



Report

# Can the North Fuel the Northern Powerhouse?

How do we use our supply chain, talent and innovation to deliver the industrial strategy?

October 2018

# Table of Contents

<b>Introduction</b> .....	1
<b>Thank You</b> .....	2
<b>What Is the Industrial Strategy?</b> .....	3
<b>How Do We Use the Northern Powerhouse to Deliver the Industrial Strategy?</b> .....	4
<b>Recommendations</b> .....	5
<b>Industrial Strategy Pillar: Ideas</b> .....	7
<b>Industrial Strategy Pillar: People</b> .....	9
<b>Industrial Strategy Pillar: Infrastructure</b> .....	11
<b>Industrial Strategy Pillar: Business Environment</b> .....	13
<b>Industrial Strategy Pillar: Places</b> .....	15
<b>Useful Information</b> .....	17
<b>Report Authors</b> .....	18

# Introduction

We were delighted to provide a workshop at the inaugural Northern Powerhouse Business Summit in Newcastle on 5 July 2018. While organising this event for more than 60 attendees, we found one consistent factor – overwhelming support and engagement from stakeholders from across the North and further afield.

The workshop debated the government's Industrial Strategy and what this means for the Northern Powerhouse. We set out to gather tangible outputs from five working groups, each covering a pillar of the Industrial Strategy (Ideas, People, Infrastructure, Business Environment and Place). Our intention is to use this information to influence policy and investment, drive economic growth across the North and leave a legacy for future generations.

**We asked four simple, but crucial, questions to help shape the Industrial Strategy and benefit the short, medium and long term development of our Northern Powerhouse.**



1.	<b>How can we create opportunities for small, medium and large businesses in the North in relation to each of the pillars of the Industrial Strategy?</b>
2.	<b>What key challenges do we need to address in relation to each pillar of the Industrial Strategy to ensure the North is globally competitive and connected?</b>
3.	<b>How should companies and organisations engage and collaborate better in order to ensure the North benefits fully from the Industrial Strategy?</b>
4.	<b>What are the most beneficial elements of the Industrial Strategy as currently drafted? What is missing and is imperative in order to establish our regional competitive position?</b>

The actions that need to be taken to deliver the Industrial Strategy across the Northern Powerhouse will be vital to ensuring that the North can fuel its economy. The key themes from the conversations will likely come as no surprise, and focus on access to funding, leadership, further evolution of regional hubs, embracing technology and the need to deliver both the physical and digital infrastructure to enable our growth.

We set out in this report:

- An overview of the Industrial Strategy
- Recommendations for the short, medium and long term
- How the Industrial Strategy should be applied across the North, focusing on the challenges, opportunities, suggestions for collaboration and key issues

This conversation must continue; it cannot be a one-off. We need to engage all across the Northern Powerhouse – from the private to public sector, but also our people. The ideas and opinions expressed in this report form part of the conversation at the workshop. They are not necessarily the views of all the participants or the companies that they represent.



**John Alderton**

Office Managing Partner  
Squire Patton Boggs  
T +44 113 284 7026  
E [john.alderton@squirepb.com](mailto:john.alderton@squirepb.com)



**Timothy Devinney**

Leadership Chair in International  
Business, Leeds University  
Business School  
T +44 113 343 2245  
E [t.devinney@leeds.ac.uk](mailto:t.devinney@leeds.ac.uk)

# Thank You

... to all 60 of our founding contributors from across the Northern Powerhouse.



LEEDS BECKETT UNIVERSITY  
LEEDS BUSINESS SCHOOL



UNIVERSITY OF LEEDS

- ActionCOACH
- Artsupply Business
- Atkins Infrastructure
- Barclays
- Bechtel Infrastructure
- Blue Orchid Enterprise Solutions Ltd
- CBI
- Centre for Urban & Regional Development Studies
- Confederation of Indian Industry
- Consul General of India
- CYBG Plc
- Deloitte
- Diocese of Newcastle
- EEF
- Endeavour Advisory
- EY
- FinTech North
- FSB
- Fulcrum BioEnergy
- Hark Infrastructure
- ICAEW
- Iles Tours
- Institution of Civil Engineers Infrastructure
- John Rutherford Consulting Ltd
- Kirklees Council
- KPMG
- Lexington Communications
- Lifestile Ideas
- NEJobsNE1
- Newcastle University
- Nexus Infrastructure
- North East England Chamber of Commerce
- North East LEP
- People's Powerhouse
- Perspective North East
- Robertson Infrastructure
- Stuart Lynn Ltd
- Sunderland City Council
- Tees Valley Combined Authority
- The Children's Foundation
- The Society of Motor Manufacturers and Traders Limited
- TT2 Limited
- Virgin Money
- Wakefield Council

# What Is the Industrial Strategy?

“Industrial Strategy” relates to the coordinating of a wide range of economic policies in order to achieve particular objectives. These objectives are not purely economic.

On 27 November 2017, the government published its white paper, “Industrial Strategy: building a Britain fit for the future”.

## Key Points of the Industrial Strategy

### Five Foundations

The government identified five foundations of productivity, noted as “the essential attributes of every successful economy”:

- Ideas (R&D, innovation)
- People (skills and education)
- Infrastructure (broadband, energy, transport)
- Business environment (support for specific sectors and small or medium-sized enterprise (SMEs))
- Places (tackling regional disparities)

### Grand Challenges

Improving the five foundations will enable the UK to tackle a series of Grand Challenges that the government has identified, which will help the UK “take advantage of global changes, improve people’s lives and the country’s productivity.”

The Grand Challenges are:

- Artificial intelligence (AI) and the data revolution (how to embed and maximise the advantages of AI and data)
- Clean growth (low carbon technologies across the economy)
- Mobility (low carbon transport, automation, infrastructure)
- Aging society (healthcare and labour market challenges)

### Sector Deals

Partnerships between government and industry help overcome specific industry sector problems. These partnerships involve industry councils meeting regularly to identify issues and deciding how to tackle them. The councils include industry leaders and government representatives.

This model has been used successfully in the automotive, creative and aerospace industries for several years. Five sector deals have been announced so far (some of which already have sector partnerships with government). The five sectors deals are:

- Life sciences
- Construction
- AI
- Automotive
- Creative industries

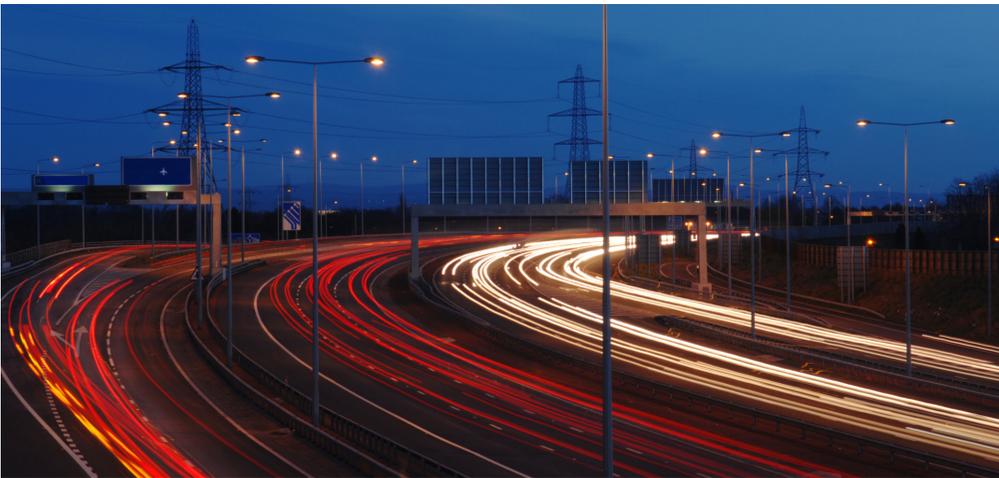
The government will create an independent Industrial Strategy Council to assess progress and make recommendations to the government.



Department  
for Business  
Innovation & Skills



# How Do We Use the Northern Powerhouse to Deliver the Industrial Strategy?





■ Immediate (within a year) 
 ■ Mid-term (1 – 3 years) 
 ■ Longer term (4 – 10 years)



## Infrastructure

Create one unified voice and vision for the North that highlights its competitive advantages and how it sees itself in the future.

Create a unique selling point (USP) for the North by selling it better. Highlight that there is a lot in the North, including human capital and unique assets, which when combined with much needed infrastructure, can drive a new economy.

Move the focus from discussing projects and ideas to delivering them.

Have a forward-thinking approach to infrastructure and development in the North. Consider what is going to happen next (namely in relation to Brexit and local council initiatives) and be proactive about it.

Take advantage of existing infrastructure by revitalising old buildings, identifying existing infrastructure opportunities, such as Hull's port, improving existing transport links and creating new transport links to the North's big infrastructure assets, such as airports.



## Business Environment

Identify each hub's strength in the North and assess how collaboration between each hub can be capitalised and marketed globally.

Create a collaborative and connected ecosystem in the North to support SMEs and attract start-ups.

Improve links between universities and businesses to broaden the North's pool of talent and commercialise research opportunities and development.

Strategically analyse infrastructure issues and make long-term decisions on how to improve the infrastructure for businesses now.

Move away from northern heritage industries to adapt to the modern times, new technology and embrace disruptive innovation.



## Places

Focus on clear, region-wide communication channels that all northern hubs can take advantage of, to increase that collective contribution.

Identify the USP of each Core City (e.g. Manchester, Leeds, Liverpool, Newcastle and Sheffield), Key City (e.g. Bradford, Hull and Sunderland) and those smaller cities and towns. Look for growth hubs and opportunities to achieve a rounded, collaborative Northern Powerhouse Strategy.

Invest in educational facilities (universities, colleges and apprenticeship providers) to encourage Northern talent to remain in the region through greater practical opportunities/career paths and attract them through reputable clientele.

Invest in physical infrastructure to expand the capacity for northern institutions to take on more.

# Industrial Strategy Pillar: Ideas



## Challenges

- Most public sector roles – governmental and local authority – are focused on a particular city or city region. The performance objectives of employees are usually intended to benefit that particular area, not focused on the Northern Powerhouse region as a whole.
- Businesses have problems navigating the local and regional structures – different organisations and remits, etc. There are many agencies and it never feels like it is connected; this needs to be mapped out.
- A lot of the time, our regional universities are seen as acting independently; greater collaboration is needed.
- Venture capital in the North is more limited than in London and the South. Venture capital firms in the North are very specific about how much equity they want, whereas in the South, there is more opportunity for negotiation, which contributes to better deals for start-ups.
- The equity gap for start-ups limits growth and potential for international expansion, e.g. via such agencies as [Access India](#) (a presentation on this was given by the General Consul of India in the plenary session of the workshops).
- The education standard in our region is “too little, too late”. If we fail to rectify this, companies will move out or replace people with technology. The issue remains that there is not one requirement that fits all; different sectors need different skills.

## Opportunities

- Promote innovation management and enabling capabilities, so that the commercialisation of innovation leads to money (profit) and jobs for the region.
- Access to information about opportunities is vital for businesses (start-ups and established firms). Ensuring everyone is aligned in the region, to make this information readily available, would be advantageous.
- Devolution brings opportunities. All regions have similar problems, e.g. airports, infrastructure, air quality, public transport, logistics and supply chain. We need to have a vision of how “the city” will look in the next 20 years. This will mean major changes, but these changes will also present opportunities.
- If our cities become more social and urban, how do you service those cities? Should we have inland hubs of supply chain companies, which could lead to great opportunities?
- Digitalisation has led to more start-up companies and more technology than ever before – for instance, in sectors such as automotive and FinTech. We need investment so that we can take advantage of these growth opportunities.
- If we can get the technology around drone delivery right, it would lead to job creation.
- Young employees are far more tech savvy and see more opportunity in using technology to complete core tasks; they view their role as more client-service focused.





## Collaboration

- The Northern Powerhouse is great for rebalancing the economy in the UK, but there needs to be a cultural shift about what “the North” is. We need our communities to work together to promote the fundamentals, such as enablers for technology advancement and educational attainment.
- Should the government force devolution for Yorkshire? The risk would be that it could break down entirely.
- The skills in the North East (engineering-centred) are generally in contrast to those in the North West (managerial-centred) – how can we address this and achieve synergy?
- Collaboration across the Northern Powerhouse should not be a problem. Much of it is about innovation and R&D, but the region needs to make sure it gets the resources the government is promising in its Industrial Strategy.
- We need to look outside the region to bring in deals and, in particular, international opportunities. We can do this if we collaborate. We need to develop more case studies to demonstrate our capability and achievements as a region.
- Engagement and connectivity is crucial. We need all agencies to sell the North collectively – the Council for the North is the overarching body responsible for engagement and collaboration.
- Universities and business need to work more closely together. Businesses do not know how to go about working with universities.

## Industrial Strategy – Key Issues

- Funding and investment for business is crucial. Companies are willing to invest and come to the North, but it needs to be more competitive – e.g. Wales has substantial amounts of money available for investors.
- Skilled engineers are approaching retirement and, to address the shortage of skilled engineers, industry heavyweights are trying to develop technology to nullify the need for these skills. This could lead to greater divide: consider the contrast between the software engineers who build automated systems and the low-skilled workers who work on a tablet and press a button.
- Agencies and universities need to work together across the Northern Powerhouse in order to get Industrial Strategy funding. Universities will write the bids, but they need the collaboration with partners. Even big companies need help in knowing how to access these resources and opportunities. Many find the process too bureaucratic and are frustrated by unclear communication. If the process is onerous, companies may not have time to complete it. R&D funding can be difficult to obtain, but universities are willing to write the bids and could handle most of the process.



# Industrial Strategy Pillar: People



## Challenges

- It has been estimated that by 2020 there will be a shortage of 1 million engineers in the UK. There needs to be a plan to address this shortage, specifically when moving into an era of AI and futuristic models of manufacturing. Specifically, a shortage of structural engineers in the next 10 years is problematic.
- The UK needs to attract the brightest and best talent from across the world. Highly skilled people are critical to success.
- Reskilling of the workforce is a major issue; framed as “investment in the workforce”.
- Many of our areas are low-skilled, low-wage economies and motivating an individual to invest will only work if they are supported and can see the benefits and opportunities.
- While people want to upskill, personal risk and practical realities of transitioning (investment of time, reduced income) need to be addressed.
- Young people might be interested in science and maths (at school, for example), but that does not translate into them becoming engineers or scientists. How do we bridge this?
- Avoid reskilling adults in skills that will become redundant in five years’ time; but how do we fill the gap?
- The Apprenticeship Levy system is rigid; more flexibility could help.
- Regional disparities in skills do exist and we need to ensure that the North maintains the higher skill standards and is not operating at a lower level. The North should not become a repository for low skilled skillers.
- Many micro businesses do not have the managerial structure in place to have well-developed business plans, training plans, HR and recruitment policies.
- Women’s representation in the workforce has been steadily increasing since the 1970s – 71% of women aged 16 to 64 now work, compared with 53% in 1971; employment for men has reduced from 92% to 80% over the same period (Source: [ONS](#)). However, there is still inequality – e.g. the gender pay gap for 2017 was 18% overall (Source: [House of Commons Briefing Paper](#)). Furthermore, employees are working more hours and work-related stress illness is a cause for concern (see government statistics from [Health & Safety Executive](#)).
- What does AI mean for jobs? Will there be new jobs created and/or will it be the “death-knell” for many in work? Research provides mixed findings on these questions. Technology can lead to job losses, but it does depend on how it is implemented; it can create new and different types of jobs.
- How will the Northern Powerhouse deal with the potential loss of thousands of lower-skilled people in the workforce because of Brexit? There needs to be a conversation around the future of manual work.



# Industrial Strategy Pillar: People



## Opportunities

- Promote STEM skills in the education system and generally improve the education infrastructure across the Northern Powerhouse. There may need to be a fundamental rethink about how children and young people engage with education, and how business can encourage this, to develop skills and attitudes to life-long learning.
- Invest in the digital skills of the current workforce, both in low and high-productivity sectors, as part of the Industrial Strategy.
- The Industrial Strategy provides a potential framework of how to deliver STEM into education, particularly in less-advantaged areas. We have to raise ambitions or aspirations; one-off interventions are unlikely to succeed.
- Make teaching a more attractive profession and encourage more people to go into teaching. Provide better incentives to teach in disadvantaged areas and improved opportunities for Continued Professional Development.
- Partnership working and communication to make the most of the opportunities provided by the Apprenticeship Levy. Business and local authorities could use the apprenticeships to do more with their supply chains and this has not yet been exploited.
- Currently, a very low percentage of emerging economies have access to travel and luxury products, but that will change. The Industrial Strategy needs to address where the skill shortages are (and will be) and open up opportunities to people from other parts of the world.

## Collaboration

- The integration of business and people in the Industrial Strategy is welcome, but there needs to be multiple approaches to stimulating demand for retraining, from both businesses and individuals.
- Collaboration across the educational system (further, higher, training and skills, life-long learning) to raise ambitions and deliver on STEM.
- Get businesses involved in schools – to explain what they do, the types of jobs available and invite the students into the plant.
- Tailor the curriculum (university programmes) to meet the needs of industry (e.g. Warwick Manufacturing Group at the University of Warwick).
- Development and learning should taking place inside rather than outside the workplace.
- It is not only the workplace that is changing, but the whole social set up and lifestyle (virtual and real). What does that means for education, housing, mobility, daily routine, etc., as well as different perceptions of work? (e.g. working more flexibly by phone, not being tied to one employer, having more than one job and moving around more.)

## Industrial Strategy – Key Issues

- Upskill the workforce and being able to provide high-quality, timely training to enable people of all ages to have the necessary skills for a new era in employment.
- Maximise opportunities for businesses and employers to benefit from the Apprenticeship Levy, including more flexible approaches and collaboration.
- Prepare young people for a different world of work, in light of increasing digitalisation and improving AI. Better communication of career opportunities is required from industry, specifically in the STEM areas. We need to identify and effectively communicate the routes for young people through the transition from school to university/training scheme to work.
- Closer collaboration across the education sector; working in partnership with industry to meet the needs of industry.



# Industrial Strategy Pillar: Infrastructure



## Challenges

- There is fragmentation across the North – cities and city regions are treated as distinct, independent and separate. As a result, it is much more difficult to establish strong infrastructure across the North when there is not one voice and one vision to incorporate all the northern cities collectively. Furthermore, not having one unified voice makes it more difficult for the North to represent itself – for example, if the Department for Transport decides to cancel projects in the North.
- There is a lack of identification and recognition of each city or city region's specific infrastructure-related strengths. We should focus on what each city has to offer, enhance it and combine it with other cities to create a network that can build and boost infrastructure across the North.
- There needs to be a change in the mind-set of the North, from trying to catch up with London and its trends, to setting trends, thinking ahead and investing in the future. Rather than following an "if we build, they will come" mind-set, focus on using what is already in the North (e.g. the existing infrastructure, the infrastructure capabilities, the skills, and the talent pools) and running with that.
- There is difficulty in retaining people and skills in the North, e.g. keeping graduates from northern universities in the North.
- The focus tends to be on discussing and planning infrastructure projects in the North, rather than finding innovative ways of funding and delivering them.
- The North currently relies on someone else making the decision to develop or improve infrastructure (such as the Department of Transport) rather than going out and doing it ourselves.
- The lack of physical connectivity and access between cities in the North. For example, there needs to be faster train links to Manchester, in order to make Manchester Airport an attractive alternative airport for long haul flights.

## Opportunities

- Brexit could create huge and great opportunities for the North. Brexit will affect manufacturers, suppliers, supply chains and how new businesses and technologies are created and operate. The North possesses infrastructure, networks and skills that can fill in the gaps left by Brexit and should leverage (and profit from) the opportunities Brexit presents.
- Take advantage of future initiatives to be introduced in northern cities, such as clean air initiatives, by developing infrastructure that manages those changes. For example, developing electric car charging points.
- Revitalise and rejuvenate existing infrastructure, such as old buildings in the city centres, to attract new opportunities, entrepreneurial businesses and individuals.
- Use the skills, experience and people from the universities across the North by creating opportunities.
- Use real investment within the North for real changes to take place in the North, rather than relying on external bodies or investors to decide to take those steps.
- Transport for the North is now a statutory body this is a move forward towards delivering the needs of the North and deliver economic prosperity.



# Industrial Strategy Pillar: Infrastructure



## Collaboration

- Combine larger firms with small firms that are familiar with the skills, opportunities and networks in the local area, to make an impact locally and regionally.
- Work together as cities and city regions in the North and identify what each city or city region has to offer. This will create a collaborative and cohesive network with a single voice, rather than seeing one city, namely Manchester, as “the North”. This current view limits the North’s perceived capabilities and potential.
- Encourage the use of existing infrastructure to create a network, by taking advantage of existing transport links to move between and create a nexus between cities in the North.
- Work alongside local governments and universities, and pool money and investment within the North to make projects happen.

## Industrial Strategy – Key Issues

- The Industrial Strategy lacks evidence of the economic impact infrastructure schemes in the North would have. Instead, highlighting the economic impacts would create a business template for northern cities that understands what brings people closer together. It would create a northern “virtual city” with a much larger travel-to-work area, where people in Newcastle are able to work in Leeds every day (and vice versa) because of the change in mind-set and benefit to the economy.
- Override the limitations of the current mind-set regarding infrastructure in the North.
- Have a leader that can drive the development of infrastructure by getting money, private industry, the government and universities all involved, and not waiting for money or decisions to come from elsewhere.

# Industrial Strategy Pillar: Business Environment



## Challenges

- Greater collaboration between businesses and universities is needed to secure northern talent and generate greater economic value from university research when looking towards developing new technologies and moving away from northern heritage industries.
- Businesses need to undertake more social responsibility to improve the North and foster a more positive business environment, e.g. businesses need to get together to combat the issues of homelessness in the North. An example of this is M&S Bank, which now makes a [donation to Shelter](#) for every mortgage product it sells.
- Individuals are disengaged with the political process and there is a sense of social disconnection in the North.
- The level and scale of investment in certain areas of business is more limited in the North. London can do everything on a larger scale due to its externalities of having everything together, (e.g. more venture capitalist firms in London).
- AI cuts across sectors and is an enabler. Businesses in the North need to know what their AI differentiator is to be able to compete in future business environments.

## Opportunities

- Improve the ecosystem of support to help business start-ups and SMEs in the North (e.g. through providing an incubator of connectivity or encourage an angel network to congregate) to support the finance links and university links.
- Elected mayors give the North a voice. The more mayors that collaborate and agree a northern agenda together, the louder their voices will be. Mayors need to mark out territories in terms of where the different hubs are (e.g. the financial hub) and effectively communicate these hubs globally in order to market the North.
- Focus on the individual strengths of the North and capitalise on them – each region must sell the areas they have, identify what volume of business is possible and then market this to attract start-ups and SMEs to that region.
- Focus on the Apprenticeship Levy and encourage more businesses to take advantage of the levy and reinvest back into the workforce.
- Encourage disruptive businesses/innovation, as opposed to having a legacy of large industrial hubs. The North should look towards having a “mix” of businesses in the age of disruptive innovation.
- The North needs to be a value-added producer, by accepting that it needs to both import and export and get the right levels of investment in order to be connected to the global value chain. Brexit is an opportunity for the North to rethink its priorities and consider its future of trade outside of Europe, for example, with India and China.





## Collaboration

- Connectivity is key in ensuring business growth – the North is a house divided. Connectivity is what makes the South more internally efficient. Connectivity includes ensuring everyone has access to 4G and longer term 5G, and reducing commute times for employees. This includes both inter- and intra-region connectivity.
- The hubs in the North are competing rather than complementing each other. The hubs need to share their talents across the North and people should move between hubs collaboratively. The North's three regions should all be connected, not operate independently.
- Intra-business barriers should be broken down to ensure collaboration and prevent protectionism, particularly in relation to technology. Collaboration between businesses can help all businesses grow, as opposed to a few.
- Collaboration between the British Business Bank, the CBI, the Local Enterprise Partnerships, the Chamber of Commerce, etc., is necessary to create "centres of excellence" to support SMEs and ensure that all businesses can access finance and a wider network. This can involve encouraging members of these bodies to come to the North or sending a delegation down to the South to meet with them.
- Industry has a role to play in providing good employment opportunities for students in the North, and businesses should work more closely with northern universities to secure talent.

## Industrial Strategy – Key Issues

- Ensure adequate access to finance in the North to attract start-ups and SMEs.
- Focus on creating an open environment for job creation in new technology industries, as opposed to focusing on job losses from declining northern heritage industries. Heritage sectors should reinvent themselves in modern times, e.g. Sellafield leading the world in decommissioning nuclear power stations and Drax leading the way in biomass energy production.
- Businesses need to decide on the infrastructure they require in the future, so they can benefit from the productivity of getting the right skills in the right place and creating stronger trade links between the North's leading cities, such as Newcastle, Leeds and Manchester. If businesses do not strategise now, then it will be the politicians who drive the North's long-term infrastructure strategy.

# Industrial Strategy Pillar: Places



## Challenges

- Historically, there has been a sense of disenfranchisement in the North, with concerns that London is the only prominent UK business hub. We need to show that there is reason to engage with the concept of the Northern Powerhouse, to facilitate an employment boom and encourage business expansion.
- Politicians need to embrace technology, fluidity and agility when defining the Industrial Strategy. We should take risks, understand that uncertainties are part of the future and acknowledge that not everything can be future-proofed.
- We must recognise the needs of individual northern growth hubs and their economic purpose in order to instigate growth. There must be a difference in approach from the larger hubs in Manchester, Newcastle and Sheffield compared with the smaller hubs like Wakefield or Dewsbury. The smaller hubs' strategy is not high-tech, there will not be advanced AI resources and what might be commonplace in the larger hubs could be a threat to the smaller ones.
- Benefits pertaining to an enhanced quality of life in the North should be praised, in order to attract better quality employees. Life expectancy, mental health awareness, living costs and wider social cohesion should be used to incentivise northern workers to buy into the Industrial Strategy.
- The dominant linear model in the Treasury – to conduct research, to commercialise it and then spin it out to industry – is obsolete. We should focus on consumers and place-based innovation to adapt to the demands of the target markets.

## Opportunities

- Building strength and opportunities at the local level and using local knowledge to drive productivity and attract international investment by using unique characteristics of northern places that are different to other areas.
- We should harness such focus, for example, with digital industry organisations like Sunderland Software City and MediaCityUK in Salford, who provide interactive programmes for young people to expand their skill-sets in the digital and creative industries, providing a pathway for employees and graduates to continue in the local market.
- The North has a great pool of talent and we need to encourage that talent not to migrate south, to attend local universities and increase the figures of home-grown graduates year on year. This can be achieved by bringing marquee investment to the region. For example, the likes of Boeing, Rolls Royce and McLaren in South Yorkshire will prevent graduates from flocking to London, as they can pursue their international ambition in the North.
- The Preston Model is a unique model adopted by Preston Council and Blackpool Council since 2000 – five local universities, the council and local businesses pool resources, assisting each other with their supply chains, employment opportunities and procurement power to support and build local economies.
- Engage with colleges and apprenticeship providers to develop skilled local people. For example if Teesside is known for clean energy, then clean energy companies should visit Teesside schools to explain the opportunities that they could pursue. TeesValleyCareers.com has launched a place-based career strategy, where they have recruited every secondary school six form in the area to target 100,000 children, acting as the connector for businesses that are unsure how to link with educational institutions.



# Industrial Strategy Pillar: Places



## Collaboration

- It is important to distinguish between the Core Cities (e.g. Manchester, Leeds, Liverpool, Newcastle and Sheffield) and Key Cities (e.g. Bradford, Hull and Sunderland) to recognise the region's full economic potential. The Core Cities tend to be regional capitals that control the flow of funds, whereas Key Cities tend to manufacture and export goods around the world. It is vital to acknowledge how such cities interact in order to achieve full collaboration in the North.
- Across the North, there exists a productive workforce, an affordable economy and a direction where we can specialise in certain areas, so it is important to push these USPs internationally. We must identify priorities and ask what does the area deliver effectively? What is the priority sector? What products will be pushed through?
- We must realise that the Core Cities and Key Cities are not competing with each other, but against international cities such as Frankfurt, Miami and Philadelphia. When attracting international investors, we must stress that although the region has its individual sectors and areas of expertise (which we can provide in abundance), it operates as a cohesive, collaborative unit.
- By having a local industrial strategy that is economically focused, it helps the government to easily delegate international resources to the collective region. The Council for the North should be the overarching body that is responsible for such engagement and collaboration.

## Industrial Strategy – Key Issues

- The issue for the Industrial Strategy is how (from the bottom up) a people-based process fits in with the broader Northern Powerhouse agenda and the extent to which it engages citizens and place-based networks.
- This strategy must be underpinned with clear strategic communications, so people can feel actively involved in the expansion.
- The strategy must build on local identity (to some extent similar to the patriotic fervour in the Catalan region) and promote a positive region to live and work, advance the quality of life and engage in other human aspects of an industrial strategy.
- To achieve goals, the North needs space for businesses to work and to exist. Increasing investment should be based on physical infrastructure.

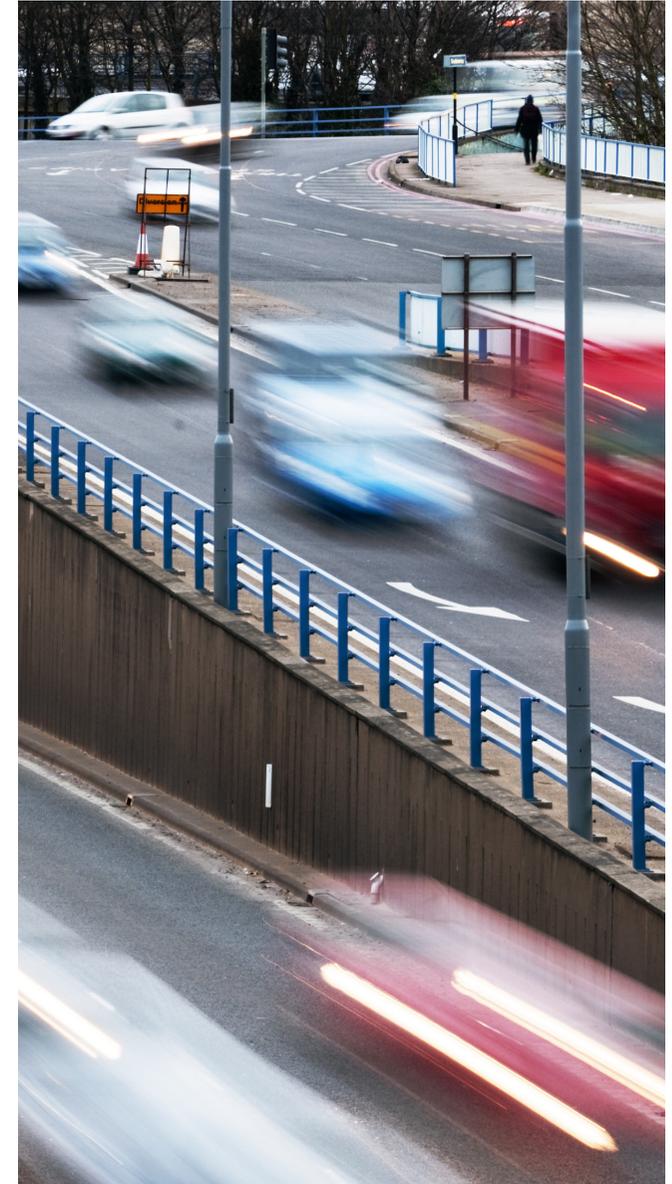


# Useful Information

- [Industrial Strategy Paper](#)
- [Northern Powerhouse Strategy](#)

## Useful links:

- [Working Together: Devolution in the Northern Powerhouse](#)
- [Northern Powerhouse 2050: The North's Routemap for Productivity](#)
- [ICE's Delivering a Northern Infrastructure Strategy](#)
- [Key Cities: Ready to Meet the UK's Biggest Challenges Report](#)
- [Taking back control in the North: A council of the North and other ideas](#)
- [A North That Works For Everyone](#)
- [Leeds Inclusive Growth Strategy 2018–2023](#)
- [Putting the People in the Northern Powerhouse](#)
- [Regional FinTech developments in the UK](#)
- [10 key trends in regional FinTech in the UK](#)
- [Report on Steel 2020 to All Party Parliament Group on Steel and Metal Related Industries](#)
- [Industrial Strategy and Steel](#)
- [Blog: Forging the Future of the UK's Steel Industry, University of Leeds](#)
- [Employer Engagement in Active labour Market Programmes in the UK and Denmark: Final Report, CERIC Policy Report No. 8, Leeds: Centre for Employment Relations Innovation and Change](#)
- [Paying for our progress: How will the northern powerhouse be financed and funded?](#)
- [Navigating Brexit: The Migration Minefield](#)



# Report Authors

## Ideas

- Krsto Pandza, Professor in Strategy & Innovation, Leeds University Business School
- Tony Morgan, IBM Executive Architect and Innovation Leader, IBM and Visiting Professor with University of Leeds

## People

- Matthew Lewis, Partner, Squire Patton Boggs
- Mark Stuart, Professor of Human Resource Management and Employment Relations, Leeds University Business School

## Infrastructure

- Andrew Herring, Partner, Squire Patton Boggs
- Nick Helm, Partner, Squire Patton Boggs
- Gary Graham, Associate Professor of Operations and Supply Chain Management, Leeds University Business School

## Business Environment

- John Alderton, Office Managing Partner, Leeds
- Timothy Devinney, Leadership Chair in International Business, Leeds University Business School

## Places

- Andrew Sprake, Partner, Squire Patton Boggs
- Ian Greenwood, Associate Professor in Industrial Relations and Human Resource Management, Leeds University Business School

## Squire Patton Boggs

Squire Patton Boggs is a global law firm with rich heritage in the North going back more than 130 years. Our client base spans every type of business, both private and public, worldwide. We advise a diverse mix of clients, from Fortune 100 and FTSE 100 corporations to emerging companies, and from individuals to local and national governments. We also serve the regional needs of the countries and cities we call home.

The Northern Powerhouse has been a key focus of our strategy and investment by our Leeds and Manchester offices. We previously sat on the Northern Powerhouse Advisory Board, were key sponsors of the Northern Powerhouse Conference whilst it ran and have produced thought leadership, such as the work we undertook with IPPR North recently on the paying for our progress report, plus the recently launched report on “Navigating Brexit: The Migration Minefield”, where we worked with EEF. We are involved in major energy, infrastructure and business projects across the North. Along with this, we bring our international practice and network to the Northern Powerhouse and have recently worked with the CBI on Trade Talks, where we provided bite-size video interviews to help businesses to understand the challenges and opportunities for global trade post-Brexit.

## Leeds University Business School

Leeds University Business School is a leading, full-service business school, regularly world ranked by the *Financial Times* and *The Economist*, and one of a small number of schools worldwide to be triple accredited by AACSB, AMBA and EQUIS. The school is a faculty of the University of Leeds, one of the leading higher education institutions in the UK, ranked in the Top 100 universities in the world for academic reputation (QS rankings 2017/18) and a member of the prestigious Russell Group of research-intensive UK universities.

Leeds University Business School is an internationally renowned centre of business excellence, supporting and collaborating with organisations regionally, nationally and internationally. In addition, academics are involved at government level to influence policy makers and business agendas. We work with small businesses, large corporate organisations and public bodies through research, consultancy, executive education and events.





