
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 13 June 2018

Subject: **Increasing the Region's Global Profile to Attract Investment**

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1 Purpose of this report

- 1.1 This paper sets out options for Leeds City Region to increase its global profile, in particular to determine the LEP view on attendance at the MIPIM property and investment conference in 2018/19.
- 1.1 It highlights a number of alternatives and recommendations for review and consideration in respect of the region's presence at MIPIM, which has grown successfully over the past two years, and is now an even more substantial undertaking.
- 1.2 Given that MIPIM Cannes 2018 has just taken place it is now a timely opportunity to review the LEP's involvement and approach.

2 Increasing the Region's Global Profile

- 2.1 The Leeds City Region Trade and Investment plan for 2018/19, which was agreed at the last LEP Board meeting, established the key objectives for the Trade and Investment team, one of which was raising the City Region's international profile as part of an international place marketing strategy. There are a number of methods available to achieve this, the largest of which is attendance at MIPIM, the value of which this paper will appraise. This strategy can be broken down further, as Leeds City Region has a number of objectives aimed at raising the international profile of the region as follows:
 - a) Highlighting the City Region's strengths and differentiators; this relates to how core capabilities and specialisms are communicated and defined to an investment audience.
 - b) Showcasing opportunities for growth and investment; the communication and portrayal of key investments/projects or market opportunities, in particular the provision of key investment metrics that influence business cases such as occupier demand or favourable economic trends that mitigate investment risk.

- c) Emphasising the civic commitment to business; private sector investors seek reassurance that civic leaders and Local Authorities support the projects, schemes and initiatives that are being championed.
- d) Providing a platform for private sector profile; sponsors and stakeholders benefit from a platform to market their projects and investments.
- e) Facilitating business engagement and the generation of leads and enquiries; this ultimately relates to the number of prospects, enquiries and projects identified through networking and relationship building.
- f) Sharing thought leadership and sector insight; effective communication of the Leeds City Region value proposition to obtain traction amongst the investor audience.

MIPIM's role in the Leeds City Region's Trade & Investment Strategy

- 1.1 For many years there has been a strong strategic fit between MIPIM and the region's ambitions to grow the economy. Leeds City Region has exhibited for the last five years, working in partnership with regional stakeholders who have an expectation of the Combined Authority and the LEP to utilise its convening powers to create a platform for their representation at MIPIM.
- 1.2 The past few years have seen increasing levels of demand, engagement and expectation from stakeholders. The LEP's most recent consultation reinforced the public and private sector partners' positive stance towards attendance at the event.
- 1.3 Further information on previous MIPIM activity is contained at Appendix 1, 2 and 3.
- 1.4 In summary, the key areas of strategic fit for the LEP have been:
 - The attraction of inward investment from both businesses and institutional investment in infrastructure, which is a key priority for Leeds City Region and a critical part of the work to grow the City Region's economy faster.
 - Attendance at MIPIM is closely linked to the objective of enhancing the City Region's international profile and becoming a globally recognised economy.
 - The main theme of MIPIM 2018 was 'Be Part of Our Success'. This reinforces the momentum of strong commercial investment flows that the City Region is currently experiencing.
 - Broader economic priorities of culture, transport, technology, housing and lifestyle were emphasised as major themes of the Leeds City Region delegation.

Partner Consultation

- 2.6 Based on conversations with representatives from Local Authorities in attendance this year, there is a strong appetite to continue attending MIPIM, and early feedback from private sector sponsors has been extremely positive.

Alternative Options

- 2.7 Firstly, it is important to consider whether attending MIPIM continues to be the best method of achieving the objectives set out in 2.1 for increasing the region's global profile.

A number of alternative options are available, which include:

- Attend MIPIM Cannes 2019 as part of a wider Northern Powerhouse delegation
- Continue to attend MIPIM UK
- Attend MIPIM Asia
- Suspend MIPIM attendance altogether
- Deliver a sustained all-year round enhanced place marketing campaign
- Deliver a sustained all-year round attendance at other national/international events (e.g. Leeds City Region in London).
- Alternative major events: consider using the same MIPIM delivery model to attend other events such as World Expo 2020, Expo Real and/or Dubai International Property Show.

- 2.8 The advantages and disadvantages of each of the above alternatives are considered below, including the option to continue to attend MIPIM Cannes in 2019.

Options	Advantages	Disadvantages
MIPIM Cannes 2019	<ul style="list-style-type: none">• It is a unique opportunity that provides quality leads and outcomes for delegates• The European investment / property industry doesn't convene in such a critical mass anywhere else• MIPIM is a vital opportunity to inform and maintain a strong regional ambassador network	<ul style="list-style-type: none">• High cost of attendance.• Pressure on the CA budgets to reduce the direct public sector contribution• Potential reputational issues surrounding MIPIM, linked to 2018 Presidents Club press coverage• Demanding pull on the Combined Authority finances, staff resources and support systems• Public procurement processes limit the ability to respond quickly to

	<ul style="list-style-type: none"> • A strong, loyal sponsorship base exists. It has taken 5 years to develop this momentum • Private / Public sector relationships are at record high – this can be strengthened further by continuing MIPIM • Strong value for Local Authorities and private sector in concentrated focus on selling the region and accelerating investment programmes • The cost return on MIPIM is maximised due to the Combined Authority’s ability to raise private sector funding, something which could not be guaranteed with alternative events • It is likely that Leeds City Region would be the only LEP not in attendance, making it appear unenterprising and at odds with the City Region’s reputation for being one of the leading competitors for developments and investments in the UK. 	<p>changing sponsor and stakeholder demands</p> <ul style="list-style-type: none"> • Does this remit (property and infrastructure) fit more neatly with local authority Development Directors? • BREXIT deadlines of end of March 2019 could overpower the content / themes of this event
<p>Attendance at MIPIM as part of Northern Powerhouse (NPH) delegation</p>	<ul style="list-style-type: none"> • This would drive greater footfall at the show • Enhance cross pollination of NPH regions stakeholders and activities • Enable a ‘scale-up’ so NPH can compete with larger countries and regions attending MIPIM • Alleviate some of the resource requirements allowing regions to 	<ul style="list-style-type: none"> • Freedom to represent LCR in a distinctive manner may be diminished • May lose some control over the event organisation • Sponsors may be reluctant to maintain support • NPH partners may be reluctant to join forces, particularly in time for the 2019 commitment timelines

	<p>enable economies of scale from a cost perspective</p> <ul style="list-style-type: none"> • Less onerous from a resource / organisation perspective with an enhanced ability to gain efficiencies of scale during the planning stages • Sponsors may react positively to a larger presence within a NPH pavilion 	
MIPIM UK	<ul style="list-style-type: none"> • London is a core market for LCR • Trends show domestic investors are disposing assets and recycling capital in northern regions • UK Government has strong presence and can provide a platform • Other regions will continue to have a presence – conspicuous by absence? 	<ul style="list-style-type: none"> • A very public sector orientated show • Many key sponsors don't attend • Low footfall and lower quality contacts • High cost albeit previous expenditure on MIPIM UK has been decreased • Delegates are mostly domestic with limited opportunity to expand international profile
MIPIM Asia	<ul style="list-style-type: none"> • Increasing volumes of investment in property and infrastructure is coming from Asia • More likely to meet investors / obtain outcomes from this, than MIPIM UK • Attendance would increase international profile of LCR • Could attend as delegates only, offering a MIPIM Asia sponsor package • May enable us to achieve a broader (less Leeds centric) LCR sponsorship base 	<ul style="list-style-type: none"> • High cost • New experience – unknown event • Reputational impact

<p>Suspend MIPIM Attendance</p>	<ul style="list-style-type: none"> • Financial / budget savings • Press criticism reduced • Alleviate the Combined Authority resources enabling greater focus on core activities • Our withdrawal would perhaps expedite efforts to move towards an NPH presence at MIPIM 	<ul style="list-style-type: none"> • Networking opportunities and lead generation would be severely limited • The impact for Leeds may be greater as they would be one of the only core cities not to have a presence at MIPIM and the majority of sponsors are Leeds businesses / investors • Non-attendance would send a negative message to stakeholders and investors • Any rights to the LCR stand space will be forfeited – options on advertising space and venues. It would be hard to reverse this decision in future years • Non-attendance sends an unambitious message • Potential backlash from private sector and intermediary sponsors • A lost opportunity to coach ambassador network • Other regions would continue and Leeds City Region will be conspicuous by its absence • A third party could take responsibility for delivering the LCR MIPIM presence and not represent the region well
<p>Deliver a sustained all-year round attendance at other national/international events (no attendance at MIPIM)</p>	<ul style="list-style-type: none"> • Potentially this approach could deliver better value for money for the main sponsors (the property developers) • A wider, higher quality programme of events could be delivered i.e. sector specific events 	<ul style="list-style-type: none"> • This type of arrangement requires extensive consultation – alignment with MIPIM 2019 critical path is not possible. (This approach could be suggested for 2020) • This approach could jeopardise sponsorship revenues

	<ul style="list-style-type: none"> • Maintains a ‘through the year’ approach rather than MIPIM only • This additional funding to ramp up activity would dovetail nicely with the existing Trade & Investment forward plan of activities • The knowledge base exists within the T&I team to develop a relevant programme • This would provide a more bespoke and forensic approach that could be tailored to the needs of the sponsors. • A more occupier demand led approach could be appealing to the gold sponsors • This approach would allow us to leverage a much higher international profile and derive better value for money • This would facilitate greater convergence between public sector and the LCR ambassador network 	<ul style="list-style-type: none"> • Without a robust proposal – sponsors could react negatively in the first instance • Can a series of ‘MIPIM high quality’ events that meet sponsors high expectations be delivered by the Combined Authority? • This approach makes it harder to play-in intermediaries such as lawyers, architects and consultants
<p>An enhanced, more-intensive place marketing campaign (no attendance at MIPIM)</p>	<ul style="list-style-type: none"> • If done well this can be impactful and hard hitting • Whilst a more subtle approach, this could ‘over time’ have far greater impact and generate substantial international profile/generate leads • Much easier to deliver – less resource intensive allowing greater economies of scale • Other regions have done this successfully 	<ul style="list-style-type: none"> • As per the points listed in MIPIM suspended attendance section • Very difficult to satisfy all sponsors and stakeholders • Limited consultation opportunity as for a campaign to be successful, control over a place-marketing campaign will have to be centralised • Sponsors would have to adopt a long term view to this approach and may withdraw

	<p>i.e Austin, Tel-Aviv and some US states</p> <ul style="list-style-type: none"> • Visitor economy can be woven into this approach also • Can be targeted and aimed at core markets / investor groups 	<ul style="list-style-type: none"> • May attract negative press and criticism re: use of tax payer funds
<p>Alternative Major Events: Consider using the same MIPIM delivery model to attend other events such as World Expo 2020, Expo Real, Dubai International Property Show (see 2.5 below for more detail)</p>	<ul style="list-style-type: none"> • Many of these events have a global aspect to them whereas MIPIM Cannes is mainly European • Some of these other events have broader themes which extend beyond property and real estate • Some of these other events are larger than MIPIM potentially offering extended profile raising opportunities • Some of these events may present more opportunities to influence/engage with occupiers 	<ul style="list-style-type: none"> • Potential for less exposure to relevant delegates i.e. fund managers, real estate investors may not attend in such a critical mass • The locations of these events are further away than France – increasing travel expenses • MIPIM is tried and tested and proven to be relevant to sponsors • A bad experience trying a new event could damage the momentum that has been established in terms of sponsorship and disrupt the existing delivery model

Alternative Major Events

2.9 A number of other globally renowned conferences and exhibitions that specifically focus on economic development, property and infrastructure have been considered.

2.10 Each has been assessed in terms of their relative effectiveness in achieving key objectives. This initial assessment is summarised below:

Event	Location and Month	Comments
Expo Real	Munich, October 2019	International Trade fair for property and Investment, and the leading B2B trade fair in Europe. It allows networking opportunities across the entire supply chain, including property developers, investors and economic regions from over 75 countries. In 2017, the expo had over 40,000 participants, and over 2,000 exhibiting companies. The timing of this event does provide ample lead in time.

Dubai International Property Show	Dubai TBC, April 2019	This is the largest property, development and real estate conference in the Middle East where a growing number of investment flows into the UK are arising. Costs in relation to this event would be higher due to the costs of flights for delegates. 40 countries are represented with 16,000 visitors. It has a much wider global reach than MIPIM Cannes which is mainly a conference attended by European delegates. This may help us broaden the sponsorship base.
World Expo 2020	Dubai, October 2020	<p>This is a much broader event than MIPIM with the overall focus being Human Ingenuity and themes such as opportunity, mobility, innovation and sustainability. This is a huge event, however attendance would be an enormous statement of ambition. Property Developers (Gold sponsors) may not feel the target market is their priority and subsequently may not be able to achieve the same objectives at this event. For profile raising it could however be a far superior event than attending MIPIM.</p> <p>A strong business case could be made for attendance at World Expo in 2020.</p>

2.11 Analysis of the arguments above provides some interesting considerations; whilst there are contentions and risks brought upon the Combined Authority through participation at MIPIM Cannes, the positive impact of attendance at the event can be seen to far outweigh the argument for replacing this activity with alternative methods. The event allows the Combined Authority to develop and maintain good relations with public and private sector partners, and opens up key investment and property development opportunities to the City Region. However this should not mean that there is no room for reflection in how the City Region participates in MIPIM; there is a strong case to be made for reducing our presence at MIPIM UK, and there are several other worthwhile options for increasing the impact of the Leeds City Region globally, including expanding into a greater Northern Powerhouse pavilion, running a major place-making campaign, and/or or attending World Expo 2020. As these would require much greater partner consultation, consensus building and fund raising, they would require longer term planning.

2.12 If the LEP Board wishes to maintain and develop its global profile by continuing to attend MIPIM meanwhile, then there are various options for addressing some of the resource and delivery constraints highlighted above, which are set out in the sections below.

Options for funding MIPIM

2.13 In terms of the overall funding model for MIPIM activity it is worthwhile evaluating the appropriateness of the existing approach.

- 2.14 The event is currently funded by a blend of contributions from the public and private sector. Most of the public sector's contribution towards the event is provided by the Combined Authority with the large majority of the expenditure covered from income which is predominantly private sector sponsorship and a small amount of funding provided by the Local Authorities to cover their own transport and accommodation costs.
- 2.15 The table below presents a number of scenarios that should be considered. These are set against the backdrop of stakeholders' expectations to continually improve attendance year on year and the recent scrutiny surrounding the aptness of public sector involvement at the show.

Options for Funding MIPIM	Comments
Maintain existing funding model	It should be considered whether the £140k contribution by the Combined Authority should be reduced. Cost savings should be achieved by having a smaller presence at MIPIM UK, the utilisation of a modest surplus from 17/18 and a concerted effort to gain economies of scale without compromising quality of the event.
Enlargement of the Combined Authority expenditure on MIPIM	This is not justifiable in the current funding climate
Further enlargement of private sector sponsorship towards MIPIM	The current sponsorship target is set at £330k but given the success of 17/18 it is realistic to increase the target and attempt to match or exceed £400k.
Further reduction of the Combined Authority expenditure on MIPIM	In addition to the costs savings achieved by having a smaller presence at MIPIM UK, the use of a modest surplus from 17/18 and tighter cost-control, any surplus sponsorship monies generated should also be used to reduce the Combined Authority contribution also.
Reduction of private sector sponsorship	This would ultimately compromise the ability to deliver a similar event to last year.
Withdrawal of the Combined Authority expenditure altogether	This would be controversial and it is important that an independence is maintained to deflect any criticism of non-neutrality.

- 2.16 This analysis suggests that the Combined Authority's contribution to MIPIM could be reduced in line with the increasing amount of external sponsorship raised. Action has already been taken on this, and the Combined Authority's budgeted expenditure has already been reduced for 18/19, as set out in Appendix A. It should however be noted that although every effort will be made to reduce the public sector contribution, withdrawal altogether could diminish the non-partisan approach the City Region has maintained in past years.
- 2.17 On the basis that over £400k of income was generated in 2017/18 and stakeholders appeared to be more than satisfied with the overall quality and scale of representation at the event, it is deemed realistic to attempt to match or exceed £400k in 2018/19.

3 Financial Implications

- 3.1 The recommendations in this report could have a bearing on the ability to generate levels of sponsorship in line with previous years' success.
- 3.2 A summary of previous years' MIPIM expenditure is in Appendix 1.
- 3.3 If attendance at MIPIM 2018/19 is approved the anticipated funding model for the event is as follows:

Combined Authority Contribution	£120k (maximum)
External Income	£330k (minimum)
Total MIPIM Budget	£450k (minimum)

- 3.4 If the scale of the delegation matches 2017/18 it is likely that the overall variable costs of the event will exceed the £450k budget. This additional expenditure would be offset by MIPIM income.
- 3.5 If the overall MIPIM income exceeds the overall MIPIM expenditure and there is a net positive balance, it should be considered that the Combined Authority's contribution should be reduced.
- 3.6 The Combined Authority contribution would part-cover costs of the exhibition space and stand at the conference.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 There may be staffing implications directly arising from this report, according to the preferred option adopted.

6 External Consultees

- 6.1 Feedback from delegates relating to MIPIM 2018 suggests an overwhelming appetite for Leeds City Region to maintain its presence at next year's show. A further feedback session for the delegates was held on 17 May 2018, which reinforced the positive attitude towards continued attendance.
- 6.2 Local Authority feedback suggests that partner councils remain committed to a joint presence at MIPIM. Further soundings are to be taken in relation to the options in this paper.

7 Recommendations

- 7.1 That the LEP Board considers its preferred approach to achieving the objectives for increasing the City Region's global profile set out at 2.1.
- 7.2 That if the LEP Board agrees to continue involvement in MIPIM, then the following proposals to better target the public investment be adopted:
- Attendance at MIPIM UK is reduced with a smaller Leeds City Region exhibition stand.
 - Attendance at MIPIM Cannes 2019 is consistent with the recent MIPIM 2018 format and scale.
 - A private sector sponsorship generation target of over £400k.
 - The Combined Authority contributes £120k on the basis that this is reduced if the sponsorship target is exceeded or any cost savings are derived in the organisation and delivery stages of the event.
- 7.3 That the LEP Board considers whether consultation should take place regarding a business case for alternative events to also be considered, which will further contribute to the LEP's overall objectives set out in 2.1.
- 7.4 Subject to 7.1, that the LEP Board asks the Combined Authority to monitor and review the reputational context of the event.

8 Background Documents

- 8.1 Appendix 1 contains background information on MIPIM, previous involvement, costs of involvement, stakeholders and previous outcomes.

9 Appendices

Appendix 1 – MIPIM Background Information

Appendix 2 – MIPIM Results

Appendix 3 – Delivery Milestones