

## BUSINESS CASE

<b>Title:</b>	MIPIM 2018
<b>Prepared for:</b>	LEP Board
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### 1. Background/context

MIPIM is the premier international property market expo. Its main event is held in Cannes each March, attracting around 25,000 attendees including property professionals, developers, investors, governments, regions, cities and local authorities. In 2017 Cheshire & Warrington exhibited at MIPIM for the first time, taking a small stand and hosting a number of events (on and off stand) with partners.

### 2. Why attend MIPIM?

There are five main reasons for Cheshire & Warrington LEP to attend MIPIM:

- 1) **Raise the overall profile/brand of Cheshire & Warrington** - with investors, developers and intermediaries, not only with those attending MIPIM, but also generating significant media coverage at home. Last year we gained significant media coverage including Estates Gazette, Property Week and Place NW, the estimated value of which was £600k.
- 2) **Market specific investment/development opportunities** – the key function of attending MIPIM is to showcase the region’s current portfolio of prospective investors/developers. Last year we presented the Cheshire Science Corridor, Constellation and Chester and Warrington city/town centre schemes.
- 3) **Raise profile with government** – last year the UK government had a significant presence at MIPIM, including a DIT pavilion and attendance by a number of ministers and senior civil servants. The Cheshire & Warrington stand was visited by two government ministers and DIT civil servants attended the Cheshire Science Corridor event. Our presence at MIPIM is an important demonstration to government that we are serious as a sub-region about inward investment.
- 4) **Build regional business networks** – last year we brought together 19 partners as sponsors of the Cheshire & Warrington delegation. This not only cross-subsidises the cost of attending MIPIM for the LEP but also builds relationships and networks amongst Cheshire and Warrington based businesses and creates a pool of ambassadors able to sell the sub-region and its investment opportunities.
- 5) **Our competitors are there** – competition for inward investment between UK regions and internationally is fierce, especially in light of Brexit and the UK’s cities and regions are increasingly represented at MIPIM each year raising the profile of their areas and competing for investment. The city-regions in particular invest heavily in MIPIM, with high profile stands or pavilions and very large delegations. The Cheshire &

Warrington presence at MIPIM last year was relatively modest compared with the likes of the Liverpool and Manchester and even smaller cities/regions such as Stoke & Staffordshire.

### **3. MIPIM 2017**

Last year's MIPIM undoubtedly raised Cheshire & Warrington's profile and in particular the profile of the two key investment propositions we marketed – the Cheshire Science Corridor and Constellation. It is clear that these two propositions have considerable attraction, regionally, nationally and internationally and after MIPIM they have continued to receive continued media coverage.

It is difficult to identify investment directly as a result of attendance at MIPIM as it forms part of an area's wider place marketing strategy and activities and land and property development/investment is by nature a long-term process. However, it is usually either a starting point in the development of new relationships or it strengthens existing relationships. Attendance at MIPIM is also an efficient use of staff time, allowing staff to undertake an intensive period of business development. Staff can see more people in the four-day period at MIPIM than they could in many months of normal business development activity at home.

A key success from last year was the creation of a solid partnership of regional businesses engaging with the LEP through MIPIM. Cheshire & Warrington took a strong delegation to MIPIM 2017. Our sponsors included property professionals, landowners and developers, many of whom want to support Cheshire & Warrington, but have not hitherto had the opportunity or means. The feedback from partners attending MIPIM 2017 was extremely positive and are encouraging us to be more ambitious about MIPIM and marketing the region in the future.

In terms of direct outputs from last year's MIPIM, we held the following events:

- Cheshire Science Corridor breakfast seminar, hosted by Addleshaw Goddard and attended by over 50 delegates
- Crewe masterplan launch, hosted by CBRE and attended by c.30 delegates
- Launch of the Constellation brand in conjunction with Stoke & Staffordshire, attended by c.50 delegates
- On-stand Chester city centre developments presentation by Guy Butler of Glenbrook
- On-stand Warrington city centre presentation by Mike Horner of Muse Developments
- On-stand Constellation event with Pete Waterman and Jackie Sadek
- On-stand Cheshire gin and cheese tasting event – held towards the end of MIPIM and by far our most popular event of the week
- Cheshire Science Corridor dinner attended by 8 guests

The Cheshire Science Corridor Growth Director made 35 individual new contacts, as a result of which he has introduced two new developers to the Cheshire Science corridor who are showing a strong interest in one of the EZ sites and the LEP has been invited by the DIT Infrastructure Investment team to package together a portfolio of investment opportunities in the Cheshire Science Corridor for presentation to overseas sovereign wealth funds.

#### 4. The proposal for MIPIM 2018

The proposal for MIPIM 2018 is to take a larger stand in a more prominent position. Marketing Cheshire has negotiated a stand 70% larger stand than last year's in a better location inside the Palais de Festival (the main MIPIM conference venue) but for only 50% increase in cost. This would allow us to create a 'home base' for Cheshire & Warrington sponsors and delegates and enable us to host bigger and better on-stand events. Importantly it would allow us to offer space for meetings and refreshments – which is a definite draw to stands. The activity on and around the stand would be supplemented by a series of off-stand events and Marketing Cheshire is already in discussions with Addleshaw Goddard and CBRE about hosting/sponsoring Cheshire & Warrington events at their villas/apartments once again.

In terms of marketing opportunities at MIPIM 2018, we would once again be taking the Cheshire Science Corridor and Constellation, with specific investment/development opportunities arising from the new EZ Investment Strategy and Constellation. In addition, this year we have the ambitious vision and plans for Warrington 'New City' to present at MIPIM and the proposals to create an Energy Innovation District in Ellesmere Port.

#### 5. Finances

Last year the total cost of the Cheshire & Warrington presence at MIPM was just under £65k. We received c.£31k in direct sponsorship from partners, which meant that the direct cost to the LEP was c.£34k. In addition, we secured an estimated £20k in in-kind sponsorship with partners such as Addleshaw Goddard and CBRE loaning us the use of their villas/apartments and attracted media coverage worth an estimated £600k.

The table below sets out the proposed budget for MIPIM 2018:

<b>Element</b>	<b>Cost</b>
Stand space (inc. 4 free passes)	27,600
Stand design and production	12,400
MIPIM passes	4,000
Marketing Cheshire support	16,000
Promotional materials/events	6,000
Flights and accommodation	10,000
<b>Total</b>	<b>76,000</b>

The financial model for MIPIM is to appoint Marketing Cheshire to organise and manage the event on behalf of the LEP. The LEP would underwrite the MIPIM budget up to a ceiling of £80k with a set target for sponsorship of £40k. Therefore, if the sponsorship target is achieved then the net cost to the LEP would be in the region of £40k.

## 6. Risks

Risk	Impact	Mitigation
Overspend against MIPIM budget	Would directly impact on the LEP's budget, other marketing activities would need to be cut back	The experience of MIPIM last year provides a good guide to likely costs and areas where cost savings can be achieved. Tight monitoring of spend with monthly progress meetings with Marketing Cheshire to control costs.
Failure to attract necessary sponsorship	Would directly impact on the LEP's budget, other marketing activities would need to be cut back	Starting from a base of existing sponsors from last year, who have expressed willingness to support this year's event, plus a number of new potential sponsors identified. Tight monitoring of sponsorships with monthly progress meetings with Marketing Cheshire to review progress.
Cheshire & Warrington has no new opportunities to market	Could dilute message and damage Cheshire & Warrington brand if we have 'nothing new to say'	We will have specific Science Corridor investment opportunities to present as a result of the new Investment Plan, plus Constellation and Warrington 'New City' as a new concept for the market.
Not attending MIPIM	Not being present at MIPIM could damage the Cheshire & Warrington brand in the market and with the UK government – we could be seen as not being 'open for business' or serious about inward investment/development	Organise additional Cheshire & Warrington events in the UK (i.e. 1 large event or 2-3 smaller events). Ensure that we have new announcements/news timed for MIPIM period.

## 7. Alternative options

There are three alternative options available to the LEP:

**Option 1: Do not attend** – the LEP could choose not to attend MIPIM at all. Whilst this would save the LEP c.£40k which could be directed to other marketing activities, it would mean that Cheshire & Warrington would have no presence at MIPIM whilst our competitor cities and regions would be there.

**Option 2: Partner with another city/region** – we could partner with a neighbouring region and share a stand. Whilst this would reduce our direct costs, it would dilute the overall Cheshire & Warrington brand. In addition, the practicalities of doing this would be difficult as many other regions i.e. Liverpool, Manchester, etc. are already well advanced with their MIPIM 2018 plans.

**Option 3: Buy passes only** - we could simply buy delegates passes for a small number of LEP staff and local authority partners. This would represent a significant cost-saving to the LEP but still ensure that we were at MIPIM and able to network and undertake business development. However, we would not have a clear Cheshire & Warrington presence and we would be unable to host any events. Our ability to raise the profile of the region and our brand would, therefore, be severely hampered.

## **8. Implementation/next steps**

If approved a full implementation plan would be created and managed by Marketing Cheshire. Initial next steps include:

- Securing the stand for MIPIM 2018 – this requires us to commit an initial £27,600. We need to secure the stand asap as competition for stand space is strong. If we do not secure the stand we currently have on offer then it is likely that we will end up with a similar stand/location to last year or worse.
- Creation of a MIPIM Steering Group to include LEP staff and key board members, Marketing Cheshire and representation from key sponsors from last year. The Steering Group would be responsible for developing the MIPIM programme, coordinating sponsorship and promoting the event.
- Marketing our delegation, re-signing last year’s sponsors and attracting new sponsors and partners. Our aim this year would be to broaden the sponsorship base to include non-property regional businesses (i.e. AZ, Bentley, UU, etc.) Ideally, each local authority would attend MIPIM (last year only one of the three local authorities attended).
- Seek to renew our contra deals with Addleshaw Goddard and CBRE and to identify a third partner for hosting events.

## **9. Measuring success**

Key measures of success will be:

- Number of Cheshire & Warrington sponsors/delegates attending
- Level of sponsorship achieved (target £40k)
- Number of delegates visiting the Cheshire & Warrington stand
- Number of delegates attending Cheshire & Warrington events
- Number of media articles
- Value of media coverage
- Number of business development meetings held
- Number of new contacts made
- Number of leads generated
- Value of investment arising from MIPIM contacts/meetings

## **10. Conclusions**

MIPIM should form a cornerstone of Cheshire & Warrington’s place marketing and inward investment strategy. The feedback from both the private sector and DIT is that whilst the region has a fantastic inward investment proposition, even compared to some of the core cities, our profile on the national and international stage is low. If we are serious about building the Cheshire & Warrington brand and actively marketing the region to potential inward investors and developers, then we need a strong annual presence at MIPIM (our competitors in the UK and the rest of the World certainly do).