

**Manchester City Council
Report for Resolution**

Report to: Economy, Employment and Skills Overview and Scrutiny
Committee – 8 September 2010

Subject: MIDAS

Report of: Tim Newns, Deputy Chief Executive

Summary:

The following report provides an introduction and overview to MIDAS, Manchester's Investment & Development Agency Service. It covers the core functions of the organisation and its role and performance within the Manchester local authority and the wider city region.

Recommendations:

To note the contents of the report for discussion.

Wards Affected:

All

Contact Officers:

Name: Tim Newns
Position: Deputy Chief Executive
Telephone: 0161 498 1600
E-mail: tim.newns@midas.org.uk

Background documents (available for public inspection):

None

1.0 Introduction

- 1.1 MIDAS is Manchester's investment and development agency with a remit to attract new investment and employment to the city region. MIDAS offers an extensive, free and confidential package of advice and assistance for location consultants and potential investors. The organisation is wholly owned by the ten AGMA authorities and is funded by those authorities and the NWDA.
- 1.2 MIDAS has a strong private sector led board setting the strategic direction of the organisation. The Chief Executive, Angie Robinson is supported by a Deputy Chief Executive, Tim Newns, two further directors and 21 full time staff - and two staff on full time secondment - across business development, marketing and operations teams.
- 1.3 MIDAS has a successful track record in securing investment and over the last 3 years has delivered 253 projects which have created and safeguarded a total of 14,332 jobs across Greater Manchester.

2.0 Role of MIDAS

- 2.1 MIDAS undertakes both pro-active lead generation and project handling to attract new inward investment from key international markets such as US, Europe and India and also in the UK, particularly in London and the South east. MIDAS also operates a highly successful investor development programme which is in place to sustain and grow the current foreign direct investment that now resides within.
- 2.2 MIDAS works proactively in key industry sectors, across important geographical target markets, to promote Manchester as a world-class destination for business and a location of choice for potential relocations and expansions. Recent investment has been secured from RBS, John Lewis, SPX Corporation and Spectrum Global Media.
- 2.3 MIDAS undertakes an extensive programme of engagement with existing investors in the city region – with both internationally-owned and UK Owned firms. In recognising the growth potential of these companies, MIDAS has adapted its approach this year by increasing the number of existing investors that it account manages, in a bid to drive up the number of projects. This comes on the back of a hugely successful foreign-owned company engagement programme for 2008/2009 which led to increased investment into Manchester from one in four companies supported by MIDAS.
- 2.4 MIDAS has historically driven the global business marketing of Manchester and promotes the City as a world class location in which to invest.
- 2.5 As the strategic employer engagement body for Greater Manchester, MIDAS also plays an important role in 'shaping the city region product' and ensuring that the views of key businesses are directing the emerging policy environment.

- 2.6 MIDAS is part of the Manchester Family of organisations and works particularly closely with Marketing Manchester, the Commission for the New Economy, Greater Manchester Chamber of Commerce and Manchester Solutions as well as Manchester Airport and the Universities.
- 2.7 MIDAS works in partnership with Manchester City Council, at all levels, on key enquiries and projects within the local authority boundary. Councillor Sue Murphy is also one of the five AGMA representatives with a seat on the MIDAS Board.

3.0 MIDAS Results

- 3.1 The table below, shows headline MIDAS results for the last three financial years.

	2009/10	2008/09	2007/08
Total number of successful projects	94	83	76
Job per project	53	57	61
Actual Jobs Created and Safeguarded (UK & Foreign Owned Companies)	4959	4735	4638
Actual Jobs Created (UK & Foreign Owned Companies)	3609	3129	3106
Actual Jobs Safeguarded (UK & Foreign Owned Companies)	1350	1606	1532
Projects which are FDI – Actual & Percentage	56 (60%)	30 (36%)	33 (42%)

- 3.2 Despite a turbulent economic climate, MIDAS has seen an increase in projects year on year particularly from foreign investors seeking stable economies. 2009/10 saw record results with 3609 jobs created although this was in part attributable to a one off ‘super project’ from UKDC creating 1,300 jobs.
- 3.3 Creative Industries, Finance & Professional Services and Manufacturing have, over the last three years been the top performing sectors in terms of the number of project successes, however the contribution to the overall jobs figure has been less. Those sectors have respectively, created an average of 38, 23 and 23 jobs per project, below the average of 52 jobs per project. Business services continues to be the best performing sector in terms of number of jobs even after discounting the UKDC super project.
- 3.4 The US continues to provide the largest share of foreign direct investment (FDI) jobs at 55% followed by Europe (28.4%), India (9.8%), China (1%) and for the first time the UAE (0.8%).
- 3.5 The European market is particularly important for MIDAS and whilst still second to the US in terms of job creation, the highest proportion of projects came from Europe, in particular, from France, Germany and Ireland. MIDAS is account managing a number of strategically important European owned firms in Manchester including; UBS, Credit Suisse, Bauer Media, Fast Web Media, Cap Gemini and BNP Paribas Fortis.

4.0 MIDAS in Manchester

- 4.1 Over the last three years, the Manchester local authority area has received 70% of MIDAS successful projects and 54% of jobs. The most significant investments in Manchester have been:
- The continued expansion of BNY Mellon who have now created around 1,000 jobs since they arrived in 2005.
 - RBS who have established the first major investment banking operation in the city and will create a total of 310 high value jobs
 - US owned SPX Corporation who have created 160 roles at their shared service centre in Didsbury and are currently seeking further expansion.
 - John Lewis who created 250 roles at their call centre, also in Didsbury.
 - Fine Lady Bakery in East Manchester creating 277 jobs.

5.0 Case Study – BNY Mellon

- 5.1 BNY Mellon is a leading asset management and securities services company operating in 34 countries and a worldwide staff of 42,000. The company provides asset and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.
- 5.2 The company's milestone decision to locate its new financial services growth centre in Manchester was a huge coup for the city. The company chose to locate here because it boasts a large pool of talented people from which they have created a centre of excellence that will continue to drive the business forward.
- 5.3 Since deciding to locate in Manchester, the company has worked closely with MIDAS, Manchester's Investment and Development Agency and other regional bodies, on formulating its recruitment strategy and the development of a bespoke suite of training to meet the specific needs of the organisation.
- 5.4 BNY Mellon's Manchester office provides a range of training opportunities for its employees and it has developed two nationally recognised qualifications to provide opportunities for staff to develop new skills whilst they work with the organisation.
- 5.5 The company has developed an Advanced Apprenticeship in Investment Administration, a new NVQ-level qualification which it developed in partnership with the Financial Services Skills Council, to help build the skills employees need to embark on a career in the industry. Since launching the qualification over 100 members of staff have signed up to complete the qualification.
- 5.6 The company also joined forces with Manchester Metropolitan University to develop a part-time Financial Services BA Honours Degree course to help 70 employees take their career further within the industry. This has been a major success, providing higher level training that meets the company's specific

needs, and a continuous development path for those employees who have completed the Apprenticeship programme.

6.0 Future MIDAS

- 6.1 MIDAS continues to see a strong pipeline of enquiries, particularly overseas enquiries in the creative industries, financial & professional services and manufacturing sectors, although there has been a dip in new project activity understandably around the General Election and the recent Emergency Budget.
- 6.2 Loss of grant funding has the potential to impact on future competitiveness and the ability to support investment in infrastructure, training and R&D will be important to secure investment going forward. MIDAS will seek alternative routes to secure this funding.
- 6.3 Initiatives such as the Hello Manchester soft landing scheme - offering 12 months rent-free in serviced office space in anchor locations throughout Greater Manchester – will continue to be important in order to attract foreign investors. Manchester Business Club – with branches in New York, Kuala Lumpur, Singapore and soon to be Mumbai – also extends our reach and network in key international markets and is a key part of our communications.
- 6.4 MIDAS is also central to the development of the emerging spatial framework to ensure that the approach to employment sites is demand driven and meets the needs of future investors. The availability of a large employment site is particularly important in order to assist in securing future investment from manufacturing, logistics and distribution firms.