



Analysis: What next for the northern powerhouse?

By Louisa Clarence-Smith | 01-03-2016 | 16:15

NORTHERN POWERHOUSE CONFERENCE 2016: A drink served on the 23rd floor of the Manchester Hilton Hotel is called the Industrialist.

A miniature bottle of syrup-lined whisky is poured over a fistful of candy floss, which is then dissolved by the alcohol.

The drink is named after the city's industrial powerhouse history, and is served in a skyscraper that alludes to the city's more recent prosperous past.

So it was an appropriate delegates' tipple during a pause in the two-day Northern Powerhouse Conference 2016, which host BBC journalist John Humphrys declared to be the busiest he had attended "in years".

"The northern powerhouse is not new," Sheffield City Council's chief executive John Mothersole reminded conference delegates at Manchester Central, around the corner from the Hilton.

"The North used to be a powerhouse. And for 30, 40 years it hasn't been. So we are edging back to where we came from. The North is rediscovering what it used to be."

Chancellor George Osborne first uttered the phrase, "northern powerhouse" during a speech in Manchester in 2014, when he pledged to rebalance the UK economy.

In 2013 the North of England accounted for 13.3% of UK growth, compared with London's 24.5% contribution, according to research by conference host Lambert Smith Hampton.

If Manchester's property market has boomed since then, other regions across the North have not yet benefited from the same scale of inward investment.

But the momentum behind the concept, which extends to the skills, cultural and knowledge economies, was clearly demonstrated by the 2,000 professionals who attended the conference last week.

Northern powerhouse brand

Defining what exactly the northern powerhouse is to foreign investors is still a problem, AECOM's executive vice president Chi Chung Wong told delegates.

"We still need to do some more work, in terms of branding this out, identifying clearly what those opportunities are," he said. "I'm not sure that it's very clear yet to some of our clients."

He said his advice for the northern powerhouse would be to come up with a "clear development plan for the entire region", identify the "clear position of each major city or town", its role over the next five to 10 years and determine what kind of infrastructure would be needed short term and long term.

Former Labour Party deputy leader John Prescott agreed that the northern powerhouse needed a "regional dimension", not just local government reform.



He pledged to “shout” to secure a strategic framework for the North, a desire echoed by IPPR’s Ed Cox, who said we need a “Great North Plan” similar to the London Plan.

Conference attendee Henry Brooks, managing director of Cheshire-based Tatton Estate Management, said: “It was necessary to come up with the term northern powerhouse, because people struggled to understand the North and what it is.

“And the phrase is a good start, but I don’t think it’s yet fully defined in the minds of people who don’t live and work here.”

He added: “It’s not a mega city. It’s a combination of the cities and the regions around them. At this conference I almost want to interrupt every seminar during which someone says, ‘the city’, and say ‘city region’.”

Collaboration v competition

For the northern powerhouse to be a success, it will require collaboration between the different city regions.

Newcastle, Manchester, Sheffield, Liverpool and Leeds’ city council chief executives were all put on the spot about how they would react if Google announced it wanted to locate its UK headquarters in the North of England.

Mothersole said that while in the past there might have been “secret competition” between the different cities trying to lure the company, now they would be open to making “collective proposals”.

The first priority would be to work out the best way of getting the firm to locate in the North; the second would be to agree on which city offered the best proposition for Google.

Sir Howard Bernstein, chief executive of Manchester City Council, said the cities had different strengths that would make different occupiers more attractive to them and that we could see a more joined-up procurement process in the future.

Referring to a large North American investment around health and the lifestyle sector which was in the market about 18 months ago, he said Leeds and Manchester produced complementary proposals which he thought “went down very well” with the client.

However, he said: “Other things happened which meant that the investment went outside of the UK.”

Transport

One property delegate from London told EG that transport infrastructure was the only thing the North really needed to thrive, and the notion was drummed home during the panel debates.

Infrastructure investment per capita on regionally allocated pipeline projects in 2014 was £5,426 in London; £1,248 in the North West and £223 in the North East, according to LSH.

Transport for North’s John Cridland said there was now equal government emphasis on east-west links that had been lacking in the past.



His "One North Vision" for a "One North Economy" included smart motorways, a Trans-Pennine tunnel and improved east-west rail link.

However, he conceded that the national transport strategy needed to be more focused on future forecasting about how we will live, work and shop, which he said would also help the economic argument for greater investment in the North.

Manchester Airport Group's Tim Hawkins said the government's Airport Commission review into the benefits of a new runway at Heathrow or Gatwick was a "missed opportunity" to consider all UK airports as tools for increasing capacity.

Manchester International Airport already has a capacity for 45m, and is currently only at 23m.

However, he said an improved east-west rail link was crucial for securing more long-haul flight providers, which generally require 100,000 passengers a year within a catchment before they will consider a new route.

Will it work?

A poll at the end of day one found that 69% of surveyed delegates were optimistic about the future success of the northern powerhouse agenda.

But outside the conference hall, departing delegates were met with flyer-distributing trade unionists calling for the Department for Business, Innovation and Skills to revoke its decision to move 100 jobs from Sheffield and other regions to London.

Is there genuine political will behind the concept?

Commercial secretary to the Treasury, Lord O'Neill of Gately, delivering the keynote speech, said: "It is very important for other government departments as well as everyone around the country to realise that this is something which is a major priority of the current government."

But he said it was ultimately up to business leaders to ensure its success.

The loudest applause of the conference probably went to Urban Splash chairman Tom Bloxham.

Asked what one thing he would change if he had a magic wand, he said central government should spend six months in each of the Northern cities when it moves out of the Palaces of Westminster during the buildings' refurbishment.

"It will cost them less than any other alternative. They can use the facilities here and see what a great place it is in the North."

Progress is being made; but the North-South divide has yet to be broken.

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