

Paper for: The LEP Board

Title: Cancellation of MIPIM 2020

Date: 7th May 2020

Strategic Purpose: Delivery of Strategic Objectives

Resource Implications: Financial

Board: For Decision

- **The Board are asked to consider the overall position regarding MIPIM 2020 and taking in to account the importance of ongoing relationships with partners, agree the level of refund to be paid back to partners.**

1. Current Position

- 1.1. MIPIM is Europe's largest commercial real estate and investment conference run by ReedMidem. The event takes place annually in Cannes, with 2020's event due to run from 9th – 13th March.
- 1.2. The LEP has attended for the several years, with Marketing Cheshire delivering event management services. The LEP underwrites costs with a budget allocation of £40,000 agreed by the Board for 2020 attendance.
- 1.3. ReedMidem's response to the Covid-19 pandemic was slow with them initially announcing on 29th February that the event was to be postponed to 2-5 June, they eventually responded to pressure and announced full cancellation on 25th March 2020.
- 1.4. We have kept partners updated throughout and ensured timely communications when key announcements were made by ReedMidem. We have been mindful of maintaining relationships with partners, as they have supported attendance for many years. The ongoing relationship with partners is also key to future attendance and supports ongoing development and regeneration in our sub-region.

2. Cheshire and Warrington Delegation

- 2.1 Cheshire and Warrington's approach to MIPIM has always been to provide value for money for partners, it hasn't been profit making and seeks only to share the costs between public and private sectors for mutual benefit.
- 2.2 At the point of cancellation, we had 63 partners (excluding LEP attendees). Partners range from large corporates though to small businesses, but to make it accessible to all we offered an entry level partnership fee of £1800 (that provided a range of benefits but was priced equal to buying a ticket directly from ReedMidem), through to £7500 for headline sponsorship. All packages included at least one delegate pass (worth around £950 subject to exchange rate)
- 2.3 Our headline sponsor for 2020 was once again Patrizia, the site managers for Birchwood Park. Peel Energy supported as an event sponsor with a fee of £5500, whilst third tier partners paid £3500 and included Brock Carmichael Architects, the University of Chester, Glenbrook, Langtree, Life by Ringley. Other sponsors

included Arup, Grosvenor Estates, Luma Marketing and WSP. Many companies, small and some of scale, bought passes at £1800 and this fee made a small contribution to overall costs of the stand, whilst also providing value for money for partners – companies included Bruntwood, Harlex Property Development, Craigleith, Knights Plc, NWBLT, Pegasus Group, Solid Ground, P4 Planning and Wildbrook Commercial Real Estate.

3 Financial Considerations

- 3.1 In line with their T&C's, ReedMidem have offered either a 100% credit for the costs of delegate passes and stand floor space if carried forward to 2021; or 100% of delegate pass costs and 80% of stand floor space for a cash refund.
- 3.2 Partners have been asked whether they would like a refund (for the pass element of their partnership fees only at this stage) or a credit note. 14 individuals have confirmed they would like a credit note, the remainder would like a refund.
- 3.3 At this moment, we feel there are too many uncertainties to allow the LEP to commit to 2021 attendance. The status of mass gatherings in the context of lockdown restrictions; the appetite of our partners to attend and financially support in 2021; whether other UK destinations, particularly colleagues in NP11, will attend; and whether the current state of the market means it would be valuable for the LEP to attend all need to be taken in to account.
- 3.4 On this basis we are only considering a cash refund position, however, we must let ReedMidem know our final decision by 31st May.
- 3.5 By requesting a refund, and potentially not committing at this time to 2021 attendance, we may lose our stand position which will be on open sale from mid-June.
- 3.6 Other costs of attending, including stand build costs; group events throughout the week; print costs etc. are not covered by ReedMidem.
- 3.7 The current position regarding event insurance is uncertain. Initially Marketing Cheshire's insurers (Hiscox) advised Covid-19 was an uninsured event, however, they have since come under pressure and we are compiling a claim to be submitted.
- 3.8 The extent of any insurance pay-out is not known, and this paper assumes no reimbursement of losses.
- 3.9 The LEP does not carry event insurance and the only cover possibly available for costs incurred directly by the LEP will relate to unrefunded travel and accommodation.

4 Proposal

- 4.1 There are two options for partner refunds, to be considered by the Board:
 - a) 100% refund of all fees paid for MIPIM sponsorship
 - b) 100% of pass costs, and 80% of the difference in fees.
- 4.2 The net difference to the LEP between option A and B represents £10,617
- 4.3 Refunds would be paid to partners, when ReedMidem have transferred funds, which is expected to be between 60-90 days from 31st May.
- 4.4 Where partners have requested their preference for a credit note for their pass, the proposal would be to instead refund them in line with the Board decision for the whole amount paid, so that they can then opt to purchase a pass at a later date, or indeed join our delegation if we do decide to attend in 2021.

4.5 The following table shows the costs of MIPIM, less recoverable/refundable costs and the current net position for the LEP before any contribution from partners.

£	124,587.08	Total costs excluding Marketing Cheshire project fee
£	52,379.30	refunds of passes from ReedMidem passed on to partners
£	23,738.00	other refundable/recoverable costs
£	48,469.78	Unrecoverable costs
£	6,411.43	Travel costs likely recoverable through LEP/MC insurance
		Option A
		100% refund of pass and all fees
£	42,058.35	Net costs to LEP expected to be unrecoverable
£	12,000.00	Net cost to Marketing Cheshire expected to be unrecoverable
		Option B
		100% refund of pass, 80% of fees (representing 20% contribution from partners)
£	31,440.98	TOTAL NET COST TO LEP
£	12,000.00	TOTAL NET COST TO MARKETING CHESHIRE
£	10,617.37	Net difference to the LEP between scenario A and B

5 Recommendation of the Financial Director

5.1 Due to the budget allocation already being agreed and accounted for in 2019/20 accounts, it is recommended that we provide a 100% refund of all fees paid to partners, but letting partners know of the true cost of MIPIM to the LEP.

Catherine Walker

Director of Communications & Marketing

April 2020

