NORTHERN POWERHOUSE:
NEW DAWN OR EMPEROR’S NEW CLOTHES?
A Critical Look at Devolution

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Northern Powerhouse: New Dawn or Emperors New Clothes

Devolution

This paper sets out the flaws in the current plan for devolution in the Region. The GMB have great concerns regarding the future path of this latest attempt at regional power sharing devolved from Westminster.

In terms of devolution, there seems to be awareness in government of people wanting power to shift to a more local and therefore more accessible level. The trade union view is, yes it would be a good idea to run our own affairs, but transparent funding is vital.

The problem is that at a national level, there seems to be a contradiction, in that devolution is promoted, yet the powers are ‘bestowed’ and local areas should be grateful for it.

The only democratic way forward is to let people vote once and for all whether they want an elected mayor and the likelihood is they don’t.

The other key issue is jobs and privatisation, jobs are likely to be lost in vast numbers in the public sector if devolution, in its present form, goes ahead.

After considering evidence, if we are to support any devolution it is my view that stronger powers should to be devolved to a Yorkshire and the Humber Regional Assembly.

Assembly with powers similar to those devolved to Scotland; an assembly with teeth that has genuine powers handed down from national government.

A directly elected regional assembly, with stronger powers that would include some tax-setting and law-making; this is to ensure actual power is achieved over issues such as transport infrastructure, economic development and education.

If this is not on offer we must reject the devolution deal currently on offer for the Sheffield and Leeds City Regions and press national and local politicians to push for a better deal (stronger, more ambitious, more democratic and based on proper consultation).

Steve Jennings MCIPD
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Overview

Economy

• No evidence that a single Northern Powerhouse will create any economic or social benefits.
• Claims of additional jobs and growth, based on scant research, does not stand up to scrutiny.
• Could contribute to more inequality and deprivation as city regions compete with each other.
• Northern Powerhouse concept vague and fuzzy with no clear strategy.
• Ignores rural areas and smaller towns.
• Debate dominated by transport.

Transport

• No hard evidence that High Speed Rail (HSR) has any substantive economic benefits.
• £50bn for HS2, due for completion in 2033, could be spent locally on many smaller projects creating more immediate benefits.
• Too much emphasis on train speed and shortening travel times and not enough on quality and quantity i.e. better rolling stock, investment in smaller commuter stations and more carriages.

Finance

• Devolved powers come with no extra money.
• Claim of an increase in business rates as a major new revenue stream unfounded.
• Reliance on untested Tax Incremental Finance (TIF) as a way to borrow could lead to serious debt problems for local government.
• Temptation to reduce business rates and increase public subsidies to attract inward investment and new growth will damage the North.

City Deals (mini-Devolution)

• City Deals, as a test bed for the Northern Powerhouse, revealed serious shortcomings.
• No real measurement of success or failure.
• National Audit Office report highly critical of many City Deals.
• Unsubstantiated claims made by city regions about the success of projects.
Introduction

Devolved powers to city regions and the ability to raise their own taxes is central to George Osborne’s assertion that the North can regenerate itself by building new infrastructure and attracting inward investment. This will create competitive city regions thereby stimulating growth, creating jobs and turn the North into an economic hub to compete with the South and other international city regions. This abridged report looks at the validity of these claims and what evidence there is to back them up. A more detailed report will be published in the near future.

Because of the short-time between it being announced and its implementation the devolution debate has been taking place in a vacuum, with very little real discussion or consultation. This is not healthy for an idea that could potentially radically transform local and regional politics and create a major shift in power from Whitehall to the regions.

This report aims to redress that balance and, at the very least, begin a serious, transparent and pragmatic discussion about devolution and the associated Northern Powerhouse concept.
The Concept

In two speeches in Manchester, George Osborne laid out his vision for the Northern Powerhouse;

The cities of the north are individually strong, but collectively not strong enough. The whole is less than the sum of its parts. So the powerhouse of London dominates more and more. And that’s not healthy for our economy. It’s not good for our country. We need a Northern Powerhouse too. Not one city, but a collection of northern cities - sufficiently close to each other that combined they can take on the world.

June 2014 Museum of Science and Industry, Manchester

We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we’ll give the levers you need to grow your local economy and make sure local people keep the rewards.

May 2015 Victoria Warehouse, Manchester

How this will be achieved is via the establishment and growth of “Enterprise Zones”, increasing tax revenue from business rates uplift (the more businesses the more income from business rates and rent), creating new Public Private Partnerships, establishing innovative ways of financing investment such as tax incremental financing (TIF), encouraging overseas investment, specifically from China and the United States, and creating new modern infrastructure, with the emphasis on railways. In 2012 these ideas took a step forward when the government trialed City Deals as a mini-devolution experiment.

Wave 1 City Deals were the first in a line of government deals designed to shift responsibility for creating local growth to local leaders and businesses.

Devolving responsibilities to cities in England: Wave 1 City Deals NAO (July 2015)

Whilst there has been little or no discussion about the outcome of these trials, which we return to towards the end of this report, most of the debate has already moved on and is now centred around devolved powers, metro mayors and big infrastructure projects. However, there has been less talk around the ideology behind the Northern Powerhouse concept.

Ex-Goldman Sachs director Jim O’Neill, has been tasked with driving the Northern Powerhouse agenda by Osborne and he was fundamental in promoting devolution via the City Growth Commission.

Growth, in O’Neill’s view, is the sole economic good. If we challenge its nature or sources we are certainly on the wrong side of history, and almost certainly bigoted. When he talks about cities, he focuses on how proximity fosters competition, how seeing your neighbour’s enormous television makes you want to work for one too. He has lifted most of his ideas about ‘metros’, large multi-city regions, from the American academic Bruce Katz. They both see cities as hubs of innovation and rapid growth. String together enough universities, light railways, local businesses and creative professionals eager to turn factories into lofts, and the effects will save the economy.

Osborne’s false prophet: why Jim O’Neill will never deliver a ‘northern powerhouse’, Philip Delves Broughton, Spectator (July 2015)

There is a whole body of work, especially from the US, critical of the “competitive” city concept in that it can be quite damaging, exacerbating local and regional inequalities, as well as skewing debate away from more sustainable and distributive policies.
The Economics of the Powerhouse

There are two key words George Osborne and Jim O’Neill use when talking of the Northern Powerhouse or devolution, and they are competition and growth. By creating the first the second will follow. But this raises a number of questions, one being, what are we competing for? Cities competing for the World Cup or to be the City of Culture have a fairly straightforward race towards a prize. Competing for jobs and growth is more Darwinian. By handing devolved powers to Cities and city regions there is a real risk that, in an attempt to attract a limited amount of inward investment, a race to the bottom begins, higher levels of subsidy, lowering of business rates, underwriting of investment projects and land sold below market rates, all at the expense of a rational and cooperative regeneration policy. And whilst a limited pool of businesses may benefit in the short term it is unlikely to be of benefit to the wider economy.

Growth - Jobs and Wealth

There are a handful of reports championing devolution. One such report, published by Respublica, cites research from Oxford Economics to support their case;

*Work commissioned by the Core Cities Group from Oxford Economics suggests that with greater financial and administrative freedoms the eight Core Cities in England could deliver an additional 1.16 million jobs and £222 billion in GVA to the UK economy by 2030 – equivalent to adding in the economy of Denmark to the country’s productive capacity.*

*Restoring Britain’s City States: Devolution, Public Service Reform and Local Economic Growth - Phillip Blond & Mark Morrin (February 2015)*

However, it appears that Core Cities, Respublica and the other pro-devo groups have been selective in repeating this figure. They claim the research shows an additional (the exact wording in the Respublica report) 1.16 million jobs and £222 billion in gross value added (GVA). The Oxford Economics research presents a best and worst case but also cites a baseline figure of an additional 407,000 jobs and £162 billion in GVA that would be created irrespective of the “greater financial and administrative freedoms the eight Core Cities in England” that Respublica quotes. In fact the same research states quite clearly that, influenced by external factors, there could be a net loss of 909,000 jobs and minus £53 billion in lost GVA. This worst case, scenario being more likely if external factors, such as “more aggressive public expenditure cuts” were implemented, which is precisely what was announced at the recent Spending Review by Osborne with 56% cuts to local government.

The pro-devolution lobby have also made connectivity one of the keywords in the devolution debate, simply put, better transport links leads to growth. In fact transport, especially high speed rail, have come to epitomise the devolution concept.

Transport Infrastructure as a primer for growth

A cornerstone of the Northern Powerhouse idea is that better and more modern infrastructure not only creates jobs but also creates a more attractive environment for business.

Many of the city region and Core Cities Group leaders have repeated the claim that the London to Leeds/Manchester High Speed 2, alongside other regional transport infrastructure projects, will enhance the potential for growth by making the regions more competitive. Again this is a rather hazy concept. Competitive in comparison to what? Other cities and regions in the UK? In Europe? And competing for what? And even if this was a desired end result there is little evidence that high-speed rail is economically transformational.
There is also conflicting evidence that large infrastructure projects will have a regenerative impact on the region. In fact research suggest that the a shorter travel time between Manchester and Leeds will create only a marginal increase in labour mobility but no real increase in jobs or wealth. Simply put people in Leeds may commute to Manchester to work and vice versa with no real additional benefits.

There is a possibility that infrastructure begets growth, creating the need for more infrastructure in a type of virtuous circle of good transport links, housing, schools, parkland and cycle lanes, as cities and city regions grow. However, the Northern Powerhouse strategy is about singular, dominant infrastructure such as HS2 and HS3 and it is transport that represents the bulk of all spending commitments.

This then begs the question that if HS2 is built and fails to achieve its main purpose, to attract new growth, we have effectively locked ourselves into a £50bn sixteen year white elephant, if that indeed is the final cost. It may be wiser to look at more local infrastructure spend that is deliverable in a shorter time frame and at a much lower cost. The House of Lords Economic Affairs Committee report “The Economics of High Speed 2” arrives at a similar conclusion;

*We do not believe that the Government has shown that HS2 is the best way of stimulating growth in the country. While investment outside London is long overdue, evidence and experience from other countries has suggested that London would be the biggest beneficiary of a project such as HS2.*

*Nor has the Government considered the opportunity cost of spending £50 billion at 2011 prices on this single railway. How much could be achieved if that money were invested differently? “The Economics of High Speed 2” The House of Lords Economic Affairs Committee (March 2015)*

The New Economic Foundation think tank have also argued that the money could be better spent on improving existing transport infrastructure

*Do we really want to spend 20 years waiting for the HS2 line to inch into shape, when there are numerous shovel ready, targeted options that could (a) be rolled out in a fraction of the time, (b) benefit more people across a wider area and (c) beat HS2 at its own objectives? We cannot know for sure without a proper appraisal process*  
*Is HS2 really the best way to spend £33bn? NEF (June 2013)*

On this question, of whether HSR can provide economic benefits for the national economy as a whole, Lord Eddington’s 2006 Transport Study, entitled “Transport’s role in sustaining the UK’s productivity and competitiveness”, concluded that “such effects are quite limited in mature economies with well developed infrastructure”. Furthermore evidence from Europe, where most HSR projects have been shelved, show high speed trains are more of a luxury than an economic necessity.

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*“The Economics of High Speed 2” The House of Lords Economic Affairs Committee (March 2015)*
Devolved Fiscal Responsibility

The Core Cities Group have long argued for devolution of spending powers and Osborne has offered up control of the purse strings on education, skills and training, R&D, land development and health, amongst others. He has also pledged to hand over to the regions more control over business rates and council tax.

Northern purse strings

Most council leaders have welcomed the shift from Whitehall to the regions as this as it gives them decision making powers about where money will be spent. However, this devolution of powers comes with a demand from central government for elected metro mayors, an idea rejected by most cities and towns in a 2012 referendum.

*But it’s right people have a single point of accountability: someone they elect, who takes the decisions and carries the can. So with these new powers for cities must come new city-wide elected mayors who work with local councils.*

*George Osborne, speech at Victoria Warehouse, Manchester (May 2015)*

These new powers will be handed over alongside deep budget cuts to local government, such as a reduction of the Revenue Support Grant (RSG). It is against this backdrop that Leeds will see a fall in income from the RSG of £69.5m by 2019. Total budgets deficits for all local authorities could easily top £10 billion by 2020 according to Local Government Association (LGA) figures. In effect councils could be given the power to deliver services they cannot afford to provide.

The government have imbued the Northern Powerhouse idea with the ability to close the North South divide and create a heartland in the North with the economic potential of the South. However, most of the evidence points to a single core city, such as Manchester, reaping all the rewards with agglomeration being a vague theoretical concept that does not really stand up to close scrutiny.

Finance, TIF and local taxation

The creation of enterprise zones, a favoured industrial model of the newly formed Local Enterprise Partnerships (LEPs), and recently touted to Chinese and United States investors by Osborne in 2015, is at the core of the growth of the North. This private investment is seen as being partnered with local government investment via the LEPs. The source of that LEP investment is two fold. One is local taxation, via business rates and council tax, and the other is borrowing. Local taxation as a source of additional finance centres primarily around business rates, with 100% retention of new, or additional, business rates being seen as a golden goose for the regions, even though this will not kick in until 2020. Add to this the ability to raise supplementary business rates for specific infrastructure projects means the future uplift in business rates will, theoretically, pay for local authority borrowing from the private sector.

It has already been posited by Centres for Cities, the Growth Commision, via Jim O’Neil, and PricewaterhouseCoopers (PwC) that the establishment of tax incremental finance (TIF) is the preferred vehicle by which the devolved regions can take advantage of raising money against future rises in business rates.

Clearly the success of the Northern Powerhouse is very much dependent on an uplift in business rates over and above what is being collected now. However, unlike the US, where a whole host of local and regional taxes can be raised, devolution relies on one. This is a high risk strategy, even for wealthy cities like Manchester and Leeds.
In view of this it is worth looking to the existing trends relating to business rates, taking Leeds as an example.

*In 2013/14 Leeds benefited from the opening of Trinity Shopping Centre and the Leeds Arena, but even after taking those large new assessments into account, over the 20 months since the scheme was introduced the total rateable value for Leeds has grown by less than 0.7%*


This minimal post-development business rate growth does not bode well for the claim that the financial panacea for the North is an uplift in business rates. There is strong evidence that business rates, as a revenue stream, will remain low, even factoring in potentially new developments via Enterprise Zones. Even Centres for Cities, a persistent cheerleader for devolution, admit in a recent report:

*But there remains a risk that the devolution of business rates alone, particularly in its current form, will not provide a strong enough growth incentive to generate significant additional funding for UK cities*

Beyond business rates Incentivising cities to grow, Louise McGough & Hugo Bessis (December 2015)

**Tax Incremental Finance**

The adage “the devil is in the detail” could have been coined for the Northern Powerhouse and the rather dull sounding Tax Incremental Finance (TIF) is one such detail.

Leeds is a good place to explore the potential of TIF as it is an attractive proposition for businesses with a good potential to raise business rates. This beneficial position also shows how, if the TIF model does not work for a city with high potential growth, it is highly unlikely it will work in less well to do areas. It should be made clear that TIF is the only new financialisation tool being touted by the pro-devo camp, who have all been vociferous in presenting it as a viable way to raise finance.

It was the Core Cities Group, along with PricewaterhouseCoopers, that developed the first detailed study of how TIF could operate in a UK context, work that has been very influential in making the case.

Case studies developed in Core Cities, London and other parts of the UK show how this model can work for schemes where other sources of funding are not appropriate or simply not available. All the case studies so far have demonstrated increased economic output and job numbers. It’s a win for business, for government and for people.

A Rough Guide to Tax Increment Financing: Core Cities Group and the British Property Federation

TIF is by no means universally admired. Most visible is the problem that developments may fail in increasing tax revenues, so that local governments are left with a debt burden which has to be repaid by cutting back on services or increasing taxes.

An introduction to Tax Increment Financing (TIF) Steer Davies Gleave (October 2010)
However, evidence from the United States, where TIF has been used since the 1950’s, contradict these claims. Whilst TIF should not be dismissed out of hand there remains serious doubts regarding its efficacy as an investment tool to boost jobs and growth.

**Tax increment financing is an alluring tool. TIF districts grow much faster than other areas in their host municipalities. TIF boosters or naive analysts might point to this as evidence of the success of tax increment financing, but they would be wrong. Observing high growth in an area targeted for development is unremarkable. [...] We find evidence that the non-TIF areas of municipalities that use TIF grow no more rapidly, and perhaps more slowly, than similar municipalities that do not use TIF. Policy makers should use TIF with caution.**


and;

*Given the increasing financial pressures on all levels of government, there is a danger that local authorities could be forced to engage in financialised tools like TIF; in instances where they are inappropriate. The tension facing some local authorities, particularly in underperforming and peripheral places, is whether to accept the risks of financialised mechanisms and adapt to them accordingly, or to face continued economic underperformance. The financialisation of urban development: Tax Increment Financing in Newcastle upon Tyne Tom Strickland, Newcastle University, UK, (2013)*

*.... TIF is by no means universally admired. Most visible is the problem that developments may fail in increasing tax revenues, so that local governments are left with a debt burden which has to be repaid by cutting back on services or increasing taxes (Brueckner, 2001). A study in Kansas City, Missouri, found that only a quarter of schemes met revenue targets (Kelsay, 2007). Steer Davies Gleave An introduction to Tax Increment Financing (October 2010)*

It is therefore possible that if TIF is taken up by city regions and LEPs they could be saddling themselves with unserviceable debt and paying back the lender may require money to come from elsewhere such as reserves, pension funds or selling off assets. Certainly not the win, win outcome the Core Cities Group claim it to be.

Furthermore, this model masks a shift away from tax raised revenue, via central government grants, towards private sector borrowing that, in the end, could leave many local authorities struggling with unfillable gaps in their revenue leading to wider deprivation and job losses.

**What sort of businesses/industry will lead this growth**

The old Northern Powerhouse of engineering, steel, brewing, chemicals printing, mining and garment manufacturing that used to dominate the Northern landscape has, little by little, withered and died. The effects of deindustrialisation, globalisation and the rise of the service sector, retail and the associated low wages and deprivation have never been adequately addressed on a political or policy level by any party. The wealth that came with Tetleys, Yorkshire Post Newspapers, Burtons and GKN in Leeds, mining in Hatfield, Kellingley and Fitzwilliam and steel in Sheffield has evaporated. Is it now the idea that similar levels of new industry will regenerate the North and if so where is this new industry? It is unlikely that new business will suddenly flood into the regions when HS2 is completed in 2033.

As we have shown earlier in this report the Trinity retail and First Direct Arena developments created a minimal uplift in business rates income for Leeds. And more recently Leeds City Council’s championing of Burberry’s £50 million inward investment by locating its new factory on the South Bank in Leeds, creating 1,000 jobs, ignores the fact that this is in fact a relocation of the Burberry plant in Castleford...
and Crosshills, where 770 workers will be transferred to the new Leeds plant. Whilst this is beneficial to Leeds it does highlight the problem of displacement where companies move out of deprived areas to wealthier ones thereby exacerbating and polarising local and regional inequalities.

**City Deals - A test bed for Devolution**

The government announced its plan to negotiate ‘City Deals’ with local leaders in its 2011 paper, “Unlocking growth in cities”. It aimed to create projects, in conjunction with local authorities, that empowered cities to boost local economic growth, in effect a precursor to devolution. In 2012, the government signed the first eight City Deals known as Wave 1 and covered a range of policies, such as transport, housing and skills.

These City Deals committed up to £2.3 billion to around 40 programmes spread out over 30 years. In July 2015 the National Audit Office (NAO) produced a report titled “Devolving responsibilities to cities in England: Wave 1 City Deals” providing a critique of the City Deals and their implementation;

The Cities Policy Unit (from here on called “the Unit”) negotiated the scope and objectives of the deals with the cities. The Unit was based in the Cabinet Office and also included officials from the Department for Communities and Local Government and the Department for Business, Innovation & Skills. However, the NAO questioned whether their whole approach was workable or sustainable.

The Unit expects cities to pool their resources to manage deals at a city-region level, consolidating people and skills across several local authorities. It is not clear, however, whether this approach is sustainable in the context of wider reductions in the government’s funding for local authorities.

The risk of there being insufficient capacity to manage and oversee programmes locally is likely to increase if more funding, or more complex programmes are devolved.

**Devolving responsibilities to cities in England: Wave 1 City Deal National Audit Office (July 2015)**

There appeared to be a number of problems that came from the failings of the Unit and from those running the City Deals projects. One such problem was the rather vague claims as to the outcomes of the deals. One such example is the lack of credible statistics.

**The Unit can only estimate in broad terms the total potential growth across the deals, based on aspirations that the cities have reported. It estimates that, if cities with the government’s support implemented all their programmes successfully, they could create 175,000 jobs and 37,000 apprenticeships. The Unit cannot, however, verify this figure and it does not know how this differs to what cities would have achieved without the deals.**

It (The Unit) estimates that, if cities with the government’s support implemented all their programmes successfully, they could create 175,000 jobs and 37,000 apprenticeships. The Unit cannot, however, verify this figure and it does not know how this differs to what cities would have achieved without the deals.
Northern Powerhouse: New Dawn or Emperor’s New Clothes?

The Unit does not check whether the information cities provide is accurate.
Devolving responsibilities to cities in England: Wave 1 City Deal National Audit Office (July 2015)

This lack of providence is exacerbated by problems within the cities;

Some of the programmes had objectives that are not measurable. For example, Leeds’ deal includes a plan to increase exports to Brazil, Russia, India and China. Export data are not sufficiently detailed to measure this.

There has been a lack of continuity in the personnel overseeing programmes in departments. A number of departments we spoke to were unable to explain the original intentions of particular programmes or how they have progressed.

The Unit does not monitor gross value added (GVA), as it does not consider data on this indicator of growth to be sufficiently reliable.
Devolving responsibilities to cities in England: Wave 1 City Deal National Audit Office (July 2015)

The three problems listed above raise serious concerns about the effectiveness and potential of devolution and it this lack of prudence and clarity, compounded by other concerns outlined in this report, that have obfuscated the whole devolution debate.

There is a real potential that competition will see one city or region benefitting at the expense of another and this concern is repeated by the National Audit Office report;

The Unit is not able to identify or discount any displacement between cities (where one city might be growing at the expense of another) to understand the net national benefit of the deals.

As an experiment the City Deals cannot be said to have failed as some are long term projects and it will take a number of years to determine their impact. However, there does appear to be, in some cases, a lack of rigorous assessment from those cities who implemented the deals.

Conclusion

Osborne’s devolution of powers gives responsibility, amongst others, for transport, R&D, skills, housing and education. However, the hands are on the purse strings of an increasingly threadbare purse. Devolved power to deliver heavily cut services means these are depleted and ineffective powers.

The idea that the hole, left in local authority finances by a reduction in the central government grant will be filled by an uplift or increased retention, or both, of business rates is unlikely to happen. In fact the evidence shows minimal uplift, even for major projects, and most business rates revenue is either flatlining or decreasing. The retention of 100% of business rates, which will not kick in until 2022, is restricted to new rates, existing rates will continue to be sent to central government and be redistributed at around 50%. Furthermore, the power to raise supplementary business rates can be vetoed by the private sector representatives on the LEPs, who are hardly likely to sanction an increase.

Many pro-devolution reports claim that the uplift in business rates will not only replace the reduced central government grants to local authorities but can also be used to pay back loans for infrastructure spending. Whilst it is highly unlikely that business rates will generate enough revenue to fill the funding gap or pay back loans it is beyond the bounds of common sense that they will do both. And there is a clear and present danger of a race to the bottom as councils battle each other for inward investment.

As such it is likely there will be no extra investment in the North save for whatever deals can be done by borrowing from the private sector, to fund enterprise parks, or similar projects, but this is likely to be
small scale with all the risk carried by the local authorities. If it does scale up the investment will likely take the form of land sales, further reducing local authorities asset base.

The critique of the mini-devo City Deals experiment by the National Audit Office has all but been ignored and with no extra resources or investment there is a real possibility of proceeding with a flawed model. There has also been scant debate on where this new industry or business will come from and, even with the best will in the world and a viable investment plan, it is highly questionable that devolution will really reverse the decline deindustrialisation has wrought across the North.

The unelected and unaccountable Core Cities Group have been the main drivers for devolution but their evidence is both insubstantial and limited. There is nothing to show that devolution, in its present form, is anything but the power to deliver cuts to council services and push local authorities towards a private finance model as a replacement for serious public infrastructure investment. In reality swapping grants for debt.

There will be beneficiaries, those who broker outsourcing council services and investment deals, such as PwC, and real estate companies buying up local authority land. The big infrastructure projects will benefit the same companies that made a profit on Private Finance Initiative deals and further line the pockets of the big accountancy and legal firms, again with very little evidence that they will benefit anyone outside of those organisations.

A small cadre of individuals and think tanks including Jim O’Neill, Centres for Cities, Core Cities, PwC and Respublica have made bold claims, all cross referenced and recycled, via their own publications, based on scant evidence and cherry-picked statistics.

At the very core of the Northern Powerhouse argument is a rather vague concept of the North working as one economic region and making it “competitive” on the world’s stage. However, this is not backed up by any new investment, a clear strategy or any degree of accountability and, in fact, has become more of a political brand than a defined plan with measurable outcomes.

The North needs a serious, collaborative, pragmatic investment plan based on jobs and fairly distributed sustainable growth not more austerity dressed up as opportunity.