



DRIVING THE NORTH'S AMBITIONS:

# Backing Northern Powerhouse Rail

# Foreword

The Northern Powerhouse was established in 2014 with one simple objective; to rebalance the UK economy by making the North of England more productive, capable of fulfilling its vast potential. The vision Lord Jim O'Neill and I set out was that linking up the great cities of the North could achieve far more than the sum of their parts in economic terms.

Five years on, there has been considerable progress. The initial momentum started when we were in government has been continued and built upon by the Northern Powerhouse Partnership (NPP) – an independent, business-backed organisation which I chair with cross-party support from Northern civic leaders. Some of the North's biggest employers help shape the policy direction of the Northern Powerhouse.

One of our founder members, Addleshaw Goddard, has produced this report with NPP to demonstrate the level of business support for the transformational transport scheme that has the potential to revolutionise the Northern economy. Northern Powerhouse Rail (NPR) will link up our cities with faster journey times, enhanced capacity and greater frequency. It will create opportunities for young people to secure jobs and businesses to expand.

Currently less than 2.2 million people in the North can access four or more of the North's largest economic centres within an hour. This would rise to 10 million once NPR is delivered, giving business access to skilled workers in larger labour markets and offering people the opportunity for flexible career development and progression, all within the North of England. Delivering NPR alongside HS2 will create an integrated high-speed network North to south, east to west, that could transform UK productivity. It is not a case of either/or – we need both.

Addleshaw Goddard has surveyed 5,000 businesses across the North of England asking about the impact of improved rail infrastructure on their business. The message coming loud and clear is that HS2 and NPR are critical for businesses to remain, grow and invest in the North. Government must hear that message and provide the funding the Northern Powerhouse so badly needs.



**George Osborne**

Chair of the Northern Powerhouse Partnership and a former Chancellor of the Exchequer.

Credit:  
High Speed Rail Industry Leaders



# Survey Results

Of the 5,000 businesses surveyed, respondents told us:



97%

are aware of NPR and the benefit it will provide to business



99%

believe NPR would raise productivity in the Northern Powerhouse



85%

believe it would increase inward investment

When asked what impact a government commitment to fund the development of Northern Powerhouse Rail would make...



75%

would make future investment decisions



62%

would recruit from a wider geographical area



43%

would look to expand or relocate to facilitate growth

“As leading advisers to successful, middle market businesses across the North of England, we know that the region retains and generates exceptional talent, innovative entrepreneurs and a wealth of successful companies looking to grow. However, we are also all too aware of the lack of connectivity between key hubs across the North.”

David Gwilliam, Chief Executive Officer of RSM UK

“It is imperative that colleagues get to work on time and with some mental and physical energy left in them. The costs to our business are not just financial, the current situation fundamentally affects our productivity.”

Atam Verdi, Chairman, AspinallVerdi  
– Property Regeneration Consultants



“We are commercial property surveyors and the poor road and rail connections are a major limiting factor in attracting new investment to the region.”

Gavin Black, Gavin Black & Partners





# Productivity

**99%** Respondents believe that NPR would raise productivity in the Northern Powerhouse

The 2016 Northern Powerhouse Independent Economic Review estimated that the delivery of a fully-integrated, world-class transport system in the North would see a significant increase in productivity for the country as a whole by 2050. This demonstrates that NPR is not simply a transport project; it is an economic and social catalyst for change, unlocking enormous growth opportunities for businesses and communities.

Millions more people and hundreds and thousands of businesses would be within reach of each of the key economic centres of the North, widening the labour markets and opening up new talent pools for businesses boosting cities' economies. The number of businesses within a 90-minute train journey of four or more major Northern cities will rise from 10% to 39% with NPR, while 1.3 million people will be within an hour of four or more major cities, compared to just 10,000 now.

In bringing people, places, businesses and public institutions closer together, NPR represents a real opportunity to transform the way economic centres are used, encouraging regeneration and development opportunities that in turn create dynamic and attractive places.

“The North of England has not seen the funding of other areas with regards to mobility in the last few decades and the UK needs to close that gap to ensure a prosperous future for the region. If we transform the North into a globally recognised powerhouse by providing the mobility conduit across the North, it will promote growth in the region supporting the economy through investment and innovation.”

Justin Moss, Co-Chair for the Northern Rail Industry Leaders

## The estimated impact of improved transport infrastructure on the country's productivity:



£97bn

increase in GVA



85,000

additional jobs



4%

higher productivity than in a 'business as usual' scenario

“Northern Powerhouse Rail will be truly transformational for people and businesses in the North. By bringing our towns and cities closer together we can unify the Northern economy, and help the region gain a size and scale that can rival some of the largest and most productive places in the world. Transport for the North is delighted that businesses agree, and a further commitment to the project from Government would give the private sector the confidence to invest in the Northern Powerhouse for the long-term, which would benefit the entire UK.”

Tim Wood, NPR Director, Transport for the North



“Britain needs both HS2 and Northern Powerhouse Rail alongside investment in the East Coast Main Line and an upgraded trans-Pennine line to deliver the economic outcomes our region, the North and the UK, need to prosper in the decades ahead. These projects offer the chance to remove historic obstacles to inclusive growth and our focus should be on accelerating their delivery.”

Cllr Judith Blake, Leader of Leeds City Council

The masterplan for the new Leeds Station features an integrated transport hub, high-speed rail, 3 million-square feet of new commercial development space around the station, 7,000-square meters of complementary leisure and retail space. Leeds has the busiest station in the North serving 31 million passengers each year and has a pivotal role to play as a driver of economic and social regeneration in the city and the wider region.



# Skills & Training

**88%** Respondents believe NPR would improve job opportunities.  
**Over half** think it would create better opportunities around the development of education and skills.

The connectivity and resilience the North demands around its transportation system is vital in order to harness talent in the Northern Powerhouse, providing access to business and inward investment and creating an environment where young people can realise their potential.

With more people able to commute between our key centres for education and travelling more efficiently and reliably between city-regions for jobs, the Northern workforce of the future will be able to design an education path towards the skilled jobs that suit their long-term ambitions. This would result in far greater retention and attraction of a well-educated, skilled workforce.

The availability of skilled employees in the rail industry is a risk to the delivery of UK rail investment programmes.

The future workforce will need to be highly trained, have an appreciation of multiple disciplines and be able to deploy new technology, construction methods and engineering techniques. Students completing courses at the National College for High Speed Rail will up skill workers ahead of NPR demands.

Prestigious institutions such as the National College For High Speed Rail in Doncaster and the planned Institute for High Speed Rail and System Integration (IHSRSI) to be housed at the University of Leeds, build on the region's global reputation for railway engineering, pioneering technical excellence and are producing a new generation of highly-skilled professionals to lead Britain's future high speed rail workforce. Major rail infrastructure projects such as HS2 and NPR will provide the job opportunities and encourage the development of supporting social infrastructure such as housing and retail to ensure we retain this talented workforce in the North.

“We believe that transport infrastructure and a better connected Britain, with increased rail and supporting infrastructure, is a tremendous driver of growth..... and can be central to upskilling the economy and driving development and regeneration in the city regions.”  
John McSheen, High Speed Rail & Major Pursuits Director, Atkins



Image Credit: National College for High Speed Rail

“It (NPR) would open doors for travelling to suitable educational establishments for people who can’t afford a car or are too young to drive.”  
Keith Dymond, Director, Barrow Training Partnership



# Removing Recruitment Barriers

**77%** Respondents believe NPR would be significant for employees who could travel from further afield

**63%** Say it would enable them to recruit from a wider geographical area

A key ambition for NPR is that improved connectivity will drive transformational growth across the North of England and unlock economic opportunities for its residents.

Where previously employees did not travel outside traditional commuting areas, improved connectivity between the towns and cities of the North and international gateways, will link employers with employees who will be able to travel to jobs that are most appropriate for their skills and lifestyle.

A new NPR city centre station in Bradford would connect Bradford's large, diverse, young and fast-growing population to the jobs of the future. Reduced journey times and more frequent services between our cities will widen the labour markets of Leeds, Manchester and York as they become accessible to commuters. For example, NPR will reduce the journey time between Leeds and

Bradford from 27 minutes to 7 minutes and Bradford to Manchester to 20 minutes. In addition, developing high quality local public transport links with seamless interchange at the NPR station will open up talent pools for Bradford businesses as people access the city via the new NPR network, offering them a reliable, faster and improved quality journey.

Research suggests a new NPR city centre station would provide a £14.6 billion boost to the City's economy and create up to 14,250 additional jobs (in Bradford) by 2060 (Source: NPR Bradford Growth Strategy).

The redevelopment of Leeds, Newcastle and Darlington stations will also see further job creation. Plans to revitalise Darlington Station into a modern rail hub will create in excess of 3000 jobs across the Tees Valley and the North East. (Source: Darlington 2025 – A Modern Rail Hub for a Modern Economy).

“A city centre station in Bradford will be a step-change for the city. We are proud to be based in the city. Northern Powerhouse Rail has the potential to help us recruit from a broader pool of talent, as well as improving the productivity of colleagues traveling between offices.”

Nick Quin, Public Affairs Manager, Yorkshire Building Society

“Rapid reliable rail transport to Manchester, Liverpool and Leeds would be enormously beneficial in operational and recruitment terms.”

David Gorton, Partner, PM+M



“While Britain's immense talent is spread evenly across the country, we cannot say the same about career opportunities. We need to create a more even playing field where everyone - especially the younger generation – can thrive and realise their potential. NPR and HS2 are the catalysts for that change by unlocking growth, attracting inward investment and creating employment.”

Lizi Stewart, Managing Director of UK Transportation, Atkins

## Atkins

Atkins' move to Sheffield represents the company's long-term commitment to Sheffield and the City Region; delivering infrastructure projects the North needs and projecting Yorkshire's skills and workforce to projects around the world.

Retention and recruitment of staff is key to the company's success and growth as well as inclusion and diversity. NPR and HS2's potential to unlock the travel network, reduce journey times, and improve people's work-life balance will allow them access to different skills and talents in the marketplace.



# Increased Investment

**75%** Respondents would commit to new investment if NPR was confirmed  
**43%** Would look to expand or relocate and **60%** would invest further in property

Connectivity created by NPR has the potential to transform cities as places to invest and for business to start-up and scale-up. NPR would act as a conduit for regeneration as well as residential and commercial development. Creating a virtual city east-west across the Northern Powerhouse would provide excellent investment opportunities from organisations across the UK and the world.

Masterplans, such as those for Leeds, Bradford and Darlington, capitalise on the opportunities created by improved transport connectivity so that stations are no longer places that people simply pass through. Stations are becoming places where people live, work and shop, and play a pivotal role in positively encouraging the

sustainable use of public transport. Successful stations engender social and business cohesion and transform districts far beyond the station boundary.

Laying alongside these multi-modal transport hubs are outlying communities with centres of job growth, housing and educational developments and requirement for investment far beyond the stations themselves.

Given commitment from government to NPR and HS2, a much-needed wider long-term strategy and investment plan can start to be put in place and businesses can choose the North with confidence as a region to invest.



Image Credit: ARUP [www.york.gov.uk/stationfront](http://www.york.gov.uk/stationfront)



Leeds Station Concourse

“We believe Northern Powerhouse Rail is essential to unlock the North’s true economic potential. Our £100 million train factory in North East has brought train building back to where it all started. This investment in infrastructure, skills and supply chain ensures trains can be built in the North, for the North.”

Nick Hughes, Sales Director, Hitachi Rail Limited





# Global Trade

**85%** Respondents believe that NPR would increase inward investment

As Transport for the North said in their International Connectivity report, "Connecting the North to the rest of the world starts on the ground". Manchester Airports Group tell us transformational investment in the rail infrastructure would treble the number of passengers within a two-hour rail journey of Manchester Airport from 3.5 million to 10 million. This not only makes it easier for companies across the North to easily access global markets, but also makes it easier for global companies to invest and spread their reach across the whole of the North. This extended reach would unlock Manchester Airport's full potential to handle 55 million passengers a year, almost doubling the 28 million passengers the airport currently serves.

This spare runway capacity demonstrates that Manchester Airport, along with other gateways in the North, have the capability to play a leading role in rebalancing the UK economy, taking pressure away from London and the South East and is the reason that there should be a comprehensive aviation strategy for the North. Securing direct links with high-growth economies is what will do most to increase trade, investment and educational links to and from the North.

It is not only Manchester Airport that will see transformational change. We have a strong network of airports across the North all of which would benefit from stronger transport links. A comprehensive aviation strategy for the North, taking into account regional strengths with Manchester Airport as the gateway to the

world, could release pressure from the overheated South East and take on enhanced capacity while a decision is made over a third runway at Heathrow.

At Doncaster Sheffield Airport, plans for a new East Coast Mainline station, using only 4.5 miles of new track, would more than treble the catchment within 90 minutes rail journey from 2.4 million to 8.8 million people East of the Pennines between North London and the North East, making further long-haul destinations viable. The airport's Masterplan provides for major increases in passengers and cargo, alongside significant employment opportunities and thousands of homes, creating a new sustainable community. The improved regional and international connectivity provided by a new station would stimulate investment and employment across the city region, enable new housing, increase tourism and growth and help to rebalance the national economy.

Similarly, Leeds Bradford, Yorkshire's Airport has major investment plans. As well as improvements to the airport terminal, a nearby parkway rail station has been proposed including a 350-space car park and bus interchange with a shuttle bus to connect the station to the airport. In addition to assisting the airport to deliver its predicted growth from 4 million in 2017 to 7.1 million by 2030 and over 9 million by 2050, the improved connectivity could unlock the economic potential of neighbouring land which is forecast to generate 5,500 new jobs by 2030. The introduction of NPR would serve to further strengthen the Leeds City Region as a global gateway to Yorkshire.



Image Credit: Doncaster Sheffield Airport



Image Credit: Manchester Airport

"NPR would not only give all parts of the North quicker and easier access to its primary international gateway, but would unlock dozens more direct routes to key global markets, all of which would deliver significant economic benefits through enhanced trade, tourism and investment."

Charlie Cornish, Group Chief Executive,  
Manchester Airports Group

"The perception by investors of a weak public transport offer sets the North behind many European and global competitors."

James Nicholson, CEO, Pochins Ltd





# Unlocking Port Connectivity

The North of England's ports are high performing and represent a growth opportunity for the Northern economy. However, good onward transport links are essential to their success. Currently, 60% of freight destined for the North is delivered to Southern Ports, the main reason for this being the current lack of efficient freight transport links out of our Northern ports.

Associated British Ports (ABP), a founder member of the recently formed Northern Ports Association, and operator of four ports across the Humber, tell us that an NPR network that includes freight would allow the 2,500 containers leaving Hull daily to be switched from road to rail removing thousands of vehicles from our road network. This is particularly important with the rapid growth of Humber Ports, which has seen a three-fold increase of container vessel arrivals over the last two years, the majority of which are transported along the heavily congested M62 corridor towards Manchester and Liverpool. ABP tell us that better rail connectivity in the Humber that includes freight could unlock almost unlimited growth for a company that already contributes circa £2.3 billion per annum to the UK's economy and supports 32,000 jobs. The Humber is the gateway for trade in the North of England with the EU.

Another founder member of the Northern Ports Association is Peel Ports who operate the ports of Liverpool, Heysham and the Manchester Ship Canal. Recent investments in the Liverpool2 deep-water container terminal and biomass terminal rely on rail to transport goods including from and to Scotland and to the Drax power station in Yorkshire. To be able to move more goods, more cost effectively on the railways is fundamental if modal shift that is important for productivity, energy, air quality and economic growth reasons is to be achieved. This requires capacity on efficient routes across the Pennines and on the West

“ABP are hugely supportive of any efforts to improve rail connectivity across the North, especially connecting the two coasts. We see that the potential economic growth across the North could be dramatically enhanced if greater provision was given to rail freight on the East-West corridor.”

Dafydd Williams, Head of Communications, Associated British Ports

Coast Mainline to Scotland, the Midlands and the South East.

Currently, it takes up to 11 hours for biomass pellets to be transported from Liverpool to Drax power station near Selby; a journey of less than three hours by lorry; competing for space on lines with commuter trains. West Cumbria Mining in Whitehaven, bringing coke and coal to Teesside, have to go through Newcastle. Post-Brexit, creating industries that export goods all over the world could be crucial to the success of the Northern Powerhouse – creating the infrastructure to allow that to happen is vital.

More generally, the effect of creating more capacity and a better passenger service on the railways will encourage people to commute on the railway and get them out of their cars, freeing up space on the roads for businesses that have no option but to use the road network. Additional rail capacity in the form of new lines and routes is vital for growing passenger services and providing improved access to the rail network for freight such as containers and bulk goods.

Other members of the Northern Ports Association include PD Ports and the Port of Tyne. Collectively they supported IPPR's work on a 'Northern Ports Strategy'. The Strategy calls for urgent action:

“In order to mitigate the challenges and maximise the opportunities that ports can offer to the Northern economy, local partners must collaborate more effectively to nurture clusters of economic development around their ports; urgent investment must be made in trans-Pennine road and rail links to open up the east-west freight supercorridor” (Gateways to the Northern Powerhouse – A Northern Ports Strategy by IPPR North)



Image Credit: Peel Ports Group



Image Credit: Peel Ports Group

“Investment in the Northern rail network (alongside investment in roads) is critical to improve capacity and connectivity for rail services and reduce costs for freight and passengers travelling via Northern international gateways including ports and airports. It will help deliver on the objectives of economic growth and rebalancing the UK economy at the same time as helping to address the challenges of road capacity, future energy supply, decarbonisation and air quality.”

– Anthony Hatton, The Peel Group



“The North west is hamstrung economically by having only one mediocre east-west rail route, the North of England is the manufacturing centre of the UK and is unable to efficiently move goods to UK and overseas customers due to a lack of freight capacity. For Lancashire - the 4th largest aerospace cluster in the world, this damages our economic competitiveness on a global scale and curtails the UK’s economic competitiveness. NPR needs to be enacted swiftly and in full co-ordination with HS2 to maximise the economic benefit to the UK as a whole.”

Miranda Barker, Chief Executive, East Lancashire Chamber of Commerce



# Conclusions

The ‘Voice of Business’ as articulated through the survey provides a clear message; that critical decisions are needed now if we are going to achieve our goal of a thriving Northern economy. Transport is a key enabler to raise both living standards across the North, as well as contributing to the growth of UK plc.

The Northern Powerhouse has seen the creation of new businesses, new jobs and new opportunities but the results of our survey provide government with up-to-date data which demonstrates that a failure to commit the investment for NPR would act as a very real brake on the development potential of the North of England.

Improved connectivity and capacity between our Northern towns and cities, ports and airports and reduced journey times has the potential to unlock further growth across the North. In particular it will;

- Significantly increase productivity for the country as a whole;
- Increase the number and quality of job opportunities;
- Create training opportunities for our workforce of the future;
- Provide access to a skilled and locally situated talent pool;
- Increase national and international investment;
- Facilitate more immediate access to the global market; and
- Generate faster, efficient and more carbon neutral movement of freight.



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