**What is the Northern Powerhouse?**

* 14 May 2015

A minister for the "Northern Powerhouse" has been appointed. But where exactly is this powerhouse of northern England to be based, asks Chris Stokel-Walker.

Nearly a year ago Chancellor George Osborne stood up in Manchester's Museum of Science and Industry and [announced](https://www.gov.uk/government/speeches/chancellor-we-need-a-northern-powerhouse) the country's need for a "Northern Powerhouse".

This would be an attempt to corral the North's population of 15 million into a collective force that could begin to rival that of London and the South East. It would be "a collection of northern cities sufficiently close to each other that combined they can take on the world", he said.

Since then Northern Powerhouse has entered the political lexicon. Google searches for the term have steadily risen. And Stockton South MP James Wharton is the minister for the Northern Powerhouse. Prime Minister David Cameron's first post-election visit was to Stockton-on-Tees.

Image copyright PA Image caption The minister for the Northern Powerhouse, James Wharton, in Downing Street

But what exactly is the Northern Powerhouse?

"It's a concept, rather than any actual, physical thing at the moment," explains Ed Cox of think tank IPPR North, who lives and works in Manchester.

The hope is to redress the North-South economic imbalance, and to attract investment into northern cities and towns. While the capital is perceived to be driven by financial services, northern economies boast strong manufacturing, science, technology and service sectors.

Trying to transplant and create a mini-London in the north is not the answer Richard Carter, Yorkshire First Party

The choice of Manchester for the Chancellor's first speech was telling - it has since been the focus of a series of major announcements by the government.

Greater Manchester will be run by an elected mayor from 2017, as part of [plans announced in November](http://www.bbc.co.uk/news/uk-england-manchester-29876939) to devolve fiscal power closer to the point of spending - though not everyone welcomed the plan. The city was given [power over its health budget](http://www.bbc.co.uk/news/uk-england-manchester-31656313) in February.

"The assumed capital of the north is in Manchester," says Herb Kim, founder of the Thinking Digital Conference, who splits his time between Liverpool and Gateshead, and has hosted TEDx conferences in Liverpool, Manchester, Sheffield and Newcastle.

Some people object to placing the locus of the Northern Powerhouse so definitively over Manchester. They believe by focusing the Northern Powerhouse on the north's biggest urban area, the government is simply propagating a smaller-scale version of the current imbalance between the north and London.

"What might be right for Manchester is definitely not right for Yorkshire," says Richard Carter, the leader of Yorkshire First, a political party that campaigned for devolution to Yorkshire in May's general election. "Trying to transplant and create a mini-London in the north is not the answer."

Manchester and Liverpool have an intense rivalry that goes beyond simply the football pitch, while little love is lost between Sunderland and Newcastle.

Some Yorkshire towns and cities, including Hull, York and Sheffield, are often overlooked in favour of Leeds. Corralling these disparate business communities and people together could prove difficult - but it's necessary, believes Tom Forth, an associate at ODILeeds, part of the Open Data Institute.

"To win business and public investment, I too often have to go to London," he says. "It's insane. Each city in the North is too small to fight against that. We can only drag some of that investment northwards if we work together.

"If the people of Wigan, Pontefract and County Durham are better off commuting to Manchester, Liverpool, Leeds, and Newcastle then that's what has to happen. So many young people in those places currently leave. A Northern Powerhouse gives them an option to stay."

For Rob Johnson, of Cumbria's Chamber of Commerce, a focus on Manchester is better than a focus on London, and the northern economies can collaborate regardless of distance. "We're looking at world markets here," he says. "When you put it in the context of travelling worldwide, Manchester's not that far away."

While some have eagerly embraced the positive potential of a more powerful north, others have dismissed the phrase as "another gimmick" without substance.

"I'm not sure what 'the North' is," admits Hilton Dawson, leader of the North East Party, which campaigned for a regional parliament in this year's general election. "The only time I've heard people in the South talk about the North is to tell us how grim it is up here."

For the Northern Powerhouse's proponents, the plan is an attempt to make sure the "grim up north" stereotype doesn't ring true.

One measure of regional economic output, gross value added (GVA), shows that per person, London's total output is 2.3 times that of the North East, two times the North West, and 2.1 times that of Yorkshire and the Humber. In one area of inner London, GVA per head of £135,888 is more than 10 times greater than that in the Wirral.

Though the Chancellor fired the gun on the Northern Powerhouse around a year ago, the concept has been the subject of conversation at conferences for longer. The highest-profile public proclamation - a proposal to merge the economies of Liverpool and Manchester - [was suggested in February 2014](http://www.bbc.co.uk/news/business-26350522) by Jim O'Neill, a former Goldman Sachs economist and present chairman of the City Growth Commission.

"The cities of the North are individually strong, but collectively not strong enough," the chancellor said last year. "The whole is less than the sum of its parts."

This is unusual. In many European countries, other major cities outside a country's capital have healthy economies and compete well. In England, according to IPPR North, seven out of eight "core cities" outside London have GDP per capita below the national average.

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|  | **GVA £ millions** | **GVA per head** |
| Inner London | 237,356 | 71,162 |
| Greater Manchester South | 38,645 | 25,950 |
| Leeds | 20,362 | 26,741 |
| Greater Manchester North | 17,620 | 14,375 |
| Tyneside | 17,181 | 20,514 |
| Sheffield | 11,199 | 19,995 |
| Liverpool | 10,646 | 22,613 |
| Bradford | 8,735 | 16,595 |
| Wakefield | 6,470 | 19,623 |
| Kingston upon Hull | 4,869 | 18,902 |
| York | 4,754 | 23,483 |

* GVA measures the contribution to the economy of each individual producer, industry or sector in the UK
* Greater Manchester South includes Manchester, Salford, Stockport, Tameside and Trafford
* Greater Manchester North includes Bolton, Bury, Oldham, Rochdale, and Wigan
* Tyneside comprises Newcastle upon Tyne, Gateshead, North Tyneside and South Tyneside local authorities

Source: ONS

Bringing the major northern economies together might help bridge that gap, but it may be difficult for regions, cities and towns with distinct regional identities to band together into one cohesive unit. The distance is physical, as well as cultural.

Traversing the disparate northern economies of the North East, North West and Yorkshire and the Humber is easier said than done. Travelling the 60 miles between Carlisle near the west coast and Newcastle near the east takes one hour 37 minutes on a dilapidated train service.

For that reason, one of the Northern Powerhouse's main planks is an improvement in transport links between the North's major cities, to allow them to compete together as one major economy, rather than competing against one another.

"You couldn't possibly say that an exact amount of money could be set aside, but at the moment there is still no actual money set aside for those transport schemes," says Cox. "Some actual cash should be pledged to get those proposals on the road."

Rob Johnson welcomes the Northern Powerhouse. "I think it's absolutely right in that it gives a focus outside the South East." Manufacturing, one of Cumbria's biggest and best industries, could benefit from the planned infrastructure that will help build the Northern Powerhouse.

"I want to stand on my own two feet," says Forth. "The North of England lives off southern money. I believe that the Northern Powerhouse will create growth, will let us stand on our own feet, and ultimately will let us create a better place to live."

Others feel differently. Planning for a Northern Powerhouse is misguided, says Richard Carter. "If you invest in London, you're going to get growth. If you invest in Yorkshire or the North East, you'll get growth," he says.

And subtle rivalries will continue to colour proceedings.

"There is a task now for James Wharton, Greg Clark and George Osborne, to be absolutely clear that the Northern Powerhouse does extend to all parts of the north and it isn't just a Manchester thing," explains Ed Cox.

Doing so could decide whether the Northern Powerhouse fulfils its potential, or stalls near the start line.

**What next for the Northern Powerhouse?**

By David Rhodes BBC Look North

* 19 July 2016

The former chancellor George Osborne peppered media interviews with references to the "Northern Powerhouse", but what's next for the idea since his departure?

In a 2014 speech, Mr Osborne said: "I'm here to talk to you today about what we can do to make the cities of the north [a powerhouse for our economy."](https://www.gov.uk/government/speeches/chancellor-we-need-a-northern-powerhouse)

The project, which he branded as his own initiative, was aimed at ending the UK's economic reliance on London.

Following Theresa May's Cabinet Reshuffle, Conservative MP Andrew Percy has been appointed as [the new Northern Powerhouse minister.](http://www.bbc.co.uk/news/uk-england-36820050) So what's the future of this key Conservative manifesto pledge?

"We're not going to miss George Osborne's personal leadership on the Northern Powerhouse," said Julie Dore, Labour leader of Sheffield City Council.

"What people forget is that northern council leaders have been working on this idea long before the former chancellor came up with the slogan."

It's certainly true that councils in the North have a chequered history of trying to work together, but Mr Osborne's slick promotion of the Northern Powerhouse as a brand resonated widely.

Graham Robb, chairman of the North East Institute of Directors, said it had become an internationally-useful "marketing tool".

He said: "That slogan has had a big impact, especially with businesses buying into it.

"In March we commissioned a survey of people across the North and found that only 20% had a negative opinion of the concept.

"I think this underlines the strength of the idea and the brand and I hope we don't lose that."

So has the Northern Powerhouse policy made a difference?

The government says foreign investment in the north of England has doubled over the past two years, with the number of unemployed dropping by 127,000.

But Irwin Mitchell research found that only two of the fastest growing towns and cities in England [are in the North.](http://www.irwinmitchell.com/ukpowerhouse)

Mr Percy, MP for Brigg and Goole, heard of his new ministerial role while attending a Bar Mitzvah and proceeded to [celebrate with a McDonald's meal.](https://www.facebook.com/andrewpercy4mp/photos/a.314631648601270.76403.237088976355538/1165327360198357/?type=3&theater)

He said: "I'm a proud northerner. I've lived here all my life and for me when you get out of London it's clear that our economy hasn't been working for everyone.

"I want to work with the Department for Transport on getting High Speed Rail 3 to connect Liverpool to Hull and I want to ensure more people have got access to a proper high speed broadband connection."

At the moment, 11 areas across England have signed deals with the government to devolve powers away from Westminster with big city regions such as Manchester and Liverpool [set to elect new mayors.](http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN07029)

Mr Percy expects all those deals to be honoured, but he wouldn't be drawn on whether the 27 other areas who have submitted bids for their own devolution packages will get the same treatment.

"I've just got the job so I can't comment in too much detail, but what I can say is that I want to see as many people as possible benefit from the process of devolution," he said.

Talking to those within the corridors of power, they say they expect the current devolution plans to be implemented, while the rhetoric about the Northern Powerhouse will now be quietly dialled down.

Shortly before Mrs May was told she was going to be prime minister, she called for a plan "to help not one or even two of our great regional cities but [every single one of them".](http://www.theresa2016.co.uk/we_can_make_britain_a_country_that_works_for_everyone)

"I'll be relieved if the government stops just talking about Manchester," said Ms Dore.

The Northern Powerhouse 2.0 lives on. You might just not hear the government talk about it as much in the future.