

Liverpool City Region – Business Events Strategy & Commercial Subvention Model

Project Tender Specification and Award Criteria

As part of our drive to enhance the competitiveness of the Liverpool City Region's Business Events sector, we are looking for industry experts to help shape a new Business Events strategy and commercial model. The contract will last for a period of three years and will require the successful company to work proactively across a variety of stakeholder partnerships, have excellent knowledge of the sector and be dynamic in their approach to revenue generation.

Contents	Section
Introduction	1
Background	2
Performance & Key Markets	3
Key Issues	4
The Brief	5
Governance	6
Project Timelines & Milestones	7
Format & Content of Submission	8
Contract Award Criteria	9
Budget	10
Contact Information	11

1. Introduction

As part of the drive to increase business events within the Liverpool City Region and ensure it is well placed to secure national and international conference business, the Liverpool City Region Growth Company (LCR Growth Co – jointly owned by the Local Enterprise Partnership and Combined Authority) and its partners have secured funding from the Liverpool City Region Strategic Investment Fund (SIF) to invest in the business events sector.

The project will run for three years commencing June 2019 and be delivered in conjunction with the region's convention bureaux and main venues including the Arena and Convention Centre Liverpool (ACCL) and the Southport Theatre and Convention Centre (STCC).

The key elements of the project are as follows:-

- **Business Events Strategy and Commercial Model** – Detailed development of a business events strategy for the Liverpool City Region, underpinned by a commercial model to sustain subvention funding through investment from the private sector.
- **Resource Development** – Enhanced resources of the Liverpool Convention Bureau (LCB) and Southport Convention Bureau (SCB) to develop the international/national day/multi day conference market (under 500) and extension of the Club Liverpool ambassador programme.
- **Transition Funding** – Time limited funding for the duration of the project that will help attract international/national multi day conferences to the city region over the next 3 years. These will focus on the national and under 500-delegate international conference market where lead times are shorter, as well as protecting and securing large-scale national/international conference business (2000 delegate plus) to the ACCL during this period.

As well as delivering the business tourism strategy and commercial model, the project will generate in the region of £12.5m in additional conference business supporting over 200 FTE jobs over the project period.

In addition to the LCR Growth Co, the project partners are Liverpool City Council, Sefton Council, the ACCL and Wirral Council. Private sector partners include Liverpool Football Club, the Liverpool BID Company, The Liverpool Hospitality Association and Liverpool ONE.

2. Background

The City Region's primary conference destinations are Liverpool and Southport. Liverpool's conference and events offer is wide ranging and covers a multitude of venues that include the ACCL, meeting/conference facilities in local hotels, those emerging in the city's theatres and most recently, the new facilities opened at Liverpool Football Club.

The STCC lies at the heart of Southport's conference offer. Through the resort's hotels and the Atkinson Arts Centre, there is additional capacity to host smaller scale events. The significance of the conference sector for both destinations is to generate demand out of core season and to fill hotel bed spaces mid-week (for multi day conferences).

As an emerging visitor destination, Wirral has prioritised business tourism within its new Visitor Economy strategy. Supporting its drive to increase staying visitors, the destination has ambitious plans to leverage the potential of its independent hotels, meeting venues and the Floral Pavilion Theatre to attract multi day conferences from the regional and national corporate and associations market.

In terms of resource, the Liverpool Convention Bureau (LCB) comprises 3.5 conference development officers that react to conference queries into the city and supports the ACCL in attracting larger scale national and international conferences. The Southport Convention Bureau (SCB) comprises one member of staff and is

responsible for lead generation and managing sales enquiries. The SCB also supports the STCC sales team who number 3.5 (currently subject to review of the management contract).

3. Performance & Key Markets

Conferences secured by the ACCL in 2017 amounted to 113,852 delegates equating to an economic impact of £140,277,246. Following research completed in 2014, UKCAMS¹ reported that there were approximately 13,200 business events at Liverpool venues (excluding the ACCL) that generated an estimated 663K delegates accounting for 992K event days. Estimated economic impact was £68.5 million.

For Southport, conferences at the STCC in 2016 generated £9.4m economic impact per annum equating to 24,320 delegate days. However, national conferences attracted to the resort have been in decline for the last 3 years peaking at 39 in 2009/10 with just 10 being won in 2017/18.

The main conference markets for the City Region are set out in the table below:-

Conference Type	ACCL	Liverpool Conference Venues	Southport Theatre & Convention Centre	Southport Conference Venues	Wirral
International Association – trade and professional associations and institutions, societies (professional and voluntary) educational and academic groups.	X	X			
National Association – trade and professional associations and institutions, societies (professional and voluntary), trade unions, educational and academic groups.	X	X	X		X
Corporate – Company meetings and training courses, annual general meetings, board meetings, sales meetings, product launches.	X	X		X	X
Government & Public Sector – events held by government departments and agencies, local authorities, the National Health Service, charities and similar public bodies	X	X	X		

4. Key Issues

As with many conference destinations across the UK, subvention funding is needed to ensure large scale venues like the ACCL and STCC can attract major national/international events and conferences, as well as allowing the City Region's Convention Bureau's to convert smaller conferences (under 500) for the region's mid-range conference venues. Planned reductions in public sector spending will mean that by 2020, existing mechanisms for generating subvention will be reduced to zero. A sustainable alternative is therefore needed if the City Region's business events infrastructure is to remain productive and support its wider growth aspirations.

Following a period of consultation with industry stakeholders, it is clear that the implications of not addressing this issue would impact most heavily on the ACCL who would struggle to attract and incentivise large-scale international rotating conferences of 2000 - 3000 delegates plus. The resulting impacts would see the venue

¹ UK Conference and Meetings Survey 2014

prioritising national corporate and association events/conferences where subvention is not so critical and compete by offering multi year deals incentivised by discounted venue hire. As such, the ACCL would stop bidding for rotating international associations/academic conferences and key national touring conferences such as the Labour Party Conference and the Royal College of Nursing. Finally, it would replace lost international business with smaller national/regional opportunities that are lower yield in terms staying delegate numbers and per capita spend.

Overall, the net effects would potentially be threefold; **firstly** the increased competition in lower yield markets would simply displace business from other venues in the city and wider city region to the ACCL. **Secondly**, by the very nature of these markets, the number of staying delegates will be significantly reduced, impacting negatively on discretionary spend and the levels of mid-week hotel occupancy the region is able to secure. **Thirdly**, there would be a direct reduction in the sector's ability to support the region's academic and industry strengths - minimising opportunities to internationalise the region's institutions and identified growth sectors.

For the smaller multi day conferences and events (under 500), there are opportunities for the city and City Region as a whole to exploit with improved co ordination and delivery. Whilst the region's convention bureaus (LCB and SCB), conference venues and hotels are more reactive than proactive in winning business, the combination of being able to access subvention support and developing a strategic approach to researching, targeting and bidding could make them far more effective in attracting international/national corporate and association conference opportunities. This is a key aspiration the City Region is striving to achieve, however without a clear business growth strategy or mechanism for generating or allocating subvention funding, the region appears to be restricting its own growth potential.

5. The Brief

Based on the key issues identified above, external expertise is required to develop new business tourism strategy for the Liverpool City Region. The intention is to increase the competitiveness of the region in bidding for lucrative conference/business events activity as well as improving the alignment between the region's destinations, venues and the convention bureaus in converting leads/enquiries. In creating the level of subvention that will enable the City Region to enter these markets, detailed commercial modelling and engagement with the private sector will be a prerequisite to ensure the end solution is sustainable, well governed and the necessary business rules are in place.

The intention is to complete the initial core modelling over a 6 – 9 month period commencing August/September 2019. This will allow the project to concentrate on providing the level of transitional subvention funding needed to generate conference business up to 2021/22, while the new subvention model will underpin conference bidding from 2022/23. Similarly, it will also guide the strengthened resource within the convention bureaus to increase their own commissionable income based on the additional conference business they will place.

To ensure the subvention model is fit for purpose, external expertise is sought and will be retained during the full three years of the project to develop, challenge and refine the model.

In developing the LCR business tourism strategy, it is anticipated that the core components of the brief will include, but not be limited to the following areas:-

1. Evaluating key conference markets that have been identified by project partners and establish an integrated 5-year sales and marketing plan for the conference offer of Liverpool and Southport.
2. As an emerging conference destination, establish a business events market development plan for Wirral that will a) enable it to capitalise on its proximity to Liverpool, and b) identify the actions and opportunities for attracting more corporate meetings, events and multi day conferences as a destination in its own right.
3. Defining the role of the LCB as a strategic lead for business tourism across the Liverpool City Region in terms of:-

- Supporting the ACCL in winning international conference business.
 - Opportunities for greater integration with the SCB to attract more national conferences to Southport.
 - Leading work with Liverpool, Wirral and other City Region venues to grow the under 500 international conference market through the Club Liverpool Ambassador Programme.
 - Co ordinating research to target conference buyers as well as establishing lead times, building relations and mapping venues.
 - Providing bid development capability and strategic support to venues bidding for conference business in their own right.
4. Developing the Commercial Model – Establishing a new and sustainable approach to subvention for the Liverpool City Region that will support conference bidding. Key elements to be considered within the modelling include: -
- Options and final recommendations for generating subvention funds from hotels based on economic impact of international conference attracted to the ACCL. Following initial consultation and comparisons with other destinations, areas for consideration could include: -
 - **Tiered Radius** – whereby those hotels located close to the ACCL contribute more to bid development and subvention costs on the basis that they are likely to benefit more from staying delegates and discretionary spend.
 - **Preferential** - whereby those choosing to invest will have first call on delegate business.
 - **Targeted** – whereby those hotels meeting the conference profile (grading, quality, facilities etc.) will be asked to support bid development and subvention etc. on the basis that they will be the most likely beneficiaries of increased business.
 - **Commissions** – whereby those hotels benefitting from ACCL conference business increase the level of commission paid on accommodation bookings.
 - Options and final recommendation for generating subvention funds to support bidding for medium sized international and national conference markets. Potentially based on the variation of proposals for the ACCL model (above).
 - Options and final recommendations for a commission based system to support the work of the LCB and SCB. Areas for consideration include: -
 - **Convention Bureau Membership** – basic benefits in terms of listings and referrals etc. plus advice/guidance around bidding for conferences etc.
 - **Flat Fee** - LCB receiving a set fee from venues/hoteliers in exchange for the delivery of a set number of conferences/bed nights per annum – over and above the LCB contribution.
 - **Variable Commission** – Alternative to flat fee arrangement with income based on performance (i.e. number of conferences held in venue/bed nights generated).
 - Based on the above recommendations, a detailed appraisal model to determine the level of subvention awarded to conferences the Liverpool City Region is considering bidding for. This must include the economic impact a conference would bring in terms of staying visitor numbers/nights and levels of discretionary spend and the broader strategic benefits to the region's wider economy (profile, investment opportunities, growth sector fit etc.).
 - Governance arrangements for the delivery of the new model and the relationship with the City Region's Visitor Economy Board and sub boards including the Liverpool Visitor Economy Network Board, Marketing Southport Board and Wirral Visitor Economy Board.

5. Change Management – Developing a clear implementation framework for the commercial subvention model that will allow for a period of testing and refinement before it is fully adopted by the private sector. This will include managing the process of business change with key partners through the development of business rules, governance and reporting systems.

Once the process of challenging these conceptual ideas has been completed, the requirement will be to undertake modelling around projecting revenue, assessing market opportunities, risk management and governance. The services of the successful tenderer will be retained during the funding period to review and adjust the model to minimise any risk of private sector partners failing to adopt the model on completion of the strategy.

Through funding that has been received from Visit England in support of this initiative, there will also be a requirement to share the commercial model to other English business events/conference destinations to support the development and competitiveness of the sector nationally through best practice.

6. Business Events Strategy & Commercial Model: Governance

In terms of governance, a Project Delivery Group will be established comprising project partners and Visit England. The project will be led by the LCR Growth Co as the lead applicant. The group will be accountable to the Project Board, who in turn is responsible to the region’s Visitor Economy Board (VEB) and Liverpool City Region Combined Authority. The VEB comprises business tourism specialists as well as representatives from each of the region’s visitor economy networks.

The Delivery Group and Project Board will be the primary point of contact for the consultancy team. These groups will be responsible for delivering the project as well as evolving into the City Region’s key strategic group for taking forward the new commercial model and business tourism strategy during the project and once it completes. This responds directly to the demands of private sector for greater involvement in decision making in conference market development across the City Region as well as establishing a mechanism for them to take ownership of subvention funding in the long term.

7. Project Timelines & Milestones

Milestone Activity	Timescales
Procurement and Appointment External Expertise	July – August 2019 (see below)
Project Start – LCR Business Tourism Strategy & Commercial Model Development	September 2019
Project Delivery	September 2019 – March 2022
Completion of LCR Business Tourism Strategy & Commercial Modelling (1 st Phase)	January/February 2020
Testing & Development	March 2020 – July 2020
Adoption by private sector	January 2021
On-going development & refinement	January 2021 – May 2022

Project procurement, award and initiation will need to be progressed within an acute timeframe. In order to provide bidders with key milestones, the timeline below indicates the response time and proposed interview window:

Milestone	w/c 22/7	w/c 5/8	w/c 12/8	w/c 19/8	w/c 2/9	w/c 9/9
Project Specification Issued						
Submissions / Tenders received						
Written submission evaluation						
Interviews						
Award						
Inception meetings						

8. Format & Content of Submission

Guidance for the submission of tenders is as follows:-

- Submissions should be in MS Word or PDF formats and not exceed 10 sides of A4.
- Appendices can also be attached to submissions and clearly referenced, including testimonials, case studies, and process/evidentiary documentation.
- Submissions should be based on the questions set out below and provide a clear indication of how resources will be deployed and apportioned, including the necessary supporting systems and tools needed to fulfil the brief, factored into the overarching cost schedule.
- Biography/Pen Portraits of the key personnel and their relevant professional experience and qualifications should be included.
- Measures and approach to managing/mitigating project risks should also be outlined.
- Those progressing to the presentation stage will have Microsoft Power Point facilities made available to them. Presentations should **last no long that 1 hour.**

COMPLETED TENDERS SHOULD BE SUBMITTED BY EMAIL to info@liverpoollep.org BY 5pm on Wednesday 7th August 2019.

9. Contract Award Criteria

Contracts awarded to Contractors will be based on those offers that are the most economically advantageous to the Liverpool City Region Growth Company based upon the following criteria:

Price 40%
Quality 60%

Quality and price submissions will be evaluated separately, and price will not be the sole deciding factor. This helps to ensure that quality evaluations are as effective and fair as possible.

Quality Criteria

The quality criteria will be assessed against a written submission and a presentation to be held at the Liverpool City Growth Company Offices, 1 Mann Island, Liverpool. L3 1BP. In order to progress to the presentation stage, the first part of the quality assessment will be based on your responses to the following questions that are intended to help you outline your approach for delivering the project brief:-

- Please outline the methodology you will adopt for delivering the commercial model and business events strategy - 34%
- Please provide an overview of the relevant experience and expertise you will bring to the project in terms of the composition of the delivery team - 33%
- Please provide details of your track record in terms of developing strategies and commercial models of this nature and who your previous clients have included - 33%

The responses to the questions are equally weighted with those scoring 75% or higher progressing to the presentation stage. This will be based on the combined total of the quality and price submission.

The presentations will take place on **Wednesday 14th August** (you will be advised of the time in due course) and are intended to help the project team gain greater insight about your outline proposal. A maximum of one hour will be allowed for the presentation and it should be focussed on the following areas of your initial submission:-

- The methodology and implementation plan. (50%)
- The approach for delivering and managing the project within the fixed delivery timescales. (25%)
- The approach for refining the commercial model once the initial development phase has been completed. (25%).

The final score for the quality submission will be a combined total of the written submission and presentation. This will be weighted 60/40% in favour of the presentation.

The scoring mechanism for scored questions will be detailed as follows unless stated otherwise.

Score	Meaning
0	Unacceptable response. Requirement level is not met. Many important issues are completely un-addressed or response wholly inadequate or inappropriate. Concerns are serious and risk levels unacceptable for many areas.
2	Poor response. Requirement levels are adequate for only some important issues. Some important issues are largely incomplete. Concerns are serious and risk levels unacceptable for some areas.
4	Adequate response. Requirement level is partially met. Overall the proposals are satisfactory, but some issues are weak. Risk levels apply but Bidder has demonstrated understanding of how they will meet all minimum requirements.
6	Good response. Requirement level is partially met, competence is demonstrated in all areas but there is scope for more detail and more depth in some areas.
8	Very good response. Requirement level is met with only a few minor weaknesses or queries. Competent bid demonstrating overall understanding of requirements and experience in all areas.
10	Excellent response. Requirement level fully met. All key issues addressed. Range of examples of good practice, experience, understanding of requirements.

References

Please provide details of two comparable projects undertaken for clients within the Visitor Economy Sector.

Terms & Conditions

LCR Growth Co standard legal terms and conditions will be used to govern procurement and contract management. These arrangements will be confirmed on completion of the tender process. Please note the LCR Growth Co does not negotiate these standard terms as they are considered to be fair and reasonable.

10. Budget

Please note that tenders exceeding £100K (excluding VAT) will not be considered for this project. All tenders should be inclusive of travel and accommodation. The LCR Growth Co will provide meeting facilities for the various consultation and stakeholder events that will be required as part of the development process.

11. Contact Information

For further information please contact:-

Peter Sandman
Head of Visitor Economy
Liverpool City Region Growth Company
Tel: 0151 237 3916
Email: peter.sandman@liverpoollep.org