

**Open Report on behalf of Richard Wills  
Executive Director for Environment and Economy**

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>10 January 2017</b>
Subject:	<b>Investor Development Activity</b>

**Summary:**

This paper describes the actions that Lincolnshire County Council (LCC) takes to attract investors to Lincolnshire. It shows that a variety of actions are being taken, and it asks members to advise further on the approach and tactics that are being undertaken.

**Actions Required:**

Members of the Economic Scrutiny Committee are invited to:

1. To note the range and purpose of the investor development work
2. To discuss any further ways that Lincolnshire can "stand out from the crowd" when it comes to investment
3. To endorse LCC's involvement in the Midlands Engine pavilion at the MIPIM property fair
4. To debate any further priorities that should be promoted
5. To provide initial comments on the scope of a Team Lincolnshire membership scheme

**1. Background**

Economic development has a series of actions which together will support and embrace economic growth, namely:

- Improving skills and employability
- Encouraging enterprise
- Attracting investment
- Attracting funding

Encouraging investment takes two forms –(i) supporting foreign owned businesses in Lincolnshire, encouraging them to invest further, and (ii) promoting Lincolnshire to possible investors, encouraging them to consider Lincolnshire as a place to live, work, and invest.

This report concerns the second of these forms - promoting Lincolnshire to possible investors, encouraging them to consider Lincolnshire as a place to live, work, and invest.

### *Rationale for investor development*

Economists regularly state that economies with a reasonable level of churn are more vibrant than those without. Churn involves new businesses, new people, new investments, and new ideas. Typically, this type of economy will have higher levels of productivity and higher incomes for individuals. It is therefore important that authorities who are ambitious about economic growth not only provide support for indigenous business but also seek to attract new investment into the area.

Members will be aware that the Business Lincolnshire Growth Hub is the focus of supporting indigenous businesses. Growth Hubs exist across the country, and often they provide support to small and medium sized businesses. Members will be aware, though, that the Business Lincolnshire Growth Hub has expanded its range of services in order to provide a much wider programme to the entire Lincolnshire business community. As well as advice for small and medium sized enterprises, the Business Lincolnshire Growth Hub also provides innovation, business finance, and targeted sectoral support. All of this support has the aim of growing businesses and thereby the economy.

The work that LCC does on investor development complements the growth hub. It seeks to attract businesses to Lincolnshire, and once those businesses show an interest in Lincolnshire then the services of the Business Growth Hub can be one of the tools that is used to demonstrate that Lincolnshire is the right place for them to invest.

The Commissioning strands that overarch the Investor Promotion activity are:

- Attracting and expanding business investment
- Sustaining and growing business and the economy

The key areas of activity are:

- i) Promoting the area beyond its boundaries to a regional, national and international audience of investors, Foreign and Direct Investors, developers, house builders, hotel operators and intermediaries
- ii) Further development of the Team Lincolnshire approach to ambassadors, collaboration and sponsorship opportunities and benefits
- iii) Providing a robust account management programme to foreign owned businesses as discussed at the last Scrutiny Committee meeting on 13<sup>th</sup> September
- iv) Working with Department for International Trade (DIT) to attract investment which supports the growth of the priority sectors by dealing with enquiries, promoting the area at sector specific events eg agri-tech showcase and expanding the number of sector and investment manager contacts at DIT HQ.

This report focuses on the first two areas of activity. Members discussed activities 3 and 4 at their meeting on 13<sup>th</sup> September 2016; that work is increasingly seen as a priority.

### *Standing out from the crowd*

In reality, most local authorities provide an investor development service. And most of them promote their central location, quality of life, access to higher education, etc. Therefore in order to be successful, Lincolnshire needs to stand out from the crowd.

The place marketing work that members discussed at their November 2016 meeting is one example of how this can be achieved –by creating a compelling and honest story of the benefits of locating in our area.

However, another way that Lincolnshire can be acknowledged above other areas is through the way it provides its messages. LCC has taken the step of facilitating a group of investors and intermediaries described as Team Lincolnshire; having businesses talking to other businesses is likely to achieve a better return than a local authority/business relationship.

Members may wish to debate what other steps Lincolnshire can take to stand out from the crowd.

### *Specific actions*

A balance needs to be struck between doing something unusual, recognising that investor relationships are long-term, and operating within the constraints of a confined budget. In terms of long-term relationships, this tends to mean that investor development teams should attend the "must attend" events in the investor calendar. From a Lincolnshire perspective, the "must attend" events are MIPIM, East Midlands Property Show, and Belton Horse trials.

The challenge for Lincolnshire is to attend these "must attend" events, but do so in a way which makes our presence notable. The Team Lincolnshire approach enables us to do this.

### Promoting the Area

1. MIPIM is held annually in France. The leading real estate event for property professionals, it is seen as a must attend event for professionals from all sectors. Promoted as a year's worth of business in 4 days, the exhibition provided the opportunity to showcase large scale projects from our area, meet key international stakeholders including investors and gain insight into finance and investment, cities and infrastructure, key sectors and property hot spots.

## Evaluation of MIPIM 2016

Events and Follow up Activities	Number of attendees in 2014	Number of attendees in 2015	Number of attendees in 2016
Lunch Networking Event	24	92	120
Informal Dinner	19	52	60
Follow up leads, visits and meetings taken or to take place	18	28	49

Looking ahead to 2017, it is clear that government is supporting the concept of the Midlands Engine. That support is being translated into substantial coverage in the investment press and therefore there is substantial interest in the Midlands Engine concept from property investors and intermediaries. In order to profit from that interest, LCC have chosen to join the Midlands Engine exhibition at MIPIM. We will wish to be seen as a clear part of Midlands Engine, but we will also wish to follow up our own leads as they arise.

2. Belton Horse Trials – 15<sup>th</sup> April. The intended outcome to increase sponsorship monies to be used for future investor development activities with proportionately less dependence on Lincolnshire County Council. This work is part of the business development strategy for targeted prospects, strategic partners, innovation centres, Higher Education Institutions, businesses and technology parks to effectively engage with existing and potential Team Lincolnshire businesses and further enhance collaboration and innovation. On the first day of the Belton Horse Trials 3 day event, Lincolnshire County Council sponsors the Grantham Cup. This provides profile within the dressage ring and as sponsor we present the cup to the winning rider on the day.

This year nine companies sponsored tables bringing their invited guests to the lunch. These were: Delta Simons, Simons Group, Pygott and Crone, Bond Bryan, BSP Consulting, Nat West, South Holland District Council, Hodgson Elkington (now Lambert Smith Hampton) and Willmott Dixon. Three guests from Belton indicated an interest in future sponsorship activity with a further two already signed up for MIPIM 2017. Total sponsorship monies received was £7,650.

3. Lincolnshire Media Business Awards – 18<sup>th</sup> October. The proposed outcome to build strong relationships with FDIs and intermediary contacts in Lincolnshire which leads to an increase in investment in Lincolnshire by those businesses. Lincolnshire County Council hosted a table at the Lincolnshire Media Business Awards, sponsoring the 'Large Business of the Year' award. Guests included Shruti Trivedi Roythornes, Sarah Howells Cartwright Communications, Mark Noonan Simons Group, Nick MacDonald, Lincat, Jon Cook, Gelders, and John Rigby from Bond Bryan. The event which attracts over 300 guests is a key date in the calendar for Lincolnshire

businesses, as well as companies from outside the region who are looking to work in the county.

Following the awards evening follow up meetings have been held with businesses, and a representative from the Growth Team has been invited to attend the Place Board Marketing meeting for Invest Gainsborough. It can also be confirmed that one business attending the awards has now signed up to sponsor the GLLEP at MIPIM in 2017 and it is anticipated that another may also sponsor the GLLEP at MIPIM.

4. MIPIM UK dinner – 20<sup>th</sup> October. The proposed outcome is to build strong relationships with investors and intermediary contacts in Lincolnshire and beyond which leads to an increase in investment in Greater Lincolnshire by inward investors and existing businesses; an opportunity to increase sponsorship monies to be used for future investor development activities with proportionately less dependence on Lincolnshire County Council.

MIPIM UK is the UK's largest property exhibition which includes three intensive days of conferences, exhibitions, networking events and an awards ceremony, MIPIM UK provides a marketplace for international and local investors, developers, occupiers and property professionals to meet, discuss opportunities and do business. For the past three years the Greater Lincolnshire LEP has hosted a property and investment dinner for Team Lincolnshire and potential investors and developers rather than taking exhibition space. This is a great opportunity to showcase Greater Lincolnshire to investors who ordinarily may not get to visit Lincolnshire. It has also proved to be a great opportunity to strengthen and build 'Team Lincolnshire', and facilitate collaborative working amongst our sponsors. This year the Greater Lincolnshire LEP hosted their event at the Lansdowne Club, in Green Park on the evening of 20<sup>th</sup> October. Six companies sponsored the event: Delta Simons, Simons Group, Pygott & Crone, Gleeds, Bond Bryan and the University of Lincoln, raising a total of £4400 in sponsorship (with an additional £500 from North East Lincolnshire Council).

5. East Midlands Property Show - 28<sup>th</sup> November. This is the East Midlands' premier property show and provided a forum for Lincolnshire to showcase Lincolnshire County Council's property portfolio and other sites and commercial premises to intermediaries and end users. It also provided networking opportunities to build the Team Lincolnshire brand. Attendees received a number of enquiries including an introduction to a potential new Team Lincolnshire member specifically interested in sponsoring the GLLEP at MIPIM. We spoke to 25 businesses in total, all of them have been added to the mailing list for Business Lincolnshire and added to our distribution list on Engage.
6. In addition to the above events, investor development activity helps to support other events eg the two planned Chairman's Dinners in 2017.

All of these events – international, regional and local - are used to showcase site and/or sector propositions to potential investors, developers and intermediaries.

As a general principle, the team is seeking further investment by hotel providers, speculative commercial property developers, and by housebuilders. These priorities have been chosen because:

- Members have regularly discussed the importance of the visitor economy, but have recognised that guests who stay overnight spend substantially more in the local economy. However, members are also aware that Lincolnshire has fewer hotels than comparable locations.
- Members are aware that LCC and other partners have invested substantially in the infrastructure of industrial estates, opening up land for development. Actively targeting developers will enable these estates to be available quicker, thus supporting economic growth.
- The local authorities in the Greater Lincolnshire LEP area have proposed the building of 100,000 new homes, and this is reflected in the Strategic Economic Plan. Broadening the range of housebuilders operating and investing in the area will enable this target to be met.

Members may wish to debate if there are other target audiences that our work should seek to address.

### Team Lincolnshire

Lincolnshire County Council's Economic Development Services Growth Team works extensively with the private sector, Government agencies and key stakeholders as part of their ongoing strategy to engage with investors and intermediaries. The aim is to continue to strengthen Team Lincolnshire – building the brand and collaboration opportunities, benefits and sponsorship opportunities for the team/ambassadors.

Pressure on the public purse has meant a change in how to fund the types of activities eg events that enable work with the private sector, in this case, the property and construction sectors to be maintained and sustainable into the future. The development of Team Lincolnshire has been achieved through establishing enduring business relationships with the private sector in these sectors over the past 2 years. Using a skill set of approachability and consistency of message has enabled this innovative way of funding events. Proof of its success has been seen through the increase in membership since its inception in 2015 with membership currently standing at 21 businesses.

The challenge is to build upon this "team" approach by increasing membership of Lincolnshire ambassadors in the property and construction sectors by developing a robust, fair and transparent sponsorship package. This is scheduled to be in place from 1<sup>st</sup> April 2017 and will be brought to a future scrutiny meeting.

Members may wish to comment on the scope of any Team Lincolnshire membership package.

## **2. Conclusion**

Traditionally there are long "lead in" times to see an investment be made. However, we are already seeing an increase in visits to the area from investors and intermediaries and the number of meetings being held with Lincolnshire County Council and Team Lincolnshire members which builds up further collaborative working.

This investor promotion activity aims to have the following outcomes:

- An increase in the scale of housebuilding in Lincolnshire
- An increased budget for, and range of activity in, investor development with proportionately less dependence on Lincolnshire County Council
- A strong relationship with all foreign owned businesses in Lincolnshire which leads to an increase in investment in Lincolnshire by those businesses
- Through the GLLEP, evidence the need for hotel development and encourage investment into this sector
- Work with the GLLEP to achieve a co-ordinated web presence for the promotion of Greater Lincolnshire

## **3. Consultation**

### **a) Have Risks and Impact Analysis been carried out??**

Continued discussion has taken place between LCC, Greater Lincolnshire LEP, Team Lincolnshire members, Department for International Trade, and district council colleagues.

### **b) Risks and Impact Analysis**

N/A

## **4. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jill McCarthy, who can be contacted on 01522 55069050690 or [jill.mccarthy@lincolnshire.gov.uk](mailto:jill.mccarthy@lincolnshire.gov.uk).