



## Policy

Policy, Automation, Climate and Ethics (PACE) are at the heart of significant global changes that in turn affect corporate behaviours and governance.

### What Levelling Up Means for the North

A systemic change is required to move the North from being part of the country that feeds off the treasury to one that contributes. The recently formed Northern Research Group (NRG), chaired by former Northern Powerhouse Minister Jake Berry, has big ideas for a "global Britain", envisaging the North as an attractive landing pad for foreign investors, new business, highly paid jobs and international trade.

The NRG's intention is to act as a valuable resource for the government, working within the Conservative Party and wider government on levelling up (nationally), delivery of the Conservative agenda, driving success in the North, supporting marginal seats and holding the "red wall" in the North.

The idea of a Northern Powerhouse is far from exhausted. The Northern Powerhouse is a long-term economic plan with a whole North approach. It encompasses cities and towns that transform communities, as well as lives, and the "Levelling up Agenda" provides a pathway to its success. The agenda is not as simplistic as building roads and rail for connectivity, but extends to the global manufacturing exporting powerhouse, great education and a place for our next generation to thrive.

To promote the North as the place to invest, our northern towns need to be attractive places to live. The majority of the northern population live in towns that have previously been left behind in the pursuit of inner-city development. Thus, investment in small towns is required, through the revival of community events and supporting local businesses to rejuvenate a sense of community that residents are proud to be a part of.

The NRG aims to provide a new mandate for change for northern Conservatives, including:

- Establishing a series of policies that ensure equal opportunities
- Responsibility at Westminster to deliver on the 2019 agenda
- Attracting new investment
- Delivering visible improvement in the North, which is vitally important for success at the next election, i.e. new transport links, hospitals, etc.

### How Will We Level Up?



#### Levelling Up Fund

As suggested by the Chancellor, Rishi Sunak MP, greater involvement of MPs and local councils is important for the success of the levelling up fund. While central government is willing to provide funds, Whitehall will require evidence of value for money. Those with greater involvement, who see the benefits, should be driving the fund, in order to promote the success of the Levelling up Agenda.





### Tackling Equalities

Devolution is paramount to tackling inequalities in the North. Presently, too many decisions are made centrally, where decision-makers lack insight and understanding of implications. Recent progress has seen the movement of a handful of government departments to the North, such as GCHQ in Salford, but greater transition of government function is required across the region. Arguably, the most effective way to tackle inequality is when local leaders make critical decisions on matters such as infrastructure, education and spending, etc., to benefit their local communities.

Tackling inequality is important because once northern communities begin to form, and there are visible improvements in the area, the region will see greater private investment.



### Homes and Housing

The affordability of home ownership in the North is an attractive quality for many. However, this attraction is not matched by quality, employment opportunities or education, all of which are essential components of a thriving community. Fortunately, the government has prioritised plans to build new homes in the North, but in order to be successful, this needs to be matched by investment in the run-down areas to raise attractiveness.



### Rural and Coastal Areas

Repairing the pockets of deprivation found in inner-city regions has been the focus of much recent development activity, but development of dilapidated coastal and rural towns will deliver greater economic benefit for the UK than these inner-city pockets. Hence, the Towns Fund, established in 2019, is a dedicated resource group for the development of coastal and rural development, tasked with understanding how to engage communities with this development.

Critical to rural and coastal development is digital infrastructure, as many of these constituencies in the north currently lack fibre optic broadband. Such digital investment is essential where the modern economy is increasingly reliant on digital engagement with businesses – a trend accelerated by the pandemic. Both BT Openreach and Virgin Media have expressed their intentions to roll out infrastructure in these areas. However, their ambitions need to be matched by government investment.



### Brexit

A significant proportion of the “leave” vote resides in the North – a voter base that were hoping for a trade agreement that reflected their motive for leaving – to bring manufacturing back to the UK, import substitution and new market access. A deal has now been done and the UK now has a unique opportunity to reframe our place on the global stage and to deliver economic growth. Furthermore, the Department for International Trade (DiT) is demonstrating that post-Brexit, our access to these markets will be on improved terms.



### Manufacturing

The North is recognised as a manufacturing hub in the UK, and the industry comprises a meaningful 10% of the UK economy. However, the industry needs revitalising, as we transition away from dirty factories and into the Industry 4.0 era, and this requires supportive policies and investment, such as the removal of red tape for factory building, and the movement of fiscal leavers. As we transition out of the pandemic, and away from the EU, we need to incentivise manufacturers to invest in the North – creating jobs and new trade opportunities – and support the drive to deliver a global Britain.





### Energy

The transition to green energy will be advantageous to the North. The region is optimally located to produce renewable energy sources, and the number of renewable energy manufacturers in the region will create many green-collar jobs. In addition, the recent announcement of the Ten-Point Plan has kick-started the race to carbon neutrality by 2050 – a race that has the potential to put not only the UK, but also the North, on a global platform, the implications of which will draw foreign investment and skills to the region, and support growing northern communities.

The key challenge faced by the energy sector is the vast cost of producing renewable energy – a cost that is too high to pass on to consumers. It is a non-negotiable that consistent energy supply vastly outweighs the importance of cost. Thus, the NRG recommends that the UK government offer temporary green tax-breaks to support an effective transition.



### Airports

International connectivity is paramount to economic growth through trade. The region has a number of airports (including Manchester, Liverpool, Leeds, Carlisle, Newcastle, Durham and Doncaster) with the potential to connect the region on a global scale. However, these airports, and the communities surrounding these airports, require investment, in order to capitalise on their potential. A “hub-and-spoke” approach is recommended to connect business hubs across the region, and demonstrate the benefits of northern trade to international investors.



### Immigration

Post-Brexit will see a reformed immigration system, with a focus on attracting desirable skills that contribute to the UK economy. Levelling up the North-South divide will help to attract and retain talent in the region, and further bolster the northern economy. Needless to say, such an immigration system will not be at the expense of lower-paid skills, which also add value to building an efficient workforce.