

North of England starved of investment, thinktank report finds

The North of England receives the second lowest level of investment among advanced economies, a think tank has said.

If the region were a country, Greece would be the only OECD nation to see less public and private investment, according to the IPPR North's State of the North report.

The researchers found that the UK as a whole ranks 35 among the 38 OECD countries in terms of receiving the least investment. States including Slovakia, Poland and Hungary all enjoy more investment than the UK. Were the OECD average applied to the UK for 2017-2020, some £397bn more would have been invested.

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The UK and the North are being held back by “vast inequalities” and “systematic underinvestment” in research and development, social infrastructure and transport, IPPR North said. The report highlights the extent of regional disparities, including that productivity is around £7 lower per hour worked in the North than the England average, and hourly pay is £1.60 lower than in the rest of England.

Report author and IPPR North research fellow Marcus Johns said: “Of all the advanced economies around the world, ours is the most regionally divided and getting worse – the North is at the sharp end of these divides and that’s a barrier to prosperity. But what’s even more unacceptable is that our country is divided by design. It is the result of decisions.

“The North’s strengths are national strengths. Northern

prosperity can be national prosperity. It's up to the Government to unlock this potential, by acknowledging that it has to change, and by enabling empowered, well-resourced local government to coordinate and deliver long term local visions for change."

The report points to other floundering places in the world that have turned their economies around, such as Leipzig in Germany, which has become the fastest-growing city in Europe through industry and investment. Last week, the Government faced accusations of favouring relatively affluent South Eastern seats in the allocation of the latest round of levelling up funding at the expense of deprived northern areas.

A Government spokesperson said: "This report fundamentally misrepresents the clear steps we are taking to level up the region and we are committed to spreading opportunity across the whole of the UK, including the North of England.

"This includes investing £3.19bn through our levelling up funds for regeneration, transport and cultural projects and £3bn to transform local transport networks. The Government has also helped secured inward investment, such as Credera in Manchester, Nissan in Sunderland and Equinor in the Port of Tyne, creating thousands of highly skilled jobs.

"We have also launched Freeports in Teesside, Liverpool City and the Humber to drive investment and signed new devolution deals in York and North Yorkshire and the North East, giving more powers to local leaders."

The report comes at the same time that political leaders in the North have said that levelling up the North and South should be "hard wired" into UK law to force governments to provide equal living standards across the nation.

The move would change the current competitive bidding system, where different towns and cities bid for government money, to

more long-term funding settlements, it is claimed. Calls for the new approach will be made at the Convention of the North in Manchester today, a gathering of business, political and civic leaders from across the region.

Support for the move comes from the Mayor of Greater Manchester, Andy Burnham, Oliver Coppard, Mayor of South Yorkshire, Tracy Brabin, Mayor of West Yorkshire, Steve Rotherham, Mayor of the Liverpool City Region and Jamie Driscoll, Mayor of the North of Tyne.

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