

Ideas for the North

The wide scope of the Northern Futures consultation makes it difficult to know where to start but a limited scan of evidence finds that the following areas may have a meaningful impact on creating an economic core to compete with the biggest cities in the world:

- Connecting the north through world class transport services and infrastructure
- Promoting inward investment and international trade in the north
- Advancing existing sector specialisms to develop renowned centres of industry and learning
- Encouraging and embracing sustainability as part of a northern identity



1. Connecting the North

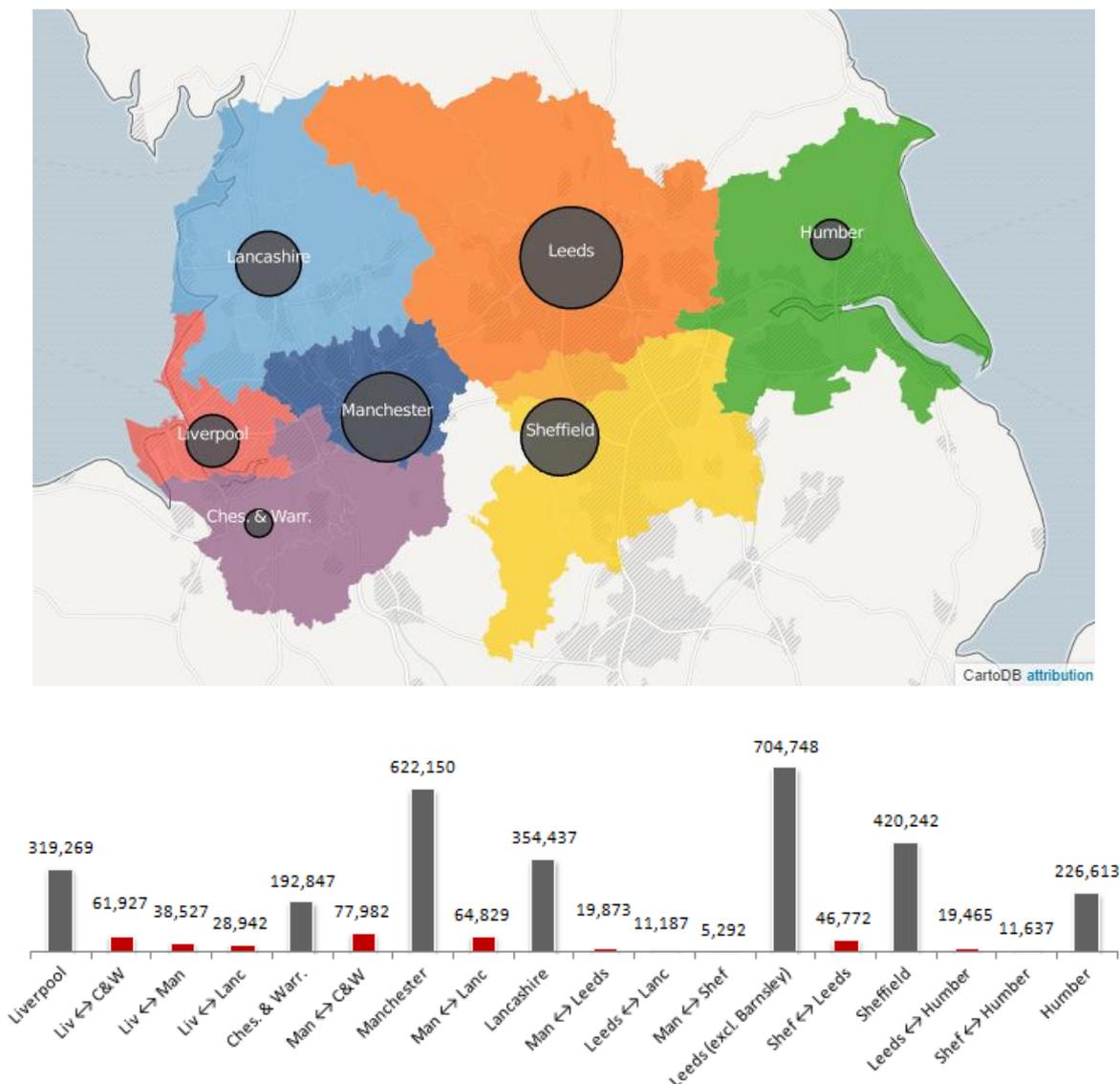
Improved transportation and travel services across the north of England could offer several important benefits, not least the economic impacts from reduced congestion and shorter journey times. If improvements involve large infrastructure works it's likely that some would be flagship projects that have the added benefit of advertising the north's growth intentions to the world, creating jobs and potentially using new technologies that capture the public's interest. Whether this takes the form of road, rail or other infrastructure, any developments such as this would face considerable scrutiny around value for money however, very similar to HS2.

Evidence on transport infrastructure in the north was analysed fairly thoroughly as part of the Northern Way transport compact in 2010, and this included detailed scoping on a Manchester international hub and trans-Pennine links. Since this was produced, other data has become available including commuting patterns based on the 2011 Census.

Focusing on the Local Enterprise Partnership (LEP) regions between Lancashire and the Humber, Figure 1 highlights how many people commute to work by car, van or train within each of the LEP regions and how many commute in and out of the surrounding LEP regions. It does not take account of other road and rail users travelling for business or leisure though.

It is clear in Figure 1 that the number of people commuting between cities in the north is a small fraction of the number travelling within the city regions. From one perspective, this could suggest that any future investment should perhaps be directed at improving services within the city regions that people actually use already. Alternatively, it could be interpreted that people aren't commuting between northern cities precisely because of the current state of transport. This is an area that would certainly benefit from further research.

Figure 1: Number of People on a Daily Commute Within and Between Northern LEP Regions by Car, Van or Train



Source: Office for National Statistics (ONS), Census 2011, Origin-Destination by Mode of Transport

2. Promoting the North

As well as improving transport connections across the north, there is potential to re-examine how the north of England is promoted around the world for inward investment, tourism and trade. At the moment, LEPs in the north are playing an active role in inward investment but also rely on UKTI for the delivery of investment projects. This is in contrast to the devolved authorities of Scotland, Wales, Northern Ireland and London that have separate teams with responsibility for project delivery.

Until 2010/11, a similar model operated in the north of England with the three Regional Development Agencies (RDAs) working alongside UKTI plus a network of contracted specialists overseas who helped promote the regions. For example, the North of England Investment Agency operated a number of overseas offices in North America and was funded collaboratively between all three RDAs at one point. A similar model could potentially be looked at again.

Publicly available data on inward investment is limited, especially at regional and local scales, and Figure 2 provides a breakdown of the 1,773 inward investment projects undertaken by UKTI in 2013. It also includes a column chart with further analysis that compares the number of projects with head of population, number of businesses and value of the economy. It finds that:

- For every 100,000 people, London secured over three times as many projects as the rest of England (7.8 compared to 1.8) and while this is perhaps unsurprising given London’s status as a world city, England’s rate of projects is also low in comparison to Scotland (2.3), Wales (2.6) and Northern Ireland (2.7).
- Comparing the number of projects with the size of the business base produces a different picture. This time, London has the lowest rate (3.5 projects per 10,000 businesses), and this likely reflects London’s significantly higher number of businesses per capita. However, the rest of England (5.6) is still lower than Scotland (8.1), Wales (9.0) and Northern Ireland (7.5).
- The number of projects per £1bn GVA finds that England has the lowest rate, an average of 1.1 projects for every £1bn in the economy, compared to a rate of 1.7 in Scotland, Wales and Northern Ireland and 2.1 in London.

Figure 2: UKTI Inward Investment Projects in 2013



Source: UKTI Annual Report 2013-2014; ONS Mid-Year Population Estimates; ONS Business Count; ONS Regional Trends

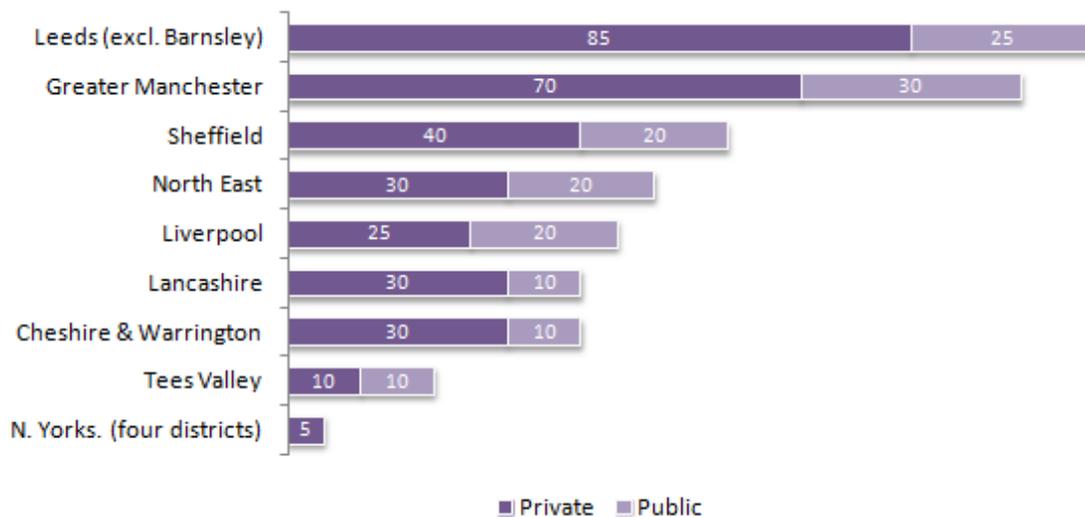
The global competition for inward investment projects is intensely fierce but the scale of benefits from successful contracts is considerable. It remains to be proven whether the north could benefit from a more joined up approach that sells the north as a whole, rather than each metro region individually. However, the relatively strong performance of Scotland, Wales and Northern Ireland suggests that the north of England could do more to get to these levels. For example, it might be advantageous for the north to have an individual team responsible for project delivery, similar to the devolved nations.

3. Centres of Industry and Learning

Industry clusters are not a new idea, but the mechanisms that build and shape successful clusters, centres of excellence and associated supply chains take a long time. Similarly, the power and impact of universities in economic growth is well documented, but the way that knowledge transfer collaborations and specialist infrastructure facilities are delivered has to keep pace with the latest technologies and trends. In the north of England, there are several examples like the AMRC in Rotherham, the Centre for Life in Newcastle and Sci-Tech Daresbury in Halton where long-term investment and support is helping centres to become world-renowned.

The north of England also has a considerable number of existing large companies that are well embedded in the region and offer valuable supply contracts to surrounding firms. Although data is not easily available at a granular level, Figure 3 presents the number of enterprises employing over 1,000 people in the north. This finds that there are up to 325 large organisations in the private sector alone and the value they provide to their local economies can be considerable in terms of relative GVA contribution and local labour markets. As such, dedicated local support and greater recognition of firms that call the north home could potentially encourage a shared spirit of growth among northern business leaders.

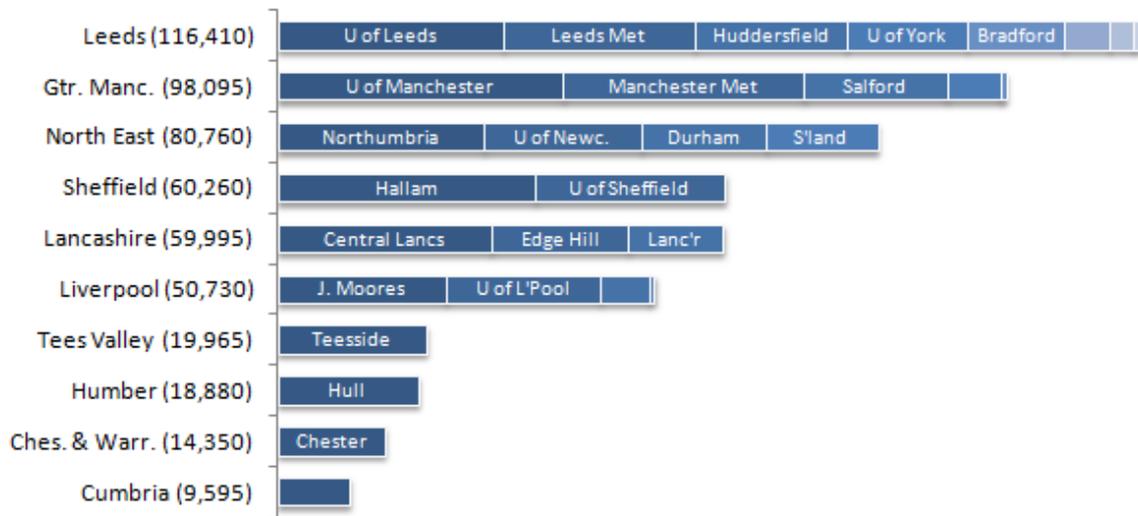
Figure 3: Enterprises Employing 1,000 or More People by LEP Region, 2013



Source: ONS, Business Count

Centres of excellence and innovation not only emerge from world class employers though, they also come from world class universities. As shown in Figure 4, higher education institutions across the north had over 500,000 higher education students enrolled in 2012/13, including many international students. The impression they take away of the north will likely influence whether they stay in the region or come back to work in the future, bringing their skills with them.

Figure 4: Number of Higher Education Students Enrolled on Courses by LEP Region, 2012/13



Source: Higher Education Statistics Authority (HESA), Students by HE Provider, 2014

4. Sustainable and Green

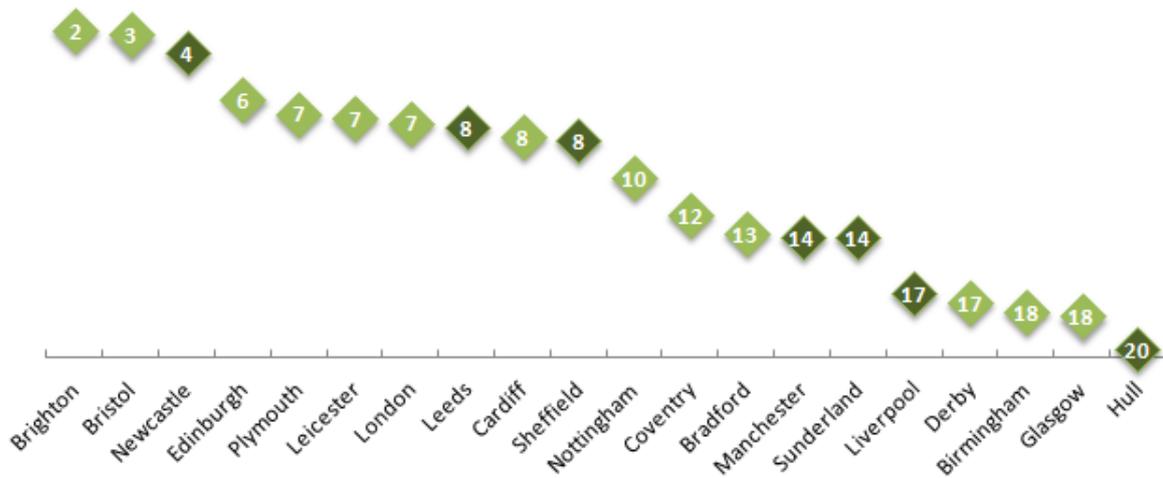
A final idea to promote growth in the north is to encourage and embrace sustainability to the extent that it becomes part of the north's identity and at a level that competes with leading sustainable cities in Europe such as Copenhagen and Amsterdam. Admittedly, this is a very broad subject to count under one heading.

There are a wide range of programmes and green investments being rolled out elsewhere related to energy reduction, green transport infrastructure, local food cooperatives and smart housing among others. Even if the north focused on two or three distinctive initiatives, delivered together they could address issues as diverse as affordable housing, supporting an aging population, energy security, environmental protection, and improving health and quality of life. There is also potential to improve links with rural and semi-rural areas at the edge of cities, not least the national parks and other natural assets that the north of England has.

Evidence is available on a wide range of datasets that relate to sustainability but there are relatively few published indices in the UK that consider multiple indicators. One example is the Sustainable Cities Index which was produced annually by Forum for the Future covering 20 UK cities between 2007 and 2010. It is split into 13 indicators across three categories of environmental performance, quality of life and future proofing.

Figure 5 lists the average ranking for each city based on the results from each of the four years. As can be seen, Newcastle is the highest ranking city in the north, followed by Leeds and Sheffield. Four other northern cities are in the bottom half of the ranking list; Manchester, Sunderland, Liverpool and Hull. It would be helpful to see how rankings have changed since 2010 and to set improvement goals for cities that have identified weaknesses in any of the indicators or scoring categories. If steps were taken to transform the north into a more sustainable economy, the northern cities ranking poorly in 2010 could be setting the highest standards for the rest of the country by 2030.

Figure 5: Sustainable Cities Index Average Ranking (1-20) between 2007 and 2010



Source: UK Sustainable Cities Index, Forum for the Future, 2007-10

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