

# Spotlight

## **NORTHERN POWERHOUSE: ROADMAP FOR THE REGIONS?**

Michael Heseltine / Jake Berry / Chi Onwurah / Steve Rotheram





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# To truly “level up” listen to the North



**B**etween 1975 and 2015, England had 38 separate government initiatives for local growth, according to National Audit Office figures. Many have wound up operations, with the task of renewal and development far from complete. The 1980s Derelict Land Grant went the way of the Single Regeneration Budget of the 1990s, as did the Enterprise Grant Scheme of the 2000s. Of those that remain today, the Northern Powerhouse Strategy is only the latest addition to a long list of policy pipe dreams for bridging the regional divides.

Following Boris Johnson’s election victory in the North of England – 26 seats were snatched from Labour’s “red wall” in the North East, North West and Yorkshire and Humber last year – the government would have been remiss were it not to prioritise the country’s chronic North-South disparities. Voters in these new Tory constituencies live with the consequences of years of underinvestment in transport and infrastructure, slashes to funding, gaps in health and talent retention, and a concentration of power in London.

Can the Northern Powerhouse, already more than five years old, redress the balance? According to *Spotlight’s* poll of councillors in the North of England (pages 12-13), 86 per cent said there had been no tangible benefits in their areas since George Osborne’s flagship policy launched. Eighty-three per cent said the project had so far either had no effect, or been a failure.

If Johnson wants to hold on to the “blue wall” he would do well to listen to voices from the region. Beyond decent transport and greater economic opportunity, they are calling for two overarching things: more control over decision-making, and more funding to make changes as the North sees fit. Ninety-seven per cent of councillors *Spotlight* polled said funding from central government was inadequate, including 80 per cent of Conservatives. Eighty-seven per cent said cuts to their local authority budgets were a barrier to growth.

Since 2015, the creation of metro mayors and the UK’s first statutory sub-national transport body have clearly been steps in the right direction. But the tortuous process of approving HS2 is a reminder that major decisions and budgets affecting Northern prosperity are still ultimately in Westminster’s hands. As Michael Heseltine puts it in his interview on page four, “let’s not lose sight of the wider purpose” of initiatives like the Northern Powerhouse – “devolution across all of the UK’s cities”.

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## Michael Heseltine, the former Tory grandee, on Liverpool, why devolution is key to northern prosperity, and his own brand of conservatism. Interview by Jonny Ball

# “Where do you put me in this great intellectual debate?”

In September of last year, Boris Johnson told cabinet colleagues that, contrary to reports claiming he was a rabid right-wing populist, his worldview could be summed up as that of a “Brexit Hezza”. By this he was implying that he was no hard-line free marketeer. Instead, he should be understood as a latter-day Michael Heseltine, the former Tory grandee known for his predilection for state intervention – particularly in neglected regions in the north of England – public investment and liberal one-nation Toryism, but with added Brexit.

After winning scores of northern seats in Labour’s so-called “red wall”, and signalling what this magazine has dubbed “the return of the state”, Johnson’s pivot towards a version of interventionist, blue-collar conservatism could have the likes of Heseltine enthused. After all, it was he who, as president of the Board of Trade,

promised to intervene “before breakfast, lunch, tea and dinner”.

“I know that as a journalist you have to draw these boundaries, because that’s what people want to read,” Heseltine tells me when we meet in London. “It just doesn’t happen to be true.” A long-time Europhile who last year had the whip withdrawn after saying he would vote Lib Dem in the European Parliament election, Heseltine is no Johnson fan. Nor does he feel any particular affinity with his own public image as a left-ish Tory “wet”.

“Who privatised the most? Keith [Joseph] or me?” asks the former deputy prime minister, who in his long career held a string of posts, including secretary of state for defence, environment, and trade and industry. Joseph, an ideological monetarist and one of Thatcher’s most vociferously right-wing ministers, masterminded the Conservatives’ first

state sell-offs. But, Heseltine points out, adding up the privatisation totals, “Right to Buy gives me the edge.”

“Who killed more quangos than me?” he asks. “No one. Keith Joseph got 61; I got 62. Who cut down his department faster, reducing the number from 52,000 to 39,000?” – Heseltine remembers the figures. “Keith didn’t get anywhere near me,” he says, proudly. “So where do you put me in this great intellectual debate?”

In this “great intellectual debate”, the long-time advocate of regional investment and devolution who many once believed would one day lead the Conservative Party and the country, does cut an unusual figure. He was awarded the Freedom of Liverpool in 2012 by the city’s Labour mayor, Joe Anderson. For a Tory politician this is quite an achievement – in all of Liverpool’s five constituencies it is rare for a Conservative candidate to edge



## “Civilisation is about constraints on the market”

GETTY IMAGES / CHRIS RATCLIFFE

much into double figures. Previous Freeman of the City of Liverpool include the socialist MP Eric Heffer, leader of the National Union of Dock Labourers James Sexton, and all four of the Beatles. But while the then chancellor Geoffrey Howe, following the Toxteth riots in 1981, told the cabinet he favoured a “managed decline” of the city, Heseltine attempted to drive urban renewal.

“I spent time in Liverpool under Margaret Thatcher [as head of the Merseyside Task Force set up in response to the riots] and that was transformational... When the riots came I went to her and I said, ‘Margaret, there’s a classic dilemma... You and I both sympathise with the view that the police have to be backed, and I totally agree. But I have been around Liverpool and I think there’s something more fundamental here.’” Heseltine’s

internal cabinet report into the causes of the disturbances, *It Took a Riot*, which was declassified in 2011 under the 30-year rule, described Liverpool’s river as “an open sewer”. Its housing was “indescribable”, its employment figures “appalling” and its social problems “severe”. The report recommended that “substantial additional public resources should be directed to Merseyside”.

Those months were, in his own words, “the first of my exposure, my immersion in the real world of local communities”. They sparked a commitment to the city, as well as to northern prosperity in general. “I’m totally committed to the concept of a Northern Powerhouse,” he says. “But if I have a worry [it’s that] the need is not to empower the North but to empower Britain’s cities... I don’t use the words Northern Powerhouse except as an example of devolution. I’m for it, totally

for it, and I was deeply involved in it, but let's not lose sight of the wider purpose, which is devolution across all the cities."

Heseltine's report last year into the powers and functions of combined authorities, *Empowering English Cities*, offers a mea culpa for his role in abolishing metropolitan councils as a government minister. Reform, rather than abolition, would have "accelerated the process I was later to champion", he writes. In recent years, he has become known less as an advocate of localism and more as a key figure in the fight for a second referendum – a cause he now accepts is lost. But why does he think so many in the so-called left behind, post-industrial, northern heartlands voted for Brexit?

"Austerity... They'd had enough, and I can understand that." But Heseltine was himself supportive of the coalition, successfully contributing 81 recommendations on regional growth and autonomy to George Osborne's 2013 budget. He also supported the punitive welfare reforms of Iain Duncan Smith, the former secretary of state for work and pensions.

Last year, a Centre for Cities study revealed that the impact of spending cuts had disproportionately fallen on deprived areas in the North of England, with towns such as Barnsley and Blackburn losing twice as much funding as their southern counterparts. Is the problem of the Northern Powerhouse in any way analogous to one of the problems he faced in the North West almost 40 years ago: that no matter how much extra funding is given to struggling northern towns or cities, it pales into insignificance when compared with the cuts to local authority budgets in those same areas? Liverpool, for example, has lost almost two-thirds of its government grant since 2010.

"Do you ever go to Liverpool?" Heseltine asks. "Have you ever seen it more prosperous? Have you ever seen it as more of a boom town?" He seems almost hurt by the insinuation that the city could be suffering as a result of fiscal constraints. "Have you ever seen more cranes in Liverpool? Have you ever seen it more dynamic? Let's set aside the



Heseltine opens a motorway in 1971

jargon of party politics – "The cuts! It was them!" – and look at what's happening in Liverpool, which is enjoying a renaissance outside anything seen this century." It seems a curious position: that on the one hand austerity can cause such damage as to be the primary driver of Brexit, and on the other have little or no effect on "boom town" Liverpool. "Don't quote me," he adds, "quote the local mayor."

Last month, Anderson, for whom Heseltine says he has "the highest regard", was cited in the *Liverpool Echo* as saying he would "refuse to make any further cuts... because we are now at the stage where doing so will mean closing down vital services that people rely on". His words evoked memories of the 1980s, when the unemployment and urban blight described by the former minister for Merseyside in *It Took a Riot* led to the election of a radical Labour council determined to take on Westminster over the city's budget woes. Today Anderson says Liverpool is on "a cliff edge" near bankruptcy, in a worse financial situation than it was in the 1980s.

Heseltine is right to point out the mass of new buildings on the banks of the Mersey. The place is unrecognisable from the dark days of decline. And that is in no small part due to his own efforts: saving

the Albert Dock, cleaning up the river, and regenerating the city centre. But you don't have to walk far from the Liverpool One shopping centre, built in 2008 as a centrepiece of the city's regeneration drive, to encounter some of the most severe levels of deprivation in the UK. Huge swathes of north Liverpool certainly do not feel prosperous.

If Merseyside and the Northern Powerhouse project are to succeed, then it will take more than what Heseltine describes as "the traditional Whitehall solution" of "throwing money at individual identified problems". Just as the wealth of a rejuvenated Liverpool city centre does not necessarily correlate with prosperity across the city, driving regional equality depends on more than a prime minister's *grands projets*. It will take genuine devolution of powers and the end of centuries-old tendencies towards centralisation in Whitehall.

Government will have a key role to play – this cannot just be a private sector endeavour. "The market knows no morality," Heseltine says. "Civilisation is about constraints on the market and moulding the market." We'll soon find out if Johnson, the self-styled "Brexit Hezza", will abide by this philosophy to "level up" the North.

# How connectivity can boost productivity

**Ed Petter**, BT's group corporate affairs director, on the importance of digital technology in supporting northern economic regeneration

**D**igital technology is transforming every element of the way we live, and building the right infrastructure to provide excellent connectivity for businesses and individuals is vital to the economic regeneration of the North of England.

The potential rewards are compelling. A study by the Centre for Economics and Business has shown that full fibre broadband could boost labour productivity by nearly £59bn by 2025, and bring another half-a-million people into the workplace, including people currently not working due to geographic limitations, and those who require flexible hours. BT is investing £2.1bn annually in full fibre and 5G infrastructure to enable this change.

However, digital infrastructure needs to be underpinned by a significant investment in skills if we are to rebalance the wider UK economy. At the end of last year BT launched Skills for Tomorrow, a groundbreaking initiative that aims to empower 10 million people, families and businesses across the UK with the skills they need to flourish in the digital world. The commitment is ambitious but essential.

Research shows that 17.3 million adults in work lack the digital skills they need for their job, while 11.9m adults lack the essential digital skills needed for day-to-day life, and that figure is stubbornly static. This skills deficit costs the UK £63bn in lost GDP per year and it risks deepening social divisions and undermining economic productivity. At BT we think of this as

a “double disadvantage” – where digital skills become yet another hurdle for people who are already struggling.

It is important for business too. A third of small to medium-sized enterprises (SMEs) expect to invest more in technology in 2020 and believe that their internet connection will grow in importance. However, our research shows that the biggest barrier to SMEs investing in digital skills is motivation. This is why within our overall ambition we aim to reach a million small business owners and their employees by 2025.

Digital technology is a key enabler in all four of the government's Grand Challenges outlined in the Industrial Strategy, and we need to prepare businesses and workers with the skills they need to take advantage of the Fourth Industrial Revolution.

For example, the introduction of 5G marks a milestone on the UK's journey to become a truly digital nation. The deployment of 5G technology across the Northern Powerhouse geography will enable true end-to-end connectivity in our cities. In real terms, this can translate to smarter networks, where transport can move as efficiently as possible reducing congestion and delays; a revolution in healthcare, enabling diagnoses and treatment to be delivered remotely; and ultimately a complete re-thinking of the delivery of public services.

Most excitingly, 5G is already live with active sites in the UK's major cities, including Manchester, Leeds, Sheffield, Newcastle, Hull, and Sunderland, with rapid expansion planned over the coming year.

Working in partnership with the North's established devolved institutions, world-renowned universities and leading tech companies we can address the challenges and opportunities presented by digital technology to maximise both its economic and social potential.

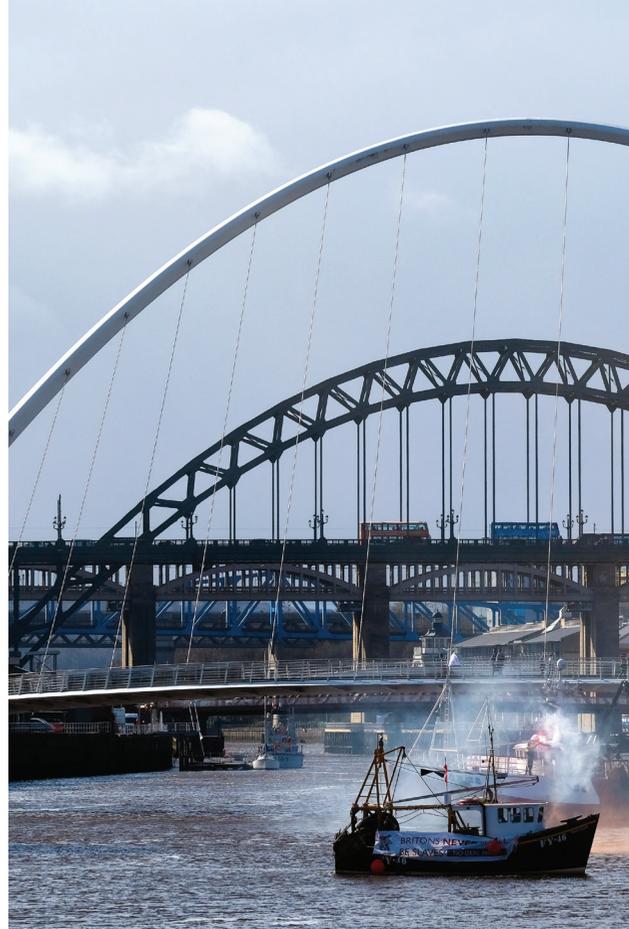
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Devolution and investment are key to rebalancing the economy, says **Jake Berry**, former minister for the Northern Powerhouse and Local Growth and MP for Rossendale and Darwen

# This is the North's moment



**I**t has been nearly six years since the government called for the North of England to be the powerhouse of the UK's economy. Since then, we have rolled up our sleeves and put in the hard graft with business and politicians of all political colours to build a more prosperous North.

And it has delivered results. We have doubled foreign direct investment; a record number of people are in work, and the region now boasts 200,000 more businesses than in 2010.

On transport, we promised a record-breaking £13bn – more than any government in history – to transform the transport network and make it fit for the 21st century. We are finally consigning the tired, old Pacer trains to

the scrapyard while bringing in cleaner, greener trains such as the brand-new County Durham-built Azumas on the East Coast Mainline.

We committed to empowering local people by giving them the money, powers and tools to have a real say in the services that matter most to them – a Northern Powerhouse for and by the people of the North.

When the Northern Powerhouse was first launched, there were no metro mayors in the North of England. Today, almost 50 per cent of the North is represented by powerful metro mayors with a war chest of powers to drive economic growth.

These devolution deals are already paying dividends with gainshare



## Metro mayors are making great progress

investment helping mayors deliver the programmes local people want to see – from congestion-busting dual carriageways on the A6 in Greater Manchester to the expansion of Teesside International Airport in Tees Valley.

In Liverpool City Region, investment from the devolution deal has supported a new train maintenance and technology training academy with the largest rolling stock modernisation facility in the UK creating hundreds of high-quality jobs.

Through our Transforming Cities Fund we are also transferring £1.08bn to metro mayors over five years. These investments are supporting a host of pioneering projects including low-carbon ferries in Liverpool, the wholesale regeneration of Darlington and Middlesbrough train stations and the “Bee Network” in Manchester – the largest cycling and walking network in the country.

Great progress has been made, but I believe, with a new parliament and reinvigorated government that works for the people, the best days for the North of England lie ahead of us.

As we seize all the opportunities that come with leaving the EU, it is the Northern Powerhouse – worth a staggering 20 per cent of the UK’s total economic output – which has a pivotal role to play in unleashing Britain’s full potential.

We have a once in a generation chance to empower local people on a scale not seen before. Our new Devolution White Paper – set for publication this year – will clear the way for more communities across the North of England to come forward and agree their own devolution deals with the transfer of money, investment and powers directly from Downing Street to their street.

That means more mayors and more accountability in our political system. But it’s also about increasing the powers of the current mayors – putting local people in the driving seat by giving them greater control over skills, transport and the services that have a massive impact on people’s lives.

And we will be going further to give

devolved mayors the money they need to upgrade local transport with a new £4.2bn fund to deliver cleaner, greener buses, trains, cycleways and wider roads.

We also have the opportunity to redesign how regional funds are invested. Our manifesto committed to creating the UK Shared Prosperity Fund; a programme of investment to bind together our union of four nations through tackling inequality and low pay.

With this new fund, we will cut bureaucracy and create a simpler investment programme allowing us to rapidly bring forward regeneration projects in the North of England.

In the years ahead, we will build the next generation of transport and digital infrastructure. That means better-connecting our great northern cities with Northern Powerhouse Rail whisking passengers from Leeds to Manchester and beyond. But it also means levelling up towns, villages and rural communities as part of a “whole North” approach to spurring growth.

That is why we’re reversing the Beeching era rail cuts, reopening Northumberland’s Ashington-Blyth-Tyne railway line and restoring the Fleetwood route in Lancashire.

It is also why we are pressing ahead with the rapid rollout of gigabit-capable broadband and expanding our 5G testbeds so that small businesses and rural communities are no longer held back by patchy coverage and dismal download speeds.

In our great northern towns, our levelling up agenda is supporting 45 communities with up to £25m of investment; and I am looking forward to seeing the pioneering, grass-roots projects this investment from our Towns Fund turns from vision into reality over the coming months.

This is the North’s moment with a new people’s government behind it, backed by one of the strongest coalitions of northern MPs this parliament has ever seen. Together we will unleash our region’s full potential and finish building a Northern Powerhouse for the North and by the North.

# Developing the talent of tomorrow

**Jamie Reed**, Sellafield Ltd's head of corporate affairs, says the UK's largest nuclear site is nurturing skills and growth

**T**owards the end of last year, the US Business Roundtable, which represents the leadership of major companies in the US, revised its traditional outlook on corporate purpose. No longer would the sole goal of corporations be the pursuit of shareholder value. Instead it laid out a more socially responsible agenda that takes into account the needs of the communities in which they operate, the environment in which they prosper, investment in the workforce, customer satisfaction, and the interests of suppliers.

It is an agenda that has been at the heart of Sellafield Ltd's philosophy for a long time, and in fact across the wider Nuclear Decommissioning Authority (NDA) group. We have always set high standards that place social impact front and centre. And as one of the largest industries in the North of England, our project is integral to the economic future of the region and its workers.

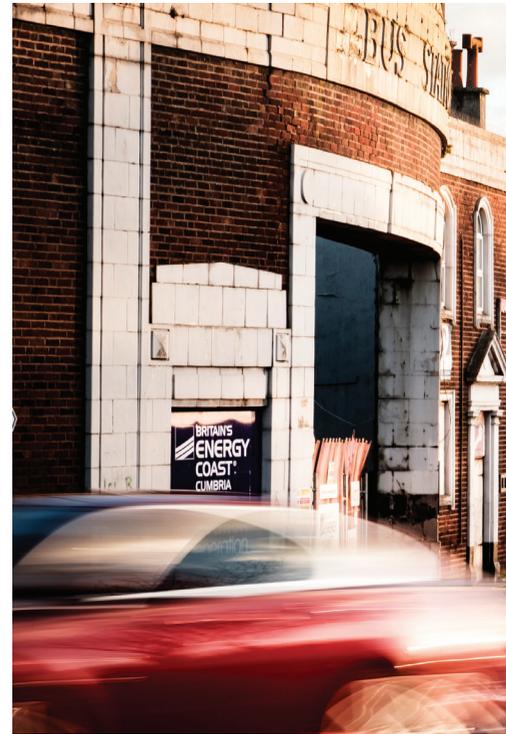
With 11,000 employees, and many thousands more employed in our supply

chain, we are the UK's largest nuclear site, and we are delivering one of the most important environmental remediation projects in Europe. As a subsidiary of the NDA we are ensuring the safe and effective clean-up of the country's nuclear legacy.

But our guiding outlook ensures we deliver for the wider community as well. We are at the forefront of the Northern Powerhouse, and as an enterprise based in the North of England, we see a huge amount of promise in the project and believe we can make a significant contribution in making it a success.

As an endeavour to rebalance the UK economy and improve the North's economic prospects it is something we will always be directly or indirectly involved in. We have a financial footprint in many local authorities, most of them in the North, and in Copeland we account for 59 per cent of the total gross value added in the local economy.

We are a £2bn-a-year business, and we want to make sure that those massive levels of investment have the most



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positive impact possible on Cumbria, the North, and the UK as a whole. Our social impact programme, based on the United Nations' sustainable development goals, looks to create shared value – for workers, for communities and for the environment. Part of that is through our continuous investment in skills and training. The nuclear sector is a good employer. Remuneration is good and the skills we require from our workforce are extremely high.

That is why, in a region that is often associated with low-wage, low-productivity employment we are a beacon of good practice. We invested £10m into a new education campus in

## There is huge potential for Cumbria

Whitehaven. This leveraged a further £23m with which to build a state-of-the-art school in the largest town closest to Sellafield. Concerned about educational attainment in schools in West Cumbria, we have developed links with local schools that promote excellence in education and help equip the next generation with the skills they need to build careers, whether in the nuclear industry or elsewhere. This has seen us develop a scheme that invests £1.7m into West Cumbria's schools so that attainment in every classroom can be raised. We have over 100 graduate trainees and up to 700 apprentices at any one time. In addition, we also fund an apprenticeships programme for non-nuclear organisations.

Where we have found market failure, we have been proactive in addressing it. Our Project Academy has trained over 1,000 people in the project management skills necessary for our mission. This is what all modern companies should be aspiring to do, approaching their problems holistically, and in partnership

with relevant public, private, and third sector agencies.

Our supply chains are going to be an even more important part of our business in future. We are working to make sure that the massive cash injection that we put annually into the economy is felt as widely as possible. We are cleaning up the Sellafield site, and, of course, that is our number one mission. But there is huge potential for Cumbria to enter the £250bn market for decommissioning around the world, and so our expertise, experience and skills can become a global export. The Sellafield site is recognised as one of the most complex in the world. We have addressed this by developing some of the most advanced, high-tech engineering solutions to be found on any nuclear site. So the Sellafield supply chain is in an ideal position to go and help other countries and other companies, with a fantastic calling card to go and advertise the achievements at Sellafield.

I am a third-generation Sellafield worker. When I was Member of Parliament for Copeland I always championed the industry and the people in it. It may seem incongruous, but I am a vegetarian environmentalist, a former shadow environment minister and perhaps in the past that could have seemed unusual for an advocate of the nuclear industry. Needless to say, I do not see it that way. Nuclear is going to be essential if the country is to meet its Paris Agreement climate commitments. But it is more than that: The positive effects we have on local economies, communities and our workforce are profound.

Key to making the Northern Powerhouse a reality is delivering highly skilled employees into high-quality jobs for our future. And this is what we have to offer at Sellafield. It is all sustained by our commitment to people and the region, and our guiding philosophy of responsibility and partnership. The work that we are doing to spread the benefit of Sellafield Ltd's activities is a passion of mine, because what is good for Sellafield is good for the North, and what is good for the North is good for the UK.

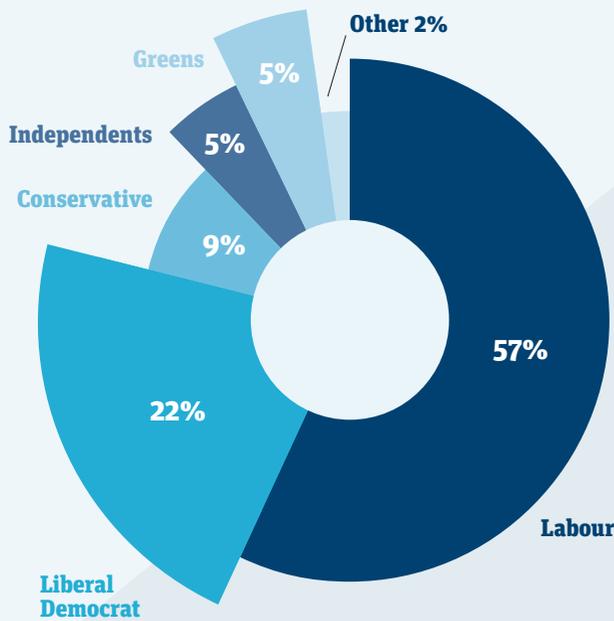


# Spotlight on the North

## Voices from local government

Earlier this year, *Spotlight* sent questionnaires to councillors across every local authority in the North of England, canvassing for their opinions on the Northern Powerhouse. 116 councillors responded. These are the results.

### Respondents by party



### What the results tell us about the Powerhouse

*Jonny Ball*

The dramatic defection of Labour’s former “red wall” to the Conservatives has thrust the North into the spotlight once more. Last year, around 40 local news brands launched a campaign demanding a “revolution” in the way northern regions are treated, drawing attention to a report comparing disparities between North and South with those between East and West Germany at the end of the Cold War. These divides have only been exacerbated by austerity. Our survey shows that the vast majority of councillors have been forced to make drastic cuts to essential services, from social care to waste collection, since the launch of the Northern Powerhouse.

Trust in the efficacy of the Powerhouse initiative is low, with 86 per cent reporting no tangible benefits in their areas. Some 97 per cent told us that the funding they received from central government was inadequate, and this included 80 per cent of Conservative respondents. A further 87 per cent said the cuts to their local authority budgets were a barrier to local growth.

Despite the high-profile relocation of the BBC and Channel 4 to Salford and Leeds respectively, only 16 per cent of councillors said it was easy to attract investment and only a fifth said that businesses were choosing to locate

their headquarters or operations in their local areas. Just a quarter reported increasing numbers of people moving into their area, while only 10 per cent said their village, town or city did not suffer brain drain to other parts of the country. A majority opposed the HS2 project, which the government approved this month.

Prime Minister Boris Johnson has put tackling regional inequality at the heart of his rhetoric, with “levelling up” soundbites repeated ad infinitum. But the responses we received in our research shows the vast scale of the task if his promises are to be kept.

### The progress of the Powerhouse

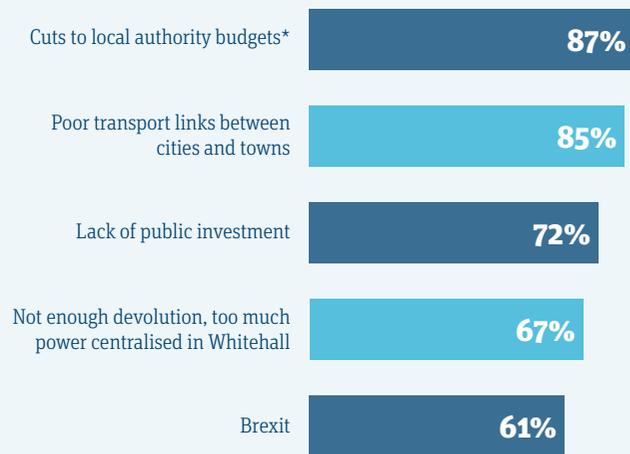
- 71%** said the results of the general election would have no effect or a negative effect on the North
- 83%** said the Northern Powerhouse project had so far either had no effect or been a failure
- 50%** said that life in their area had got worse or much worse since the beginning of the project. 38% said it had stayed the same
- 86%** said there had been no tangible benefits of the Northern Powerhouse in their area
- HS2**
**59%** of northern councillors were opposed to HS2

## Which potential Labour leader do you think is best placed to recapture the seats the party lost in the so-called red wall last year?\*



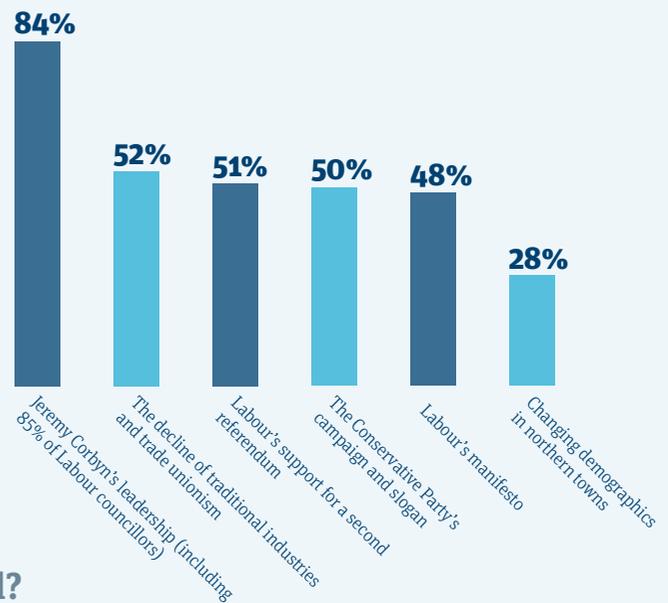
\*This poll was conducted before Jess Phillips dropped out of the race.

## What are the barriers to northern growth?

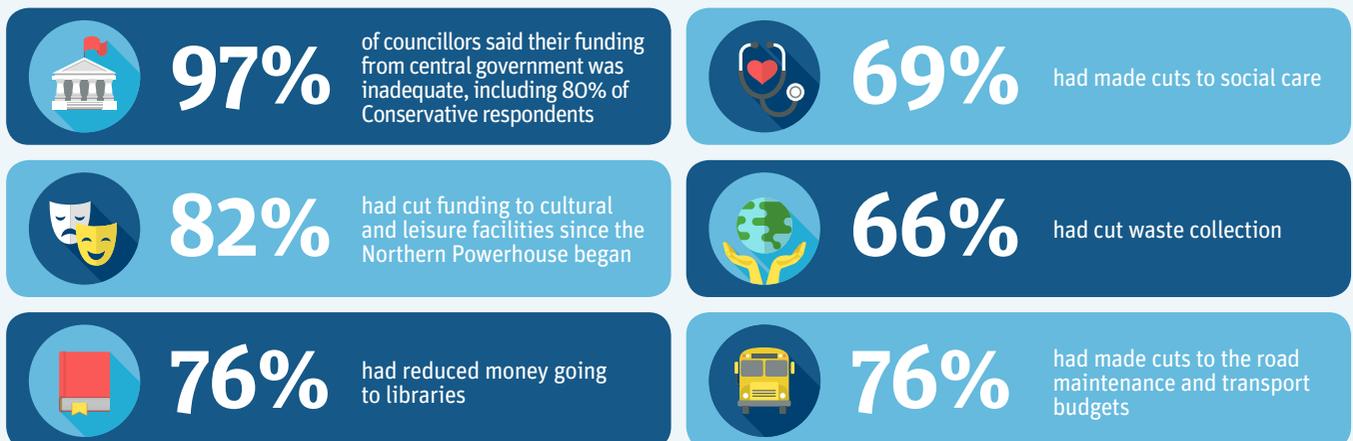


\*Includes the 40% of Conservative respondents citing local authority budget cuts as a barrier to economic growth. 40% of Conservative respondents also indicated that they would support nationalisation of the railways and publicly owned bus services.

## What factors do you think contributed to Labour's loss of seats in traditional northern heartlands in 2019's election?



## What local services have you cut since the Northern Powerhouse project launched?



# The voice of northern business

The chairs of the northern Local Enterprise Partnerships, which aim to foster collaboration between local authorities and the private sector, discuss doing business in the North of England

## 1 Lord Richard Inglewood Chair of Cumbria LEP and former chair of Gen2, one of the country's largest training providers

Cumbria is a place where world-leading innovation meets beautiful natural capital. We are home to two World Heritage Sites, the Lake District, part of Hadrian's Wall, two national parks and globally recognised businesses. Many people are unsure how to get here, but we are at the heart of the UK, with excellent connectivity, and can be in all of the UK's major cities in less than three hours. Now we are serious about putting Cumbria on the map.

## 2 Andrew Hodgson OBE Chair of North East LEP and chair of Avid Technology and electric vehicle component developer and manufacturer

One of the challenges North East England faces is our location. For some companies there is a perception the region is difficult to access. But we have excellent road, rail, air and sea links and we are campaigning for improvements to the East Coast Mainline so it's ready to support HS2 by 2033. Improving transport will boost investment. Our skilled workforce is another area of opportunity. We have expertise across the industries of the future and a pipeline of talent from world-class universities.

## 3 Mike Blackburn OBE Chair of Manchester LEP and former vice president, strategy & planning, government & health, BT Global Services

We would like to see more new "greenfield" investment in capital intensive projects in areas like advanced manufacturing and life sciences. This would build on Greater Manchester's science and research assets. The UK has a challenge for more leading cities to gain greater global visibility. Platforms like the Northern Powerhouse can deliver a lift to certain areas while giving an element of scale in markets such as China. But city brands like Manchester should be developed and used fully to drive UK growth.

## 4 Asif Hamid MBE Chair of Liverpool LEP and chief executive of The Contact Company, a customer service provider

We are fortunate in having a strong, globally recognised brand in Liverpool, but our challenge is that internationally we are known more for our football and music, and less for our world-leading capabilities and assets. We excel in renewable energy, materials chemistry, infectious disease expertise and AI. We will be focusing on these strengths to enable our city region to make its mark – not forgetting our skilled workforce. We value the continued partnership across northern boundaries in realising our vision for a thriving Northern Powerhouse.



**5 Steve Fogg**  
**Chair of Lancashire LEP and managing director of shared services at BAE Systems**

Lancashire is one of the largest economies in the North. A key focus for the LEP is to drive inclusive economic growth and build upon Lancashire's global reputation in the aerospace, advanced manufacturing and energy sectors, ensuring we can exploit new opportunities. We have already made substantial investments in innovation, which will produce a world-class skills and research base for our industries to compete globally. Our attractiveness to inward investors will be enhanced further through investment in infrastructure and maximising collaboration with Northern Powerhouse partners.

**6 Roger Marsh OBE DL**  
**Chair of the Leeds City Region LEP and the NP11 group of local enterprise partnerships working together for the North**

Leeds City Region is a top UK location for private sector investment. As the city region economy that most closely mirrors the UK as a whole, we see interest from all sectors, but as the new home of Channel 4's national HQ we are experiencing particular growth in the TV production, digital and creative industries. To continue this success, we will be working with government to ensure that our region benefits from investment in transport and infrastructure alongside support to develop skills and innovation in fast-growing industries.

**7 David Kerfoot MBE DL**  
**Chair of the York, North Yorkshire and East Riding LEP and founder of The Kerfoot Group**

York and North Yorkshire has a distinct offer for investors. We are recognised for our leadership in food and agritech, yet it's clean and green technologies that are our global growth sectors. We are world leaders in circular bioeconomy innovation, carbon capture potential and renewable energy technologies. The same rolling green hills, North Yorkshire coast and abundance of cultural capital belie an economic powerhouse. We are working with government to deliver opportunity through integrated investment in digital and transport infrastructure and skills.

**8 Lord Christopher Haskins**  
**Outgoing chair of the Humber LEP and crossbench peer**

One challenge facing the North of England is decarbonisation – but it is also an economic opportunity. We have already seen progress in offshore wind development, but we are expecting even more substantial investment with Dogger Bank and Hornsea Project Three. We have the UK's highest carbon-emitting industrial cluster, with vitally important industries like steel and chemicals that need to be sustained, and investments in carbon capture and hydrogen are key to the future of these industries.

***“The Prime Minister has recognised that the North can and should be a driving force for UK plc. As we look ahead to a new decade and a new trading environment outside the EU, now is the time to harness the power and potential of the North.”***

**Roger Marsh, Chair of the NP11 group of northern LEPs**

**9 Paul Booth OBE**  
**Chair of Tees Valley LEP and former chair of Sabic UK Petrochemicals**

Tees Valley has the opportunity to become the UK's first decarbonised industrial cluster by 2030. Working in partnership with the Oil and Gas Cluster Initiative to develop our net zero Teesside project is key to delivering the North's ambition to lead the world's carbon capture and storage technologies. Producing over 50 per cent of the UK's hydrogen, we are perfectly placed to fulfil UK ambitions. Tees Valley is open for business. Being able to shout about these opportunities with public and private support is critical.

**11 Christine Gaskell**  
**Chair of Cheshire and Warrington LEP and former member of the board at Bentley Motors Limited**

We are home to some of the world's most recognisable brands, we have the second highest performing economy in England, and established industries spanning life sciences, clean energy and high-value manufacturing. But ensuring the benefits of our location are heard and understood is a key challenge. We have some of the highest qualified people available in the country, but we can't stand still and have in place a £30m programme addressing ongoing skills development and talent attraction. Being at the hub of HS2 and Northern Powerhouse Rail will enhance our connectivity further. This is critical in securing business growth.

**James Muir**  
**10 Chair of Sheffield City Region LEP and former chief executive at SEAT**

We're committed to creating the conditions to stimulate businesses, exploit our core capabilities and invest in new pathways so businesses invest, locate and innovate here. Investors who have recently moved to the region want access to a skilled workforce. A key part of our plans is ensuring that we have a skills strategy that links the school curriculum to employers' needs. By putting people at the heart of what we do, we will be a region where investment unlocks social good, improves our environment and drives productivity, with economic growth that benefits everyone.

# Innovation 4.0: Inside the first knowledge economy

**Matt Reed**, strategic director of the Materials Innovation Factory at the University of Liverpool, on translational research at the heart of the North West

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## The first knowledge economy

The North West of England was the birthplace of the first industrial revolution. UCLA historian Professor Margaret Jacob describes the North West as “the first knowledge economy”, recognising it as the first region in the world to systematically exploit technological innovation to accelerate economic growth.

From cotton mills to canals, the North West led the world in innovation between 1760 and the 1850s, as pressing commercial problems drove innovative solutions and new science. This dynamic environment of translational research and innovation helped the region to create wealth directly from innovation. The same spirit of innovation helped to achieve broader economic prosperity for the UK.

## An economic powerhouse

Today, translational research in the North West provides an opportunity to drive regional and national growth. The Liverpool-Manchester corridor (Liverpool City Region, Cheshire and Warrington, and Greater Manchester) has emerged over recent years as a dynamic innovation ecosystem. World-class research institutions, such as the Universities of Liverpool and Manchester and the Hartree Centre,



are located in close proximity to the sites of globally-leading multinationals including AstraZeneca, Johnson Matthey, and Unilever. This corridor accounts for 7.1 per cent of the UK’s economy, more than £125bn gross value added (GVA) per year.

The Liverpool-Manchester corridor has strengths in advanced materials, chemistry, and formulations. These sectors employ more than 26,000 skilled people and contribute around £17bn GVA each year. There are over 1,900 small to medium-sized enterprises from these sectors across the region making a vital contribution to the supply chains of the big corporates. These strengths in industry are mirrored by academic excellence at the University of Liverpool and its world leading chemistry research. The combination of academic and industrial excellence in the region has created an unrivalled critical mass of materials chemistry expertise and innovation.

## The importance of Innovation 4.0

Over 250 years on from the first



knowledge economy, Industry 4.0 – or, the fourth industrial revolution – is transforming the UK’s manufacturing sector. At the University of Liverpool, our aim is to transform the scale, pace, quality, and impact of translational research. By re-engineering traditional innovation approaches we can help to accelerate both academic discoveries and commercial product launches. Through applying the digital technologies of Industry 4.0 to the innovation process, traditional research and development is being transformed into Innovation 4.0.

#### **A materials innovation factory**

Central to Innovation 4.0 is the £81m Materials Innovation Factory (MIF) at the University of Liverpool. The MIF is founded on a strategic innovation partnership between the University of Liverpool, Unilever, and UK Research and Innovation.

The 12,000 m<sup>2</sup> MIF facility is “open by design”, meaning the labs, staff, and advanced equipment, are available for use by academics and industry specialists alike. A dedicated team of

technical experts is located on site to assist with experiments and train scientists on how to use our cutting-edge kit. Since opening in 2017, the MIF has attracted funding from commercial partners and the Henry Royce Institute – the UK’s national institute for advanced materials research and innovation. We are changing the way that functional materials are designed at the atomic scale by fusing chemical knowledge, state-of-the-art computer science, lab automation, and digital research and development techniques.

#### **Translating research into economic growth for the UK**

World-class knowledge leadership in materials chemistry is the value-creation engine at the core of the MIF. We are home to pioneering and highly decorated scientists, including Professors Andy Cooper and Matt Rosseinsky who are both Fellows of the Royal Society. It is this scientific excellence which attracts funding and produces a constant stream of publications in quality journals. While grant income and scientific publications are the basis for creating value, to drive economic growth in the 21st-century, knowledge economy of the North West we need to translate this into other outputs:

- **People:** The scientific and technical research and innovation staff who have learned how to create and exploit new knowledge are the vital human capital of the knowledge economy.
- **Patents:** The high-value inventions that galvanise investors to back great ideas with expertise and capital.
- **Partnerships:** An essential means to create and exploit value. It is through a dynamic ecosystem of partnerships that great ideas become strategic knowledge based assets.
- **Platforms:** Modern knowledge economies are built on digital assets. They package and exploit know-how, create new partnerships, monetise and exploit clever ideas, and help to drive the creation of new knowledge.

#### **CASE STUDY**

## **Pioneering materials discovery**

Working with the University of Liverpool and the Hartree Centre, NSG-Pilkington – world leaders in the manufacture of glass and glazing solutions – aimed to discover new high-performance, transparent conducting materials, to underpin the development of the next generation of their market-leading products.

This research project was supported through a Knowledge Centre for Materials Chemistry partnership and EPSRC Impact Acceleration Account funding. It highlighted the opportunity for digital approaches to tackle problems across NSG’s global business and identified specific high-value applications in key markets including automotive, architectural glass and displays.

Through the application of Innovation 4.0 approaches, NSG have begun to embed computational and digital methods into the organisational culture of their R&D teams, creating new opportunities for materials research to drive new product development.

The MIF is actively driving these outputs and delivering a step-change in the innovation productivity of our partners. Building upon the success of the Liverpool-Manchester corridor, strategic investments from regional and national government can support the widespread adoption of Innovation 4.0. This will accelerate future economic growth across the Northern Powerhouse and beyond, and help to stimulate and rebalance our national economy over the coming years.

**To learn more about Innovation 4.0 and the MIF, visit: [www.liverpool.ac.uk/materials-innovation-factory](http://www.liverpool.ac.uk/materials-innovation-factory)**

Some don't agree Northern Powerhouse Rail is the panacea for prosperity. By **Samir Jeraj**

# The long and winding road to HS3



**O**n the 29 January, the Secretary of State for Transport Grant Shapps did something few other living politicians had done before: he nationalised a rail franchise. In the last month of operation under the company Arriva, one in every fourteen Northern Rail journeys was cancelled, just under half were delayed in the year up to January, and overcrowding was routine. The chaos was emblematic of the historic underinvestment in rail infrastructure, and in the region.

Transport upgrades are a key part of the Northern Powerhouse strategy. The £39bn plan for Northern Powerhouse Rail would link communities from Liverpool through Manchester and Leeds to Hull and Teesside. The network is based on the completion of HS2, the high-speed line which will connect London to Birmingham by 2028-31. A second phase, going to Manchester and Leeds, is estimated for completion by 2035-44.

Prime Minister Boris Johnson finally

gave the go ahead for the controversial HS2 project this month, despite costs reportedly ballooning to £106bn, or twice the original budget. Just £5bn was announced for investment in regional buses and new cycling infrastructure over the next five years. The status of the second phase links remains unclear. The government will conduct a further review, looking to cut costs.

Council leaders, senior business figures, and think tanks argue Northern Powerhouse Rail is crucial for the region's economic development and for solving the transport crisis. In a joint statement this month, mayors and council leaders from across the region wrote, "The North of England needs new rail lines that go north-south and west-east. London isn't being forced to choose, it's getting Crossrail and HS2; we shouldn't be forced to either. We need HS2 and Northern Powerhouse Rail delivered in full."

Luke Raikes, a researcher with think tank IPPR North, believes Northern

Powerhouse Rail will mean development of cities and towns in ways that are more inclusive and effective. "If you build essentially a whole new labour market by joining up different cities you let all sorts of interesting things happen, you enable economies to develop in interesting ways and complement each other." This, he says, is very different to London where the density of jobs in the centre has created significant transport and housing problems.

But he is cautious about promises made by government to invest in northern infrastructure: "Find[ing] the money, investing the money and making it actually happen is not easy with big projects or even with small projects."

The money should be there. At a Manchester press conference during the general election campaign then chancellor Sajid Javid said his budget would easily cover the estimated budget for Northern Powerhouse Rail. An analysis of the new borrowing rules by *The Times* found room for £78bn



## People will wait to see “spades in the ground”

spending beyond current government commitments. But this does not necessarily take into account the rising bill for HS2 nor other spending promises. Luke Raikes points out that people in the North are used to “broken promises” and will wait to see “spades in the ground.”

According to one senior Conservative interviewed in the *Financial Times* this scepticism may mean the government faces pressure to focus on smaller initiatives that can be delivered within this parliament. Reopening the Ashington to Northumberland Park train line could be one such project. Closed to passenger transport in 1964, the revival of the service is one of the key issues being pushed by the new Conservative MP for Blyth Valley, Ian Levy. His vision is to connect his constituency into the rail and Metro networks. This would allow residents to travel to work and tourists to access the beaches and regenerated town while removing congestion from local roads.

When asked, Levy signalled a cautious view on HS2, saying “people have to keep an eye on the budget and just make sure things don’t run away because it is quite easy to do.” But he remained warm to Northern Powerhouse Rail, saying, “Anything that we’re doing like that as a government, to help by connecting people along longer journeys is brilliant.”

*Spotlight’s* survey of councillors in Northern England (see page 12) found continued scepticism over HS2, with 59 per cent of respondents saying they were not in favour. That figure rose to 80 per cent among Conservative councillors. Some 57 per cent of Labour councillors opposed HS2 and two thirds of Green councillors. By contrast 64 per cent of Liberal Democrat councillors were in favour of the scheme.

There is still some criticism over how much large-scale public investment in transport can act as a panacea for economic development. Professor Henry Overman from the London School of Economics argues that, while improved transport will have a significant impact on the northern economy, it will not address poverty and inequality within

cities and towns. Instead, he says investing in education and skills should be a higher priority. This would enable more people who live in areas of high unemployment close to cities and towns to get better work and tackle inequalities. “We have got communities 20 minutes from huge concentrations of jobs and very bad social economic outcomes,” Overman says.

Leader of Leeds City Council Judith Blake is clear that education, skills and training are part of the same Northern Powerhouse vision. “Where we have local employers being directly in touch with the training providers, working with us and linking into schools – that’s where we can really see the step change we need,” she says, adding that there are young people and workers who currently cannot take up education and training because of poor transport.

Blake is equally clear that transforming transport in the North means Northern Powerhouse Rail and HS2. “We don’t want to talk about either NPR or HS2, if we are serious about transforming the opportunities for the North we have to talk about both,” she says. From this, she believes, local transport plans can work to move people out of cars and onto public transport, bicycles and to walking – improving health and the local environment. Decisions made in Westminster on HS2, devolution and the government’s Williams Rail Review are the main things holding this back, Blake says.

Northern Powerhouse Rail alone is not the answer to the region’s transport problems. Without complementary local rail and bus schemes, the impact could be far less than promised. With increased devolution these schemes would be less vulnerable to the tides of national politics, or departmental wrangling in London. Instead, this would be a conversation about the North, in the North, with northern decision-makers.

For Luke Raikes that is the benefit of devolution: “You make it someone’s full time job to develop their region, their town, their city, and if they don’t the electorate has their say.”

# Breaking the “no experience, no job” cycle

Employers can tackle youth unemployment and build a diverse pool of talent through work experience, say BAE Systems and Movement to Work



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**BAE SYSTEMS**



## **Giving workers their first chance**

Movement to Work is a not-for-profit coalition of 100 UK employers, government and civil society committed to reducing the UK youth unemployment rate and transforming the lives of previously overlooked young people through work experience. The initiative is governed and resourced by a steering group of CEOs and senior leaders from Accenture, BAE Systems, BT, Barclays, CBI, M&S, Tesco, The Prince’s Trust and others. All resource and support provided by the charity is free to use for the wider membership base.

Founded in 2013, Movement to Work supports employers in delivering high-quality work experience placements to 16-30 year olds who are

not in employment, education or training (NEET). This mechanism is a proven tool in breaking the vicious cycle of “no experience, no job” that is hindering so many. To date, Movement to Work members have delivered over 95,000 workplace opportunities across the UK, with 55 per cent of programme participants progressing into jobs and apprenticeships, or returning to education.

## **Making good business sense**

Movement to Work is supporting employers in building a sustainable and diverse talent pipeline as well as providing the prospect of long-term careers for young people and opportunities to support their social mobility. In 2018 52 per cent of the



## Working together, we can transform lives

young people on the programme were female, 18 per cent from a black or ethnic minority background, and 18 per cent identified as having a disability. Moreover, Accenture's study into the financial performance of the NHS employability programme delivered through Movement to Work, demonstrated a return of 2.5 times on every £1 spent and a breakeven threshold of 19 months. Specific benefits include reduced turnover (9 per cent), reduced absence (2 per cent) and increased staff commitment. Eighty per cent of hiring managers thought the initiative had a positive impact.

### More employers needed!

The charity is keen to discuss how large, national employers across the

UK and small and medium-sized enterprises in the North East, North West and West Midlands can make a significant contribution to youth unemployment through work experience opportunities. Movement to Work holds regular events for members and companies who are considering joining the programme to discuss best practice and network. In addition monthly webinars are held to consider prominent issues such as the hiring of ex-offenders and mentoring.

### For more information:

[www.movementtowork.com](http://www.movementtowork.com) and through **Sophia Spencer, Head of Partnership Development at [sophia.spencer@baesystems.com](mailto:sophia.spencer@baesystems.com)**

### CASE STUDY

## *"I got a chance to show what I could do"*

BAE Systems is a leading member of Movement to Work, the UK's largest employer-led collaboration aimed at reducing unemployment for those aged 18-30 and not in education, employment or training. The programme consists of two weeks of confidence-building activities and skills training with The Prince's Trust, including CV writing and interview advice, and a two-week work placement at a BAE Systems facility.

"The work I got involved in during the placement was really tangible, and I got a chance to show what I could do" says Anastacia (pictured), who was a Movement to Work participant on the BAE Systems programme and is now employed permanently as a project controller in the company. "The placement really got us involved with real projects in the business." Adam Withenshaw, Anastacia's mentor from BAE Systems' Air business added: "What I enjoy most about this programme is the rapid and significant change you can see in young people's confidence. It's really

inspiring."

In 2019 BAE Systems offered 98 placements a year, with 497 young people having completed the Movement to Work programme since 2014. More than one third of participants are now in permanent employment within BAE Systems, with 118 becoming apprentices and one joining the graduate scheme. The company has contributed £676,000 to the programme since 2014, with a further commitment of £294,000 for 2020.

In return, Movement to Work offers cost efficiencies for participating companies. BAE Systems estimates the cost of recruiting an apprentice who has been through the programme is roughly half that of the typical recruitment process. The programme has also helped to boost interest in Stem (science, technology, engineering, and mathematics) careers among underrepresented groups. And the structure of Movement to Work has also encouraged more women to explore a career in engineering.

# Nature's vital role in the northern economy

The region's future prosperity and caring for the environment go hand in hand, says **Sarah Longlands**, director of IPPR North

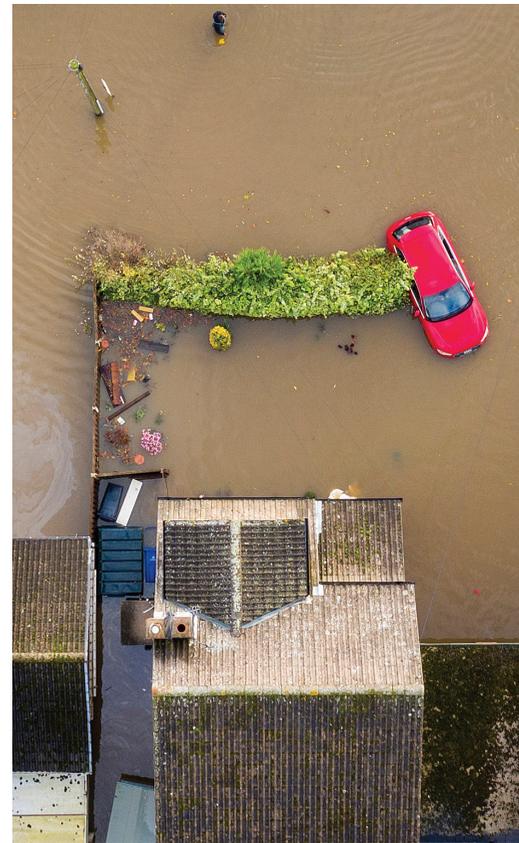
**T**he North has some of the most beautiful natural landscapes in the world. From the Lake District, to the Yorkshire Dales, to the Northumbrian coast, and everything in between, the North is home to an abundance of natural assets. It is disappointing, therefore, that debates about the Northern Powerhouse have paid little regard to the opportunities nature offers, nor the growing threats it faces.

Wherever you look, the fate of the Northern economy is deeply entwined with that of the natural environment. Think of recent events in South Yorkshire for example. At the end of last year, heavy rain in the upland areas around Doncaster fell on land already saturated with water. The area was devoid of significant vegetation, with exposed and compacted soils, which meant that the flood waters ran rapidly

downstream. Eventually the rising waters overwhelmed the defences protecting the village of Fishlake, forcing families from their homes over Christmas, and causing damage to infrastructure and local businesses.

The flooding made national headlines. Prime Minister Boris Johnson, in the middle of an election campaign, was swiftly dispatched to offer apologies to angry residents. The government promised rapid action to help families and businesses, and to rebuild flood defences. A decade of cuts to Defra budgets were conveniently overlooked. But what was also ignored was the fact that the flooding was made so much worse by the poor state of the natural environment upstream.

It could be so different. With the right investment and proper management, a healthy natural environment can help





## Many natural assets are in a poor condition

protect homes and reduce the need for public money spent on hard flood infrastructure and the cost of repair.

In addition, restoring peatlands, planting trees and reclaiming low grade land for nature can provide the North with a clean and inexpensive water supply, draw down carbon from the atmosphere, and host a wide ecosystem of plant and animal life, as well as slowing water flow. Bringing nature into urban areas, especially in the poorest neighbourhoods, can improve air quality, and provide places for people to relax, socialise and exercise. Throughout, there is huge potential to create new, skilled green jobs and to increase the region's appeal for visitors and locals alike, providing tourism revenues to rural areas.

It is time to act. Many of the UK's natural assets, from rivers to soils to coasts, are in poor condition – and in many cases the North of England is particularly badly affected. Climate change risks causing far deeper and long-lasting damage.

Investment in nature is a win-win situation, and the North could lead the way on how to put our environment at the heart of planning for a resilient, zero-carbon 21<sup>st</sup> century economy.

To change this, we need a strategic approach to the planning and management of the North's natural environment. This would maximise the potential social, economic and environmental benefits that investment in them can deliver.

We also need everyone to play their part. Successful examples, such as the pioneering Living with Water partnership in Hull and the ambitious Northern Forest project, bring a wide range of organisations together to develop ways of working with nature to reduce flood risk. Such initiatives recognise that shared problems require shared solutions.

But a rethink of how land is used is long overdue, too. We must completely redesign the current system of subsidies for farmers, in order to reward them for taking responsibility for the health

and resilience of nature on their lands, and ban destructive practices, such as the burning of heather on upland areas. We also need to ensure that major landowners – including those in the public sector – exercise their responsibilities to the natural environment to the fullest degree.

To achieve all this, we need new funds and powers from Westminster. The North's leaders should jointly demand the means to protect and enhance nature across the region. In turn they could promise a significant return to national prosperity, including a significant contribution to the UK's net-zero carbon ambitions, improving public health by reconnecting people with nature, and “levelling up” (to borrow a phrase) the North's long-neglected rural economies.

This is largely absent from conversations about the future of the North, however. Nothing that our leaders currently talk about in the context of the Northern Powerhouse – from trains, to skills, to metro mayors – will matter much if the natural foundations of our region are allowed to erode. There is growing interest at the Northern Powerhouse level in sustainability and in clean growth, but this has tended to focus mainly on renewable energy. And this is just one of many ways to invest in the natural environment.

Instead, we need a more adventurous vision for the North that includes investment as a down payment on our collective wellbeing.

If this vision is to come from anywhere, it will be from the North itself. With the creation of the new northern institutions, including the metro mayors, and Transport for the North, the region is gaining a collective voice and starting to assert itself. As IPPR North has previously argued, the next phase of the Northern Powerhouse project must be led by the North, for the North, with a far greater focus on social infrastructure and economic justice.

But it should also include a radical plan for nature at the very heart of efforts to build northern, and national, prosperity.

# Why the world needs the Humber

**Andy Parkinson**, chair of Marketing Humber, explains the challenges and opportunities presented by zero-carbon targets

**E**ighteen months ago, an Intergovernmental Panel on Climate Change report was published, warning that the world has 12 years to change direction and limit the onset of climate change. The United Nations body warned that flooding, storms, extreme temperatures, drought, and consequently huge numbers of climate refugees, lay just beyond the horizon if current trends were not reversed.

I read through this report with my own specific focus in mind – the Humber, the UK's Energy Estuary. The region is home to the Ports of Hull, Goole, Grimsby, and Immingham, and it is the highest carbon emitting area in the UK. That, of course, is linked to its geography. We have a large estuary, navigable for the largest deep-sea vessels, all the aforementioned ports, as well as a massive industrial and manufacturing heritage, which was mainly powered by coal and the burning of fossil fuels. Historically, the Humber was one of the biggest ports and industrial centres in the world, and it's not unusual to have manufacturing and industry clustered



around an estuary or port. This is an area with steelmaking, factories, shipping, railway and road movement. So, estuaries and ports are part of the challenge, with regions like ours, or Antwerp or Rotterdam, all being particularly carbon-intensive.

Sixty per cent of the world's population live in estuary or port regions and two thirds of the world's largest cities are there too. So, if you want to solve global warming, estuaries and ports have to be part of the solution and work towards zero carbon. We also must take into account that huge numbers of people are employed in high-emission industries. We have people in oil refineries, energy-intensive steelmaking, chemical clusters. What does limiting carbon emissions mean for jobs? This region knows only too well that when shipbuilding and the fishing industry collapsed unemployment went up and the effect was catastrophic. So how do we transition out of carbon without experiencing these negative social effects? How do we do it and keep people on side, moving with them not against them?

IN ASSOCIATION WITH



**Phillips 66 Humber Refinery produces low-emission fuels from used cooking oil and premium coke formulations that power electric vehicles and smartphones**



We already produce a high proportion of the UK's energy – a third of UK's refined fuel – and this transition is happening. The Drax power station now runs on biomass. We have got the world's largest offshore wind farm and natural gas in the North Sea. With all this, on top of the huge volume of homes and the UK's busiest port, decarbonising is a challenge – but it also represents a chance for the region to transform its economy. With green knowledge and expertise, we could have an export promoted globally, so the benefits are multiplied many times over in terms of carbon reduction and regional regeneration.

Marketing Humber is working to achieve this. In collaboration with partners, we want to develop a set of investable projects that get the Humber into a net-zero carbon position. The inward investment we would get is incredible because this is the perfect microcosm of what is happening globally. The world needs the Humber because if you can solve carbon energy solutions in a developed country, in an advanced industrial region, then you can solve it anywhere.

## CASE STUDY

# Industry and academia unite to tackle the climate crisis

The Humber has placed itself at the forefront of the global decarbonisation challenge through collaborative working between private and public sector organisations. Central to this is the University of Hull, which is using its world-leading research and development capability to deliver pioneering decarbonisation projects with industry.

One such project is the Aura partnership, led by the university, which brings together a range of experts to drive innovation in the offshore wind sector.

Aura has been hailed by the government's Offshore Wind Sector Deal as an exemplar of how to unite the private and public sectors to deliver environmental sustainability and economic growth.

Recently the university announced its own commitment to become carbon-neutral by 2027, at the region's flagship decarbonisation event, The Waterline Summit, organised by Marketing Humber.

The university has also revealed plans for a "next generation" energy station. The unique concept will see multiple renewable fuel inputs, including industry and household waste, fed into a number of local community stations, to be converted into energy and distributed across the region.

A consortium of 40 regional businesses and organisations led by the university has also submitted a multi-million pound bid to the government's Strength in Places Fund to support groundbreaking innovations allowing industry to pilot new technologies to lower harmful emissions.

David Richards, pro vice-chancellor

for research and enterprise at the University of Hull, said: "There is no doubt that, if we all continue to live and work as we have done, the Humber will be one of the first regions to suffer the devastating results of rising temperatures and sea levels.

"But we are also uniquely positioned to take a lead role in the global challenge posed by climate change. Here in the Humber we have the expertise, capability and the drive to create an environmentally sustainable future for generations to come."

A powerful example of the region's capability is Drax which owns and operates the UK's largest power station and has announced an intention to transform this to become the world's first carbon-negative power station by 2030.

It will do so using bioenergy with carbon capture and storage (BECCS) to remove more carbon dioxide from the atmosphere than it produces, creating a negative carbon footprint.

Further climate change innovation is evident at the Phillips 66 refinery on the south bank of the Humber. Working with the Environment Agency and the Department for Transport, Phillips 66 has successfully created high-performing, advanced biofuels from waste in its process units. It is also developing unique petroleum coke formulations for use in smartphone and electric vehicle batteries.

Industry in the UK's Energy Estuary is working together successfully, supported by the University of Hull's advanced research and development expertise, to lead the way to a brighter, sustainable future.

The Northern Powerhouse is hampered by austerity and the looming impact of Brexit, says **Chi Onwurah**, MP for Newcastle upon Tyne Central

# The North's next revolution



**F**rom the steel that mechanised production to the coal that fed the fires, it was northern blood, sweat, and tears that powered the first industrial revolution. The wealth that it generated, however, went to Whitehall and the privileged few. What benefit the North won was fought for over centuries by the Labour movement, until Margaret Thatcher's premiership.

Her enforced deindustrialisation was not matched by a counter-cyclical investment in people, skills or infrastructure, and we suffered the consequences. There was some encouragement given to foreign investment. The North East got Nissan and gave the Japanese car maker its most productive workforce in the world, enabling a regional supply chain on which tens of thousands of jobs depended.

The renaissance of manufacturing in the North is an underappreciated success story which we may only come

to recognise when it is too late, as Boris Johnson's government dismantles the European integrated supply chain on which it depends. This success was limited to a few sectors, such as automotive, and lack of infrastructure prevented the region from benefitting as much as it could have done – workers in Ashington, for example, could not commute easily to Sunderland on public transport.

Then in 2010 the new Conservative-Liberal Democrat coalition abolished the Regional Development Agencies and the limited regional industrial strategy there had been was gone. The Northern Powerhouse was born in 2014, an initiative of former chancellor George Osborne. For a while no one could say what it was – a speech, an initiative, an agenda, a brand? Eventually it became a partnership, lobbying structure, government strategy, series of independent commercial conferences,

The smelting works at Dorman Long Steelworks in Middlesbrough, circa 1930



and a ministerial title, all of which are independent from each other. Now, as Johnson seeks to consolidate himself as “King of the North”, does the Northern Powerhouse have any impact on or meaning for the lives of the people he claims to represent?

Last year the IPPR North think tank concluded that austerity has held the Northern Powerhouse back. As a northern MP and shadow minister for industrial strategy, my assessment was more critical – austerity was the pre-eminent political ideology of the Cameron-Osborne-Clegg government, regional renaissance was not, and the Northern Powerhouse proves it. It is the hallmark of Conservative governments to meet “Grand Challenges” with small solutions whose failure reinforces the belief that governments can do nothing but get out of the way.

The current government’s spending plans show that austerity is far from over,

even though Theresa May pronounced it dead in 2018. Funding for North East councils has been slashed in half since 2010. Newcastle Council has to find a further £60m in cuts by 2022. Labour councils in the poorest areas of the North have faced cuts five times larger per household than in other areas of the country, according to the Centre for Cities think tank. The number of jobs paying less than the living wage rose by 150,000. This against an austerity backdrop that saw £3.6bn removed from the North in public spending cuts, though the South East and the South West between them saw a £4.7bn rise. That money taken out of our economy is the day-to-day cash flow of small businesses and the bus fare to get people to job interviews or college.

Since 2010 my constituents have not seen a Northern Powerhouse, they have seen a steep rise in food bank usage, poverty, and infrastructure frozen in time. Child poverty has increased in 22

out of the 29 constituencies in the North East since 2016/17.

As major Northern Powerhouse achievements, the IPPR report cited the fact that half the people living in the region are now governed by mayors and that Transport for the North has a £70bn investment blueprint. But to my constituents looking to retrain while juggling two low-paying jobs and no childcare, it is not the structure of local government that matters but its effectiveness in changing her life. It certainly has not improved her public transport options – bus journeys are down by 17 per cent in the North East and late trains on northern franchises have more than doubled over the lifetime of the Northern Powerhouse. At the same time, transport spending has risen by more than twice as much per person in London as in the North.

All this before the real impact of leaving the European Union hits, although it has chilled investment for three years now. Hitachi recently lost out on the tender for new Tyne and Wear metro trains, in part because its bid was inflated by Brexit risk contingencies. The government’s decision to reject regulatory alignment gives it the “freedom” to abandon the integrated supply chains on which our advanced manufacturing depends. And we still have no concrete commitment to replace the investment that once came from the European Fund for Strategic Investments, consisting of the European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development and Horizon 2020.

And then there is the Green Industrial Revolution, which the Convention of the North last year concluded the Northern Powerhouse should be powering. The opportunity to bring green jobs to the region while saving the planet and revitalising our engineering base should be a no-brainer.

The Northern Powerhouse has had six years of marketing strategy. Until it delivers on a green industrial strategy it will be a spectator in our Northern economy.

# The business case for the beautiful game

Football is worth more than money to the North. By **Rohan Banerjee**

**B**roadcast in 188 countries, the Premier League, England's elite football competition, is a prominent part of "Brand Britain" – and a key export of great value to the economy. A study by EY last year found that the Premier League contributes £7.6bn annually to UK GDP. In the 2016/17 season, the league generated over £3bn in tax revenue, with clubs supporting almost 100,000 jobs, according to EY's report.

In the North of England, home to many of the Premier League's most high-profile clubs, football is integral to the region's economy, encouraging growth in a number of other sectors.

One of these is tourism. According to the latest data from VisitBritain, in the 2014/15 season, more than 800,000 international tourists went to a football match during their stay in this country, spending around £684m. This was 15 per cent higher – an increase of £87m – than in 2009/10, when the research was most recently conducted. Over a third – 33 per cent – of all football-driven tourism in Britain in the 2014/15 season took place in the North of England.

While the overall global average

spending on an international visit to Britain in 2014/15 was £636 per person, visits including the attendance of a football match had an average spend of £855. And it is not just leisure visitors that enjoyed watching football. Of the 800,000 total, nearly 40,000 people were in Britain on business when they went to a match.

One in every ten visits to the North West – home to clubs such as Liverpool, Everton, Manchester City, and Manchester United – included a match-day experience. Patricia Yates, director of VisitBritain, says that football is a "huge pull" for British tourism. As some of England's most prominent and popular clubs are based in the North, she adds, football goes a long way towards "driving regional economic growth", by encouraging people to "explore different parts of Britain, and not just concentrating on London."

Looking ahead to VisitBritain's next football tourism study, due to be published after the end of the 2019/20 season, Yates "can only expect that it [the value of football to northern economies] will have continued to grow." Football



tourists, who will "no doubt stay in hotels and visit restaurants and bars", she notes, play a massive part in "driving prosperity across the low and shoulder seasons... They are important for supporting local economies all year round, especially in the North."

As well as attracting visitors to a given city or town, Kieran Maguire, a chartered accountant and lecturer in football finance at the University of Liverpool, says football clubs are more crucial than many people realise in "sustaining" several "post-industrial" areas in the North. Manchester and Liverpool are both home to two Premier League clubs each that support "thousands" of jobs, stretching "well beyond" the core playing and coaching staff.

"The employment that football creates

Old Trafford, Manchester



and supports,” Maguire explains, “isn’t limited to the clubs in isolation. You’ve got local media, hospitality, transport, security... all sorts of jobs that depend on the existence and maintenance of a team in the area. In places like Liverpool, a football club can be a sort of diamond in the rough. Where there may not be as many jobs [as there are in London], Liverpool [Football Club] is one of the main employers and creates enough further demand for more jobs in other fields. There’s a massive media interest in the North West, because of the huge clubs that you’ve got there. At Manchester City, there’s even a graduate programme, which can play a massive part in attracting talent to the area.”

For Simon Chadwick, professor of sports enterprise at the University of Salford, football in the Northern

Powerhouse has some “more intangible benefits” linked to public health and wellbeing. He says: “There’s a social element to football. The image and associated reputation that comes with it [having a successful football team] is really good for northern cities. Football is a core part of brand Manchester, which is a key driver for tourism, just as music and comedy have been in the past.”

Maguire agrees, adding that football clubs, particularly in the North, should be viewed as “community assets”. He continues: “As well as being a premium entertainment product, football is a reason to get you out of the house and an opportunity to see your friends. Football clubs can play important roles in supporting friendships, relationships, and people’s mental health. And this is

true at all levels of the pyramid, not just in the Premier League.” Even without the profile boost and broadcast-related riches of the top flight, the likes of Leeds United, Sheffield Wednesday, Middlesbrough, Sunderland, Blackburn Rovers and other such clubs are no less a part of their cities’ or towns’ social and economic fabric.

Protecting and supporting football clubs should be a point of consensus for government and the game’s authorities alike. While it is impossible to guarantee success for every club – “You can’t create multiple Liverpools or Manchester Cities,” Maguire jokes – there should be a sense of duty when it comes to ensuring that clubs are at least run responsibly and sustainably, for the sake of the communities in which they are based.

For Chadwick, access is one key issue. “Transport needs to be part of football’s 21st-century blueprint.” Given the amount of travel involved in following a club’s fixtures home and away, he suggests, more reliable and affordable rail travel seems a good place to start.

The ownership conversation, of course, is complex. Football clubs are private businesses after all, but, Maguire points out, setting a more “stringent” code of conduct for owners, one that is designed by government and football authorities together, could help to ensure that “situations like Bury [where the club was expelled from the Football League in December last year after gross financial mismanagement] never happen again.” Several other clubs in the North, including Blackpool, Blackburn, Bolton, Leeds, Sunderland, and Newcastle United, have experienced financial difficulties and a loss of assets, with ownership being blamed.

Football is, the former Italy manager Arrigo Sacchi said, the “most important of all the unimportant things in life.” But given the sport’s economic and cultural capital, politicians need to recognise the value of football and respond accordingly, with investment and protection of community hubs. “The North,” Chadwick reiterates, “is at the heart of all that is powerful and compelling in football, and policymakers need to start engaging with this reality.”

# Journalism is vital in the war against inequality



**The Power Up the North campaign was the regional media's finest hour, says James Mitchinson, editor of the Yorkshire Post**

**T**wo hundred and sixty-six years ago in 1754 *The Yorkshire Post* – then the *Leeds Intelligencer* – was founded on a promise that had at its core, to use political parlance de rigueur, “levelling up”.

Just eight years after the Battle of Culloden – British government against Jacobite rebels – and during the reign of King George II, these were the sentiments of that visionary publisher Griffith Wright the Elder, who understood that a force for good, for the betterment of the people it served, was necessary, to use his words, in this part of the country. The North of England needed a voice.

And so it is genuinely remarkable that *The Yorkshire Post* has prevailed for over a quarter of a millennium. But ponder if you will for a moment precisely what it takes for a business to be able to record the reigns of ten monarchs and 74 prime ministers while dedicatedly following the same North Star as that which guided it on day one. Yes, it takes extraordinary resilience and a clarity of purpose, but for the founding oath to be as relevant now as it was before the Spinning Jenny takes something else: a docile, obedient, compliant acceptance of the status quo.

It should be cause for national ignominy that we find ourselves living in a 21st-century Britain that has progressed not a jot in that time. Are we really content with being a nation that forces families to quietly plod along, against all the odds, with nothing to aim for, nothing to hope for? As the son of a coal miner from a shattered former mining community, I could not acquiesce to as much in good conscience.

So in answer to the question “what role can the media play in shaping policy and effecting change” I say this: the exact same role since its inception. Now, however, we must do it collectively and in collaboration with the communities we have stood alongside for generations.

For too long we have allowed ourselves to be pitted against one another. Our histories, cultures and identities have been weaponised against us. Cynically engineered ways of distracting the regions from perpetual, systemic, institutional neglect have led to parts of this place we call home drawing comparisons with East Germany at the point of reunification with the more prosperous West.

But in 2019 the Power Up The North campaign changed everything. Some 40 news brands in the North of England, jointly led by *The Yorkshire Post* and *Manchester Evening News*, channelled the anger, frustration and desperation of the 15.3m people who live in the North. We demanded change. We called out the neglect and refused to be placated. We demanded the full weight of government behind a bespoke industrial strategy; an overhaul of road and rail networks; Northern Powerhouse Rail; increased devolution; more investment for schools, colleges and universities; a clear programme for building social housing; acceleration of digital infrastructure; and a commitment to devolve the government's shared prosperity fund.

Before all of this we called for the government to make a clear statement of intent to elevate the Northern Powerhouse Minister to the cabinet, giving the North a voice in the most important decision-making chamber. Had we not listened to the cries for help by our readers and turned them into meaningful, campaigning journalism, I am convinced that this Prime Minister would not be whistling “level up” tunes.

Power Up The North was the regional media's finest hour; our own Culloden. We, the Jacobites, emerged victorious from the skirmish with government. Our battle for acknowledgement was won, but the war to end regional inequalities has barely begun.

# Taking back control from Westminster will make the difference to the North

**T**he political upheaval of the past few years has laid bare what we in the North have known for a long time: that our Westminster-centric political system is a broken one. Too many decisions have been taken too far away by people who do not understand – and often don't even care about – places like the Liverpool City Region.

Thanks to devolution, we are now charting our own course, taking more decisions ourselves, with the needs and priorities of our people and communities front and centre.

We are already starting to see this bear fruit. We have delivered more than £4,000m of investment across the region, created more than 9,000 jobs and 5,500 apprenticeships, and launched groundbreaking projects, from a Housing First pilot to the UK's first UCAS-style apprenticeship portal.

When it comes to building a fairer economy, more than 7,000 of our young people are currently not in education, employment or training locally. They are denied the chance to reach their potential, not because they lack talent, but because they lack opportunity.

An apprenticeship – and the opportunity to study later in life – allowed me to make the improbable journey from bricklayer to parliament, and now mayor of the region I love.

That's why I have pledged to create the "Young Person's Guarantee". The first of its kind in the country, it promises a job, training or an apprenticeship opportunity for everyone under-25 within six months of them becoming unemployed.

But too many communities currently



**Devolution means truly realising our potential, says Steve Rotheram, Liverpool City Region Mayor**

feel left behind because of a public transport system that does not work for them. Last month, we took delivery of the first of our £462m fleet of trains – publicly owned and the most accessible in the country. This is only a first step, though.

We need a system that works for the public good – bringing together our buses, trains and ferries into a simple tap-in-tap-out transport network, with daily fare caps and real-time tracking.

A well-run public transport system is a necessity if we are to tackle the climate emergency. In 2017, I set a target for our region to be net-zero carbon by 2040, a whole decade sooner than national targets, and became the first city region to declare a climate emergency.

In the Liverpool City Region we have the capacity to be leaders of a green industrial revolution. I have been developing plans to harness the power of the River Mersey for renewable energy through a Mersey Barrage scheme. This would provide enough energy to power up to a million homes, create thousands of jobs, and put our region at the centre of a key future industry.

I will ensure our policies are measured against the impact on our climate emergency and zero carbon commitments. We have been working to develop a Decent Homes Standard, including a retro-fitting programme to improve insulation, and a boiler scrappage scheme to help address energy poverty.

The Liverpool City Region has a proud history of radicalism and innovation, and I am proud to be able to continue it. If we are to truly fulfil our potential, we have to start by making sure no one is left behind.



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