

Northern Powerhouse Strategy: An Overview



Last week, during what was the final Autumn Statement, the Chancellor Philip Hammond re-affirmed his commitment to building a Northern Powerhouse. It may not have been with the same fervour and fanfare as his predecessor Mr Osborne, but nevertheless it will be welcomed by civic and business leaders in the north of England.

The Strategy provides an overview on actions and funding to be undertaken across five key sectors – Connectivity, Skills, Enterprise and Innovation, Trade and Investment, and Engagement, with four key aims:

- Strengthening connectivity between and within city regions
- Ensuring the north develops, attracts, and retains skilled workers
- Making the north a great place for enterprise and innovation
- Promoting trade and investment.

For more information on how the Northern Powerhouse will effect you and your organisation, or indeed how you can make an impact on the Northern Powerhouse, contact the Quatro team. With offices in Manchester, Leeds and Sheffield and a strong network of contacts in both public and private sectors, Quatro are perfectly placed to provide strategic advice on influencing this important agenda. We are passionate about the North and want to work with clients and partners to help the Northern Powerhouse ambition truly succeed. Email [Liam Ronan](#) or [Simon Collingwood](#) to find out more.



Connectivity

The government is investing £13bn over the course of this Parliament (as well as investing in HS2) to boost connectivity between Northern cities, as well as to Birmingham and London.

Citing the two hours it takes to travel the 40 miles between Manchester and Leeds via the M62, measures to boost transport links in the region include:

- The announcement of the Government's preferred route for Phase 2b of HS2, from Crewe to Manchester, and the West Midlands to Leeds
- Transformative improvements to strategic road routes, including congestion reduction measures on the Manchester M60 North West Quadrant, and dualing the A66 to improve trans-Pennine connectivity. Two junctions on the A69 will be upgraded using the pinch-point fund
- Funding for four new projects – the A1079/A164 Jocks Lodge Junction (East Riding), Tees Valley – East West connections, the Sheffield Supertram renewal, and the Warrington Waterfront Western Link.



Skills

Recognising the regional disparities in education and skills, and the difficulty that employers in the north face when attracting talent, the Government announced a raft of measures including:

Education

- Designing, testing, and funding a range of approaches to attract and retain high-quality teachers in the north
- Invest in strong multi-academy trusts and sponsors to improve schools and grow capacity in the north. Engagement will be done on a regional basis to form the planes for these areas, with more detail promised in spring 2017
- The Department for Education will work with northern city regions to explore options to improve the delivery of early years outcomes.

Skills and careers

- Mayors in the north will have control of the Adult Education Budget from 2018/19, letting local areas to have the influence they need to shape skills offerings to better meet the needs of local labour markets
- The government will work with the north to ensure that local priorities are joined up with the provision of careers advice, so it is employer led and meets local needs. This will include collaboration with the work of the Careers and Enterprise Company, and the National Careers Service
- Alongside the introduction of the Apprenticeships Levy in April 2017, the Department for Education will work with northern city regions, supporting them to work with employers and providers to develop an “ambitious, locally owned plan for promoting uptake of high quality apprenticeships”.

Making the north a great place to live and work

- The government will work with the northern city regions and other local stakeholders to develop innovative proposals for attracting skilled workers, such as Sheffield’s RISE scheme which places recent graduates from Sheffield’s universities into local SME’s
- Alongside the pledge made in the Autumn Statement to provide £1.4bn in funding to deliver an additional 40,000 housing starts by 2020-21, the government will work with Mayoral Combined Authorities to align planning powers with functional economic areas, such as supporting the development of statutory spatial plans in the Liverpool City Region and Greater Manchester
- The government recognises the importance of culture as the “medium through which regional identities are forged”, not to mention it’s importance in attracting and retaining skilled workforces. To this end, the government is providing £5m for the Great Exhibition of the North, which will be hosted in Newcastle and Gateshead in 2018, £15m for projects associated with Hull’s UK City of Culture in 2017, and £78m for a new theatre in Manchester.



Enterprise and Innovation

The strategy recognises that whilst the north is home to over 20 universities, leading centres in advanced manufacturing, energy research and health innovation, there is also fewer start-ups per year in the North's major cities than elsewhere in the country, and the North is also considerably below the UK average for the number of patents per capita.

To address this, the government will:

- Continue to invest to support Northern businesses by confirming arrangements for the £400m Northern Powerhouse Investment Fund which in collaboration with regional LEPs, the British Business Bank, the European Regional Development Fund, and the European Investment Bank, will investment in local smaller businesses, with the first investments to be made early next year
- Discuss with the Liverpool City Region and Greater Manchester to pilot approaches to 100% business rates retention from 2017
- Consult on lending local authorities up to £1bn at a new infrastructure rate of gilts plus 60 basis points for three years, to support high value for money infrastructure projects
- Take forward four Science and Innovation audits across the Leeds City Region, Liverpool City Region, the Bioeconomy of the North (led from York but encompasses the north), and Offshore Energy (involving the North East, Liverpool, Tees Valley and Humber LEPs, as well as Scottish Enterprise)
- Provide £100m of funding until 2020-12 to incentivise university collaboration in technology transfer and business liaison, including the north. The government will work with the N8 Universities (Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York) on their proposed programme on support for start and scale-up businesses in the north, with an accompanying network of "Urban Transformation Centres" which will "translate research excellence into direct action".
- Appoint Dr Christopher Sier (Newcastle University Business School) and Claire Braithwaite (Co-op Group) as Northern Powerhouse FinTech enjoys, to promote the region's output in the sector
- Continue to support the north's shale industry
- Pilot Intellectual Property Office representatives in key locations, with pilots starting in the Northern Powerhouse to "stimulate effective intellectual property commercialisation" and provide advice which catalyses local growth.



Trade and Investment

Between 2015-16 the north saw investment projects increase faster than the UK average, with 13,700 new jobs created. The government is keen to see the Northern Powerhouse as a presence on the international stage, not just the domestic. To this end, the Department for International Trade will continue leading working with stakeholders in the north of England to develop a “collaborative, unified approach to promoting the Northern Powerhouse to foreign investors”, including:

- Building an “international understanding” of the “northern offer”, with the intention of attracting more foreign direct investment projects in the region, as well as export
- Putting in place specialists in infrastructure / regeneration, based in the north
- Support overseas missions to promote the Northern Powerhouse, such as major export and investment events.