

Spotlight

THE NORTHERN POWERHOUSE: LOOKING UP

George Osborne MP / Andy Burnham MP / Andrew Percy MP



MANCHESTER
1824

The University of Manchester
Alliance Manchester Business School

The Manchester MBA

Where can we take you?

Full-time | Global Part-time | Kelley-Manchester

Facing challenges makes careers.

Take on live projects that need original solutions. Get the global perspective at our six centres. Learn to think creatively in adversity.

The Manchester MBA.
An MBA that takes you places.

www.mbs.ac.uk/mba



Dubai . Hong Kong . Manchester
São Paulo . Shanghai . Singapore

Original Thinking Applied

The birthplace of the future



More than any other region of any other country, the north of England can claim to have invented the modern world. This is the region that gave us, amongst other things, steel, canals, railways, light bulbs, nuclear power, the Pill, football, pop music, IVF, the jet engine and the computer.

But while the North exemplifies the British values of intelligence, individuality and ingenuity, it also exemplifies the British talent for leaving it to others to turn those things into prosperity. The North may have led the way as the seat of the world's first industrial revolution, but its traditional industrial centres were also among the first to go when globalisation began to change the world. At the same time that traditional industries such as shipbuilding and mining were swept away, the deregulation of the City elevated London to a pre-eminent centre of global finance, and the balance of the British economy tipped dramatically towards the south.

It would be a mistake, however, to think that northern ingenuity has run its course. In Manchester, new materials are being created that could be as important to the engineering of the future as the Bessemer process was to the Victorian age. In northern universities, the grand questions that will face the populations of the next century – questions concerning food supply, ageing and the development of cities – are being answered in an unprecedented programme of collaborative research. It is very much in the interest of the country – and indeed the world – to support and develop the north of England, because it is entirely likely that it will be in the North that the future is invented once more.

NewStatesman

2nd Floor
71-73 Carter Lane
London EC4V 5EQ
Tel 020 7936 6400
Subscription
inquiries:
Stephen Brasher
sbrasher@
newstatesman.co.uk
0800 731 8496

Special Projects Editor
Will Dunn
Special Projects Writer
Rohan Banerjee
Design and Production
Leon Parks

Commercial Director
Peter Coombs
+44 (0)20 3096 2268
Account Director
Laura Alderson
+44 (0)20 3096 5778

The paper in this magazine originates from timber that is sourced from sustainable forests, responsibly managed to strict environmental, social and economic standards. The manufacturing mills have both FSC and PEFC certification and also ISO9001 and ISO14001 accreditation.

First published as a supplement to the *New Statesman* of 3 March 2017. © New Statesman Ltd. All rights reserved. Registered as a newspaper in the UK and US.

This supplement and other policy reports can be downloaded from the NS website at: newstatesman.com/page/supplements

4 / George Osborne MP

The former Chancellor and architect of the Northern Powerhouse on his commitment to the policy

8 / Andy Burnham MP

Labour's candidate for Mayor of Manchester on how the North will help remake his party

14 / Andrew Percy MP

The Northern Powerhouse Minister on the new investment fund for the North

16 / New media in the North

Why digital media companies are choosing Newcastle and Manchester over London

22 / Prof. Koen Lamberts

The Chair of the N8 Research Partnership on the power of collective research

26 / Julie Elliott MP

The MP for Sunderland Central on the North's 'cultural capital'

Making good on the promise of a powerhouse



The architect of the Northern Powerhouse policy and Chair of the recently established Northern Powerhouse Partnership, George Osborne, tells Will Dunn he remains committed to his vision for the North

One of the chairs in George Osborne's office has money on it. Not a lot of money – it looks to be about £2.30 – but the sight of it stops us before we sit down. “Must have fallen out of someone's pocket,” says Osborne before, ever the taxman, he scoops up the coins and transfers them to a nearby table. It is very difficult to watch the man who was, until June, in charge of the world's fourth-largest economy fiddling with two quid in coins without observing that the former Chancellor has been forced, just lately, to deal with a spectacular amount of change.

“When I left Downing Street in July,” he says, “I had a choice about what I wanted to do with my political energy. Of all the initiatives that I did in government, I don't think anything has caught on and developed a life of its own as much as the Northern Powerhouse.”

Osborne is a northern MP, of course, albeit for a constituency in which former members of the Bullingdon Club are likely to feel at home. A Barclays survey in 2003 found that Tatton was the wealthiest area in England in terms of disposable income. The constituency's

largest town, Wilmslow, has the UK's busiest Aston Martin dealership and more millionaires per capita than anywhere in the UK outside of Mayfair. Alderley Edge has an average house price of £589,000. On the other side of the Peak District is Barnsley, where the average house price is £126,000.

“It's a very comfortable part of the world,” Osborne concedes, “because people are in work, and the area is on the up, and there is a beautiful natural environment around it. It's an interesting community, because there's also a constant pressure on things like housing, making sure people can afford to live in the area they grew up in. There are serious pockets of deprivation in the constituency. In many ways, I think it's very representative of Middle Britain.”

But does Tatton represent the North?

“The North is not one homogenous community. You can go from the wildest, remotest countryside, the Yorkshire Dales and the North Yorkshire Moors, to deprived inner-city communities in Liverpool, to some of the most successful manufacturing centres and financial centres in Britain,



“There is not a unique disadvantage in the North. But there is a unique opportunity”

whether it's hedge funds in Leeds or aerospace factories in Lancashire. The North is not different from any other part of the country, except that it does have a shared feeling that it is the north of England, a shared geographic identity, and a shared connection to an industrial past. And I think, a shared sense that sometimes it has been neglected, and London dominates - that feeling, by the way, you would get in other parts of Britain as well, but it's one of the things I'm trying to address.”

Are there not more important divisions in British society than north and south? The gap between rich and poor increased dramatically under both Labour and Conservative governments, with incomes rising by 64 per cent for the top fifth of earners while the bottom fifth lost 57 per cent. The intergenerational gap, too, is becoming a chasm; now, for the first time in British history, a pension pays more than a job.

Osborne says it is “a trap... to say that there are no really serious geographic differences in Britain, [that] it's all between deprived communities and better-off communities. I think then, you miss a broader point, which is, in the modern global economy, very big cities are becoming absolutely dominant. That's not necessarily what you would have expected. You might have thought that the internet and the ability to work from home, cities would become less important. That's not the evidence - all around the world, growth is clustering around big cities. People want to be together, spark off each other, create innovation together. And Britain only has one global city - London. It is probably the most successful of all the global cities, and I think it's of enormous benefit to the whole country that, located on these islands is this great global city, but it does create quite an imbalance in the economy, which obviously has been growing over the decades.”

“I just think that in the north of England there is a particular opportunity, because you have a series of quite small, similar-sized cities, all within a few

dozen miles of each other, broadly speaking. Better connect them together, and you could create something like the cluster effect you get in London. That would lift all communities. That would help the poorest, as well as the richest, and bring jobs and investment and prosperity to the area. So, it's not that there's a unique disadvantage in the North. But there is a unique opportunity.”

The opportunity Osborne describes can be summed up as ‘agglomeration’, or the sticking-together of small cities with good links - transport links, but also connections in trade, culture, education and more - to create a unified area. Some policymakers point to the Randstad in the Netherlands, a megalopolis that agglomerates Amsterdam, Rotterdam, Utrecht and the Hague, as an example of how this might work.

Osborne says the opportunity exists “because you've got these cities, like Liverpool, Manchester, Leeds and Sheffield, which are quite close to each other. To take an example I use, the Central Line in London is longer than the gap between Manchester and Leeds.”

Actually, this isn't true. An end-to-end Central Line journey covers 54.9km; Manchester and Leeds are 57km apart as the crow flies, or 69km by road. A fast direct TransPennine Express train between the two cities takes 49mins, while the Central Line journey takes 1hr 23mins.

“Millions of people use the Central Line every day, to make journeys across this capital. People think nothing of commuting in from Reading or Guildford,” states Osborne, although it is unclear if he has asked the commuters that use London's packed and creaking rush-hour trains if they really do think nothing of their long, uncomfortable and expensive journeys. “You just don't get that kind of movement of people between the cities of the North. They're all quite insular, or they have been.”

This commitment to better transport is exemplified in the megaproject that Osborne, as Chancellor, signed off: HS2.

But HS2 – or at least its first phase – connects the North to London, not to itself. Would all those tens of billions (the current projected cost is £56bn) not be better spent on the east-west connections between northern cities?

Osborne describes this as “a nonsense argument. Obviously, you can’t grow and be successful by deliberately isolating yourself from the rest of the country. So I am all for the fastest possible links with Birmingham, London and beyond, and I think HS2 is going to be an enormous investment in the north of England. The biggest, in fact, since the Victorian age. But it is incomplete without the link across the Pennines, without the east-west connection. I don’t see them as in any way in contradiction, they complement each other.

With a north-south link, says Osborne, “A big international business might think ‘we don’t have to have to have our headquarters in London, we can have our headquarters in Manchester. There’s a great pool of talent there, the property is cheaper, the standard of living can be higher for the same salary, and if we base there we’re not cut off from anywhere, we can travel quickly around the country.’ At the moment, there’s been a great success in east London with tech startups, but it’s expensive, this city. As a result, some tech businesses that can’t afford the rents in east London are saying they will set up in Berlin, or Lisbon. I’m all for Europe doing well, but we want them to be thinking of setting up in Manchester and Leeds. And now, there is a nascent tech community in both cities, but I think that is helped by having faster connections with the south and the midlands, not hindered.

“And, by the way, if you cancelled HS2, it’s not like you could start building HS3 tomorrow. It takes many years to get planning permission, judicial review, and for everyone to have their chance of express a view in consultation.”

Is the money still there for these grand projects? Can their budgets be guaranteed in the uncertain years ahead?

“The big infrastructure projects - of

course they are expensive, but in the scheme of the Treasury’s overall budget, they are not that expensive. Even HS2, a very big project with a very large price tag – that is money to be spent over 30 years. In any one year, the budget for HS2 is just a tiny fraction of the government’s overall budget. As Chancellor of the Exchequer, I never found that the problem of the big infrastructure projects was a lack of money. It was a lack of projects. I gave the go-ahead to Crossrail and I gave the go-ahead to HS2. But in the case of Crossrail, that had been announced at the Conservative Party conference in 1988.”

Osborne says transport is just one of the “three ingredients” that were identified as necessary to building a Northern Powerhouse. “Second was to invest in the excellence that’s there – the science, the research and the creative industries there. We’ve put money into the graphene centre in Manchester and the life sciences centre in Newcastle.

Osborne is particularly optimistic in this area, having observed the North’s ingenuity and resilience at close quarters. “There was a big science facility in my constituency at a place called Alderley Park, where AstraZeneca employed 5,500 research chemists. In many ways, an example of the kind of very big company sites that used to exist, not just in pharmaceuticals but in other industries. I remember the day when they called up and said that they were

HS2 is “the biggest investment in the North since the Victorian age”

closing it. It was a massive blow. It felt like one of the great jewels in the crown of northern science, and people travelled from a long way to go and work there. But now, only three or four years later, there are dozens of life sciences businesses – it was turned into a science park, and there are lots of little startup businesses, and there are going to be more people employed on that site than when there was one single big-pharma company. So you don’t have to look backwards, you can look forwards.”

The third ingredient in Osborne’s plan, and perhaps the factor able to make the most immediate difference, “was civic power. None of these cities had elected mayors for the whole city area. Liverpool had just chosen to have an elected mayor, but unlike London, Paris and New York, they didn’t have elected mayors. And I thought without that, you would lack the power in the powerhouse.”

It’s easy to imagine Osborne’s plan to hand devolved power to the cities of the North causing concern in his party; Liverpool, Manchester, Sheffield and others may well elect Labour mayors. He says a bipartisan effort is exactly what is needed. “This is not about the advantage or disadvantage of the Conservative or Labour parties. This is a genuine collaborative effort.”

“The great thing about these mayoral contests,” he adds “is ... we’ll see. In London, we’ve had a Labour Mayor, a Conservative mayor and an independent mayor. All in a city that I was told, at every election, was a Labour city, that would only ever elect a Labour mayor. I would not take any of these contests for granted.”

He reaffirms, however, that this is not a Conservative project, a Labour project, nor even a George Osborne project. “If it’s solely dependent on one person’s career, or one government, or whoever happens to be in Downing Street, the Northern Powerhouse is not going to thrive and survive. Whereas if it’s owned by the North itself, as a vision of what we can achieve in the North, then it will be a great success.”

The North's gateway to the world

In the bid for better international connectivity, the Humber has a key role to play, says Associated British Ports' Dafydd Williams

ABP operates 21 ports around Britain, handling almost 100 million tonnes of cargo every year. ABP's ports include four bordering the Humber estuary: Immingham, Grimsby, Hull and Goole. The Humber is the UK's busiest trading estuary, with around 30,000 vessel movements every year. ABP's ports are a key part of this trade, handling in excess of £75 billion's worth of goods annually. Our ports support local industry and manufacturing and provide businesses in the North with essential access to international markets.

Together with our customers, our ports support 33,000 jobs and contribute £2.2bn to the UK economy every year. The Humber is home to the Port of Immingham, the UK's largest port by tonnage and a vital part of the energy supply chain.

In Hull, we are at the forefront of the renewable energy sector. The Green Port Hull project with Siemens is transforming existing port infrastructure into a world-class advanced manufacturing facility, securing the Humber's role as the nation's energy estuary.

The Port of Grimsby, now home to global energy firms Dong and Centrica, is the UK's number one centre for supporting offshore wind maintenance and operations. The Port's continued renaissance has been supported by a programme of major investment. The £25 m Grimsby River Terminal massively enhanced the port's car handling capability and international connectivity. ABP is committed to working with customers to ensure that that success can continue, delivering

investment that will enable the port to continue to grow and thrive in the years ahead. Goole, meanwhile, is the UK's most inland port and a major logistics centre connected by sea, road, rail and barge.

The ports on the Humber are fundamentally important to the North's economy and to the success of the Northern Powerhouse. As the North's leading gateway to Europe and beyond, ABP's Humber ports have a major role to play. Ports on the Humber offer northern industry and manufacturers unparalleled access to international markets, supporting growth in trade and exports.

As a port region, the Humber is also primed to meet the economic agenda laid out by Transport for the North: focussing on offshore and renewable energy and advanced manufacturing. Indeed, ABP's ports on the Humber offer ideal locations to attract further investment in new manufacturing thanks to areas of development land with excellent marine, road and rail access.

Building a strong northern economy is now more important than ever following the UK's decision to leave the European Union. Brexit presents a number of opportunities, as well as challenges, and ABP is focussed on making sure that the North benefits from those opportunities. That's why we will continue to invest in new port facilities and infrastructure on behalf of our customers, helping their businesses to grow. For many of our customers, it is very much business as usual, with cargo to move and ships to operate, not to mention a world-class wind turbine manufacturing facility to be commissioned.

The government's Industrial Strategy will also have a critical role to play in the future Northern Powerhouse. Promoting trade and increasing exports must be a central objective of that plan. A transformative strategy will depend on working with government to make sure that policy across a wide range of areas – from education to transport – is aligned to doing so. The Northern Powerhouse can take the lead in helping to shape this approach.

IN ASSOCIATION WITH



As Labour's candidate in the upcoming Manchester mayoral election, **Andy Burnham** may soon join Sadiq Khan as an opposition politician wielding very real power. He tells Will Dunn about his plans for the revitalisation of Labour in the North

“Change has often come from outside Westminster”



Andy Burnham's campaign for Labour leader was based around a promise to “rediscover the beating heart of Labour” – to recapture the working-class voters that the party had lost so catastrophically in the run-up to 2015. Would he really have found that heart, had he won the leadership contest, in Westminster?

“When I ran,” says Burnham, “I got large amounts of mickey-taking for talking about the Westminster bubble, and taking Labour out of the Westminster bubble. I still believe that to be an essential mission that we've got to achieve. Could I have done that as leader?”

“Looking around the world, more change is coming through cities now than through national governments,” he reflects. “Change has often come from

outside Westminster.”

Burnham's enthusiasm for a more federal politics is, of course, partly due to the fact that he is once more the starting favourite in another crucial Labour race: the Manchester mayoral election, which takes place at the beginning of May. But the politics of the North, and of Manchester in particular, are very much Burnham's area of expertise. He has held Leigh, in Greater Manchester, in four elections, but he has not escaped the erosion of the working-class vote. When he was first elected in 2001, Ukip fielded its first candidate, garnering just 750 votes. By 2015, Ukip had 20 per cent of the vote in Leigh.

“Leigh has always welcomed people from around the world, and has a strong sense of community, a strong sense of solidarity, and all of that still exists



today. But, like many northern towns, it feels as though the powers that be in London haven't helped it. They don't see it, they don't think about Leigh when they're making national policies. I think people have a strong sense of unfairness, and a north-south divide. Beyond the immediate concerns about Europe and immigration, what lay behind the referendum result was a much deeper sense of abandonment that I think places like Leigh feel."

Burnham speaks of "the sense that no government has really helped a place like Leigh deal with the enormity of the loss of traditional industry. There was profound social change when traditional industry left, and there was a feeling that Leigh didn't get any help at that point."

Is the devolution of power to metropolitan mayors, then, the route

by which Labour wins its heartland back from UKIP?

"It could be. That's part of the answer. We live in a country that's highly centralised, and in that highly centralised system the London perspective dominates. We don't have a political system that is able to deal with the complexity of life across the country. Labour has been too slow to realise that. We're too London-centric ourselves, and have been for too long. Elsewhere in Britain, you can see how devolution has allowed a political culture to reinvigorate itself. Labour has embraced devolution in Wales very successfully, and is stronger there as a result. In London, we lost power and have come back, and again, we have a stronger and more vibrant political culture there through devolution. I think Labour made a big

mistake in Scotland; when Donald Dewar died, nobody picked up that flame, and devolution was left to be built by others. That was a real mistake. So the evidence is that devolution can help rebuild a more vibrant and connected political culture, and that's Labour's challenge in the North now."

To aid his campaign to recapture the North, Burnham says he is talking to "Members of the public, campaign groups, voluntary groups, community groups" – "anybody, really" – to find out what matters to Manchester.

"Transport routinely comes out right at the top. Greater Manchester is becoming more and more congested. The feeling is that the transport system just doesn't work. It isn't integrated, there's no ticketing system as exists in London. Bus deregulation has been a disaster - it's led to high fares, poor-quality services, oversupply on certain lucrative routes and then nothing in the more isolated areas. Metrolink has been good, as far as it's gone, but it doesn't go everywhere, and cycling is some way behind the rest of the country. There is something real we can do; the Bus Services Bill is about to go through the Commons. That will give the Mayor very real powers over the bus network, so there is an area where there will be real change."

London's bus routes are franchised, meaning the mayor decides the routes and companies bid for the contracts to serve them. This system has long been the envy of other cities, in which deregulated bus companies serve the routes that best suit their business model. Burnham says he is "minded to say that franchising is what we need," but as a business-friendly Labour he will not immediately pull up the drawbridge on the bus companies. "I will have a conversation with the bus companies to explore all options, and to see what can deliver most for the public. I'm prepared to have a proper conversation with them, and I'll do that straight away, but I want to see quick progress on the quality of bus services in Greater Manchester."

Housing, he says, is next on the list.

“We can’t have a London-centric Brexit”

Burnham is particularly worried about “people’s ability to access the housing ladder,” especially young first-time buyers. “We need to think more about how we actively keep graduates” – many of whom study in Manchester, but then leave for jobs in London – “in our city, and our city region. Maybe there are things we can do with our housing policy that might achieve that - if we were to build more rent-to-own properties, for instance.”

At the same time, this is one area in which Manchester must actually avoid becoming like London. “Greater Manchester does need a plan for growth - quality jobs, in the sectors we want to develop - but at the same time, we’ve got to match that with a plan for homes.” Without a considered approach to where people live, jobs and investment in Manchester could lead to the spiralling property prices that have left the capital people by renter-commuters. Burnham is keen to start planning ways around this. “I want to see higher-density residential developments in our outlying town centres, for instance.”

In fact, Burnham is in agreement with George Osborne that it is not the city centres of the North that need to be revitalised so much as the surrounding areas. “What we’ve got at the moment is a feeling that we’ve got a dynamic city centre but that it is surrounded by quite dormant and struggling towns. I think the next stage of our development as a city region is to transform those outlying places as high-quality places to live. If you replace some of the redundant retail space with more high-density residential development, you link development to public transport, and you make them more affordable - and you make them great places to live, with the right cultural attractions at the heart of these places - then these will be places where people will want to be. And that’s Greater Manchester’s next 20 years, I think - applying the same ambition that we’ve applied to the city centre to the outlying areas.”

Burnham, who voted Remain in the EU referendum, is concerned about

the impact of Brexit on the northern economy, but he says devolution will be crucial to defending balance. “I’m concerned about what it might mean for the North and for manufacturing companies. But I am one of those who feels that you do have to respect the democratic decision and apply our minds now to make the best of it – and to take advantage, where it might exist. And I think there might be some advantage to be gained from casting a new relationship with manufacturing industry.

“That’s why the Brexit negotiations are fundamental to the North. We can’t have a London-centric Brexit. Because if we do, if the government goes to Brussels and says the interests of the City of London are the thing we’re most protecting, it could be manufacturing industry in the North that suffers. So, there needs to be openness and transparency about all of this. We need to respond to people’s concerns about free movement, but in a way that doesn’t cut off our access to the market, and doesn’t lose jobs across the North. A London-centric Brexit is potentially the worst of all worlds.”

Our interview takes place just before two by-elections – Stoke and Copeland – in which Labour will narrowly scrape a victory and lose a Northern seat that had been safe since 1935. “I don’t think the by-elections alone change the fundamental task of Labour revitalising itself in the north of England,” says Burnham. “Westminster by-elections are not going to be the route by which that happens. I came into politics to close the north-south divide. If there’s one thing that’s been constant throughout my political career, it’s my arguments around this whole area. It will be done now, in my view, by embracing devolution. So if we win or lose, in the end they wouldn’t fundamentally solve a bigger process of reconnection.

“I am embarked now on a very serious, deep and long process of rethinking Labour in the North. By-elections are important, but the challenge goes beyond that.”

Protecting the Powerhouse

Sub-par cyber security is stalling the North's progress, warns Forfusion's Sean Ball

From Donald Trump to TalkTalk, barely a week seems to go by without a major cyber security incident being reported in the news. And these are only the ones that we hear about. What about the ones no one knows have even taken place?

A year ago, I argued in the *New Statesman's* first Northern Powerhouse special report that smarter working habits were needed for the Northern Powerhouse to flourish. This is because the world is going through what many commentators describe as the advent of the fourth industrial revolution.

The fourth industrial revolution

Exponential digitisation of assets, processes and utilities is increasingly transforming the notion of work. The growth in connectivity of smart devices, cloud services and collaboration tools mean that the ability to work is no longer confined to time and geography. And that opens up huge opportunities for northern cities.

However, these increased opportunities have also increased the threats from those that wish to pillage, plunder and exploit. Worryingly, Newcastle tops the national table for cyber security problems. According to Censuswide, more than 93 per cent of businesses in Newcastle and the surrounding areas with over 200 employees suffered a data breach in the last year.

Last year will be remembered for a lot of (mostly bad) things. One of those is the explosive growth of a particular type of attack known as ransomware – the

denial of digital services held for a financial ransom.

Some sources report that ransomware attacks increased three-fold in 2016, with one in five businesses affected worldwide. In fact, during the third quarter of the 2016, there were 32,091 new ransomware variations, compared to only 2,900 during the first quarter.

The genius of ransomware is that it monetises assets that, in most cases, are only valuable to the victim. The most painful aspect of these attacks is that not all hackers play fair. Often, even after the victim has paid the ransom, their data and assets are never retrieved.

The evolution of risk

Headquartered in the North-East, Forfusion is typically invited in by organisations that are worried about risk. Risks associated with ageing IT systems, risks of not having efficient and scalable tools to attract and retain top talent, risks of providing sub-standard customer experience. Essentially, it is the risk of being left behind.

These days, the risks facing organisations of all shapes and sizes are much more direct – the risk of being targeted and compromised by cyber attacks. There are currently 15bn connected devices in the world today – this has increased by 50 per cent from 2015.

By 2030, there could be around 500bn. Whilst this increased digitisation could add up to \$19trln to the global economy over the next decade, many commentators predict that in turn the global cyber crime market could be worth between \$450bn and \$1trln.

It's clear that as working habits become smarter, cyber security habits must become even smarter if the Northern Powerhouse is to continue to thrive. This is why Forfusion is offering organisations a free cyber security Threat Scan Report.

For more information please visit:

www.forfusion.com/security

Or call on 0191 500 9100

IN ASSOCIATION WITH



How can the Northern Powerhouse stay a priority for government under budget pressures?

By **Nuno Gil**, professor of New Infrastructure Development and **Graham Winch**, professor of Project Management, at Alliance Manchester Business School

IN ASSOCIATION WITH



It is widely accepted that there is a need to boost inter-city connectivity in order to boost the Northern Powerhouse vision but the question is: how do we finance the capital cost up front? Economic research shows that well-planned investment in capital-intensive infrastructure generally pays for itself. In a period of very low interest rates, the economic growth stimulated by such investment provides a large enough return on the borrowing required to more than pay it back, thereby reducing overall national debt.

This counter-intuitive result – that borrowing reduces debt over the longer-term – derives from two powerful benefits. First, from the growth generated by the capital investment itself as it stimulates



activity which multiplies through the economy; and second, from the growth enabled by the greater supply of the infrastructure services.

However, increased pressures on the government during Brexit negotiations and global and domestic economic uncertainty are likely to put further strain on the government budget and its priorities for public spending. These strains will be exacerbated by pressing problems such as preparing the country for climate change, coping with spiralling health care costs, and growing pension liabilities. This combined with a limited budget for the Department of Transport, which will be under more stress once the first phase of the HS2 bill is approved in Parliament, results in the Northern Powerhouse project competing with



multiple spending priorities. At the same time, the importance of infrastructure investment within the current green paper consultation on Industrial Strategy opens up new opportunities to make the Northern Powerhouse's case.

Within transport, the Northern Powerhouse will be competing directly with vociferous calls for further investment in London transport systems, such as the multi-billion pound Crossrail 2. The question, therefore, is how can the Northern Powerhouse gain more attention and commitment from central government?

This gets us into the realm of democratic politics. Politics is a difficult game rich in covert action, restricted information flows, log-rolling and trading favours. The fact that the idea

for building HS3 only gained traction when London increased the heat on government to commit to Crossrail 2 is a case in point. But the political reality is difficult to comment on if you are not an insider. Still, we know that solid evidence always helps to win an argument in a robust pluralistic setting, or at least to constrain the space of legitimate strategic choices.

One challenge for the Northern Powerhouse revolves around producing coordinated evidence that investing in the North should be prioritised relative to other investment opportunities elsewhere, or at least investment in the North should be framed as a quid pro quo relative to commitments to invest elsewhere which deliver equivalent returns.

Robust evidence is, however, not

free. Hence the critical point is to ensure that the governance of the Northern Powerhouse encourages the cities to pool resources including time, cash, effort and attention, in order to make compelling cases for this need to improve inter-city connectivity. This is not a trivial ask as most cities are cash-strapped and under pressure to meet demands from their constituencies.

When the aim of the Northern Powerhouse project is to transform the North into a collective power, it seems unrealistic to talk about further centralising authority for the project to resolve the problems of cooperation and coordination between the cities. By design, the Northern Powerhouse is perforce linked to a complicated polycentric governance structure where cities will retain significant decision-making autonomy, but still agree to cooperate in some areas whilst competing in other areas. Thus the Northern Powerhouse is rooted in inter-city 'co-opetition'.

Yet the case of the Greater Manchester Combined Authority suggests the North already has a solid tradition to operate effectively within polycentric governance structures. Furthermore, the Core Cities Group and its enthusiastic support for the Northern Powerhouse narrative, show that inter-city polycentric governance is a realistic dream, and this gives us reasons to be optimistic.

The real challenge is not to convince people in the North that being more inter-connected will be valuable for everyone. We are already convinced. The challenge lies in creating governance structures that will encourage cash-strapped cities to voluntarily deploy locally-controlled resources into common pools which can be leveraged to make compelling and evidence-based claims for more resources from central government to the collective North. Structures are designed by leaders. So ultimately, this is a collective leadership challenge for the North.

Supporting small businesses in the North

Minister for the Northern Powerhouse
Andrew Percy unveils a new investment fund to support growth in the northern economy



The north of England has a proud history. Our unique culture is matched by an industrial heritage which is the envy of the world. We're home to more than 16 million people, 1m businesses and four of the world's top universities. If we were a country our economy would be one of the largest in Europe, and in the last year alone we created 70,000 jobs, while investment from abroad shot up by a quarter.

This success belongs to northerners, but the government has played its part. In 2014, we launched our ambition to create a Northern Powerhouse, and we've backed our ideas with cash. £3.4 billion has been pumped into the northern economy, and big investments in local businesses and infrastructure are being matched by global giants like Hitachi and Rolls Royce.

And yet we know the North could do much better. Many people feel left behind. They see a country with new jobs and economic growth, but it seems to have passed them by. For decades the rich talent of the North has struggled to meet its potential while London has become one of the great global cities. As a result, growth has lagged behind other areas of the country, and this hurts everyone.

That's why pride in our achievements must be matched by a plan for the future. Last autumn we set our plans in a new strategy for the Northern Powerhouse. The aim is simple – to fire up the northern economy so it reaches its potential and create a country that works for everyone. We'll build on past progress to encourage a thriving

private sector and train highly skilled workers who can make the most of the opportunities on offer.

Last month we announced a further £500m through our Local Growth Fund to back businesses right across the North and boost economic growth. But we know that many small businesses are continuing to struggle with access to finance. Without adequate finance smaller businesses can't buy that second workshop, or start exporting their products, or hire new staff. In short: they can't grow.

Helping businesses start and grow is one of the pillars of our Industrial Strategy, and that's why the government has decided to intervene through the Northern Powerhouse Investment Fund. We're making more than £400m available to provide a mixture of finance options to small and medium-sized businesses in the North, whether they're the latest start-up or an established family firm.

The fund – along with an extra £100m for the North-East – is the result of a unique partnership between the British Business Bank, European Regional Development Fund, and 10 Local Enterprise Partnerships (LEPs) in the North-West, Yorkshire and the Humber, and the Tees Valley. It's the first time such a range of partners have come together to pool their resources in a single fund for smaller businesses.

The fund is a huge vote of confidence in the Northern Powerhouse on the cusp of the greatest transfer of powers from Westminster in a generation. On 4 May people in Tees Valley, Greater Manchester and Liverpool City regions will have the power to vote for a new Mayor to represent their interests. This is a golden opportunity for northern business owners to make their voices heard and shape the future development of the Northern Powerhouse, so our proud past is matched by an even brighter future. *Andrew Percy was appointed Minister for the Northern Powerhouse at the Department for Communities and Local Government on 17 July 2016.*

Beyond the ring road and braving a brand new world

A changing global political landscape will add fuel to the fire of the Northern Powerhouse, writes **Michael Buckworth**, managing director at Buckworths

IN ASSOCIATION WITH



BUCKWORTHS

What a difference an election can make. What a difference two elections can make.

It's time to forget everything you've learned about the Northern Powerhouse and start all over again. A major paradigm shift is required. Donald Trump's rise to the United States' presidency and Brexit have changed the programme.

And it's all for the better.

The concept of rebalancing the economy between the North and South of England now seems twee. A new railway line? A new local mayor or two? Too narrow thinking. Not ambitious enough. Those were always the criticisms of the Northern Powerhouse from its detractors, ever since the policy was launched by former Chancellor George Osborne in the summer of 2014.

Now, however, it's easy to see that the political events of 2016 – and indeed the start of 2017 – have emboldened the agenda for northern development.

On the cusp

We're on the cusp of a major global rebalancing act that the economies of the Northern Powerhouse are probably in the best place in the world to take advantage of. The North, Manchester in particular, is now perfectly placed to seize the advantage over the existing, steady and tentative momentum to attract and retain investment, talent and new disruptive ways of doing business on a global scale.

It's not just the jobs and companies we already have operating in the region

that will capitalise. The truly exciting thing from our point of view, as a law firm specialising in disruptive technology companies, is the companies that don't even exist yet.

Investment in infrastructure is vital for the long-term success of the Northern Powerhouse; and current Chancellor Philip Hammond's £1.8bn pledge in the Local Growth Fund is reassuring on this front. I firmly predict there will be a tidal wave of international venture capital investment in the sector.

The special relationship

Let's make no bones about it; we can't ignore the impact of Donald Trump's victory across the pond. A good trade deal with the US is critical for the entire UK economy, not just the Northern Powerhouse.

The Northern Powerhouse is not just an 'English thing' now. There has to be some role for it to play during the negotiation of a free trade deal – after all it's one of the government's flagship economic policies.

The past was yours but the future's mine

We predict we're going to see more digital start-ups in the Northern Powerhouse regions than anywhere else in Europe before the end of 2020. That is the principle reason as to why I launched my law firm in Manchester.

Ian Brown, singer of legendary Manchester band The Stone Roses, entered the stage at Blackpool Empress Ballroom in 1990, spinning a giant inflatable globe yelling: "Manchester in the area. We're international, we're continental. Hello."

It's that attitude that's been ingrained in the North, and one that shows Manchester, more so than anywhere else, has the clout to make the message heard outside the M60 ring road and all over the world.

Buckworths is a leading boutique law firm advising high-growth businesses from start-ups to medium-sized companies. Visit www.buckworths.com or call the London (020 7952 1723) or Manchester (0161 457 1125) office.

Local media with a global audience



WhatCulture managing editor Adam Clery, UNILAD co-founder Sam Bentley and other creative professionals talk to Rohan Banerjee about being based outside the capital

WhatCulture, established in 2006 as a film news and views website, has since evolved into one of the most-visited online destinations in the UK. It has become a conversation hub for film, TV, gaming, music, history and technology, while even branching out into pro-wrestling. WhatCulture's multimedia umbrella can boast 10 million unique users per month, by means of YouTube videos, articles and podcasts. It also publishes its own books and magazines and sells a line of clothing and novelty merchandise. Its rate of hits and clicks can rival any national media outlet and even the least pronounced of its four YouTube channels, gaming, has at the time of writing, 396,301 subscribers; which is 108,437 more than *The Guardian*. Perhaps most impressive of all, however, is that WhatCulture's head office is on the Quayside in Gateshead.

Managing editor Adam Clery, one of several North-East natives on the senior management staff, explains that this location is very much a purposeful decision. "At the core of it, it's because

we are a company run by Geordies. They've (senior staff) settled here, they've got ties here, season tickets (at St James' Park), and you know how hard it is to pull yourself away from that." But sentiment and football, surely, can't be foundation for WhatCulture's business, can it? "Ultimately, there's nothing that we do that would really be improved by being in London." Clery doesn't think his answer should raise as many eyebrows as it does. "I've always been of the opinion that if you're predominantly based online then your competitor is everything, regardless of your content. It's about trying to be the website where people spend their time on the internet – you could even say that eBay are competitors for us. There's not really a lot of loyalty per se; people will go where the content or articles that they're interested in are and you've just got to adapt to that."

WhatCulture did, for a time, have a London branch in Angel, but found it to be ineffective both in terms of cost and content creation. Clery continues: "We did have an office down there, but

WhatCulture's Gateshead office is fitted with a green screen room for filming the company's YouTube Top 10s, features and interviews



we decided to get rid of it because it just wasn't working out. We had about six people on our books who were based down there and we wanted some office space for them, but for a tiny place the cost was just so high. When we decided we wanted to really to commit to video, they were filming down there, usually at home, because we didn't have a studio in London, and it was being sent up to get edited. Eventually we just felt it was better to have everyone in one place so it was more coordinated and we could actually afford our own room with a green screen up here."

Do you think that leaving London surrendered some opportunities? "In terms of going to film premieres, maybe. But you've got to think about it in terms of traffic. Reporting the news, after the event, from the scene or whatever, was all well and good, but we'd be able to get more traction from publishing an article about a film a couple of days later like here's '10 things you didn't know about it' or something. Usually, that would do 10 times as well, with more research,

more original content and people would be more into that than just a basic report."

WhatCulture currently employs "around 30 staff in the office" with a further "50 to 60 freelance writers" on retainer contracts, as well as maintaining its revenue-share roots with hundreds of community posts. Clery, who proudly points out a strong working relationship with local universities, believes the company is at the heart of the North-East's creative scene. "As was the case when we first started, we've used WhatCulture as a way offering young writers a platform, somewhere to get portfolio. The likes of Newcastle, Sunderland and Northumbria universities usually encourage their media students to apply for us."

If WhatCulture expands, as is expected, especially within its pro-wrestling arm WCPW, does that mean there will be more opportunities going for North-East's young media hopefuls? "I would certainly hope so. Any expansion is definitely going to

have the interests of the North-East in mind." Realistically, can WhatCulture tap into the same graduate market as its London counterparts? Geordie bias notwithstanding, can the company offer comparable salary-life package? "Certainly at the higher end of the staff writers, I would say that we could offer a competitive salary. We know we've got writers and presenters who could easily slot into a London magazine or channel, but we've retained them. Here, they have the freedom to create the content they want, that perhaps they wouldn't get to down south."

WhatCulture, though, is not the only multimedia behemoth with a base outside of the capital. Sam Bentley, co-founder of viral online news and video publisher UNILAD, has just been included in *Forbes'* 30 under 30 list for 2017. The brainchild of Bentley and partner Liam Harrington reaches a global audience of 1 billion viewers each week through videos, has over 26m fans and is the most engaged Facebook page in the world.

Of UNILAD's origins, Bentley says: "In the early days of UNILAD, we were all working out of our bedrooms. I was in Birmingham, Liam was in London and our first staff member (Sam) Ridgway was in Manchester. We decided it was a smart move to go to Manchester, due to Ridgway being there and also due to not having a lot of money, so we rented a flat near Oxford Road and lived and worked out of there for eight months." While UNILAD does have a London office, with Bentley ceding to the commercial demands of development, its social and editorial content remains rooted in the North. Bentley adds: "When the business developed and we needed a presence in London, Liam set up an office there and that's where our sales arm is, but our social and editorial guys are in Manchester, and we were able to scout some incredibly talented people from the North. From Liverpool to Leeds, there were hungry people who wanted an opportunity to shine in the media industry and UNILAD gave them that platform to achieve greatness."

UNILAD has 26,015,565 likes on Facebook

Why was it important for UNILAD to keep its Manchester office? “Whilst I think it’s important for businesses to have a presence in key cities like London for sales purposes, I think the fact that the social team behind the most successful social publisher isn’t based in London shows that there is potential for more media publishers to base a section of their company outside of the capital. We’re able to travel to London if content opportunities arise, but as a creative personally I feel I can think and work in a better headspace outside of the fast-paced nature of the capital. I believe that is true for other members of the team too.”

The hard-fast living in London gets talked about a lot and cases of young people becoming disillusioned with their careers or roles in big companies early on are becoming worryingly common. High turnover is a hallmark of the traditional media industry, but 25-year-old Bentley is hopeful of bucking that trend. “We see each person who joins as an investment and we want to watch them grow within our company. The moment that people feel like a replaceable cog in the system is the moment they’ll consider moving to a place where they feel more valued.” To this effect, Bentley rejects rigid hierarchies. “The great thing about UNILAD is our speed when it comes to content and something can trend one day and if someone has an idea on a video or an article about that trend, to get it approved to go live on the site or Facebook page, it doesn’t need to go through multiple layers of management. Someone may come over to me in the office in the morning and pitch an idea and I can sign it off there and then get it out on our platforms later that day. Recently one of our guys had an idea to raise awareness about the extreme conditions that elephants are put through to allow tourists to ride them; within a few days that video was up on our page and had 100,000 shares within 24 hours.”

Aside from being based in the north of England, the stories of WhatCulture and UNILAD share another thing in common – that their products are unmistakably

part of the ‘new’ media movement. Neither company, however, are in the business of reporting on current affairs in the traditional sense. Does that mean the North can only support new media? Is there any impetus for the mainstream to move to the North?

The BBC relocated the production of several of its most popular shows including Match of the Day, BBC Breakfast, Dragon’s Den, Songs of Praise, Blue Peter and Newsround to Salford’s MediaCityUK in 2011. There are now around 3,000 BBC staff at MediaCityUK, with a further 4,000 employed by other companies on the site such as ITV, Shine North and Red Productions. Alice Webb, director of BBC North and BBC Children’s, says: “We’ve seen significant benefits with the opening of our large creative and digital hub in Salford. We feel we have truly created a BBC that is fit for the future. Our base is one of the most cost-effective in the BBC, and the impact of the move can be seen across the North.”

There are more than 150 SMEs now operating from and around MediaCityUK – making everything from websites to apps and games and the site is still growing. Webb goes on: “Our northern base has helped us to forge new partnerships with big players across the North – another important element of our public service role. It has meant crucially that we can better connect with northern audiences, which is a vital for our public service remit. We make around 35,000 hours of content a year from Salford, as well as a large number of the BBC’s digital products.”

Is London, then, really losing its vice-grip on the overall media scene? While it would be imprudent to suggest that frontline political journalism could find a home anywhere outside of Westminster, the changing media landscape – namely the rise in digital-based content – does signal a possible end to the rest of the industry’s status quo. Production and maintenance costs are lower in the North, and as WhatCulture’s Isle of Wight expat Adam Pacitti puts it: “Everyone’s actually really nice here.”

Delivering tomorrow's medicines today

As advancement in technology continues pharmaceuticals have a duty to keep pace, writes **Liza Rivera**, global marketing director at FUJIFILM Diosynth Biotechnologies

The way we approach treatments and medicines has evolved tremendously in the last hundred years. Penicillin was first discovered in 1928 by Alexander Fleming, changing the way we treated infections. Twenty-five years later, James Watson and Francis Crick made the groundbreaking observation that the DNA molecule exists in the form of a three-dimensional double helix, opening our understanding of genetic code. The first recombinant protein treatment was approved in 1982; and the bio-tech industry was here to stay.

Today, over 70 per cent of all medicines in development are 'first in class'. Drug developers are facing more and more challenges to do everything on their own. Relying on service providers has become an integral part of the industry. Companies can focus on their R&D efforts to grow their pipelines by outsourcing process and analytical development activities to Contract Development and Manufacturing Organisations (CDMOs). CDMOs bring a wealth of knowledge from the experience gained by working with a very wide gamut of molecules, many of which have particular challenges, intrinsic and extrinsic to the biological therapeutic target. From an economic perspective, working with CDMOs reduces the expense of maintaining a manufacturing facility and improves the efficiency of the entire supply chain.

As the industry has matured so has the need to re-evaluate how the drug developers and CDMOs work together. Transactional, fee for service approaches may not be the best suited way to ensure

long-term success of a therapeutic candidate. FUJIFILM Diosynth Biotechnologies, as a leading CDMO, has shifted how it approaches programmes. It is not a transaction but a long-term partnership with our customers.

Therapies are becoming more targeted to specific patient populations, which can lead to different supply chain requirements. Technology continues to evolve, changing how we view long-term manufacturing; for example as cell lines become more efficient titers have increased. High through-put approaches to process and analytical development continue to evolve as new technologies become available. The need to manufacture in very large volumes has also been changing. With the Orphan Act of 1983 more biopharmaceuticals have included these therapies, which in many cases do not have a large volume of production requirement, in their pipelines. Single-use technologies, which are nimble when compared to the more traditional stainless steel technologies in manufacturing, have become mainstream in the past five years.

At FUJIFILM Diosynth Biotechnologies, being able to recognise and understand not only the trends of industry but the evolution of technologies is critical for execution and delivery of the therapies of today and of the future. FUJIFILM Diosynth Biotechnologies' process development experience includes the development of processes for molecules expressed via fermentation, cell culture systems including CHO, HEK, Vero, MDCK, EB66 and insect cells, and from transgenic sources. The company operates as a network which expands within three development and manufacturing facilities located in Billingham, United Kingdom, Research Triangle Park, North Carolina, USA, and College Station, Texas, USA.

FUJIFILM Diosynth Biotechnologies is driven by a culture of continuous improvement and innovation. A shared passion for bringing therapies to patients, is at the heart of what we do along with our customers in partnership, for life.

IN ASSOCIATION WITH

FUJIFILM

Diosynth
biotechnologies

You say you want a revolution...

The North needs the vision to match its abilities, writes **Mike Perls**, CEO of strategic marketing consultancy MC2 and Chair of IoD North-West



We get it. We're just not inspired by it. Welcome to the North. It takes more than the promise of a new train to create a movement. It takes more than a sound bite to change a culture. We know the figures: 16million people, 1m private businesses and one of the largest economies in Europe. Connected, the economic outcomes will be greater than the sum of the parts. But we're not connected. Not by trains, or culture, or a vision. And that's the problem.

The problem isn't the years of underinvestment and mobility issues, both physical and social. It isn't the productivity gap caused by our move from industrial economy to call centre central. It's that we haven't bought into a vision of what great looks like. Yet. But it's forming.

Don't get me wrong; you couldn't find a more solid advocate for the Northern Powerhouse initiative. Devolution will bring a more human touch and more

innovation to decision-making. The Transport for the North body will ensure pan-Northern planning to open the labour market across the core cities and the education sector is coming together with minds more open than ever before.

The tipping point will come when influencers within the private sector take the Northern Powerhouse as a concept and make it their own. And just for clarity, 'they' aren't Bradley Hardacre stereotypical Northern mill owners; they are super-smart business leaders like Cheryl Latham, backed by Terry Leahy, disrupting the energy space with a one-for-one business model. They are Steve Byrne of Travel Counsellors, changing the face of travel and James Blake from Hello Soda democratising the credit scoring process.

They are Rob Mukherjee at Vodafone, Sophie Milliken, founder of Smart Resourcing, Stephen Kelly at Sage, Emma Sheldon breaking international

IN ASSOCIATION WITH





boundaries at Vernacare, Nicola Schindler at RED productions and Mike Blackburn at BT. They are the health data specialists in Leeds, the advanced manufacturing visionaries in Burnley and the off-shore technologists on the North East coastline. They are re-imagining a future that is globally unique.

But re-imagining isn't straightforward. The reason that so many world-changing innovations started in the North is that the sociophobia or the fear of standing out that inhibits many people to challenge the norm isn't a trait within the northern DNA. That's why the industrial revolution took hold in the North, the programmable computer was developed, railways evolved and the modern canal was created. It's why precision engineering and atomic theory emerged, free trade and the football league exist and why graphene will always call the North its home. You can't design something like the

submarine and avoid ridicule. Or indeed derision, taunting, mockery or scorn as Peter Mark Roget might have encountered as he penned his Thesaurus at the Portico Library.

We're not connected in the North because we're different. We're different because we don't mind being unique. Nobody can find homogeneity between a Scouser, Manc, Geordie, Loiner or Dee Dah but you would find a group willing and able to challenge the established world order. Look at the four young Liverpoolians who became bigger than Jesus.

The vision that is forming isn't one based around a North that improves its productivity and stops being a tax drain on London and the South-East. It isn't one with slightly faster trains and slightly better schools. It's about an aggregation of material gains. It is a vision of a globally significant Northern Powerhouse known for knowledge and innovation. A place used as a test bed for data analytics, health care innovations and advanced manufacturing technologies. A place where the citizens, business, educators and public sector work seamlessly together for the common good.

These ambitions for the North have been encouraged by successful visionaries in Malmo-Copenhagen and in the Rhine-Ruhr region. Physical and cultural regenerations that have led to economic performance outstripping the national mean. Closer to home, the leadership that Sir Howard Bernstein, together with Sir Richard Leese, has brought to Manchester has encouraged others to think bigger and to think braver. With Sir Howard stepping aside, there is a feeling that now is the time for others to fill the leadership gap. If not now then when? If not us then who?

The leaders stepping forward embrace evolved models. Business and institutional leaders determined to work together and think globally. In the university sector, Dame Nancy Rothwell has always epitomised this approach but has been joined by Vice Chancellors Malcolm Press from across

the city, Sir Keith Burnett from Sheffield, Chris Day from Newcastle, Janet Beer from Liverpool and Sir Alan Langlands from Leeds. Parochial thinking appears to have been replaced by a determination to make a difference not just to their institutions but to the North as a whole.

Business leaders are sensing this openness and are moving closer. There are some great examples of collaborative work between business and universities impacting across the world. Crawford Healthcare is the fastest growing healthcare business in the UK and credits much of its success to the partnership it established with the University of Manchester. Manchester Metropolitan University has just announced a new £30m screen school to be spearheaded by Danny Boyle to create talent in conjunction with the media giants at Peel's MediaCity nearby housing the BBC, ITV and Red Productions. In Leeds, the vision behind the Leeds Institute for Data Analytics has encouraged the private sector to align behind the city's ambition to be at the forefront of the Smart Cities agenda.

The core cities across the North are collectively sensing the nudge from this leadership signalling areas of the knowledge economy that they can own and build a momentum and a narrative around these capabilities. As an example, the partnership between Boeing and the University of Sheffield to create the Advanced Manufacturing Research Centre (AMRC) has created an ecosystem that the other regions can use as a hub to accelerate their growth in this sector. The vision and leadership shown by Peel, in MediaCity and in Liverpool2, has created a media and logistics cluster respectively that has significance way beyond the local economy.

There is no lack of talent in the North. Our issue isn't ability or imagination. Success has to be defined by the North. This isn't a technocratic exercise, it is a movement for the North to work together to impact on the world stage. You'll know when we've got it nailed.

Professor Koen Lamberts,
Vice-Chancellor of the University of
York and Chair of the N8 Research
Partnership, is confident that the
North's universities can produce top
candidates for any profession

Collaboration is the key to being competitive



What's going on in the North? That's a question I am asked quite often when I travel outside the region, especially when I am in London (where I go quite often, as Vice-Chancellor of the University of York). I usually suppress the urge to point out first that York is less than two hours from King's Cross, so it's not quite Irkutsk or Vladivostok, but apart from that, the answer to the question is quite simple – the North is on the march and our universities are leading the way. There has been much talk about the Northern Powerhouse recently, and I believe that real, positive change is underway in the North, and that universities are driving much of that change.

About 10 years ago, the eight most research-intensive universities in the north of England – Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York – decided to form a research partnership called

the N8. The partnership has gone from strength to strength, and I can confidently say that the N8 is now widely recognised as a model for sustainable, high-value university collaboration. What makes the N8 stand out is that it brings together eight highly successful universities that normally compete fiercely for the best students, the largest research grants and the best academics and researchers. But by focusing the N8 activities on translating fundamental research into knowledge exchange and commercial partnerships, we have been able to identify areas where we all gain by collaborating with each other, instead of competing.

And where universities stand to gain, the region in which they are embedded benefits too. Together, we have a significant economic presence in the North. The N8 universities are worth £12.2 billion to the northern economy, and they deliver 119,000 full-time equivalent jobs – that's as many as all

The University of York, which is just 54 years old, is a regular feature of The Complete University Guide's Top 20 UK Universities



the jobs in a city the size of Salford or Southampton. We add twice as much value to the economy than the entire Premier League does. We add more to the economy of the north of England than the entire northern media industry, agriculture, or automotive sectors. We provide consultancy services to more than 17,000 small and medium-sized businesses. N8 universities really do bring the collective vision and power that allows them to play a significant economic role in the North, by driving innovation-led growth, underpinning inward investment, and fostering a talent pool of outstanding graduates.

The government has recognised the main challenges and opportunities that exist within the region and further afield, and many of these challenges are being addressed through collaborative research in the N8 universities. For example, the N8 Policing Research Partnership is a five-year programme of research and knowledge exchange through

collaboration between all the police forces across the north of England and the N8 universities. The programme will enable the partnership to take a major step forward in developing and testing innovative approaches to policing and crime reduction. Improving our cities and the way we live and work in them is the focus of national Urban Living pilots led by N8 universities (York, Leeds and Newcastle). These pilots will bring together citizens, university researchers, local authorities and businesses in multidisciplinary initiatives, aimed at rewriting the blueprint for the evolution of our city living. The N8 universities are leaders in eight of the 13 Networks in Industrial Biotechnology and Bioenergy, formed to foster collaboration between academia, industry, policy-makers and NGOs. At York, we are leading the N8's AgriFood Resilience project, working on one of the biggest global challenges we face – how to ensure that the planet can provide sustainable, resilient and healthy

food supplies for all. Through these (and many other) collective initiatives, the N8 universities instil a spirit of innovation into the region, and that spirit will be crucial in lifting the regional economy.

Another way in which we contribute to the region (and the nation) is through the soft power of our alumni. York alone has 116,000 alumni working in every conceivable profession around the world. Their collective advocacy is invaluable at a time when Britain seeks to forge partnerships and trade agreements beyond the EU. Every student who comes to study in the North has the potential to become an ambassador for the region, and many of them do. Our universities attract outstanding talent from all over the world to the North.

I often hear that northern universities should do more to encourage their graduates to stay in the region and contribute to its economic and cultural development. I have never found this argument convincing, particularly for a university like York (or the other N8 universities, for that matter).

World-class research universities do not exist primarily to create a local or regional skills base; instead, we produce graduates who compete with the best, for the best jobs anywhere in the world. We want our graduates to succeed, and that means that we should encourage them to go where the opportunities are greatest. If we want to create the highly skilled, highly productive workforce that the northern economy needs, it is imperative that we create an economic environment that attracts the best graduates to the North, regardless of where in the world they come from or where they went to university.

To make that happen, we have to offer them the best opportunities for success, by embracing innovation of every kind, and allowing new, promising sectors of the economy to flourish. Universities, working in partnership with each other and with business and industry, will continue to contribute to that innovation; in fact, it is our primary role in making the Northern Powerhouse a reality, and it's a role we relish.

Putting Manchester on the map

Devolution can help realise the potential of one of the North's great cities, writes **Julie Twist**, managing director at Julie Twist properties

Since former Chancellor George Osborne coined the phrase “Northern Powerhouse” in June 2014, the idea has become almost synonymous with Manchester. Despite the widespread debate about whether or not it can be termed the UK’s “second city”, there is no denying that Manchester has taken the bull by the horns when it comes to the devolution of power to areas beyond Greater London. But what does it all mean for the Manchester region?

Since the new year, it has come as a pleasant surprise to the North to hear that the Powerhouse plans will receive a £556 million boost, as announced by the Prime Minister. Even more excitingly, Greater Manchester is receiving the biggest slice of the cake: £130m – close to twice the investment being given to the next-largest beneficiary, Liverpool (which, notably, is Manchester’s north-western neighbour, and will receive £72m).

This decision reflects Manchester’s drive to be a key player in the Northern Powerhouse. The city jumped on the government’s promise to devolve more power to northern areas by signing a devolution agreement back in 2014, which will see the Greater Manchester Combined Authority and a newly-elected Greater Manchester mayor gradually taking control over many more aspects related to transport, housing, planning and the emergency services than ever before.

The decision to place so much focus on Manchester can be explained by recent developments in the local economy. The

arrival of several large corporations in the area in recent times (one of the most significant being BBC North at Salford’s MediaCity), along with the growth of various science and industry sectors, has led to predictions that 5,000 new jobs will be created by 2020. Manchester’s commitment to northern growth has led to around £500m’s worth of investment in the area in the last few years.

As an estate agency, we at Julie Twist Properties, have a vested interest in the housing aspect of devolution and the Northern Powerhouse. In our industry, we have seen an unprecedented rise in investment in Manchester of late, with both domestic and overseas investors snapping up property in all parts of the city. The ever-increasing demand for rental property in the region, with supply barely keeping up with demand, shows just why Manchester is so popular for investment – and this demand is a direct result of new job opportunities created by continually increasing economic input into the city, creating an influx of new residents.

It is perhaps no surprise, then, that the northern city with the largest airport has come to be considered the core of the drive to ramp up the North’s contribution to the national economy. Particularly post-Brexit, the UK needs to be more united than ever if it is to hold its own, economically speaking, on the world stage. The Northern Powerhouse Partnership has recently released its first report, in which it notes that certain northern cities are closer, in geographical terms, than some parts of London are to one another. Manchester and the rest of the North will have to work together, then – and with London, rather than against it – as the country establishes new trade deals and business agreements with foreign lands.

But this is not about Manchester becoming a new London; it’s about the North-West putting its stamp on the UK, bringing Northern grit, determination and charm to the industrial and finance sectors and beyond.

For more information please visit:
www.julietwist.co.uk

IN ASSOCIATION WITH



Manufacturing the future

Sunderland City Council and South Tyneside Council have joined forces to bring forward a new International Advanced Manufacturing Park, a catalyst for North-East development

The huge International Advanced Manufacturing Park (IAMP) planned a stone's throw from Nissan's Sunderland plant, will have the size and impact to boost the growth of the UK's high-tech, automotive and advanced manufacturing industries. The IAMP was recently awarded more than £42million's worth of government funding. It is expected to create more than 5,000 jobs and bring in more than £300m of private sector investment during the next decade.

The project will cost over £90m in total, with support coming from Sunderland and South Tyneside Councils, the North-East Local Enterprise Partnership and the UK government. It is recognised as a game-changer, contributing significantly to the strength and depth of the UK's advanced manufacturing industry.

The park is at the heart of the country's only net exporting region. Nissan's car making plant and a flourishing range of automotive supply chain businesses in the North-East drive much of the region's exporting success, and the UK's automotive sector growth, with one in every three cars manufactured in the UK built in Sunderland. The sector generates £11billion of sales and directly employs over 30,000 people.

This is an area with a proud history of making things well. Manufacturing strength underpins the North-East's success in opening up overseas markets, creating valuable partnerships worldwide which will help to lever in new interest, investment and industries to the IAMP. Commitment to world-class space for

advanced manufacturing companies at the IAMP is poised to take its global reputation in the automotive sector to another level.

The sustainability of the big names already based in Sunderland and South Tyneside – such as Rolls Royce, Vantec, Lear Corporation, Siemens and Liebherr – is matched by a host of smaller, innovative, technology-led local companies setting up and growing strongly across its many business locations.

The IAMP amplifies the aspirations of the Northern Powerhouse, putting it firmly in the fast lane with its planned package of new infrastructure, opportunities for thousands of high quality jobs, improved productivity and economic growth. Paul Watson, leader of Sunderland City Council, said: "The IAMP is a once-in-a-generation opportunity to transform not only the Sunderland and South Tyneside economies, but the economy of the North-East region, bringing with it a wealth of possibilities for our communities. With the industries and investment the IAMP will attract, it will be a game-changer for our current and future workforce."

Iain Malcolm, leader of South Tyneside Council added: "The funding green light for the IAMP gives us a great opportunity to bring new, skilled and well-paid employment to the area. The IAMP is just the second 'Business or Commercial Project' to be designated by government as a Nationally Significant Infrastructure Project since 2013, and it's hard to overstate just how important it will be for our future growth and prosperity, and for the UK's economy."

Sunderland and South Tyneside already have the skills, productive workforce, vigour and track record required to propel substantive regional economic growth. The IAMP will create the high-quality space, infrastructure and momentum to attract global companies and give them, and the UK economy, a strong platform for future success.

IN ASSOCIATION WITH



**INTERNATIONAL
ADVANCED
MANUFACTURING
PARK**

www.iampnortheast.com

How culture can reinvigorate the North-East

Sunderland's arts and music scene is something to be celebrated and built upon, writes Julie Elliott MP

The North-East is renowned for its strong and distinctive identity and its rich, deep cultural heritage. England's first stained glass window was made in my city of Sunderland and the city was home to the Venerable Bede in around 700AD. The region was instrumental in the revolution that brought us mass transportation for the modern age, with the first railway in the country running between Stockton and Darlington from 1825.

The region remains a world-class cultural centre today. In my city jobs in the creative industries have grown three times faster than the UK average and the University of Sunderland produces thousands of highly skilled and creative graduates every year through courses in glass and ceramics, film, media and fine art.

We have a booming independent music scene, including acts like Futureheads and more recently Field

The Stadium of Light has served as a stage for top music acts, including Take That



Music, Frankie and the Heartstrings and The Lake Poets. World-famous acts like Bruce Springsteen, Kings of Leon, Take That and Foo Fighters have also recently performed at the Stadium of Light.

Often called the “West End of the North-East”, the Sunderland Empire theatre attracts huge crowds and hit shows like *Wicked*, and popular venues like the Baltic Centre for Contemporary Art and the Sage Gateshead have also gained a national profile in recent years.

At 2.8 per cent, the North-East boasted the second-highest economic growth per person in the country, compared to a national average of 2.1 per cent, and since 2010 around 50,000 jobs have been created in the region. We have the most tech start-ups in the country and the region is the country's only net exporter. Sunderland's Nissan plant has also long been a source of pride, with the plant now producing more cars than the whole



“Investment must match our ambition”

VAGUEONTHETHEHOW/FLICKEER CREATIVE COMMONS

of Italy.

While we have much to be proud of, it remains the case that investment in the North-East pales in comparison to that handed to other regions. The 2013 Rebalancing Our Cultural Capital report confirmed what we have known for years – arts spending is heavily skewed towards London, with Londoners benefiting from £69 spending per head, compared to a meagre £4.50 in regions like the North-East.

This North-South divide is not the only disparity. People in my region also receive notably less funding per head than their counterparts in the North-West. Last month, former Chancellor George Osborne outlined his vision for the Northern Powerhouse at an event in Leeds, claiming that the North will benefit from £100 billion and 850,000 jobs over the next 30 years, but what this will mean for the North-East remained unclear.

The North-West is set to receive a massive £41bn of infrastructure funding over the next five years, compared to just £5.9bn for the North-East. Per person spending is predicted to be twice as high in the North-West as in the North-East. It's not surprising, then, that many people in my region are questioning whether the North-East is really part of the Northern Powerhouse or if the government's claims are simply empty rhetoric. We need investment to match our ambition.

The project's cultural budget throws this disparity into stark relief. Often viewed as of secondary importance to economic growth, culture has been described as the “least important ingredient” of the Northern Powerhouse and this is reflected in the funding allocations – only around 2 per cent of funding for the project has been earmarked for cultural projects. Newcastle and Gateshead are set to host the Great Exhibition of the North in 2018, receiving £5 million for the project and a further £15m as part of a legacy fund, but this sum pales in comparison to the £88m that has been allocated to cultural initiatives in the North-West.

Sunderland's bid for the UK City of Culture title is a fitting celebration of our achievements and an invaluable opportunity to celebrate the life story of the North-East. The region has not yet had a City of Culture so the bid presents us with a much needed chance to showcase so much that is positive and exciting about my city and the wider North-East. Liverpool's success following its year as European Capital of Culture is well known and as this year's City of Culture, Hull is expected to receive at least £60m of additional spending, resulting in 7,500 new jobs.

Instead of being seen as the forgotten relative of economic growth, we need to view culture as a critical component of that growth. Culture has been proven to be a remarkably powerful tool in the reinvigoration of urban areas. By creating places that are vibrant and distinctive we will keep talented young people in the region and attract innovators and entrepreneurs. The economic impact of culture in the North-East was highlighted in a 2015 report which estimated that creative and cultural industries have generated £755m of extra revenue for the region.

The North-East is truly wonderful place for culture and creativity and we have much to be proud of, but I think it's fair to say that the region has faced some tough economic and social challenges over recent years and our confidence has been knocked. Not only is culture a vital element of economic growth, it brings self-confidence and pride to regions like mine and has the power to make a real difference to people's lives.

The North extends far beyond Manchester and Leeds – people in the North-East deserve the kind of cultural investment and reinvigoration that other northern cities like Hull and Liverpool have seen in recent years. With jobs in the creative industries in the region growing rapidly, policy makers cannot afford to continue to starve the North-East of investment for arts and culture if they are serious about addressing the country's imbalance.

THE NORTH BY NUMBERS

What's up
there anyway?

£1.8bn

Amount to be invested
in Local Growth Fund
as part of Autumn
Statement

NORTH WEST

NORTH
ENGLA

ENGLAND

Liverpool Manchester

16.7%

Total of the UK population living in the North

16%

Share of total UK jobs located in the North

EAST
AND

● Newcastle upon Tyne

13.3%

Share of total of UK GVA

23

Number of universities in the north, including seven of the prestigious Russell Group

YORKSHIRE AND
THE HUMBER

● Leeds

6

Number of international airports.

8

Number of Premier League football clubs in the North, nearly half of the division

A city's network will define its net worth

Improving digital infrastructure is a necessity for the North's service and business interests, writes **Mark Collins**, director of strategy and public affairs, CityFibre

It cannot be overlooked that the world is changing. The digital revolution has taken hold and everything from the ways in which we communicate with each other and entertain ourselves, to the way we do business and access public services, has evolved beyond recognition.

The infrastructure debate has not evolved as fast however; we are still as obsessed with physical roads and rail today as we were with the canals of yesteryear. But this is at the expense of a robust discussion and plan to address the infrastructure that holds the key to the UK's long-term economic success – that of digital communications.

Nowhere is the potential for digital infrastructure more palpable than within the Northern Powerhouse. At present, the incumbent networks serving businesses and public sector bodies throughout the region still rely, for the most part, on copper wires, severely limited in their capabilities. Increasingly though, organisations are being provided with an altogether technically superior infrastructure choice – that of pure fibre.

Pure fibre or full fibre as it is also known, is the undebated future of digital infrastructure and it is this technology that we should be propagating across the country. These networks are effectively future proofed, capable of transferring huge amounts of data at near unlimited speeds and opening up the full potential of a new generation of services and platforms to improve efficiency and productivity for the public and private sectors.

Years of under-investment in digital infrastructure is strangling the

economies of towns and cities across the region. Thousands of small businesses are struggling to access internet speeds so slow we would not put up with them in our homes. Pure fibre services over legacy infrastructure are often unaffordable, remaining an essential tool available only to larger enterprises and not the SME backbone of the economy.

But this does not have to remain the North's vision of its digital future. Private sector investment in wholesale pure fibre networks could reverse the situation and give the Northern Powerhouse a key competitive edge over other areas nationally and internationally. CityFibre is one such investor, as the UK's largest alternative provider of wholesale fibre infrastructure and with extensive pure fibre footprints in 42 UK cities.

Fibre networks are truly transformative. Access to gigabit speeds increases productivity, reduces inefficiencies, allows businesses to offer better services and ultimately, boosts the bottom line. There are numerous ways in which investment in these networks will help drive the Northern Powerhouse forward. It won't just help the businesses and organisations that are already here perform better, it will act as a key differentiator for businesses looking for optimal conditions to set up a base, whether they're fresh-out-the-box start-ups or established multi-nationals exploring 'Northern Shoring'.

The benefits go beyond business too as unlimited speeds increase efficiencies in all aspects of a city, whether that's schools, hospitals, CCTV or council offices, enabling local government to save money and introduce new services.

Some towns and cities in the North are already enjoying the benefits that fibre networks can bring. CityFibre has already invested over £70million in fibre networks in the North, with 12 city-wide metro fibre networks in Leeds, Bradford, Manchester, York, Sheffield, Wakefield, Halifax, Doncaster, Rotherham, Harrogate, Kirklees and Hull. These 'Gigabit Cities' are the keystone of the North's ongoing digital revolution.

IN ASSOCIATION WITH

CityFibre

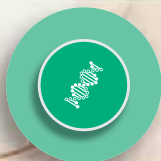
Spotlight



Read more in-depth interviews
and features and download
full policy reports at:
newstatesman.com/spotlight

The Complete Clinical Journey

Pre-Clinical



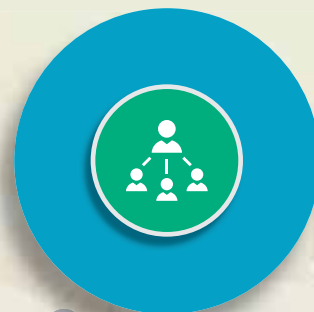
Clinical



Late Phase



Commercialization



Manufacture with a world leader

FUJIFILM Diosynth Biotechnologies is a world leading cGMP Contract Development and Manufacturing Organization supporting our partners in the biopharmaceutical industry in the development and production of their therapeutic candidates. We bring extensive process and analytical development as well as cGMP manufacturing experience to meet your needs at every stage of the product lifecycle.

- Experts in mammalian, microbial and viral products
- Cell Culture capacity in both Stainless Steel (650L and 2,000L) and Single Use (200L - 2,000L)
- Microbial Fermentation capacity (50L - 5,000L)
- High Containment manufacturing with Mobile Clean Room Technology BSL-2+ ready and BSL-3 capable
- Dedicated suites for production of High Potency Biologics
- Track record of over 1,000 cGMP production batches
- Licensed for manufacture of six commercial products

Advancing tomorrow's medicines