**ANNEX**

**Business Case**

# 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 several events (on and off stand) with partners. We attended again in 2018 doubling the size of both our partnership and our stand presence.

# 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. In 2017 we gained significant media coverage including Estates Gazette, Property Week and Place NW, the estimated value of which was £600k. In 2018 our coverage was estimated to be worth £300k. (The main reason for the decline in the headline number was that we didn’t not attract BBC coverage).
  2. **Market specific investment/development opportunities** – the key function of attending MIPIM is to showcase the region’s current portfolio of prospective investors/developers. We have been able to present a wide range of opportunities e.g. Cheshire Science Corridor, Energy Innovation District, Northgate, Alderley Park
  3. **Raise profile with government** – the UK government has a significant presence at MIPIM, including a DIT pavilion and the attendance of ministers and senior civil servants. Our presence at MIPIM is an important demonstration to government that we are serious as a sub-region about inward investment and this year we were visited by Graham Stuart a DIT minister. Philip Cox was also invited to speak on a panel in the government pavilion.
  4. **Build regional business networks** – The MIPIM partners not only cross-subsidise 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.

# MIPIM 2018

The LEP Chair led a delegation of 54 to MIPIM this year – about twice the number achieved in 2017. We were helped enormously by Knights 1759 who worked with us on 3 pre-MIPIM events to publicize our activity. We were also able to welcome representatives from all three of our Local Authorities.

Patrizia (who run Birchwood) was the main sponsor and Grosvenor, a partner sponsor. There were event partnerships with Addleshaw Goddard (with Peel Environmental as the sponsor) and CBRE. There was also a full on-stand programme and a series of dinners, lunches and a drinks reception. The LEP also had further support from Mott MacDonald, Bruntwood, Peel Environmental and TEM Property.

Most of the LEP’s events on stand were well attended (20-30 people on average) but “invitation only” events were especially well attended – 40 people at the Energy breakfast in the Addleshaw Goddard flat, and a full cohort for the investor breakfast hosted by CBRE in their flat. For the first time we included “quality of place” as a theme. The Cheshire Lunch (30 places) sold out quickly and could have accommodated a further 15-20. More than 100 business cards were collected on the LEP stand and we now have databases of everyone we have connected with over two MIPIMs.

# The proposal for MIPIM 2019

The proposal for MIPIM 2018 is to **consolidate** our position and build our links with likeminded partners. We wish to retain our current stand which afforded much better footfall and dwell time.

Although we will want to continue to promote our key spatial priorities, we will also be looking to engage around hot topics and themes that affect our sub region, partnering with other “kindred spirit” regions to draw in bigger and more diverse audiences.

We would seek to retain our contra partnerships with Addleshaw Goddard and CBRE but look for others. We would seek to combine events on stand and in the Palais with events outside and focus on quality over quantity.

We would package our lunch and dinners with our passes to streamline our proposition and admin.

And instead of focusing entirely on the week of MIPIM we would seek to create a year-round programme by forming a private-sector led partnership which would recruit new partners and spearhead the commercial activity as well as organizing a series of events prior to MIPIM itself which would be the culmination of all our efforts across the year. And over the course of the year actively promote more MIPIM friendly content so that we are top of mind with key media partners.

# Finances

For 2018 the total cost of the Cheshire & Warrington presence at MIPM to the LEP was just under £45k. This does not include the contras from AG and CBRE which would be worth at least £5k each

The table below sets out the estimated gross costs for MIPIM 2019. They therefore constitute the maximum cost to the LEP if it fails to secure private sector contributions to its costs.

|  |  |
| --- | --- |
| **Element** | **Cost £** |
| Stand space (inc. 4 free passes) | 25,000 |
| Stand design and production | 20,000 |
| MIPIM passes x 5 | 4,000 |
| Marketing Cheshire support | 16,000 |
| Promotional materials/events | 6,000 |
| Flights and accommodation | 10,000 |
| **Total** | **81,000** |

The LEP would be asked to underwrite £80k but we would expect the total bill to the LEP be very similar to and ideally slightly less to this year with any extra spend being sanctioned by the new partnership.

# Risks

|  |  |  |
| --- | --- | --- |
| 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 in 2017 and 2018 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 2018, who have expressed willingness to support next year’s event, plus a number of new potential sponsors identified. Tight monitoring of sponsorships with monthly progress meetings. |
| Cheshire & Warrington has no new opportunities to market | Could dilute message and damage Cheshire & Warrington brand if we have ‘nothing new to say’ | Interest will be particularly strong next year as MIPIM takes place two weeks before the UK formally leaves the EU. The LEP should be well on its way to having a Local Industrial Strategy and may have a new C&W branding strategy to launch. |
| 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. |

# Alternative options

There are four 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 2019 plans. There has also been relatively little appetite amongst other regions for a Northern Powerhouse.

**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.

**Options 4: Revert to a smaller stand –** we could revert to a smaller stand similar to the one we had in 2017. This would reduce the gross cost to the LEP by £10k, but would have an adverse impact on sponsorship income with the risk that the next cost to the LEP would actually increase.

# Implementation/next steps

* Securing the stand for MIPIM 2019 – this requires us to commit an initial 28000 euros. We need to secure the stand immediately if we want the same space as in 2018.
* Creation of a the new MIPIM partnership to comprise a private sector chair, LEP staff, Marketing Cheshire, representation from key sponsors from last year and some new partners who have expressed an interest. This group would be responsible for developing the MIPIM programme, coordinating sponsorship and promoting the event.

# Measuring success

Key measures of success will be:

* Number of Cheshire & Warrington sponsors/delegates attending – can we increase from 54 to 60?
* Level of sponsorship achieved
* 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

# 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).