

# Northern Mega City

Rebalancing the UK through transport infrastructure investment. | Rob Bolton, Joe Inniss

## Introduction

The north of England. Or perhaps just "The North". What springs to mind when you read those words? A sense of decline and deprivation, a "gritty" environment from which only the strong and hardy emerge; grim, grey and drab landscapes?

While one might (and perhaps should) take issue with these descriptions, there is certainly some truth behind them – by all measures of social wellbeing and economic performance, it is unarguable that the north of England has its challenges.

However, the North also has great history, great cultural heritage and great potential.

We've taken some time to investigate how investment in transport infrastructure could be used to awaken this sleeping giant for the benefit of the entire country.

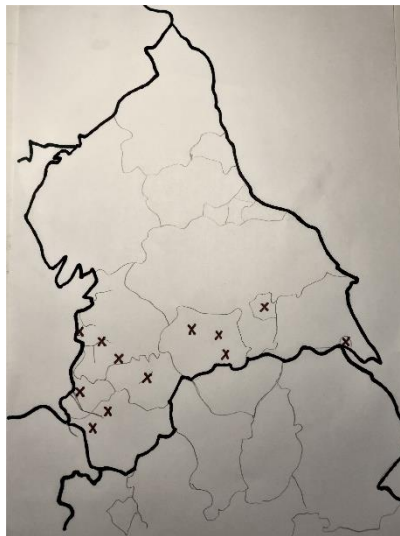
## Defining 'the North'

For the purposes of this article, we've defined the North as the English counties of: Cumbria, Northumberland, Tyne & Wear, Durham, Lancashire, Blackpool, Blackburn with Darwen, Merseyside, Greater Manchester, Halton, Warrington, Cheshire West and Chester, Cheshire East and the four ridings of Yorkshire.

Northern urban centres include: Liverpool, Warrington, Chester, Manchester, Preston, Bradford, Blackburn, Leeds, Wakefield, York, Hull, Newcastle, Sunderland, Darlington,

Middlesbrough, Hartlepool, and Redcar and Cleveland.

This is a region which; has a population of 15 million people; is home to seven of the 24 Russell Group universities; and contains 5 of the UK's 10 most highly populated urban areas<sup>i</sup>.



So, on first glance, one would assume this to be a prosperous region: highly educated, well urbanised, rich in history and culture.

Regretfully, the north is currently failing to meet its potential...

## The current situation

The region has a GDP lower than that of Italy<sup>ii</sup> and some towns have a life expectancy lower than that of Iraq<sup>iii</sup>.

Like any under-developed country, the brightest and best often move to more economically powerful regions – in this case to London and the South East.

This is not good for the UK – once-proud communities are left to decline whilst another corner

of the country becomes overcrowded. This leads to lower levels of well-being, families living apart, and an inefficient use of the country's resources.

## Transport Inequality

When looking at transport across the UK, it is universally found that rail transport provides the fastest means to move large numbers of people between population centres.

The differences between rail services in the North and rail services for London are stark.

For London and Manchester, we charted distance to nearby population centres against fastest journey times available. When you compare a linear regression of distance against time there is an obvious relationship: traveling between population centres in the north is significantly slower than traveling into London.

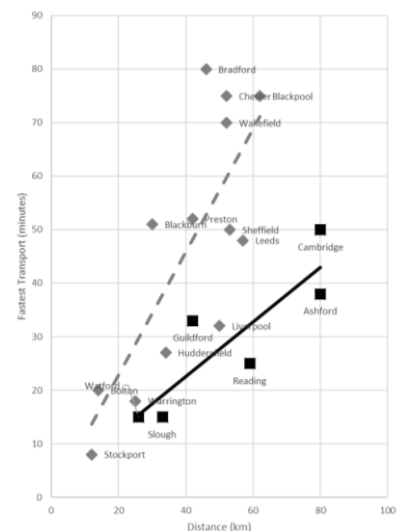


Figure 2. Comparison of fastest journey times against distance.

We've selected Manchester as an example here, but other northern cities, showing similar results, are available.

In other areas transport is unequal. While we'd be cautious about recommending road transport as a practical or sustainable means of encouraging economic growth, it is true that the current capacity and quality of the road network is discouraging travel. Take Manchester and Sheffield for example: two large cities, about 35 miles apart, connected by the A57, a largely single-carriageway road often closed during cold weather. We doubt that this would be tolerated in the South East.

## Defining Economic Inequality

Before continuing, it's important to define economic inequality and explain why it's a bad thing.

Economic affluence is commonly measured by GDP, which is defined as production, or aggregate demand. Typically considered at an international level, GDP accounts for exports and imports, and this can be hard to attribute to regional economic activity. What's perhaps better for our purposes is to consider what can be purchased at local prices for a typical local wage. Let's call this purchasing power.

This is where regional inequality becomes important, as the value of the currency, which determines production, wage, and purchasing power is largely attached to the economic activity of London. So, supply and demand are held out of equilibrium, with goods produced in the north over-

priced, wages suppressed and unemployment sitting above its equilibrium level.

This is perhaps akin to the issues experienced in the Euro currency zone, where suffering economies would benefit from a devaluing of the currency, but aren't permitted to do so. Federalisation and devolution are perhaps discussion points for another related paper though.

The key point is that uniting the North, and making it more economically competitive, would balance the scales, bring currency valuation more in line with the needs of the entire nation, and overcome the problem. So, how do we unite the North?

## Addressing Transport Inequality

We would postulate that, throughout human history, whenever a leap forward in economic activity has occurred, easy exchange of information has been at its root. Whilst we often attribute technological or political advances to an individual genius it's more commonly the ability of large numbers of people (not all of whom are geniuses, plenty of solid plodders are required) to share and test ideas, discuss concepts and work out how to implement and affect change.

It's therefore intuitive to conclude that enabling quick and easy travel is a good thing.

The Rhine-Ruhr region (in Germany) provides real-life evidence to support this conclusion. Compared to the north of England, it has a similar population, similar geographical spread, but far greater GDP per

capita. What's different? It's linked by a world-class transport system.

So, what should we do about it?

## Defining The Northern Mega-City

The answer is simple, albeit one which requires up-front investment and a long-term vision.

The UK needs to connect its existing northern cities (Liverpool, Manchester, Bradford, Leeds and Sheffield would be an obvious starting point) so they can behave as one: a "Northern Mega-City".

This area is approximately 70 miles across. Building railway lines capable of 200mph and a journey time of under 30 minutes between each of these cities is eminently achievable.

Now, consider London. Nothing is thought of undertaking the 30 minute journey from the city centre to Canary Wharf. With good levels of reliability and frequency, this new northern railway network could achieve the same perception amongst the northern workforce.

This would also be supported by high quality data connectivity and, perhaps most importantly, a change in mindset.

Economically, no one thinks about Clapham vs Tottenham or Hackney vs Surbiton, and the north needs to adopt the same approach. No more Leeds vs Manchester, but more the north of England vs the World (slightly adversarial but I'm sure you get the point)

Think of the appeal to international businesses: (at least initially) relatively cheap

land, a well-educated workforce, numerous world-leading universities, great access to Heathrow Airport via HS2.

Think of the appeal to workers: relatively cheap housing, shiny new infrastructure, easily accessible countryside, a real choice about where to live with companies in different regions competing for your labour.

And why not make it green super-city? Starting from scratch (ok, not from scratch – we probably can't knock down the whole of Bradford.... Can we?) means that carbon-neutral design and principles can be adopted.

As stated above, this requires a clear vision, and some chunky investment, but – for the North – this has to be the future. The alternative is more decline and more national division.

## Counter Argument

At the Centre for Asset Studies, we like to play devil's advocate. So here goes.

Maybe for a country of this size, having one primary economic centre is a good plan?

This means one can focus all efforts on making that city, London in the UK's case, a world-beating one.

Furthermore, high density city living is environmentally superior

to a spread-out population, so what's not to like?

This is do-able, so long as:

(a) travelling to and from the capital is straightforward, and re-locating to London is feasible (this is all achievable, albeit with some state intervention to deliver a combination of good national transport and some kind of rent / house price control); and

(b) one builds a social contract between London and the rest of the country that supports diversion of taxes away from London to 'subsidise' high quality services in those regions, on the understanding that – in return – the regions are allowing their talented workers to be poached by London (practically, this is the only way to stop a revolution).

But is this just an expensive, risky and potentially divisive means of simply holding a sub-optimal position.

## Conclusions

The case for a northern mega-city is compelling. Other countries manage to support multiple economic centres, and there's no reason why the UK can't replicate this success, particularly with its history, soft power and existing (albeit slightly neglected) infrastructure.

## Proposed Policy Objectives

- Create a unifying goal through the Northern Mega City Concept.
- Make the north of England a better place to live and work through infrastructure investment
- Balance the UK economy to increase stability and overall economic resilience

## Proposed Strategy

Unite local and regional strategies under a singular policy objective of delivering a northern mega city. Identify, promote and fund projects that Combine key urban centres in the north, to make it easier for people to get to and from where they live to where they work. This should increase the proposition of doing business in the north of England.

### TL;DR

1. The UK is economically unbalanced, which is bad.
2. Infrastructure development can help rebalance the economy, which is good.
3. A virtual Northern Mega City could improve the outlook for the North

<sup>i</sup> Manchester (2nd), Leeds-Bradford (4th), Liverpool (7th), Newcastle (8th) and Sheffield (10th).

<sup>ii</sup> Calculated from State of the North 2018 (<https://www.ippr.org/files/2018-12/sotn-2018-web.pdf>) and the International Monetary Fund's World Economic Outlook Database (<https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/weorept.aspx>)

<sup>iii</sup> Calculated from State of the North 2018 (<https://www.ippr.org/files/2018-12/sotn-2018-web.pdf>) and the World Health Organisation World Health Statistics Report (<https://www.who.int/en/news-room/detail/19-05-2016-life-expectancy-increased-by-5-years-since-2000-but-health-inequalities-persist>)