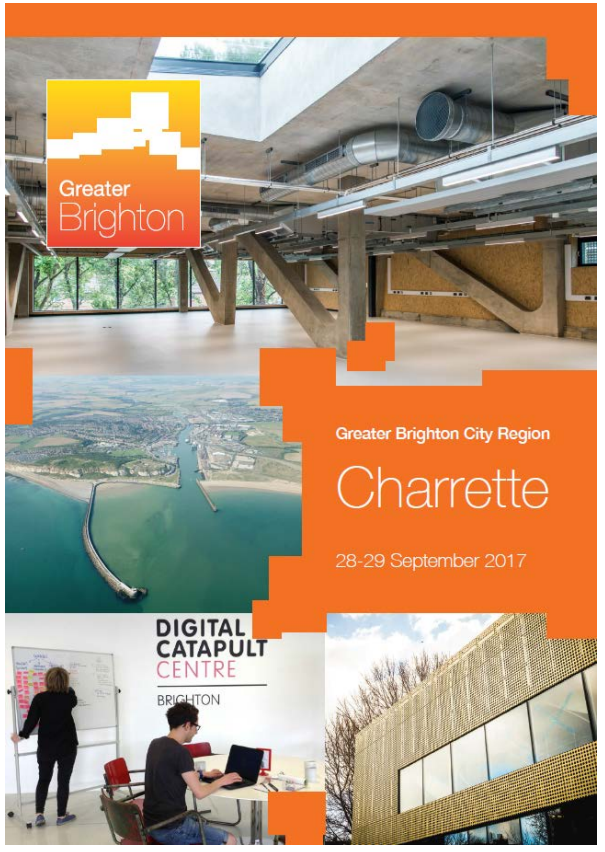
GREATER BRIGHTON ECONOMIC BOARD PRESENTATIONS

Greater Brighton

Towards a Greater Brighton Local Industrial Strategy: City Region Workshop

7 November 2017

Our Devolution Journey



Workshop Purpose

Drive further growth by:

- Building relationships
- Understanding the local growth opportunities and challenges in Greater Brighton
- Identifying priority areas for future joint working

Workshop Purpose

Greater Brighton Local Industrial Strategy

Greater Brighton

Greater Brighton Welcomes

Department for Business, Energy & Industrial Strategy

Department for Communities and Local Government

2 Director Generals
19 Government Officials
70 delegates over 2 days

Department for Digital, Culture Media & Sport

Innovate UK

Department for Transport

Department for International Trade

Homes & Communities Agency

Greater Brighton

Venues

Greater Brighton

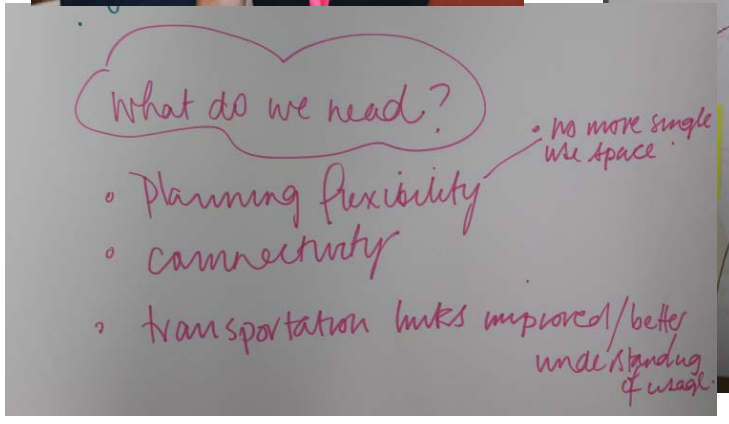
Local Industrial Strategies

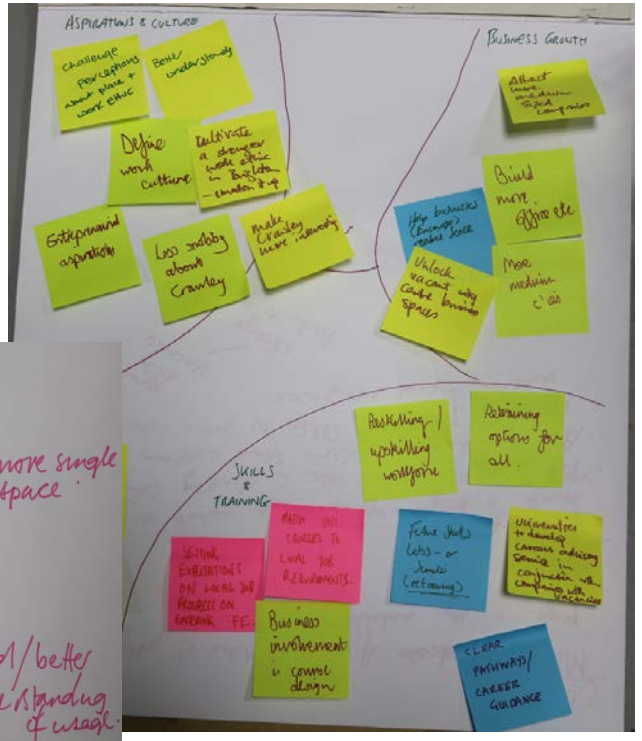
Housing & Infrastructure

Exploring the challenges and opportunities for accelerating housing delivery across Greater Brighton

Creative Digital Growth

Exploring the challenges and opportunities facing the rapidly expanding Creative Digital & IT Sector





Pre-Workshop Thoughts

HOUSING & INFRASTRUCTURE
5 POTENTIAL COMPONENTS OF A HOUSING DEAL FOR GREATER BRIGHTON

1 A Greater Brighton/HCA partnership to align policy and resources

2 A Housing Development Zone model, including a Land Value Capture mechanism and simplified CPO powers

3 A grant-based land development fund to unlock delivery

4 VAT exemption on empty property refurbishment, bringing it in line with new developments

5 Supporting Councils in their direct and indirect delivery of affordable homes – through lifting the HRA cap, local flexibility around Right-to-Buy and relaxing the rules/relationships between councils and subsidiaries

DIGITAL GROWTH
5 POTENTIAL COMPONENTS OF A CDIT CLUSTER DEAL

1 Investment in ultrafast (full-fibre) broadband infrastructure

2 Exploring the possibility of sub-national digital body to create a UK Silicon Valley

3 Support the Brighton Digital Catapult to pilot 5G technologies across the Greater Brighton Economy

4 A local Digital Connectivity Plan for broadband and mobile connectivity

5 Establish support mechanisms to help innovators to scale-up from prototype to market ready products and realise scale

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Housing & Infrastructure Workshop

What are the potential components of a Housing Deal for Greater Brighton?

Housing & Infrastructure Workshop

Challenges to Delivery

Infrastructure & Viability

Skills, Capability, Capacity

Developing out sites

Accelerating Delivery

Sub-Regional Approach

Infrastructure Deal

Strategic Approach

Greater Brighton

Housing & Infrastructure – Next Steps

Securing Marginal Viability HIF Bids will unlock over 3,600 new homes

Local Authority	Total HIF Bid	Number of Homes Unlocked
Adur	£10m	540
Brighton & Hove	£20m	1,300
Crawley	£9.5m	1,028+
Lewes	£20m	506
Mid Sussex	£7.2m	256 direct & 3,500 accelerated
Total	**£66.7m**	**3,630+ (new) 3,500 (accelerated)**

Forward Funding Bids will unlock strategic sites and infrastructure

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Housing & Infrastructure – Potential Deal

1. Creation of Development Zone or similar vehicle, including a Land Value Capture mechanism and simplified CPO powers, with a holistic place-making and community focus

2. A grant-based land development fund to unlock delivery

3. VAT exemption on empty property refurbishment, bringing it in line with new developments

4. Supporting Councils in their direct and indirect delivery of affordable homes –through lifting the HRA cap, reviewing permitted development rights and the loss of land to housing delivery, local flexibility around Right-to-Buy receipts and relaxing the rules/relationships between councils and subsidiaries

5. An infrastructure deal that includes up-front funding for infrastructure development to encourage development and accelerate delivery

6. Retention of a greater proportion of Business Rate Growth for schemes that have a significant infrastructure element

7. Support from the Office of Low Emission Vehicles (OLEV) to develop and deliver a model for the roll out of a comprehensive network of electric vehicle charging points in Brighton & Hove and the wider Greater Brighton Region

8. Support from BEIS to develop a Greater Brighton Energy Plan, that supports energy resilience and security to deliver economic growth across the City Region

9. Support from Government on the City Region's Housing & Infrastructure Fund (HIF) submitted bids.

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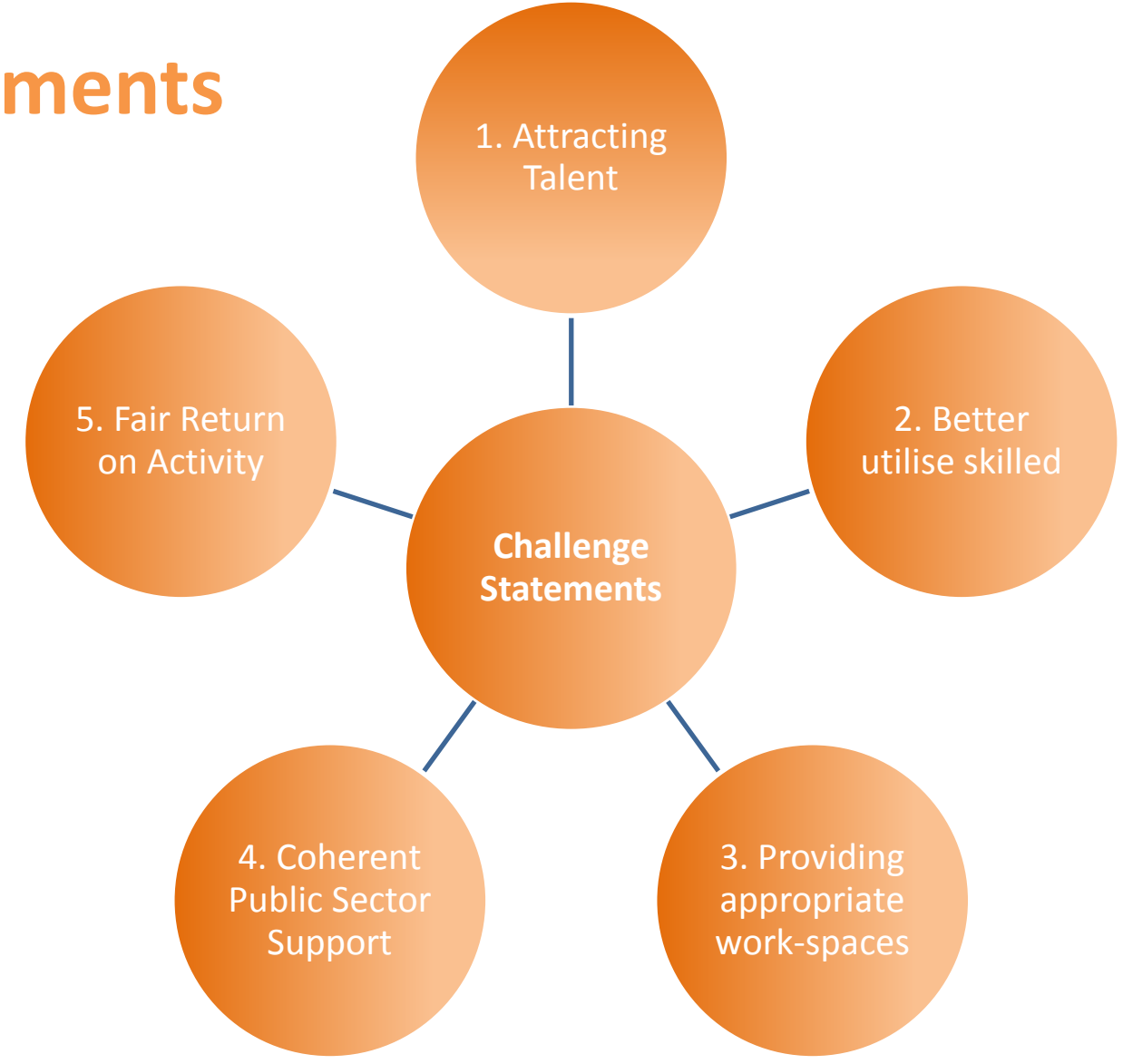
Creative Digital Growth Workshop

Challenge Statements



CDIT Workshop

Overcoming the Challenges

Public sector delivering a coherent and effective model of support

Provide the environment that encourages businesses to expand and grow

Ecosystem of continuous learning

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CDIT Cluster – Potential Deal

1. Investment in ultrafast (full-fibre) broadband infrastructure and digital mobile infrastructure through funding from the DCMS Local Full Fibre Network Programme

2. Commit R&D support for CDIT and University sectors post Horizon 2020

3. Support the Brighton Digital Catapult to pilot 5G technologies across the Greater Brighton Economy

4. A local Digital Connectivity Plan for broadband and mobile connectivity

5. Establish support mechanisms to help innovators to scale-up from prototype to market ready products and realise scale

6. Review Permitted Development Rights to protect move-on space for the Cluster, and simplify access to funding streams for SMEs.

7. Establishment of a Greater Brighton Creative Industries Council to align local, regional and national organisations to meet the needs of the creative and cultural industries locally.

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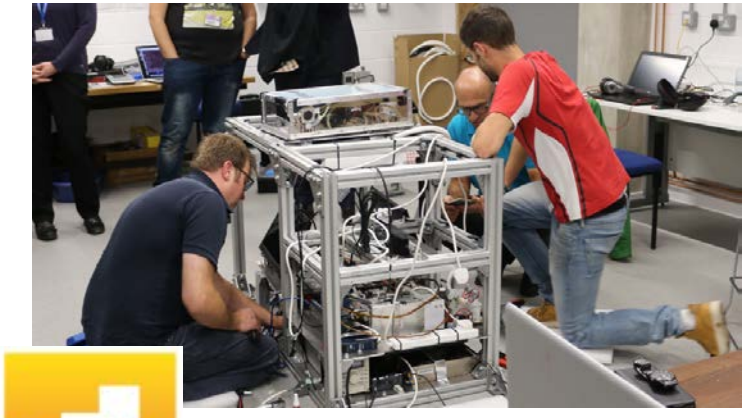
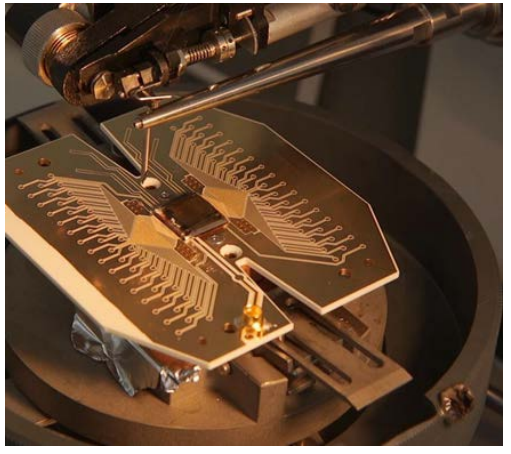
Knowledge Intensive Growth - Universities





Research Funding Challenges

- Appropriately rewarding regionally impactful 1* & 2* research
- Acknowledging universities' success in Collaborative Research with non-university partners
- Re-balancing the Higher Education Innovation Fund (HEIF) allocation formula to take greater account of regional economic engagement and impact
- A requirement for City Regions & LEPs to influence Industrial Strategy related grants from InnovateUK & RCUK
- Providing an incentive scheme to draw SMEs to work with universities.

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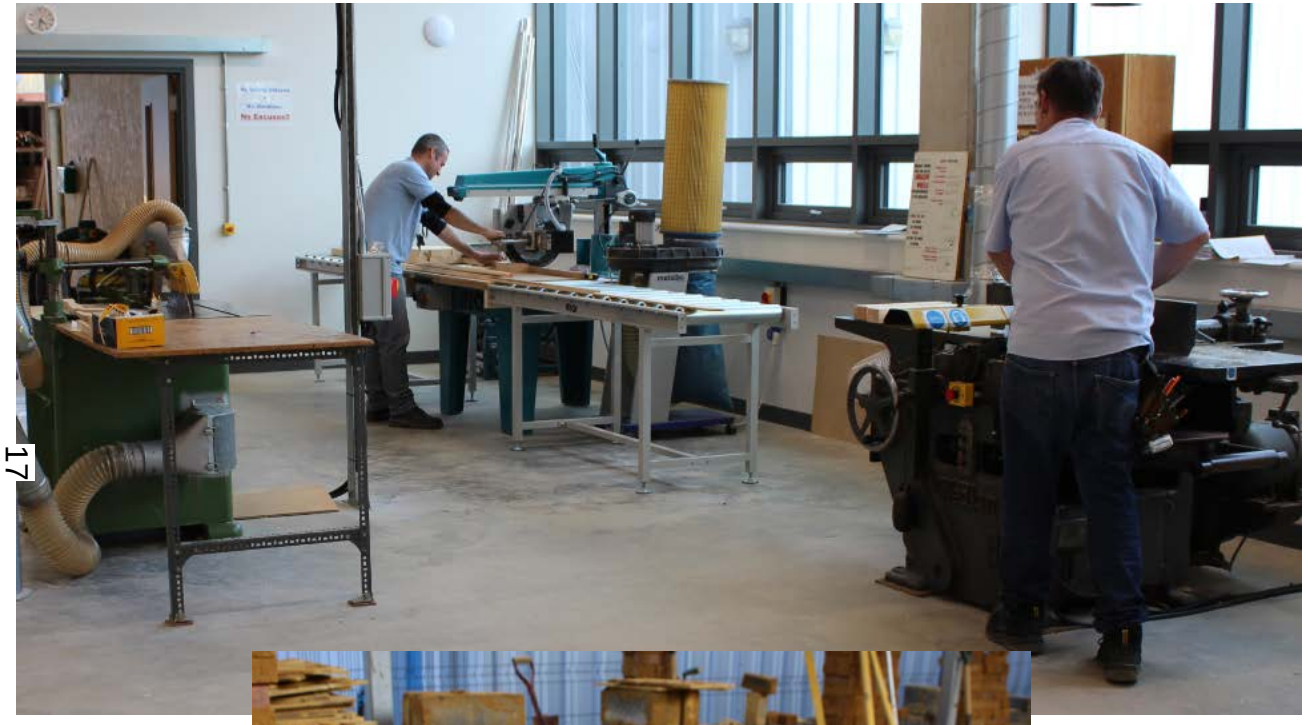
Knowledge Intensive Growth – Education & Skills



Increasing Skills

- Lifelong learning & reskilling
- Increase apprenticeship numbers, particularly through SMEs
- Increase range and quality of Higher and Degree level Apprenticeships
- Support the and promote the application to establish an Institute of Technology in the City focused on digital and creative skills

Towards a Greater Brighton Local Industrial Strategy

Developing skills

Investing in science, research & innovation

Creating the right institutions to bring together sectors & places

Upgrading infrastructure

Encouraging trade & inward investment

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Towards a Greater Brighton Local Industrial Strategy

HOUSING & INFRASTRUCTURE

1. A Housing & Infrastructure Deal

CDIT CLUSTER

2. A CDIT Cluster Deal

KNOWLEDGE INTENSIVE GROWTH & SKILLS

3. Re-balancing the HEIF allocation formula to take greater account of regional economic engagement and impact would enable the more regionally engaged universities to increase their reach

4. An incentive scheme to draw SMEs to work with universities (like Innovation Vouchers) would stimulate improved SME/university engagement

5. Support the City Region's FE Colleges to secure investment via the proposed £170m of capital funds to establish an Institute for Technology focused on CDIT

6. Increase apprenticeship numbers by incentivising SMEs to recruit apprentices

7. Accelerate the creation of apprenticeship frameworks, so that providers are able to respond to the needs of employer

8. Widen access to higher level qualifications by increasing the range and quality of Higher and Degree Level Apprenticeships

INWARD INVESTMENT, TRADE & EXPORT

9. Support from DiT in developing a strategy and place-based DiT presence through co-location with the new Brighton City Hall for Business.

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Towards a Greater Brighton Local Industrial Strategy

- Review and confirm our asks
- Work-up our offers
- Build on relationship with Central Government

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Towards a Greater Brighton Local Industrial Strategy: City Region Workshop

Energy and Water Plan
Greater Brighton Economic Board

Shoreham Centre, 7 November 2017
Francesca Iliffe, Sustainability Project Officer, BHCC

Brighton & Hove City Council

Energy Plan

- Changes in the Energy sector
- Alignment with Government agenda
  - *The Industrial Strategy*
  - *Smart Systems and Flexibility Plan*
  - *The Clean Growth Strategy*
  - *BEIS Local Energy programme*
- Background to the Energy & Water Plans
- Governance, finance, deliverables

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Energy sector changes

The energy system is going through massive and fundamental change

Old world	New world
Centralised (Few, large sources of generation)	**Decentralised** (Thousands of distributed sources of generation)
Predominantly fossil fuel based	Hybrid - much more renewables
One way power flows	Bi-directional power and information flows
Predictable - Planned	Intermittent (wind solar) – Managed
Customers consume energy	Customers produce and consume energy
Large power station provided flexibility	Flexibility from Demand, Storage and generation

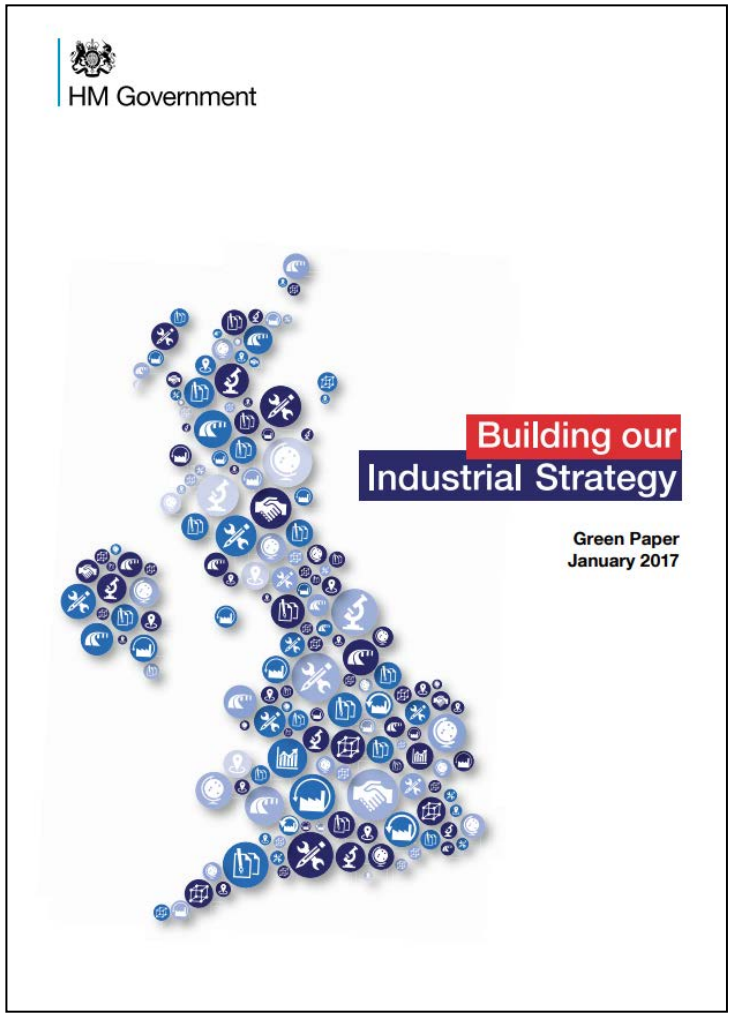
Industrial Strategy January 2017

Aim
To improve living standards and economic growth by increasing productivity and driving economic growth across the whole country

Delivering affordable energy and clean growth pillar

Energy ‘trilemma’
- Security
- Affordability
- Decarbonisation

Challenges:
- minimise cost of shift to low carbon economy
- manage changes to the energy networks
- harness industrial opportunities from new energy technologies



Smart Systems and Flexibility Plan July 2017

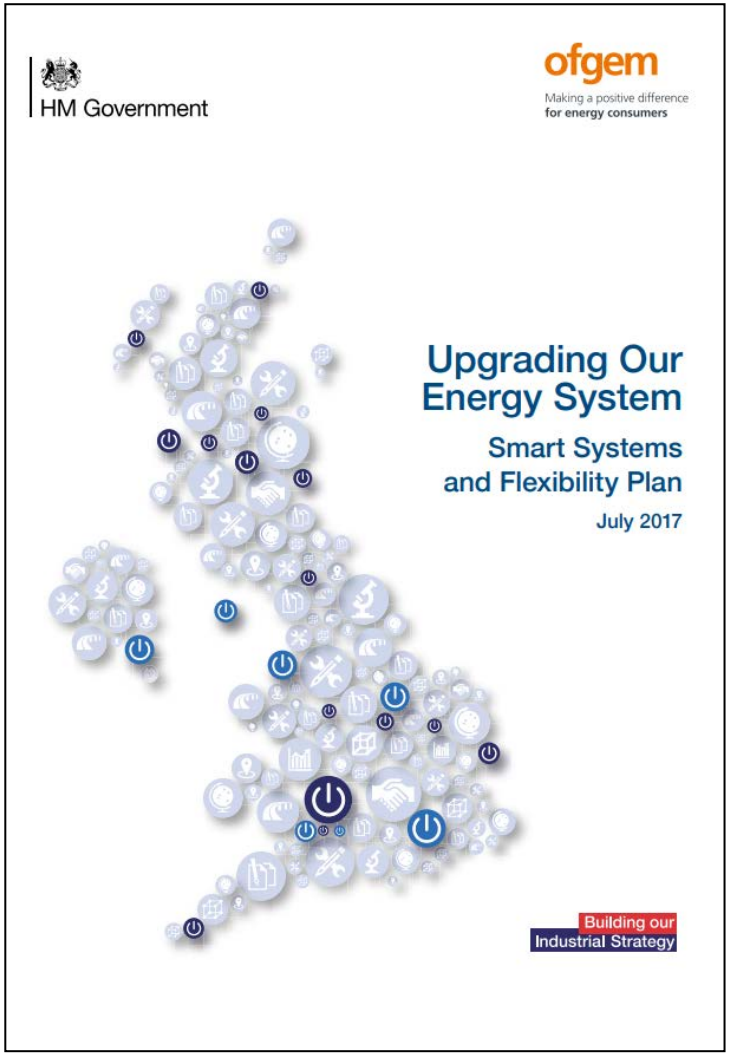
Aim

The Plan commits Government and Ofgem to take action alongside industry to deliver a smarter, more flexible energy system by:

- removing barriers to smart technologies, including storage
- enabling smart homes and businesses interaction)
- making markets work for flexibility

Creating the regulatory and legal context for a smarter energy system

‘to unlock up to £40billion in energy cost savings up to 2050’



Clean Growth Strategy
October 2017

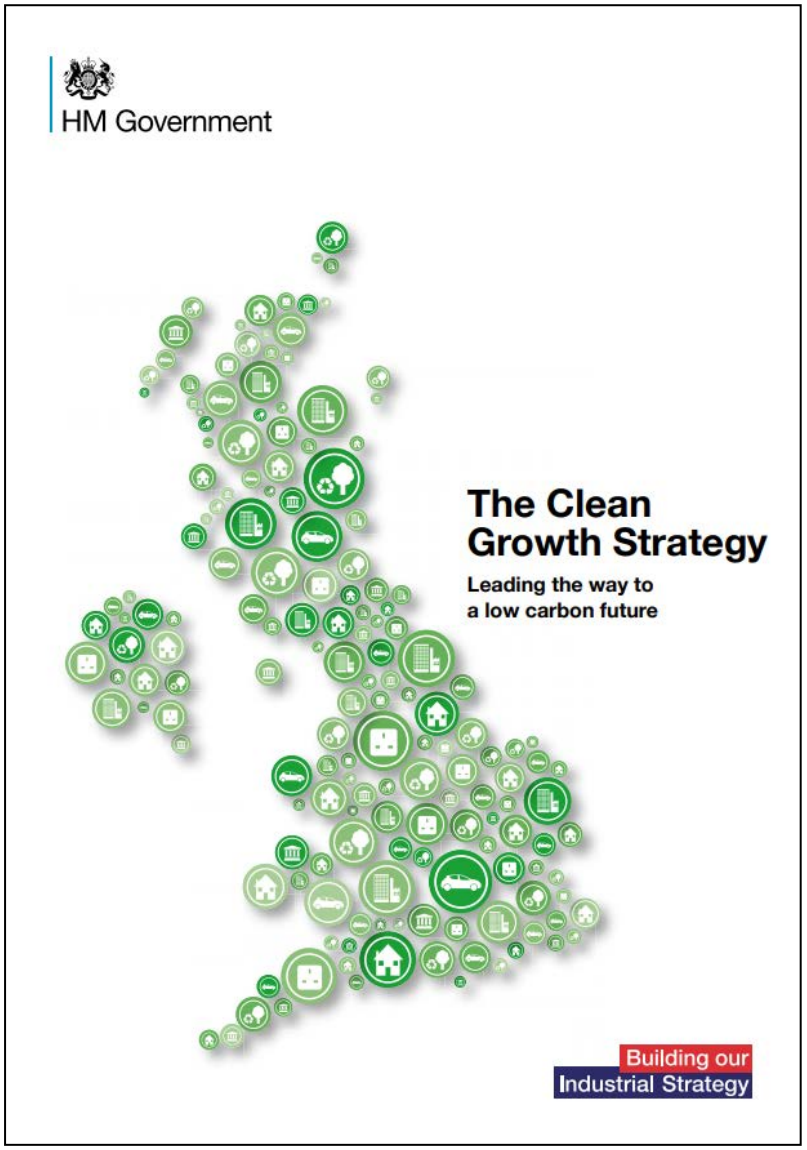
Aim: To deliver increased economic growth and decreased emissions.

Guiding principles:

1. To meet domestic commitments at the lowest possible net cost to UK taxpayers, consumers, businesses
2. To maximise the social and economic benefits for the UK energy transition

UK low carbon economy could grow by an estimated 11% per year between 2015-30: four times faster than the rest of the economy, delivering £60-170billion of export sales of goods and services

By 2030: $13.5 trillion investment in global energy sector for all signatories to achieve Paris Agreement targets

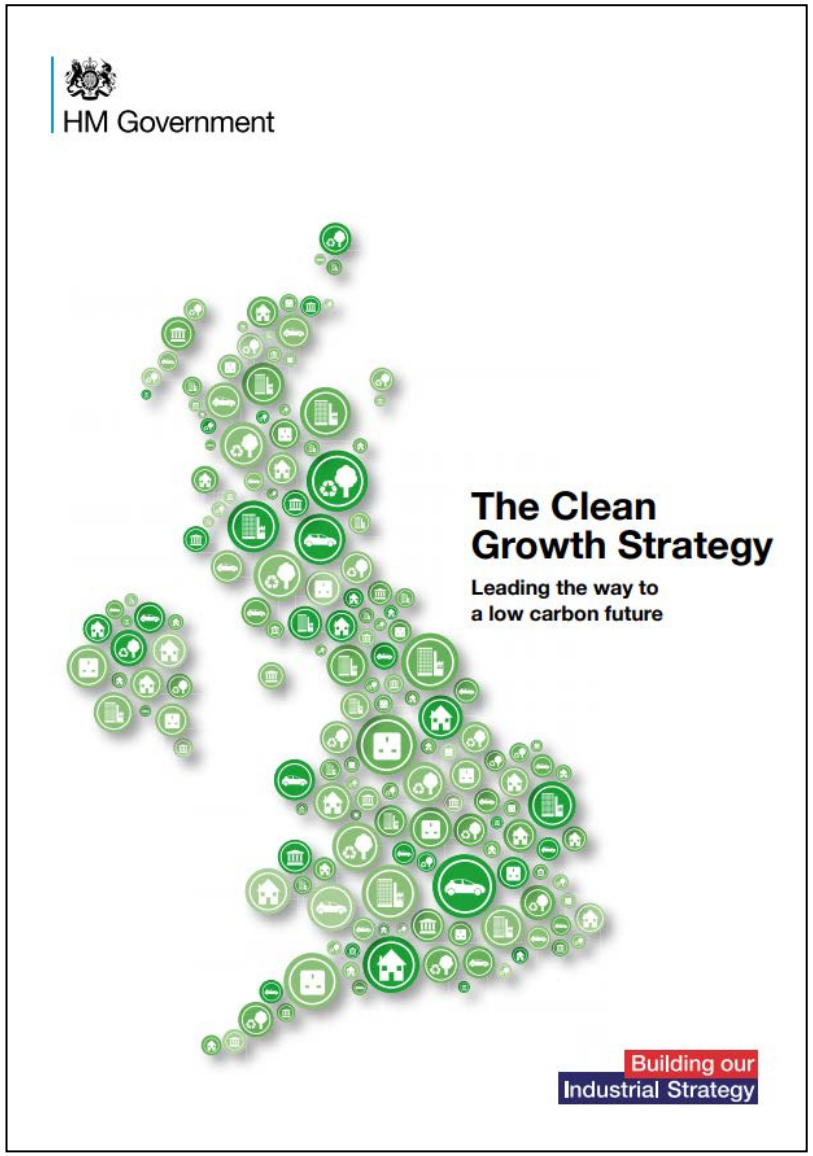


Clean Growth Strategy October 2017

- *Improving business and industry efficiency and supporting clean growth*
- *Improving our homes*
- *Accelerating the shift to low carbon transport*
- *Delivering clean, smart, flexible power*
- *Enhances benefits of natural resources*
- *Leading in the public sector*

'moving to a productive low carbon economy is a shared responsibility

each local area will be responsible for coordinating its own local industrial strategy in alignment with the national Industrial Strategy' (p118)

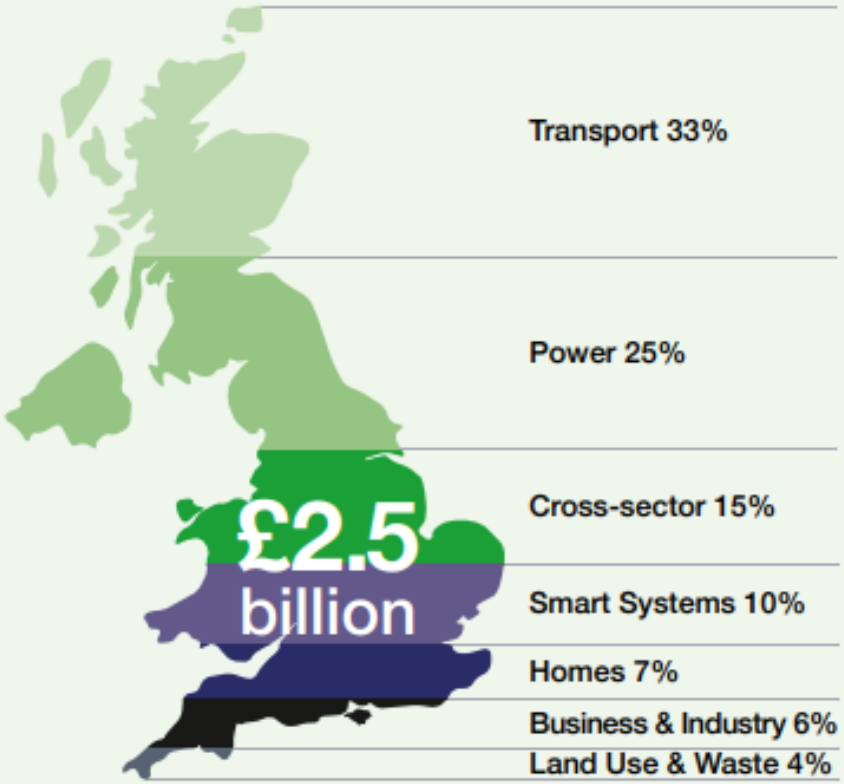


Clean Growth Strategy
October 2017

Government has significantly increased its investment in low carbon innovation

allocated
2015-2021

This strategy sets out, for the first time, where Government funding is targeted



BEIS
Local Energy Programme

BEIS is proposing to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth

- £1.6m for LEP energy strategy development
- £2.7m capacity support for LEPs and LAs
- establish 5 local energy hubs
- 4 FTE posts per hub for 2 years
- Identify/prioritise local energy projects
- complement/build on existing activity

'The annual energy bill across all public sector buildings in England and Wales is estimated to be around £2billion. This could be reduced significantly, releasing funds for front line services' *(p114)*

Since 2015/16 central government and agencies have saved £127million against 2010 levels *(p113)*

LEPs areas suggested for inclusion in each hub

Local energy hub	LEP areas included	
North West	• Cheshire & Warrington • Cumbria • Lancashire	• Greater Manchester • Liverpool City Region
Yorkshire, Humber and North East	• Humber • Leeds City Region / West Yorkshire Combined Authority • North East	• Sheffield • Tees Valley • York, North Yorkshire and East Riding
Midlands	• Black Country • Coventry & Warwickshire • Derby, Derbyshire, Nottingham & Nottinghamshire (D2N2) • Greater Birmingham & Solihull • Greater Lincolnshire	• Leicester & Leicestershire • The Marches • Stoke-on-Trent & Staffordshire • Worcestershire
South East	• Buckinghamshire Thames Valley • Coast to Capital • Greater Cambridge & Greater Peterborough • Hertfordshire • London	• New Anglia • Oxfordshire • South East • South East Midlands • Thames Valley Berkshire
South West	• Cornwall & the Isles of Scilly • Dorset • Enterprise M3 • Gloucestershire	• Heart of the South West • Solent • Swindon & Wiltshire • West of England

Background

Seeking approval to progress a Greater Brighton Energy Plan and Water Plan

Background

- 25 April 2017
- GBEB agreed to allocate funding for GBEB Energy and Water Plans: £10,000:

Development of Plans would be linked to the Investment Programme/Pipeline and Local Plans, working in partnership with the Brighton & Lewes Downs Biosphere Board

- 13 February 2015 GBEB noted:

the importance of the Biosphere status to the City Region economy and the opportunity that the Biosphere status represents in becoming the overarching 'brand identity' for the area

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Background

A Greater Brighton Energy Plan would aim to:

- deliver the Industrial and Clean Growth Strategy locally
- understand infrastructure deficits/barriers to economic growth
- Increase security and resilience
- affordability for the fuel poor
- improve air quality
- provide direction and new ways of working with government post Brexit
- greater expertise to economic planning
- recognise interrelations between infrastructure needs
  (energy, water and other areas such as digital and transport);
- identify investment opportunities
- coherent infrastructure funding requests to government;
- enable development of the right infrastructure to support the growth of a smart and sustainable Greater Brighton economy

Governance

- Energy and water expertise introduced from the Biosphere Board Chair, Ben Earl (Southern Water) to play a key role in developing the plans
- Expert ‘Infrastructure Panel’ chaired by SW CE Ian McAulay
- Southern Water will be a key stakeholder who will work closely with Brighton & Hove City Council to ensure Plans fulfil GBEB requirements
- BHCC client co-ordination role, supporting practical delivery, procurement
- Later report on Water Plan to GBEB (Mita Patel, International & Sustainability Team)

Finance

- GBEB allocated £10K divided: £5,000 each for the Energy & Water Plans
- BHCC £14,000 from International and Sustainability Team budget
- Interreg 2 Seas funding bid: £35,000 for the Energy Plan (outcome by Dec)
- Total £54,000 for Energy Plan, enabling development by end 2018

Greater Brighton Investment Programme

7 November 2017

Newhaven

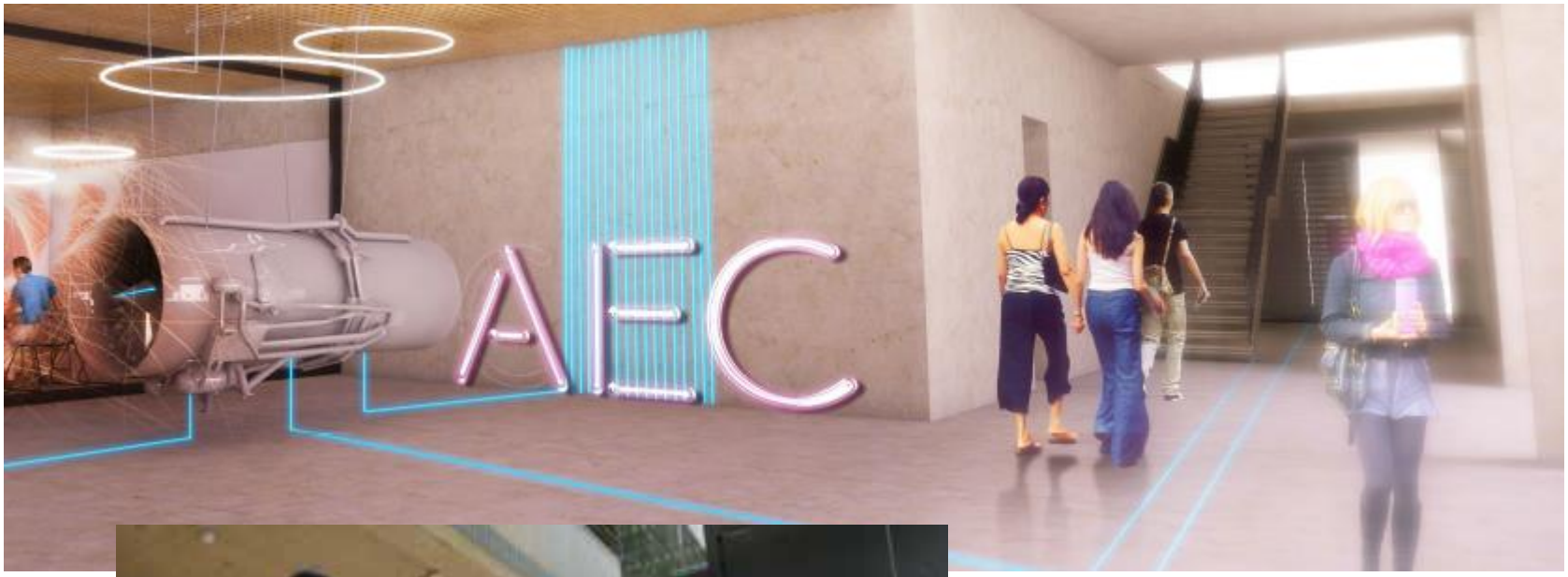
Flood Alleviation Scheme

Greater Brighton

Brighton & Hove

Digital Catapult Centre and 5G Test Bed

Brighton & Hove



Advanced Engineering Centre

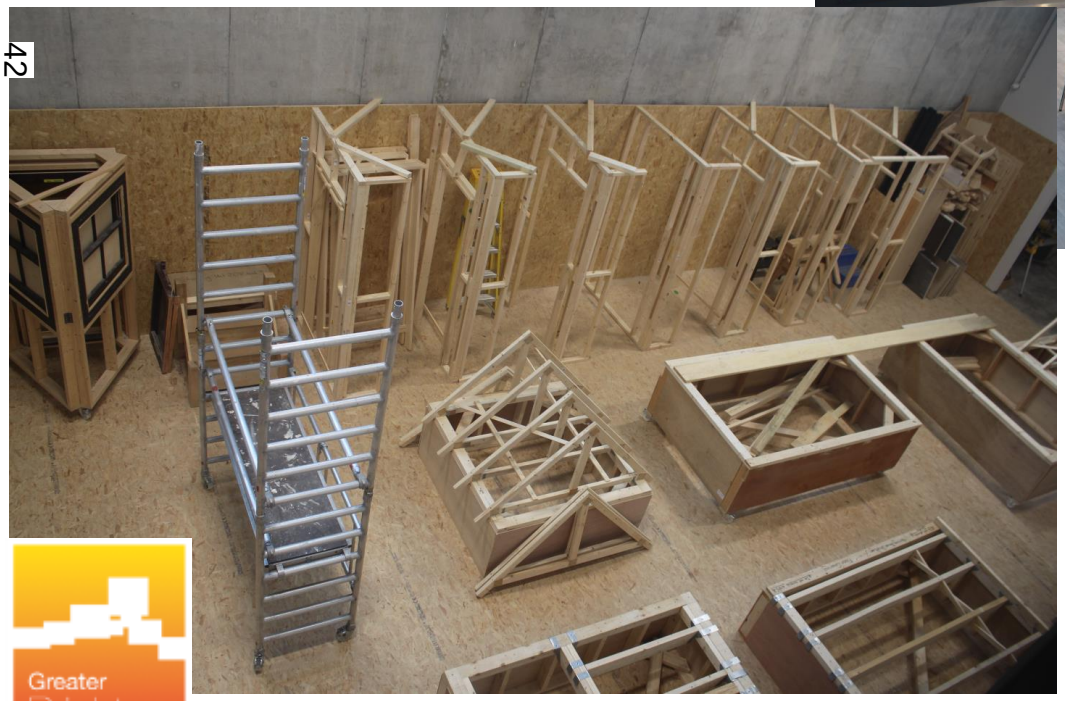
Greater Brighton

Brighton & Hove

Circus Street Innovation Growth Centre

Central Research Laboratory

Brighton & Hove



Construction Trades Centre

Brighton & Hove

Valley Gardens

Brighton & Hove

BTN BikeShare Scheme

Shoreham-By-Sea

Adur Tidal Walls

Western Harbour Arm

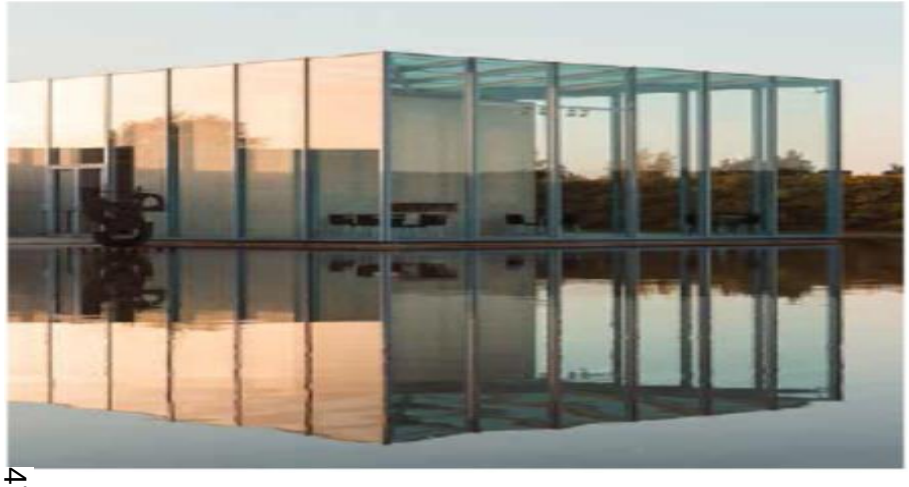
Burgess Hill

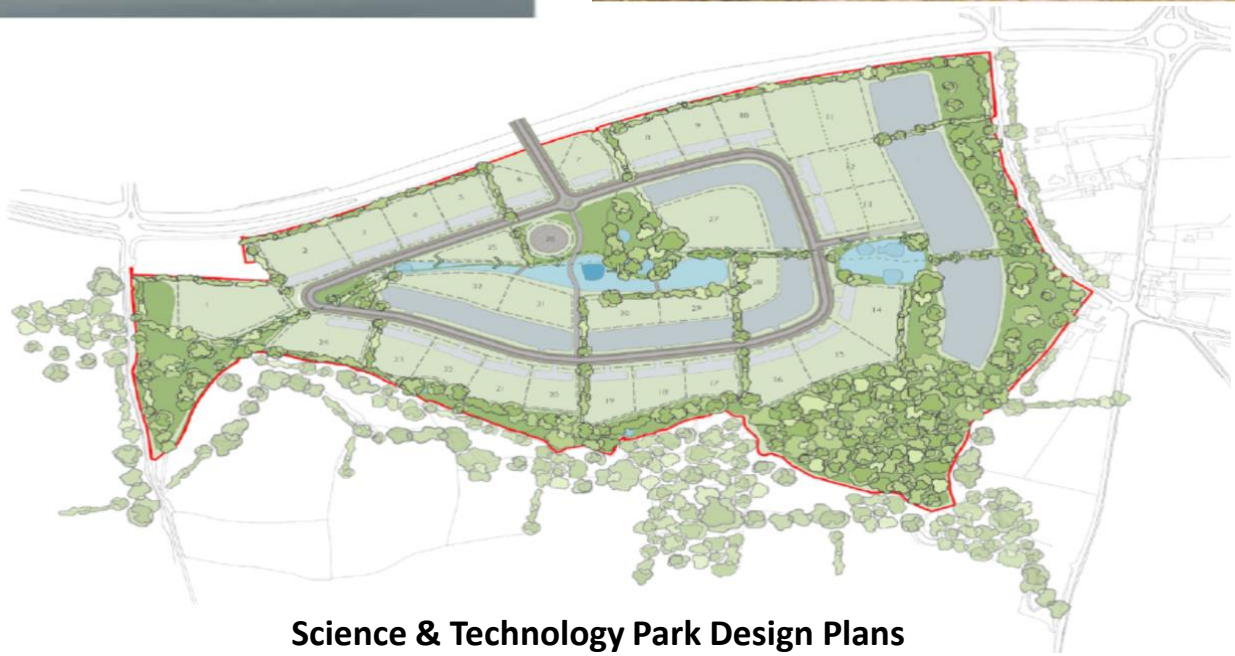
Northern Arc Housing Site Design Plans

Growth Location

Greater Brighton

Burgess Hill





Science & Technology Park Design Plans

Growth Location

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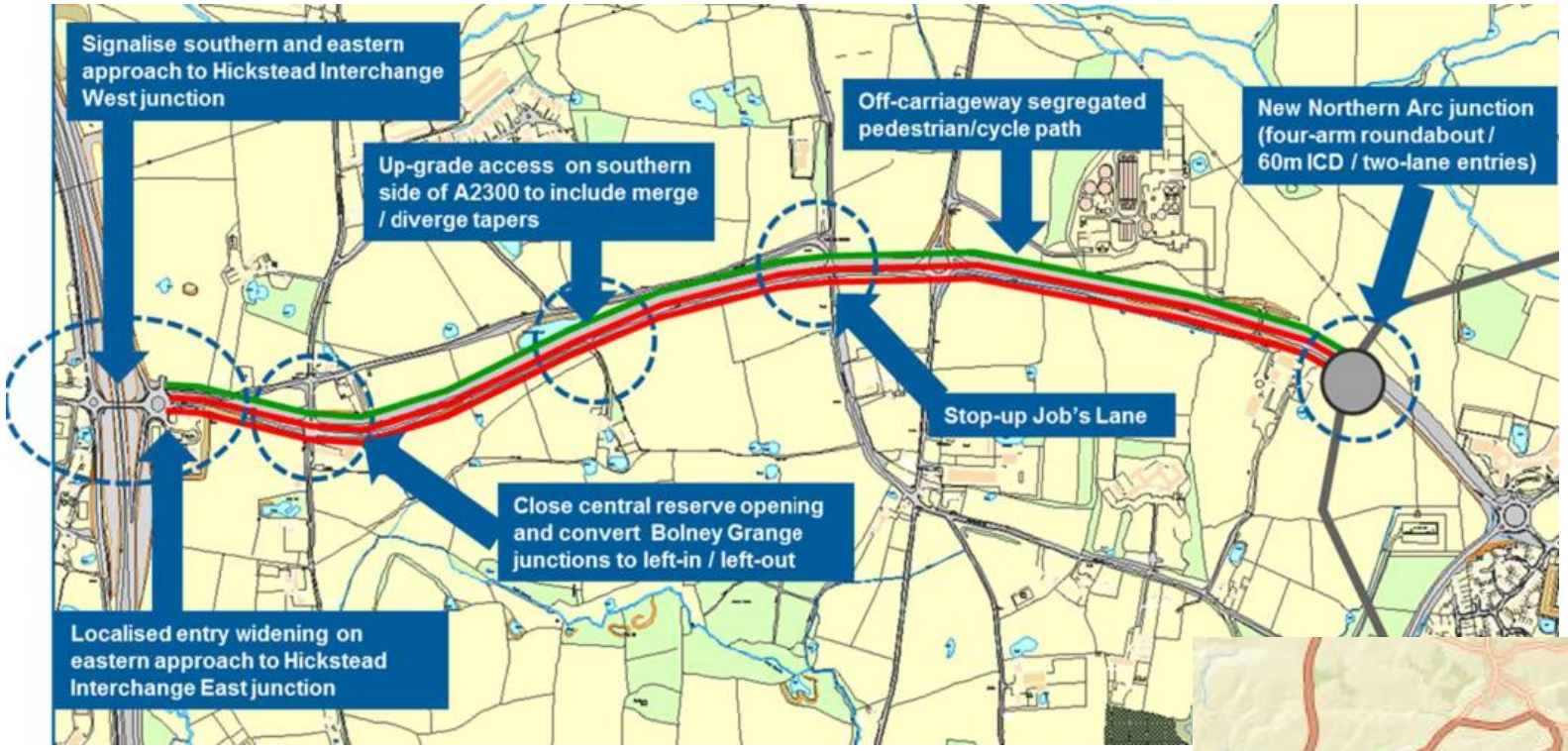
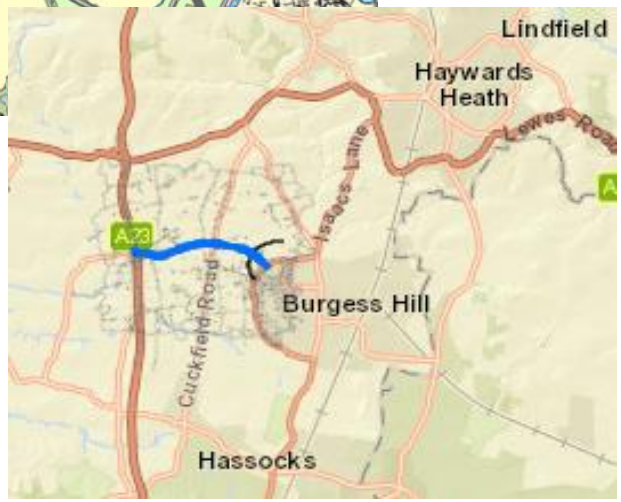
Burgess Hill



Proposed scheme

Location of the scheme



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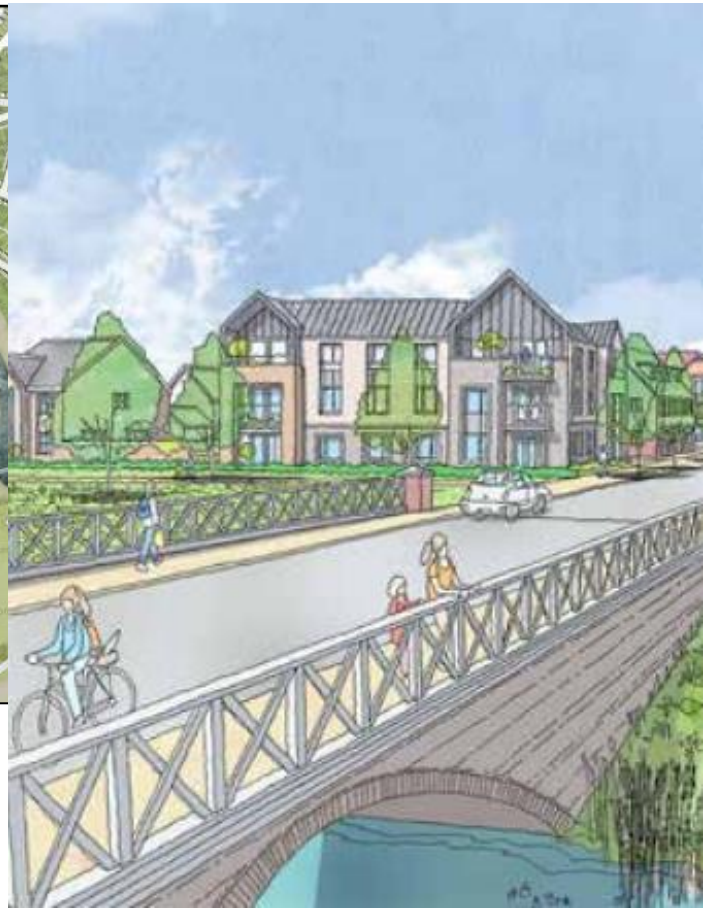
A2300 Corridor Improvements

Worthing Central Phase 1



New Monks Farm & Airport
(Shoreham)

Adur Civic Centre (Shoreham)

Royal Pavilion Exchange (Brighton)

REGENERIS

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Brighton & Hove Economic Strategy

Barney Cringle, Regeneris Consulting

7th November 2017

Refresh on Strategy
Strategy Components

Workstream 1
Sector Strengths and Opportunities

Workstream 2
Drivers of Change & Growth Projections

Workstream 3
Supply Land & Floorspace Projections

Workstream 4
Skills for the Future

Workstream 5
Inclusive Growth

Workstream 6
Inward Investment & Export Growth

Workstream 7
Strategy Recommendations

Workstream 8
Action and Implementation Plan

Brighton & Hove Economic Evidence Base
Working Document October 2017

Brighton & Hove Economic Strategy and Action Plan
Draft Jan 2018; Final Feb 2018

Inward Investment and Export Strategy
Draft Jan 2018; Final Feb 2018

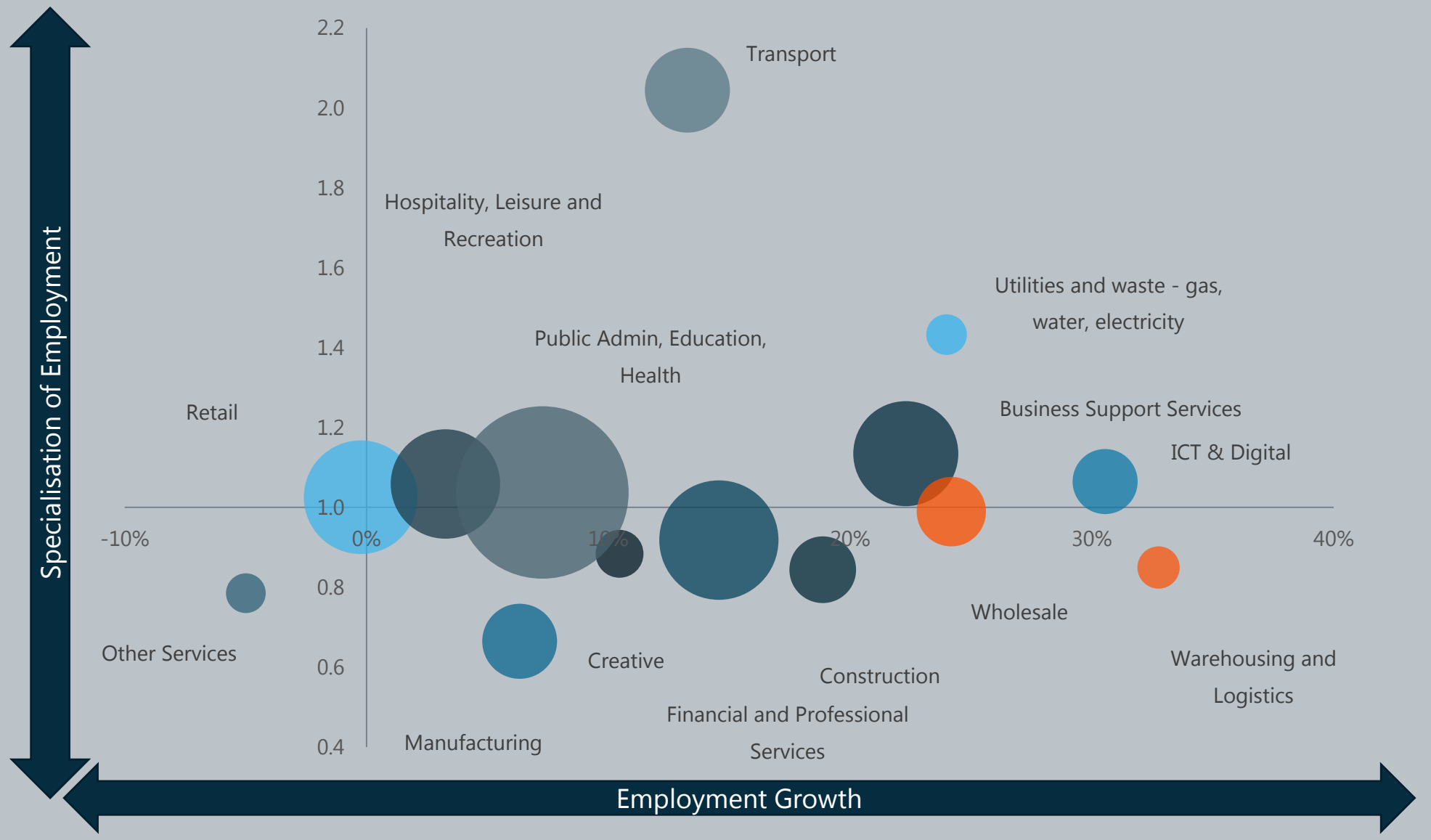
Refresh on Strategy Economic Geography

- Brighton & Hove City
- Greater Brighton City Region
- Coast to Capital LEP
- London Labour Market Area
- Greater South East

Working Evidence Base
Overall Economic Performance

	Brighton & Hove	G. Brighton City Region	Coast to Capital LEP	England
No. of Jobs, 2016	**140,400**	400,100	865,000	26.4m
Employment change (2011-16)	**+11%**	+10%	+7%	+9%
No. of Businesses, 2017	**15,800**	40,200	103,300	2.7m
Business change (2012-17)	**+20%**	+19%	+18%	+22%
GVA, 2015	**£7.1bn**	£21.1bn	£49.8bn	£1,433bn
GVA *per FTE worker*	**£65,400**	£72,100	£73,000	£66,900
Productivity growth (2010-15)	**+27%**	+21%	+17%	+19%

Working Evidence Base
Profile of the Economy



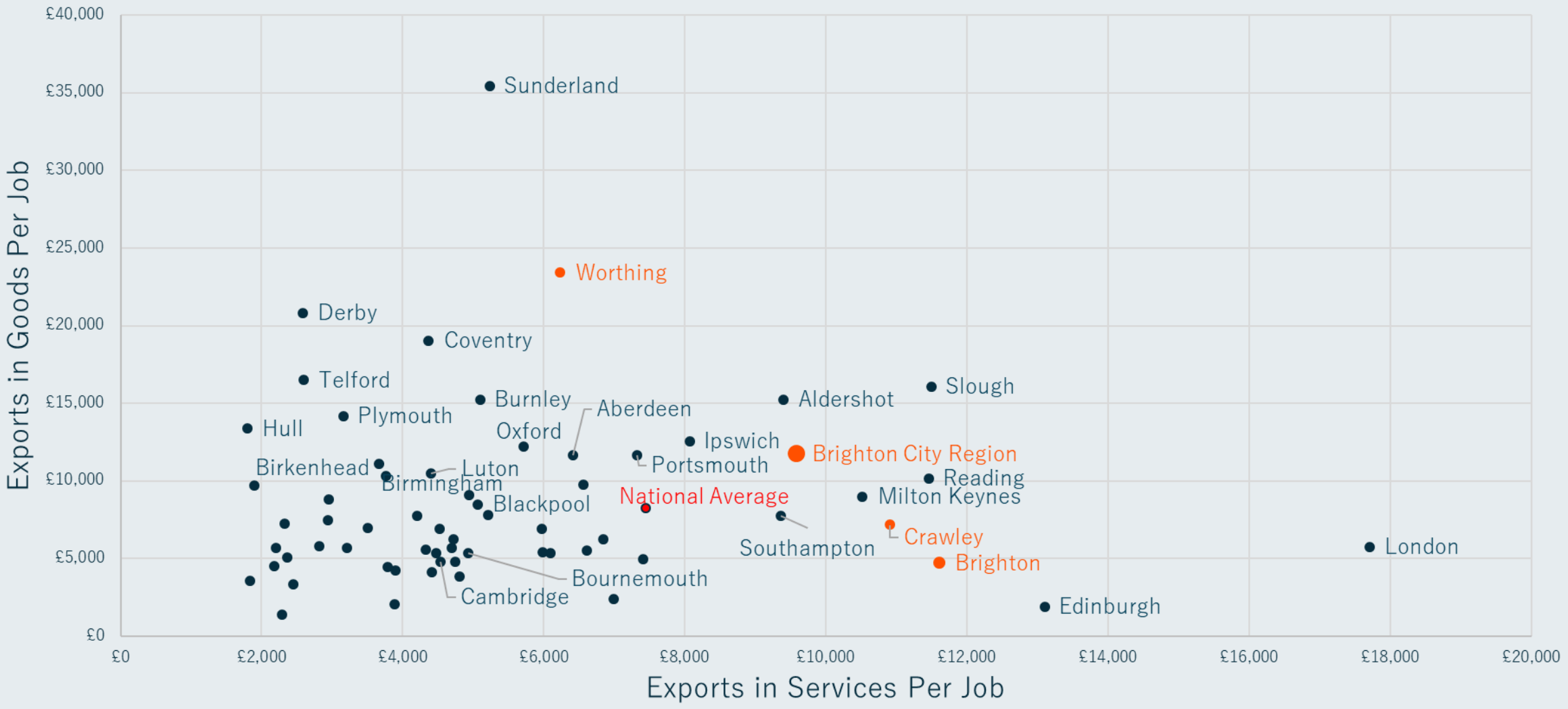
Size of bubble is proportional to number of employees

Working Evidence Base
Recognising Local Specialisms

Main Sector	Detailed Sector	Brighton & Hove	Adur	Crawley	Lewes	Mid-Sussex	Worthing
Industrial	Manufacturing						
	Advanced Manufacturing						
Support Industries	Construction						
	Transport						
	Warehousing and Logistics						
Local Services	Retail						
	Wholesale						
	Visitor Economy						
Creative & Professional	ICT & Digital						
	Creative						
	Professional & Financial						
	Business Support Services						
Public Administration, Education, Health							

Specialism	1.5+	1.2-1.5

Working Evidence Base
Trade & Exports



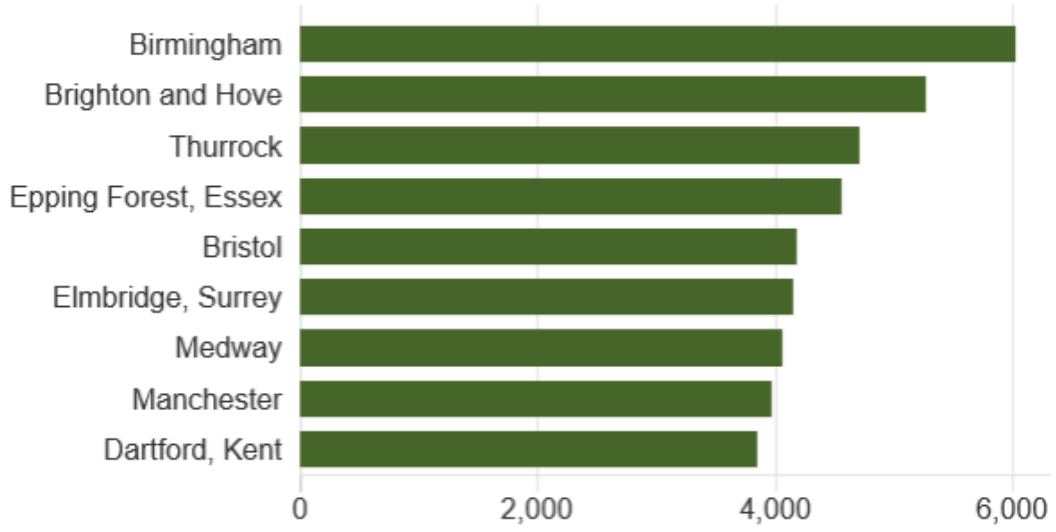
Working Evidence Base
Labour Market

		Brighton & Hove		G. Brighton City Region	England
		No.	%	%	%
Working Age Population		205,000	71%	64%	63%
Economic Activity Rate (16-64)		159,800	80%	81%	78%
Employment Rate (16-64)		149,900	75%	78%	74%
18-24 Year Olds in Full Time Education (of 18-24 year olds)		18,800	48%	34%	32%
Residents with Level 4 (Degree) Qualifications		101,000	50%	43%	38%
Prof, Associate & Managerial Occupations	Workers	80,200	52%	49%	46%
	Residents	88,000	57%	50%	46%

Working Evidence Base Economic Dynamics

		%
% of Brighton's **Workforce** living in…	Brighton & Hove	69%
	G. Brighton City Region	91%
	Coast to Capital LEP	94%
	London	1%
% of Brighton's **Residents** working in…	Brighton & Hove	66%
	G. Brighton City Region	83%
	Coast to Capital LEP	87%
	London	8%

Top Destinations for Migrants Leaving London



- Core economic hub within City Region
  - Labour market, housing, supply chain dynamics
- Important relationship with London
  - Migration
  - Labour Market
  - Business

Working Evidence Base
Economic Positioning

	GVA per worker		Business Start-ups (per 1,000 businesses)		Housing Affordability Ratio (Most affordable 1st)		Employment Rate		Average Weekly Workplace Earnings		Working Age Population with Degree-Level qualifications	
	2009	2016	2007	2016	2007	2016	2007	2016	2007	2016	2007	2016
1	Read. £61,900	Read. £71,600	MK 59	MK 85	MK 7.5	MK 9	Read. 79%	S-o-S 78%	Read. £670	Read. £630	Camb 43%	Camb 67%
2	MK £54,800	MK £64,800	B&H 54	Read. 75	S-o-S 8.8	S-o-S 10.0	MK 79%	Read. 77%	MK £650	MK £630	B&H 39%	Read. 50%
3	Camb £49,200	Camb £59,200	Read. 53	B&H 70	Read. 9.6	Read. 11.3	Bourn. 75%	Camb 77%	Camb £600	Camb £600	Read. 37%	B&H 50%
4	B&H £46,800	B&H £52,500	Bourn. 50	S-o-S 61	B&H 11.2	Bourn. 12.5	B&H 74%	Bourn. 76%	Bourn. £540	Bourn. £480	MK 28%	Bourn. 39%
5	Bourn. £45,200	S-o-S £51,400	Camb 48	Bourn. 54	Bourn. 11.8	B&H 13.7	Camb 72%	B&H 74%	B&H £490	B&H £470	Bourn. 27%	MK 36%
6	S-o-S £44,600	Bourn. £51,100	S-o-S 46	Camb 54	Camb 11.8	Camb 15.8	S-o-S 72%	MK 74%	S-o-S £460	S-o-S £400	S-o-S 20%	S-o-S 28%

Source: Regeneris Analysis of Centre for Cities, 2016; Note: Productivity data only available from 2009 onwards.

Key:
B&H – Brighton & Hove; Read. – Reading; MK – Milton Keynes; Camb. – Cambridge; Bourn. – Bournemouth; S-O-S - Southend

Working Evidence Base
Economic Positioning

MILTON KEYNES FUTURES: 2050

BRISTOL + BATH

PROSPER PORTLAND
Building an Equitable Economy

BHEP Consultation Event

Most significant areas of concern:

1. Transport
2. Housing
3. Skills and labour market
4. Partnerships and vision

Defining Strengths, Weaknesses, Opportunities, Threats

*Five Defining...*Strengths

1. A **diverse economy** across the City Region, with major employers and growing sector specialisms
2. Distinguishing **economic assets** across the City and City Region
3. A strong and active **pool of labour** characterised by high qualification levels
4. An **enterprising economy**, with strong start-up levels and a large amount of homeworking
5. An internationally renowned **visitor economy identity** and the **physical environment**

*Five Defining...*Weaknesses

1. Lack of a clear and consistent **economic identity** distinguishing the City and City Region from competitors
2. Limited recent **inward investment**, and concern that **trade & exports** activity is concentrated within a small number of firms
3. **Productivity** in the City's economy remains low; relating to this, **earnings** of those working in the City are below average
4. Despite the well qualified and enterprising labour pool, there are challenges in capitalising on this and '**scaling' growth**
5. **Social inclusion** challenges

*Five Defining...*Opportunities

1. A strong recent track record of **partnership working**, helping to improve capacity for delivery and innovation
2. The critical mass provided by a **strong and collaborative City Region** and its large-scale investment programme
3. Aligning with the **UK Industrial Strategy and refreshed SEP**: positioning the City and City Region at the forefront
4. Changing **working practices** and **labour market restructuring**: an opportunity to encourage a broader pool of the population to participate?
5. Opportunities to be at the forefront of the **smart cities** agenda, via innovation and research

*Five Defining...*Threats

1. Constraints in the supply of **commercial space and employment land** in the City limiting investment and scale up potential
2. Weak **housing affordability** as a threat to the balance and sustainability of the Brighton & Hove labour market
3. **Immigration impacts** of Brexit a severe threat to labour supply in the City, particularly in the visitor, service, and health sectors
4. Constraints in the **road and rail** networks, impacting on image of attractiveness to investors
5. Growth, investment and rebalancing across the UK (Crossrail, HS2, Northern Powerhouse, Midlands Engine) **redefining economic geographies** and **increasing competition**

Inward Investment and Export Strategy: Challenge Topics

1. **Positioning**: placing the city; agreeing focus
2. **Balance**: sectors and places
3. **Clarity:** consistent & distinctive identity; clear investment and support pathways
4. **Ownership**: coherent voice; complementing not competing
5. **Aspiration**: bold yet pragmatic

Next Steps

Ongoing evidence collection over next few months. Focus on:

- Detailed mapping of current **investment and trade** activities and performance
- **Scenarios to test future growth potential** for sectors and the economy
- Further UK and international comparator and competitor analysis; **city strategies and interventions**
- **Consultation:** testing the evidence; gathering ideas

Any Questions?

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