

Spotlight

THE NORTHERN POWERHOUSE: A BALANCING ACT

Jake Berry MP / Steve Rotheram / Tim Farron MP / Chris Boardman



Spotlight



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Is this the most southern government ever?



Alec Douglas-Home's 1963 cabinet was composed of 24 ministers. Among them were eleven old Etonians, six hereditary peers, two of Winston Churchill's sons-in-law, and the editor of the *Daily Telegraph*. All of them were men. And yet, for all its starchy homogeneity, this cabinet was the last time the ministers of the British government equally represented the northern and southern halves of England. Research by the *Spotlight* team has found that successive cabinets have become increasingly less representative of the North since that time, and that Theresa May's 2017 cabinet has a higher proportion of MPs with constituencies in the south of England than any other since at least the Second World War.

We defined "southern" cabinet ministers as those who are MPs with constituencies south of Birmingham, and we drew this imaginary line because, according to recent ONS data, it roughly divides the population of England into two groups of around 25 million people. Having looked at the composition of every cabinet since 1945 on these criteria, we found no government that was more skewed towards the lower half of the country than the current one.

Partly this is a question of where the safe seats lie, in a country in which voting has been a question of left or right since Pitt the Younger. Labour governments tend to reverse the trend, with cabinets that are taken mostly from northern seats. With Conservative governments in power for the majority (60 per cent) of the years since 1945, it is perhaps unsurprising that England appears to be governed from one end.

If our two-party system drives this trend, devolution should help regulate the north-south swing of central government. But the question remains: will the huge multi-city connections necessary to building a true Northern Powerhouse really be built by a government that has no almost no electoral interest in doing so?

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A world-beating economy waiting to happen



The University of Leeds is one of seven Russell Group universities in the north of England



Just outside of Warrington there's a laboratory owned by Thermo Fisher Scientific, a leading manufacturer of human identification forensic kits. On a recent visit there, I was fascinated to hear how courtrooms from Belgium to Botswana rely on evidence collected using these kits to help put criminals behind bars. Thermo Fisher Scientific is just one example of an innovative Northern Powerhouse business making products for the global stage.

Of course, northern innovation is not new. Take music, for example. It's the North that bred world-renowned bands – The Beatles, The Smiths, and the Arctic Monkeys, to name just a few. Take science and engineering – in Newcastle the humble light bulb was invented, and Charles Parsons created a series of turbo-generators to produce the fastest turbine-driven battleships in existence

in the 1890s. Take scientific innovation – it was Nobel Prize-winning researchers at the University of Manchester who first isolated graphene, the thinnest material ever created but 200 times stronger than steel. Throughout our island nation's story it is our northern makers, innovators and disrupters who have driven our economy forward.

Today the North is home to more than 15m people and over 1m businesses. The Northern Powerhouse has an economy bigger than Sweden, Norway, or Belgium at £316bn. It's where I grew up, it's where I studied and where I live and work. For me – and the government – the Northern Powerhouse is not just an abstract term but something to really sit up and take notice of. It's the belief that the great cities, the towns and rural communities of the North can work together to become a global powerhouse. At its heart is the belief



that the Northern Powerhouse can be greater than the sum of its parts – not to simply rival the South but to ensure we can play our part as brothers and sisters in arms as global Britain takes on the world.

Since my appointment as the Northern Powerhouse Minister, I have journeyed across the North visiting every region and in every person that I have met, and in every place that I visited, I found an unwavering determination for us to create a North that works for everyone.

“This is not about battling London”

SHUTTERSTOCK/RICHARD FELL

From innovators launching their new businesses, to students mid-way through their chemistry degrees, to aerospace engineers at the top of their profession and political leaders of all colours, they know the Northern Powerhouse is more than just rhetoric.

The North may face challenges, but the potential of every town, city, and rural community across it is unrivalled. The North wins the quality of life argument every time. We now need to create a world-beating economy to match.

Since the Northern Powerhouse was launched only three years ago we have seen an extra £8bn added to its economy, over 400,000 new jobs, and large increases in international investment.

We have invested £3.4bn into projects to boost local economic growth across the North – money that has gone directly to local business and civic leaders – to

spend in ways that they think best suit their towns, cities, and local communities. New, directly-elected mayors across the North now have wide-ranging powers and an extra £2bn. For the first time in living memory we are returning powers to the regions of the Northern Powerhouse.

Small and medium-sized businesses across the North are getting off the ground and growing thanks to funding from the £4.00m Northern Powerhouse Investment Fund. And work to turn the Northern Powerhouse Rail vision into reality is full steam ahead. We allocated £60m funding in 2016 to develop plans that will help radically improve connectivity and inter town and city journey times, supporting the northern economy. By 2020, we will have invested £13bn in transport across the North of England. For perspective, that’s more than any previous administration.

We’ve done all this so that more and more companies like Thermo Fisher Scientifics have the right tools and conditions to start up and flourish across the region and on a global scale.

In recent months there’s been a step up in optimism and momentum right across the region. Just last month in the Tees Valley I got to see first-hand with the Prime Minister the real, tangible progress we’re making through collaborative relationships across the North. We heard plans for how the £4.00m investment fund – allocated by government to the Tees Valley mayor and local authorities as part of their devolution agreement – was going to transform the local economy, create more jobs, and encourage more businesses to start up and grow.

This is not about battling London for a bigger slice of the cake; it’s about making the cake bigger in the first place. It’s not a competition between the North and the South; it’s a partnership of equals.

A strong, prosperous northern economy will benefit not only the people of the North, but the whole country. If we continue to work together, across city and political boundaries, the future for the North looks very bright indeed.

“It doesn’t matter if the Powerhouse has lost government momentum”

Steve Rotheram, the first mayor of the Liverpool City Region, talks to Jonny Ball about Liverpool’s history, the rate of change in the city, and its post-Brexit future

Looking out over the River Mersey and its grand waterfront from the meeting room of the new Liverpool City Region Combined Authority, with the museums and galleries of the Albert Dock and the retail arcades of the Liverpool One development visible, it’s easy to forget this part of the North West was ever the subject of discussions about “managed decline”. The phrase, used in private cabinet meetings by Margaret Thatcher’s first chancellor, Sir Geoffrey Howe – but revealed under the 30-year rule in 2011 – confirmed to many Liverpoolians what they already knew to be the case: even in the face of deprivation and socio-economic turmoil, they couldn’t expect any favours from a Conservative government in Westminster. For the City Region’s first Metro Mayor and former Walton MP, Steve Rotheram, it was a time when “a Tory government left us to rot.”

The revelation of Thatcherite cabinets discussing the “evacuation” of the city and the absorption of “Liverpool manpower elsewhere”, has come to

Liverpool’s stunning waterfront complex, Mann Island, overlooks Canning Dock on the River Mersey



epitomise everything that was wrong with central government’s attitude to Liverpool as it struggled with unemployment and deindustrialisation, became synonymous with riots, crime and urban decay, and where, as one of Rotheram’s aides puts it, “you just took dereliction for granted.”

Rotheram agrees: “In the ‘80s I’d be going round and everything was black and white. Have a look now and we’re in full technicolour – the beauty has been teased out again, of a city that was in absolute dereliction.” More than just the landscape has changed. Thirty years ago, when the city was associated with union militancy, firebrand councillors and illegal budgets, Conservative governments would have balked at the idea of giving away control over huge swathes of policy and service provision. Now, the office of Metro Mayor has a remit over education and skills, housing and planning, transport, health and social care.

But while the Conservative-led devolution agenda has created a new City



“A Tory government left us to rot”

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Region comprising six local authorities – Liverpool, the Wirral, St Helens, Halton, Sefton and Knowsley – governed by a range of new powers, Steve Rotheram is unconvinced that Whitehall’s attitudes to the North, and to his city, have changed.

For him, the government’s commitment to the North has been less than consistent. “It depends on who you speak to and when you speak to them,” he says, noting that Theresa May “hardly even uttered the words ‘Northern Powerhouse’” in the months following her election to the leadership. “Just because you say something doesn’t mean to say it’s going to happen, so whether her commitment results in something that’s more tangible, that’s the most important thing – that’ll be the yardstick by which we measure the government’s commitment... but they haven’t shown yet that they are truly committed to moving this whole agenda forward.”

Now, distracted by Brexit negotiations and clinging to a wafer-thin majority in the Commons, the Prime Minister has been accused of allowing the Northern

Powerhouse to take a back seat. In the week that transport secretary Chris Grayling announced the cancellation of electrification plans for railways across the North, including the TransPennine route between Manchester and Leeds, it’s difficult to disagree. “You think you’ve put a case forward where any reasonable human being would agree with you that something needs to happen – and government machinery stops it.”

With London-based projects receiving more than half of the UK’s investment in transport, Rotheram and other northern leaders are pushing hard for the creation of a “Crossrail of the North”, a west-east rail link connecting Liverpool, Manchester, Leeds, Sheffield and Hull. The proposed project, says Rotheram, is about creating an economic counterweight to London. “It has to be that, doesn’t it? The government talks about rebalancing the economy. Why do they do that? It’s not just because they’d like to push stuff out to us – it’s because London and the South East cannot sustain current growth. They are overheating. Having spent a lot of my recent time down in London and seeing what happens there – that’s not good for any democracy or any country. Looking at other European countries and meeting a lot of mayors from different European and global cities, they have devolution, they’ve had it forever, so they’ve got a much less centralised political system. Look at Germany, for example, and you’ll see it’s not just about the capital but it’s all the surrounding areas with an equal stake in trying to develop their own economies.”

A “committed pro-European”, Rotheram explains how a west-east rail link across the “northern corridor” could be key to not just the City Region but the whole of the UK’s post-Brexit future. “If we’re going to have bilateral trade deals with the US, it seems logical that somewhere like the Liverpool City Region, certainly with our post-Panamax facility” – Rotheram is referring to the new Port of Liverpool development, which can accommodate the world’s biggest ‘post-Panamax’ ships – “will be

“We did very well from the European Union”

crucial to UK plc being able to get goods in and out of a port somewhere, so that brings massive opportunity. Because we don't all of a sudden, whenever Brexit happens, stop talking or dealing or trading with Europe. Hull is one of the port cities that faces towards Europe. If we can better link the corridor between Liverpool and Hull, picking up Manchester Airport and Manchester city centre and Leeds and Sheffield and even Newcastle, and shrinking the journey times and increasing capacity for those journeys, and the ability therefore for freight to use rail instead of road, that will be a huge benefit to the whole of the country, not just to us, not just to little Liverpool or Liverpool City Region, or the North West or even the North, but to the whole economy of the United Kingdom.”

The post-Brexit settlement is a worry for many in the City Region. Last year Liverpool, the Wirral and Sefton voted overwhelmingly to remain in the EU. Halton, Knowsley and St Helens voted to leave. Leave campaigners argued that Liverpool's decline as a port had been precipitated by membership of the European Common Market, that the city had found itself on the wrong side of the country to benefit from burgeoning European trade, and lost out to better-placed eastern ports. But the EU's designation of Merseyside as an Objective 1 area, and the award of European Capital of Culture in 2008, has transformed the region beyond recognition. European money “acted as the catalyst for £1bn of private sector investment. We did very, very well from a European Union that looked to boost our economic fortunes rather than a Tory government that was looking towards the ‘managed decline’ of the city.”

In Liverpool itself, Rotheram's short tenure as Metro Mayor has not been without controversy. Liverpool council still retains its own executive mayor, Joe Anderson, and, according to local papers, the relationship between the two Labour leaders has been put under strain. A public spat between the region's two most powerful politicians looks like

more of the same dysfunction and intra-party rivalry from a city that has struggled to shake off its image as being governed by “boss politicians” and local powerbrokers. Anderson ran to stand as Labour's candidate for mayor of the City Region before losing out to Rotheram. Not long after, he tried for selection in Rotheram's old constituency of Walton, the safest seat in the country, but lost out to Dan Carden, a former Unite official on the left of the party. With a Mayor of Liverpool and a Mayor of Liverpool City Region, there's bound to be crossover in their respective purviews, but Rotheram dismisses rumours of a fallout as “tittle-tattle” that's “nice for local papers”.

What is undeniable is that this is a region facing dramatic economic and political change. Liverpool City Council – the largest local authority in the City Region – has lost 58 per cent of its government grant since 2010, and the city faces stark financial choices in the coming years. But Rotheram remains optimistic. Liverpool is ideally placed, he says, to be a leader in the fourth industrial revolution – the City Region is home to the UK's most powerful supercomputer and the landing station for the transatlantic Hibernia communications cable. There's talk of a Mersey Barrage using the river's ebbs and flows for the city to become “the energy coast of Great Britain”. “Whether the Northern Powerhouse has lost momentum within government circles or not doesn't really matter to us. What we're dependent on is the consistency of message that we have from that northern corridor... All of those leaders, if we can try and work closely together, with or without government, I think that'd be much better for us and much better for the 15 million people that we represent.” The North is ripe for change, but for all the optimism of Rotheram and other northern leaders, it seems, for now, as if the ball is in the government's court. Promises will ring hollow until they materialise into real, concrete projects. It remains to be seen how willing Westminster is to translate words into actions.

Why the Northern Powerhouse needs strong foundations

Understanding what's driving the Northern Powerhouse could hold the key to its future as a rival to London, writes **Duncan Brown**, senior economist at Emsi UK

With a population of over 15 million, more than a million businesses, and an economy worth around £289bn, the north of England has plenty of economic power. Yet driving the Northern Powerhouse is the recognition that the potential of the area remains very much untapped. Through a combination of improved transport links, investment, and devolved power, the Powerhouse aims to better draw on the North's resources to tip the scales away from London and the south east in terms of growth, productivity and living standards.

Superficially, it could be tempting for the regions in the North to think that success depends on following the economic model offered by the South. However, this would almost certainly be destined to end in disappointment, for the simple reason that the economies of the north are very different to those in London and the South-East. A better approach is to begin by carefully identifying the foundations of the North's economies, grasping the strengths the area has, and using this as the basis for future business growth and investment attraction.

To see what has been driving growth in the Northern Powerhouse, we have grouped the region's sectors into "industry clusters", based on shared characteristics such as industries that have similar workforces and a supply chain connectivity. Next, we have then sorted these clusters into two groups: non-tradable clusters, made up of industries which generally serve only local needs; and tradable clusters, which

are industries that serve needs nationally and internationally.

Although non-tradable industries tend to employ the most people in every region, it is the tradable clusters that are the real drivers of economic growth. They create value to sell across the country and to the wider world.

We can get a good idea of what is driving growth across the Northern Powerhouse by looking at the top tradable industry clusters across the six major regions, measured by job growth from 2006-2016:

- Greater Manchester: professional services (15,850 new jobs), business services (10,063), digital (7,890).
- Humber: agricultural inputs and services (2,813), logistics and e-commerce (2,578), furniture and wood products (2,495).
- Leeds City Region: professional services (14,013), creative (11,265), business services (8,396).
- Liverpool City Region: logistics and e-commerce (5,624), vehicle and defence technology (2,597), professional services (2,210).
- North Eastern: civil engineering (6,328), logistics and e-commerce (4,142), business services (3,165).
- Sheffield City Region: business services (12,440), professional services (7,965), logistics and e-commerce (5,648).

Whilst there are a number of commonalities across these regions, there are also a number of unique growth drivers in each area. Developers and planners in each of these regions would do well to take into account these sectors, since they are where the local strengths lie.

Of course this is only the tip of the iceberg in terms of the data available. However, if the Northern Powerhouse is ever to realise its full potential, a good understanding of where its strengths lie should be the starting point for the development of a sound, long-term economic strategy.

For more information, please visit:
www.economicmodelling.co.uk/2017/09/08/can-northern-powerhouse-build-strong-foundations/

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How the North can help solve the UK's housing crisis

AECOM's business unit lead for the north of England, **Richard Green**, looks at the key opportunities to speed up new homes delivery and support national population growth

The UK is facing a growing housing shortage, with as few as 140,000 homes being built each year. That's just over half the estimated 270,000 needed to keep up with population growth — the equivalent of building a city larger than Newcastle every year.

Despite recent national government housing incentives, such as its Home Building Fund and Affordable Homes Programme, we simply aren't building enough homes fast enough, especially quality, social housing, caused in part by decades of underinvestment.

While the UK population is growing at one per cent per annum, the North is growing by 0.45 per cent per year, bringing great opportunities to rebalance the population, champion innovative and local solutions capable of delivering homes at pace and bolster social and physical infrastructure across the Northern Powerhouse area.

Each of these could become a reality

Derwenthorpe in York is an award-winning Joseph Rowntree Housing Trust development of affordable homes in a mixed-tenure community, with ecological services provided by AECOM



through three parallel strategies: the release of surplus/brownfield land through review of public sector assets; innovative use of off-site construction; and managed relaxation of greenbelt land in appropriate urban growth areas.

Turning surplus land into communities

The government is presently leading on progressing the development of surplus and brownfield land through its national land disposal agency, the Homes and Communities Agency (HCA), with work starting on the transfer of land from Other Government Departments (OGDs) where it can generate a positive market value. This has great potential to incentivise and gain interest from the wider development industry and, when combined with the One Public Estate process, could achieve time and cost efficiencies resulting in more coherent communities.

The HCA is also leading an Accelerated Construction Programme,

JOSEPH ROWNTREE HOUSING TRUST

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which looks to provide a tailored support package to local authorities who would like to develop out surplus land holdings at pace. The programme aims to deliver up to 15,000 homes (housing starts) on central and local surplus public sector land in this parliament through £1.7bn of investment. It also looks to use Accelerated Construction to tackle broader constraints to seeing more homes built.

HIMOR Group's planned £100m regeneration of the former Carrington Shell UK refinery into Carrington Village, a thriving new community in Trafford, is a good example of the value in freeing up land to help meet increasing housing demand. The Future Carrington scheme outline application, masterplanned by AECOM, received planning permission in April and will see the former 1,655-acre industrial site transformed into a vibrant new village with more than 700

homes, commercial space, infrastructure, and public realm, including over 14 hectares of publicly accessible open spaces.

Building off-site to speed up delivery

Self-build, custom-build and manufactured homes are considerably quicker and cheaper to build than traditional housing, and have been effective components of housing strategies in other countries such as Germany for many years. The UK currently builds around 15,000 off-site manufacture homes each year, with delivery historically restricted by the need to deliver at volume in complex urban settings and dependence on a building a robust supply chain.

With the government's support for off-site construction in its recent housing white paper, the North has a great opportunity to lead the way in using quick and cost-effective volumetric technology to deliver high-quality, well-insulated, spacious, energy-efficient off-site manufactured (OSM) accommodation, as we have seen with the successful delivery of the hoUse project in Manchester and Dalston Lane, Hackney, London. Describing OSM as an "exciting new solution", chair of the London Assembly Planning committee, Nicky Gavron, recently recommended that the Mayor of London should raise awareness of its potential and set up a dedicated OSM-specific procurement framework for the city.

Manufacturing continues to be an important part of the North's economy; albeit the emphasis has moved from volume to high-end goods and advanced manufacturing, such as Barbour in South Shields. This legacy of change has led to large areas of available land alongside communities that have traditionally made things — bringing great opportunities to join up thinking and make the most of the North's land, resources and willing communities to not only build off-site manufacture homes but the factories required to make them.

Reviewing the greenbelt

While the original purpose of the greenbelt is still valid, and protection of our most important land must be maintained or enhanced, there are significant portions of brownfield and other low environmental value land close to transport links within the UK's greenbelts that are ripe for development. This is particularly the case in the North, through a historical legacy of urban and manufacturing contraction. In many locations these greenbelt areas physically relate to potential infrastructure investment area such as Northern Powerhouse Rail.

Leaving responsibility for greenbelt land decisions wholly with local authorities plays well to local decision-making. However, it is unlikely to bring forward new schemes quickly. Transport developments therefore present opportunities for local and regional authorities to develop long-term, strategic growth plans together and should be seen in the context of brownfield regeneration, garden towns and greenbelt review to maximise the potential for housing along route corridors. These types of developments will not only attract more passengers onto transport routes, but also bring a range of economic and social benefits to the local area.

Invest and develop now

Looking ahead, while Sajid Javid, secretary of state for Communities and Local Government, recently announced the Autumn Budget could hold details of a housing deal for Leeds, which is positive news for the city region, we need more housing deals delivered in quick succession across the Powerhouse to both support the north's growth and start solving the UK housing crisis. Investment in housing in the Powerhouse consequently goes back to the fundamental principles that drove its conception: investment in infrastructure and development that can re-balance the economy of the UK.

For more information, please visit:
www.aecom.com

Building an ecosystem for innovation

A truly digital city needs citizens, governments, businesses and industries to work together, write ThoughtWorks Ventures' **Nima Monterazi**, **Natalie Drucker** and **Mark Collin**



Nearly every major city holds a 2020 digital city strategy. While the topic of digital cities has been gaining popularity, we are still seeing a major disconnect between strategy and execution. Without a clear market definition, the digital city and smart city terms are often interchanged. We have all seen the perfectly designed simulation of buildings, cars, people, and public transport all centrally connected, hoping to create seamless life for people in congested urban locations.

In theory, a perfectly designed, centrally controlled digital city is easier to manage. However, from our experience of building thriving digital enterprises for the past 25 years, designing a master plan years in advance is simply not feasible.

This vision of a digital city originated from the world's largest technology companies, and therefore was pushing technology first, rather than putting citizens at the core of the design. Having

few vendors controlling the infrastructure and flow of information, could have compromised citizen data and their ability to influence change.

Becoming citizen-centric

Any organisation believes that they are customer-centric, or in the context of a digital city, citizen-centric. A citizen-centric organisation is about putting citizens at the core, and working backwards from their needs to innovate on their behalf and define solutions that satisfy their needs. While the concept of citizen-centric organisations is not new, the industry has been struggling with the implementation of citizen-centric strategies.

GDS (the UK's Government Digital Service) is a great example of an organisation that transformed from citizen-aware to citizen-centric. We helped GDS deliver gov.uk, a single hub for all of UK's departmental sites. A citizen-driven design resulted in a

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62 per cent increase in weekly visitors, and reduction in yearly operational cost by £50m.

Services for citizens

In the meantime, the digital revolution has hit our shores and the internet created a global village; one world interconnected by an electronic nervous system. Start-ups such as Uber and Airbnb were able to design their products with a “global first” mindset. They tried to solve problems that real people face, regardless of their location. The ease of use led some of these platforms to gain a status of an operating system, as they unintentionally defined a new best practice for developing technology solutions in their space.

However, the challenge of local authorities trying to solve problems for their citizens, is that they are restricted to designing solutions within the boundaries of their geographies. The fact that single countries end up with

multiple digital city strategies for each of their major cities, highlights the issue of groups that have a similar vision but run with a siloed execution.

As technology removes geographical barriers for people, there is an opportunity to leverage innovation from around the world, rather than duplicate effort.

City as a Platform (CaaP)

At the end of the day, it all comes down to data. These new digital platforms are the new brokers of information, which allow them to connect to a large number of ecosystems, and by that provide even more value to their users.

With the right data, nearly any problem can be solved. In Manchester, a small team of passionate ThoughtWorkers used publicly available data to address the challenge of planning a trip within the city. Developed in six weeks, Tramchester is an award-winning mobile app that models Manchester’s tram network using a graph database. It calculates the best route between two tram stations using a path finding algorithm. The technology behind this app means that Tramchester quickly processes data and is ready to face the future of more complex transport demands.

Given that Tramchester was brought to life in just six weeks, why aren’t we seeing more data-driven innovation in our cities? The challenge is that only some data is open, and the format of the data is inconsistent. Rather than try to own the innovation process, cities should take the role of a facilitator and bring together public and private sector, as well as citizens, to create a unified approach for data sharing. Unlike the utopian state of digital cities where information is centrally collated and owned, CaaP is a secured, scalable innovation approach. CaaP means that the city only facilitates the flow of data between parties, so it can have an unlimited number of people and organisations create innovative solutions using data.

Under this approach the city will

create a cloud-based API (Application Programming Interface) that standardises data and gives read-only access to approved parties. Technology methods such as blockchain guarantee secured data flow, as well as data authenticity. Operational efficiency is another advantage under this approach, as organisations only need to sign a security contract between their business and the city, rather than have a separate contract between each of the entities.

ThoughtWorks is part of a consortium group under NESTA called Decode, which is working to build just this for the cities of Barcelona and Amsterdam. Decode is citizen-centric platform that gives people ownership of their personal data. This model is focused on privacy and democracy, before technology, vendors and “owners” of the platform itself. By starting with the end user and beneficiary in mind, we stay true to the purpose, rather than the owner. The platform allows users to manage their data, including sharing it anonymously for the public good.

What’s next?

In the coming months the hype around digital cities will continue to grow. Successful cities will be able to put technology aside, and focus on designing a platform of collaboration that puts citizens first. Courageous leaders that will embrace the City as a Platform approach, will need to work with organisations on their data strategy, and help them understand the implications of operating in a “co-opetition” mode. Advanced cities will have a global mindset and will allow popular platforms to use data to provide a rich experience for their user base in a city.

A well conceived, designed and engineered Digital City platform will succeed based on its purpose and by being open. A technical design model that captures funding, contribution and culture from many different sources will be its mainstay.

For more information, please visit:
www.thoughtworks.com/ventures/dc

“The idea that all routes should lead to London is bad for the UK”

Tim Farron, former leader of the Liberal Democrats, tells Rohan Banerjee that issues in the north of England need to be pushed further up the Westminster agenda

Over the Liberal Democrats’ “Marmite position” towards the United Kingdom’s decision to leave the European Union, former party leader Tim Farron remains bullish. A 52 per cent majority secured the Brexit vote in the referendum, with that result tilted in no small part by the actions of the north of England. Nearly 57 per cent of voters in Cumbria, for example, which encompasses Farron’s own Westmorland and Lonsdale constituency, signalled to leave the EU. Farron describes this as “disappointing if unsurprising”. But the 47-year-old, whose choice to align the Lib Dems’ subsequent general election campaign uncompromisingly with the European project, doesn’t blame northerners for their rejection of the status quo.

Their ire, he says, is not something that’s happened overnight. Rather, successive governments’ reluctance to invest in the North has failed to suitably convey the benefits of EU membership, creating a feeling of contempt towards the Westminster bubble. When it comes to former Prime Minister David Cameron and ex-chancellor George Osborne,

The Westmorland and Lonsdale constituency includes major towns: Kendal, Windermere and Kirkby Lonsdale



Farron pulls no punches. “One of the contributing factors to Brexit was treating the North as an afterthought. I thought Osborne’s ‘punishment budget’ was the crass, self-inflicted coup de grace that killed the Remain campaign. He said: ‘If you don’t vote the way I want you to, you’ll lose your homes and pensions.’ A lot of my old school mates, thought: ‘I haven’t got any of that, I’ll screw you then.’ It was a very shallow gamble from Cameron and Osborne.”

What few attempts at including the rest of the country in national development there have been, Farron scoffs, can be seen as “patronising, half-baked solutions”. He says: “The solutions that Whitehall has offered towards the North and the Midlands... plonking the DVLA in Swansea, for example, is your typical Whitehall response. HS2, while I remain on balance in favour of this, it’s a very much a southerner’s idea of what needs doing: make it easier to get to London.”

Bottle-necking jobs and industry towards the capital, Farron warns, is not a healthy economic strategy. The need to make “the North a matter in itself”, he insists, should be even clearer post-Brexit.



**“I like
Westminster
but I love the
place that
elected me”**

SHUTTERSTOCK/KEVIN EAVES

While Farron remains sceptical of the decision to leave the bloc and maintains that history will reflect on it unkindly – “I’ll eat a chocolate hat if it doesn’t” – he says that spreading wealth to areas no longer in line for subsidies, and improving internal access to services and the opportunities to export a wider variety of UK goods, are critical if the UK is to be even remotely self-sustainable. “Investment necessitates scale and ambition. Investing in particular in industries is important, but that’s putting the cart before the horse. It’s the infrastructure that’s vital. Take the east-west high-speed rail link for example – HS3 – or the discussion about Heathrow. That might have been more sensible if we had discussed improving one of the northern airports. HS3 is so significant, because it’s connecting the two most significant ports from Hull to Liverpool. The idea that all routes should lead to London is bad for London and it’s bad for the UK.”

Farron stresses that a lack of connectivity, in many senses of the word, is hampering the north of England. Drawing on his own constituency’s in-tray, he says: “I’ve renewed a bid for us to have radiotherapy treatment at my local hospital in Kendal. Chemotherapy is there but for radio you’ve got to do a six-hour round trip elsewhere. The access for us is different to an urban area.”

Though Farron’s Lib Dem premiership might be remembered most immediately for how it ended – a resignation that cited the difficulties in balancing his Christian faith alongside the party’s position on homosexuality – his ability to draw so readily on local issues to inform wider ones, is a reminder of what he does well; and why, if only by the skin of his teeth in the last election, he keeps getting elected. June saw Farron’s majority in Westmorland and Lonsdale cut by 8,172 ahead of Conservative James Airey.

How does his experience as a local MP compare to his experience as a national leader? “I love being an MP in our part of the world. It’s an astonishingly beautiful place, but there are a variety of challenges that come with it. Being

a leader was a challenge and an honour. Basically, we needed to save the party – we were as good as dead after 2015 – but we survived and made seats.”

Quoting the late Tip O’Neill, Farron says: “All politics is local. Politicians are often suckered into talking about the Westminster agenda in the Westminster bubble. As leader, it was harder to catch the eye of the people who were putting the news together with issues that were outside. The majority of northern MPs in senior positions don’t actively live in their constituencies. I’m not saying they don’t have a place there, but even as leader, I tried to spend as much time in the North as I could.” Do safe seats breed complacency? “Perhaps. Sometimes people love this place [Westminster], more than the place that elected them to it. I like Westminster, but I love the place that elected me.”

Given Westmorland and Lonsdale’s concerns about the EU, how did campaigning on such a pro-European ticket affect his standing in his constituency? “I work my patch hard, because I love doing it. When I stopped being leader, people said they were glad I was back. What that tells you is two things: that they are glad that I’m still around, but also that they felt like I had gone away.”

Ultimately, Farron is hopeful that the idea of a Northern Powerhouse, as outlined by the Conservative Party in 2010, can become more than just an idea. But he says in delivering on this pledge, there needs to be a real step up in urgency and enthusiasm for the potential of the North.

Devolution of power, he says, needs to be done properly and while the new metro mayors might be a move in the right direction, there are still gaps to be filled. “We saw that the chancellor [Philip Hammond] has been meeting with metro mayors about devolution recently. He’s met with Manchester, Merseyside and Teesside. But what about Northumberland? What about Cumbria? Invest and listen to local areas about their needs. They know what they need and what they can do. Let them do it.”

“You shouldn’t have to be brave to ride a bicycle”

Northern cities lag far behind London for active transport. Manchester’s first cycling and walking commissioner, **Chris Boardman**, tells Will Dunn how he plans to change that



Chris Boardman – who won three Olympic gold medals, broke the hour record three times, and three times wore the yellow jersey in the Tour de France; who heads up a major British bicycle manufacturer; who has been involved in UK cycling policy for 15 years, and who has been appointed to oversee the development of cycling in Manchester – does not cycle to work. Nobody finds this more frustrating than he does.

Boardman’s commute is “five miles to a station, and then a really good train link. I do that because it’s easier than driving. I would like to ride the five miles to the station.” But while the distance itself would present no problems for Boardman, his experiences of car-free commuting have been problematic. “It was really hard for me to find a road that wasn’t a country road at 60mph, with heavy traffic. I found some tracks and paths, [but this] extended the journey to the point where it’s no longer viable.” Nor are roads the only problem. “When I

get there [the station], there’s a big, locked cabinet for bikes – and it’s empty. I have to apply and get a fob to use it.”

More than anything else, Boardman says “this demonstrates why I want to do this job. Because even people who are actively looking for ways to travel differently – the obstacles in your way are ridiculous.”

It’s not that the road to Spital, Boardman’s local station, is lethal. But for any cyclist, a fast country road is “an unpleasant place to be... I wouldn’t ride along this road by choice. I know, statistically, that there is a cyclist killed every 1,500 times around the planet. It’s safer than walking, but it doesn’t feel it, and that’s the important thing. What it looks and feels like – that’s how we make our decisions. We don’t look at the statistics. We look at the lorries and cars.”

The first step towards Boardman’s goal of increasing Greater Manchester’s bike journeys from two per cent to 25 per cent is, perhaps counterintuitively, to “forget cyclists. This isn’t about cyclists – this is about people in cars. They’re the ones you need to change, if you want to make a difference.” What enables people to leave their cars behind, he says, is “safe space. You shouldn’t have to be brave to ride a bicycle, or to cross a road for that matter.”

“Once you’ve got safe space, it has to be convenient. So, that safe space has to go all the way from where I live to where I want to go, and it needs to be uninterrupted. If it just drops out, and there’s a bit of busy road before the nice stuff picks up again, I’m not going to use the really nice stuff because of that busy road. So you’ve got to do it all – it’s got to be joined up. When I get where I want to go, I’ve got to have bike parking. And it’s got to be at least as easy as parking a car. And then I need a good transport network. And then, it works.”

Boardman says one of the problems he’s noticed in his work as a cycling policy advisor is that infrastructure is often built for those who already cycle. “If you want a modal shift, you have to make it desirable for the people who don’t do it now,” he says, which means taking the measures that make people feel safe “...and that’s segregated bike lanes. That’s traffic

calming. It's a change in the way we police our streets, to look after the more vulnerable. And that will mean cyclists looking after pedestrians, as well. The whole approach to how we use our streets needs to change."

New infrastructure, particularly in urban areas with limited space, can be expensive and controversial. But Boardman says there are changes that can be made now that will actually save money. "Accidents are expensive. We should look at the cost of KSIs – killed or seriously injured – and ask how much it would cost to put [more] police on the streets. This happened in London" – Boardman refers to Operation Safeway, which targeted the behaviour of both drivers and cyclists – "and general crime went down. We've cut back massively on visible policing on the streets, and we're paying for that now. Some people won't obey the law unless there's consequences." Some policies could actually generate revenue, he adds: "if we devolved it to local authorities to do some of that enforcement, and then ringfence the funds back into that community, even into a specific street, the community benefits from penalising bad behaviour."

With air pollution and obesity causing more than 75,000 preventable deaths per year, the benefits of active transport to the population and its economy are almost impossible to overstate. Boardman says that this, too, could be reflected in funding, because "the beneficiaries of change," which he identifies as health and the environment, "could contribute to making it happen, because cycling and walking are the delivery mechanisms for

"We've cut visible policing, and now we're paying for it"



Cycling to work has been shown to reduce the chances of early death by any cause by 40 per cent

them to get their outcomes."

Attitudes will need to change as much as infrastructure if the UK is to enjoy active transport at similar levels to other countries. In the week before we speak, a divisional Twitter account of the Greater Manchester Police was lambasted for seeming to suggest that the two cyclists killed in the previous week in Manchester were partly to blame for their own deaths, because cyclists "weave in and out of traffic at speed". Boardman says that while this was the opinion of "an individual, as opposed to the police... it shows the differing views, even among the police force." There is a failure to recognise "the hierarchy of people we look after," says Boardman, pointing out that the relationships of power and danger are "not even. If a cyclist makes a mistake, they're the ones that pay for it. If somebody in a car makes a mistake, or is in a temper, they can kill someone. So it's not even – and nor should policing be."

Boardman would not dispute for a moment that dangerous and illegal cycling exists, but he says parts of the media report this comparatively minor problem in a way that is grossly out of proportion to the problem itself. Of the recent case of a teenage cyclist who struck

and killed a mother of two he says "we all totally understand that this is a horrendously tragic incident, and we have no problem with harsh penalties," but adds that "around 110 cyclists a year are killed by cars; that's not a story. And when we actually hear the PM saying that she's going to look at dangerous driving laws to incorporate cyclists, it's just unbelievable, when you can still open a car door, kill a cyclist, and face a maximum of a £1,000 fine."

Ultimately, then, the change that will allow cycling to become a mainstream mode of transport needs to start at the top. "The government has a responsibility to work on evidence rather than anecdote," he says, "and I thought it was very tacky for the government to behave the way that it did."

For this reason, Boardman is optimistic about the changes that devolution will bring to Greater Manchester's transport. "Andy Burnham has the biggest role to play. He's in a new position in the UK. There's someone at the top who genuinely wants to make a difference to the way we use our town and city streets, and is prepared to put up with the noise to get that change. With devolution, you've got an opportunity."

Unleashing a full-fibre future

Mark Collins, CityFibre director of strategy and public affairs, explains why full-fibre connectivity is core to delivering the Northern Powerhouse and wider Industrial Strategy

With three months still to go, 2017 has already proved an especially turbulent year for politics with a snap general election, party unrest and continued Brexit fall-out offering an unwelcome distraction from the wider economic and social challenges facing the country.

However, the survival of several important policies from the previous government go some way towards demonstrating a commitment to creating a solid foundation on which the UK can enrich its future - namely the Industrial Strategy, the Northern Powerhouse Strategy and the plans to accelerate full-fibre investment announced in 2016's autumn statement.

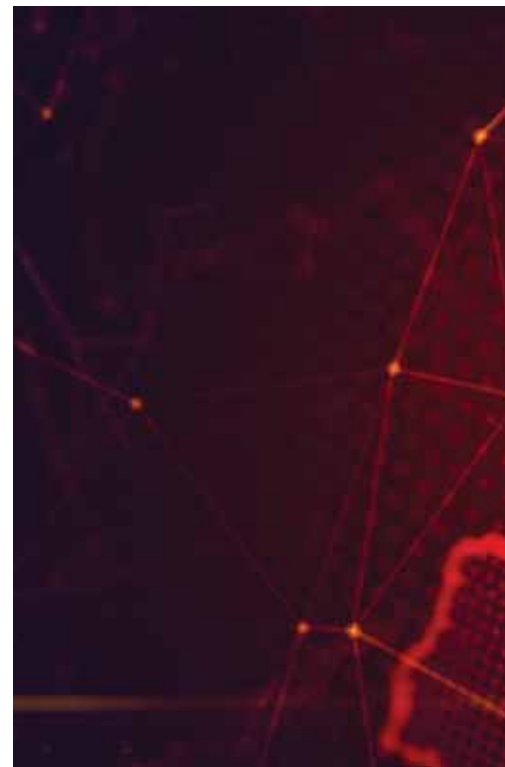
The commitment to the country's conversion to full-fibre has enjoyed special prominence recently, sparked by the launch of the government's Digital Infrastructure Investment Fund (DIIF) on the 3rd July. Announced in Peterborough, one of CityFibre's

earliest Gigabit City projects, by the exchequer secretary, Andrew Jones MP. The £400m fund has been set up to incentivise and therefore, accelerate, full-fibre deployment across the UK by alternative providers (companies like us who have no interest in old copper networks and are committed to building new gigabit-ready fibre).

The very next day the Telecommunications Infrastructure Bill was introduced to parliament, delivering on the government's promise to introduce 100 per cent relief on business rates on investments in new fibre.

These events provided the perfect backdrop for our own announcement on Wednesday 5th July, which made public our successful £200m raise, our move into the residential market and our acquisition of Entanet, a leading connectivity wholesaler.

Together, these events not only marked the start of a new chapter for



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CityFibre, but reflected the changing zeitgeist for Britain's digital ambitions.

This is why CityFibre has been disappointed with the approaches taken by the Northern Powerhouse Strategy. The strategy is correct in making "connectivity" a priority theme but it remains a great concern that the role of digital connectivity in unlocking the UK's potential is underestimated.

To date, much of the rhetoric has laboured on transport. While it's undisputable we need a fit-for-purpose cross country transport network, we must also consider the other forms of infrastructure that keep us connected and mobile. The country's digital highways are bursting at the seams just as much as its motorways and trains.

Digital connectivity isn't just about better internet speeds, mobile phone signal and 4G and 5G connectivity – it is about building the foundation required to deliver on every one of the Northern Powerhouse and wider Industrial

Strategy objectives.

Given the well-documented link between connectivity and prosperity as well as increased efficiency, productivity and competitiveness (all totems of economic growth), this foundation has to be full-fibre.

As the nation's most prolific builder of alternative network infrastructure, CityFibre is currently leading the charge in transforming the UK's digital networks. So far, we have been the driving force behind the creation of 42 Gigabit Cities in the UK, including Northern Powerhouse hotspots Leeds, Bradford, Sheffield, Hull, Huddersfield, Wakefield and York.

Gigabit Cities are communities with active full-fibre digital networks, providing ultrafast internet speeds (50 to 100 times the national average) and near unlimited bandwidth, unlocking business growth and skills, underpinning public services, and driving inward investment.

When lined up with the objectives of the Northern Powerhouse, the benefits of Gigabit City connectivity provide a perfect match, and a much more affordable solution than new railway lines and roads.

For example, full-fibre infrastructure can help raise education and skills levels across the north by supporting new e-learning initiatives and the adoption of digital tools, while helping young people gain digital skills. Similarly, it makes cities more attractive to new business start-ups, especially in the tech sector. The North is home to four of the UK's 27 tech clusters (including the largest outside London), illustrating perfectly the changing face of the region as the fourth industrial revolution redefines traditional sectors.

Finally, it sets the stage for a post-Brexit Northern Powerhouse that can compete with a digital Europe where full-fibre has long been the standard. Inward investment from major industries and international firms will always be a coveted prize, so we must have the infrastructure, skills and ambition they require and expect.

Still, full fibre must not only be seen as a 'northern' issue. To understand how far behind the whole UK is lagging, you only need to read a few damning statistics. Full fibre has long been the standard in Europe where productivity has consistently sat several percentage points ahead of the UK. In Spain, for example, over 80 per cent of properties have a full-fibre connection. This sits at just two per cent in the UK.

According to recent research conducted by the Federation of Small Businesses, a quarter of UK businesses still operate with a connection slower than 12 megabits per second (mbps), and almost half (40 per cent) have connectivity slower than 24 mbps. When 80 per cent of businesses now employ remote working practices, 75 per cent say broadband is vital, and 94 per cent interact with customers and suppliers online, this is unacceptable.

But, returning to the point made previously that the push for full-fibre has enjoyed a major boost in momentum in recent months, it feels that at long last, this future lies ahead, in spite of persistent half-hearted upgrades to our creaking networks to part-copper, part-fibre solutions.

This is largely down to the persistence of alternative networks, but we also have to acknowledge the leaders in government and business that recognise the limitations of our current connectivity and the immense value in full fibre investment.

Nonetheless, the full-fibre future could easily fade if the UK's towns and cities fail to grasp this vision themselves. In each of our Gigabit Cities the desire and commitment has been driven directly by local businesses, local government and public services – those most set to benefit.

The message, therefore, is don't sit back and wait, hoping that your town or city will be next. Demand will lead the way when it comes to making transformational change.

So what are we all waiting for? It's time to build Gigabit Britain, with the might of an ambitious nation behind us.

Local rail is central to the Northern Powerhouse

Richard Allan, deputy managing director at Northern, explains the importance of strong local rail links in the North, and how the new franchise is driving progress



It is now just over 18 months since the launch of the new Northern rail franchise – a milestone which heralded the start of the biggest upgrade the north of England’s local rail services will see for a generation.

Through a widely welcomed investment programme, customers will benefit from a variety of improvements including a £580m investment in 98 new trains and 243 updated trains. New timetables will bring 2,000 extra services each week and, vitally, almost 40 per cent more capacity in morning and evening peak periods.

Gearing towards completion by 2020, our modernisation plans are seen as a once-in-a-generation opportunity, delivering another vital rung on the region’s economic progress ladder.

Northern, which is part of the Arriva Group, is a significant contributor to the region’s economy with 5,600 employees and a network which links historic centres such as Chester and

Lincoln, the industrial powerhouses of Liverpool, Manchester, Leeds, Newcastle and Sheffield and the spa towns of Buxton and Harrogate.

The network provides a lifeline around the Cumbrian coast, taking locals and tourists across the roof of England between Settle and Carlisle and providing views across five national parks: Lake District, Northumberland, North York Moors, Peak District and the Yorkshire Dales.

Our customers are seeing improvements at stations as we spend over £60m on upgrades. There will be 111 refurbished by the end of this year with improvements including new waiting areas and seating, shelters, information displays, help points and new automatic ticket machines.

Passenger safety and security continues to be a top priority for Northern and underpins our modernisation. Every carriage of every train will have CCTV as will stations,

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supported by new LED lighting. Meanwhile, across the network a team of 55 Travel Safe Officers are already reassuring passengers.

To make travel easier, even before people reach their station, a new Customer Experience Centre has been opened and a new mobile phone app will include loyalty rewards, special offers and live travel planning.

Modernisation will also change the way Northern's employees work, and we are investing in them through training, professional development, and by nurturing local talent through a successful apprenticeship and graduate programme.

Drivers at Northern are closely engaged with the modernisation plans, with trade union members part of a "Driver Cab Working Group" – a forum that allows drivers to help specify how the train cab will look and feel, the level of comfort, and even the materials being used throughout the cab.

By listening to people, we are understanding what our customers want. We refine our plans with feedback from workshops, focus groups and roadshows. Across the region, and in Westminster, there is constant engagement to ensure partners, business groups and rail user groups are fully up-to-date and understand how our plans are progressing.

For the people and businesses of northern England, the next few years will bring the railway they need, a railway they can be proud of, and one that unlocks their great potential.

It is widely recognised that the Northern Powerhouse and its burgeoning industries have the potential to transform the North, possibly adding £97bn to the economy and delivering over 850,000 jobs by 2050.

Northern and its people will play a critical role in the region progressing and achieving this vision.

Word on the railway line

Graham Brown, regular commuter on services between Leeds and Bradford

"The investment into the train services and stations is long overdue but I think it's clear how much people are looking forward to the improvements. It's a big step and a welcome one."

Harminder Chana, graduate trainee

"Starting a career in the rail industry has opened doors to new experiences for me. Whilst working and being involved on Northern's graduate scheme, I have had a diverse range of experience from communications, commercial and now our new trains project. I have had the opportunity to provide valuable input to shaping and delivering the future plans. I am excited to see what the future holds and where my career in Northern takes me next."

Chris Hearld, KPMG's North Region chair

"Northern's plans to modernise our region's existing railway are widely welcomed by the business community and will bring vital economic benefits, with more services linking towns and cities and new trains hopefully attracting more passengers. They are changes I know many across the North are pleased to see become reality."

NORTHERN – FACTS & FIGURES

- | Over 5,600 employees providing more than 2,500 services daily
- | 100 million passenger journeys a year
- | Serves a network of 15 million people
- | Northern manages 477 and calls at more than 500 stations
- | Operates a fleet of 333 trains
- | Runs on more than 1,800 miles of track

Power-housing: why it's not grim up north anymore

Developing the north of England's already booming property market further should be a point of national interest, according to Knight Knox's **Emma Martin**

There is plenty to be celebrated in the North. The “core cities” – Manchester, Liverpool, Leeds, and Sheffield – have been enthusiastically pushing forward with the Northern Powerhouse initiative through rigorous redevelopment, investment in infrastructure, education and business, with true northern spirit. This progressive revolution has already shifted some of the focus away from London, working to rebalance the economy away from the capital and attracting global investment and interest.

Northern city-centre residential markets are flourishing with new strength as a direct result of the changes being made in key cities. Whilst the London property market continues to flounder with stagnant rents and sky-high prices, a symptom of a broken market, the North is pushing on and performing well even in the wake of a period of political turbulence. It is for this reason that city-centre residential

Plans for a 600-apartment scheme rising up to 27 storeys high in Salford Quays have been approved



markets are the place to be for investors looking to make their money do more. It is vital that ongoing investment in these cities is treated as a matter of national interest.

This summer, Knight Knox carried out a survey of 500 UK-based landlords which revealed that 41 per cent of landlords believe that city-centre apartments generate the highest yields and capital appreciation, showing that many investors already believe that this is the best place to put their money. Furthermore, with 49.6 per cent of landlords intending to buy another rental property in the next five years, now is the time for the key northern cities to put their best foot forward in order to invite residential investment.

Manchester is the spearhead of George Osborne's Northern Powerhouse initiative and was the chosen location for the iconic 2014 speech that called for a group of cities in the North so strong that “combined, they can take on the

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world.” Manchester has since proven itself as the UK’s de facto second city, having established itself as a global centre of business, culture, sport and higher education. With a population expected to balloon to 625,000 by 2025, property prices in the city are expected to grow by more than 28 per cent in the next five years according to industry experts.

As of September 2017, the average sold price in Manchester sits at £182,970 – an increase of 10 per cent year-on-year and a 20 per cent increase over the pre-financial crash values of 2007. This steady growth is the result of a supply and demand issue caused by the great numbers of people flocking to the city to take advantage of good business opportunities and the affordable lifestyle. There are quite simply not enough city-centre residential apartments, and the race to rent the best accommodation is fierce.

The regeneration of the waterfront

destination of Salford Quays has been fundamental to the overall redevelopment of the region, illustrating how areas that have previously been neglected can become global destinations, able to cultivate business, innovation and creativity. MediaCityUK, Europe’s first purpose-built telecommunications and media hub, has boosted the national interest in the north, with the BBC relocating many of their major services to Salford Quays. Plans to expand MediaCityUK by 455 per cent over the next decade to fill its allotted 200 acres will see a raft of new jobs created in addition to the 7,000 employed there currently. This will undoubtedly entice new people and businesses to the city.

At the other end of the Manchester Ship Canal is Liverpool, another key region promoting northern pride and strength. Liverpool is in the midst of an extensive redevelopment of its historic docklands and riverfront, which will create a new waterfront destination for business, leisure and culture. With £50bn being invested in the city over the next 50 years there is no question as to the strength of Liverpool’s future.

Sheffield is another modern city which is pushing the North forwards. It is an internationally significant home for advanced manufacturing as well as being one of the UK’s main hubs for digital and creative industries.

McLaren Automotive has invested £50m in the city to build their new Composites Technology Centre in partnership with the Sheffield universities, which will create 200 highly skilled jobs and produce world-class research in materials and technologies. It is expected that this investment will boost the local economy by £100m. McLaren is not alone in recognising the benefits of a Sheffield-based headquarters; the internationally renowned aerospace firm Boeing is also setting up a base in the city, investing £20m to build aeroplane parts in its first UK production factory. It is clear that Sheffield is one of the UK’s premier destinations for foreign investment

thanks to its highly skilled workforce and significant future potential. The theory that Sheffield is on the verge of becoming something quite special was confirmed in 2016 when the Chinese firm Sichuan Guodong Construction Group confirmed that they were to invest £1bn in Sheffield over the coming decades, including an immediate investment of £220m over the next three years to transform the city centre.

It is no surprise that Sheffield is predicted to enjoy healthy population growth, with growth of approximately 15 per cent expected over the next 20 years. The population swell in Sheffield is, in part, due to it being home to two of the largest universities in the UK. With a student population of more than 60,000, and approximately 25 per cent of graduates choosing to stay in Sheffield annually, many of the new faces to the city are young creative types.

With all that in mind, it is no wonder that Sheffield is being touted as the next big UK property market. Following in the footsteps of both Liverpool and Manchester, the Sheffield residential market is on the verge of a significant boom and has seen a house price increase of more than 20 per cent over the last five years according to Zoopla. The impressive residential markets in the North have shown growth and resilience, and it really does seem as if the Northern Powerhouse is becoming a reality. In order to maintain growth in these areas it is vital for government bodies and industry professionals to focus on housing and infrastructure improvements in the national interest.

Knight Knox is an established property consultancy with a focus on city centre residential property markets. Our unique approach specialises in many different parts of property development and investment, all of which are vital services for the benefit of individual private clients and small companies within the UK’s private rented sector. We deliver exceptional residential property to suit all requirements.

For more information, please visit:
www.knightknox.com

How to solve the North's productivity puzzle

Co-ordinated infrastructure across the North can drive economic growth and improve quality of life, writes **Pamela Wilde**, communications director at the Institution of Civil Engineers



Economically speaking, the North is a poor relation of London and the South-East with productivity lagging 11 per cent behind the UK average, a higher proportion of lower skilled workers (more than 50 per cent), and 39 of the 50 most deprived areas in England. So, how can we go about re-balancing the economy and stimulating regional growth? Strategic infrastructure planning has the ability to improve both the region's and the entire nation's economic and social welfare whilst acting as a driver for reinvigorating a staid UK economy. Effective infrastructure supports job creation and thriving, sustainable societies, and the government recognises and repeatedly supports infrastructure as an effective means of improving productivity.

But how do we ensure that the North performs to its full capacity and optimises the infrastructure opportunity? To answer this question

ICE has just published a report, *Delivering a Northern Infrastructure Strategy*, which advises how to achieve leader status in economic productivity.

Creating a single voice for the North

The Northern Powerhouse needs to create a clear strategy for planning and delivering high-performing infrastructure that co-ordinates and integrates different sectors and projects for the best local outcome. Additionally, it requires a prioritised plan to guide and co-ordinate development.

The starting point should be to understand what infrastructure is required, where and when. To implement this, ICE recommends formally engaging local and regional government and stakeholders – particularly businesses and academia – through the creation of an overarching, strategic body whose aim it is to provide a coherent regional approach to meeting the North's priorities.

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This representative body – a council of the North – would have a pan-northern remit to oversee delivery, taking responsibility for decisions that affect the whole of the North, and the prioritisation of necessary investment.

Skills shortage in the built environment is a critical issue for the North and indeed the entire nation. To ensure that the right workforce is in place to deliver an integrated northern infrastructure programme, the report identified the need for the council to be given the remit to co-ordinate regional skills development.

Improving regional infrastructure

The ICE report recommends a number of strategic steps that should be taken to improve the performance of the north's infrastructure networks. Better connectivity and improved integration across the region's transport networks will lead to faster, more frequent and reliable journeys. Transport for the

North (TfN)'s primary focus should be on developing programmes that deliver these benefits. The arrival of HS2 to the region must also be a key consideration in network planning, but linking across the Pennines is a key improvement not addressed by HS2.

The ICE report also outlines the need for better digital infrastructure, a key benefit of which would be to enhance the delivery of projects and asset operation. There is a need to consider how emerging technologies can play a part in the North's future transport networks, including the digital railway, autonomous vehicles and mobility as a service.

The North must have best-in-class digital infrastructure with complete geographic coverage in order for its businesses and citizens to maximise productivity and social benefit. An earlier ICE report, *Digital Transformation*, outlines the digital challenges and opportunities within infrastructure. We are on the cusp of digitalisation of industry and the North could be a pioneer in this respect.

The region has shown it can become a centre of excellence and lead the country in, for example, innovation and media skills, when the investment and the infrastructure to support is established. Technology can also be applied to improve energy outcomes. The ICE report recommends that the North should seek to enrich its energy mix by fully developing specialisations in renewables and other emerging energy technologies. As part of this approach the region should also begin to build its capacity to export energy throughout the UK and internationally.

Co-ordinating investment and funding

Delivering an ambitious infrastructure investment programme is not possible without the right funding and financing mechanisms in place. The ICE report asserts that it is necessary for the government to increase the level of infrastructure investment it makes in the North and in parallel to devolve sufficient revenue raising and

borrowing powers so that the region can begin funding growth from its own resources.

Narrowing the skills gap

The lower skills and educational attainment in the north of England acts as a drag on economic growth. The National Infrastructure Plan for Skills highlighted an overall 16 per cent skills gap in the built-environment sector for the north of England, with demand expected to peak in 2020 at 99,000 (up from 85,000 in 2015), giving the North the second-greatest skills gap in England. Looking at sub-sectors of built environment skills, the gap is forecast to be greatest for skilled trade and labour, where there is expected to be a 20 per cent shortage by 2020 in the north of England.

The recommendation to co-ordinate and integrate different sectors and projects will alleviate pressure on the workforce, improve the speed of delivery and reduce the disruption for the public. The North could become a leader in intelligent project co-ordination through pragmatic, informed local planning.

Housing: the demographic time bomb

As a first step to overcoming the critical housing shortage in the North, ICE recommends that local authorities should put in place standard approaches to assessing housing need. Secondly, a system that enables local authorities to access flexible funding for new housing development should be created.

It is important that government creates the environment that enables all regions of the UK to fully contribute to growing productivity and prosperity. ICE recommends we create a single voice for the region with a Council for the North, improve performance of the region's infrastructure including digital transformation, co-ordinate funding, integrate investment, and address the skills and housing shortages.

For more information or to discuss recommendations in the ICE report, please contact: policy@ice.org.uk

Housing the talent of the North

Luke Townsend,
CEO and
founder of
Zorin Finance,
explains why
homes are
integral to the
success of the
Northern
Powerhouse

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The North is changing; the economy is being transformed by new industries, including a new Sky technology hub in Leeds and BBC media city in Salford, a re-emergence of manufacturing, and new opportunities. With this comes a greater demand for high quality, affordable housing. A recent IPPR North study found there is a long-term need for 263,168 homes in the north-west of England alone, with not nearly enough brownfield land available to meet that requirement.

It is crucial for the long-term prosperity of the north, and the success of the Northern Powerhouse, that universities can retain talent, and businesses can attract it. For businesses based in the North, recruitment is increasingly a struggle due to a lack of housing. By improving housing stock for existing and potential residents, any infrastructural investment by the government, local or national, can be multiplied. Without adequate housing, efforts to create bustling micro-economies could be undermined.

The presence of small and medium-sized (SME) housebuilders in the northern housing sector has been diminished recently with the growth of large-scale developers. According to the Home Builder's Federation (HBF), increasing the number of SME builders to the levels found in 2007 could result in an extra 25,000 homes being built per year. Large builders are unable to build out the thousands of smaller sites which, put together, provide substantial land for new homes.

SMEs can prove more enterprising;

analysis by Savills and Hometrack shows that SME builders are incentivised to sustain output, which may be due to their limited cash balances, in contrast to larger developers who possess the capital to allow them to sit on land and delay projects. Productivity across all sectors has grown by over 50 per cent since 1994, whilst construction has remained stagnant, and the lack of smaller, more flexible challenger developers has only served to worsen this state of affairs.

Zorin Finance has a history in housing development itself, and therefore we understand the market more than the average financial institution. We have been supporting SME housebuilders with our unique products, lending up to 90 per cent of the cost of a total project, compared to banks who will typically lend up to 65 per cent, allowing SMEs to use less of their limited equity to secure sites, and spread it over multiple projects.

There are some helpful steps that policymakers could take to support SME housebuilders, and the lenders backing them, to have a greater stake in the northern housing market and unlock more homes. Government should reintroduce a de facto presumption in favour of development on smaller brownfield sites that lie within existing residential areas. This would prime many parcels of small land for development by SME housebuilders, which would be of little interest to larger developers.

HBF recommends reversing the 2010 reclassification of garden land as greenfield, to make available vital brownfield land for SME builders, which was previously essential for their survival, and Zorin supports these recommendations. Developing a site possessing 10 units or less exempts developers from certain requirements such as local infrastructure contributions; by increasing this limit to 25 units, the potential profit for SMEs would be maximised considerably.

Finally, it would be encouraging for lenders to see SME developers prioritised for contracts, and to know our support for smaller enterprises is matched by local and national government.

How the Humber can help discover hidden markets

The Humber represents huge potential for the UK's transport and trading sectors, writes **Simon Bird**, Humber Ports director

Associated British Ports' four ports on the Humber (Hull, Goole, Immingham and Grimsby) are the gateway for trade in and out of the north of England, the Midlands and beyond. We have exciting times ahead for the Northern Powerhouse but as that agenda progresses it is important to keep in mind that within the North we already have a genuine economic powerhouse in the Humber. Humber ports combined are one vast mega-port, brimming with potential for even more growth. ABP is the UK's largest port operator, managing 21 ports around the country and 25 per cent of all of the UK's seaborne trade.

Over half of ABP's business is done in the Humber. To put some numbers to it, 16 per cent of all of the UK's maritime trade and around 40,000 shipping movements every year in that one estuary and those four ports. With good transport links to key cities in the northern and central parts of the UK and land available for future developments especially in manufacturing, the capacity for growth is immense. Together with our customers, ABP Humber supports 23,000 jobs in the economy when you add in contractors and supply chains and contributes around £2.2bn to the UK economy every year.

With such a diverse range of operations and services, ABP Humber is a very useful barometer of the strength of the economy both in the North of England, and the UK as a whole. We are seeing growth across many sectors. A great example of this can be seen in shipping containers, which can involve moving just about any product anywhere

in the world. We have seen a 41 per cent growth in volumes of shipping containers at the two container terminals in Immingham and Hull. Based on this and anticipated future growth we have recently invested £50m to expand the offer for container shipping in the Humber.

Historically, the Humber has tended to be the forgotten part of the northern economy as focus has gone to Manchester, Leeds, Sheffield and Liverpool. However, the Humber can match those areas for economic performance and indeed the strength of the Humber helps to underpin the economic performance of other major cities in the North. The IPPR's recent economic study suggested that 40 per cent of the UK's GDP is produced in London and South-East and that wages are on average 30 per cent lower in the North. What this clearly suggests is that there is a wealth of untapped potential in the north and the Humber is clearly poised to be one of the focal points of developing those opportunities.

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 Humber benefits from those opportunities. That is why we will continue to invest in new port facilities and infrastructure on behalf of our customers, helping their businesses to grow. The right Brexit deal, which supports trade and promotes economic growth, could have huge benefits for the Humber and unlock new markets whilst allowing existing trade to flourish.

The government's Industrial Strategy will also have a critical role to play in future growth. Promoting trade and increasing exports must be a central objective of that plan. The Humber is in many ways the best kept secret in UK economics and it is important to spread the word that the Humber is a potential key to unlocking future growth for the UK as a whole.

For more information, please visit: www.abports.co.uk

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A northern star on the rise

Augusta Riddy travels to Hull, UK City of Culture 2017, to find out if the arts can really save a city

Humber Street, once part of the fruit market and then abandoned, is now a pedestrianised hub of breweries, galleries, cafes, and even a recording studio. A council initiative which keeps rent low is aimed at allowing independent businesses to establish themselves and grow, without fear of being priced out. Our guide, city culture and place manager Jon Pywell, becomes engaged in some back and forth about paying for our brownies; “I have to - I’m from the council!” No bribery allowed.

In 2013, Hull City Council launched its 10-year city plan, signalling the start of a programme of unprecedented investment and regeneration intended to transform the city for good. Since the launch, the city has seen £3.3bn of combined public and private investment, £240m of which has been ring fenced for cultural regeneration.

As part of this overarching plan Hull



made a second bid, the first in 2013 being unsuccessful, to be UK City of Culture. This time it was successful, and as such the council was handed a hard deadline by which to rip out the city centre and overhaul its cultural landmarks. As council CEO Matt Jukes explains, “using the year [City of Culture] as a catalyst to invest very strategically in the city we’ve fitted what is really a three-year programme into 18 months ... We were the orange barrier capital of the country for about 12 months.”

Hull has been seen as a national joke for as long as most of its inhabitants can remember, and a slew of mocking articles accompanied the event: “Hull marks becoming European capital of culture with fights every 47 SECONDS”; “Welcome to the UK’s Capital of Culture: Hull descends into drunken carnage just hours before it marked its new status as Britain’s ‘art city’”. In 2009



Hull was bottom of the UK prosperity index, and was the poorest city in Britain in terms of weekly wage. Martin Green, chief executive of Hull City of Culture 2017, says that “Hull for too long was told that it was no good, and if you tell anyone or anything that it’s no good for long enough they will start to believe that.” Culture, he says, “allows cities to find their own voice.”

In the first three months of the programme, nine out of ten Hull residents participated in a cultural event, a statistic that Green calls “staggering”. During that time over 1.4 million people visited the city, and hotel occupancy shot up by 18 per cent. Hull has seen the fastest drop in JSA claimants of any city in England. The council had planned to create 7,500 jobs over the course of its ten-year plan, and in five years it has already created 6,500. Green is in no doubt that culture can create tangible

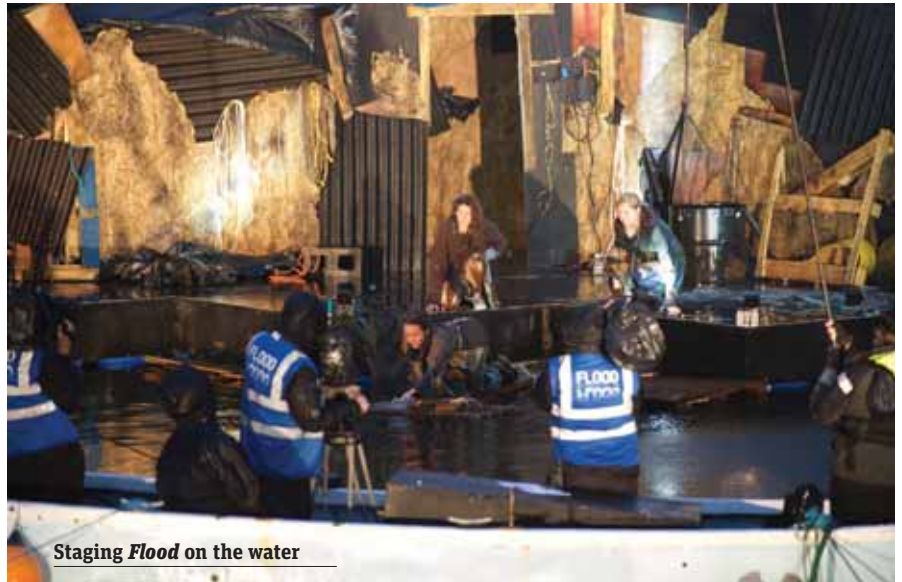
benefits for a deprived area like Hull. “The only annoyance is that we keep having to remind everyone. Culture is part of the welfare system ... It makes better places to live, it makes confident people, it makes healthier people.”

Alan Lane has parked his Airstream caravan in a suburban quay. His theatre company, Slung Low, is staging an explosive – literally – four-part play called *Flood*, which depicts a dystopian future in which England has been engulfed by a giant tidal wave. It is staged on a floating set in a dock, complete with balls of fire and pyrotechnics, and it addresses contentious issues like Brexit, which Hull voted for, and immigration. “The people of Hull are as interested in talking about their complicated positions on immigration as anyone else”. Tickets for the first show sold out in 24 hours. “The programme is both responding to what the city wants but also saying you

don’t know you want this yet ... that’s what great cultural leadership does.”

How does this all fit into the Northern Powerhouse? “I think if the Northern Powerhouse was an idea driven by Westminster,” says Green, “it has been adopted by the North as a way of talking about itself.” Although there has been what he describes as “a cooling off”, the North has taken ownership of the concept. With George Osborne’s departure from politics, local politicians aren’t holding their breath, “I think there’s a lot of potential in the Northern Powerhouse. Have we seen anything tangible in relation to that at the moment?” Jukes asks. “The answer is, not really.” The attitude now is to proceed with improving the region, with or without a Westminster-backed powerhouse. “I think [Hull] has, perhaps historically, been perceived as being a bit difficult. We are now being perceived as

“Hull has been historically perceived as difficult”



Staging *Flood* on the water

delivering and getting on with it.”

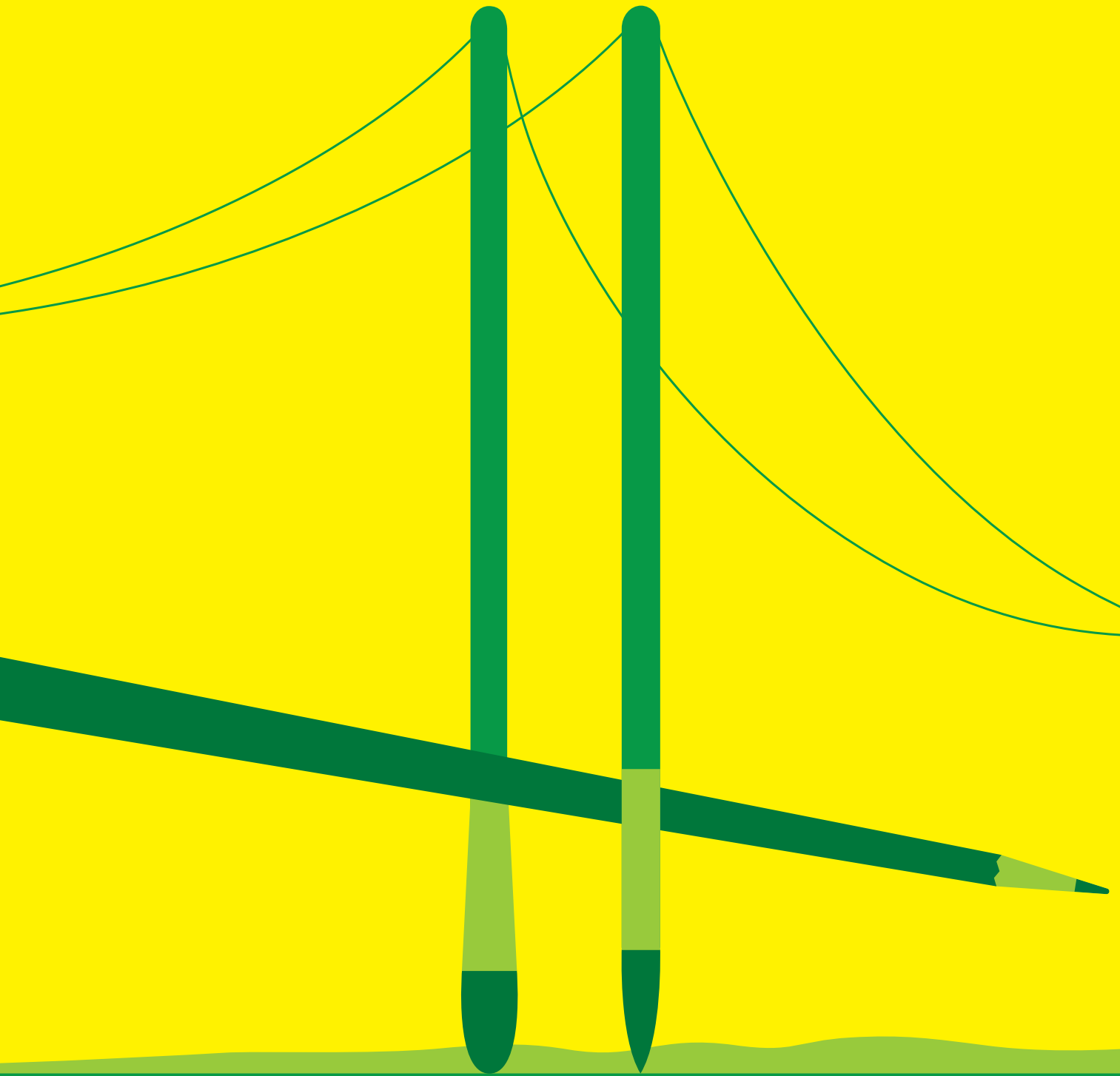
On one area for improvement everyone is agreed: the trains. “The f**king trains don’t work!” exclaims Alan Lane, when the conversation wanders on to the subject of connectivity. “The thing you notice immediately is the shocking state of the trains” says Green. Journey times are lamented, at length, by everyone we meet. “There is no way it should take two hours to get to Manchester”; “if we could a train now to Liverpool we would be there for four and a half hours”; “it’s really not very far”; “it should not take an hour and 30 minutes to get to Leeds.”

This mismatch between local and national investment is a major concern for Hull. The council’s city plan has pumped millions back into the city, but it may prove hard to capitalise on this investment without wider infrastructural support. “We want to make the city self-sufficient but there are certain key facilitators that we need [the government] to help us with”, says Jukes. An example is the recent furore over the Department for Transport’s row-back on rail electrification in the North. “Hull was told that the rail electrification going west for us wasn’t happening early this year. For us that’s a major thing, but it was only when it started affecting Leeds

and Manchester that it got the profile.” Another major complaint is the delay on the expansion of the A63, a dual carriageway which is the main route in and out of the city. Without greater capacity on the road – it becomes blocked daily – Hull is more inaccessible for visitors and goods. “That’s a Highways England responsibility road. It has been delayed and delayed and delayed.”

At time of writing, the Hull New Theatre has just been re-opened by the Royal Ballet after a £26m revamp. The Turner Prize exhibition will open in the Ferens Art Gallery, which has just received a £6m renovation, on the 26th September, and the winner will be announced in December. One of the billboards promoting the prize reads, “Whatever you think about Turner Prize 2017, you’re right”.

The city is about to embark on the fourth and final part of its year as City of Culture, so there is still time to spend a weekend discovering the historical sites, packed cultural programme, and budget-friendly beverages. For Matt Jukes, one crucial milestone has been achieved. “We’re on the [BBC news] weather map!” he exclaims. “We never were – there was a big gap between Norwich and Edinburgh.” The Humber tide is turning; Hull is on the map.



We're proud to bring arts and culture to Hull in 2017.

It's a very special year for BP in Hull. Not only are we marking our 50th year here, we're also celebrating Hull UK City of Culture 2017. And, as a major partner, we're hosting a series of free events to bring arts and culture closer to us all. This includes the BP Cultural Visions lecture series and BP Big Screens with the Royal Opera House. Find out more at hull2017.co.uk





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