

Spotlight

THE NORTHERN POWERHOUSE: REBALANCING THE ECONOMY

John Prescott / Lissa Nandy MP / Juergen Maier





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Parliament should move to the North



In June 2015 the Danish Prime Minister, Lars Løkke Rasmussen, announced a plan his party called *Bedre Balance* (better balance), in which thousands of government jobs would move out of the capital city and into 38 different towns. Last year, a second wave of relocations was announced. In all, around 4,000 government jobs will have moved in a few years.

Partly the intention is to move government decision-makers into places where they can actually see the effects of their decisions – so, the maritime authority has moved to the port of Korsør and the nature agency has moved to the smaller city of Randbøl, which is surrounded by national parks. But the move is also intended to offer the social and economic stimulus offered to smaller towns and cities by moving large numbers of well-paid, well-educated people to somewhere other than the capital city.

The UK has an even greater need of decentralised government than Denmark. The Prime Minister, Chancellor, and the Foreign, Transport, Business and Environment Secretaries all represent constituencies within 30 miles of central London, as do the Labour leader, the Shadow Chancellor and the Shadow Home, Foreign, Brexit and Trade Secretaries. The civil service is overwhelmingly London-based. The government department responsible for the Northern Powerhouse is almost entirely in London.

It also has a greater opportunity. By the middle of the next decade, 650 MPs, their advisors and support staff will need to move out of the Palace of Westminster because, among other maintenance issues, it catches fire six times a year. The UK's legislature can move itself anywhere in the country, bringing with it massive public and private sector employment – consider how many jobs in the media, technology and infrastructure would follow – while offering a new commitment to listening to and investing in the 57 million British people who live outside the M25. Moving our Parliament north would not fix the UK's divisions, but it would be a powerful start.

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Spotlight is the British Society of Magazine Editors' 2017 Launch of the Year.

First published as a supplement to the *New Statesman* of 22 Feb 2019.
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SHUTTERSTOCK/DARRELL EVANS

North props up UK amid Brexit chaos

Augusta Riddy

The latest NatWest Regional PMI for January found that the North West showed the highest output growth for a second month in a row, with London experiencing the biggest drop. PMI (Purchasing Managers Index) determines economic progress based on a monthly survey of companies' employment and investment.

The figures showed the country as a whole was suffering from Brexit jitters, with the lowest rate of business activity growth since July 2016, but this negative impact is being somewhat mitigated by

positive activity in the North. NatWest's chief economist Sebastian Burnside said that the UK economy "managed to stay just inside growth territory at the start of the year, and key to this was the performance of businesses across the Northern Powerhouse".

The North West and Yorkshire and Humber recorded the joint strongest rate of job creation in the country, whilst "seven of the 12 monitored areas saw a decrease in employment, which was the highest number in more than six years," explained Burnside.

TfN proposes Powerhouse rail

Augusta Riddy

Transport for the North (TfN) has approved plans for a £39bn Northern Powerhouse Rail (NPR) scheme, and submitted proposals to the government. The rail network would bring 1.3m more people within an hour's journey of four major northern cities, and bring three million more people within 1.5 hours of Manchester airport, integrating with HS2 and other lines to create an interconnected northern rail experience.

The NPR forms part of a bigger £70bn 30-year Strategic Transport Plan, intended to radically reform northern travel, which TfN published at the end of January. TfN is a statutory body, meaning that it has no powers or budget to enact policy, but can make recommendations to government. This has led to some criticism; John Prescott stormed out of the Strategic Transport Plan launch last year, calling it "a bloody fraud".

Due to a gap in funding, IPPR North estimates that the North has missed out on £63bn in transport investment over the last ten years. Despite funding concerns as Crossrail 1 – which is now costing somewhere around £15.4bn as it continues to exceed its budget – Transport for London has made clear its commitment to delivering Crossrail 2.

"One Yorkshire" deal rejected

Augusta Riddy

The government has rejected plans for a "One Yorkshire" devolution deal, proposed by 18 out of 20 Yorkshire local councils. Politicians from the region called for powers over transport, adult education and other areas to be handed down as part of the deal. However, any hopes of increased autonomy were dealt

a significant blow when Communities Secretary James Brokenshire delivered the verdict, saying that the plans “do not meet our devolution criteria”.

Hull MP Diana Johnson said that five years had been “wasted” since the launch of the Northern Powerhouse, and called for a devolution Plan B. “Devolution to the Humber area needs to be real, to allow the continuation of the regeneration of the region.”

Sheffield City Region, a devolved authority which covers Sheffield, Doncaster and other surrounding areas, is already up and running having elected Labour’s Dan Jarvis Mayor last year.



Manchester rough sleeping rising

Rohan Banerjee

The number of homeless people in Manchester has increased by 31 per cent since 2018, according to a study by the Ministry of Housing, Communities and Local Government. A statistical release, detailing “street counts” of the number of people sleeping rough on a single night listed 123 homeless people in the city, up from the 94 recorded last year.

Tackling homelessness is one of Greater Manchester Metro Mayor Andy Burnham’s top priorities, but so far his attempts to solve the crisis have been challenging. The Labour politician’s “A

Bed Every Night” donation-based campaign has raised over £230,000 since November last year. The money is being used to fund stays in shelters across the region, as well as to open new ones.

But one of those new facilities, a 24-hour shelter on the edge of Manchester city centre, had to be closed permanently after just two months in operation due to electrical faults with the building. It closed on Christmas Eve and has not re-opened since.

The Welsh Powerhouse

Rohan Banerjee

The Northern Powerhouse agenda has been extended to include four new companies from Wales. The move sees higher education providers Glyndwr University and Coleg Cambria, adventure tourism firm Zip World and Wrexham Mineral Cables, a manufacturer of fire-resistant insulated wiring, confirmed by the UK government as new partners to the policy designed to support regional economic growth.

Jake Berry, the Northern Powerhouse Minister, said: “The Northern Powerhouse is the government’s ambition to bring together the great cities, towns and rural communities of the North of England and Wales, by creating high-value local jobs, modern transport links, and increased investment.” UK Government Minister for Wales Nigel Adams added: “These new partners represent a variety of sectors and each of them brings depth of experience and ideas to realise our economic potential.”

Via the North Wales Growth Deal, the UK government is working with the National Assembly for Wales and local authorities to channel investment. It has committed £240m to coordinate new policies aimed at improving key Welsh areas’ skills bases and transport infrastructure.



Tees Valley Mayor tops FB spending

Rohan Banerjee

The Metro Mayor for Tees Valley, Ben Houchen, spent more money than any other UK politician on Facebook advertising over the last five months, according to official figures. While the outlay on adverts for political parties overall was greater, the Conservative committed close to £16,000 individually on adverts on the social media platform – trebling the amount spent by Greenpeace.

Unlike typical Facebook content, sponsored ads allow the poster to target people who don’t necessarily “like” the page or account they are being shared from, allowing a far greater range of potential readers on the site to be reached.

Facebook’s “Ad Library” – a publicly searchable database of all the political posts on the site launched last October – confirms that Houchen paid for most of his adverts himself. Of the £15,700 worth of advertising he bought, £14,671 is flagged as having been paid directly by the Mayor, according to the Local Democracy Reporting Service. And Houchen, who earns a reported salary of £35,800, has said that not a “single penny” of public money was spent on his Facebook campaigns.

The chief executive of Siemens UK has big plans for the North. He talks to Augusta Riddy

“There are things happening in the North that are more important than Brexit”

When Juergen Maier was ten years old, he came with his family from Germany to Leeds. It was 1974, and the UK had just joined the European Economic Community. He got a job with Siemens UK in 1986 as a graduate trainee after studying production engineering at Trent Polytechnic (now Nottingham Trent University). Maier stayed with the company throughout his career. Sitting in his office at Siemens HQ in Frimley, his abiding memory is “walking through the centre of Leeds and looking down at the River Aire which was this green slush of chemistry... if you had seen some life, you would have thrown it a line to rescue it.” No birds went there. Now, over 40 years later, Leeds is a bustling, attractive metropolis, and the businessman is delighted with the change that has taken place in his home town. “It’s transformed beyond all recognition ... that same spot has riverside flats. There are birds!”

Maier, who now lives in Manchester, likes to reflect on how far the region has come since the 1970s, when social unrest was so bad that he and his brother

couldn’t go into town for an ice cream, as they had in Germany. “I always enjoy that reflection. I enjoy it in a positive way because so much prosperity has been brought to the North, and we do knock it too much. We’ve come a long way.”

His accent is uniquely part-German, part-Northern; his voice could easily be mistaken for that of a football manager. And like his namesake, Liverpool FC manager Jürgen Klopp, he has developed a huge and characteristically emphatic affection for his adopted home. This sentiment is not pure nostalgia, however. Maier has high hopes for the North; he believes, with the right investment and support, it could become the home of a new industrial revolution.

“The North was at the vanguard of the first and second industrial revolutions,” he says, referring to the explosion of mass manufacturing and production that centred on the North, leading to nicknames such as “Cottonopolis” for Manchester, “but we lost our way in the third,” by which he means the use of the internet to accelerate and increase production, which countries like China capitalised on. “We lost our way, and

others found their way ... I think with all of the strength we have in the North around innovation, technology and manufacturing ... we can again take a stronger leadership in this fourth industrial revolution.”

Maier is one of many engineers and businesspeople who believe that a set of emerging technologies – machine-to-machine communication, advanced robotics and machine learning – are beginning to transform the way things are made and sold, with profound effects for the global economy.

He sees this as a crucial factor for Siemens, which operates a number of hubs across the North – he refers to the region as “our manufacturing centre of gravity” – and employs 15,000 people in the UK. As a member of the Northern Powerhouse partnership, Maier says the Powerhouse brand is “strong” – “I like brands!”. He does, however, question the political focus on connectivity. “The issues are much deeper than transport,” he argues.

In order to rebalance the economy, Maier says the North itself needs to “create much more economic activity”



rather than waiting for the government to provide. “It is always difficult, if you’re in a scenario where you have to go with a begging bowl, and say ‘Westminster – please redistribute the wealth back up to us in the North.’ Much better is to be on the front foot and to say ‘what are we going to do to create the wealth in the first place?’”

So how will this wealth be created? For Maier, the answer to this question is connected to what the UK makes, and how. It is time, he believes, for the North to call upon its industrial heritage, “to make sure that we innovate, we make, we create and we export more things... Even if [people] are not old enough they do know the history and what created the wealth in their regions, and they increasingly feel that the future can’t be low-value service jobs just to get people employed. It has to be more tangible.”

That’s not to say he agrees with Jeremy Corbyn, who has called for things to be built here “that for too long have been built abroad”, and for intervention to have state manufacturing contracts brought back to the UK. “I can’t think of one economic example of where that has worked sustainably for the long term.” Nor, Maier argues, is competing with the likes of China over production of existing goods the answer: “Totally wrong – totally wrong!” he says, with evident feeling.

The answer, he says, is for the North not only to produce, but to invent. An “innovation climate” must be bred to create long-term growth, and the Made Smarter review – led by Maier – was established to help the government and the private sector do just that. “Made Smarter is all about creating support mechanisms and incentive mechanisms for people to invest in technology and innovation.”

Made Smarter focuses on four key needs: leadership, research and development (R&D), government-led policy and taxation incentives, and skills. “If we get those right between us, then we can create a fourth industrial revolution. “Investment in skills is a particular priority, as the UK continues

to suffer from a skills gap and the threat of an aging population: “To me, skills is everything in this. You will only do everything we’re talking about – whether it’s leadership, innovation, R&D – if you’ve educated your people to the highest possible levels.”

In September 2018, the Made Smarter Commission – co-chaired by Maier and the business secretary, Greg Clarke – was established to oversee the delivery of the review’s proposals, and a £20m North-West pilot was launched in November, to help local businesses engage in digital and technological opportunities.

It is obvious that Maier, aside from his day job of running a huge manufacturing firm, has put a great deal of time and effort into this scheme; the report alone is 247 pages, and the pilot is already up and running. He is frustrated, however,

“In business, we can’t make No Deal work”

by the mammoth distraction Brexit has become. “The momentum [behind Made Smarter] is remarkable actually, the problem is that ... the news is just full of Brexit. That’s unhelpful for us domestically, but it’s even more unhelpful internationally. We don’t want people to be reading about our inability to make up our mind about what Brexit deal we want, we want people to be reading about how we’re investing in the fourth industrial revolution and how you should be investing here.” Made Smarter and its work in the North is “not yet a self-generating, sustainable initiative” that can weather extended political upheaval, he warns.

For the last few months, Maier has been giving television and radio appearances up and down the country, working hard to persuade MPs and the public of the benefits of a soft Brexit.

He had hoped that MPs would vote for the Prime Minister’s deal in January, as he thought it to be the best option for ending uncertainty, allowing policymakers and business “to get on with the reindustrialisation, the Northern Powerhouse, and what we need to do on transport infrastructure.” The deal was roundly defeated by 432 votes to 202.

Maier seems angry and disappointed with the risks being taken with the economy. “Business is being very responsible, in a very difficult climate, to continue to do the right things for the future economic development of Britain whilst unfortunately too many of our policymakers are involved in Brexit.” He now hopes that politicians will “get a cross-party initiative going and work out what majority [they] can agree on”.

He certainly isn’t interested in a general election; “No! That’s the last thing we need – even more uncertainty!” And what if the parties struggle to reach a consensus? “My view is very simple: as long as it’s not No Deal, we in business can live with the alternatives... The only thing we can’t make work is No Deal.” While he has never suggested Siemens would leave the UK, speed is now of the essence, he urges, as we may start to see companies pack up and leave the UK: “That risk is there, yes, because it has now been nearly three years of uncertainty ... this is just too long.”

Thinking back to his childhood, Maier is particularly mindful of the EU investment that went into his neck of the woods, such as the environmental standards that helped to clean up beaches and rivers like the Aire. “I do think it’s a shame that we never attribute the EU as having been a facilitator for that [progress].” And yet he remains an optimist and a pragmatist – Maier says the EU has set high standards in the UK “that we deserve”, and which our policymakers will have no choice but to uphold. “I think there is a great deal of innovation, there are good skills, and there is a new devolved politics that’s happening. I think we will continue to make progress.”

Manchester's bio-industrial revolution

The University of Manchester will deliver a new generation of bio-inspired materials that could help the region gain a globally competitive advantage, write Dr Kirk Malone, director of commercialisation, and Professor Nigel Scrutton, director of the Manchester Institute of Biotechnology

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The University of Manchester

The UK economy is set to be boosted by a bio-inspired industrial revolution and create thousands of high-wage jobs – and much of that capability will be based in the Northern Powerhouse.

Technological solutions inspired by biology will help meet the challenges of implementing the government's Clean Growth Strategy; this region is ideally placed to benefit from investment in this new sector.

Industrial biotechnology (IB) is the use of biological resources such as plants, algae, fungi, marine life and micro-organisms, combined with the emerging science of synthetic biology, to transform how we manufacture chemicals and materials, and also provide a source of renewable energy.

IB has the immediate potential to disrupt stagnant markets worth at least \$34bn (£26bn). It can transform UK prospects, with national strengths in high-growth areas such as biomanufactured high-value chemicals and biological medicinal products.

The UK is already establishing significant industrial capabilities, such as high energy fuels and biomaterials, and Manchester, the home to the first industrial revolution, is now set to support a "bio-industrial revolution".

The breakthroughs being made in bioplastics at The University of Manchester are a good example. With the right investment, biomaterials could meet the growing demand for bio-derived and biodegradable plastics from renewable feedstocks.

And there is even greater promise

ahead: we are on the cusp of a new wave of science that combines the latest developments in biotechnology with materials science to discover new bio-based advanced materials.

Researchers from two world-leading research communities based at The University of Manchester – the Manchester Institute of Biotechnology (MIB) and the Henry Royce Institute, the UK's national centre for advanced materials – are joining forces to help deliver this bio-materials revolution.

These Manchester pioneers are taking inspiration from nature to develop next-generation synthetic biological materials with amazing properties, such as enhanced strength, flexibility and transparency. Environmental impacts can be considered instantly, giving scalable routes to affordable and sustainable biomaterials.

Biotechnology can also help clean up the environment. There are signs that natural microbes are beginning to adapt to unnatural contaminants by evolving biochemical pathways to degrade plastics for use as energy sources. Manchester researchers are working to "supercharge" this process to engineer enzymes orders of magnitude faster than nature to aid end-of-life recycling and tackle environmental contamination. In this way, industrial biotechnology could deliver a truly circular plastics economy from sustainable production to reuse.

This research requires bringing together biologists, chemists, materials scientists and engineers. By working across its expertise in industrial biotechnology and advanced materials, the university is well placed to deliver next-generation materials, while tackling the demands of sustainable production and offering new solutions to regional-global grand challenges.

This ambitious Manchester model of interdisciplinary collaboration to offer novel solutions provides a blueprint for the region and beyond.

**For more information, please visit:
www.manchester.ac.uk/research/beacons/industrial-biotechnology**

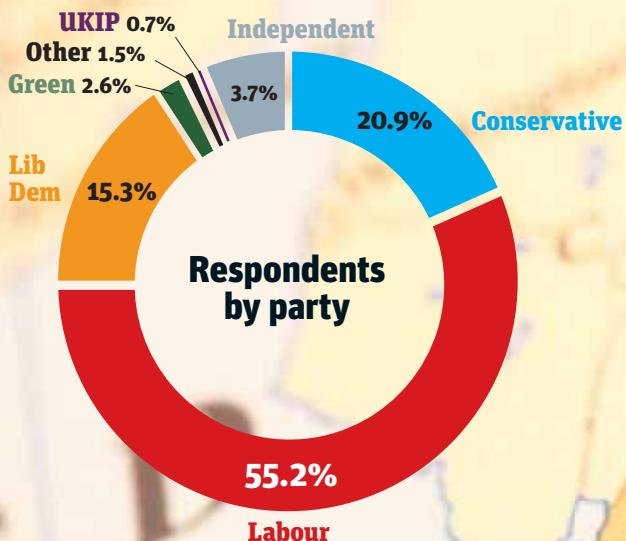
Survey of the North:

Northern councillors have their say

Jonny Ball surveyed 269 councillors from across the North of England about their thoughts on the Northern Powerhouse, Brexit, transport, housing and more.

Responses

269 (4,280 councillors were contacted from every local authority in the North of England)



Brexit and the North



50%

of Conservative councillors want to Leave with No Deal

57%

of councillors want a second referendum, including 9% of Conservatives

7%

of Leave voters have changed their mind and would now vote Remain

69%

of councillors say Brexit has had either a negative or a very negative impact on the local economy in their area

86%

of councillors say Brexit is affecting the government's ability to deliver on the promises of the Northern Powerhouse, including 73% of Conservative councillors

● Carlisle **29%**

Which cities do you think are most important to the success of the Northern Powerhouse?

● Lancaster **25%**

● Preston **40%**

● Liverpool **73%**

● Chester **27%**

● Newcastle **67%**

● Sunderland **34%**

● Durham **31%**

● York **40%**

● Bradford
34%

● Leeds **82%**

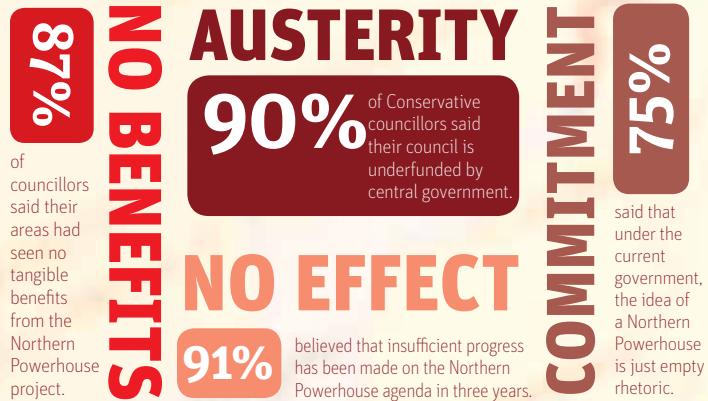
● Wakefield **23%**

● Hull **46%**

● Manchester
86%

● Sheffield **55%**

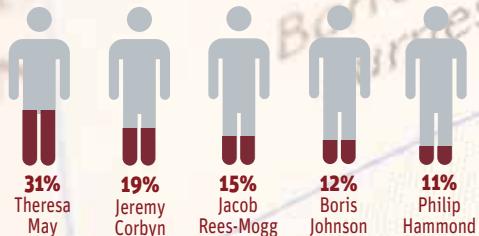
The Progress of the Powerhouse



What are the main barriers to economic growth in the North of England?

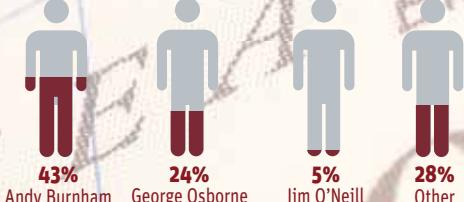


Which political figure do you think is the biggest threat to prosperity in the North?

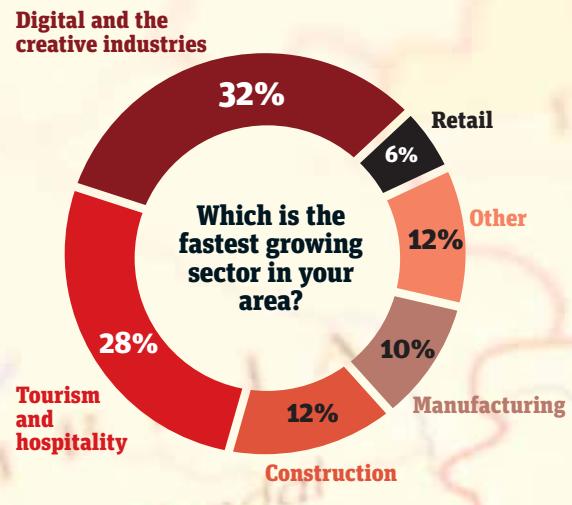


...and 7% of our votes for Corbyn came from Labour councillors!

Which political figure do you feel has done most for the Northern Powerhouse so far?



The Northern Economy



Health and social care



Transport



of councillors opposed HS2, or thought HS3 between the Northern cities would be better.



of councillors thought bus services should be taken into public ownership, including 21% of Conservatives, effectively opposing their own government's policy banning new municipal bus companies.



of councillors were in favour of railway nationalisation, including 11% of Conservatives, who supported Jeremy Corbyn's flagship transport policy.

Housing



thought people in their ward found it difficult to find affordable housing.



said homelessness had visibly increased in their area since 2010, including 28% of Conservatives.



said there was inadequate social housing provision in their area, including 55% of Conservatives.



said local authorities should be provided with more funds to build social housing, including 68% of Conservatives.

Devolution



of councillors said more powers should be devolved to Northern regions.



thought metro mayors had not been a success.



thought Yorkshire should be given the opportunity to operate as a single devolved authority.



thought the Powerhouse project is unfairly weighted towards large cities, to the detriment of small towns.

“We need more direct control like the London mayor.”

“It’s a sad gimmick. We need real devolution of funding and power.”

“More should be spent in towns as well as big cities; towns have a lot to offer.”

“HS2 should be cancelled immediately and the money spent on investing in infrastructure within the North.”

“The Northern Powerhouse is a lot of southern hot air with no substance.”

Identifying local strengths for your industrial strategy

As part of the national industrial strategy, local governing bodies are expected to develop localised growth plans, building on each area's key strengths, but these can be difficult to identify and define. Emsi's senior economist, **Duncan Brown**, explains how localised labour market insight could help

The government's Industrial Strategy makes it very clear that the problem of low productivity needs to be tackled at a local level, with one of the pledges being the formation of local industrial strategies that "build on local strengths and deliver on economic opportunities". This initiative was fleshed out in more detail in October last year, with the publication of the Local Industrial Strategies Policy Prospectus, which stated: "local industrial strategies should set out clearly defined objectives to increase the productivity of the local economy."

The acknowledgement that these strategies need to be place specific is welcome, since local economies are often very different from one another. Yet it does raise the question of how those with responsibility for developing and implementing these strategies – local enterprise partnerships (LEPs) and mayoral combined authorities (MCAs) – will go about determining what the particular strengths and weaknesses in their area actually are.

A big part of the answer to this question is better insight into local economies, and the heat map and table of the Northern region opposite gives a little bit of a taster of what we mean by this. The map itself is measured in terms of jobs per square mile, but what we have then done is picked out the top five cities, large towns and medium towns in the region, according to population size, and identified a number of different data points for them. In terms of understanding strengths and weaknesses in specific

local economies, as local industrial strategies require, the column labelled "Cluster with highest location quotient" is of particular interest, but it does perhaps require some explanation.

We have grouped together 563 of the Office of National Statistics' industry classifications into 49 "industry clusters" based on shared characteristics such as tendency to co-locate, a similar workforce and supply chain connections. This makes analysis of sector strengths easier and more coherent. We have then used a metric called location quotient (LQ), which calculates the proportion that an industry makes up within a local labour market, as compared with the proportion that the same industry makes up in the national economy. The national proportion is then allotted a benchmark of 1.0, and so any industry cluster with an LQ over about 1.2 can be considered a regional specialism in which the area has a comparative advantage.

So for instance, we would no doubt have known that the visitor economy is an essential part of the Blackpool economy, but what the data does is to put some flesh on the bones telling us, for instance, that it has an LQ of 3.57, and that it employs 5,600 jobs out of a total of 64,530 in the town (8.7 per cent). We can also dig further into the data to reveal a number of other pieces of insight that are useful in terms of formulating a growth strategy. For instance, in terms of gross value added (GVA), the visitor economy directly adds £123.4m to the Blackpool economy every year, whilst it also has a jobs multiplier of 1.08, meaning that for every 100 jobs that are added to the cluster, another eight will also be added in the wider local economy.

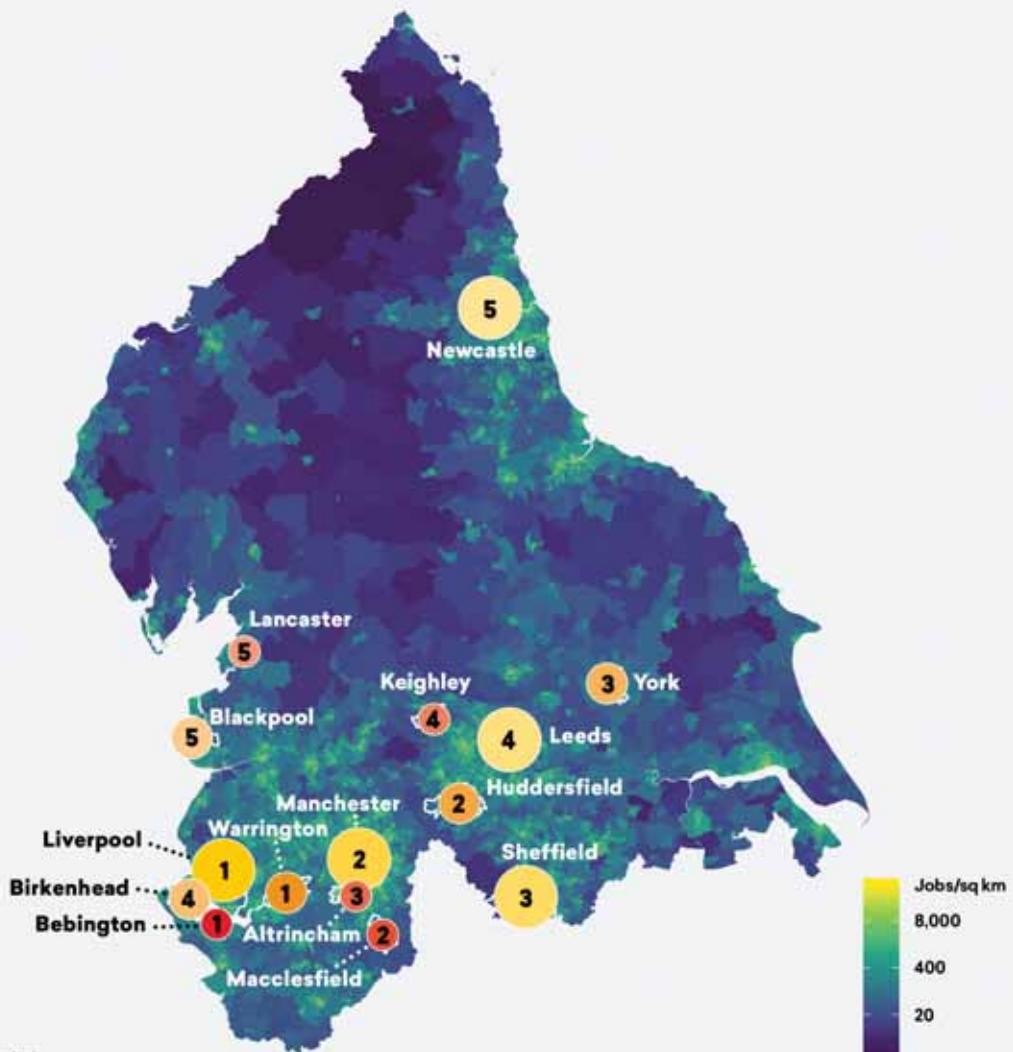
This insight is just a small sample, but with the first Local Industrial Strategies due to be agreed in March, and with the policy prospectus making it clear that these should be developed on the basis of "a robust and open evidence base", this kind of insight is likely to prove indispensable to any LEP or MCA that wants to build their Industrial Strategy on distinctive local strengths.

Visit: www.economicmodelling.co.uk

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Niche Industry Clusters in Cities, Large Towns and Medium Towns within the Northern Region



Data: Emsi Analysis

Location	Population	Number of Jobs	Cluster with highest Location Quotient	LQ	Jobs in cluster	Type
1 Liverpool	571,400	278,640	Vehicle and defence technology	2.42	6,600	
2 Manchester	546,500	368,940	Passenger transport	2.59	4,500	
3 Sheffield	539,600	255,960	Upstream metal	5.19	4,500	
4 Leeds	497,600	325,190	Education and knowledge creation	2.09	14,000	
5 Newcastle	280,800	171,120	Education and knowledge creation	2.78	9,800	
6 Warrington	169,600	115,010	Commercial services	2.48	22,400	
7 Huddersfield	168,600	71,440	Extractives	3.25	180	
8 York	161,900	93,850	Passenger transport	5.99	2,700	
9 Blackpool	142,200	64,530	Visitor economy	3.57	5,600	
10 Birkenhead	143,500	62,090	Maritime	7.55	1,000	
11 Bebington	67,400	20,000	Downstream chemical	5.14	780	
12 Macclesfield	54,900	30,720	Downstream chemical	13.36	2,600	
13 Altrincham	54,700	38,060	Commercial services	3.03	9,100	
14 Keighley	53,100	16,930	Downstream metal	6.43	610	
15 Lancaster	50,300	21,130	Paper and packaging	3.49	220	

Making the Northern digital economy a reality

When it comes to the digital economy, politicians and businesses cannot afford to prioritise some parts of the North, and ignore others, explains chief executive of TalkTalk **Tristia Harrison**

While the politics are always complicated, the case for the Northern Powerhouse has never been clearer. Supporting growth beyond the South East by focusing on infrastructure development, local decision-making and skills not only offers huge economic potential but is the right thing to do in an economy – and a society – that has been too focused around a few London postcodes.

But there's a real risk that, without a careful approach, we'll replicate those old mistakes, with those areas well-placed for investment continuing to grow, while others are left behind and out of scope for the new economy.

When it comes to the digital economy – a business environment in which tech and digitally focused companies are able to grow – this risk is even higher. There's a perception that "tech" jobs exist only for London



millennials who never set foot outside of Shoreditch, or for academics moving between London, Oxford and Cambridge. These images could hardly be further from stereotypes of "left behind" towns in Lancashire, Yorkshire and Cheshire.

But why should good, future-proofed jobs be the preserve of the South? Northern communities deserve to benefit from new opportunities created through massive investment and government support. The country's creative industries sector is growing twice as fast as the economy as a whole, and employment in digital businesses rose by 13.2 per cent from 2014 – 2017. The jobs which are being created are well-paid, with roles requiring tech skills having higher than average salaries.

There's a risk of speaking about the "North" as if it's one entity, whereas the truth is more complicated. There have been some big changes in urban

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Plans for Manchester city centre

areas such as Manchester and Leeds, where digital hubs have been established and where there are good prospects for future growth. However, we need to be careful not to draw a line around cities and focus investment within those walls, recreating the asymmetry of investment. We need to make sure smaller towns are able to benefit from this investment as well.

Think of the impact new well-paid, long-term jobs could make in towns such as Chorley or Crewe. It would mean more people able to live and work locally, rather than moving to London or a nearby city. It would allow local authorities to invest on a long-term basis, and give schools the chance to work with a local business to shape students' aspirations.

We know that politicians – both local and national, in Westminster and beyond – want to solve this problem.

There's a role for them to play to make the most of the levers available to them. But we can't lay this at government's feet and expect them to design a dynamic digital economy, ready to compete on the world stage. Warm words and press releases will not lead to the next Facebook emerging out of Warrington.

The UK has a great base of smaller tech companies with great success in creating highly valuable firms, but real change will require established businesses to translate intentions into actions. A diverse business environment – with companies of different sizes and functions – will be essential for a viable digital economy in the North, as major companies have an important role to play in supporting a long tail of innovators in a region.

Different businesses have various options available to them. When we think about this in TalkTalk, we see two roles for us to play: bringing much-needed infrastructure improvement, and supporting skills development.

When TechNation surveyed digital business across the country, it found that some of the most successful digital clusters thought access to good infrastructure was a key part of their success. This means good transport links, but it increasingly means good digital infrastructure. The UK lags behind much of the world when it comes to high-speed, full-fibre broadband connections, relying not even on 20th century technology, but Victorian copper connections.

The good news is that we're finally on the cusp of the next generation of connectivity with several new infrastructure companies racing to connect the country. However, this infrastructure must not just reach cities but extend to smaller suburbs and rural areas. TalkTalk is playing our part here, creating a new company to roll out connections to three million premises, with a focus on smaller cities and towns. Digital divides have persisted

for too long in this country, which is why we are using our investment to help regional economies see the benefit from faster, more reliable connectivity. We need to see other infrastructure companies match this ambition – and leadership from central and local government to make sure that nowhere gets left behind.

So, infrastructure matters, but what comes first – the infrastructure or the investment? Is it a case of “build it and they will come” or does business need to make the first move to drive change?

Our view is that business needs to be brave and take a long-term view of a region. TalkTalk has significant roots in the North West, with offices in Irlam and Warrington key to our early success in shaking up the telecoms market. These roots count for something – they mean we have a highly-skilled and motivated workforce who enjoy a high quality of life, and who are loyal. It led to us opening our flagship office on Salford's Media City in 2017, and our recent decision to move several hundred roles from London this year.

The decision may raise eyebrows in London, but to us it's a no-brainer. In Salford, we can build the company in the way we want and in a supportive local environment. We're able to work with local organisations to plan our development in line with local skills plans. We are establishing links to local, world-leading universities, and will create some great new posts through the expansion of our graduate and apprenticeship programmes.

Ultimately, this is what is needed if we're to succeed in building a new digital economy. We need business and government to step up to match nice words with meaningful actions, from skills training to decisions about where to base their operations. Without this, we risk sleepwalking into yet another digital divide. Success here can't be viewed as a distant nice-to-have; the question is whether business is up to the challenge?

Lisa Nandy, member for Wigan and co-founder of the Centre for Towns, says that the Northern Powerhouse agenda is a tale of too few cities

The North's towns are being neglected



In recent years many politicians have started to wake up to the searing discontent with the status quo in towns across Britain. The EU referendum was a wake-up call, revealing a stark, geographical divide across the country. Almost without exception, cities voted to remain while the surrounding towns voted to leave in large numbers. While Liverpool and Manchester voted to remain in the EU, for example, Bury, Burnley, St Helens, Knowsley and Halton voted to leave.

Divisions, though, run much deeper than the EU. People in towns are significantly more likely to believe politicians don't care about them or their area and are increasingly less positive about immigration, social rights and social security than the nearby cities. Slowly, but steadily, there have emerged what the academics Will Jennings and

The Orwell restaurant, Wigan Pier



Gerry Stoker describe as "two Englands" that now sit unhappily side by side.

The roots of this lie in political choices made over several decades. The Manchester I was born into in 1979 was older than surrounding towns. But as industry has disappeared, we have shown at Centre for Towns how towns such as Wigan, Bolton and Bury have become much older, and are aging still. In the Northern Powerhouse Minister's own constituency, the largest town, Bacup, has aged significantly since 1981.

Those aged under 24 have fallen by a quarter in Bacup while the over-45s have grown by a third. The decision by successive governments to concentrate power and opportunity in cities in the hope that the benefits would trickle out to surrounding towns has cost those towns good jobs, much of the working-age population and spending power.



Two Englands now sit unhappily side by side

As such, in most towns the problems are now acute. High streets are struggling. Public transport commissioned on the basis of passenger numbers has become unviable. Bus services have been cut by ten per cent since 2008 and hundreds of routes removed altogether. The lack of spending power has meant in smaller communities, the pubs, banks and libraries, the beating heart of each community, have disappeared.

Towns such as Barnsley have seen their rich mining history replaced with companies such as ASOS, providing low-paid work with little prospect of career progression. Young people who can move away have done so and have found increasingly that they are unable to come back. Consequently, for many older people living miles from their families, social care has become a crisis, and the risk of loneliness has increased.

It doesn't have to be like this. Despite our broken system those towns are still good places to live, with strong, ambitious communities who step up in times of hardship. There are good reasons businesses want to invest in them, including cheaper rents, space to expand and loyal workforces.

Towns are also often well situated between major cities and retain a legacy of skills and assets that exist from the days of industry. But too often, infrastructure isn't there; the transport, skills and broadband that are preconditions for investment are in short supply.

As it stands, the Northern Powerhouse lacks the power to change this. Fundamental decisions are still made hundreds of miles away by indifferent politicians who have no skin in the game. A recent, striking example is the recommendation by the National Infrastructure Commission, whose members are drawn from London and the South East, that we should concentrate future investment in their region, despite stark regional differences in infrastructure spending that have brought much of the North to a standstill.

What investment we get does not fit in with our priorities. There is growing consensus that had we had the power to decide, we would never have started with HS2 but instead prioritised connecting our towns and cities across the North and focused far more attention on the bus services that are the arteries of our regional economies.

This is a system blind to the potential of our towns. Across our former mining towns young people are lucky to find work assembling solar panels, while in Silicon Valley, where the US federal government has been able to use a combination of tax breaks and clean-energy regulations to drive investment, young people are designing the battery technology of the future. Power brought closer to home can have profound consequences. In Germany, the federal government is able to allocate arts funding, so a town like Cottbus outside of Germany, which is roughly the same size as Wigan, has a thriving

Working-class culture is being airbrushed



culture scene.

Here, the Arts Council spends £7 in Islington for every £1 they spend across all the former coalfield areas of the country, leaving large swathes of the North cut off from arts and culture opportunities. As a result, our working-class culture is airbrushed from the national story.

Across the North there is a burning sense that even more fundamental change is needed. The city devolution deals have replicated the mistakes made nationally, concentrating economic and political power in cities, leaving towns feeling still they are governed by remote, unaccountable power that is unable to solve their problems or see their potential. In South Yorkshire and Greater Manchester, there was no public consultation before the system was imposed by former chancellor George Osborne and turnout in mayoral elections has been crushingly low: at 25.8 per cent in Sheffield and 28.9 per cent in Greater Manchester. Power cannot be imposed, it arises from consent.

At present the city devolution deals give little opportunity for local communities to be heard, with no mechanisms to scrutinise or challenge decision-making in between elections. There is no public scrutiny chamber, or

resources similar to those provided to parliamentarians, that would enable the public, civil society or elected councillors to scrutinise decisions made on their behalf, and information about those decisions is not publicly available.

There are some signs change is coming. In Greater Manchester, the Mayor Andy Burnham has halted a plan – the Greater Manchester Spatial Framework – that sought to concentrate well-paid jobs in Manchester and build warehouses, for low-paid, insecure employment, on the greenbelt in surrounding towns.

At national level, too, there is a growing recognition that we cannot go on as we are. As cities have grown younger and rural areas have aged, the political map has been redrawn. Labour now has overwhelming support in most cities while the Tories dominate rural areas. This has left towns such as Bolton, Calder Valley and Carlisle as key battlegrounds for the next election and concentrated minds on both sides of politics on the need for action to address the discontent in our Northern towns. People have known for some time the system isn't working, and doesn't deliver on the talent, ambition and potential that exists in those towns across the North. Hand us power, and this would change.

Giving you the tools to embrace the digital future

Organisations are under ever more pressure to offer a seamless experience, but with the right IT infrastructure and support this standard can be met and exceeded, explains Virgin Business head of public sector Martin McFadyen

The ability to connect flexibly and efficiently has the potential to transform the way people live and work but by doing so, it's presented a new challenge for organisations. Businesses and organisations need to provide connectivity solutions that meet the demands of an increasingly fast moving and tech-savvy society. Their networking infrastructure needs to be agile, scalable and responsive.

Your IT infrastructure needs to help, not hinder, your growth, profitability and progress. As expectations increase – from customers, employees, stakeholders and shareholders – there's a constant challenge not just to keep up, but to get ahead and stay ahead.

Technology enables people to work flexibly from home, communicate with colleagues across the globe and access complex applications as if they were at their desks. It empowers the individual whilst helping organisations increase the collective efficiency and productivity of their workforce. But in order to achieve this, organisations need network infrastructures and connectivity solutions that can match the technological savvy of their users. This is the goal of truly agile technology: to provide organisations with solutions that facilitate flexible, secure and scalable networks, to help them adopt cloud-based solutions and above all, give them the means to satisfy the demands of their end users.

Digital transformation isn't just a tantalising prospect that remains out of reach. It's do-able. In fact, we help all types of organisations do it every day.

We're one of the largest providers of networking services in the UK and have an evolving portfolio of advanced products and services to help you meet the digital agenda, enable flexible and smart working, share services and respond to the needs of your citizens.

From local and central government, to schools, healthcare, emergency services and the third sector, public sector organisations are under massive pressure to meet the evolving expectations of employees and citizens, and to make an effort to keep citizens at the heart of everything they do.

It's no wonder over 60 per cent of emergency services rely on our network to provide services 24 hours a day.

Setting the course for your organisation is simply a matter of knowing how to adapt, and the right digital platform is the best place to start. After all, there has been a paradigm shift in information technology over the last decade. We've innovated, survived and thrived. And now we can help organisations to collaborate and transition seamlessly.

As one of the leading national network providers with 20 years' experience serving the public sector and business of all sizes we're large enough to rely on but small enough to know you. We have regional hubs led by local people to meet the unique requirements of the communities that we operate in, and our own engineers are at the fingertips of our network.

We work with organisations across the UK, constantly investing and extending our network. From Greater Manchester Fire and Rescue (GMCA) to Dundee City Council to Transport for London to Vue, we enable key public services and organisations to provide a better experience.

Every day we have customers that successfully work together to meet the challenges of integrated services, by securely sharing knowledge, skills, networks, data, resources and premises. We have the knowledge and expertise to support you every step of the way – at a pace that suits you.

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BUSINESS

Firing up the North for the next century

The decommissioning of Sellafield nuclear plant has resulted in a huge skills programme that will continue for generations to come, explains senior media relations manager **Matt Legg**

Sellafield is the most long-term engineering project in the world. The site's clean-up mission will last into the 2120s; imagining life so far into the future is usually the domain of science-fiction writers. To put it into context: the grandparents of the people who'll finish the job of decommissioning Sellafield haven't yet been born.

So how do those leading the mission now ensure the right skills will be available decades into the future? It's a challenge the site's operator Sellafield Ltd, and its owner the Nuclear Decommissioning Authority, take very seriously, as Jamie Reed, the company's head of corporate affairs, explains.

"Sellafield has always been about delivering in the national interest," he says. "In the 1950s, we made the material for the UK's nuclear deterrent, helping keep the peace during the Cold War."

"We then perfected the technology for the first two generations of Britain's



civil nuclear power industry.

"And now, we're a world leader in the future growth areas of decommissioning and waste management.

"Throughout these eras, the business has been driven by the unique skills of its workforce and supply chain.

"There is no comparable mix of skills and expertise anywhere in the world. For example, we are home to the only concentration of plutonium handling skills in the country.

"With that comes huge responsibility: we are the custodians of the UK's technical capacity in nuclear. We need to keep those skills honed and ready if the UK is to fulfil its nuclear ambitions."

Creating and developing a highly skilled workforce has long been a Sellafield trait.

The company identified a surfeit of project managers a decade ago and calculated the shortage could threaten the delivery of its decommissioning programme.

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In response it launched the Sellafield Project Academy, in collaboration with the University of Cumbria and the Association of Project Managers. To date, more than 1,000 people have graduated. The model is being explored by a host of UK blue chips.

Next, the company is looking to create a centre of excellence for “alpha” skills – the skills necessary to deal with plutonium.

“We’ve always had to ‘grow our own’ to some degree,” says Reed.

“We don’t have a string of Russell

“The clean-up mission will last into the 2120s”

Group universities on our doorstep providing a conveyor belt of higher level skills, but the fact remains that the completion of the Sellafield mission requires some of the best minds available anywhere in the world.

“More importantly, we have a duty to ensure the opportunities that exist at Sellafield can be accessed by people living locally.

“That means helping to create the educational infrastructure to deliver the skills people need to maximise those opportunities.”

That infrastructure includes a university technical college (UTC), an apprentice training centre, a construction skills hub, the National College for Nuclear, and the Dalton Cumbria Facility (DCF) for post-graduate research.

“Within a radius of a few miles, young people can access skills that give them a pathway into the nuclear industry from 14-year-olds at the UTC to PhD students using our equivalent of the Large Hadron Collider at DCF.”

It’s this devotion to ensuring local people benefit from the £2bn-a-year Sellafield decommissioning programme which is driving the company’s latest educational interventions.

Sellafield Ltd has now played a pivotal role in the development of two new schools: Westlakes Academy, in Egremont, now the second best performing secondary in Cumbria; and Campus Whitehaven, a two-school site featuring a secondary school and a school for children with special educational needs.

“That’s our focus now – helping to close the attainment gap at secondary school level,” says Reed.

“To successfully deliver our mission and to help the community build a sustainable and diverse economy that isn’t dependent on Sellafield, we need a base of strong educational attainment.

“Our social impact strategy is focused on investments that create the conditions for long-term sustainable improvements.

“Working with the NDA and

Cumbria County Council, our interventions are aimed at raising teaching standards, closing the attainment gap for students from disadvantaged homes, and promoting healthy lifestyles and mental wellbeing.

“If you look at the government’s Industrial Strategy it identifies three areas of predicted growth that we have to be ready to grasp: artificial intelligence, machine learning, and the data-driven economy.

“Sellafield and west Cumbria were at the forefront of the major technological breakthroughs of the 20th century. We’re determined to make sure we’re in the vanguard of 21st century change.

“The beauty of the Sellafield mission is that it’s fluid and flexible enough to benefit from emerging technologies.

“We know exactly what we need to do, and in what order we need to do it in, but the details beyond the next decade or so are not nailed down and iteration is inevitable. In fact, we’re actively looking for new technology to enhance our programme and make us safer and more efficient.

“In recent years, the emergence of remotely-operated vehicles has transformed our mission. We can now access areas of the site which were previously beyond the human eye. More importantly, we can use that technology to reduce human exposure to radiation at the workface.

“Our vision for west Cumbria is to help enable a high-performing, Silicon Valley-style centre of excellence, developing technology to solve the challenges at Sellafield which can be exported into other markets, creating economic value and sustaining a strong services sector.

“We will need a broad base of high-level skills to achieve our ambitions, but I think we’re already proving that with a clear and unified vision, a methodical and collaborative approach to education, and a collective belief in what we’re trying to achieve, then we can be successful.”

For more information, please visit:
www.careers.sellafieldsite.co.uk

The original Powerhouse politician

Ten years before the Northern Powerhouse was announced, the then-Deputy Prime Minister John Prescott tried to bring about a more autonomous, better-funded form of devolution. He tells Jonathan Ball why he fought for the Northern Way

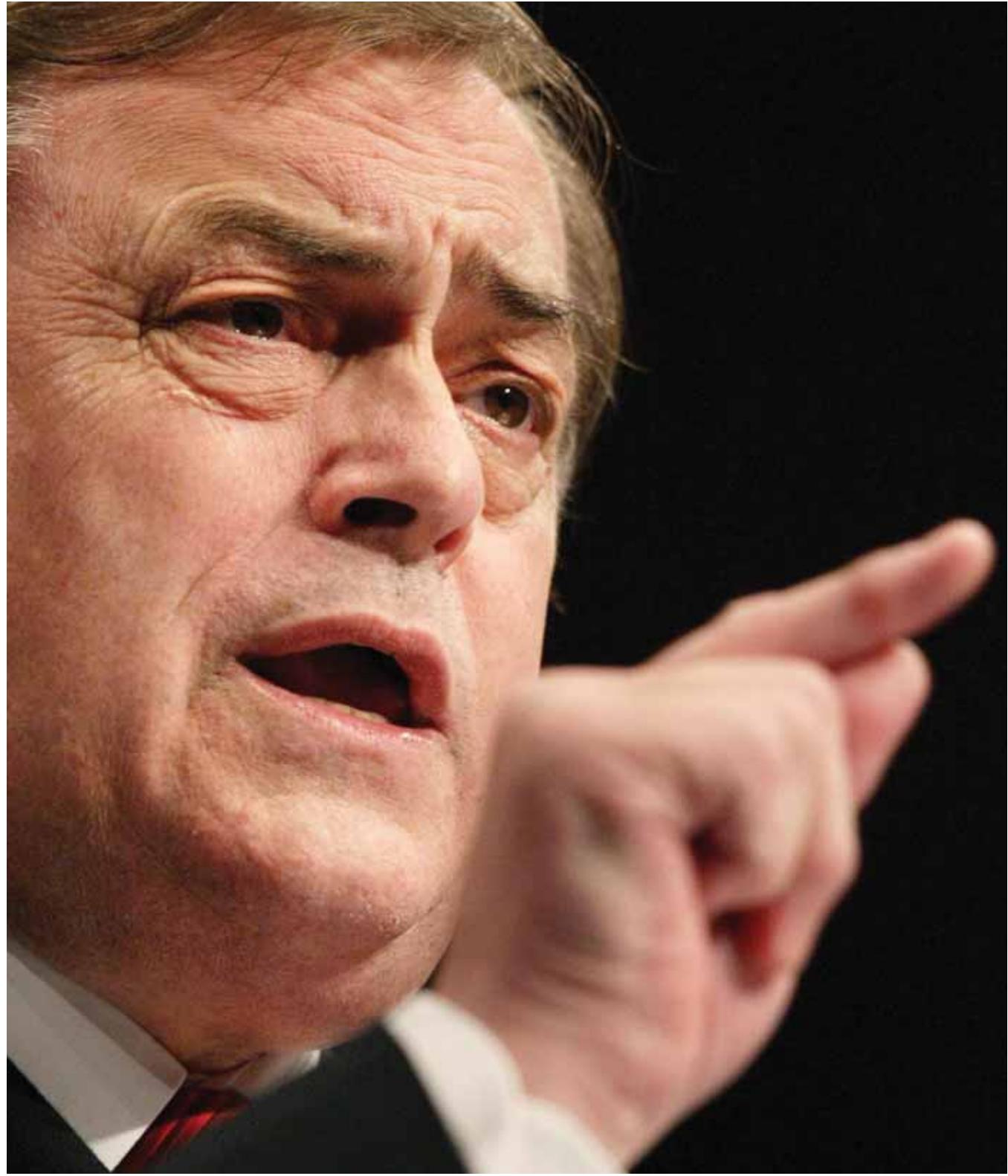
In the recent Channel 4 docu-drama, *Brexit: The Uncivil War*, the director of the Leave campaign, Dominic Cummings, was given the Cumberbatch treatment. In the mould of his portrayals of Sherlock Holmes and Alan Turing, Cumberbatch played Cummings as prickly, supercilious and Machiavellian, the campaign's tortured genius. But the EU referendum wasn't Cummings' first job in politics, nor was it his first referendum. Twelve years earlier, in 2004, John Prescott gave the people of the North East of England the chance to vote for their own regional assembly, as London had in 1998; and it was Dominic Cummings, in what he has described as "a training exercise for the EU referendum", who persuaded them to reject the idea.

Sitting in his office in Millbank, Prescott reflects on the opportunity the North missed. "I was going to do it in the North East, North West, and the whole North," he says. The former Deputy Prime Minister and arch-devolutionist first drew up an Alternative Regional Strategy in opposition in 1982, but the policy was not adopted by the Labour Party. Even in power, he says, it was difficult to sell the idea of devolution to Westminster. "Most of our people, Tony [Blair] et cetera, weren't devolutionists."

Even Northern politicians failed to see devolution's potential. "Hardly any of the MPs in the North East turned out [for the referendum]. They looked to Scotland, because they wanted the same powers. I wasn't giving those powers to them, but I thought it was worth a chance." On his

blog, Cummings remembers it differently. "We came from behind and won 80-20 despite having almost no money, no support, and the entire North East establishment against us," he gloats.

The UK is one of the most centralised developed countries in the world, dominated politically, economically and culturally by its capital. According to the Institute for Public Policy Research, Londoners receive an extra £419 each in transport spending than their Northern counterparts every year. It would cost £700m in extra funding to subsidise culture and the arts in the North to the same level as in London. There are persistent health inequalities between North and South, lower life expectancies, higher rates of unemployment, lower educational attainment, lower



ADRIAN DENNIS/AFP/GETTY IMAGES

“The North is entitled to some power”

productivity and lower incomes.

In 1997, as Secretary of State at the newly created “super department” for the Environment, Transport and the Regions, John (now Lord) Prescott, a Welshman raised in the North and former merchant seaman, made remedying these historic disparities his primary goal.

Decentralisation was the mechanism by which he would kick-start the renaissance of regions that were once known as the workshops of the world. “We set up a framework for devolution and transport,” Prescott recalls, “because transport just acts on its own, and I wanted it back into the overall strategy of government.”

But while politicians publicly deplore regional inequality, Prescott found few who would actually hand power to other regions. “Centralisation is the nature of this island’s politics. It’s cross-party. Neil Kinnock fought a number of my proposals. Labour’s National Executives in Scotland and Wales told me they didn’t want devolution. I was a lone voice, then... People like Kinnock and [the late Liverpool Walton MP and left-wing firebrand] Eric Heffer were running around saying they didn’t want any regional strategies, and that you’ve got to keep central power. What a mistake!”

But Prescott was undaunted. “We got the Scottish government, we got the Welsh one, and I then set up my own commission to report on regional policy.”

Published in 1996, *Renewing the Regions* recommended the creation of a network of Regional Development Agencies, or RDAs, which would bring together local authorities, voluntary organisations and businesses to work in partnership on regional economic strategy and regeneration. Nine RDAs were established in New Labour’s first three years in government, three in the North. “I wanted to have the same powers as Scotland and Wales for Regional Development Agencies,” Prescott says. “I said that every part of the United Kingdom has to have some form of devolution... They were given money, given powers, and they evolved.”



The Northwest Development Agency, One North East, and Yorkshire Forward – the three northern RDAs – collaborated as a body that resembles in many ways the modern Northern Powerhouse: the Northern Way. As with the current policy, its principal aim was to close the £30bn productivity gap between North and South. Billions were invested through RDAs, allowing long-term regional economic strategies to be developed by local councils and local employers. “They were all set up, they were doing a transport plan,” Prescott remembers. But then came the 2010 general election, and with it, Eric Pickles.

“Pickles”, says Prescott, “hated anything to do with regions”. As David Cameron’s first Secretary of State for Communities and Local Government, Pickles “moved in and closed down the assemblies and the RDAs”, and the plans John Prescott had developed for the North took a huge step back.

For Prescott, what followed was a watering down of the progress he had made. RDAs were replaced by Local



Manchester has become the “London of the North” according to John Prescott

Enterprise Partnerships, or LEPs, which were introduced on a voluntary basis and received no public funding.

Soon after, George Osborne “came out with the Powerhouse”. Prescott remembers attending the launch of the policy in Manchester’s Museum of Science and Industry. “I said, ‘why did you cancel something that we started to develop? It had power, it had resources and the local authorities were involved.’”

Like other critics of the Powerhouse, Prescott says the policy places too much focus on Manchester and the big cities of the North West, ignoring the North East and smaller towns. Its piecemeal devolution is centred around “City Regions”, existing local authority structures and executive mayors, rather than giving real autonomy to regions; funding, not least for transport infrastructure, is seriously lacking; and major spending decisions are still made in Westminster. “The Northern Powerhouse is not Northern,” he says. “It stops on the Pennines. And it’s not devolution, really, because everything is

granted by the Treasury.”

There are elements of real devolution; “things like Andy Burnham getting the health budget. If he’s getting devolved housing, that’s good too. It’s devolved decision-making... I fundamentally believe that you should have more people involved in decision-making. But we’re the most centralised government system in the world. And this is centralising government yet again. The infrastructure committee can only report to the Treasury, the transport committee can only report to the Department for Transport... instead of giving [the North] funds and letting them decide, every kind of investment has to be determined by the Treasury.”

Had Prescott’s referendums in the North been successful, he says, local government in those regions would now enjoy the same autonomy as London. Londoners, he says, “get the powers, they get the resources, they get transport. When it happens in the North, they say ‘Oh, talk to Grayling’ – God help them!”

Prescott also disputes the value of the other major policy that George Osborne

announced alongside the Northern Powerhouse – HS2. The £56bn railway has been touted as a boon for northern towns and cities, but its first phase will stop at Birmingham. Legislation to begin the part of the project that will actually reach the North of England is yet to pass through Parliament.

Northern prosperity has been made synonymous with connectivity, and Manchester has become the totem of northern development. “Manchester has become the London of the North. Everything has just become about the smaller cities providing the labour for the bigger cities. Reducing journey times by ten minutes, and ‘Oh, go and get your job in Manchester.’” Prescott’s idea, he says, was about making the North itself grow, rather than simply connecting it to better-off parts of the country. “What they should be talking about is East-West, but they go North-South.”

In scrapping the Northern Way and Regional Development Agencies, Prescott says the North has “lost ten years of development”. In that time, the massive disparities in wealth, health and investment between North and South have actually grown.

“The North’s entitled to some kind of power”, Prescott says. “It’s bigger than Scotland and Wales and all of them put together, in economic and population terms.” As the public continues to deride distant, out-of-touch politicians, the evolution towards a more decentralised polity with multiple centres of power may seem obvious.

There are, too, the consequences of not devolving to consider. Had John Prescott’s party given him the support he needed to beat Dominic Cummings in the North East Regional Assembly referendum, and if elected regional bodies with devolved powers had altered the constitutional make-up of the country, millions of voters might have felt differently in 2016, when Cummings once more asked them to express their frustrations with Westminster through a referendum. Had Prescott’s plan worked, we might be seeing the beginnings of a very different North, and a very different UK.

Skills for the Northern Powerhouse

To address the skills challenge in the North, Westminster needs to delegate, trusting local authorities and bodies to focus resources on critical areas, argues **Graham Hasting-Evans**, managing director of NOCN Group



In September 2018, NOCN and the Learning and Work Institute published their report “Skills for a Productive Society”, which addresses the challenge of historically low levels of productivity in the country as a whole. It also identified productivity gaps in individual sectors and the regions. This article brings out some of the issues from this research which are relevant to the North of England.

We need to first set our thoughts in the context of the national picture. There has been significant investment in skills over the last 30 years, however there has been no stability in government policy nor the proper skills ecosystem over this time.

Cyclical major change every five to seven years has resulted in a lack of confidence from employers and others, as well as creating an unstable environment for education providers. In addition, poor integration of educational initiatives and a poor focus

on the productivity skills, have resulted in significant skills gaps and low productivity across the economy.

Another factor is low demand from employers for highly skilled workers, particularly in the North of England where there has been a sense of “we can carry on as we are” without making the necessary long-term decisions on skills investment.

The UK, along with other countries, also assumed that if we focus on higher education we will solve the productivity and skills problem. Hence we have tried to increase the proportion of people with academic-based degrees rather than driving up practical skills.

An OECD report showed England had one of the largest proportions of low-skilled young workers among advanced economies in respect to literacy and numeracy; their report shows that around nine million adults in England have low numeracy and literacy skills. It also established that

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young workers were no more skilled in numeracy and literacy than older employees, suggesting that we are not developing a cohort of effective and skilled young workers to progressively contribute to improving productivity. The majority of our “comparator” countries such as Canada, France, Germany, Japan, and South Korea have seen major improvements in the skills of 16-24-year-olds compared to

55-65-year-olds.

The North, comprising the North West, North East and Yorkshire and Humber, has low levels of productivity compared to most other regions. A large proportion of adults have no qualification or qualifications at or below Level 3 and a low percentage have qualifications at Levels 4 and 5, the levels at which it is predicted there will be the biggest growth in jobs.

There has been recognition at the national policy level that change is necessary. The government has been reforming apprenticeships for six years and has now embarked on reforming technical and vocational education and training (TVET) through the new T-Levels at the equivalent level to A Level. Reviews are underway on skills provision at Levels 2, 4 and 5 and a national retraining scheme (NRS) is now starting. The problem is that these reforms are bureaucratic, not integrated and not specifically designed to increase productivity. They are also taking an inordinate length of time to get up and running, in fact there is no end in sight! Saying this, we appreciate that the many implementation difficulties are only slowly being recognised and amended.

As well as these fundamental reforms in the system, funding is radically changing. The Apprenticeship Levy was introduced in May 2018, with a corresponding reduction in apprenticeship starts. The government also decided to delegate the Adult Education Budget (AEB) to local areas. This is laudable, however, there is a piecemeal and slow approach to this in place against a backdrop of cuts in funding rates which has created uncertainty and financial failures amongst training providers.

We think that the Northern Powerhouse needs to focus on practical skills which it can do while also trying to influence government policy.

There needs to be a recognition that we need national standards for apprenticeships and TVET courses and qualifications (T-Levels). Accordingly,

we should not waste time considering this as part of government policy, but press for a national strategy with a vision to speed up apprenticeship and TVET reform.

Focus needs to be given to convincing the government to move away from the delegation of national programmes with their restrictive and inflexible rules, such as AEB. Instead the Northern Powerhouse needs a single delegated funding pot which can be deployed flexibly at the local level.

The North can then establish realistic and practical skills plans which deal with specific local priorities and the key sectors that are important for local economic growth.

These programmes can then focus, for example, on increasing management skills in respect to productivity improvement. They should tackle poor local employability, literacy and numeracy challenges, and programmes can be developed and delivered to increase the number of people with Level 4 and 5 skills in key sectors matched to jobs demand.

Implementing these local strategies requires excellent employer engagement, which is present in several areas, and must be underpinned by a robust labour market intelligence (LMI) database. The latter can best be delivered through effective intelligence sharing between regions and local areas. Critical investment programmes then need to be targeted at building and aligning the training provider base to support the implementation of the local skills strategies and plans.

Finally, a warning; we should all be concerned that without real and meaningful delegation by Westminster of sufficient resources to fund locally agreed skills strategies, the Northern Powerhouse will be nothing more than a catchy slogan! This would be a tragedy not just for people and businesses in the North but for the nation as a whole, which will suffer economically through reduced productivity as we face uncertain times ahead.

There has been no stability in skills policy

The North leads the world in location analytics

Stephen Leece, chief executive of Citi Logik Limited, explains how greater analysis of different location-based factors can produce a whole raft of improvements for northern cities

Data is vital for enabling efficient and effective provision of services across the North. A paper published by Transport Systems Catapult estimated that not making data available and sharing it could result in £15bn in lost benefits to local economies. Creating data for the North offers societal benefits including a new generation of data science apprenticeships, as the fourth industrial revolution gets underway.

In the new world of artificial intelligence, companies based in the Northern Powerhouse are offering alternative data strategies based on public good and consent. Within the framework of the UK-inspired GDPR regime, cities such as Hull use blended real-time location data to improve transport network efficiency, monitor air quality, increase access to multi-modal transport services, improve citizen experience and provide better information to plan journeys more easily. All without intervention from national government.

The Northern Powerhouse also hosts Leeds-based Citi Logik and its world-class CitiAnalytics platform which uses anonymised mobile phone network data, along with other big data sets like GPS, to gather census-quality information on the movement of people. Together, these two datasets give a level of granularity, which allows origin destination and accurate journey times analysis, so that planners and travellers can predict how long it will take to travel a section of road, at a time of day, in real time. Using these insights, local authorities are better

able to identify issues that affect travel and work on solutions. This includes encouraging active travel, which requires the individual to be active or exercising while moving from one destination to another.

Transport is not the only area to benefit. Commercial developers in Leeds are using location analytics to inform planning applications on how their buildings can contribute to the local environment and assess impacts on existing landscapes and service provision. The healthcare sector will benefit if it can understand the journeys patients and visitors make to hospitals. Steps can be then taken to optimise movement which may save lives in times of emergencies.

More recently in Hull, with the support of Innovate UK, pollution sensor data is being added. Improving the flow of people in and around urban space will cut down on dangerous emission levels. If authorities can better manage freight vehicles delivering packages to online shoppers, they can ensure convenience and capacity are complementary.

If our aim is to improve network resilience across the North and address issues that frustrate the integration of public transport, don't forget rail. Citi Logik, with the support of the Future Cities and Transport Catapult, has worked on a wide range of projects over two years creating new transport models for northern cities. Analysis of park and ride schemes and strategies has been used to develop new air quality zones. In January, the UK's largest privately funded multi-modal transport innovation programme, The Billion Journey Project, committed to ongoing work with Citi Logik's RailWatch App which helps passengers understand how busy their rail services are likely to be both before and after boarding.

Citi Logik is proud to be a company supported by the Northern Powerhouse Investment Fund, and proud to be based in the North because the North is leading the way.

IN ASSOCIATION WITH



Another London is not what the UK needs

In interviews for our Northern Powerhouse supplements, I've spoken to the architects of the policy – George Osborne and his top economist, Jim O'Neill – and they both explained to me that the main thing they wanted to create was "agglomeration": the sticking together of cities. They'd seen how this happened in other countries, such as the Netherlands, where the Hague, Amsterdam, Rotterdam and Utrecht form a single, well-connected megalopolis, and they thought this should be the future of "ManSheffLeedsPool", as O'Neill called it. In other words, they wanted the UK to have another London.

Has having one London been all that great for the UK? Obviously it's been nice to have somewhere to put all the eel pies and musical theatre, but the growth of the capital has also imbalanced the UK economy. The City's deregulated banking sector, the use of London housing as an international investment vehicle and the capital's insatiable appetite for skills and investment make it the rhinoceros in the rowing boat of the UK economy. Will the boat rock less if we buy another rhino? Or would another megacity just gobble up everything that was left in Britain's ailing towns?

Osborne and others are particularly keen to both emulate and work with China, but they seem to have paid more attention to the growth of its cities than the desiccation of its villages, vast numbers of which are now ghosts, populated solely by those too old to leave. Urbanisation can bring wealth and productivity but it can also deepen



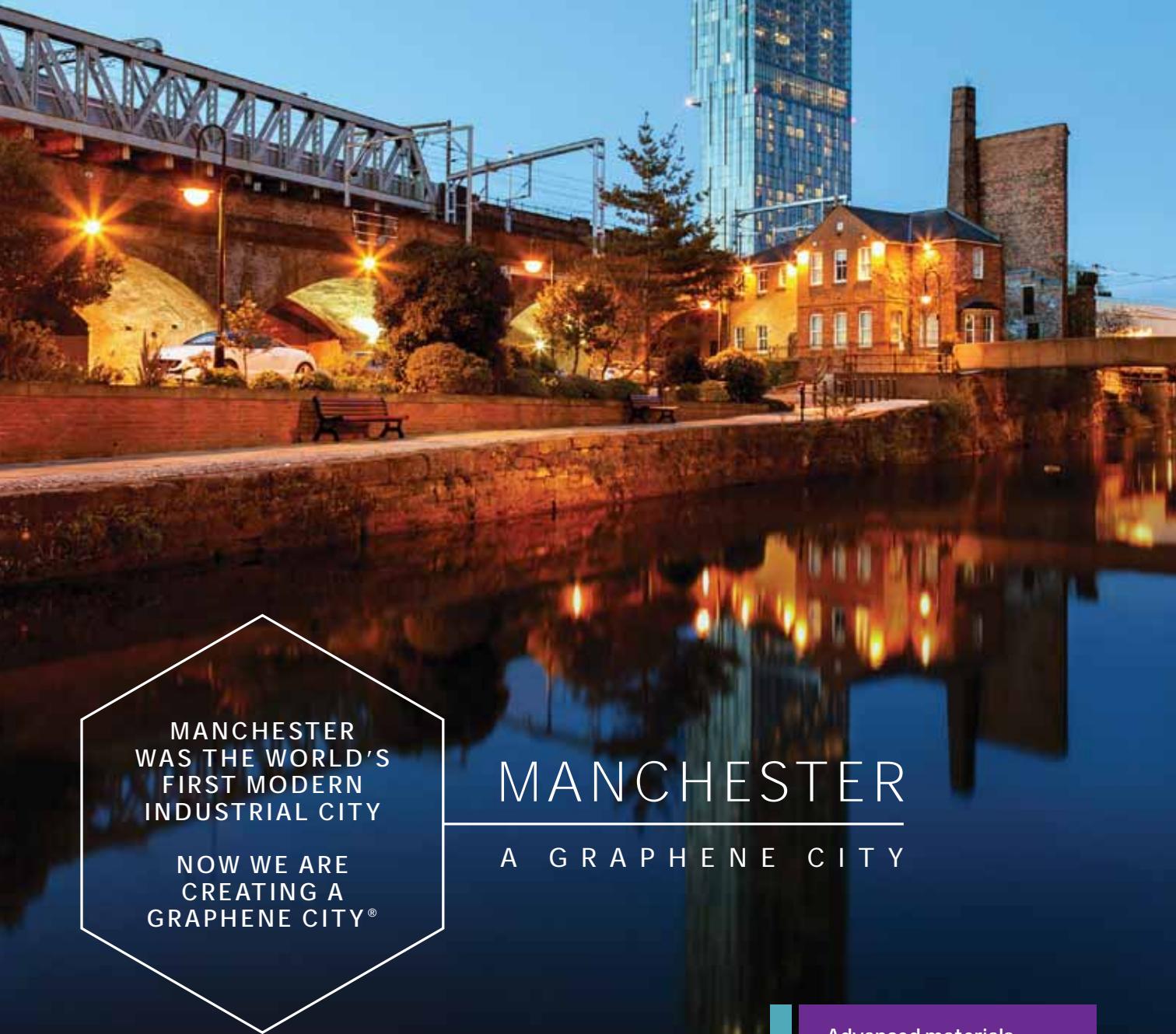
The North should aim for a better kind of progress than that offered by yesterday's economics, writes

Will Dunn

inequality, as housing becomes unaffordable – Manchester house prices had risen faster than anywhere else in the UK for the past four years, until they were recently overtaken by Leeds – and shifting demographics leave public services struggling to cope.

One of the best safeguards against financial risk is diversification. Now does not seem like a good time for Manchester and other cities to follow London into dependence on the financial services industry, especially when that industry has a wardrobe full of suspiciously heavy suitcases and a one-way ticket to Frankfurt in its back pocket.

The question of what kind of growth the North wants is inextricable from the question of what kind of growth would be best for the economy as a whole. From policymakers to large companies to consumers, people are waking up to the fact that simple macroeconomic numbers such as GDP are increasingly disconnected from the prospects and quality of life of the people who live within those economies. In a world that is getting very quickly hotter, more polluted and more unpredictable, it is obvious that the desire for economic growth has created dangerous pressure on finite resources, and that the scarcity of resources – from housing to income to access to healthcare – will create still greater economic and social divisions unless the need for inclusive and sustainable growth is taken seriously. It is absolutely blinkered to suggest that what worked in another century and another country is the recipe for happiness in the new North.



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