

WMCA Board

Date	14 February 2020
Report title	Intelligent Transport Systems World Congress 2024 Bid
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Report has been considered by	WMCA Programme Board Met Authority Finance Directors

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Approve submission of a UK bid in partnership with the Department for Transport to host the ITS (Intelligent Transport Systems) World Congress in 2024. This will be hosted with ERTICO (the wider European professional body for Intelligent Transport Systems).
- (2) Approve delegation of the authority to Officers as set out in Section 6.0 of this report.

The WMCA Board is recommended to note:

- (3) The strategic alignment of the event as a major world trade show (the largest that the region will have hosted) with the WMCA's strategic agenda to de-carbonise the transport system and accelerate its response to the Local Industrial Strategy automotive and clean future mobility challenges.

- (4) The timescales and funding mechanism set-out in Section 7.0 and Appendix 1 and that the proposal is a self-funding initiative which can be managed within existing budgets; and which also has in-principle industry support and significant financial support from the Department for Transport.

1.0 Purpose

- 1.1 To outline the background and rationale for the bid to host the ITS World Congress in 2024; and to seek necessary approvals to submit the bid and undertake associated commercial negotiations and contracting should the bid be successful.
- 1.2 Whilst the level of financial implication is positive and within delegated levels, the activity is outside of normal business and the reputational significance is such that it was felt appropriate to seek the view of the WMCA Board.
- 1.3 The bid timescales (outside of our control), with a deadline for submission on the Monday immediately following the Board, means there is little latitude for the Board to shape the bid. The Board's decision is primarily around whether to submit the bid or not. An early report was not possible due to the bid process and need to establish Department for Transport support and financial implications.

2.0 Background

- 2.1 The Intelligent Transport Systems (ITS) World Congress is a large-scale, prestigious trade and academic conference event in the field of Transport Technology / Intelligent Mobility. In 2019 it was hosted in Singapore and attracted 14,500 delegates and 800 speakers from over 150 countries worldwide.
- 2.2 The event is jointly run by industry associations covering the Americas (ITS America), Asia-Pacific (ITS Asia-Pacific) and Europe / Middle East and Africa (ERTICO). The Congress is held annually and rotates between the three regions. The event includes seminars, exhibitions, demonstrations and off-site technical visits for delegates to see the latest technologies deployed in the region hosting the event.
- 2.3 Linked to the event are a Gala Dinner for attendees, a dinner for key VIP stakeholders and a Leaders roundtable (ITS Summit) which attracts senior politicians from around the World.
- 2.4 The event also features a programme of outreach events, such as a public day to promote intelligent mobility to a wider audience. Also included are initiatives targeted young people such as educational outreach and graduate challenges.
- 2.5 Typically, as well as the formal activities, there are substantial fringe events held by ITS Associations, Suppliers and Consultants during the Congress week and before / after the event itself.
- 2.6 In addition to the immediate trade, industry and academic opportunities associated with an event of this nature there are significant regional economy benefits. Monitoring undertaken at previous Congresses has reported excellent value for money, for example:
 - ITS European Congress in Eindhoven returned a 5:1 investment on every euro spent (despite a being smaller scale event)

- ITS World Congress in Melbourne 2016 returned an equivalent of £21 million to the local economy
- 2.7 After discussions with and encouragement from DfT, ITS UK (the UK's trade body) and key local partners (inc West Midlands Growth Company), WMCA submitted an expression of interest to host the ITS World Congress in 2024 to ERTICO.
- 2.8 In line with the aspirations of the intelligent transport agenda generally our understanding is that ERTICO and the ITS World Congress Association intend all future events including the 2024 Congress to be CO2 neutral with exhibitors and delegates being supported to off-set their impact of attending. This is a commitment substantially supported by ITS organisations not the host region, albeit that does have some local responsibilities. By the nature of the travel to the event (over 10,000 overseas visitors) many will arrive by train and air (including coach based airlink services). Car based access is expected to be relatively small and sustainable access will be heavily promoted and supported including complementary public transport use.
- 2.9 The UK, through the West Midlands application, have passed the expression of interest stage and have been invited to submit a full bid. Our understanding is that Dubai and Zurich are also shortlisted and informal sounds suggest that a UK bid is likely to be a very strong contender.

3.0 Strategic Alignment to the West Midlands Agenda

- 3.1 Holding the event would be prestigious for the West Midlands, aligns to the Industrial Strategy and Regional Tourism Strategy as well offering significant opportunities to ensure a legacy impact. The UK last held the World Congress in London in 2006 and the European Congress in Glasgow in 2016.
- 3.2 We have targeted hosting the event in 2024, as we believe it will be well timed. The region can showcase the transport infrastructure being developed throughout the whole West Midlands region including Regional Transport Coordination Centre, Sprint, Midlands Metro, new railway stations, very light rail in Coventry and Dudley, as well as the legacy of innovations put in place to host the Coventry City of Culture and Commonwealth Games in 2022.
- 3.3 The event allows us to showcase our technology developments around autonomous vehicles, 5G, Mobility as a Service, the work of Energy Capital and local Energy Innovation Zones. Many of these initiatives will have matured to deliver tangible demonstrators and legacy during prior 12 months and will have aimed to enter business as usual (whilst remaining cutting edge and of interest internationally). As well as core Local Authority / LEP / WMCA / TfWM supported activities there will be a focus on promoting initiatives / projects related to industrial and further education partners (from product launches to start-up activity).
- 3.4 Technical visits would be arranged to key academic, transport and automotive sites throughout the seven West Midlands authorities such as Birmingham New Street, Wolverhampton Station, the RTCC, WMG at University of Warwick, major local manufacturers, SMEs, Highways England Control Centres at Quinton and the Dudley Hub to Home Transport Innovation Centre.

- 3.5 These visits would be an opportunity for organisations throughout the West Midlands to establish international collaborations, academic / commercial partnerships and drive inward investment, particularly for local industry. This ties into the Midlands Future Mobility initiative (<https://midlandsfuturemobility.co.uk/>) and reinforces the message to the world that the Midlands is place to come to develop, test and deploy innovative transport systems.
- 3.6 In addition to the Congress events there is an excellent opportunity to promote further investment in the region related to our growth ambitions and wider priorities, especially climate change, skills and health. There is a particularly valuable opportunity to form strong tourist and visitor offers across the wider area. These will be an important offer and attraction for delegates and can be expected to encourage some to arrive earlier or stay longer to visit, for example, Shakespeare's birthplace, Warwick Castle or the Black Country living museum.

4.0 Stakeholder Engagement

- 4.1 The event offers a unique opportunity to engage the general public, researchers and students to promote activities already being carried out by WMCA and our partner authorities. This also gives an involvement from industry, particularly relating to the potential for marketing and recruiting high-skilled jobs. The event supports the transport skills academy work being undertaken as part of the Regional Transport Coordination Centre and is an opportunity to upskill and share knowledge with transport and automotive professionals across the UK's professional communities.
- 4.2 WMCA have had strong support from national government and industry to bid for the event. Over a dozen significant industrial organisations have already pledged in-principle support and sponsorship and the Department for Transport (with explicit Secretary of State support) have become bid partners and will provide financial support.
- 4.3 As part of planning for the event, we have been engaging key stakeholders within the UK industry with experience in the organisation of the event such as ITS UK, Department for Transport and Private Sector organisations who regularly attend the World Congress. We have also had extensive discussions with the NEC Group as the NEC is the proposed venue for the Birmingham bid.

5.0 Venue and Locations

- 5.1 An important criterion for the decision makers is the ability to hold the exhibition and academic conference in a single cohesive location. The only venue in the Midlands capable of doing this for an event of this size is the NEC. If successful, this will be the largest single event they have hosted and as such is a valuable strategic demonstrator of capability for them.
- 5.2 In terms of accommodation as part of the bid normal channels of securing, booking and promoting accommodation will be followed, working with West Midlands Growth Company who have been engaged throughout the bid process.

- 5.3 Part of the proposal includes promoting the cultural and visitor experience for the whole region, and as such evening entertainment and trips and ancillary events will be planned and offered. The objective will be to encourage a wider distribution of hotel activity and engagement with the local offers of centres across the WMCA area.

6.0 Delivery Governance

- 6.1 In order to manage the negotiation of detailed commercial terms effectively and efficiently WMCA is recommended to delegate its powers in respect of this initiative to the Managing Director, TfWM and Director of Policy, Strategy and Innovation, TfWM (working in close liaison with the Finance Director, WMCA) in order to:

6.1.1 Act on behalf of TfWM and WMCA as the lead body in delivering the programme in full partnership with the constituent Local Authorities.

6.1.2 Form a West Midlands stakeholder steering group including a representative of STOG (strategic transport officers working at Director level from constituent and non-constituent Authorities).

6.1.3 Operate through TfWM and the WMCA's standard assurance, governance and Member oversight processes to shape and deliver the programme.

- 6.2 The initiative will be delivered and resourced alongside existing transport innovation programmes to maximise project management efficiencies and the use of scarce technical skill sets. As part of this the existing structure of Officer based partnership delivery boards for Transport Innovation (covering the Black Country, Birmingham, Solihull and Coventry) will ensure integration with all local programmes and will co-develop any necessary Local Authority Cabinet or Cabinet Member briefings which are required support the event if the bid is successful.

7.0 Next Steps

- 7.1 Next steps and anticipated timescales for the bidding process are as follows

- February 17th 2020: Submission of bid to ERTICO
- May 18-21st 2020: Attendance at ITS European Congress – this is an opportunity to engage stakeholders within ERTICO and ITS Industry to reinforce our bid messages. Key to this attendance of senior Politicians at the event and ITS Summit
- Late June 2020: Presentation and Interview at ERTICO offices in Brussels
- July / August 2020: ERTICO inform who is preferred bidder and contract negotiations to commence
- September 2020: ERTICO Board makes internal decision sign off of bidder.
- October 2020: Announcement of winning bidder (most likely at the 2020 ITS World Congress in Los Angeles). There would be significant media opportunities around this announcement.

8.0 Wider WMCA / Geographic Implications

- 8.1 Hosting the event supports the goal of the Regional Tourist Strategy to show that the region is well placed to host major events and build upon hosting the UK City of Culture and Commonwealth Games.
- 8.2 The event is a significant opportunity to attract over 15,000 visitors from the UK and abroad from key markets in the US, Middle East and Asia. These visitors will be of a senior level and accustomed to spending significant sums on accommodation, food and drink, recreation, transport and indirect expenditure and so the event will provide many benefits to the local economy.
- 8.3 WMCA will work through the West Midlands Growth Company to develop a strategy to maximise economic tourism opportunities resulting from the event throughout the region.
- 8.4 This strategy will allow us to market the West Midlands region to conference attendees and to encourage visits by their partners and families. This will include providing a travel portal for conference attendees, so that they can identify where to stay, eat and enjoy leisure activities.
- 8.5 We will implement a monitoring and evaluation framework to ensure we track benefits from the event.
- 8.6 A key part of our strategy will also be to maximise the media opportunities through TV, Social Media and Print. The indoor demonstration area at the event will be a major opportunity for media coverage. We also work with Combined Authority and Council Media teams to ensure coverage of senior politicians.
- 8.7 We will work with key industry partners to use the event to major make announcements, again increasing coverage. Previous Congresses have seen major vehicle manufacturers announce new initiatives and vehicles and their local technology industry significantly grow and embrace new international markets.
- 8.8 A key part of the offer we will provide to attendees is organised trips and tours to local cultural destinations throughout the West Midlands and surrounding area. This would also encourage return visits from delegates and their families.
- 8.9 Attendees will be offered a seamless mobility as a service application covering their transport needs from arrival in the UK to departure, encouraging low carbon and efficient travel. This could be offered as a significant tool for future tourist and business visitors to the region.
- 8.10 We also anticipate a series of outreach and satellite events to promote the region in the run up to the event in the 2024 and during the event itself. There are significant opportunities for these to be hosted throughout the West Midlands benefitting the whole region.
- 8.11 The NEC will also benefit significantly from the visitors and exhibitors attending the event. The event is large even for the NEC and helps promote the NEC Campus as a world leading facility for business to business events.

- 8.12 We also anticipate significant benefits for Birmingham Airport as its proximity to the NEC would suggest that many international visitors will fly directly to the airport. A key part of our strategy will be to encourage visitors to use the airport, instead of Heathrow, promoting the Airport as Gateway to the UK.
- 8.13 Hosting the event also gives opportunities for the gaming and creative sector centred around Coventry and Leamington Spa to provide interactive content and demonstrations for exhibitors at the event.

9.0 Financial Implications

- 9.1 The required finance model for running the ITS World Congress is a split of costs between ERTICO (the awarding authority for the bid) and the Local Host accountable body (WMCA).
- 9.2 Conditions prescribe that the local host's costs relate to specific items which have significant local promotional opportunities including:
- Providing a local team to support, organise and promote the event in the years running up to the event
 - Organising key events such as opening / closing ceremony, gala dinner, VIP dinner and ITS Summit
 - Organising demonstrations and technical visits
 - Providing inclusive transport for ticketed delegates (circa 3000 attendees)
- 9.3 ERTICO would be responsible for funding the remaining costs including hall hire and conference organisation.
- 9.4 As part of the bid and contract negotiation with ERTICO in July / August we will have an opportunity to refine the bid financial model to confirm a detailed commercial model that can recoup our costs. This covers:
- Fees from delegates to attend gala dinner
 - Fees from demonstrators to demonstrate at the event
 - Sponsorship
 - Commission on ticket sales and exhibition space sales
 - Funding from Visit Britain to cover outreach events during bidding and
- 9.5 There is also potential for selling added value services from the Midlands Future Mobility initiative around consultancy, testing and safety tests for exhibitors and demonstrators.
- 9.6 The financial model for the bid sets out a conservative commercial model which would cover our costs from organising the event and potentially provide a small surplus that can be used to cover legacy activities as a result of the event, e.g. providing an element of revenue funding for innovation activities, encouraging skills development or ongoing promotion of the region's innovation activities.
- 9.7 Due to commercial sensitives, details of the specific costings and income assumptions are contained in a private item appendix (Appendix 1). Inflation and 20% contingency have been applied to costings.

- 9.8 We have robustly benchmarked the costings and income against other ITS World Congress held in Europe: the Copenhagen one that occurred in 2018 and plans from Hamburg who will be hosting in 2021. We have also spoken to the organisers of the ITS World Congress in Brisbane in 2016 and key people from ITS America to give an international view on the event.
- 9.9 We have also identified the need for insurance for hosting in the event of Force Majeure and this is covered in our costings.
- 9.10 As part of the bidding process we have been asking public sector, academic and private sector partners to support the bid and express interest in sponsorship. We have had excellent response from the private sector with over 40 organisations expressing support ranging from SMEs to large scale multi-nationals and significant pledges of support both in cash terms and in-kind contributions.
- 9.11 In the event that sponsorship and other variable income identified at risk in Appendix 1 could not be recovered it is proposed to use earmarked reserves currently set aside for TfWM's transport capital investment.

10.0 Legal Implications

- 10.1 The WMCA has powers under the Local Government Act 1972 to encourage visitors to the region and to provide conference and other facilities. There are two main legal considerations for the event: the Contract with ERTICO and the approach around Sponsorship. Each of these covered below:

Contract with ERTICO

- 10.2 If successful, we shall need to agree a contract with ERTICO which will outline both parties' responsibilities and the commercial model.
- 10.3 ERTICO will be responsible for procurement of their responsibilities.
- 10.4 Regarding our responsibilities, we have two options around how we deliver this:
- TfWM procure directly any requirements, which will require legal and procurement support. This may be as one package through a professional conference organiser
 - TfWM grant fund ERTICO to undertake our responsibilities, which saves direct procurement needs but may not be as effective to us financially.
- 10.5 Of these two options, the direct procurement approach is seen to be preferred for allowing better control and value for money. Legal advice will be required at the time to ensure the most compliant route is taken in relation to procurement law requirements.

Sponsorship

- 10.6 As part of hosting the event, we shall be seeking sponsorship from the private sector. All sponsorship offers will be subject to agreed principles as following:
- Typically sponsors we shall seek to recruit are those involved in the transport and innovation space or those who have a significant local employment in the area. Regardless, Sponsors will need to be seen to be aligned to WMCA and Local Authority stated aims.
 - It will be made clear to sponsors that their Sponsorship purely for the event and offers no inducement to provide any additional services.
 - Consideration will take place of any procurement exercises ongoing and if there is a potential concern that a Sponsor may be seen as a conflict of interest to WMCA or partner authorities, we shall seek advice from legal and procurement before proceeding with sponsorship.
 - A sponsorship contract will be agreed with the relevant party outlining the sponsorship fee or benefits provided, what is provided in return and any conditions around return of sponsorship fee.
 - Care will need to be taken to ensure that sponsoring bodies are not involved in activity that is counter to the stated aims, policies and values of the WMCA
- 10.7 We shall either recruit or second people with experience of sponsorship in the public sector or appoint a company with sufficient skills and experience in this matter.

11.0 Equalities and Inclusive Growth Implications

- 11.1 We shall use the build-up and hosting of the ITS World Congress as a catalyst for qualities and inclusive growth opportunities. A key strength for the region is the diversity of our population and workforce, and this is an area we will promote throughout the event. We will identify opportunities for those groups that are typically under-represented at these types of event, particularly Women and young people.
- 11.2 We shall work with the Young Persons Combined Authority Board to develop a programme of outreach events to encourage skills development and job opportunities in what is a highly skilled, relatively well paid and rewarding area of transportation. We also look to the Young Persons Board to host a young persons' roundtable at the event.
- 11.3 We also work with the region's Universities, Schools and Colleges to encourage participation of students through volunteering, monitoring and competition opportunities.
- 11.4 The organisation of the event provides specific opportunities for work experience and placements in the field of leisure and tourism as well as the technical fields related to transport technology.
- 11.5 The event is an important opportunity to highlight the successes of Women in the industry and we will focus on encouraging them to speak, take part and exhibit.

- 11.6 In order to reduce barriers to working parents we can offer childcare at the venue to encourage those with families to take part, who often struggle to attend for these reasons.
- 11.7 A key consideration for the event is how technologies can be used to improve access for all, but particularly those with disabilities. By hosting the event we can promote the initiatives being pioneered by the West Midlands but also obtain best practice from elsewhere in the World.
- 11.8 We are seeking to ensure that the event is accessible for all, including those with disabilities and that it will be communicated widely to ensure attendance of a wide range of regional stakeholders.

Appendices:

- Financial / commercial model (private agenda item no. 19)