

National Infrastructure Commission call for evidence – Connecting northern cities
IPSE response

January 2016

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About IPSE:

- The Association of Independent Professionals and the Self Employed (IPSE) represents the estimated 4.5 million individuals working for themselves in the UK.
- Over 97% of our 20,000 members work through their own limited companies
- IPSE also represents 48,000 self-employed construction workers through our relationship with leading construction contract and payroll providers Hudson Contract
- Research has shown that independent professionals allow businesses to promote innovation, maximise performance across peaks and troughs in demand, and create jobs by increasing the level of innovation and efficiency in the economy.

Connecting northern cities

1. To what extent are weaknesses in transport connectivity holding back northern city regions (specifically in terms of jobs, enterprise creation and growth, and housing)?

4.5 million individuals are already working for themselves, delivering flexible expertise to a wide range of businesses while enjoying the autonomy this way of working offers. As the [2013 paper](#) by Professor Andrew Burke illustrated, independent professionals allow businesses to promote innovation, maximise performance across peaks and troughs in demand, and create jobs by increasing the level of innovation and efficiency in the economy.

This way of working is proving particularly attractive to young people, with a 2014 survey by Unltd finding that 55% of young people aged 16-25 now want to set up their own business. But obstacles still need to be overcome to make this way of working more simple. As mobile workers, the self-employed frequently have to travel long distances, with obvious implications for cost and staying connected on the move.

For independent professionals from Northern cities, poor rail links mean that many feel forced to base themselves in London and the South East. This deprives businesses in Northern cities of the expertise that freelancers bring and the associated economic activity.

Greater investment in road infrastructure would also allow make it easier for independent professionals to base themselves in Northern cities and encourage greater economic activity in these Northern cities as well.

Transport connectivity is vitally important for the self-employed. IPSE survey data from 2015 found that independent professionals travel on average 1,775 miles each month to their place of work, while spending £8,056 each year on transport costs.

As well as the need to be able to move around quickly, freelancers need be able to work remotely. Ofcom's [2015 Connected Nations report](#) found that only 69% of SMEs have access to superfast broadband in England compared to 84% of all premises; this leaves over 400,000 SMEs without access to superfast broadband. To encourage greater entrepreneurial activity in Northern cities, accelerating access to superfast broadband is an important step.

2. What cost-effective infrastructure investments in city-to-city connectivity could address these weaknesses?

Rail infrastructure

Better rail infrastructure is essential to incentivise independent professionals to both work and base themselves in Northern cities. Alongside this, freelancers need to be able to work on the move and therefore policymakers should ensure rail franchising agreements include a commitment to enabling WiFi across their networks.

Workhubs

Touching more broadly on connectivity within Northern cities, government should be doing more to support the rollout of collaborative workspace for freelancers. Known as “workhubs”, these flexible workspaces for microbusinesses and mobile workers typically consist of hot desks, meeting rooms and high speed broadband. They also offer services such as IT and business support and other training programmes.

This collaborative way of working provides a motivating environment, as well as excellent networking opportunities. It is however difficult, and often financially prohibitive to open and run premises. To support this way of working, action is needed in four key areas:

- Cut business rates for workhubs
- Incentivise the use of empty properties as workhubs
- Extend Permitted Development rights to allow empty premises to change their use

Broadband

As touched on in the previous question, investing in digital infrastructure will provide a big boost to those freelancers looking to work in Northern cities. For those looking to work from home, government should help by guaranteeing that new housing developments have fibreoptic broadband.

Similarly, accelerating the rollout of 4G and 5G broadband coverage will make remote working easier for independent professionals.

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