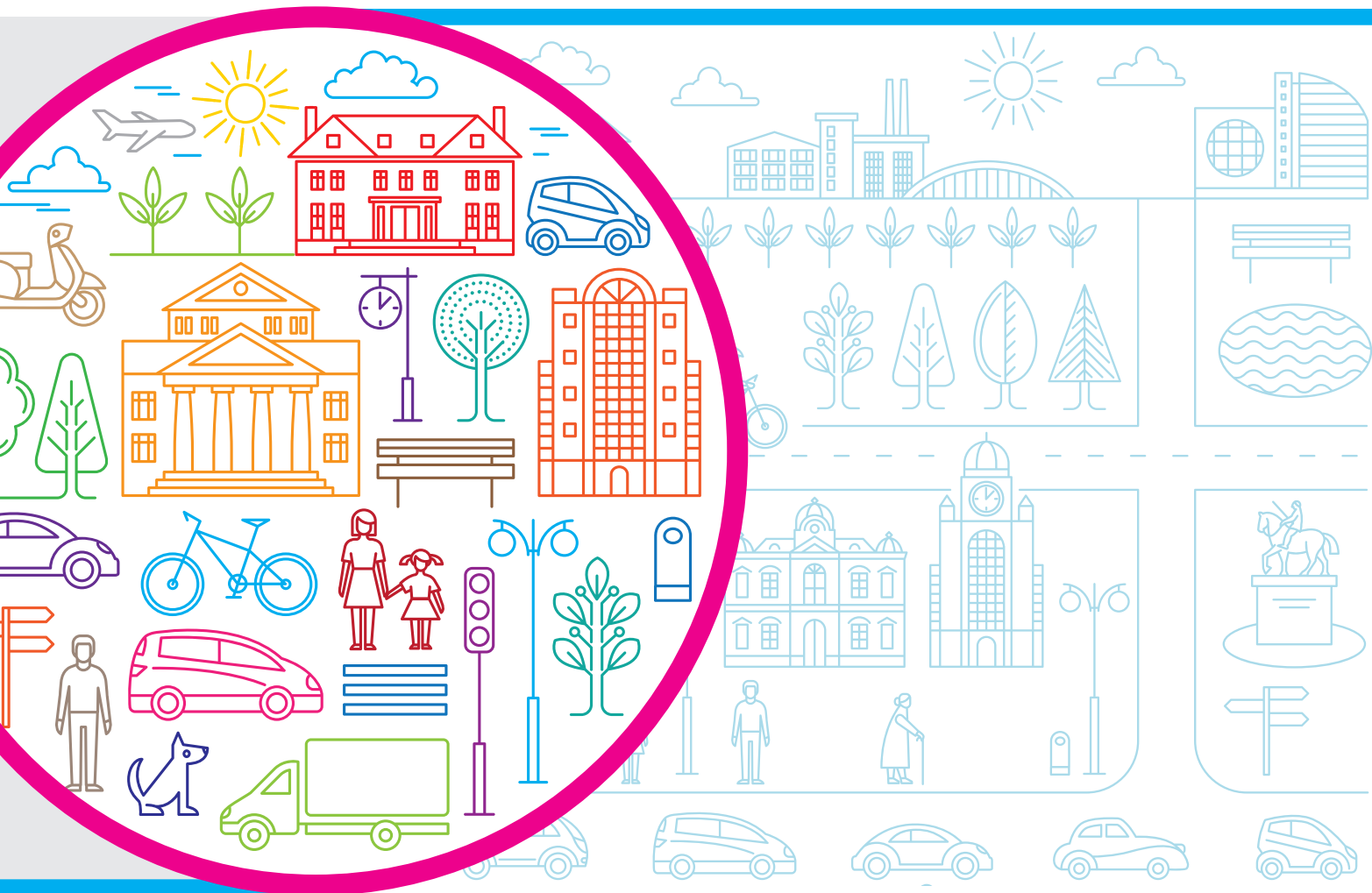


Building the Towns and Cities of Tomorrow



About this report

The British Chambers of Commerce would like to thank Legal & General for its partnership in producing this report.

The content of the following chapters has been informed by desk research, informal conversations and roundtable discussions in towns and cities across the UK.



Foreword from Nigel Wilson, Chief Executive, Legal & General



Legal & General is delighted to have worked with British Chambers of Commerce to produce this report, based on a series of discussions with Chambers in eight cities outside London during 2018.

The feedback from those meetings, and the business case studies that were presented, has been invaluable. Every place is different and has unique local challenges and opportunities. A local Industrial Strategy that will work for Manchester and Sheffield, for example, may not be appropriate for Northampton, while Belfast is by any measure unique.

There are however enough shared issues to develop meaningful principles which can support urban regeneration and economic development across the UK. These principles have never been more important than today, for three reasons:

- First, following global quantitative easing, there has never been so much global money available to invest, combined with such a large gap in infrastructure investment and capital for start-up businesses to scale up.
- Secondly, while the investment gap is not unique to the UK, our productivity lags our competitors by 30%. Investment improves productivity and as London's productivity is high compared with our other cities, the best way to raise UK-wide productivity is by investing outside London.
- Thirdly, regional devolution and greater empowerment of our cities and regions creates opportunities to develop compelling local visions and strategies for growth. We consistently find we can get more done by dealing directly with local civic and business leaders.

The time has never been better to develop economic growth in the regions and cities of the UK through greater investment. Legal & General has invested consistently in our cities over the last few years, deploying almost £15bn and working alongside civic leaders of all political persuasions, our great businesses and universities. We will do more: creating a Future Cities programme the UK can be proud of.

Chambers of Commerce are crucial to this – we thank those who took part in this exercise and look forward to working together as our programme unfolds further.

Dr. Adam Marshall, Director General British Chambers of Commerce



As Director General of the British Chambers of Commerce, I have the privilege of going up and down the country and meeting those dynamic businesses and individuals who make our towns and cities great.

The core mission of every accredited UK Chamber of Commerce is to connect local businesses through membership, improve the local business environment, help local firms succeed globally through trade, and to provide a voice for their local business community.

Our members — these passionate, locally-engaged, committed and caring, entrepreneurial firms — combine their search for profit with a strong civic commitment, and are so vital in making our country a success. They do this despite navigating several key structural challenges within their local area.

At the British Chambers of Commerce, we are delighted to be working in partnership with Legal & General to produce this report, which identifies the challenges for our towns and cities and provides a framework for unlocking investment. Both our organisations have a great deal of experience at understanding the economic development of places.

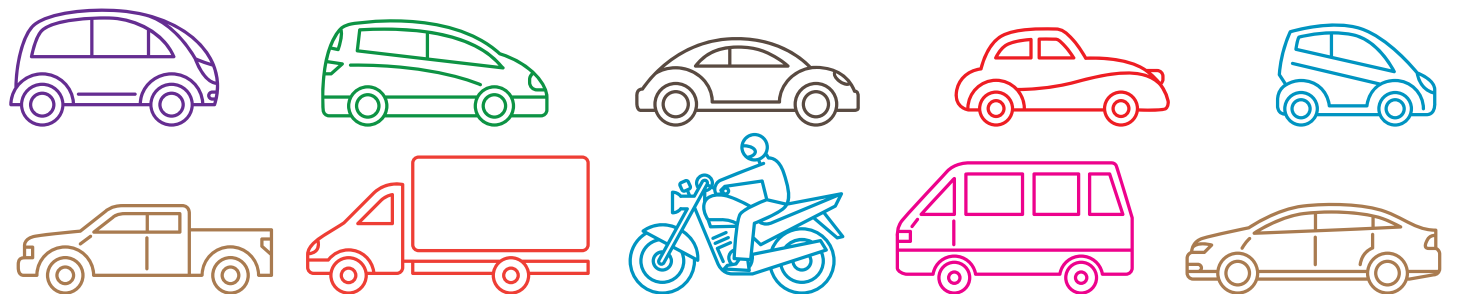
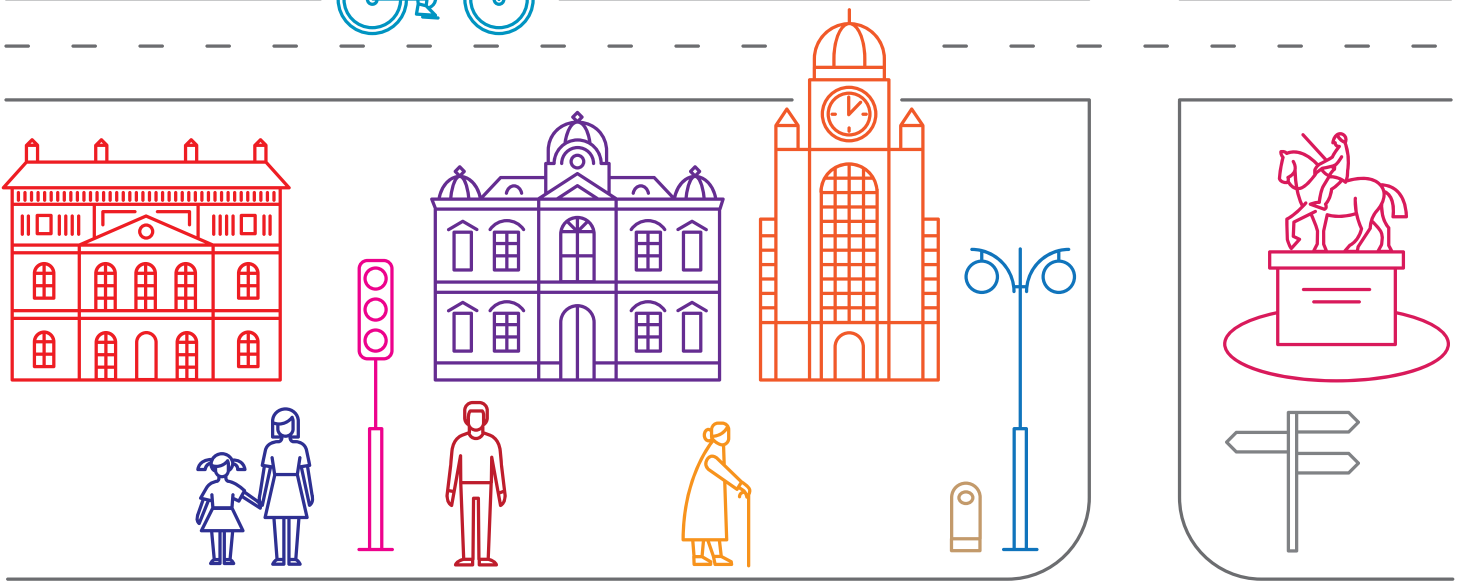
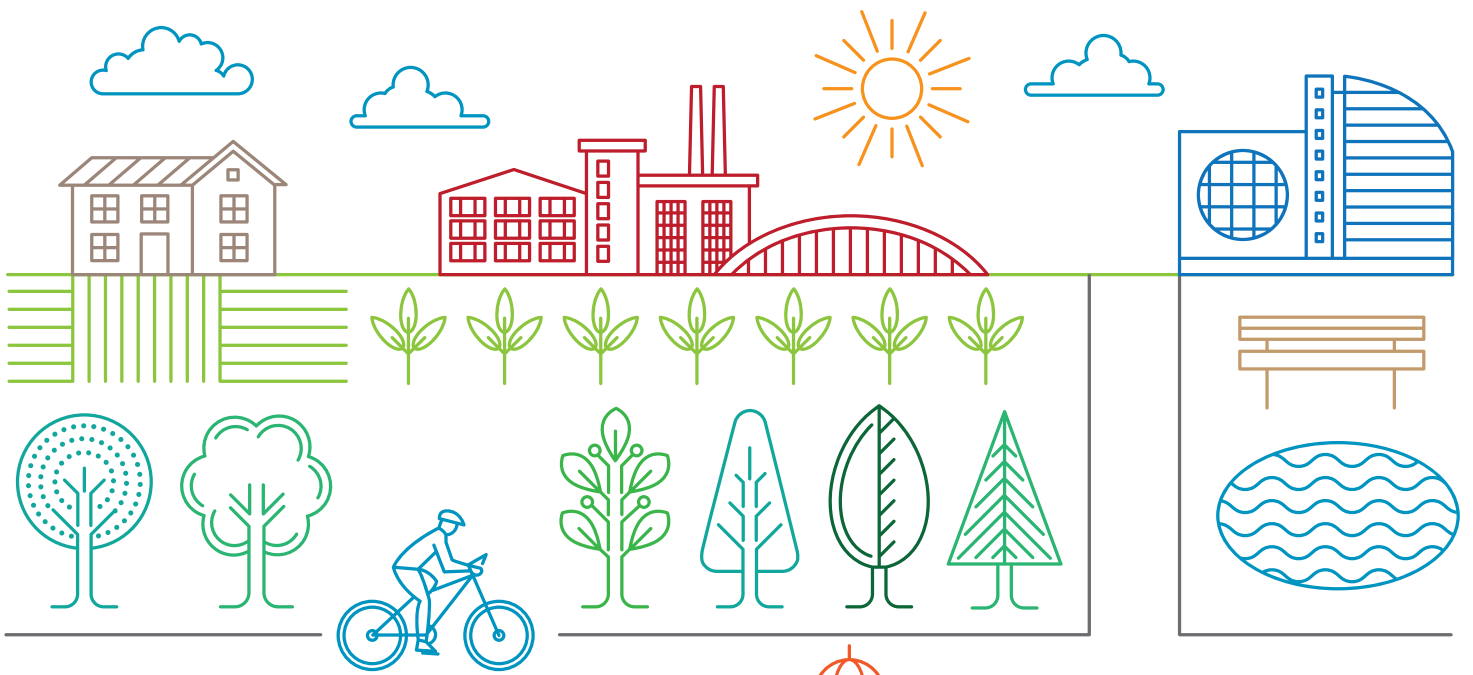
This report does not seek to gloss over the challenges that many of our towns and cities face. An economic imbalance towards London, a shortage of housing, and declining air quality are all major obstacles. In addition, local councils have faced budget squeezes that have impacted on regional spending.

This report sets out carefully a ten-point framework for the future of our towns and cities — from drawing in capital and talent from overseas, to utilising local assets such as universities. It also looks at key towns and cities across the country — each with their own unique characteristics — where the framework could apply.

It is crucial that we take a long-term view, and not try and patch things up with a short-term fix. Local business leaders know best what the barriers to growth are, and it is vital that they along with other key stakeholders provide clear leadership, and articulate not just the problems, but the solutions too. And when those local areas provide a long-term vision, they will thrive.

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Introduction

Investing in our towns and cities

The UK's towns and cities need investment if they are to grow and prosper. This investment can take on many forms, from office blocks to factory facilities, from housing developments to sports stadiums and from public spaces to venture capital.

This report is about how different towns and cities face barriers to investment, how they can unlock further investment and how further investment will benefit them. The content of the following chapters has been informed by people within towns and cities themselves, following conversations across the country with businesses, local government, universities, third-sector organisations, civic leaders and politicians.

The conversations painted a mixed picture. On the one hand, there were examples of town and city investment that demonstrated pride, innovation and ambition. On the other hand, there were examples of investment held back by inflexibility, a lack of vision and a failure to cooperate.

The purpose of this report, therefore, is to:

- [Set out the current context for investment in our towns and cities.](#) This includes the existing problems, emerging challenges and investment environment that towns and cities currently face.
- [Present a framework for unlocking urban investment.](#) This was created by collating the experience and knowledge we tapped into in towns and cities.
- [Present case studies of town and city investment.](#) This summarises conversations we had with key players in economic development across Belfast, Bristol, Coventry, Leeds, Liverpool, Manchester, Northampton and Sheffield about the barriers to, and opportunities for, investment.

The content of the report will be relevant to anyone who is involved with, or interested in, the future prospects of the UK's towns and cities.

Our towns and cities today

The UK's urban renaissance is well documented. A diverse set of factors — ranging from expanding transport networks to the forces of globalisation — shifted economic activity away from some large towns and cities, precipitating their decline. The worst consequences of this decline included high rates of unemployment, acute levels of poverty and a sense of abandonment. But many towns and cities have evolved and adapted. Some managed to replace the loss of low-skilled jobs in factories with low-skilled jobs in offices and warehouses. Others reinvented themselves to be at the cutting edge of the knowledge economy.¹

Despite the positives associated with this urban renaissance, there are complex issues that face our towns and cities. Some of these issues have existed for decades; others are relatively new concerns. Either way, if our urban areas are to be more competitive and successful in the future, time and resource are needed to address them.

Intractable problems and emerging challenges

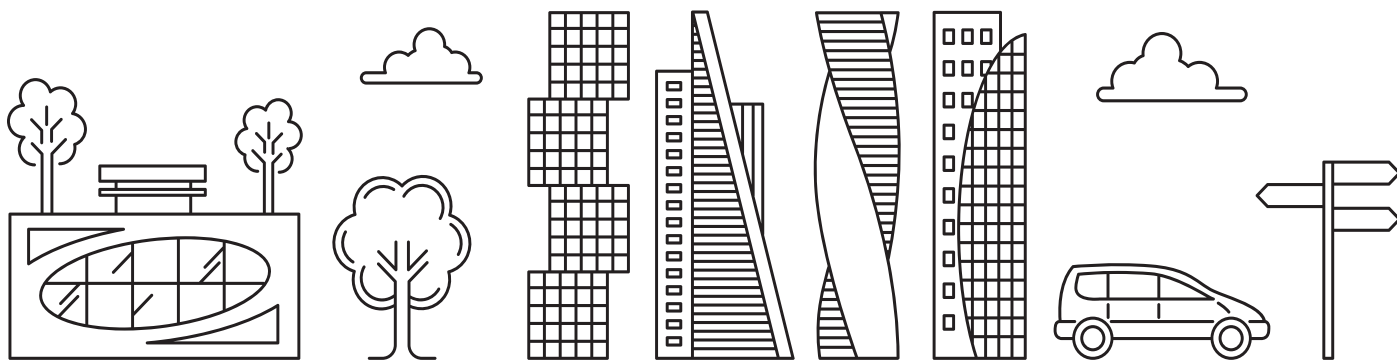
Our towns and cities have deeply entrenched problems. Two of the most prominent are:

- **A lack of opportunity.** The local authority districts with the largest proportions of highly deprived neighbourhoods in England are all in large post-industrial towns and cities.² The major English cities outside of London have been found to be failing at providing opportunities for the social mobility of their residents.³
- **A geographic imbalance.** The combined annual economic output of the eight largest English city regions outside of Greater London is still less than the economic output produced in the capital.⁴ Moreover, cities outside the Greater South East tend to be less productive, have lower average wage rates and lower employment rates than those inside the Greater South East.⁵

There are plenty more problems besides, such as declining air quality and housing shortages. In addition, challenges are unfolding that will become more pressing in the years to come:

- **Global competition.** Urbanisation is happening across the world. As it progresses, UK towns and cities will find it harder to compete with overseas towns and cities to attract global capital flows and highly-mobile skilled workers.
- **The Fourth Industrial Revolution.** Technological advancements in areas such as robotics, artificial intelligence and the Internet of Things will change how people live, consume and work. This will impact upon urban activities in ways that we are not aware of yet.
- **Growing pains.** As more and more people live and work in towns and cities, it will place increasing demands on resources such as housing, transport, healthcare and energy.

The extent to which these emerging challenges will affect towns and cities is unknown, but they already require some kind of recognition and response from policymakers.



The investment environment

Towns and cities will need investment to try and address their existing problems and emerging challenges. This requires being able to find funds for investment. The next chapter sets out a framework for how towns and cities can unlock funds for investment in the future, but there are two features of the current investment environment for towns and cities that are worth noting:

- **New models of financing town and city investment are being deployed.** The combination of pension funds, insurance funds and sovereign wealth funds have trillions to invest in the UK economy. Legal & General, for instance, has directly invested £15 billion into the UK, through SME financing, housing and infrastructure projects, and urban regeneration schemes. The problem, therefore, is not one of finance availability. Instead, it is one of unlocking the finance that is available.
- **Central government place-making initiatives are only a small part of encouraging investment.** The concept behind local place-making strategies is good. Ultimately, local areas know best their economic strengths, weaknesses and future skills and infrastructure needs. However, area-based policies are subject to frequent change and rarely survive longer than a few years. Since 2011 there have been LEP Strategic Economic Plans, Independent Economic Reviews, City Deals, Growth Deals, Devolution Deals, Mayoral Manifestos and now Local Industrial Strategies. Each time the business community is told it will be different, only to see it superseded a year later by some new initiative. This undermines the willingness of businesses to devote precious time to them.

Given that it is highly uncertain how it will play out, we have chosen to park the issue of Brexit for this report. While acknowledging that across a range of areas (development funding, attracting talent etc.) Brexit could materially impact on town and city development, the approaches to unlocking investment described in the following pages apply regardless of the UK's future relationship with the European Union. In any case, Brexit was largely peripheral in the conversations that we held.

Notes:

1. *Centre for Cities, March 2015, A Century of English City Performance,*
2. *DCLG, September 2015, English Indices of Deprivation*
3. *Social Mobility Index, January 2016*
4. *Analysis of ONS GVA data.*
5. *Centre for Cities, January 2018, Cities Outlook 2018*

Our urban areas went through a period of decline ...

More than twenty UK cities depopulated between 1981 and 1991.¹ The population of London — now one of the most successful cities in the world — fell by two million between 1939 and the mid-1980s.²

But across the world there is now a trend towards urbanisation ...

Today, 55% of the world's population lives in an urban area; this figure is expected to rise to 68% by 2050.³

The story of our towns and cities in statistics

Although towns and cities are not without challenges ...

One in six of the homes that the UK's city regions will need in the next twenty years are yet to be built.⁴

And the problems of town and cities are imbalanced across the UK ...

Of the 50 English towns and cities with the highest proportion of deprived areas, 44 are in the North or Midlands.⁵

Without further fiscal devolution, towns and cities will struggle to rely on locally-raised taxes alone to deliver on their public investment priorities ...

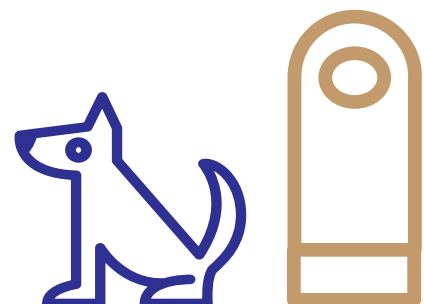
The OECD estimates that, on average, 17% of the money that UK councils spend is raised through local taxes. The average across the rest of the OECD is 55%.⁶

Yet there is competition for private investment funds ...

For instance, across the world, the top 5% of cities obtained as much Foreign Direct Investment as the bottom 95% of cities combined.⁷

Notes:

1. JRF, February 2016, *Uneven growth: tackling city decline*
2. GLA Dataset
3. UN, May 2018, *World Urbanisation Prospects*
4. Mace, July 2018, *City Living*
5. ONS, March 2016, *Towns and Cities Analysis*
6. Andrew Carter, January 2015, *LSE fiscal devolution blog*
7. World Bank, December 2015, *Competitive Cities*



Our towns and cities tomorrow

The UK's towns and cities can determine their own future. This is true regardless of their previous successes and failures, or their current circumstances. Ultimately, local decision-makers, business communities and institutions can create the conditions that allow investment to happen.

But what are these conditions? The answers can be found below, described in a ten-point framework for how towns and cities can unlock investment. The framework has been developed following conversations with decision-makers, business communities and institutions in eight towns and cities around the UK.

In other words, the framework reflects the perspectives, knowledge and experience of those involved in the economic development of towns and cities.



1. **Have a vision.** A town or city should be able to articulate what it wants to achieve and what investment is needed to make it happen. The vision should have clarity of purpose – it can never be all things to all people.
2. **Partner and collaborate.** The inability of people to work together – because of personalities or politics – prevents investment from happening.
3. **Adopt a global mindset.** Drawing in capital and talent from overseas can help towns and cities to realise their ambitions. Selling goods and services overseas can help towns and cities become more prosperous.
4. **Develop, attract and retain talent.** A skills shortage – or a mismatch of skills – is a barrier to investment across every town and city in the UK.
5. **Understand local assets.** With their capacity to produce human capital and research, universities are obvious assets that can attract investment. Other assets could be a specific sector specialism, connectivity-enhancing infrastructure, or land that is development ready.
6. **Cater for growth.** People need to be able to grow their families if they are to be attracted to, or encouraged to stay, in a particular place. Businesses need to have access to suitable commercial premises if they are to expand.
7. **Think about the future.** Economic trends – such as automation and disruption of long-standing business models – will change the needs of towns and cities. Trying to understand the negatives associated with these trends will help to mitigate them; trying to understand the positives will help embrace them.
8. **Find proofs of concept.** Innovative towns and cities will pioneer new types of investment and new ways of financing investment. Successful innovation will provide models that other towns and cities can adopt.
9. **Gain expertise.** Knowledge and experience are required to facilitate the completion of major investment projects. For example, an understanding of investment financing is critical.
10. **Create momentum.** When a large investment project takes place, it provides impetus for more investment to happen. Put another way, investment opens a door that leads to many other doors.

Case studies of why the above ten points are important are described in the next chapter. Following the case studies, the ten points of the above framework are described in more detail.

Case studies of towns and city investment

The ten-points of the framework in the previous chapter are general rules that can apply to any town or city. But each town and city has its own characteristics and its own story to tell about local investment. The following case studies set out some of these characteristics and stories, relaying the themes of conversations with key players in economic development in Belfast, Bristol, Coventry, Leeds, Liverpool, Manchester, Northampton and Sheffield. A mini case study of a city partnership working in Newcastle is set out in the box below.

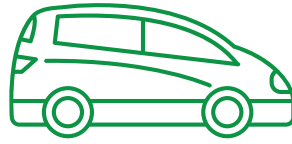
City partnership working in Newcastle

Legal & General, Newcastle City Council and Newcastle University have a three-way partnership which has resulted in the delivery of a long-held vision for the regeneration of the former brewery site at St James' Park.

Now known as the Helix, this is a landmark 24-acre hybrid city quarter in the centre of Newcastle, built for international tech and science businesses, the local community and residents. The £350m regeneration project brings together industry leaders, businesses and top researchers in a new innovation community, and will feature two national innovation centres, a new urban sciences building and 450 inspirational homes for professionals and families.

It is an exemplar of sustainable urban development which combines prestigious commercial and residential space with first class research and education facilities in the heart of a flourishing city. The Helix will play a key part in reinforcing Newcastle as a global centre for the study of ageing – a rising global industry and component of the Government's Industrial Strategy where the devolved Newcastle – North of Tyne area can develop significant academic and commercial leadership.





The conversations involved local SMEs, large corporates, local government, universities, civic leaders, third-sector organisations and politicians. Before going into specific case studies, the conversations yielded three overarching observations about town and city investment:

- **Generally accepted barriers to investment were rarely mentioned.** It was notable how little time was spent discussing some of the topics traditionally associated with barriers to investment. For instance, planning constraints were mentioned only in passing and local planning departments were praised more often than they were criticised. Instead, there tended to be a focus on the bigger picture – what a town or city’s vision for the future should be and what the consequences of major economic and societal change might be.
- **Devolution of power has emboldened towns and cities to shape their own future.** In the towns and cities where devolution of power had happened, there was a sense that having increased autonomy and mayors as figureheads would help to attract investment. In towns and cities where devolution of power had not happened to the same degree, there was a sense that they could effectively compete against any town or city if local decision makers worked together with a shared purpose.
- **There is acute awareness of what divides towns and cities.** Discussions around the successes of a particular place were tempered by the fact that some communities had not shared in the success. We heard that impressive economic growth figures had not eased deprivation in some places, and that some parts of a city region had benefited from investment at the expense of others. There was also a recognition that solutions to address these disparities in future were not obvious.

To note, the case studies in the following pages reflected conversations about wider city regions, and not areas covered by city centre local authority boundaries.

Belfast

Belfast is maturing as an investment location. The city's FinTech and Cyber Security sectors are now globally renowned and have been boosted by significant amounts of FDI over recent years. With growing levels of international confidence Sister City agreements with Boston and Nashville in the US, and Shenyang in China, have been signed to foster stronger economic, social and cultural ties. In recent years, demand for office space has increased, new hotels have been built and the tourism offer has been improved to meet the marked increase in tourists visiting and staying in the city.

The conversations with those involved in investment in Belfast suggested that the next phase in its development is for the city to hone and refine its investment proposition. Part of this proposition will be developed by the outcome of the City Deal that was announced by the Chancellor in the most recent Autumn Statement. Another part of this proposition will be determined by the UK's exit from the European Union, which has particular relevance to Northern Ireland.



Three Facts

41%

With 41% of Belfast's population under the age of 30, making it one of the youngest cities in Europe, and a highly educated and skilled workforce, Belfast was recently named as the 'World's most Business Friendly City of its size'¹

With the continued development of Grade A office space, Belfast still has some of the lowest prime office rental costs in Europe²

70%

The cruise market for Belfast has grown by 70% in the last five years, with 115 cruise calls and just short of 200,000 visitors in 2018; a record year for cruises in Belfast. Projected figures for 2019 indicate 151 ships and 285,850 visitors³

Weavers Cross, transport-led investment

Weavers Cross is a multi-million pound transport-led investment project in the very heart of Belfast. When completed, residents of the city will be able to access a transport hub of improved options for every mode of transportation, bus, rail, cycling and walking.

There will be 26 new bays for coaches and buses, a total of 8 new platforms for trains including a dedicated platform to bring the Dublin to Belfast service to the new station, integrated cycle routes and bike storage, dedicated taxi pick-up and drop-off points and park and ride car-parking facilities.

The Weavers Cross project has been driven by the recognition that high-quality public transport is a key ingredient in making a city more competitive, socially inclusive and healthy.

In short, Weavers Cross is about more than just transport. It is an integral part of the Northern Ireland Executive's strategy and programme for government to catalyse regeneration and economic growth in Belfast and its surrounding area.

The critical first phase of the Weavers Cross project has been to make the 22-acre site development-ready. Translink in partnership with other public and private service providers, are about to embark on a multi-million pound enabling phase that will see ground issues and services removed and diverted.

This is the clearance phase to prepare for the main construction process ready for the new Transport Hub and Weavers Cross development.

This provides developers with a de-risked proposition, allowing them to work on a pre-prepared site with confidence and certainty.

Three other strands of activity have been important in getting the Weavers Cross project off to a confident start:

- Community outreach. For instance, working with allotment owners, schools, residents associations, different communities and stakeholder groups to explain what Weavers Cross will be and how it will benefit the local economic development, in job creation and education.
- Building relationships. Weavers Cross will involve a number of different public bodies working together to ensure the smooth delivery of the project, this builds on the extensive consultation and strategies already underway.
- Learning from others. Conversations and lessons learned with transport bodies in cities such as Manchester and Liverpool, as well as with Network Rail, has helped the project team understand the challenges that the Weavers Cross development may face.

This preparatory work has laid the solid foundations to move onto the next stage of Weavers Cross, which is to decide on the procurement and partnership models that will be used.

Whatever is decided, Weavers Cross will be a central feature of Belfast's investment for the next 15 years.

Key Points



Belfast has for too long been one of the best kept secrets for investment. Today Belfast is full of ambition, optimism and above all energy. It is ready for further investment, ready for more visitors, ready for fresh challenges.”

Donal Durkan, Executive Director, Invest Northern Ireland.

- **Belfast’s investment track record is improving.** A strong skills base, high quality education provision, a consistent supply of graduates and competitive costs are the driving forces behind investment decisions, with 85% of international investors having reinvested in the city, some on more than one occasion. Grade A office space, student accommodation and hotel developments are all examples of how ongoing infrastructural investment is supporting growing demands across the economic, educational and tourism sectors.
- **Belfast has space to grow.** Not only is there land available for development, there are also opportunities to refurbish existing commercial property. There is, however, a debate about how to use the space that is available, and there are ongoing discussions around potentially competing demands of developing additional social housing while continuing to support commercial development. There have historically been issues with some investors ‘land banking’, but there are signs that this problem has eased considerably in recent years as rental yields have improved.
- **Being a smaller city can both help and hinder investment.** Belfast’s relatively small scale means that its social networks are close and strong. This fosters a good working relationship between the city’s decision-makers who are responsible for investment. But being smaller can also mean that there are fewer opportunities for investment on a large scale.
- **Belfast is providing more reasons to visit the city.** The city has been building its visitor economy. For instance, Titanic Belfast, which opened in 2012 was named the world’s leading tourist attraction in 2016. The ICC, Belfast’s International Convention Centre, now hosts a wide range of international conferences and exhibitions, following a £30 million investment in 2016.
- **Negative perceptions can be a barrier to investment.** The legacy of the ‘Troubles’, the current suspension of the Northern Ireland Assembly and its location across the Irish Sea can sometimes dominate perceptions of Belfast, particularly with those who haven’t visited the city. But when people visit and experience the city, their perceptions tend to change. As a result, encouraging potential investors to get on a plane to Belfast is seen as an important first step in securing further investment.



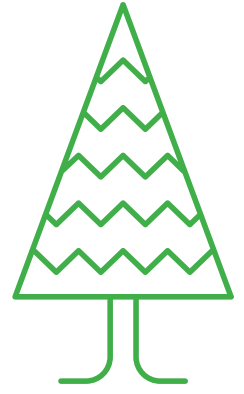
Belfast is a compact, creative, competitive city. It has a healthy mix of FDI and dynamic indigenous businesses and has recently been ranked as one of the top 10 global cities for business competitiveness.”

Lisa Toland, Head of Economic Initiatives and International Development, Belfast City Council

Notes:

1. *InvestBelfast Website*
2. *Belfast City Council, Belfast Facts and Figures*
3. *Ibid*

Bristol



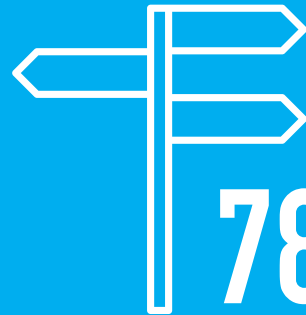
Bristol receives lots of accolades. In recent years, the city has been chosen as the UK's "Smartest City" and the UK's "Best Place to Live". Despite this, city leaders recognise that they cannot be complacent about ongoing success and need to work hard to attract investment, talent and occupiers of commercial property.

The conversation in Bristol focussed on three areas. The first was people – how they commute, where they live and the skills that they possess. The second was space – in particular, the trade-off between building houses or commercial space. The third was ambition – how the city can turn plentiful ideas into concrete plans.



"We are a low city, but there are solutions whereby we can build higher"

Simon Peacock, Lead Director, JLL Bristol



Three Facts

78 The University of Bristol is ranked in the Top 100 universities in the world, currently sitting at 78th place ¹

Bristol generates £320k in turnover for each tech worker it has, more than in any other place in the UK ²

103k The population of Bristol is projected to increase by 103,100 people over the 25-year period 2014-2039 ³

Unit DX, Science Incubator

Unit DX has been based in the heart of Bristol since 2017. It brings together specialist facilities with science-focused business support, creating a new scientific ecosystem in the city.

Unit DX was set up because Bristol was not translating world class research into commercial success. The universities did not have the tools to help start-ups, so few entrepreneurs were materialising, unlike cities such as Oxford and Cambridge, where there is a proven track record of commercialising ideas.

There is no doubt that Unit DX is contributing to economic growth in Bristol. It is now home to over 25 businesses and spin out rates from the city's academic community are increasing.

The incubator is also contributing to Bristol's economic future. It actively tries to get local school kids involved in science and is trying to exploit opportunities in science-based sectors that are ripe for disruption.

There are, however, constraints on what Unit DX can achieve. The incubator is full, and partners are needed to source a new building that will enable growth. This isn't straightforward. Scientific research requires state-of-the-art facilities, which require cutting edge instrumentation and ventilation systems.

These constraints need to be removed if the area's science sector is going to fulfil its potential.

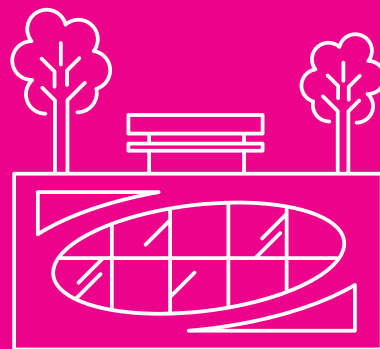


The city region has a skills shortage, but not a shortage of people who need skills”

Paul Smith, Bristol City Council Cabinet Member for Housing

Key Points

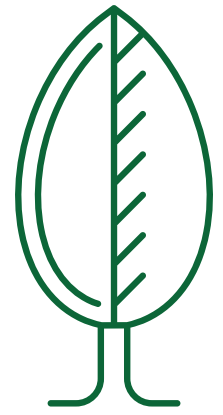
- **A skills mismatch is holding Bristol back.** Individual sectors can all point to skills issues. One example is an over-supply of skills in science - there are plenty of science graduates, but not enough jobs for them in and around the city, so they end up leaving. Another example is that local universities are producing large numbers of computer scientists, but local businesses still say that computer scientists are hard to come by. The universities are working with business, Further Education providers and schools to address skills issues.
- **Bristol’s leaders are working together.** There is more consensus than disagreement about the future. The city’s leaders tend to be engaged in quality dialogue with each other and are producing clear strategies for the future. This is an improvement on recent years, when leadership was regarded as being fragmented.
- **The city undoubtedly has big ambition.** More and more people want to live and work in Bristol – it is thought to be much more ‘on the radar’ than it was ten years ago. This elevated status has encouraged future ambition. There is currently a debate about whether Bristol needs a new underground metro system. It may or may not turn out to be the right project, but the important fact is that it is being discussed at all – it shows a willingness to debate big ideas.
- **Local options for commercial space can be limited.** Some felt that new housing is given too much of a priority over new commercial space. For instance, a medium-sized manufacturing company cannot find a new site that meets both operational and employee needs, which constrains its growth ambitions. It was noted that building upwards and at higher densities were options that the city could – and should – explore.
- **Bristol’s connectivity is in need of improvement.** The Bristol transport network serves its residents well – Bristol Temple Meads is seeing passenger growth and London is now within commutable distance. Yet more can be done. The link between Bristol Airport and the city could be improved, as could the links that support the flow of commuters.



Notes:

1. *Times Higher Education World University Rankings*
2. *Tech Nation Report 2018*
3. *Bristol City Council, Key Facts 2017-18*

Coventry



Coventry's current economic narrative can draw upon a lot of positives. The city has a broad base of business sectors, is home to two good universities (Warwick and Coventry) and is gaining a reputation for innovation because of local institutions, such as the Manufacturing Technology Centre. This positivity is complemented by recognition of Coventry's cultural attributes, having been designated as the European City of Sport in 2019 and the UK's City of Culture in 2021.

Nevertheless, the city is still grappling with issues that are hindering its progress. One of these issues is the stark inequalities between communities within the city's boundaries. Another is a perception problem that associates Coventry with industrial decline. In this context, the conversation in Coventry focussed on an evolution, not a revolution, of the city's approach to investment.



Three Facts

50%

Coventry produces one of the highest values of exports per job of any town or city in the UK, a value that is 50% higher than the national average ¹

Coventry has the second-largest amount of patent applications per 100,000 of population in the UK, sitting behind only Cambridge on the measure ²

The city has a rich manufacturing heritage – the first tank, the first traffic indicators for cars and the first dumper truck were all built in Coventry. And manufacturing is still important to the Coventry economy today, with the proportion of its businesses that are manufacturers being much higher than the national average ³

Squires Engineering, automotive component specialists

Squires Engineering is a family business that began in 1985. The company manufactures bespoke and high-volume components, primarily for the automotive and commercial vehicle industries. They sell their products all over the world.

Location is incredibly important to Squires Engineering. The majority of its supply chain is within a 20-30 mile radius of its Coventry base. Indeed, Squires Engineering regard the West Midlands as an area of global expertise in its field.

Having been at its premises since the early 1990s, Squires Engineering began looking for a new home

that was more energy efficient and technologically smarter. Two requirements of a new home were 15,000 sq. ft. of space and the retention of irreplaceable staff who tend to walk or cycle into work.

But Squires Engineering could not find what they were looking for – the properties they looked at were either the wrong size or not suited to a manufacturing business. After consideration, Squires Engineering decided to stay put and make improvements to their existing premises to suit their changing needs.

It is this type of business experience that has led city leaders in Coventry to have a renewed focus on unlocking land to improve the stock of employment premises. The recent growth of the local economy has made this focus even more important – successful companies need space to expand.

Key Points



Coventry & Warwickshire is a dynamic, diverse and passionate business environment – home to a large range of sectors and uniquely placed at the beating heart of the Midlands economy”

Louise Bennett, Chief Executive, Coventry & Warwickshire Chamber of Commerce

- **Coventry sells itself well.** There is a feeling that the city does “better than most” at attracting investment. One example is that the LEP has done particularly well at securing funding. Another example is Coventry being chosen as a test-bed for the rollout of 5G connectivity. This success has been put down to effective partnerships and collaboration within the city.
- **There are opportunities for regeneration, but question marks over how to regenerate.** For instance, declining town centres need investment. Yet the retail sector is being disrupted and encouraging anchor stores to locate is no longer a viable economic development strategy.
- **New commercial property needs to cater for all stages of business growth.** Land that is earmarked for development is mostly allocated to residential property, partly driven by the focus of central government on increasing housing supply. There is, however, a sense that this comes at the expense of improving the local stock of commercial property.
- **The universities are critical to Coventry’s future success.** The universities invest in the city, attract skilled workers, train people with new skills and encourage businesses to locate in the area. The universities have a strong partnership, recognising that they are more powerful and have greater influence when working together.
- **More land can be unlocked for development.** It is accepted that space for development in and around Coventry is at a premium. That said, in some cases the land that is ripe for development is held by just a few organisations, and progress in developing land can be prevented by bureaucracy.



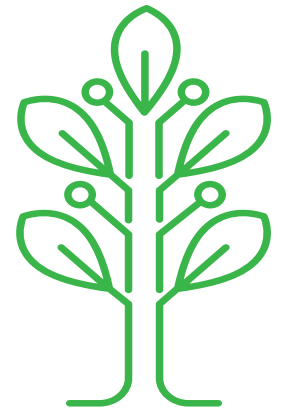
The market for employment space operates in much the same way as the housing market – in order to allow ease of movement and growth it requires choice and a wide range of different provision to accommodate market sectors”

Bill Blincoe, Planning Specialist, Coventry & Warwickshire Growth Hub

Notes:

1. *Centre for Cities, City Outlook Tool*
2. *Ibid*
3. *Coventry City Council website and Centre for Cities City Outlook Tool*

Leeds



Leeds can point to numerous big investment projects that are either recently completed, in progress or to be delivered in the future. The 13,000 capacity First Direct Arena opened in September 2013. The city's South Bank regeneration is one of the largest of its type in Europe. HS2 is due to arrive in the 2030s and Channel 4 has decided to locate its HQ in the city.

The conversation in Leeds also took place against a backdrop of strong performance in retail, manufacturing and legal services. This economic success is supported by relatively affordable housing, great universities, a quality cultural offering and desirable commuter towns. The focus, therefore, was on how to build on successes and maximise potential.



Three Facts

24

Leeds City Region has more under 24 year olds than any other Local Enterprise Partnership area outside the South East ¹

Leeds City Region has the largest cluster of Higher Education Institutions outside of London, with nine universities and over 39,000 graduates per year ²

9

350

The city's South Bank regeneration will cover 253 hectares, equivalent to the size of 350 football pitches ³

CEG, a property investment and development company

CEG has offices in London, Leeds, Birmingham and Cornwall. The company manages more than 5 million sq. ft. of commercial space around the UK and its development team are bringing forward 65 development projects capable of delivering some 45,000 new homes and a further 5 million sq. ft. of business space around the UK.

With a focus on placemaking, CEG's flagship development at Kirkstall Forge in Leeds has won a raft of awards including the British Council of Offices best UK 'Commercial Workplace' and a project award at the national Housing Design Awards.

CEG is delivering a thriving mixed-use community at Kirkstall Forge, which will comprise more than 1,000 new homes, 300,000 sq. ft. of office space

and 100,000 sq. ft. of leisure and retail space. All of this whilst preserving the rich heritage of the location in metal works, iron production and engineering.

Key to the project getting off the ground was partnership working, working closely with Leeds City Council, the local MP, the LEP, train operators, Network Rail, a new railway station opened at the site in summer 2016, making Kirkstall Forge as well connected as any city centre site.

The project has been an unequivocal success, with the first 110,000 sq. ft. office development almost fully let in less than a year. Let Ready Studios have also been delivered to offer smaller businesses with teams of 8–32, a high quality, fully furnished and ready-cabled office environment, amenities and outstanding transport connectivity on all-inclusive flexible terms.

The design development of the next 200,000 sq. ft. of commercial space is now underway.



We need to deliver next a big expansion of city centre living, through high quality residential schemes that support mixed communities.”

Tom Bridges, Director of City Advisory, Arup Leeds

Key Points

- **Leeds has pioneered new models of city investment.** Leeds City Council has collaborated with private investors on some major projects. For example, the regeneration of Thorpe Park incorporates retail outlets, leisure facilities, office space and homes as a joint venture with L&G and Scarborough International. This collaboration provides a proof of concept for future schemes, such as delivering new types of city-centre living. But there is a need to raise awareness of this new way of working with all those who can influence investment in Leeds.
- **Leeds is leading the world in health tech.** Leeds is thought to have a strong comparative advantage in health tech but could do more to attract venture capital to the sector. The recently created ‘Innovation District’, which will have a heavy focus on healthcare, may help. It is a partnership between Leeds City Council, the universities, The Leeds Teaching Hospitals NHS Trust and Leeds College of Art.
- **The leadership of the city is like-minded.** Devolution of powers to Leeds has not happened to the same extent as in other major UK cities – the politics have not been straightforward. Nevertheless, Leeds has shown that like-minded people working together can attract investment without new political structures.
- **Whitehall can be a barrier to growth.** While central government funds can be used to support investment in Leeds, Whitehall departments can never fully understand local needs. To compound the problem, some central government funding works on two or three-year delivery models, which fail to support longer-term ambitions.
- **Leeds is one of the best places in the country to start and scale up a business according to the Office for National Statistics.** The challenge has always been to attract venture capital funding out of London and the South East. This may change with the creation of North Invest, a VC fund operating out of Leeds supporting growth sectors.



There are some major issues to tackle, in terms of the ability to deliver at real scale, around industry capacity and land assembly. Planning is clearly part of the debate but a focus purely on planning can be a red herring”

Mark Finch, Real Estate Director, Rushbond

Notes:

1. *Invest Leeds City Region Website*
2. *Ibid*
3. *South Bank Leeds website*

Liverpool

Liverpool has plenty of attributes to sell to investors. The city has a unique energy, driven by the tenacity and creativity of its people. It has built institutions, such as the Knowledge Quarter that aims to create collaboration between cutting-edge organisations in the science, health and technology sectors. It has produced coherent growth strategies and has a pipeline of investment projects coming down the line.

Despite this, the conversation in Liverpool indicated that the city's investment proposition is not yet the finished article. If one thing binds the key points from the conversation, it is that more effective collaboration between the city's leaders will help to attract potential investors.



Three Facts

The five-year survival rate of newly born enterprises varies across local authority districts in the Liverpool City Region. The highest rate of survival is 46.4% and the lowest rate of survival is 38.0% (the UK average is 43.2%)¹

22.9%

of Liverpool's commuters travel by bus, train or metro. Only London (44.6%), Edinburgh (27.6%) and Glasgow (23.1%) have higher proportions of commuters using these methods²

15.5% of Liverpool's population has no formal qualifications. This is the second highest rate of any city in the UK, behind Birmingham³

15.5%

Ion Developments, developer

Ion Developments specialises in urban regeneration with an approach based upon collaboration, long-termism and flexibility. One of Ion's most recent projects has been working with Liverpool City Council master planning and developing the initial phases of the Knowledge Quarter Gateway. Steve Parry, the Managing Director of Ion, gave his views on Liverpool's future needs.

How has the city developed in recent years?

The city has seen lots of development in recent years, which has focussed on apartments, student accommodation, retail and leisure space. The city centre has become a great place to visit as a tourist, resident or student for culture, sport and entertainment. This has helped to build Liverpool's global brand as a leisure and tourism destination.

However, there is a question over whether this investment and success as a leisure and tourist destination has done enough for local residents and the commercial economy. It may even have given mixed messages about what the city has to offer,

i.e. does it present Liverpool as a credible business environment?

What does Liverpool need to develop in the future?

Liverpool needs a plan that is built upon the city's edginess and vibrancy, which convinces people that they can use the city's skills to trade and grow (and not just in the retail and hospitality sectors).

This plan should recognise:

- The world of work is changing. Office space requirements are changing in response, with increasing importance for co-working space.
- Lessons can be learnt. Other cities can provide useful lessons in how to attract and manage investment, but it is important to try and not copy them.
- Language matters. 'Regenerating' an area or building suggests going back to previous use; 'Repurposing' an area or building suggests looking to the future.

Above all, any plan needs to show that Liverpool is open for business and that its benefits as a great place to live and visit are real attributes to commercial businesses.



Brand, talent and governance are critical to ensuring a successful business climate in Liverpool, and for developing the infrastructure we need to drive investment”

Paul Cherpeau, CEO, Liverpool & Sefton Chambers of Commerce

Key Points

- **Liverpool needs to create a saleable brand.** There is no coherent message about what makes Liverpool a good investment opportunity. The city’s brand is too narrowly focussed on leisure and tourism, and does not make enough of what the city has to offer. Often Liverpool seems to undersell itself with a narrative along the lines of, ‘It isn’t as bad as it used to be’.
- **The city’s leadership can appear fragmented.** Unlike other cities, there are no clear lines of responsibility to deliver investment. Investors ask, ‘who do we speak to?’, but the answer is not always obvious. That said, it is hoped that the new Combined Authority structure will lead to less fragmentation over time. Although, there are examples in recent history of investment being hampered because of disagreements between neighbouring local authorities.
- **The universities can act as magnets for investment.** Key to Liverpool’s future growth is its universities, which are already involved in promising activity. For instance, the Knowledge Quarter demonstrates partnership working and collaboration, which is based around universities and their student populations. Indeed, the Knowledge Quarter has attracted the attention of investors looking for opportunities within the city.
- **Liverpool tends to be reactive, and not proactive.** There is a question mark over Liverpool’s preparedness to proactively bid for investment opportunities. For example, it was argued that the city’s bid for Channel 4 relocation was more reactive than proactive (whilst also recognising that poor transport links were a factor in not being shortlisted). More generally, it was felt that Liverpool performed poorly at attracting relocations.
- **There is an opportunity to attract and retain talent.** Liverpool can create the housing stock – and supporting infrastructure – for families to grow into. The current state of the city’s housing and infrastructure detracts from the good quality of life that the city otherwise has to offer. A better housing stock would help to convince students to stay after graduation – Manchester attracts the talent that Liverpool’s universities produce – and families to relocate.



As a city, we haven’t yet nailed our marketing proposition across all sectors”

Chris Bliss, Project Leader, YPG Developers

Notes:

1. ONS, *Business Demography Statistics*
2. *Ibid*
3. *Centre for Cities, Cities Data Tool*

Manchester

Manchester is the poster child for how to turn a city around. It has been the pacesetter in gaining increased autonomy from Westminster, built upon decades of collaboration between the city region's local authorities. It has undoubtedly become a prominent global city, having the UK's busiest airport behind Heathrow and Gatwick, and two football teams that are idolised across the world. More generally, it tends to be the focal point for conversations about how to drive economic growth in northern England.

The conversation in Manchester majored on the things that should not be forgotten when lauding the city's success, such as the deprived communities that still need turning around and the ingrained attitudes that need to change. That said, because of Manchester's success, it has generated models that others could follow as a blueprint for progress.



Three Facts

Manchester has an illustrious history of innovation. Examples are scientists at the University of Manchester being awarded the Nobel Prize for physics in 2010 for inventing graphene, the world's thinnest material, and the construction in 2017 of Britain's first asymmetric network arch bridge as part of the Ordsall Chord rail extension¹

149%

Manchester city centre has seen a boom in population and jobs. Between 2002 and 2015 its population grew by 149%². In the wider city region the population grew by only 9% over the same period³

7m

Greater Manchester has the largest travel-to-work area of any UK conurbation outside of London. 7 million people live within one hour's drive of the city centre⁴

RBM UK, bespoke manufacturing

Based in Chadderton, Greater Manchester, RBM is three years old and currently has 20 employees. RBM specialises in rotational moulding, one of only some 50 companies in the UK that use the technique. Rotational moulding is used to manufacture a wide variety of everyday items, ranging from grit bins to toy cars to road barriers.

RBM is growing, but it faces challenges in realising that growth. Finding the right skills is one problem, with some of the work being physically demanding. The company needs more space as it expands, potentially requiring a move to new premises. Energy use is a big cost and has to be kept down. There is a decision to be made about when to invest in further automation.

Nice-Pak, wet-wipe manufacturer

Nice-Pak is the biggest producer of wet wipes in the world. Its product range includes baby wipes, cosmetic wipes, moist toilet tissue and household cleaning wipes. In Europe alone, the company produces over 680 million packs of wet wipes every year. Nice-Pak employs more than 900 people across its facilities in Wigan, Flint and Germany. In the three decades since it became established in the UK, Nice-Pak has grown alongside the growth in demand for wet wipes. This included almost doubling production output when moving from one Wigan site to another.

Amongst the challenges faced by the company, finding staff with the right skills ranks highly alongside currency-related cost inflation in a business which has no choice but to import the bulk of its raw materials due to lack of UK supply options. At local level, the logistical challenges of navigating Wigan's congested roads is a real concern. Investment in infrastructure to address this is vital and, as far as Nice-Pak is concerned, the local link road to the A49 can't come soon enough.

Key Points



Infrastructure investment cannot be done piecemeal. We need to think about how long this infrastructure is going to be a part of the national DNA, and collaborate to get it built on that basis”

Emma Antrobus, North West Director, Institute of Civil Engineers

- **Investment in Greater Manchester has been imbalanced.** At a national level the divide between London and the rest of the UK is often referenced. But there are similar divides at the city region level too. In Manchester, the south of the city is booming, whereas the north of the city continues to struggle. What’s more, there is a belief that central government has allocated funds that have benefitted city centres at the expense of surrounding areas.
- **Local authorities are integral to attracting new city investment.** Local authorities cannot leverage investment on their own, and need to create the right conditions for investment. These conditions include having clarity of vision, being prepared to engage in partnership working, thinking about the medium and long-term and a willingness to share risks with private developers. Salford is regarded as a model of doing this well.
- **Greater Manchester can be innovative leaders in several sectors.** One example is that Manchester has a strong low-carbon sector, which can help to create new solutions to energy provision. Another example is that there is the growing crisis in social care, which requires new thinking and approaches. There are also examples within Manchester of new models of delivering investment, such as the Digital Infrastructure Cooperative in Tameside.
- **Deeply ingrained attitudes can sometimes hold back investment.** Manchester is welcoming to investment. But there is a general sense that some mindsets, whilst well-meaning, could be a barrier to some investment taking place. For example: a parochial outlook can come at the expense of a global outlook; private sector organisations are occasionally regarded as something to be suspicious of, rather than as potential partners; and, public institutions can be slow to change.
- **Combining long-termism with collaboration will support infrastructure investment.** There is a need to consider the cost/benefit of projects over a number of years, as well as understanding whether the technology being bought will stand the test of time. Some of these projects will require multiple organisations to be involved, creating the need for collaboration – projects that cut across local authority boundaries are a good example.



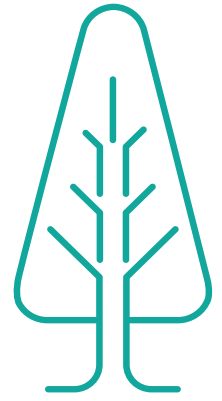
When it comes to investment the decision makers in the city region need to agree the vision, work towards the vision and then share the vision”

Paul Dennett, City Mayor of Salford

Notes:

1. Manchester City Council Website
2. Centre for Cities research
3. Nomis population statistics
4. New Economy, Greater Manchester Key Facts

Northampton



Northampton is a town with a contrasting investment story. On the one hand, there has been obvious success. The University of Northampton's new £330m campus opened in September 2018, which will attract students and businesses to the town for decades to come. On the other hand, there are obvious challenges for the future. The forces of technological advancement and globalisation are affecting Northampton's local economy, population mix and infrastructure needs.

The conversation in Northampton largely focussed on the future. There was broad agreement on the specific challenges that the town faces, but a lack of fully-formed ideas on how to go about addressing them.



Three Facts

Northampton has the sixth-largest number of annual business start-ups per 10,000 of population. But it has the second highest number of annual business closures per 10,000 of population¹

Northampton has an interesting demographic mix. It has a relatively young population, with the proportion of residents over the age of 65 being lower than the national average. The proportion of residents born overseas is also relatively large²

120 The Northampton Waterside Enterprise Zone offers 120 hectares for development across 31 sites along the River Nene³

dbfb, connectivity and communications specialists

Northampton has been the base for dbfb for 20 years. It provides connectivity and communications solutions to business customers, including land-lines, mobile and cloud services. The company also has an office in Milton Keynes, and has used networking, servicing and referrals to drive growth. Further growth is on the cards, which will possibly be realised via acquisitions.

In the coming years, dbfb hope to be heavily involved in the upgrades that the UK's digital infrastructure needs if it is to take advantage of the opportunities presented by digital, such as virtual reality training and digital marketing.

Sometimes these upgrades will be in partnership with innovative companies, and in the past dbfb has collaborated with disrupters such as CityFibre to deliver projects.

From dbfb's perspective, it has faced two challenges. The first is finding the office space that companies need to grow quickly. The second is finding the right skills, with large salaries needed to recruit highly qualified professionals.



It is exciting to talk about the vision, but we need the infrastructure to be able to deliver on this vision too.”

*Tom Warrender, Partner,
Wilson Browne Solicitors*

Key Points

- **A plan is needed for the future of Northampton town centre.** Residents have little incentive to use the town centre – its look and feel is not welcoming, it does not cater enough for families and out-of-town retail parks provide for every shopping need. The difficulties facing the town centre – and traditional retail more generally – were symbolised by the recent closure of its M&S store.
- **Northampton has to compete on its unique selling points.** Nearby towns are competition for Northampton. Places like Market Harborough attract people to live. Milton Keynes has had notable investment. There is a sense that Peterborough sells its story well. But Northampton has its own history and heritage, which can be used to attract people and investment to the town.
- **Housing provision is very important to the future of Northampton.** The town has had some successful housing schemes in the past, including providing support for the homeless. But more needs to be done. For instance, housing should be part of reinvigorating the town centre, and there needs to be an offer for young people who want to stay in the area. Having a good housing stock will also encourage entrepreneurs to the area.
- **The town needs to consider how to get people to stay in the area.** The local community is a diverse mix of people – understanding how to cater for them is important. For instance, Northampton has a large immigrant population, but their needs may be very different from other communities.
- **Having a vision for Northampton is irrelevant if it cannot be delivered.** It was argued that Northampton had, “...too much vision and not enough delivery”. The question was also raised as to whether the town had the infrastructure to be able to deliver on a vision. Examples were given of how recent set-piece cultural events had been poorly attended.



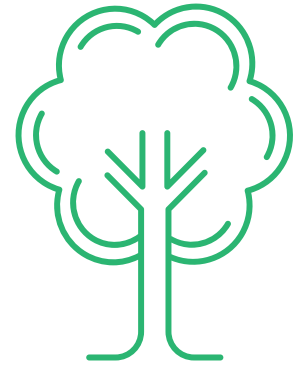
Every city and town around us is running hard to make improvements like we are”,

*Simon Pickering,
Managing Director, dfdb*

Notes:

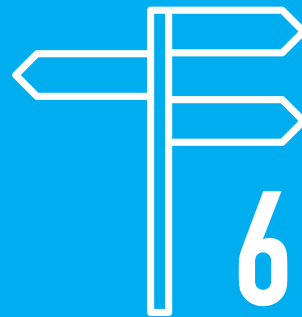
1. *Centre for Cities, Cities Outlook Tool*
2. *Ibid*
3. *HM Government Enterprise Zone Website*

Sheffield



Sheffield has been on a journey over the last 30 or 40 years, emerging from the hangover of industrial decline to realise steady growth. This growth has been affected by familiar gripes – lack of access to finance, poor transport connectivity and weakness in the local skills base. Countering these issues, however, is the city's unique attributes that provide it with a solid base for future success.

Indeed, the conversation in Sheffield was largely focussed on how the city could capitalise further on assets that it already had.



Three Facts

6

The Sheffield City Region has six airports within 65 miles ¹

The Sheffield City Region's digital sector has seen GVA growth of 147% between 1997 and 2015 (compared with 91% in the economy overall) ²

29%

Only 29% of the City Region's workforce is qualified to NVQ4+ (compared with England and UK averages of 37%) ³

New Era Development, The "Chinatown" project

New Era Square is a £65m development in the centre of Sheffield. It incorporates student accommodation, retail outlets and business premises. The project has been ten years in the making, with completion anticipated by the end of 2019.

New Era Square has strong links to China. The development has been financed by over £40m of Chinese money, has a Chinese supermarket on site and houses a UK-China business incubator - a collaboration between the council, local universities and Chamber of Commerce. As a result, the project has been dubbed "Chinatown".

A number of obstacles have had to be overcome to get to this point. After putting together a business case, investors had to be found.

There was some confusion around a Section 106 agreement, albeit an issue that was quickly resolved. A business occupying development land gave mixed messages about whether they would move, with a dispute settled just a day before it was due in court. Costs rose because of complaints about negative health effects arising from the construction process.

There have been a number of positives during the project as well. Planning has not posed many problems because the council's planning department has been consultative and approachable. The Chamber of Commerce has a passion and enthusiasm for the city, helping to get things done. The universities are playing a major role in the local economy, particularly by producing highly skilled people. Because of this, New Era Development thinks that the attitude and approach of institutions, and the people within them, are key to making investment happen.



In the time we have been in Sheffield the mindset has changed – there is some momentum”

John Hayward, Chief Executive, Pressure Technologies

Key Points

- **Sheffield is developing a more positive outlook.** The city suffered from a lack of confidence following the demise of the steel industry in the 1980s and 1990s. Yet there is a sense that the city is changing the way that it thinks. The city council is proactive and collaborative, there are successful partnerships between the public and private sector and the residents are more open to development.
- **The perception of Sheffield is changing.** There is little doubt that the city has struggled to shake-off negative perceptions associated with post-industrial decline. Yet there is reason to believe that perceptions are changing to recognise the reality of Sheffield as a city today. Big-name retailers have been attracted, there is a strong identity and visitor attractions are good adverts for the city.
- **Sheffield can lack a global presence.** While the city’s recent success should be celebrated, some argue that it has come from a low base. One characterisation of this is the feeling that Sheffield can be regarded as being home to world-leaders in some elements of the health and sports science sectors, but this does not translate to global relevance. Becoming globally relevant will require a broad range of action, from putting on international conferences to being better at promoting the city in the media.
- **Better air connectivity will put Sheffield on the map.** Doncaster-Sheffield Airport has the ambition to grow passenger and cargo traffic over the next twenty years. Its growth could be accelerated by establishing a rail link from the East Coast Main Line. The city region knows that it has got to present a compelling business case for major airlines to fly in and out of Doncaster-Sheffield – one barrier to this is getting the data to support the business case.
- **The dots of Sheffield’s attributes need to be joined up.** The city and its surrounding area have a number of compelling propositions for investors – HS2 will cut journey times to the city, the digital economy is growing, and the universities are expanding. The package of these attributes is greater than the sum of its parts.



The city region is improving its skills base. University Technical Colleges, FE colleges, the universities and the rail college are all contributing”

Richard Wright, Executive Director, Sheffield Chamber of Commerce

Notes:

1. Invest City Region Website
2. Sheffield City Region Digital Action Plan
3. Ibid

A framework for investment ... in more detail



1. Have a vision

A town or city should be able to articulate what it wants to achieve and what investment is needed to make it happen. The vision should have clarity of purpose – it can never be all things to all people. This may sound obvious, but some of those involved in the economic development of towns and cities feel that they do not yet have this compelling case. That said, creating a vision for the future is not always straightforward – the administrative boundaries separating city centres from the surrounding city regions being noted as problematic. Nevertheless, the long and short of the point is that a lack of vision can deter investors.

2. Partner and collaborate

The inability of people to work together – because of personalities or politics – prevents investment from happening. Many towns and cities can point to functional collaboration between various actors (local authorities, LEPs, universities etc.), but this is not the same as those actors working towards common goals and a shared vision. Partnership working is a prominent feature in many successful investment projects.

3. Adopt a global mindset

Drawing in capital and talent from overseas can help towns and cities to realise their ambitions. Selling goods and services overseas can help towns and cities become more prosperous. Ultimately, the UK's towns and cities are on the world stage. They are not only competing against their UK neighbours, they are also competing against urban areas in other countries. Yet some of those involved in economic development think that the ambitions of their town or city is too parochial and locally focused.

4. Develop, attract and retain talent

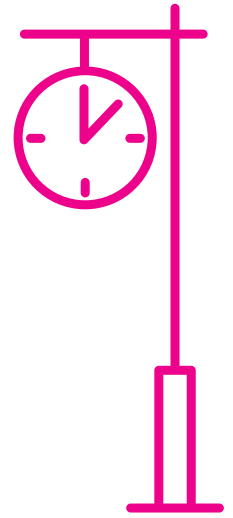
A skills shortage – or a mismatch of skills – is a barrier to investment across every town and city in the UK. The skills shortage subject cuts across a wide range of issues, from the bricklayers needed for housing developments to the students who leave once they graduate. The future presents further challenges related to skills – automation could make some occupations redundant and technological advancement will mean a demand for new types of expertise. Addressing these challenges is not easy and will depend to an extent on well-designed national policy.

5. Understand local assets

With their capacity to produce human capital and research, universities are obvious assets that can attract investment. Other assets could be a sector-specific specialism, connectivity-enhancing infrastructure, land that is development ready or a unique history and culture. Equally, the people responsible for economic development in towns and cities are best positioned to identify the weaknesses – which range across subjects from deprivation to outdated perceptions – that need to be addressed.

6. Cater for growth

People need to be able to grow their families if they are to be attracted to, or encouraged to stay, in a particular place. Businesses need to have access to suitable commercial premises if they are to expand. This could mean providing low-cost co-working space for young entrepreneurs, transport infrastructure to support growing families in commuter towns, appropriate housing to help retirees downsize and facilities to enable the provision of social care.



7. Think about the future

Economic trends – such as automation and disruption of long-standing business models – will change the needs of towns and cities. Trying to understand the negatives associated with these trends will help to mitigate them; trying to understand the positives will help to embrace them. One current example is the evolution of the labour market, with growing numbers of self-employed and contracted freelancers. Another example is the disruption of the retail sector, with online sellers no longer requiring the same level of physical presence on the high street. These examples have implications for a town or city's future needs, altering the demand for commercial space and how it is occupied.

8. Find proofs of concept

Innovative towns and cities will pioneer new types of investment and new ways of financing investment. Successful innovation will provide models that other towns and cities can adopt. These models can be as diverse as understanding how to become a smart city to how public/private models deliver a mixed-use development.

9. Gain expertise

Knowledge and experience are required to facilitate the completion of major investment projects. For example, an understanding of investment financing is critical. So too is having people or institutions that can act as a point of contact for investors – in other words, towns and cities need an answer when investors ask, “Who do I speak to?”.

10. Create momentum

When a large investment project takes place, it provides impetus for more investment to happen. Put another way, investment opens a door that leads to many other doors. Some of those involved in economic development feel that their town or city is reactive when it comes to investment – developers and investors approach them about specific projects, but resources are not consistently dedicated to attracting investment.

