

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 10 October 2019
Subject: Inward Investment – update on the work of MIDAS
Report of: Group Chief Executive, The Growth Company

Summary

This report provides an update on the work of MIDAS in attracting inward investment to the city, including details of performance over the last 2 years and MIDAS' forward strategy.

Recommendations

That the report be noted.

Wards Affected: All Wards

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1. Background

MIDAS' strategic priority is to attract and retain inward investment across Greater Manchester (GM) with the ultimate aim of creating and safeguarding jobs, working towards the ambitions set out in The Greater Manchester Strategy (GMS) and The Greater Manchester Internationalisation Strategy (GMIS). MIDAS does this by promoting GM as a business location, in conjunction with Marketing Manchester, and by developing compelling propositions and pro-active activity focussed on the promotion of GM's key sectors and assets.

Inward investment in this context includes both Foreign Direct Investment (FDI) and UK investment, with MIDAS tasked to

- Drive the Promotion of Greater Manchester as a Business Location
- Attract New Investment in to Greater Manchester – both Corporate and Capital
- Provide Aftercare Services to Recent Investors
- Account Manage the Significant FDI and UK Businesses in Greater Manchester

MIDAS uses enhanced sector intelligence to lead the development of more focused propositions in priority sectors where GM has a competitive advantage. These sectors are Advanced Manufacturing and Low Carbon; Creative Digital and Tech; Life Sciences and Healthcare; and Financial and Professional Services.

The GM Local Industrial Strategy (GM LIS) outlines that the key international markets for GM are the US, Europe, India, China, Japan and the UAE. The primary markets, or "Prime" markets for FDI over recent years have been the EU and USA in terms of projects and jobs respectively, with "Opportunity" markets Japan, China and India growing in importance as GM's profile improves in these markets, helped in two of those by the creation of the Manchester China Forum and Manchester India Partnership which both sit within MIDAS. While there will no doubt be some impact from Brexit, these markets will remain key markets over the course of current GM LIS, with a further review undertaken as the GMIS is refreshed over the coming months.

Continual work is being undertaken to determine potential target companies in these key international markets and subsectors across our "Prime" (EU, USA) and "Opportunity" markets (China, India, Japan and UAE) at more specific/niche levels, through MIDAS' internal analytics capabilities but also through external research projects that are undertaken periodically, such as the recent open data analysis of emerging technology sectors in GM. This piece of work has also gone on to analyse all UK companies that have an interest or capability in these emerging tech fields and could therefore be a target for GM across all sectors.

2. Inward Investment Trends

2.1 UK Inward Investment Overview

Each year the Department for International Trade (DIT) releases its annual performance figures for Foreign Direct Investment (FDI) in to the UK, broken down by nations and regions and LEP areas. The release of figures for 18/19 show FDI in to

the UK is down 15% in terms of investment projects (1,436) and almost 25% in terms of new jobs created from FDI (57,625). It is even more extreme when looking at jobs safeguarded, with this figure down by nearly 55%. Part of the reason that the downturn in projects is not more extreme – similar to jobs created – is that it has been buoyed slightly by a slight increase of 8% in M&A activity, largely stimulated by the current valuation of the pound.

When the London figures are removed, the rest of UK picture looks even more extreme, with projects more than 25% down on the previous year. The Brexit situation is clearly having significant impact on the UK’s attractiveness in terms of FDI at present, with independent reports such as EY’s UK Attractiveness survey reporting some of the most pessimistic views from UK management of foreign owned firms on investment since the survey began. This is affecting the speed of decision making as well as the overall decision itself.

In regional terms, the North West (142 projects) is the fourth best performing region behind London (627 projects), the South East (202 projects) and the West Midlands (155 projects), with Greater Manchester securing 88 projects or 62% of the North West’s total.

2.2. GM Picture

Greater Manchester plays a significant role for both the UK and the region in attracting investment. MIDAS’ figures for GM for the same time period reflect the national figures in some areas, but show a slightly more positive picture in terms of jobs created, notwithstanding the continual challenges that Brexit brings.

MIDAS’ figures for 18/19 show 66 successful investment projects, an 18% decrease on 17/18 (more similar to UK average than the rest of UK figure) reflecting the same challenging economic environment nationally. However, with more concentration placed on concluding larger/more strategic projects, 4,380 new jobs were created, a 16% YoY increase, with 3,129 of these being FDI jobs.

Fig 1: 2018/19 Projects and Jobs Performance versus Target

	2016/17			2017/18			2018/19		
KPI	Target	Actual	%	Target	Actual	%	Target	Actual	%
FDI Successes	54	46	85%	54	48	89%	54	47	87%
UK Successes	36	24	67%	36	32	89%	36	19	53%
Total Successes	90	70	78%	90	80	89%	90	66	73%
FDI Jobs Created	2,400	2,096	87%	2,500	1,413	57%	2,500	3,129	125%
UK Jobs Created	1,600	1,802	113%	1,500	2,365	158%	1,500	1,251	83%
Total Jobs Created	4,000	3,898	97%	4,000	3,778	94%	4,000	4,380	110%

47% of projects were from ‘new’ companies to Greater Manchester but only 27% of jobs. However, certain expansions such as Amazon (tech centre) and Qiagen (Genomics campus), were completely new divisions/functions and quite different/separate from the existing facilities and therefore could be classed as ‘new’ to GM which would mean jobs from ‘new’ companies would rise to 46%.

GM has been particularly successful in attracting digital projects, securing approximately 17% of the FDI jobs nationally and also in life sciences securing around 25% of national FDI jobs.

Advanced Manufacturing and CDT each contributed 36% of MIDAS projects with F&P securing 23%, and Life Sciences 5%, Financial, Professional and Business Services fell slightly on previous years with Life Sciences falling dramatically compared to recent years.

The data for jobs created demonstrates a shift in GM's economy from relying on Financial, Professional and Business Services toward Creative, Digital and Technology in recent years. Creative Digital and Tech created 47% of jobs, Advanced Manufacturing 24%, Financial and Professional Services 22% and Life Sciences 7%.

Fig 2. Inward investment project successes by MIDAS sector team

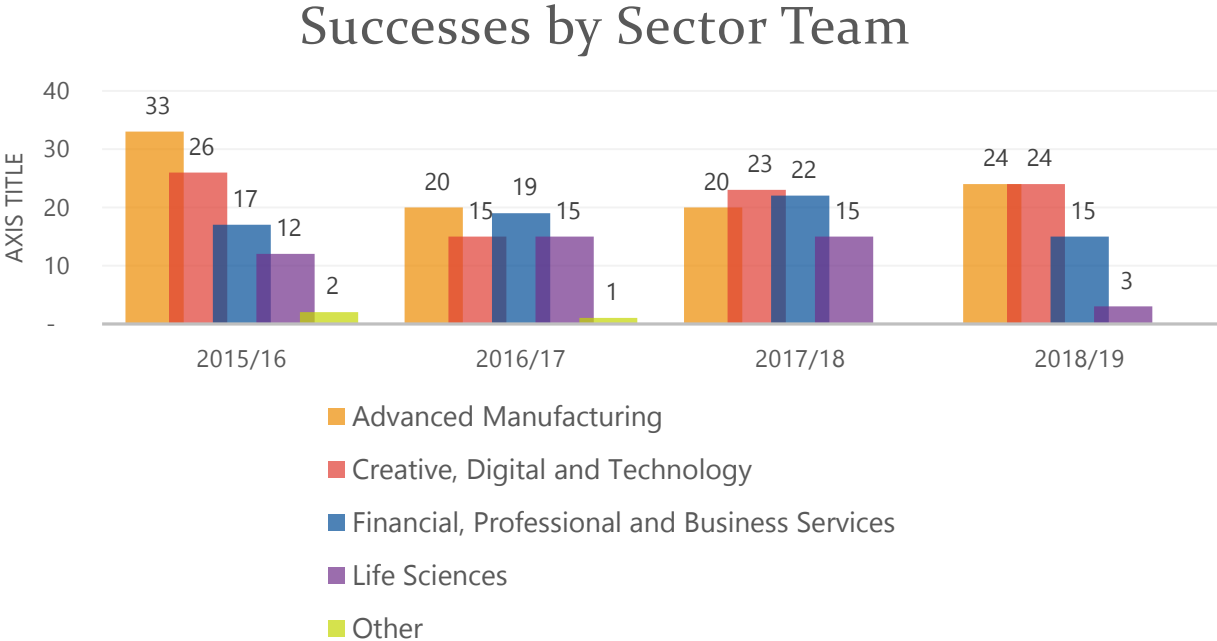
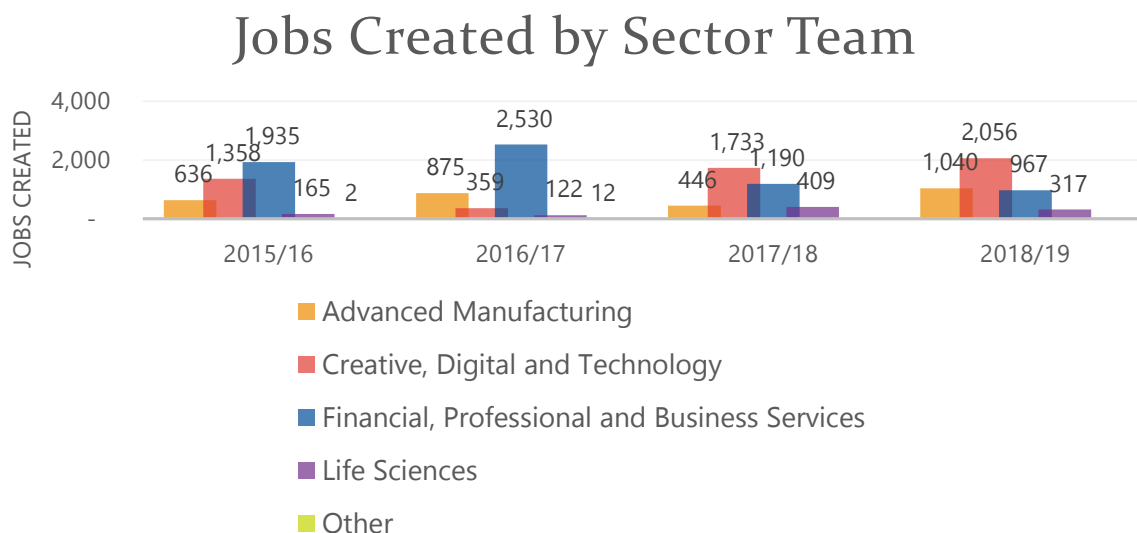


Fig 3. Jobs created by MIDAS sector team



The above chart demonstrates a shift in GM’s economy from relying on Financial, Professional and Business Services toward Creative, Digital and Technology in recent years. North America continues to be the highest grossing market for job creation into GM and is the major source of large tech projects, whereas Europe has contributed the highest number of projects. The majority of European projects are expansions resulting from the increase in key account management.

Proactive direct activity by MIDAS continues to be the highest source of projects for GM, with DIT declining as a source and much more substantially as a source of successful projects, bringing in to question the quality of leads coming through DIT.

Manchester Overview

Manchester Local Authority has fared well in terms of the proportion of jobs and projects landing in GM. As Fig 4 shows, generally, between 60 – 70% of FDI successes over the past 3 years have landed in Manchester.

Fig 4: 2016-2019 Projects and Jobs Performance for Manchester

Metric	2016/17			2017/18			2018/19			2019/20 YTD		
	MCR	GM	MCR %	MCR	GM	MCR %	MCR	GM	MCR %	MCR	GM	MCR %
FDI Successes	29	45	64%	29	48	60%	28	47	60%	4	13	31%
UK Successes	13	25	52%	27	32	84%	14	19	74%	7	9	78%
Total Successes	42	70	60%	56	80	70%	42	66	64%	11	22	50%
FDI Jobs Created	570	2091	27%	899	1413	64%	2274	3321	68%	235	767	31%
UK Jobs Created	1499	1807	83%	2046	2365	87%	589	1059	56%	450	450	100%

Total Jobs Created	2069	3898	53%	2945	3778	78%	2863	4380	65%	685	1217	56%
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Figure 5: Selected recent successful projects for Manchester

Company Name	Sector	Jobs Created	Jobs Safeguarded	Success Year
Fitch Ratings	Financial and Professional Services	150		2019/20
Interactive Investor	Financial and Professional Services	100		2019/20
Slalom	Financial and Professional Services	100		2019/20
Lumira Dx	Life Sciences	75		2019/20
Pell Frischmann	Construction and Engineering	30		2019/20
Metrobank	Financial and Professional Services	25		2019/20
Amazon Web Services	Technology	600		2018/19
BNY Mellon	Financial and Professional Services	300		2018/19
Hewlett Packard Enterprise	Technology	300		2018/19
Jaguar Land Rover	Technology	200		2018/19
Handelsbanken	Financial and Professional Services	170		2018/19
Liqui-Box UK	Manufacturing	65		2018/19
Concept Life Sciences	Life Sciences	50	140	2018/19
A2B Aware	Technology	50		2018/19
Clydesdale & Yorkshire Bank	Financial and Professional Services	50		2018/19
Fractory	Technology	50		2018/19
SimpliSafe, Inc.	Technology	50		2018/19
Ursa Capital	Financial and Professional Services	50		2018/19
Biramis	Financial and Professional Services	35		2018/19
TOPdesk	Technology	35		2018/19
AZO Network	Creative and Digital	25		2018/19
Sana Commerce	Technology	20		2018/19
IBI Group	Manufacturing	15		2018/19
JOE Media	Creative and Digital	15		2018/19
Market Gravity	Financial and Professional Services	15		2018/19
Solidiance	Business Services	15		2018/19
Airsorted	Technology	10		2018/19
Gefco Systems	Creative and Digital	10		2018/19
Raisin UK	Financial and Professional Services	10		2018/19
First Graphene	Manufacturing	5		2018/19

Hyosung UK	Manufacturing	5		2018/19
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Key drivers for FDI

Recent MIDAS analysis of the drivers behind GM's successful FDI projects reveals that talent is the most common driver behind GM's successes. The next most common theme is strength of the economy, with many clients choosing GM to serve the UK and regional market, to be close to its client base and to operate in a strong business environment. Figure 6 shows the deciding factors for successful FDI projects in GM.

Figure 6: Deciding factors in successful FDI projects January 2018 – present

Deciding Factors	Successes	% of Total Projects	Jobs Created	% of Total Jobs
Access to Highly Skilled Talent	23	15.0%	2,073	17.1%
Business Environment	17	11.1%	1,495	12.3%
Access to Large Talent Pool	15	9.8%	1,123	9.2%
Serve the UK Market	13	8.5%	562	4.6%
Industry Cluster	12	7.8%	879	7.2%
Proximity to Client Base	10	6.5%	619	5.1%
Serve the Regional Market (GM/North)	7	4.6%	336	2.8%
Proximity to Existing Site	7	4.6%	571	4.7%
Universities	7	4.6%	303	2.5%
Research and Development	6	3.9%	904	7.4%
Legacy Site	5	3.3%	425	3.5%
Site Availability	5	3.3%	827	6.8%
Serve the European Market	5	3.3%	106	0.9%
Finance/Capital to fund project	4	2.6%	124	1.0%
Infrastructure	4	2.6%	425	3.5%
Lower Costs	4	2.6%	634	5.2%
Quality of Life	3	2.0%	317	2.6%
Personal Preference	2	1.3%	27	0.2%
Contract	2	1.3%	150	1.2%
Brexit	1	0.7%	170	1.4%
Incentives	1	0.7%	75	0.6%
Total	153	100.0%	12,145	100.0%
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Brexit	1	0.7%	170	1.4%
Incentives	1	0.7%	75	0.6%
Total	153	100.0%	12,145	100.0%

Figure 7 shows site availability and lower costs are joint top for the reasons why GM was not chosen by potential investors. Whilst **site availability** and **lower costs** are joint top with 19 unsuccessful projects (15.8%), it must be noted that 4,325 jobs (26.1%) were assigned to the 19 projects in which **lower costs** were a deciding factor, compared to just 950 (5.7%) with **site availability**.

This reflects rising costs in GM, particularly in central Manchester, where property prices and salaries have seen steady rises over the last 5 – 10 years in particular, following a history of relatively flat wage inflation and modest property cost increases. This is not necessarily a bad sign however, as we reflect the GMS ambitions of creating higher value jobs, it stands to reason that we may no longer be competitive for lower value projects.

Clients opting for a location at or near one of their previous or existing sites (termed legacy site) accounts for the second highest number of unsuccessful jobs, with over 3,500 jobs (21.3%) associated. Recent examples of this include **Royal London** and **Link Group**. There are also examples of projects landing in GM due to this reason. On a smaller scale, projects often choose a location based on **personal preference** of the decision maker, this has led to 6 unsuccessful projects (5%), but these tend to be smaller companies.

Figure 7: Deciding factors in unsuccessful FDI projects January 2018 – present

Deciding Factors	Unsuccessful projects	% of Total Projects	Unsuccessful Jobs	% of Total Jobs
Site Availability	19	15.8%	950	5.7%
Lower Costs	19	15.8%	4,325	26.1%
Proximity to Client Base	10	8.3%	1,207	7.3%
Serve the UK Market	9	7.5%	1,055	6.4%
Business Environment	9	7.5%	337	2.0%
Legacy Site	9	7.5%	3,525	21.3%

Proximity to Existing Site	8	6.7%	1,851	11.2%
Incentives	7	5.8%	746	4.5%
Access to Highly Skilled Talent	6	5.0%	540	3.3%
Personal Preference	6	5.0%	48	0.3%
Contract	5	4.2%	1,301	7.8%
Brexit	3	2.5%	302	1.8%
Finance/Capital to fund project	2	1.7%	64	0.4%
Industry Cluster	2	1.7%	31	0.2%
Research and Development	2	1.7%	121	0.7%
Quality of Life	1	0.8%	30	0.2%
Universities	1	0.8%	100	0.6%
Access to Large Talent Pool	1	0.8%	30	0.2%
Serve the European Market	1	0.8%	20	0.1%
Total	120	100.0%	16,583	100.0%

3. Forward look

GM's Inward Investment performance has been relatively stable in jobs creation terms, whilst reflecting national trends in terms of the decline in investment projects actually completing, notwithstanding that decline has not been as severe as the national average. This is certainly in part due to the action taken within GM to counter-act current economic challenges and uncertainty, including a boost in GMCA funding over the last 3 years of £200,000 to support mitigating activity. This £200,000 has then been matched with both £200,000 of private sector income as well as £200,000 from DIT to extend MIDAS' account management programme (see below). We need to continue to invest and show agility as the market changes in order to maintain our position, particularly against ever-increasing competition from home and abroad, otherwise we risk reflecting the full national picture.

This places even greater emphasis on the work being undertaken on the 'Increased Marketing and Promotion of GM', the 'GM Internationalisation Strategy' refresh and 'Northern Powerhouse Trade and Investment Prospectus', all of which become critical to maintaining and increasing performance in a highly competitive and unstable economic environment.

In order to continue to counter-act uncertainty and a decreasing level of global investment, MIDAS has developed the following initiatives and work areas with additional income received over the last 3 years:

3.1 MIDAS Partnership

The uncertainty of European funding moving forward, has meant that MIDAS needed to consider an alternative sustainable model that involves leveraging private sector

investment to build bigger and better campaigns. The positive step was for the organisation to adopt a partnership model, similar to those employed by investment promotions agencies across the world. This has helped to grow the international impact of the inward investment function to increase Greater Manchester's investment pipeline and extend the global business marketing of Greater Manchester in order to drive more investor interest.

The principle partners include the key property developers, as they have directly benefited from the inward investment occupiers taking space in their schemes. These include ASK, Peel, Bruntwood, Muse, MAG, U&I, Hermes and Property Alliance group. Having these partners onboard also supports MIDAS's work with multipliers, in particular the property consultancies who are a good source of leads. The MIDAS partnership will benefit not just from transactional wins through office deals, but also from having access to market intelligence and insight that helps inform their own planning and bringing sites forward for development. Partnership members have a stronger platform to discuss opportunities, ideas and challenges, plus have increased access to networks and more visibility for their schemes. There is no exclusivity given to these developers, however in terms of projects and MIDAS remains completely neutral in this regard.

3.2 Enhanced Account Management Programme

By leveraging additional income from DIT, MIDAS has extended its Account Management Programme, from 250 to 400 accounts managed. The key aim of this programme is to support investment resulting from the expansion of GM's existing companies, and greater coverage will enable a deeper understanding of supply chain opportunities which could serve as the attractor for new entrants. Particular emphasis has been given to improving the coverage of the Industrial and Life Science sectors, to make sure that companies are properly supported, and investment opportunities better identified and understood.

In partnership with GM Local Authorities, MIDAS continually reviews its account management agenda to ensure that strategic companies are managed in an *inclusive* and "linked-up" way across the whole of GM. The current programme is funded until March 2020.

3.3 Focused Business Development Strategy

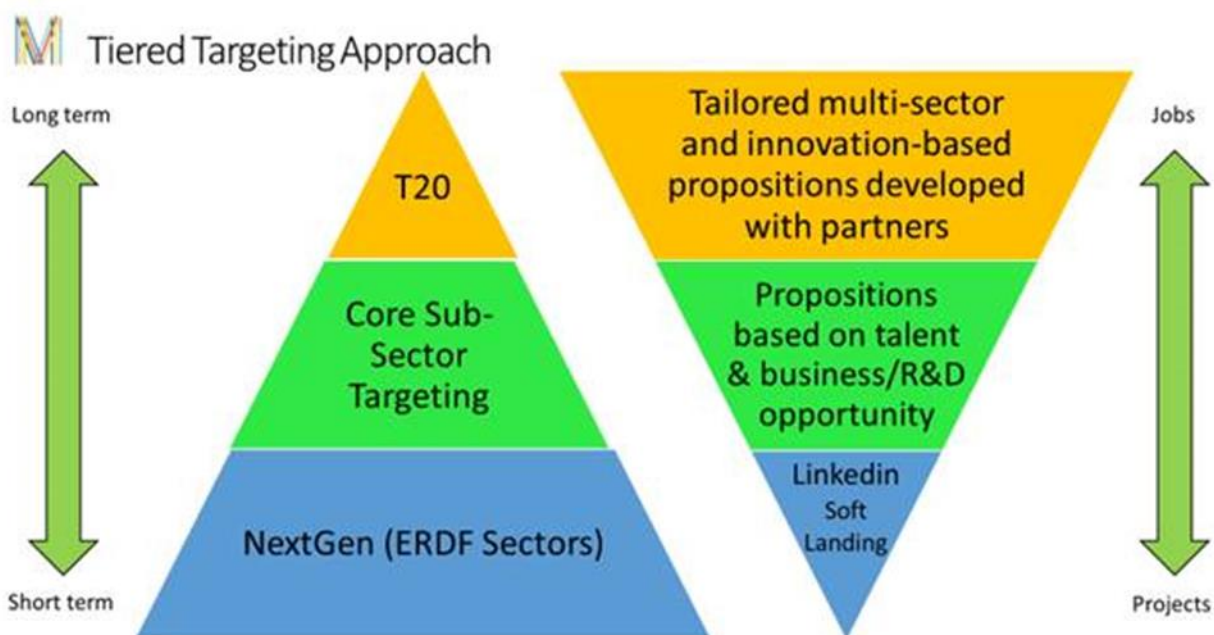
MIDAS has strengthened research, data and market analysis capabilities to drive a forensic/data driven sales approach and increase conversion. MIDAS has invested heavily in its data analysis capabilities, which has supported the evolution of an even more strategic business development approach. This approach is complimented by a multiplier strategy that aims to increase the pipeline of opportunities through an intermediary network and develop closer collaboration with partners and stakeholders. There are currently three categories of targeting:

- 1) **T20** (or Top 20) is a campaign to identify and develop a strategic approach to the world's largest and most important companies in the key sectors GM/MIDAS are focussed on (FPS; CDT; Life Sciences and Industrial). Each of the 20 companies selected have been thoroughly researched and profiled

based on intelligence gathered from shareholder reports, LinkedIn insights and market intelligence. By understanding these companies in greater detail we're able to develop a more tailored approach and proposition that will resonate with their areas of interest. Analysis of their goals, challenges, R&D interests, operational footprint and growth rates has helped develop better insight on the topics we should be highlighting during approaches. In addition, we have mapped out key contacts in companies at a national and international level and are working with our partner and stakeholder network on how we develop joint approaches, leveraging existing relationships.

This work has been done not just for MIDAS lead generation but also supports how GM builds more strategic conversations with companies across the private and public sector.

- 2) **Core Sub Sectors** – MIDAS has also strengthened its core company targeting approach, using research and evidence to identify and focus on specialisms and supply chains, which has helped to attract companies such as Raytheon and Qiagen to the city region. Within the four sectors, there are several sub sectors that have been identified which the evidence has told us A) GM has a strong offer and B) presents the best opportunity for projects and job creation. For example, two areas we are focussing in the CDT sector are E-commerce and Cyber Security, whilst the Life Sciences focus is on Preventative Health, Diagnostics and Digital Health. Ultimately the core sub-sector category is about identifying key UK and international companies in the industries aligned to our strengths, giving us a greater chance of success in attracting them to GM.
- 3) **NextGen** – this campaign is focussed on taking evidence-based data to identify the fastest growing companies globally by following the 'smart money' and tracking companies experiencing very high growth rates. Specifically, tracking the most active and successful VC firms and which companies they are investing in as well as the destination of funds from the corporate venture arms of the largest blue-chip companies. The aim is that this work will help identify the next Facebook/Google and so provide an opportunity to approach these future large job creators early in their development.



High Potential Opportunities

As well as the 3-tiered approach outlined above, there are also two sector specific High Potential Opportunity inward investment propositions - Advanced Materials and Sustainable Packaging.

The Department for International Trade (DIT) 'High Potential Opportunity' programme is part of the national Industrial Strategy and MIDAS has worked with DIT to develop one of three pilot 'HPO' propositions. The programme intends to raise the profile of areas which have a good inward investment offer, the skills, infrastructure and ecosystem to support investment, but have previously been overlooked. The pilot HPO focused on Greater Manchester's strengths in 'Advanced Materials', focussing on lightweight materials for aerospace, automotive and rail – enabling the Low Carbon transport of our future. The proposition highlights the commercial opportunity in these markets and why, in the UK, Greater Manchester offers the ideal location, suggesting a focus on the Rochdale/Oldham/Bury 'M62 Growth Corridor' and the future desire to develop the region into an advanced manufacturing/materials innovation park.

MIDAS & DIT worked together to produce the document with the intention of DIT launching it across their global network of advisors in order to promote the opportunity to companies in key markets. 'GREAT' branded marketing across LinkedIn and Twitter was also produced. MIDAS and DIT are continuing to work together to deliver the message, with activity planned in the US, Europe and India. MIDAS proposed a second Greater Manchester HPO – highlighting the opportunities to be exploited by choosing GM as a location for innovation in 'Sustainable Packaging' – part of the mission to reduce single use plastics and to create a truly circular economy. With a large cluster of Food & Drink Manufacturers in the North West – the end users who create the commercial opportunity, coupled with the design, packaging, raw materials supply chains and globally significant Advanced

Materials strengths and assets, the case for Greater Manchester to be the UK home of Sustainable Packaging was strong. DIT & MIDAS have developed a comprehensive document which was launched to the DIT global network in the Summer of 2019, in time for the launch of Industrial Strategy Challenge Fund announcements of funding for sustainable & smart packaging opportunities. MIDAS are using these, in collaboration with Innovate UK and DIT – to add emphasis to the proposition and to promote and encourage Research & Innovation collaborations with colleagues in Business Growth Hub.

3.4 Focus on “Opportunity” markets

The Manchester India Partnership (MIP) was established in 2018 to build and strengthen trade, investment, cultural, and educational ties between the two regions. Recent success of the Partnership includes investment from Tech Mahindra, an Indian-owned IT services firm, which opened its ‘HQ of the North’ and created 80 jobs. Jet Airways announced the first direct flight between Manchester and Mumbai and the Manchester India Partnership was crowned the ‘Trade and Investment Promotion Organisation of the Year Award’ at the UK-India Awards two years running (2018 and 2019).

The Manchester China Forum’s (MCF) over-arching aim is to build strong, long-term, coordinated links between Greater Manchester and China. When the Forum was first established in 2013 its initial aims were broad and geared towards setting the foundations for the Manchester-China relationship. 5 years on the region has developed a strong and unique platform for engaging with China across a broad range of sectors and initiatives. Since its establishment, two routes have been launched to Beijing and Hong Kong and President Xi has also visited Manchester having a huge impact on Manchester’s profile in China. Highlights of the year include Huawei opening an office in Salford, MCF signing closer collaboration agreements with Tianjin, Shenzhen and Haidian District in Beijing and Bruntwood SciTech joining the MCF board from August 2019 to support with developing GM-China Science and Innovation strategy and action plan. The MCF will continue to bolster Manchester’s political profile within China, with MoU’s being finalising with both Tianjin and Haidian. Looking to the future the MCF will continue to move forward with the following priorities:

- Establish and progress on Greater Manchester’s priorities as identified in the Local Industrial Strategy such as low carbon, innovative healthcare, technology as well as science and innovation.
- Continue to enhance Manchester’s visitor economy, and secure further direct connectivity to the Mainland in key markets such as Shanghai, Shenzhen & Guangzhou.
- Build on the in-market presence of our football clubs, raising their brand profile and developing a long-term strategy for footballing collaboration.
- Soft power and the influence culture can have on boosting international relations with China.

4. Support for Enterprise Zones

MIDAS has supported a number of projects directly landing in both the Airport City enterprise Zone and The Corridor and continues to support promotion of the Enterprise Zones through campaigns and lead generation activity.

Recent projects MIDAS supported in the Enterprise Zones include Virgin Media (19-20) at Atlas Business Park which was further expansion of their existing site, creating 800 additional jobs. MIDAS worked with MCC Work and Skills team to develop a dedicated package of support together with the Job Centre and the Wythenshawe business forum to access job seekers with the local community. MIDAS also supported The Hut Group (March 2018) and Amazon to locate into Airport City. MIDAS also worked with Qiagen (18-19) over a three-year period to bring the genomics campus to The Corridor which created 140 jobs and supported Hewlett Packard Enterprise (18-19) on the project which will see them take 20,000 sq. ft of space at Circle Square, creating between 200 and 300 jobs.

MIDAS is working proactively with Enterprise Zone Stakeholders and is undertaking two lead generation campaigns with the GEIC on advanced materials in North America (September 19) and India (November 2019) and working closely with MSP on the Life Sciences sector. MIDAS has recently submitted a bid to DIT for a Life Sciences Opportunity Zone (LSOZ) which will be decided by Ministers. THE LSOZ will benefit from engagement with government ministers and officials from the Department for International Trade (DIT) and the Office for Life Sciences (OLS). The GM bid was centred around The Corridor and was a joint bid with the GMCA and Health Innovation Manchester (HInM) who MIDAS work very closely with.

5. Economic Impact of MIDAS

The inward investors brought in to GM by MIDAS generate a significant stream of jobs, gross value added (GVA) and business rates income. Their capital expenditure creates important immediate economic benefits whilst also helping upgrade the city-region's physical assets for the long term. MIDAS also works with a large pool of existing investors to facilitate further investment/expansion, with a focus on high value investment and R&D.

The return on investment has been calculated in a recent Hatch Regeneris report (Figure 7). Taking MIDAS outputs for the last 6 years and then averaging out to give an annual figure, they estimated that **the overall net economic impact of MIDAS supports £5million of new business rates, secured over £70 million of CAPEX and generated GVA of £190 million.** This net figure is calculated by removing a proportion of outputs based on leakage, deadweight, displacement and attribution and then applying a multiplier effect. Altogether, this gives an RoI per £ of GMCA funding of £160 and a private sector leverage of £60 per £ of GMCA funding.

Figure 7: MIDAS Annual Economic Impact Summary

	Gross	Net
GVA	£215m	£190m
Jobs (FTEs)	3,700	3,200
Business Rates	£5m	£5m
CAPEX Supported	£75m	£71m

Source: Hatch Regeneris
 Note: Numbers have been rounded.

Hatch Regeneris used MIDAS’ database to ascertain the amount and type of space taken up by inward investors, the number of gross jobs, GVA and business rates income secured as a result of MIDAS’ work. This includes both space taken that is new to GM as well as the expansion of existing space. They used benchmarks to calculate construction investment and fit out costs for different types of space to calculate CAPEX (this to ascertain the level of private sector investment drawn in and does not feed into the jobs/GVA calculations). They also annualised the impacts to ensure they refer to single year effects only.