

Item No. 10

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Northern Powerhouse Partnership

DATE: 20 March 2017

FROM: Simon Nokes, New Economy

PURPOSE OF REPORT

To update members of the LEP on publication of the first report by the Northern Powerhouse Partnership (NPP). This has identified priorities around the four Prime Capabilities of the North, alongside Education and Skills.

There is an opportunity for GM to ensure that it is able to shape this agenda going forward, ensure our major assets are recognised at the level of the North, and to support the actions which will be able to make the most difference to economic growth. It will also help to persuade national government that the overall outcomes for the UK are best achieved by both investing in, and devolving more power to, the North of England.

RECOMMENDATIONS:

The GM LEP is asked to note developments around the NPP and to agree that GM should continue to be represented at the appropriate level in this work to ensure it supports broader GM objectives – with Simon Nokes continuing to co-ordinate activity in the short-term.

BACKGROUND

1. At the start of February the Northern Powerhouse Partnership (NPP), chaired by George Osborne, published its first report. The report sets out the ambitions – as articulated in the Northern Powerhouse Independent Economic Review (NPIER) – that if the right actions are taken then the Northern economy has the potential to be 100 billion pounds larger over the next three decades than it would otherwise have been, alongside the creation of 850,000 new jobs.

2. It identifies 4 key priorities where the NPP will focus its work going forward:

- **Education and Skills**

The report identifies that it must be a priority for the North to improve educational attainment at age 16, and develop the technical and higher level skills employers need to compete. In order to achieve this, the NPP will commission a group of leading employers and education experts to come together to draw on the latest evidence and thinking to examine a number of key issues.

- **Infrastructure and Assets**

The report argues that it must be a priority for the North to invest in the critical infrastructure to drive growth – including east-west connectivity between the major economic centres of the North. To achieve this, the NPP will bring together the different parts of the North and use the best evidence to deliver as agreed plan and clear priorities for infrastructure.

This includes ensuring the ambitions set by Transport for the North (TfN) are met around speeding up journey times and capacity between the Northern Major Cities. The report also recognised the need to have stronger energy/ water and digital infrastructure, and to have a major pan Northern centre of science excellence linked to each of the Prime Capabilities identified in the NPIER.

- **International Competitiveness**

The report recognises that it must be a priority to drive higher levels of productivity, innovation and enterprise across the Northern economy – and to do this be capitalising on the collective strengths in each Prime Capability. In order to achieve this, the NPP will bring employers and civic leaders together to develop a Productivity and Innovation Strategy. This will build on the Government's Northern Powerhouse Strategy and contribute to the Industrial Strategy – and will analyse what needs to be done at each spatial level to drive productivity.

- **Leadership and Learning**

The report recognises that it must be a priority to develop the places in the North where people want to live, work, invest and visit. In order to achieve this, the NPP will develop a plan for greater devolution and decision-making in the North of England.

3. As next steps the NPP Board has agreed a number of specific actions which it will undertake over the next 6-9 months. This is to look in depth at the issues raised in the report under each theme and come up with tangible, practical, costed, evidence based solutions that can be implemented or championed to make a difference to Northern economic growth.

Transport

4. Firstly the NPP Board has agreed to look specifically at transport – recognising that the next few months will be a critical time to influence infrastructure funding. By the end of the year the window effectively closes for decisions on the big infrastructure projects to be undertaken over the next decade. TfN has already signaled the economic gains to be made in the North if the Government is prepared to invest in “step change” spend. Therefore, while TfN will continue to lead on identifying specific transport proposals, the NPP will work to bring this to life by highlighting the specific additional investments, jobs, and markets that could be unlocked by such transport infrastructure being put in place.

Prime Capabilities

5. Secondly the Board has agreed to establish four working groups to produce the evidence base to support the priorities identified. These are to be structured around each of the four prime capabilities of the North – Advanced Manufacturing/ Materials, Digital, Health, Energy – and will consider how best they can be advanced across the North. These working groups will look at barriers to faster growth such as skills, finance and innovation. A member of the NPP Board has been appointed to lead each prime capability - Siemens on Advanced Manufacturing/ Materials, Drax on Energy, EY on Digital and Dame Nancy Rothwell on Health.
6. A small number of specific actions that would make the most difference across the North will then be brought together into one report covering all four capabilities (given their inter-relationships) and comment on what more needs to be done. The aim is publish this in the autumn, in time to influence the Budget.

Education and Skills

7. A fifth working group is being established specifically to look at education and skills. It will be led by Collette Roche of MAG and draw in education experts and civic leaders. It is anticipated that this group will report towards the end of the year.

Additional areas

8. Alongside these specific action points there are a number of areas where the NPP will also be active:
 - George Osborne is planning to lead a second wave of consultation meetings with business over the spring – engaging a number of additional places across the North beyond the five core cities;
 - George Osborne is meeting with the universities on 24 March through the N8 partnership to ensure that they are engaged in the process – particularly in the skills and innovation agenda;
 - The Leaders and Chief Executives of the Northern Core Cities are agreeing to get together on regular basis to agree how they will contribute to the NPP work;
 - The NPP will continue to engage with central government by submitting its own response to the Industrial Strategy consultation; and
 - Finally, the NPP will support the roll-out of newly elected Mayors by working with the Centre for Cities, the What Works Centre, and Bloomberg, to offer a structured programme of support for both Combined Authority Mayors and civil leaders – in areas such as the better use of evidence to support decision making, performance monitoring and evaluation of devolution deals, and stronger citizen engagement.

Next Steps

9. GM has helped to get the NPP up and running and will have an ongoing interest in ensuring its work across the North supports GM objectives. To this end it will be important for us to engage in the work around the prime capabilities, transport and education/ skills – ensuring that GM is represented at the appropriate level in each of these. GM will also have an opportunity influence the shape of the work through the LEP, university, and Core Cities. In the short term it is recommended that this all be co-ordinated by Simon Nokes.
10. The Chairs of all eleven Northern LEPs have already written to the Chief Executive of InnovateUK, Ruth McKernan, signaling their support for the NPP proposal to develop a Productivity and Innovation Strategy for the

North. As a next step it is proposed that the Chairs meet to discuss practicalities.

11. The NPP will also engage with the NW Local Authority Chief Executives Group, which will be made up of two representatives drawn from Local Authorities and LEPs from each of the five sub regions of the North. For GM it is recommended that nominated attendees be Eamonn Boylan and Simon Nokes.