefits of the proposal.

Project Team (up to 500 words)

The team would consist of CYC Head of Economic Development and officers, as well as Visit York officers.
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Lead project manager details: Please provide a named contact person for communication with regards to the proposal.

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Position: Head of Economic Development

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Confidentiality: Administration of the Fund will be carried out in an open and transparent fashion. Please indicate any aspects of your proposal that you believe to be commercially confidential.

Confidentiality statement

N/A
