

Northern Powerhouse factsheet

Key figures on the city regions in the Northern Powerhouse

June 2015

Introduction

The idea of a ‘Northern Powerhouse’ was first introduced in June 2014 by the Chancellor of the Exchequer, George Osborne, in a speech in Manchester. He made the case that the lack of economic and physical connections between the cities and city regions of the North of England was holding back their growth, with significant implications for the national economy. In the Chancellor’s own words: “the whole is less than the sum of its parts...so the powerhouse of London dominates more and more.”

For Osborne, the solution to this challenge is the creation of a Northern Powerhouse – “not one city, but a collection of northern cities - sufficiently close to each other that combined they can take on the world.”

Since the Chancellor’s initial speech, a raft of interventions have been announced to help turn the rhetoric of a Northern Powerhouse into reality – including the Greater Manchester Devolution Deal, Transport for the North, and the Northern Transport Strategy.

With the creation of a Northern Powerhouse set to be a key priority for the new Government, this briefing sets out the current economic profile of the key city regions across the North and compares their performance with that of London and of the UK as a whole. Reflecting the policy pledges contained within the Conservative manifesto, for the purposes of this analysis the Northern Powerhouse is made up of the city regions of Liverpool, Manchester, Leeds, Sheffield, Hull and the North East.¹

Figure 1: Northern Powerhouse key facts

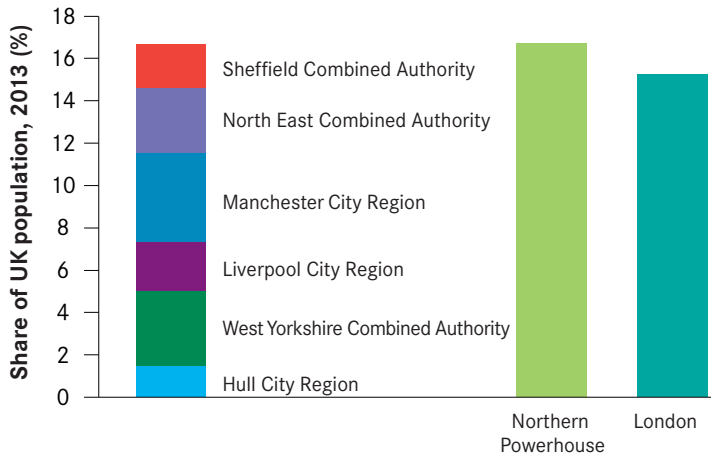
UK population (%)	16.7
Share of GB jobs, 2013 (%)	16.0
Share of total UK GVA, 2013 (%)	13.3
Share of jobs that are knowledge-intensive, 2013 (%)	12.7
Number of universities	23

¹ Liverpool City Region Combined Authority; Greater Manchester Combined Authority; West Yorkshire Combined Authority; Sheffield Combined Authority; Humber Local Enterprise Partnership; North East Combined Authority

Population

The Northern Powerhouse is home to 10.7 million people, a quarter of which live in the Manchester City Region, and 21 per cent in West Yorkshire Combined Authority.

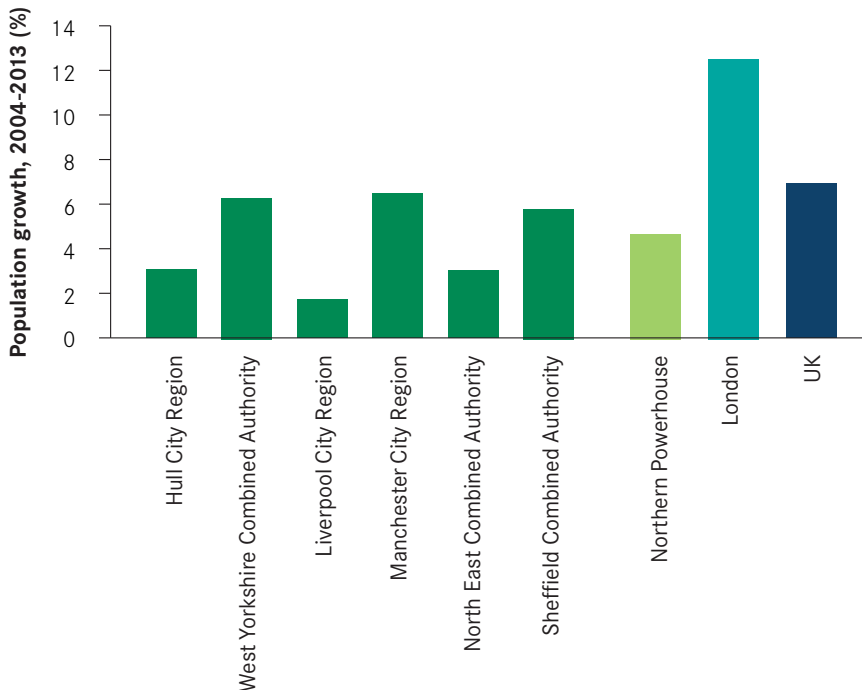
Figure 2: Population share in city-regions in the Northern Powerhouse, 2013



Source: NOMIS, 2015. ONS mid-year population estimates, 2013 data.

Over the last 10 years the Northern Powerhouse has had far slower population growth than the rest of the UK. Between 2004 and 2013, London grew more than twice as fast as the Northern Powerhouse.

Figure 3: Population growth, 2004-2013

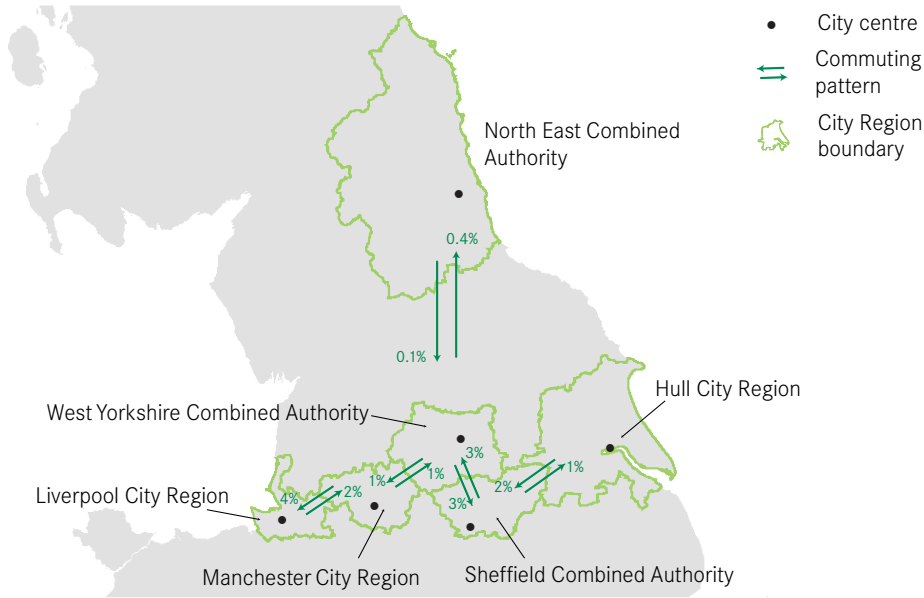


Source: NOMIS, 2015. ONS mid-year population estimates, 2004 and 2013 data.

Commuting

The Northern Powerhouse has a high level of containment: 92 per cent of people who work in the Northern Powerhouse also live within the Northern Powerhouse, and 96 per cent of those working in the North East Combined Authority also live there. 15 per cent of people working in Manchester City Region, however, travel in from elsewhere in the Northern Powerhouse or from beyond.

Figure 4: Commuting across the Northern Powerhouse

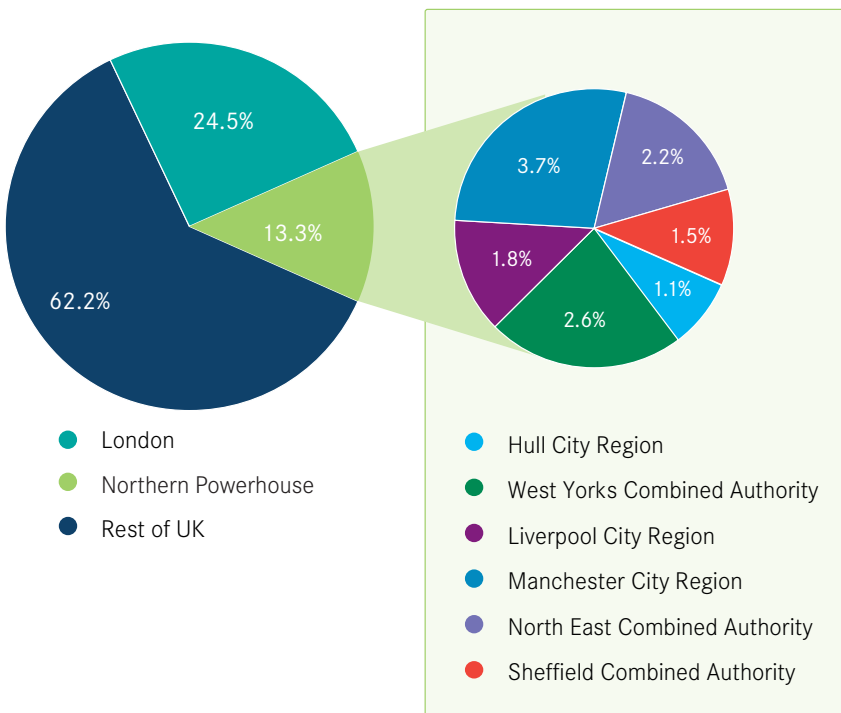


Source: NOMIS (2015), Census 2011 data

Economy

The Northern Powerhouse accounts for 13.3 per cent of all UK's Gross Value Added, compared to the 24.5 per cent that is contributed by London.

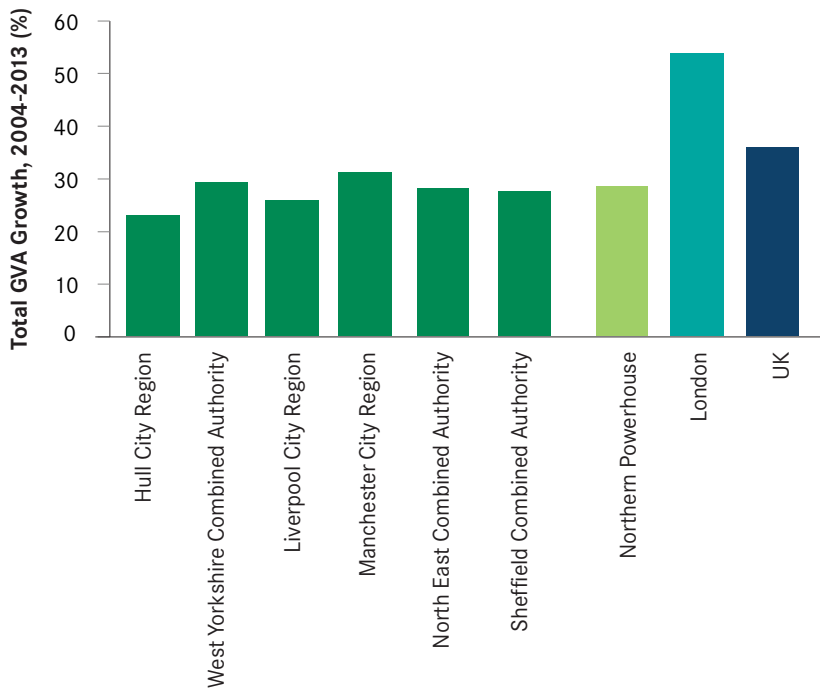
Figure 5: Share of total UK GVA, 2013



Source: ONS, 2014. Regional, Sub-regional and Local Gross Value Added 2013 data. Note: For total GVA figures, London refers to Greater London rather than the Primary Urban Area owing to data limitations

Over the last 10 years, the Northern Powerhouse has performed below the UK's average for GVA growth, while London has outstripped the region, growing nearly twice as fast as the Northern Powerhouse.

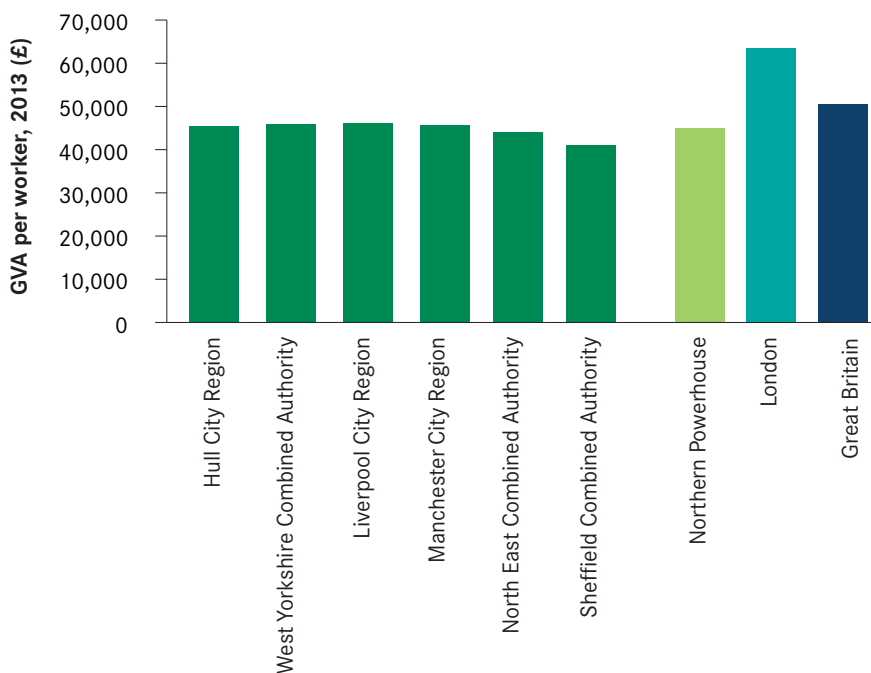
Figure 6: Total GVA Growth, 2004-2013



Source: ONS 2014. Regional, Sub-regional and Local Gross Value Added 2004, 2013 data. Note: For total GVA figures, London refers to Greater London rather than the Primary Urban Area owing to data limitations

Looking at GVA output per worker, although there is little difference in productivity between the city regions of the Northern Powerhouse, the average GVA output per worker is £44,850; 13 per cent behind the GB average, and 29 per cent behind that of London.

Figure 7: GVA per worker, 2013

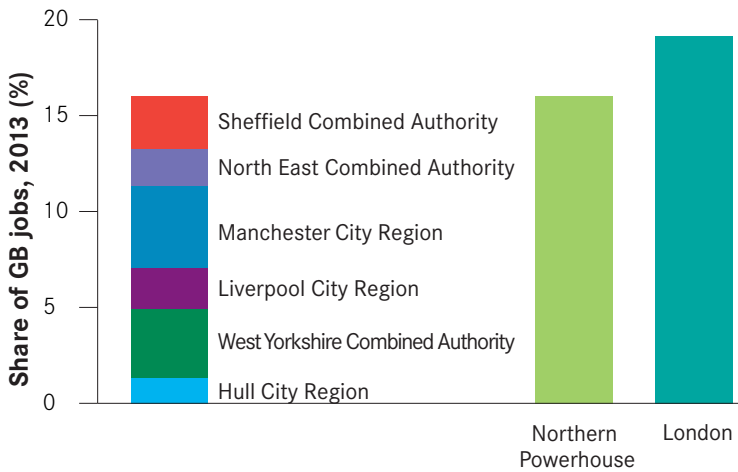


Source: ONS, 2014. Regional, Sub-regional and Local Gross Value Added. BRES, Employment, 2013 data.

Jobs

The Northern Powerhouse contains 4.5 million jobs, accounting for 16 per cent of all Britain’s jobs. These jobs are not evenly spread across the region; 27 per cent of all jobs within the Northern Powerhouse are in Manchester City Region, and 22 per cent in West Yorkshire Combined Authority.

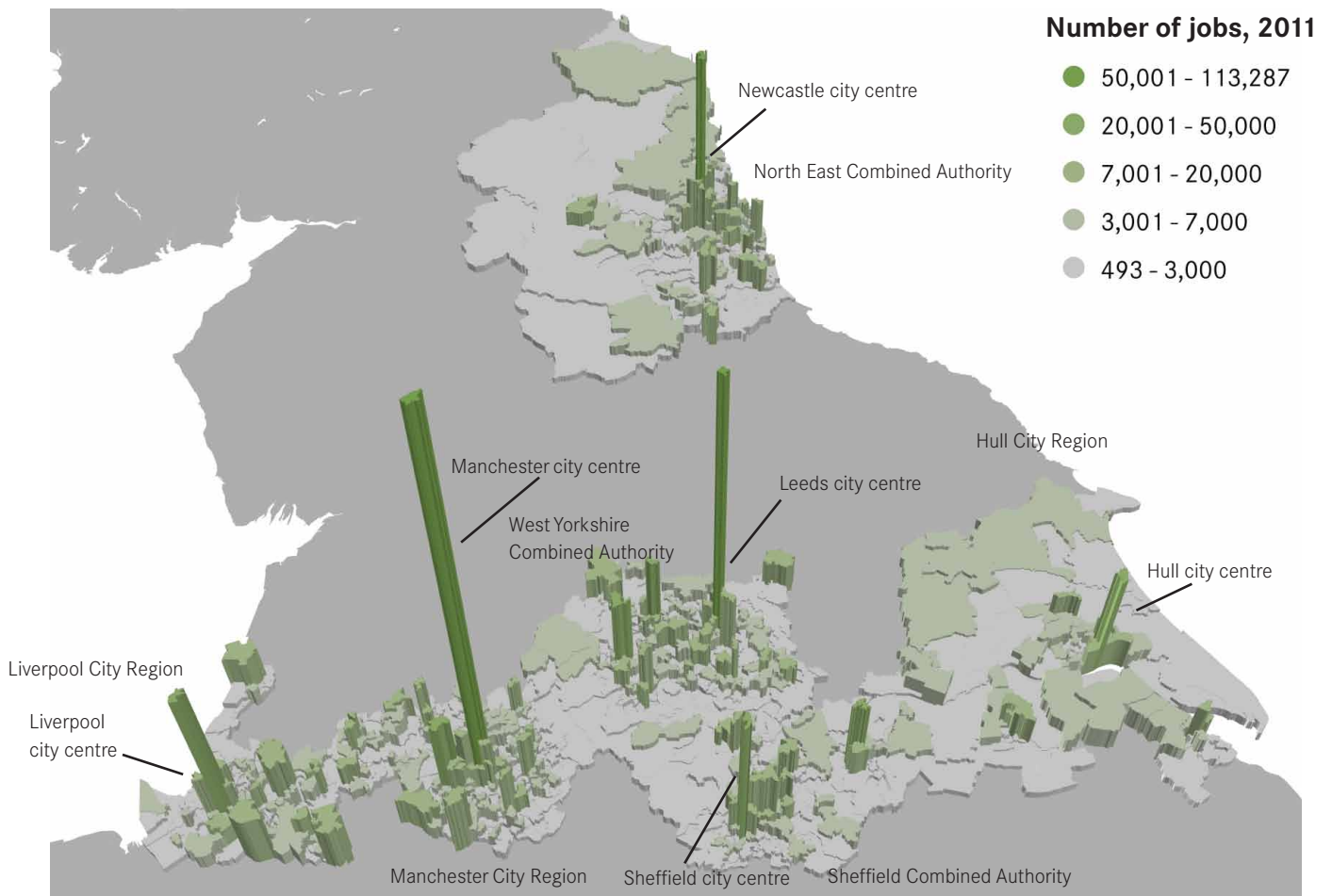
Figure 8: Share of all GB jobs, 2013



Source: NOMIS, 2015. BRES Public/private employment. 2013 data.

The map below illustrates, these jobs tend to be focused in city centres, particularly Manchester, Leeds and Newcastle.

Figure 9: The geography of jobs across the Northern Powerhouse

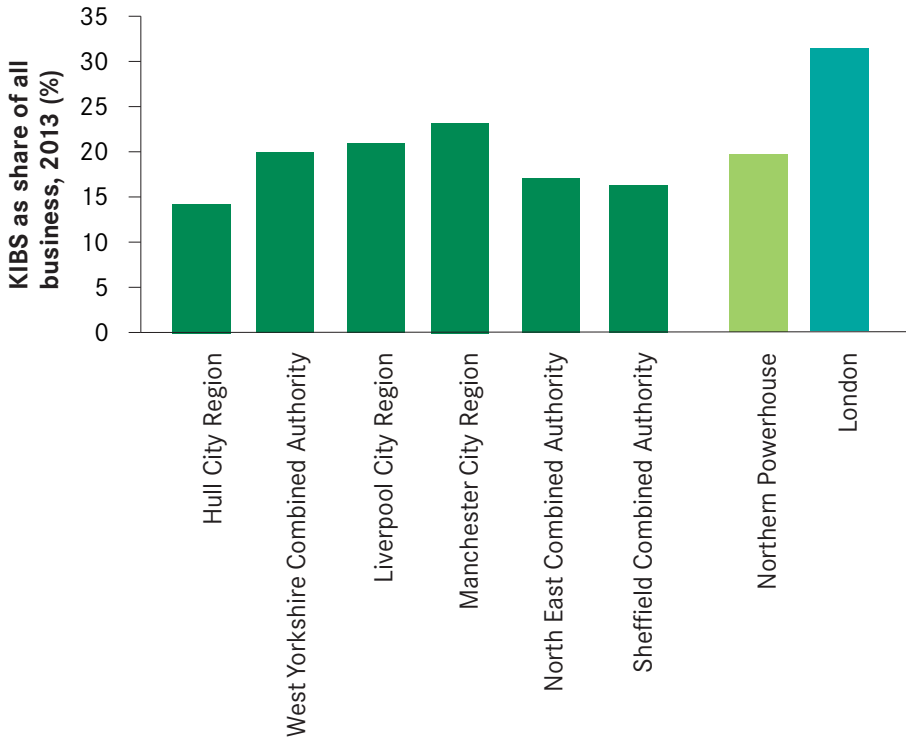


Source: NOMIS, 2015. Census 2011, occupation. MSOA level.

Knowledge Intensity

20 per cent of all businesses in the Northern Powerhouse can be classed as knowledge intensive business services (KIBS), in comparison to London, where knowledge intensive businesses represent over 30 per cent of the total business base.

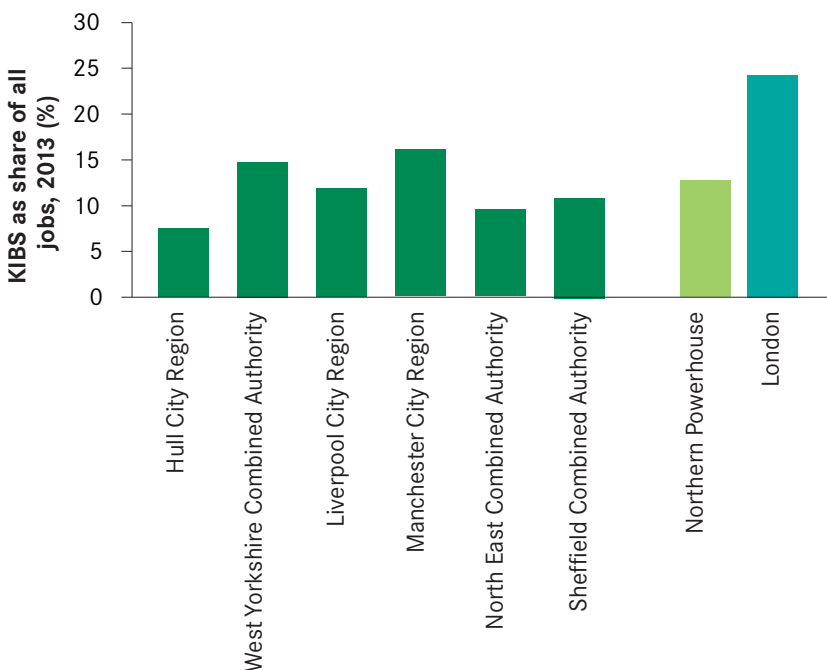
Figure 10: KIBS as share of all businesses, 2013



Source: NOMIS, 2015. ONS UK Business Counts – Enterprises, 2014 data. KIBS are defined based on 2007 SIC codes.

The same is true of jobs in KIBS. 12.7 per cent of all jobs in the Northern Powerhouse are in KIBS – in London, the figure is 24.3 per cent. However, significant differences can be observed between the city regions of the Northern Powerhouse – the share of jobs in KIBS in Manchester City Region is more than twice that of Hull City Region.

Figure 11: KIBS jobs as share of all jobs, 2013

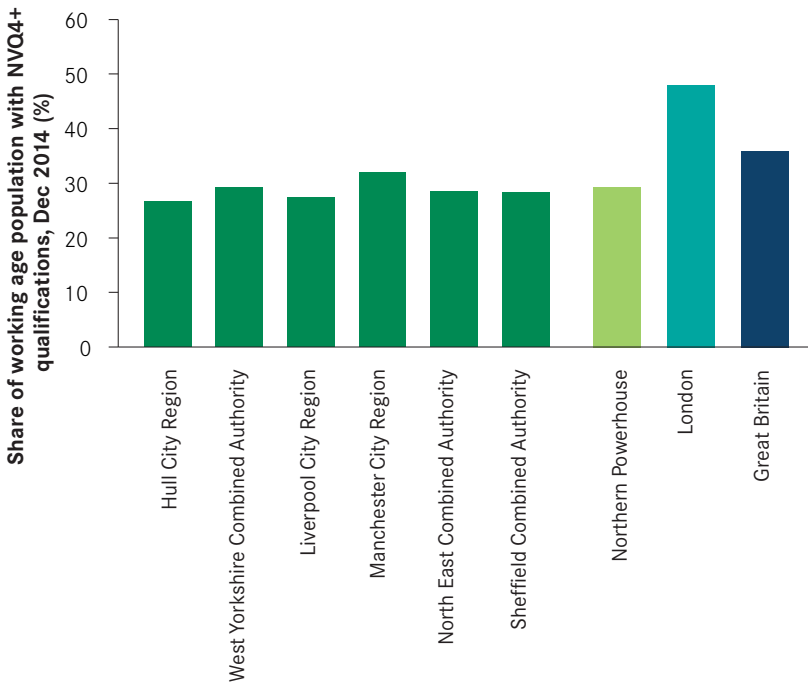


Source: NOMIS, 2015. BRES Employment, 2013 data. KIBS are defined based on 2007 SIC codes.

Skills

The difference in the proportion of KIBS jobs in the Northern Powerhouse compared to London can be partly explained by the skill levels of their respective labour markets. 29 per cent of working age residents in the Northern Powerhouse are high-skilled, the same as Britain’s average; in London, that figure rises to 48 per cent.

Figure 12: Share of working age population with NVQ4+ qualifications, December 2014



Source: NOMIS, 2015, Annual Population Survey, December 2014 data.

Universities

The Northern Powerhouse is well catered for by higher education institutions. The region contains 23 universities, six of which rank in the top 20 for research excellence nationally.

Figure 13: Universities located in the Northern Powerhouse

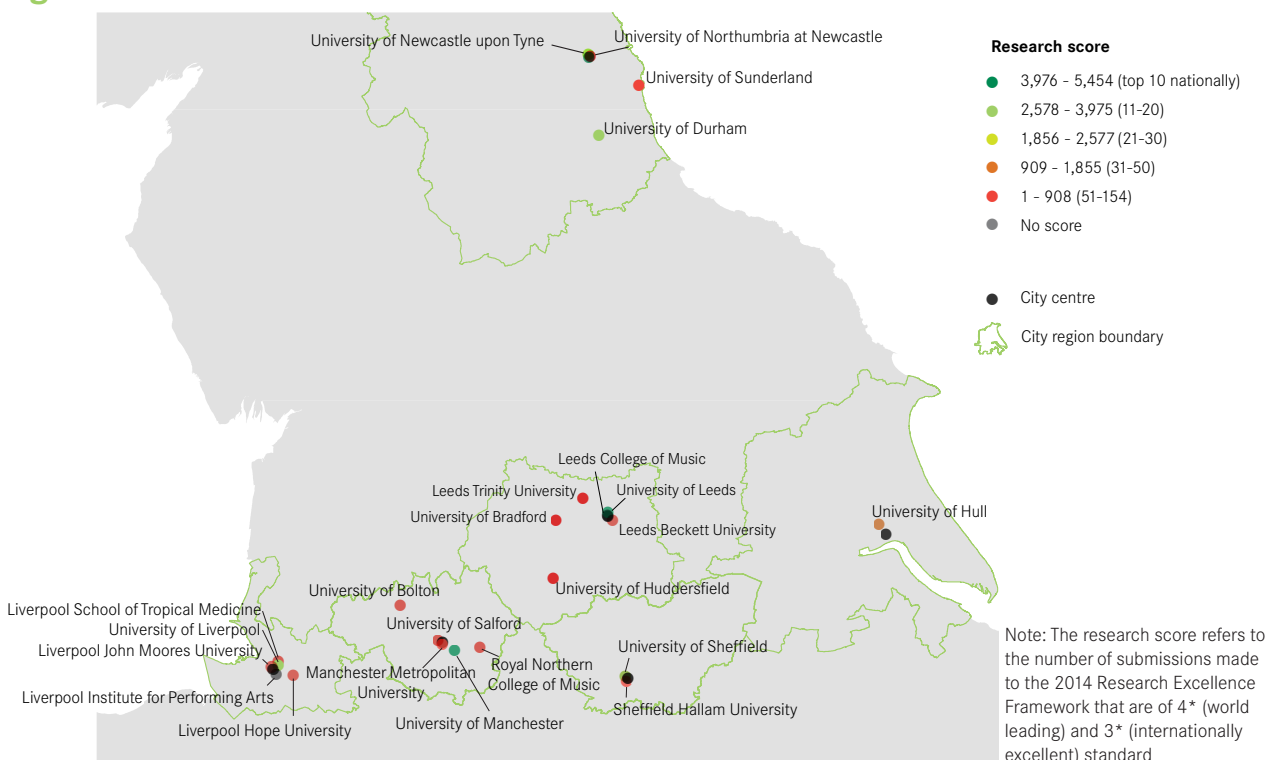


Figure 14: Research score of universities in the Northern Powerhouse

Research universities within the Northern Powerhouse	National research score rank (/ 154)
University of Manchester	5
University of Leeds	9
University of Sheffield	13
Newcastle University	16
University of Durham	19
University of Liverpool	20
University of Hull	50
Manchester Metropolitan University	52
University of Northumbria at Newcastle	53
Liverpool John Moores University	62
Sheffield Hallam University	66
University of Huddersfield	67
University of Salford	68
University of Bradford	79
Leeds Beckett University	89
University of Sunderland	103
Liverpool Hope University	109
Liverpool School of Tropical Medicine	113
University of Bolton	128
Royal Northern College of Music	136
Leeds Trinity University	147

Source: REF, 2015. Research Excellence Framework Results. 2014 data.

Contact

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