Life in a Northern Town

Why levelling up must be delivered up North

THE NORTHERN POWERHOUSE PARTNERSHIP

CONTENTS

FOREWORD

Foreword by Lord Jim O'Neill of Gatley, Vice Chair of the Northern Powerhouse Partnership and Former Commercial Secretary to the Treasury.

The fundamental principle of the Northern Powerhouse was always based on joining up the great cities of the North, which are uniquely close together stretching from east to west. Linking Liverpool through to Hull and up to Newcastle with better connectivity would create a whole greater than the sum of its parts – stimulating higher productivity and creating skilled jobs and business growth to allow the North to contribute more to the UK economy. It was always the case that the towns in each of those regions would benefit, and those like Bury or Stockport well connected to their nearest major city centre would be the biggest winners, with each local transport link increasing the benefits of better cross Pennine rail and vice versa.

There has in recent years been a lot of talk of how grim the North is; not enough on how much better it could be. In the 2019 general election, Workington man and the rugby league towns were stereotyped by the pundits rather than examining their specific circumstances. The idea of levelling up was framed as a way to pay those voters back for their support, rather than a serious attempt to close the North-South divide which holds those places back in the first place.

Our report analyses the relationship between cities, as engines of productivity, and towns, which could play more significant roles in contributing to the economic performance of their wider regions, as well as benefiting from the wider success of the Northern Powerhouse. We have chosen three towns, one from each major region of the Northern Powerhouse, as illustrations of the challenges and opportunities towns present. By selecting a successful commuter town in Bury, Goole on the up as an industrial centre and Blyth with much promise despite a legacy of traditional industrial decline, we have drawn up a blueprint for Levelling Up done seriously. It is our firm belief that, despite knockbacks the North has received in terms of transport investment, it is by better understanding and supporting our towns and cities in integrated systems that we can rebalance the economy and deliver the Northern Powerhouse ambition. Making the most of devolution, with Mayoral leadership rather than Whitehall trying to do it all from a distance. Making economic impact, not just making local people feel better about where they live in the short term. Higher levels of prosperity made possible by dramatically higher productivity than today. Closing the North-South divide for good, by focussing on cities and towns in their wider regions, and on how together they can link up to deliver the Northern Powerhouse.

THE NORTHERN POWERHOUSE PARTNERSHIP

BURY – *SUCCESS* BUILT ON BEING A GREAT PLACE TO LIVE

How connected a place is sits at the heart of their economic destiny. The townships of Bury form a perfect Northern exemplar of places that have an archetypal successful town at its heart. There is considerable diversity and distinctiveness, including:

- **Prestwich, a suburb of North Manchester popular with commuters.**
- **Ramsbottom, sharing the character of much of nearby Lancashire.**
- **Radcliffe, a place yet to fully recover from losing its traditional major employers, including the paper mill, and its economic purpose.**

A number of the townships lie on a corridor connected to Manchester city centre by Greater Manchester's first tram line (built at the same time as the line to Altrincham as the result of strong business cases) utilising previous heavy rail infrastructure. The road network also puts Bury firmly in the M62 corridor.

This is not a town without concentrated areas of poverty or the systemic impact of disadvantage, but it is a place focused strongly on overachieving on growth, and reducing disadvantage in those neighbourhoods where it is most marked. The priority is to join up support for families, including moving people in households of worklessness closer to the labour market, alongside creating jobs on strategic sites and in key sectors. Opportunities in a place, as well as a wider travel to work area, need to be accessible, necessitating bus reform which is a priority for Greater Manchester and subject to a funding competition announced by central government in the Chancellor's budget.

The Levelling Up fund bids Bury secured were persuasive, with confirmed investment on the way for Radcliffe and the plans for Bury town centre, including the investment for the market there. The strength of these bids is evidence of what effective local authority leadership and capacity can mean when entering into competitive funding rounds for limited centrally-distributed funding pots. This leaves open why funding was not just passed directly to the Greater Manchester Combined Authority, in the spirit of the devolution commitments made by government at the time.

ECONOMIC CONTEXT

The Northern Powerhouse was established to tackle the long-standing economic divide between areas of the North and the rest of the country. Raising productivity is central to this, as increasing productivity can lead to higher-paid jobs, enabling living standards and life outcomes to improve.

Bury is less prosperous than Manchester City Centre, the largest centre for employment in the conurbation. However, such a simplistic observation masks the impact of commuting patterns, which is a significant factor across Greater Manchester due to the integrated transport network including the Metrolink network. Looking at the average income data makes this effect clear. The average weekly wage of somebody working full time in Bury was £532 in 2020, above the £491 earned by workers in nearby Rochdale but significantly below the £600 per week earned by those working in Manchester. If we actually look at those who live rather than work in these places, then the story changes. Full time workers that live in Bury earn an average of £591 per week compared with £509 for residents of Rochdale and £538 for residents of central Manchester. Therefore, it appears that many of the residents of Bury are commuting out of the town, in many cases into central Manchester to the higher productivity and higher paid jobs.


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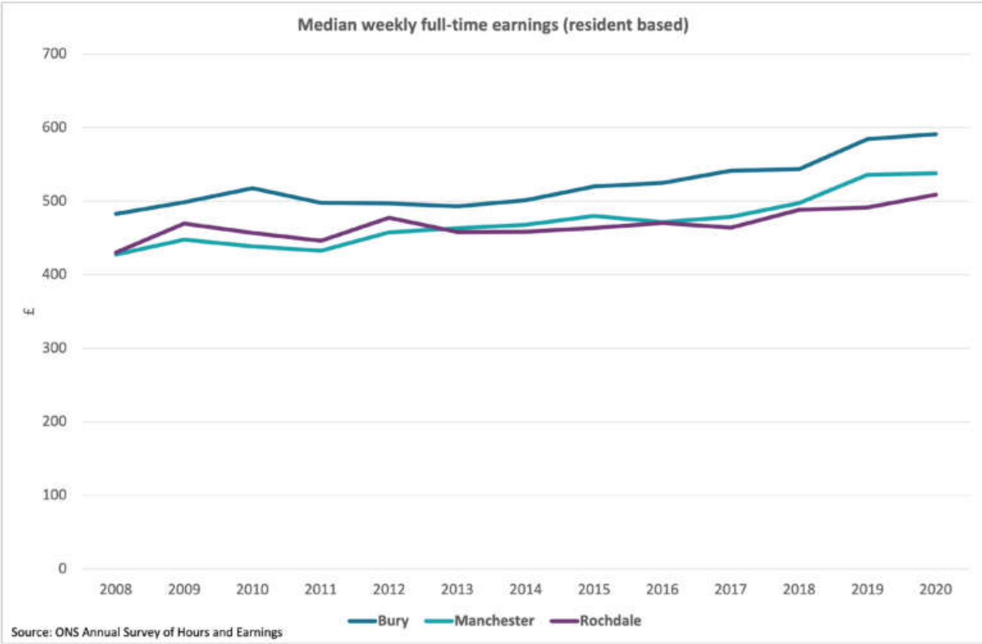
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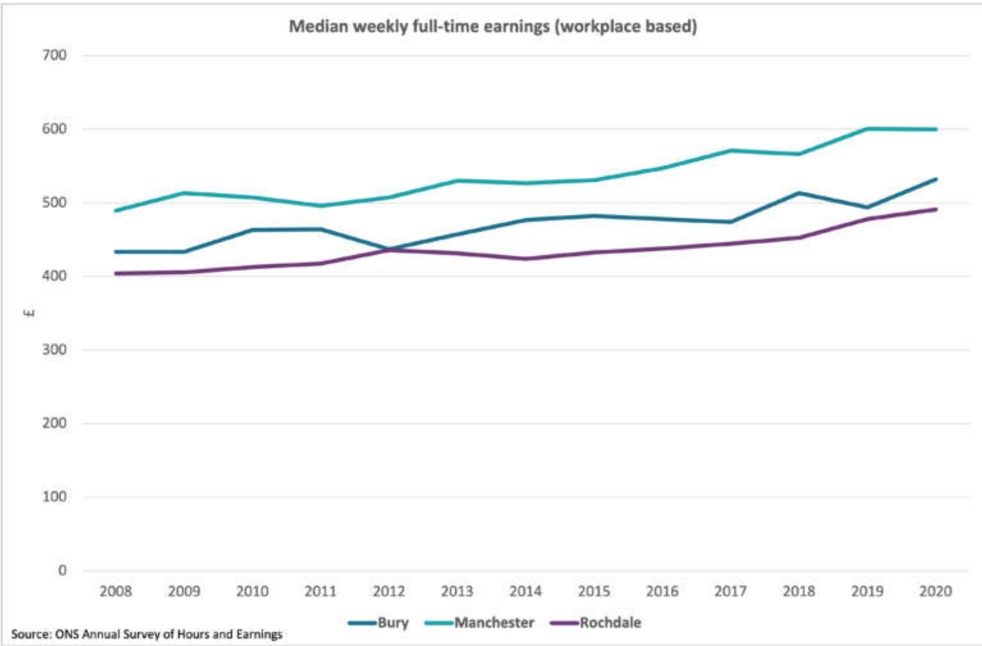
Source: ONS Annual Survey of Hours and Earnings


Median weekly full-time earnings (workplace based)
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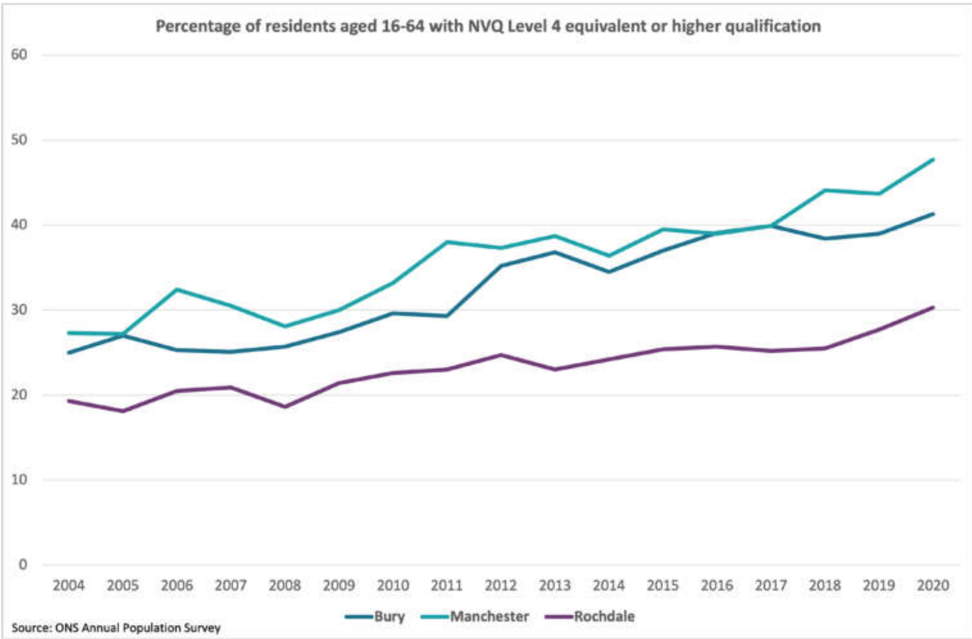
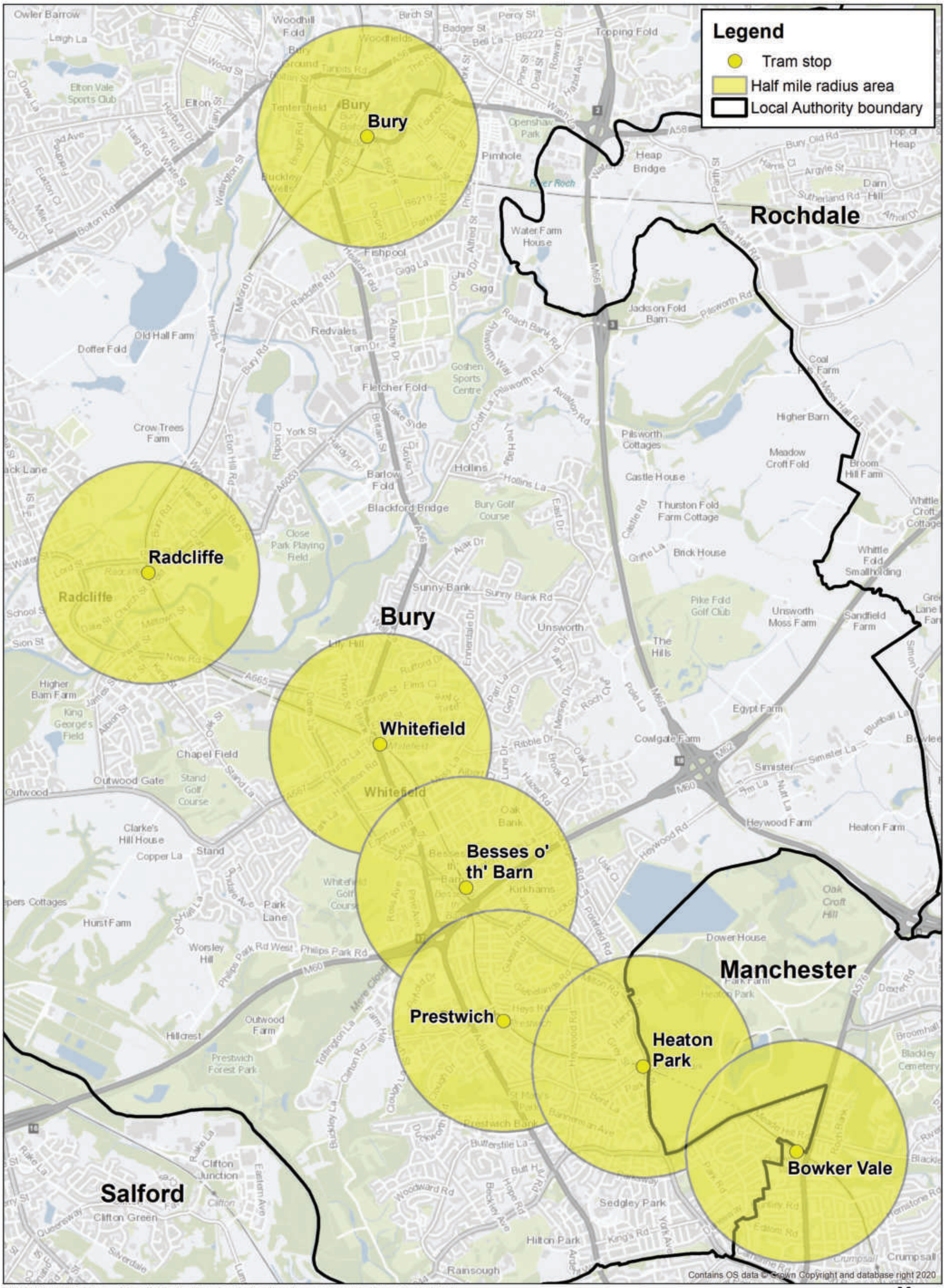
Bury
Manchester
Rochdale
Source: ONS Annual Survey of Hours and Earnings

There is further evidence to support this when we look at the qualifications of residents as a proxy for skill levels. Across the three areas we have analysed in this section, Bury has the lowest proportion of its population aged 16-64 with no formal qualifications; at 4.6% in 2020 compared with 7.8% in Manchester and 9.5% in Rochdale. At the other end of the quaifications spectrum, Bury has 41.3% of its population with level four and above qualifications, below Manchester's 47.7% but well above Rochdale's 30.3%..



Bury has managed to establish itself as a great place to live for those with higher-paid, more-productive jobs in Manchester who perhaps choose not to live in a city centre. As is discussed elsewhere in this chapter, the retail and cultural offering have been key in cementing this view of Bury. The impact of this can be most clearly seen perhaps by examining the performance of property prices for those properties located within a half mile of a Metrolink station compared with those further away.



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MOTT MACDONALD

HOW IMPROVED TRANSPORT CONNECTIVITY IMPACTS ON PROPERTY PRICE

It is generally acknowledged that improved connectivity, and in this case physical connectivity through transport, lead to improved economic potential. Where transport connections are improved businesses can interact with suppliers and customers more easily, employees can access a greater range of employment opportunities and students can access a wider range of institutions and courses.

Bury can potentially provide a case study of this theory given it is on the first Metrolink line to open. If improved connectivity makes a place more attractive, we would expect to see that reflected in property price data where those properties closest to new stations for example would see the greatest increase in price relative to similar properties without improved connectivity.

Using Land Registry data, we have compared how property prices have changed for those properties in Bury within ½ mile of a Metrolink station (roughly equivalent to a 10 minute walk) and those in the rest of Bury. The Bury line of Metrolink opened in 1992. Ideally, we would have tracked prices from a couple of years before opening as demand would likely have started to increase once the line was announced. Unfortunately, however, Land Registry price paid data only begins in 1995. Looking at how prices have changed from 1995 to 2021 should still provide a good level of detail.

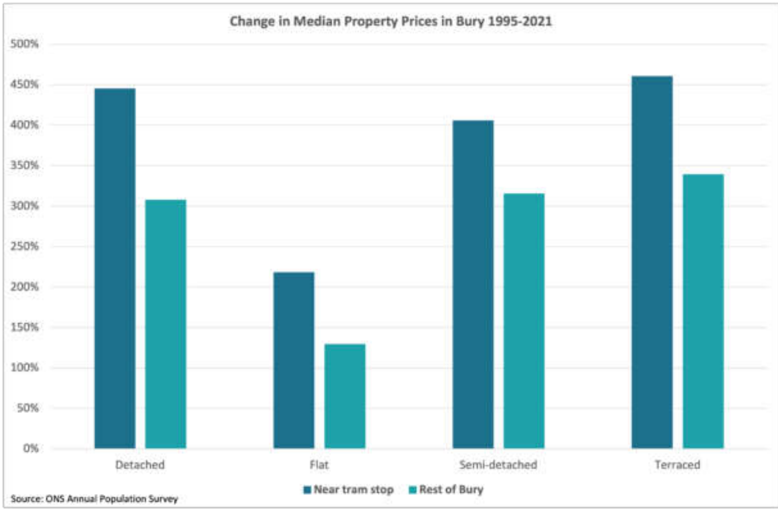
In both our station catchment area group and the remainder of Bury, semi-detached and terraced properties are the most common type of property sold. Looking at semi-detached properties first, the average price paid in our catchment area in 1995 was £46,500, increasing to £235,000 in 2021 – an increase of £188,500 or 405%. In the Bury area outside our catchment area, a semi-detached sold on average for £49,500 in 1995 and £205,500 in 2021 - in increase of £156,000 or 315%. Terraced properties and flats also followed a similar pattern with prices in 1995 lower in our catchment area before increasing more rapidly and ending 2021 higher than the wider Bury area. Full details can be seen in the tables and graphs below.

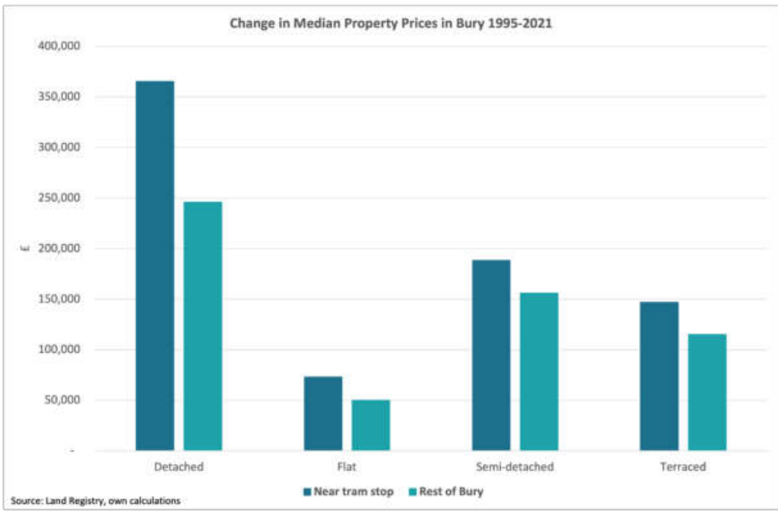
WITHIN 1/2 MILE OF TRAM STOP	1995	2021	Change in £	Change in %
DETACHED	82,125	447,500	365,375	445%
FLAT	33,500	106,500	73,000	218%
SEMI-DETACHED	46,500	235,000	188,500	405%
TERRACED	31,950	179,000	147,050	460%

The Metrolink stations used for the analysis are: Bury, Radcliffe, Whitefield, Besses, Prestwich, Heaton Park and Bowker Vale.

WIDER BURY	1995	2021	Change in £	Change in %
DETACHED	80,000	326,000	246,000	308%
FLAT	38,725	88,750	50,025	129%
SEMI-DETACHED	49,500	205,500	156,000	315%
TERRACED	33,950	149,000	115,050	339%

EDUCATION





The quality of primary schooling available in the borough is generally of a high standard. According to DfE data, there are 70 mainstream primary schools of which only nine are rated less than good, with the same number judged as Outstanding. Across those schools, progress is generally average or above and 65% of pupils achieve the expected standard in reading, maths and writing – exactly in line with the national average.

There are 19 secondary schools in Bury, four of which do not yet have an Ofsted rating. Of those that do, eight are rated good with the rest below this level. Both progress and attainment at the end of key stage four are below average so there is clearly a challenge here to improve attainment and aid the young people of Bury in moving on to further study, whether vocational or academic.

The levels of pupils eligible for pupil premium is similar to the English average. However, two schools featured in our work on schools with a high proportion of pupils from long-term disadvantaged backgrounds, Hazel Wood High School (formally known as Broad Oak Sports College) and Philips High School. Overall in our Fairer Schools Index, across the townships the performance of secondary schools in Bury was largely unchanged after pupil characteristics were taken into account.

A recent study from Cambridge Econometrics highlighted the relatively-low spend on R&D in Bury, in common with the rest of Greater Manchester. The Northern Gateway development offers the opportunity to address this weakness if the public and private sector can work together to attract research-intensive businesses who will bring with them investment and critically, more highly-skilled jobs into the area, sitting alongside the foundational economy.

RADCLIFFE CASE STUDY

The regeneration of Radcliffe has created a township rich in both opportunity and economic assets. Its vibrant market combines a traditional greengrocer with high-quality food stalls open in the evening.

The town's traditional buildings, including a branch of the former Lancashire and Yorkshire Bank, are important cultural assets that will retain the area's distinctive character, given the right investment. Enriching Radcliffe's heritage and repurposing proposed workspaces for start-ups, will provide entrepreneurs with easily accessible space suited to early stage, growing businesses.

Central government funding would be best channelled into a neighbourhood with wider social challenges. Driving forward social change can be led in collaboration with local community organisations (of which there are more than 30), building on existing projects such as GMCA and Virgin Media's scheme to address digital inequality through the rollout of fibre-to-the-premises to institutions.

This is the opposite of reductive economic approaches; here township level change has been enabled by modest investment in retaining community hubs (this being an approach to engaging and supporting the voluntary sector and communities developed during the pandemic).

The wider lesson from Bury – and a direct result of devolution in Greater Manchester - is that of integrating public services in order to deal with the root causes of issues, such as education and health.

Bury has well-established health and social care integration at the level of neighbourhood, which extends further across all targeted services.

These services are critical to generating what we term a 'supply side shock,' to make a meaningful difference at the level of the neighbourhood by investing resources in families in the most effective way.

However, this requires a greater emphasis on building trust with families. The Bury 2030 strategy gives a clear approach to intervening only when necessary, focusing on developing resilience in individuals within the context of their own support systems of family, neighbours and beyond.

RECOMMENDATION 1

While Bury Council is focused on its most disadvantaged areas, government and GMCA must agree on an ambition to make every neighbourhood economically stable and viable.

It is necessary to introduce a floor standard of social and economic outcomes below which no area should fall. This should be set by metro mayoral authorities across both city and town-based neighbourhoods as part of a statutory outcomes framework with government to which all public services are bound.

This will help to engage departments such as the Department for Work and Pensions, while ensuring effective 'levelling up' reduces ongoing cost pressures on departments by addressing root causes of spending demand.

RECOMMENDATION 2

Tackling educational disadvantage in townships such as Radcliffe requires a targeted approach. Across the north of Greater Manchester there is the need for a co-ordinated approach supported by government within and beyond the school gates in order to address the households where successive generations of children and young people have underachieved.

These approaches should be driven by local government but include all relevant parties, specifically around improving child health as well as extending the existing Opportunity Area in Oldham to cover other localities.

RECOMMENDATION 3

The benefits of being named Greater Manchester's Town of Culture for 2021 have been felt right across Bury. There is a strong ambition to develop the visitor economy, specifically around traditional assets like the East Lancashire Railway and The Met, alongside a 'FlexiHall' venue for smaller acts (often with dedicated fanbases), in the Levelling Up bid. There is clear rationale for these propositions, as well as for a Creative Improvement District.

Alongside planned pedestrianisation and growing café culture in the town's cultural quarter, it is vital to secure the legacy of its status as Town of Culture to increase the pull of the wider town centre after 5pm and to maximise the cultural capital of Bury and that of its neighbouring townships.

As we're already seeing through the work of the National Museum of the Royal Navy in Hartlepool and the British Museum in Manchester, it is vital to foster stronger heritage partnerships with major national institutions seeking a presence in the North.

RECOMMENDATION 4

It is important to build significantly more housing in the town centre in order to unlock the full economic potential of connectivity benefits of the tram into Manchester City Centre and the local amenities.

Furthermore, as the local authority plays an active role in managing the place, Bury should maximise its competitive advantage of its town centre having attracted previous rounds of investment, instead of out of town developments attracting the retail and leisure facilities families in the town would seek out or aspire to use.

Bury is a 'supertown' in retail terms – far from being a declining town centre, it is a thriving one in terms of its mix of shops and vibrant market. Both the construction of the Rock Bury shopping park centre and the council's continued investment in the market attract shoppers from across the north of the conurbation and South Lancashire. This can be strengthened further by building on the successes of previous entrepreneurial developments by the council and private sector.

RECOMMENDATION 5

It is time to grasp the opportunity to grow the economy by driving up productivity across Greater Manchester. It is notable that recent developments in the borough have attracted a range of manufacturing businesses, and have quickly been fully occupied. Both the Northern Gateway (which crosses over between Rochdale and Bury) and the different mix of knowledge-intensive sectors in Manchester City Centre provide job opportunities for those growing up in Bury's townships.

Huge economic uplift can be achieved by delivering an R&D intensive development at Northern Gateway focused on advanced materials, relying on the drawing together of assets in the conurbation and additional translational capacity in manufacturing and advanced materials.

GOOLE – A RAILWAY VILLAGE TO BRING PROSPERITY TO THOSE LIVING IN AND BEYOND THE TOWN

Despite the North's poor rail connections and the lack of a mass transit system in cities such as Leeds and Bradford, there are some places which have built exceptional road connectivity in the last century. This has given them comparative advantage in the economic enabling sector of logistics, as highlighted in the Northern Powerhouse Independent Economic Review.

In the last year Goole's assets, including world-class healthcare and pharmaceutical manufacturing firm Croda, have provided vital components for Pfizer's COVID-19 vaccine.

Alongside these long-established Humber names, in 2019 the town - in advance of securing a significant site within the Humber Freeport - attracted an inward investor to join their Siemens colleagues at the blade factory in Hull: Siemens Mobility.

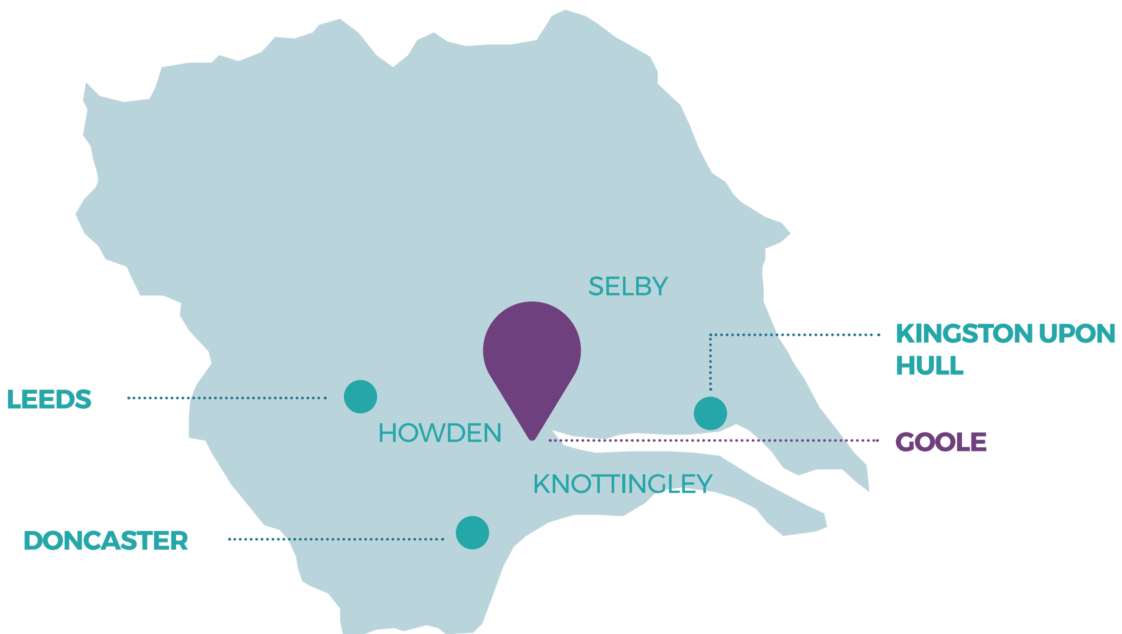
Their first major contract was to help deliver the order for Transport for London's new air-conditioned deep tube trains. The new facility in Goole will be an economic driver both in the town itself and for its wider travel to work area, beyond East Yorkshire to Doncaster in South Yorkshire and into West Yorkshire, such as to Knottingley, as well as Selby in North Yorkshire.

In an analogous way to Manchester Airport and its associated developments is second only to the city centre in Greater Manchester in terms of the number of people it employs, Goole's importance can be developed through clustering of supply chain and R&D on the Freeport.

As an industrial and commercial area for development, Goole is on the close periphery of the core city of Leeds (which is vital for its connectivity to Manchester and the wider North West, as well as a closer agglomeration within the context of Yorkshire's local economies).

The current East Riding of Yorkshire Core Strategy process that has demonstrated significant increases in the town's housing will be unlikely immediately, meaning Goole's growth must be considered in context with its neighbouring towns and nearest cities (which will all need to supplement the labour market of the town itself).

However, Goole's economic relationship to Leeds, despite being the largest of its nearby cities, is limited because the public transport accessibility is poor. Journeys are currently via connecting services at Doncaster and take roughly an hour and 20 minutes - despite the fact that a direct service would cut this to a 31-minute journey time. Although underlying infrastructure is not a problem, the issue of capacity at Leeds station causes huge challenges which must be addressed through delivery of capacity for HS2 services continuing to the city from the Midlands and for Northern Powerhouse Rail.



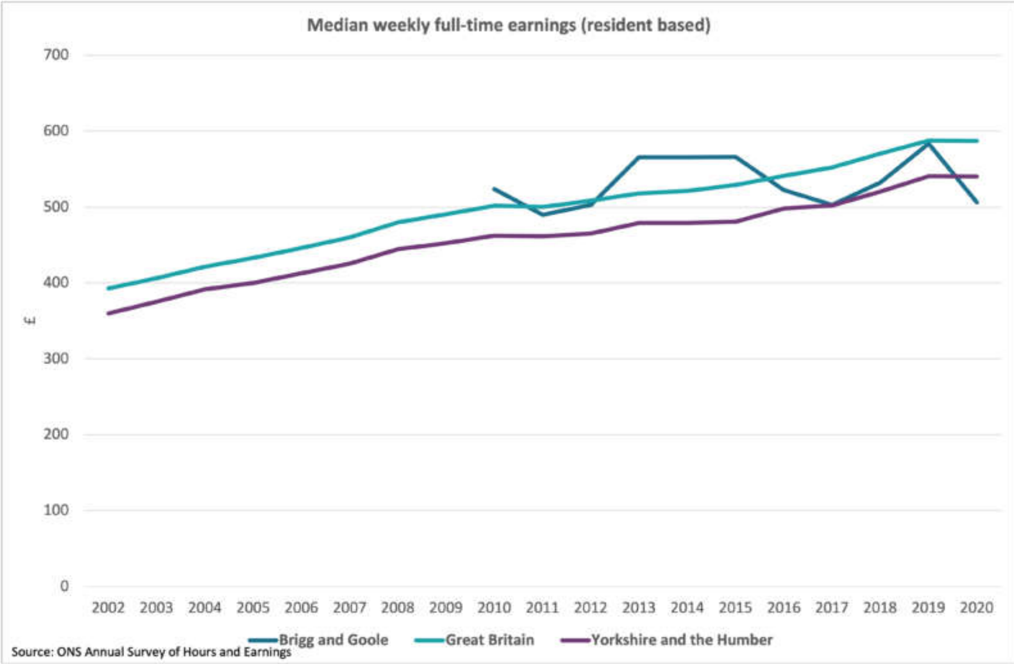
RECOMMENDATION 1

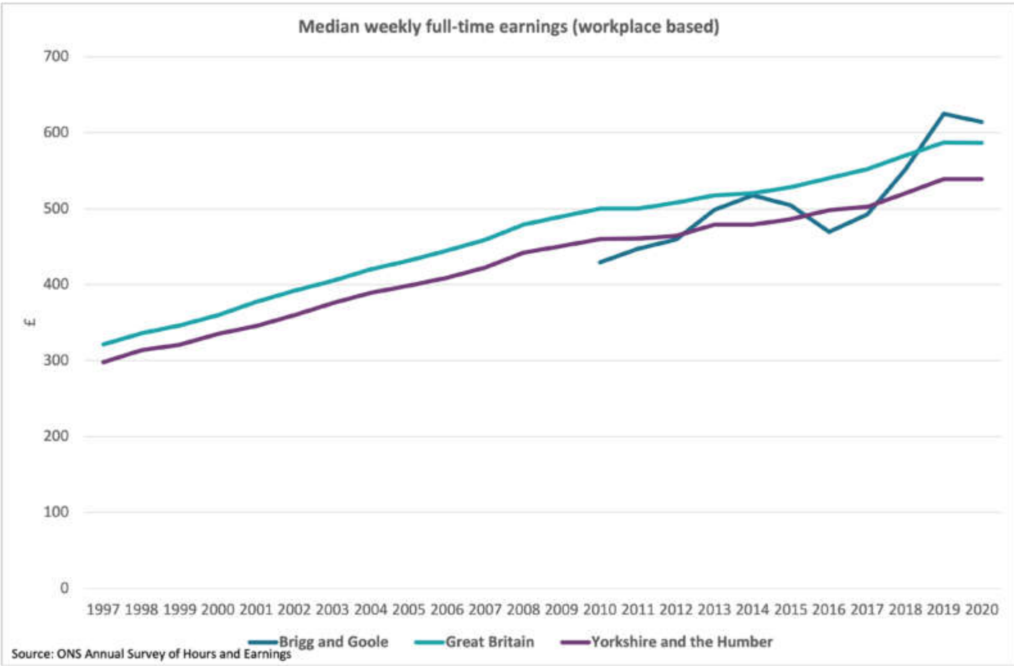
An hourly direct rail service should be introduced between Goole – Knottingley – Leeds, as proposed in the Town Deal. This will improve connectivity and enable commuters from Leeds and nearby townships such as Knottingley to access jobs in Goole, as well as allowing Goole residents to seek a greater variety of employment opportunities in the wider region.

ECONOMIC CONTEXT

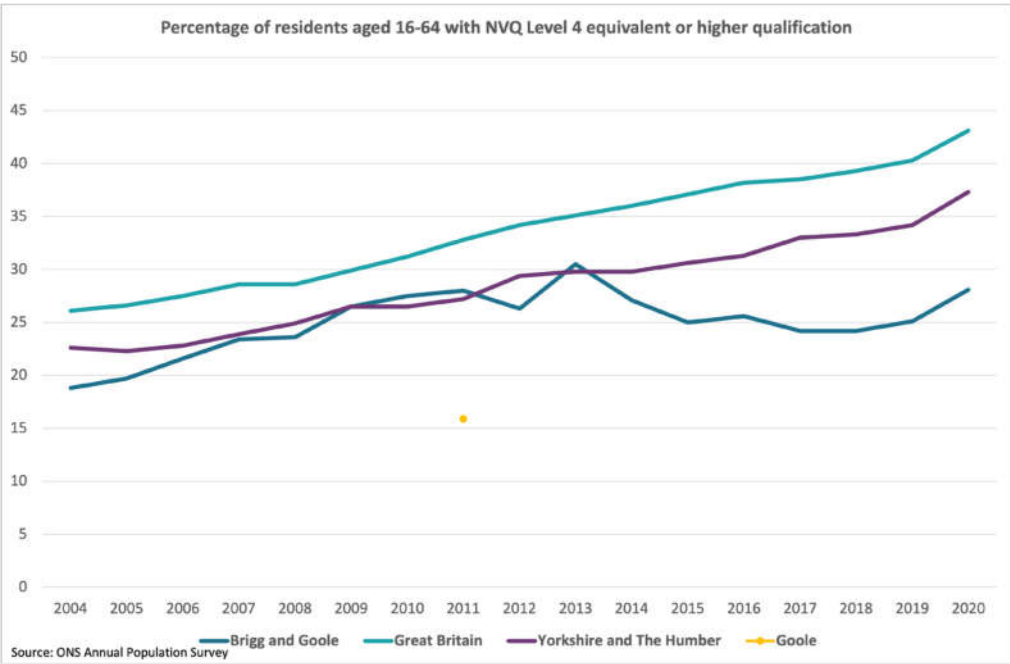
Goole is a town of around 20,000 residents depending on how you define its geography. As Goole is not a geography that the ONS regularly produces statistics for (such as a local authority for example), we are limited to data mainly from the 2011 Census. However, we will also present data from the Brigg and Goole constituency to understand the context of the wider region.

In 2011 55% of Goole residents travelled less than 10km to work yet only 3% of residents used public transport. 58% of people travelled to work by driving a car or van. This supports what we already know about the town's poor transport connections and is clear evidence that the availability of active and public transport needs to be improved for residents, building Goole's higher than average cycle use.





The two charts above set this in the context of the wider Brigg and Goole constituency as well as Yorkshire and Humber and Great Britain.



Returning to the 2011 Census and looking at Goole specifically, the main occupation types for residents were 'elementary occupations' at 20%, 'skilled trades' at 14% and 'process and plant machine operatives' at 13%. Again, this likely explains the difference in earnings between residents and those working in the area discussed above.

Higher skill levels are generally associated with more productive and therefore more highly paid employment. In 2011, 20.4% of the population of Goole had no formal qualifications, this rose to 32% in the 50-64 age range. Just 15.9% had level four and above qualifications, peaking at 22% in the 25-34 age range. The two charts below set this in the context of the wider Brigg and Goole constituency as well as Yorkshire and Humber and Great Britain. At the time when 20.4% of residents in Goole had no formal qualifications, the figures for Yorkshire and the Humber, Brigg and Goole and Great Britain were 12.1%, 11.3% and 10.7% respectively. Similarly, when 15.9% of residents in Goole had level four and above qualifications, in Yorkshire and the Humber, Brigg and Goole and Great Britain, the figure was 27.2%, 28% and 32.8% respectively.

The general trend in the proportion of those with no formal qualifications has been downward, presumably as older workers exit the labour market to be replaced by younger people who will have studied for longer. In Brigg and Goole however, this trend has not been as strong going from a lower than national average position in 2004 to an above average one in 2020. Looking at higher qualification levels the trend has been an upward one. This has been witnessed in Brigg and Goole though there has been a widening of the gap with both the regional and national average since 2013.

Goole is a town of around 20,000 residents depending on how you define its geography. As Goole is not a geography that the ONS regularly produces statistics for (such as a local authority for example) we are limited mainly to data from the 2011 Census though we will also present data from the Brigg and Goole constituency to understand the context of the wider region.

Supporting the view outlined above regarding transport connectivity, in 2011 55% of Goole residents travelled less than 10km to work yet only 3% of residents used public transport. 58% of people travelled to work by driving a car or van. That is fairly clear evidence that the availability of active and public transport needs to be improved for residents, building on the places higher than average cycle use presently.

Turning to look at the labour market, ONS data suggests that people who work full time in the Brigg and Goole constituency earned £614 per week in 2020, above the average for Great Britain of £587 and well above the Yorkshire and Humber average of £539. However, those people who live in Brigg and Goole and work full time earned £506 per week in 2020, below the £540 per week average of residents in Yorkshire and Humber and the £587 average for Great Britain. This indicates a commuting pattern where those with the highest paid jobs commute into the constituency but then chose to live elsewhere. This is not necessarily a problem or a negative situation, but has implications when considering infrastructure, amenities, and the provision of public services.

“Only 3% of residents used public transport. 58% of people travelled to work by driving a car or van.”

EDUCATION & SKILLS

As part of their arrival in the town, Siemens Mobility have worked with Primary Engineer who have an extensive record of working with Siemens in the UK more widely, to drive up STEM engagement in the immediate primary schools in communities close to the new factory. This approach to developing a long-term talent pipeline is to be welcomed, and moves beyond an over emphasis on the role of employers in careers education to the exclusion of applied material in the curriculum. There is a role of greater significance in tying the curriculum to relevant opportunities for future careers, making subjects more applied to increase engagement.

Within Goole there are 5 mainstream primary schools and one mainstream secondary school. All of the primary schools are rated good by Ofsted, the secondary school has not been inspected since converting to an academy. Across the schools, the proportion of children eligible for pupil premium ranges from 14% to 40% and the proportion of children with English as an additional language ranges from 15% to 50%. The context of Goole in terms of inward migration led to high number of children with English as a second language following the accession of central and eastern European countries to the EU. The impact of local employment and housing markets on the education system is often underestimated in much of the economic development community.

Progress across the primary schools is broadly average though in three of the four schools data is available for, the percentage of pupils meeting the expected standard is below the national average. At the secondary school, progress is above average with attainment exactly inline with the national average.

Goole no longer has its own general Further Education provision, with the former College site now closed. However, for many years young people and those seeking retraining have often travelled in any case to Selby College. This will be the centre for Siemens Mobility's training needs, and we believe with the proposed merger of Selby and Wakefield college with relevant provision in Knottingley that the opening up of rail links will only widen the offer in a credible travel to work area (supporting local provision in Selby and Knottingley leading to placements and on to employment in Goole, and in reverse local young people being attracted strongly to courses with a clear route to local employers). This makes the 'Cluster Goole' around the Freeport site travel to work area outlined a credible one, ensuring that Travel to Learn areas match more closely the Travel to Work geography (even if the directions of flows in travel are reversed in some cases).

RECOMMENDATION 2

There is a strong case for Doncaster's National College for Advanced Transport Infrastructure, as well as its existing industry provision in rolling stock, expanding to Goole.

This will contribute directly to the sectoral agglomeration benefits of Goole becoming a hub for the development of wider rail industry assets in the North. This will strengthen the potential of its neighbouring cluster in Doncaster with its significant heritage and pre-existing talent pool, as exemplified by the presence of Unipart. The move into data-related specialisms and excellence is an exemplar of the higher skills needed in the industry, compared to more traditional maintenance models.

RESEARCH & DEVELOPMENT

The success of the Advanced Manufacturing Park in Sheffield and Rotherham was based on the AMRC, founded by the University of Sheffield and Boeing along with wider industrial partners including Rolls Royce. Our view is that Goole has a similar scale of opportunity in the rolling stock manufacturing sector, with the location of the University of Birmingham and East Riding of Yorkshire facility of the Rail, accelerator and innovation solutions hub for Enterprise (RaisE). There is significant potential to attract more of the value chain in rolling stock and expanding SMEs as part of the wider established partnership serving the rail industry, with a linked centre at the University of Huddersfield.

RECOMMENDATION 3

Building on the existing business centre space co-located with Siemens Mobility should prioritise long-term, well-paid job creation in the rail sector over other less intensive and less skilled employment-based land uses. Business rates should be recycled to fund manufacturing units for rail-based occupiers which can meet their needs.

RECOMMENDATION 4

Attract the R&D to deliver next generation of rolling stock to Goole funded through UK Rail Research and Innovation Network, fulfilling the need for emerging northern strengths such as in hydrogen to be applied to the transport sector.

SUMMARY

While negotiation for a devolution deal is underway for the North Bank of the Humber, a future Mayoral Combined Authority could provide additional leadership. However it is noticeable that local leadership from former Northern Powerhouse Minister Andrew Percy MP has been effective thanks to a council that is focused on inward investment - even without a formal devolved authority.

Having created a 'mini Hull' in ClusterGoole, an agglomeration in the making, working co-operatively with Metro Mayors in West Yorkshire, as well as York and North Yorkshire, will be of critical importance.

For if Yorkshire has any real economic coherence as a geography, as well as an identity and tourism destination, it is expressed in the motorway network with Goole at its freight and logistics centre. This remains a key building block of the industrial element of the M62 economic corridor, on which Lord Jim O'Neill based the Northern Powerhouse due to the proximity of city regions on that motorway link.

This has resurfaced most recently in political discourse as the M62 Mayoral trio of Brabin, Burnham and Rotherham have united to together champion West Yorkshire, Greater Manchester and Liverpool City Region. If the North Bank chooses the Mayoral model, the trio will need to become a four piece that can work together on shared priorities such as this.

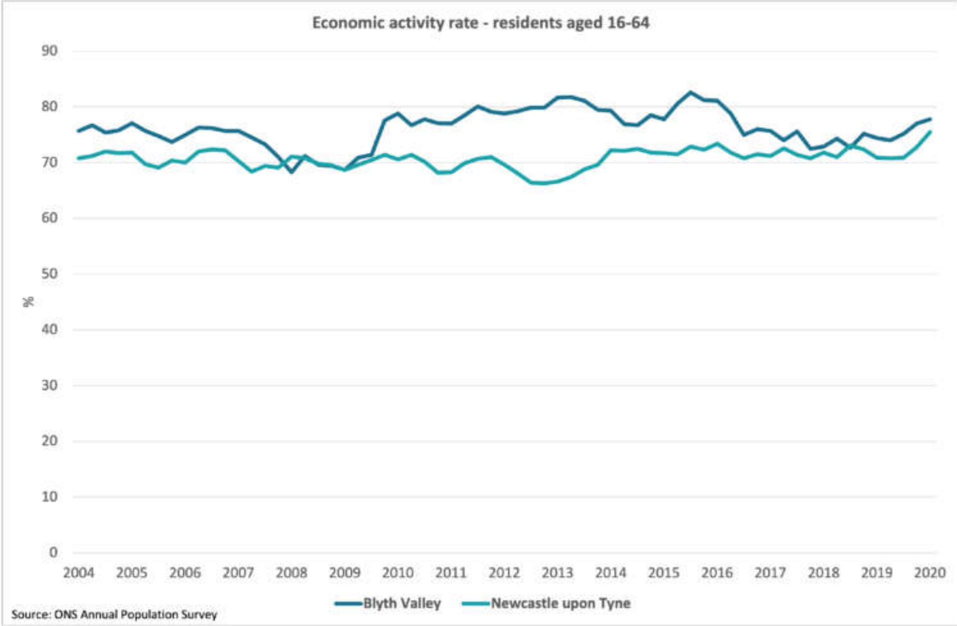
BLYTH – THE FUTURE CENTRE OF THE NORTH'S GREEN ENERGY REVOLUTION

The opportunity which Blyth represents is a credible and critical one. Previous investment in its assets over the last decades (including the catapult centre) are the centre of its potential today. The Town Deal plans alongside the wider work of the local authority, North of Tyne Combined Authority and Local Enterprise Partnership have all been building towards the current investment landscape (including a gigafactory development by Britishvolt).

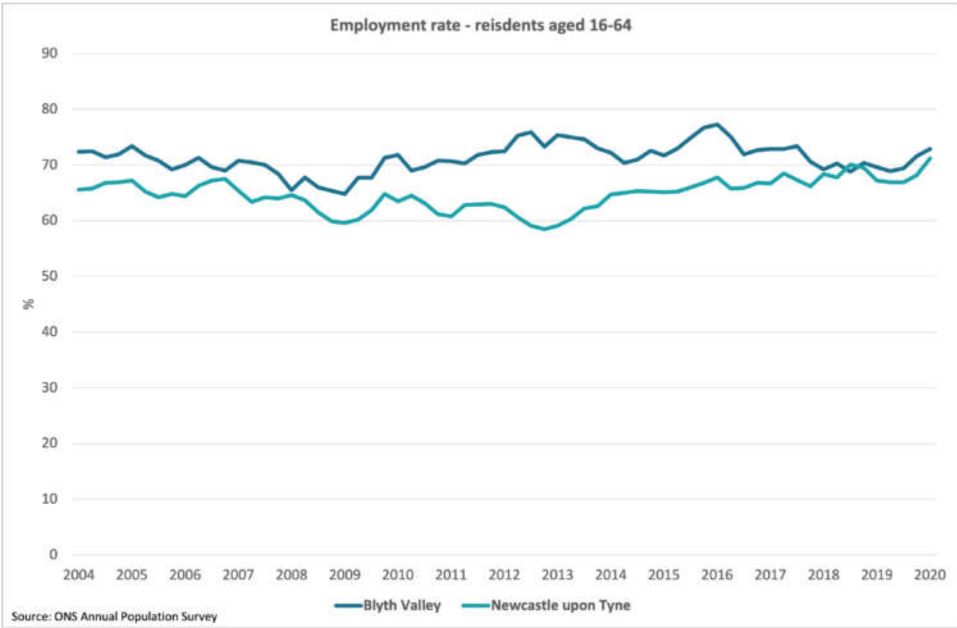
The planned investment in a passenger rail connection between South East Northumberland and Newcastle upon Tyne is as critical for bringing people into the area, as creating viable commuting connections into the city centre. Attracting and retaining businesses will be key, with the town already benefiting from Tharsus as a local employer with significant knowledge intensive employment in the town in R&D. The travel to work accessibility of the place will be significantly enhanced through rail services, making this a more attractive location for inward investors, who might otherwise be deterred by the distance to the nearest core city. The benefits of the proximity of Newcastle and wider Tyneside (including assets in higher education and in skills provision) have been underleveraged due to the limitations of public transport connections. The potential for further agglomeration, with South East Northumberland benefiting from its nearest core city - and the benefits to that place of access to talent and locations for significant inward investments of scale - cannot be understated.

The economic context needs to be considered to make recommendations based on an understanding of the local picture. The statistics referred to below are based on the Blyth Valley parliamentary constituency for the greatest data availability. With a population of around 85,000, of which 70,000 are aged over 16, the Blyth Valley constituency includes the town of Blyth along with other places nearby including Cramlington. Part of the wider North East economy, with the benefit of a Mayoral Combined Authority for the North of Tyne, the neighbouring communities in Ashington are economically tied to Blyth and its potential.

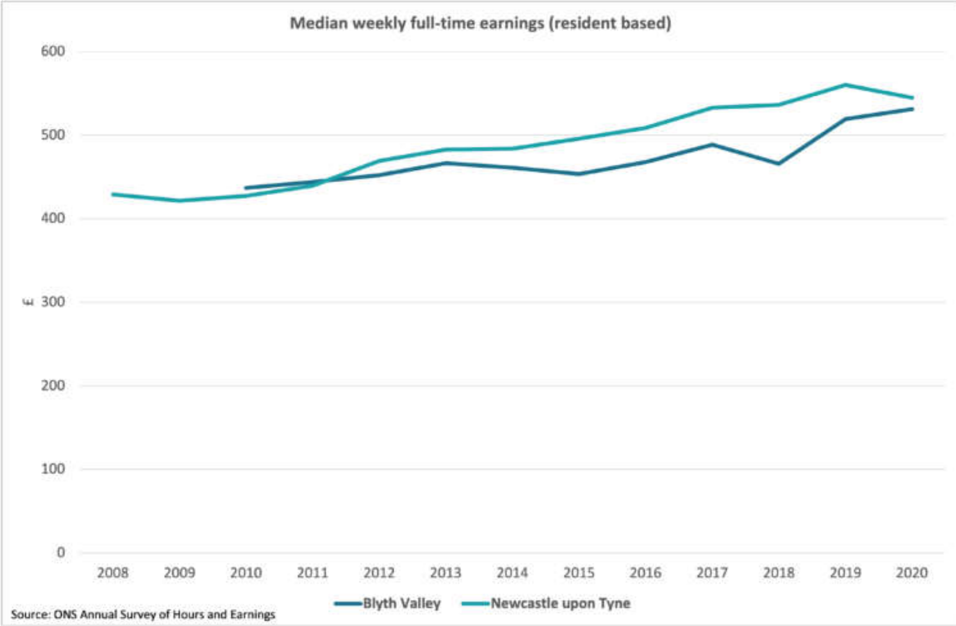
We will use the local authority area of Newcastle as a comparison in this section to see how Blyth has done comparatively with its Core City neighbour. Looking at the labour market statistics for Blyth, it typically enjoyed a more active working age population with its economic activity rate peaking at just over 2016, compared with 73% in Newcastle at the same time. Correspondingly its employment rate has almost always been higher than Newcastle, hitting a high of 77% at the end of 2016 while Newcastle's employment rate was some way behind at 68%. Over the past two or three years however this gap has narrowed significantly with Blyth just one or two percentage points higher than Newcastle on both measures. It should be noted however, that both areas are still below the average for the wider North East and Great Britain.

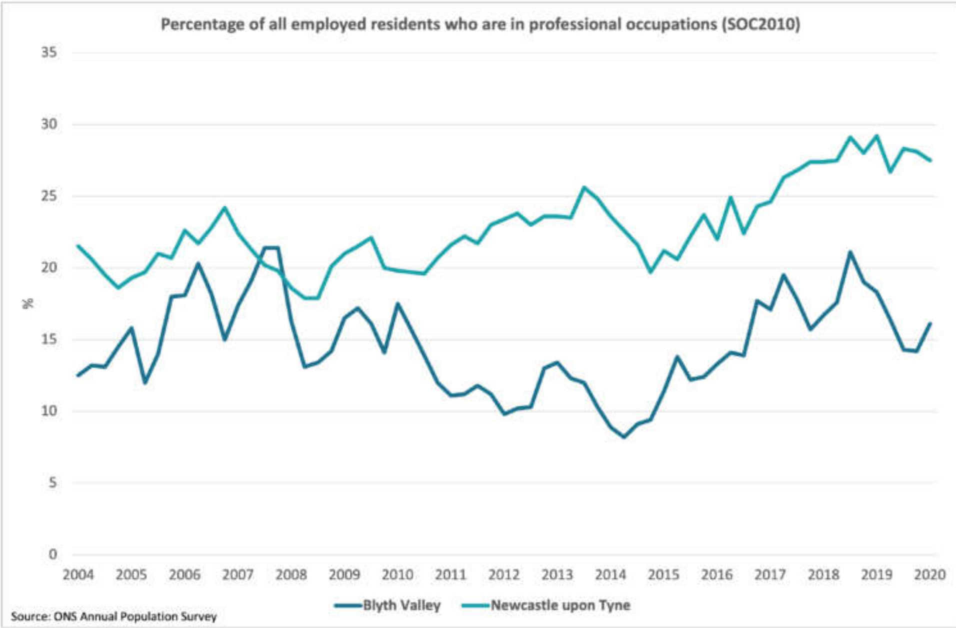


Newcastle Upon Tyne which is approximately 17 miles away "as the crow flies" though to drive between the two centres takes approximately 30 minutes.

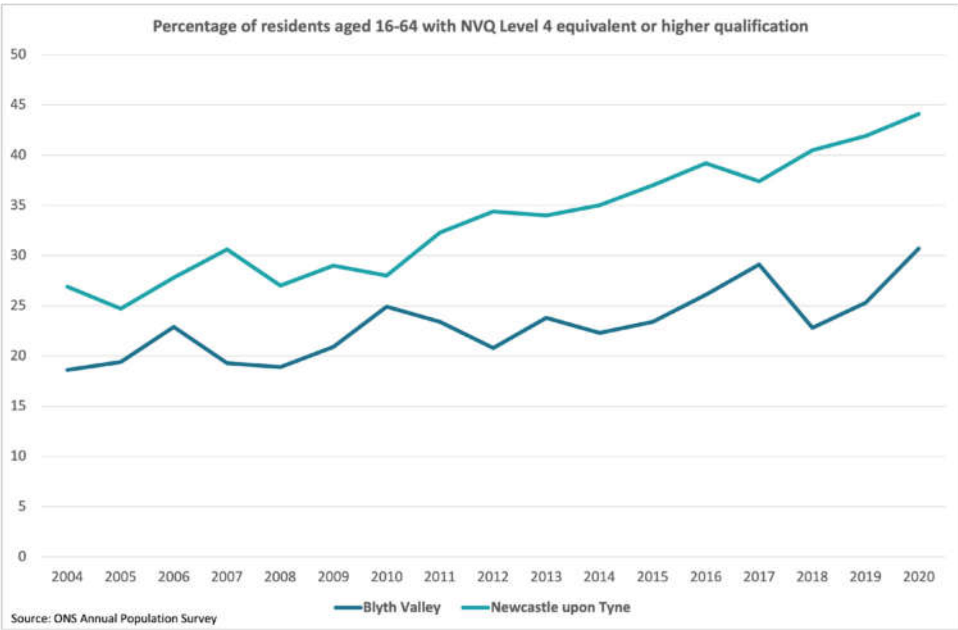


Unlike the other areas we have looked at, there is no discernible difference between the earnings of people who work in Blyth or people who live in Blyth. This suggests one of two things, those working in Blyth also live locally or wages across the wider area are fairly similar so commuting patterns are hidden. At £531 per work for a full time worker, the median pay for somebody in Blyth is around £14 per week below somebody in Newcastle though both are above the average for the wider North East (£524) and below the average for Great Britain (£587).





Looking at the types of jobs people do, Blyth follows broadly the national average except for two notable exceptions. The proportion of people employed in "professional occupations" is considerably below neighbouring Newcastle, the wider North East and the national average. Though not illustrated below, a larger proportion of workers are employed in "caring, leisure and other service occupations" in Blyth than the average for the region and the country, part of the often referred to foundational economy.



Finally, we move on to the skill levels of residents. As we are well aware, a highly skilled workforce increases productivity, leading to higher paid employment opportunities and improved quality of life. In Blyth, a relatively low proportion of residents have no formal qualifications (taking qualifications as a proxy for skills) at 6.3%, compared with 8.5% in Newcastle, 8% in the North East and 6.4% in Great Britain. However, at the higher end (level four and above qualifications) Blyth falls well short of its neighbours and wider averages. Just under 31% of Blyth residents fall into this group compared with 44% in Newcastle, 35% across the wider North East and 43% nationally. The figure for Newcastle is likely so high due to its higher education institutions and younger graduates tending to choose city living.

For Blyth to keep pace and offer a compelling proposition for businesses considering investing in the area, improving workforce skills should be a high priority. This can obviously be accomplished in two ways: upskilling existing residents or making the area a place that those with higher skills want to live. Doing both is likely to be the most effective approach, both economically and in terms of addressing longstanding inequalities.

EDUCATION

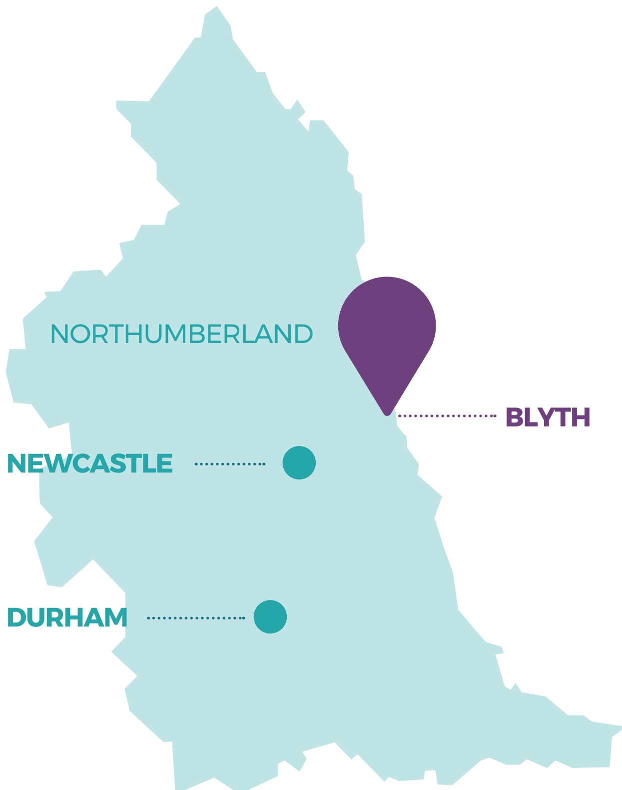
Across the Blyth Valley constituency there are 25 mainstream primary schools (including two middle schools) and four secondary schools. Of those schools with Ofsted ratings, three are rated as 'requires improvement' with the rest rated as 'good' indicating a high standard of local school provision.

In terms of the academic performance of the schools, we are relying on 2019 results given the disruption to exams caused by the pandemic. In 2019, 8 out of the 19 primary schools with published results had a higher proportion of pupils reaching the expected standard in reading, writing and maths than the English average of 65% with three schools achieving results in excess of 80%. Progress was generally average across the majority of schools with a couple recording 'well above average' results and a couple with 'well below average' results.

Progress scores at secondary school mirror the wider North East trend that we have discussed in previous publications where high attainment at primary does not continue through into secondary. In the 2019 results the highest Progress 8 score from the four secondary schools was an 'average' rating of 0.09 with the lowest being a 'well below average' -0.58. The proportion of pupils receiving a Grade 5 or above in English and Maths was however broadly in line with the national average of 43%, ranging from a low of 36% in one school to 56% in another.

Two of the four secondary schools have high levels of pupils from a long-term disadvantaged background with the Blyth Academy having more than 50% of pupils eligible for Pupil Premium. Using our Fairer Schools Index, all four secondary schools see their performance improve when pupil characteristics are taken into account. Before the adjustment, two schools are classified as having 'average' progress, one 'below average' and one 'well below average'. After adjustment this changes to one 'above average', two 'average' and one 'below average'.

The government's current policy of Opportunity North East to intervene has not been adequately place-focused on South East Northumberland. This could be addressed with a targeted intervention to address education inequalities, which would sit alongside the existing plans in the town to invest in the facility in the dock to be able to reach and provide STEM input in local schools. Addressing the growing demand for specialist skills in these areas early enough effectively prepares young people for skills pathways into locally based skilled employment.



Creating an Opportunity Area can address challenges in South East Northumberland, with policy focus on issues both within and beyond school gates.

There are significant challenges for local services The social and economic costs of deindustrialisation, and its resulting inequalities, have not been effectively addressed by central or local government, despite the best efforts of the public sector in the place itself. The creation of the North of Tyne combined authority is a welcome step forward, and it is clear that a much more ambitious devolution deal for the North East would be a significant opportunity for communities including Blyth, Bedlington and Ashington (all with challenges of comparable scale.)

RECOMMENDATION 1

If we are to address health inequalities by integrating council and health primary care services then each would benefit from a different toolkit of services which would mirror more what is currently provided in a town such as Bury. It is noticeable that without the impetus of health devolution (as was the case in Greater Manchester) that the introduction of Integrated Care Systems will need to have strong local government involvement across the wider North East footprint to ensure that the NHS can work with partners to take a population health approach.

This approach – broadening the focus to prevention rather than cure – is far more favourable than restricting efforts into providing excellent care once citizens are already patients, specifically the chronically ill.

While the economic development agenda is gathering pace, the chance to ensure that local people are able to take advantage of these opportunities is failing to keep up. This is despite the plans of those investing, including in the gigafactory, to pursue local employment partnerships. These approaches are all to be welcomed but the change needed in Blyth is a social one and is too significant to only be addressed at the stage of work readiness.

RECOMMENDATION 2

An integrated place-based approach to public service delivery is also needed in Blyth, mirroring the integration of health and local government delivered in towns like Bury. This can build on the current direction of travel by the local authority, ensuring fully-aligned delivery at the level of neighbourhood.

RECOMMENDATION 3

The role of Blyth in the wider UK offshore wind industry to date (for example the catapult's extensive work for Equinor) has had significant benefits for the Northern Powerhouse as well as across the UK. In an analogous way to a core city, like its neighbour Newcastle, a centre of excellence in R&D generates many more highly skilled jobs. The North needs a place-based deal on energy. This would be ideally centred on the North East, based on the needs of the region's businesses and focused on building a more ambitious devolution settlement.

The North East requires this Innovation Deal focused on energy that meets the needs of businesses and provides significant innovation activity to generate jobs here and across the wider North of England. This should be negotiated by leaders from the private sector, who seek to co-invest alongside key institutions such as universities who, in turn, are able to support translational activity beyond their portfolio of currently funded research.

RECOMMENDATION 4

Investment in innovation also requires an investment in skills. The current approach has strong merit but is constrained by the limitations of the wider adult skills system. The Energy Central Campus, first at the Port of Blyth and then in the town centre in phase 2, is a credible proposal which will help to ensure local people will be able to access the high-quality opportunities being created.

Ambitious plans for skills provision must mirror the required innovation approach of meeting industry need. Building on the existing commitment of Newcastle University and attracting Further Education providers with specific expertise, including Newcastle College, would add to the current offer across wider Northumberland.

CONCLUSION

The debate on levelling up has followed a period where some commentators discuss the prospects of towns as if they have failed because of the success of cities, as if Manchester City Centre has led to decline in its nearby towns. The reality is that the challenges of some towns of the North, particularly in many post-industrial areas, would have been much more acute without the regeneration of Manchester, Leeds and Newcastle. The vitality of places like Stockport, Guiseley and Gateshead is due to their shared success with their near neighbours, connected by a train or a bridge over a river.

For those towns in close proximity to cities that have seen a renaissance in the last decades, and are well connected to them, the reality is that they have done better because of their proximity. In the case of Bury, we have the archetypal already successful town. Rightly proud of its town centre, well connected to nearby Manchester City Centre and the wider conurbation by tram. The prosperity of its neighbourhoods on the Metrolink network is greater than those further from it. Yet there is also the necessary ambition to drive up the wages of those who work here, in part by creating more high-skilled jobs through game-changing opportunities like the Northern Gateway development, crossing over into neighbouring Rochdale. The prize is to be at the centre of advanced manufacturing and materials, made possible by the wider ambition of the Innovation Greater Manchester proposition.

For Goole, in the heart of Yorkshire and at the other end of the M62 corridor highlighted by the Cities Growth Commission, there is huge jobs growth potential based on the investment of businesses in manufacturing. In the case of Siemens Mobility and their partners, the arrival of R&D capabilities in the rail industry can create a location well suited to co-located businesses across the supply chain. In this town, being better located to nearby Leeds and by rail is essential for attracting talent, mirroring its longstanding freight links including the inland port alongside excellent road access. A town defined by largely growing its employment base, providing jobs to a wider set of communities – in a very similar way to how a city operates.

In Blyth, the arrival of a gigafactory is only one part of a wider process of South East Northumberland re-establishing its economic purpose following decline; the toughest starting position of the three towns highlighted here in terms of its economic opportunities and the scale of inequalities in life chances. With the strong case for a regional innovation deal covering green energy, the existing successes of the place in attracting R&D activity would be further strengthened. This is reliant on a better connection to Newcastle by rail, but attracting talent as well as improving access to employment outside the area for local people.

The lessons for the government, for Metro Mayors and for industry are clear. These places represent the key principles of the Northern Powerhouse in action, and the levelling up of towns and scale of opportunity from Cumbria to County Durham must come next. It is time to stop talking about town centres without accounting for generating the wages needed in people's pockets to spend money; looking for people in work not the coffee shops they can support. Time to look at integration of public services to address barriers to the jobs and opportunities available locally, and by transport links. Time to stop setting towns and cities against one another and recognise their economic dependencies. The success of these towns, as the Northern Powerhouse Independent Economic Review outlined, will come from the prime capabilities of energy and manufacturing driving the creation of knowledge intensive jobs. These will still be clustered in cities, and enable the economic activities in the towns to be more successful.

What towns in the North need isn't different to what cities need. Both need leadership, connectivity, improved and relevant skills, decent education and effective access for business to research and innovation in clusters. Those same clusters, often either in towns or across a number of them (as between Blyth and Ashington), will generate the knowledge-intensive employment usually placed in larger cities.

There will be less success in Northern cities without our prime capabilities in towns, and no way for those towns to compete globally without the functions Northern cities can provide them in a successful agglomerated, competitive economy.

1. Levelling up in research and innovation

An effective approach to the re-industrialisation of the North will be based in the prime capabilities identified in the Northern Powerhouse Independent Economic Review. Innovation deals in the North East and Greater Manchester will respectively benefit Blyth in energy and Bury in manufacturing in the North of the conurbation - the strong focus for the Northern Gateway development has to be to learn the lessons of the Advanced Manufacturing Park in Rotherham and Sheffield and emulate its success, utilising the materials knowledge in the wider assets of its own city region. In Goole, the presence of the University of Birmingham as part of a wider nationwide rail research partnership, also including the University of Huddersfield, will underpin investment in rail R&D, such as in the needs of hydrogen fuel for rolling stock.

2. Levelling up in Skills

Blyth has a bold approach to prepare secondary school children in STEM, and their ambitious skills provision plans unlocked in their town deal. The connection to the city region dimension is that assets beyond the immediate locality, whether they be FE colleges or universities, can be drawn in and drawn on. Through devolution the levers to control the system must be handed over, with ambitions aligned to the innovation ecosystems which are created.

3. Levelling up in Education

Bury has nearby Oldham, Goole borders Doncaster; those authorities in proximity have benefited from opportunity areas. Northern Powerhouse Partnership has recommended place-based education and health spending on children in the North East, Hull and East Yorkshire and across the north of the conurbation in Greater Manchester to secure credible levelling up. In bringing secondary education back to Radcliffe in Bury, the local council there has already shown foresight in addressing the needs and challenges of driving up outcomes. Next must come addressing the issues beyond the school gates.

4. Levelling up in Connectivity

In Bury, the limitations of the tram have been that those communities beyond it have not seen the same lifestyle and economic choices than those served by the network. Bus reform for towns is critical, with improvements like a better rail service from Goole to Leeds, absent from the Integrated Rail Plan, relying on linked active travel plans in the Town Deal to key employment sites, including the Freeport site which comes with Enterprise Zone style incentives. Metro Mayoral transport settlements will not just benefit the cities in these places as better buses and active travel are as acutely needed for towns.

5. Leadership

The role for Metro Mayors to unlock powers and opportunities for towns and the cities they interrelate with is clear. What is too often understated is leadership across neighbourhoods, on the social issues which public services can address if joined up and effectively resourced. A town in a well-developed place of public service reform in Bury has integrated services that those in Blyth would benefit from, and we need to be bold to better enable those in places with significant impediments to economic participation. A successful town is marked out as one in which services are focused on issues as they are presented, not delivering a universal service behaving as if highly-deprived communities don't exist. Resources must be matched up against need, and economic regeneration at macro scale must, as it is in Blyth, come with programmes which bring a focus on ensuring jobs can go to local people. The next step is public service reform, including full health devolution or at a minimum integrated local care systems across primary care, adult social care, at risk children and employment support.

It is time for the towns of the North to fulfil their potential. First in integrated economic regions, as places with greater powers to deliver change and less Whitehall interference. Only then will the productive Northern Powerhouse, designed by central and local government but crucially that businesses are committed to help drive, be delivered.

A powerhouse of Northern towns and cities, connected and reliant on each other as one, united North. Levelling up; reality not rhetoric.

THE NORTHERN POWERHOUSE PARTNERSHIP