

LEP Inward Investment – Lead Sue Roberts/Andy Walker

BACKGROUND

This is the first Inward Investment activity report to the Board.

Inward Investment is a key part of the Strategic Framework as an enabler to drive investment and jobs into the county. The Lancashire Enterprise Partnership works with a large number of partners to deliver this activity.

Most of the successes of Foreign Direct Investment comes from existing Foreign Owned Companies and is shown as Investor Development in the tables below. A Lancashire Key Account Manager, employed by LCC, but funded from DIT, supports these companies in their major investment plans and reports on the benefit they bring to the economy.

In addition to the work of the Key Account Manager, the LEP also responds to further enquiries, which come from a range of sources including the Department for International Trade, direct emails, phone calls and local partners. These are referred to as Inward Investment in the tables below.

Local Infrastructure

Local partners work together to promote Lancashire as an inward investment destination and respond to enquiries. The following organisations are involved in inward investment activity.

- Department for International Trade
- Northern Powerhouse Department for International Trade Team
- Other Government Departments such as Business, Energy and Industrial Strategy
- Lancashire Enterprise Partnership
- Lancashire Skills and Employment Hub
- Lancashire County Council
- Unitary and Local Authorities
- Chambers of Commerce
- Universities
- North West Aerospace Alliance
- Northern Automotive Alliance
- Innovation Agency
- Marketing Lancashire
- Lancashire Businesses
- Other Trade Bodies

PERFORMANCE – INWARD INVESTMENT

Previous Years Performance – Inward Investment Performance for the past two years are shown in the table below. For clarity a 'success' is where an inward investment has been made and the data is verified by the Department for International Trade.

Performance Measure	2018/19	2019/20
Total number of inward investment project successes	15	22
Inward Investment project successes with support from Key Account Manager	3	6
Number of Jobs created	2,666	2,157
Value of the investment	£649,705,000	£2,343,957,000

2020/21 Performance - So far this year there have been 10 successful inward investments as shown in the table below.

Project Name	Project Lead	Source Location	Nature of Investment	Jobs Created / Safeguarded	Value of Investment
Assystem	Inward Investment	France	Energy	100	£2,000,000

Hispano Language Advisory	Inward Investment	Argentina	Digital	5	£200,000
Prodalysa	Inward Investment	Chile	Food Manufacturing	20	£2,000,000
Melling Tool	Inward Investment	USA	Advanced Manufacturing	21	unconfirmed
Sioen Industries	Inward Investment	Belgium	Technical Textile Manufacturing	5	£2,500,000
Lanxess Aktiengesellschaft	Inward Investment	Germany	Chemicals	2	£1,390,000
Froneri Lancashire	Inward Investment	France	Food Manufacturing	38	£9,420,000
Kindeva Drug Delivery L.P.	Inward Investment	USA	Pharmaceutical	61	£10,379,326
Heritage Envelopes	Investor Development	Germany	Paper Manufacturer	26	£4,000,000
Beaumont Textiles	Investor Development	Saudi Arabia	Textiles	3	£110,000
Total				281	£31,999,326

Note: Due to the pandemic, DiT is now counting jobs 'safeguarded' and companies 'retained' in the UK as a measure of success, as opposed to those purely 'new / created'.

Unsuccessful Inward Investment Propositions

Project A - A company in the Space sector was looking to locate a manufacturing plant in the UK with access to a talent pool of people with Quantum Physics background. Lancashire received favourable feedback however, two regions had a stronger proposition with more than one university working in the field of Quantum Physics. The company requested the option to come back to us should discussions not go to plan which has been welcomed.

SHINE – A US company in the Medical Isotope sector was looking to locate a European manufacturing facility and research & development centre in the UK. Lancashire and local partners received favourable feedback but without central government support the company was unable to commit to the UK and accepted the Netherlands offer of support. Further details regarding this proposition is the subject of a separate paper.

Site Visits

KAM visits

Due to the pandemic, in depth communications are now undertaken remotely (on-line or telecom), rather than on-site. The Key Account Manager has held such communications with 60 different companies, and undertaken one physical site visit before lockdown.

Pipeline Generating Activity

- Events promoting Inward investment previously included
 - MIPIM Cannes, MIPIM UK, Farnborough and Paris International Air Shows
- Delivering Sector Knowledge video call with Sheffield City Region on Aerospace to the United States trade advisors.
- Provided Lancashire information for the following sector propositions
 - Cyber Security
 - FinTech
 - Data Centres

Current Pipeline

No. of active enquiries	Lead	Sector	Source Location (UK, EU, USA, Asia etc)	Jobs	Investment £	Interest in EZ
3	Investor Development	Manufacturing	Europe	TBC	TBC	N/A
2	Investor Development	Manufacturing	North America	TBC	TBB	N/A
1	Investor Development	Logistics	Europe	TBC	TBC	N/A
1	Investor Development	Medical Supplies	Europe	TBC	TBC	N/A
1	Inward Investment	Nuclear	UK	TBC	TBC	N/A
7	Inward Investment	Manufacturing	Europe	670	£502,000,000	Yes
1	Inward Investment	Logistics	Europe	80	£10,000,000	No
1	Inward Investment	Agritech	Europe	30	£25,000,000	No
1	Inward Investment	Agritech	Asia	30	£17,000,000	Yes
1	Inward Investment	Data Infrastructure	Asia	70	£12,000,000	No

Specific pipeline enquiries to highlight.

The information in this report has been collated from the Key Account Manager, the Department of International Trade inward investment enquiries and inward investment enquiries that have come directly into the LEP. We are not able to report any inward investments that existing Foreign Owned Companies or companies new to the UK or Lancashire have made without support from the public sector.

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.