

Northern Growth Strategy: Next Steps

Backing the North's ambition for growth

CP 1549

March 2026



HM Treasury

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Backing the North's
ambition for growth

Presented to Parliament
by the Financial Secretary to the Treasury
by Command of His Majesty

March 2026

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Foreword

Across the North, places are demonstrating what sustained investment, strong local leadership and clear long-term direction can achieve. The challenge now is to build on that momentum and scale it up at pace. We must ensure the North's prosperity, and its contribution to the national economy, continue to rapidly grow.

The North's contribution to modern industry is world-renowned. Its sport and musical legacy continues to shape our national story. The spirit of its people and the beauty of its landscapes are second to none.

For the North's future to build on its remarkable past, we must work together towards a shared vision - one where communities across the region have the opportunity to shape their own destinies. Earlier this year, we published our Case for Change, developed collaboratively with local leaders and partners who understand their areas best. Achieving our shared ambitions will depend on three key factors.

First, the hard work and contribution of those who call it home: their inventiveness, their creativity, their perseverance. Second, a government on their side, bold enough to back the North's central place in the country's economic strategy, no longer a sideshow. Third, strong local leaders, politicians and businesses who, outside of the Whitehall system, can get things done quickly and plan for the long-term.

All parts of the North now have strategic authorities; fitting for the region that pioneered the combined authority model, and whose established and experienced Mayors across the Northern Growth Corridor have made it a success. Through a £45 billion commitment to Northern Powerhouse Rail, £10.4 billion investment in local transport, and now £1.7 billion City Investment Funds, and a commitment to develop a roadmap for future fiscal devolution, we are making our downpayment to the North. It will take hard work to achieve our ambitions in full. This government, and our partners, are ready for the challenge.

As the Chancellor set out in her Mais lecture, we are in an age of insecurity, and must adapt to a new global economic context. Adapting means building on our strengths, in particular our major cities outside London. In these great cities we see talent, vision, and ambition, held back by underinvestment, poor connectivity and an overly centralised political system.

The north of England has waited far too long for a government that matches warm words with concerted ambition, but by working in

lockstep with northern Mayors, businesses, and communities , we can see the North define its own future.

We look forward to working together with Mayors and local partners on this collective endeavour over the coming months.



A handwritten signature in cursive script that reads "Rachel Reeves".

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer



A handwritten signature in cursive script that reads "Heidi Alexander".

The Rt Hon Heidi Alexander MP
Secretary of State for Transport



A handwritten signature in cursive script that reads "Steve Reed".

The Rt Hon Steve Reed OBE MP
Secretary of State for Housing, Communities and Local Government



A handwritten signature in blue ink that reads "Peter Kyle".

The Rt Hon Peter Kyle MP
Secretary of State for Business and Trade

Chapter 1

Introduction

1. The government's top priority is to grow the economy. To do this, every part of the UK needs to be firing on all cylinders, helping build a more productive, resilient economy and raising living standards everywhere.
2. There is huge national benefit to boosting growth in the North. Even growing the North's five most populous Mayoral Strategic Authority areas productivity to the national average could add around £40 billion per year in Gross Value Added, alongside around £15 billion per year in fiscal revenues¹. That is why the government has put the north of England at the centre of its regional growth plans. This includes making the most of opportunities within the Northern Growth Corridor, stretching from York to Liverpool across the Pennines; the North East, and the wider North. Just as the government is committed to turning the Oxford to Cambridge Corridor into a single economic area to maximise its potential, it makes the same commitment for the Northern Growth Corridor.
3. This document builds on the *Northern Growth Strategy: Case for Change*², and outlines the government's next steps in its plan for the North, with early action focused on unlocking agglomeration benefits and enabling business investment, building out from Northern Powerhouse Rail.
4. These next steps have been developed together with Mayors and local leaders through a renewed partnership approach. They are steps towards a shared long-term vision, with further phases to follow. To support this, this document sets out some key questions the government will explore with a wide range of stakeholders over the summer. The government will utilise this feedback with partners to strengthen the approach, ahead of providing a further update in the autumn.
5. Chapter 2 of this document highlights the North's unique strengths and how government will work with partners to realise its economic potential. Chapter 3 sets out steps being taken now to achieve that. Chapter 4 illustrates how action at the national and regional level knit together, and Chapter 5 sets out how stakeholders can give

¹ [Northern Growth Strategy: Case for change - GOV.UK](#)

² [Northern Growth Strategy: Case for change - GOV.UK](#)

their views on some key questions to inform further strategy updates.

Chapter 2

Backing the North's ambition for growth

6. The North is central to the UK's growth agenda. It has the scale and economic assets to compete internationally. There is a real opportunity to draw on talents and expertise across the region, including nine million people in the urban areas spanning the Pennines³. City regions across the North are led by elected leaders with a strong focus on growth, and face far fewer energy, water and land constraints than some other parts of the UK, and it has globally-renowned cultural assets – in music, sport, and the creative industries. They are at the heart of the UK's modern Industrial Strategy – with strengths across all IS-8 sectors⁴. The potential national economic gains to boosting growth in the North are large – just growing the North's five most populous Mayoral Strategic Authority areas' productivity to the national average could add around £40 billion per year in Gross Value Added, alongside around £15 billion per year in fiscal revenues⁵. Of course, while such gains would themselves be significant, they do not constitute the limit of either the North's potential or the government's ambition.
7. The immediate priorities, building on the government's £45 billion commitment to NPR, are to drive further agglomeration benefits through increasing the density and scale of city centres, especially around NPR stations. This will be done in part through new, flexible and long-term City Investment Funds. Alongside that, this update backs the North's nationally significant Industrial Strategy sectoral strengths and encourages wider business investment, including through new IS-8 partnerships. The government will also bring forward a roadmap for future fiscal devolution, which will set out plans to give regional leaders control of how they allocate a share of

³ ONS population figures applied to OECD definitions of Functional Urban Areas.

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/dataset/populationestimatesforukenglandandwalesscotlandandnorthernireland>; and

<https://www.oecd.org/en/data/datasets/oecd-definition-of-cities-and-functional-urban-areas.html>

⁴ Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technology, Financial Services, Life Sciences, Professional and Business Services

⁵ [Northern Growth Strategy: Case for change - GOV.UK](#)

some national taxes that for too long have been allocated by central government, looking at income tax alongside other taxes.

8. The government will work with local partners to continue to develop the Northern Growth Strategy over the summer including developing plans for the Northern Growth Corridor, the North East – recognising the region's particular geography and its distinct economic assets - and opportunities in the wider North.

Connecting people to opportunities

9. Northern Powerhouse Rail (NPR) is central to building a northern economy that reaches its full potential. By linking major city regions from Liverpool to York into one well-connected and unique Northern Growth Corridor, NPR will capitalise on the scale of the labour market, and help the North attract investment, create more jobs and support businesses to scale up. It will bring benefits for the whole north, including regular services to Hull, Newcastle, Darlington and Chester, and opportunities to enhance these benefits are already being considered, including through work with the North East Combined Authority on the business case for the reopening of the remainder of the Leamside Line.
10. To realise the benefits of NPR, the next priority is to accelerate the development and densification of cities across the North, and to help more people reach city centres easily through better transport connections. More people living and working in northern cities and around key transport hubs will mean more people can benefit from the services and connections that NPR will bring, increasing 'effective city size' - for example, by improving connectivity between Bradford and Leeds, and between Rotherham and Sheffield.
11. To underpin this, the Chancellor announced on 17 March the government is launching a new City Investment Fund of new grant, loan and patient capital, with £1.7 billion going directly into hands of Mayors of the largest city regions in the North to deliver city densification at a local level. This funding will help address viability gaps, including high upfront costs, barriers from contaminated land, and other issues that keep projects from moving forward. This will build on the work northern city leaders have already done to make their centres more vibrant, dynamic and attractive places to live.

The North's sectoral strengths

12. As set out in the *Northern Growth Strategy: Case for Change*, the North has major strengths in the modern Industrial Strategy sectors that drive national growth. It is home to major foundational industries and their supply chains. These provide skilled jobs for the North's communities and materials, processes and infrastructure that underpin its wider strengths in the globally significant IS-8

sectors. Its city centres have strong service-based industries that benefit from close collaboration and dense urban environments, and outside cities it is home to major centres of capital-intensive industry. Alongside these service-oriented specialisms, the North has globally significant strengths in Industrial Strategy sectors, including:

- a) The cutting-edge of **Financial Services and Professional and Business Services**. Greater Manchester, West Yorkshire, and Liverpool City Region are burgeoning centres for service sectors, with Leeds and Manchester having the largest financial and professional service economies outside London between them. The 'Northern Square Mile' in West Yorkshire is underpinned by its growing financial services, fintech and digital ecosystem. Greater Manchester hosts the largest Professional and Business Services sector outside London and is home to international financial services firms like BNY and Klarna.
- b) Significant strengths in **Creative Industries**, such as MediaCity in Salford, the Centre for Writing in Newcastle, Sunderland Music City, Channel 4's Leeds HQ, and Tees Valley's Creative Industries-focused Investment Zone.
- c) Key **Digital and Technologies** capabilities. GCHQ Manchester and Sci-Tech Daresbury have formed a North-West cyber corridor, while the exploration of AI Growth Zones as part of the government's AI agenda will position the North at the forefront of this technological shift, leveraging its proximity to energy sources.
- d) **Life Sciences**, where the North is home to the Liverpool, Cheshire, and Greater Manchester Life Sciences Corridor. Sites such as Liverpool's Knowledge Quarter and Life Sciences Innovation Zone; the West Yorkshire Investment Zone, and Reckitt's Global Centre for Scientific Excellence in Hull are attracting major investments.
- e) **Advanced Manufacturing**, one of the North's most established and competitive economic assets, with world-leading research facilities and manufacturing clusters such as the Greater Manchester Advanced Materials and Manufacturing Investment Zone. In South Yorkshire, advanced manufacturing and materials expertise are anchored by the Advanced Manufacturing Research Centre and globally recognised firms. The North East plays a pivotal role in the UK's automotive industry, which is rapidly scaling electric vehicle and battery manufacturing, anchored by the Nissan Sunderland plant.
- f) **Defence**, where the government has established one of the UK's first Defence Growth Deals, with strong links into the Advanced

Manufacturing cluster in South Yorkshire. This, alongside business-led critical defence innovation across the North in areas like the North East, Lancashire and Cumbria, will further reinforce the North's position as a manufacturing and innovation hub, helping to accelerate the move to high tech, Cyber and AI enabled defence capability in the North and meet the government's ambition for the UK to be Europe's leading Defence exporter.

- g) **Clean Energy Industries**, where the North East cluster for on- and offshore wind is attracting high-tech investment that is growing the region's clean energy ecosystem. Hull and the Humber are making a sizeable contribution to offshore wind capacity, with world's largest wind farm (Hornsea 2) off the East Yorkshire coast and the UK's largest turbine blade manufacturer (Siemens Gamesa) in Hull. Tees Valley's combination of deep-water port infrastructure, freeport status, and an integrated cluster of CCUS, hydrogen, and offshore wind manufacturing assets makes it an important asset in decarbonisation. South Yorkshire is anchoring growth across Small Modular Reactors, fusion energy, and hydrogen manufacturing energy.

- 13. The Industrial Strategy and its eight Sector Plans are designed to support businesses across the North to invest. The next steps in this plan are to back sectors where they excel, through new IS-8 partnerships – to grow firms and create more good jobs.

Championing the North's cultural assets

- 14. Globally renowned culture is a key and distinctive part of the North, that makes it a great place to live, work and visit. It showcases the region's diversity and plays a key role in driving community engagement and civic pride. The government is committed to expanding and championing these strengths.
 - a) **Culture**: the North's museums, galleries and heritage sites can drive regeneration and investment. York is home to the National Railway Museum which welcomed over 600,000 visitors in 2024/25 and Manchester was the third most visited city in the UK in 2024, boasting a strong and historic cultural network which includes the Manchester Museum, Science and Industry Museum, and the Whitworth Art Gallery. Music venues such as the Glasshouse in Gateshead, Aviva Studios in Manchester and grassroots spaces like Hull's Adelphi and the Brudenell Social Club in Leeds, alongside major stadiums and arenas, anchor a vibrant cultural scene in the region, which can attract the world's biggest artists. The hugely successful UK City of Culture years in Hull and most recently in Bradford, have built on the success of Liverpool as European Capital of Culture, and showcased this to the world.

- b) **World-leading creative industries:** the Creative Industries are a major growth engine for the North. Salford's MediaCityUK, Production Park and Liverpool's MusicFutures creative cluster enhance the region's position as a global music and media leader. Its influence spans major productions like the upcoming Beatles biopic, to artists such as Sam Fender and Arctic Monkeys, supported by events like the Mercury Awards in Newcastle, the BRITs in Manchester and MOBOs in Sheffield. Partnerships such as Great North Creative help attract and retain talent, bolstered by government investment, including £25 million for six mayoral areas via the £150 million Creative Places Growth Fund.
- c) **Sports:** northern Premier League giants project UK soft power globally. The North also dominates Rugby League, with the Super League celebrating its 30th birthday this year. Major events – such as the 2019 UCI World Road Cycling Championships - have driven regeneration, while cricket is also a defining part of the North's sporting identity, with worldclass venues hosting international fixtures that attract global audiences.

A partnership for growth

- 15. Central government is committed to making the right decisions to support local growth. However, the government recognises that the strategy for driving growth and productivity across the North cannot be dictated from Whitehall. Ensuring national investment decisions and strategies work to accelerate, complement and build on Local Growth Plans requires collective effort and a vision forged in partnership with local leaders.
- 16. The government is committed to working openly and actively drawing on a range of perspectives and expertise, to deliver the Northern Growth Strategy. This includes:
 - a) **Central government** deploying policy levers which help enable northern growth. The UK's public finance institutions, regulatory levers, delivery bodies, international platform and convening power can be aligned to complement action at regional level.
 - b) The **Mayoral Strategic Authorities (MSAs)**, at the forefront of driving growth at the regional level, through their leadership of Local Growth Plans. The North has been at the vanguard of this journey, and now has full coverage of devolved strategic authorities.
 - c) **Councils** have an important role to play in getting investments moving – including through their role in the land use planning system, remediation of brownfield sites and decisions that deliver real change in communities and crowd-in investment. Their

leadership is critical in supporting the creation of vibrant, resilient places that meet the needs of residents and employers.

- d) **Businesses** are the wealth creators – creating jobs, investing in innovation, and driving growth. They are uniquely positioned to contribute insight on what it takes to grow their businesses, identify blockers and help engineer their solutions. They are also crucial to the delivery of national strategies, such as bolstering national economic resilience through secure supply chains in priority IS-8 sectors.
- e) **Universities, further education colleges and innovation institutions** are critical to driving higher productivity through new ideas, as well as nurturing the talent and highly-skilled labour that growing businesses across the North need. Further Education colleges support essential technical skills and are an important driver of social mobility. They work alongside innovation centres that are expanding the UK's historic innovation 'core' beyond London, Oxford and Cambridge, and are creating new innovation links such as those between Cambridge and Manchester, and Oxford and Liverpool.

Chapter 3

Next steps in the plan for the North

17. The government's priorities for the next phase of work focus on getting the most value from the planned investment in Northern Powerhouse Rail (NPR) by: strengthening city centres so they drive wider regional growth; building on the North's sectoral strengths and putting more power in the hands of leaders who know their areas best.
18. The government will continue to develop the Northern Growth Strategy in partnership with local stakeholders, ahead of a further update in the autumn. To support this, an invitation for views will be launched alongside this document. This will invite responses to the questions set out in this chapter, which build on the six priorities set out in January's *Case for Change*:

Invitation for views:

- What should the priorities for government and its partners be, through the wider Northern Growth Strategy, to make sure the economic benefits of improved rail and wider transport connectivity are fully realised and delivered?
- Other than viability gaps, what do you see as the main barriers to accelerating densification and development in the North? In what ways are they distinct from wider national challenges and how can they be tackled?
- What has your experience been of raising investment? For example, what sources of finance have you drawn on or would you wish to draw on, what terms have been offered?
- How can local and central government help connect companies seeking growth finance in the North with the investor community?
- What measures across skills, employment and health would increase workforce participation rate in your area, particularly for young people?

- How can the impact of northern cultural institutions be maximized to attract investment to the region, and to regenerate local communities in your area?

19. The invitation for views can be accessed at: <https://www.smartsurvey.co.uk/s/NorthernGrowthViews/>. It will close on 31 July 2026. The government will then review responses with partners over the summer to strengthen the approach ahead of a further update in the autumn.

Supporting connectivity within and between city regions, including towns

The opportunity

20. More effective transport integration across the North's city regions could connect almost one million more people across the North to their city centres jobs within a 30-minute travel time – greater than the populations of Newcastle, Sheffield, Leeds or Liverpool⁶. Increasing the functional size of cities in this way has a clear productivity benefit. Research suggests that growing the effective population size of the five largest cities in the North by 40% would deliver £12 billion additional economic output per year through increased productivity⁷.

Action to date

21. The Transpennine Route Upgrade (TRU) is underway which, hand in hand with the development of NPR, will improve capacity, reliability and journey times between Manchester, Huddersfield, Leeds and York to support east-west connectivity across the Northern Growth Corridor. This will supplement the new timetable on the East Coast Mainline, which has added 60,000 extra seats each week, with new services to Bradford and reduced journey times between Leeds, London, and Newcastle.
22. The government has committed significant funding to deliver an ambitious version of NPR which includes services to Newcastle, Hull, Darlington and Chester. The Government has also committed £10.4 billion up to 2032 for northern intracity transport through the devolved Transport for City Regions (TCR) settlements, and £4.4 billion through the Road Investment Strategy, which will support:
- a) Transformative schemes such as the development of a mass transit network in West Yorkshire; improvements to the Bee

⁶ Centre for Cities, [Integrated Transport: the size of the prize for Mayors](#) (2025)

⁷ Centre for Cities, [Integrated Transport: the size of the prize for Mayors](#) (2025)

Network in Manchester; laying the groundwork for bus franchising in Liverpool City Region; renewal of South Yorkshire's Supertram network; major upgrades to public transport corridors across the North East; and improvements to rail stations, including Darlington, across Tees Valley.

- b) Major upgrades to key strategic roads such as the A66, M60 and A57.

23. This significant investment will underpin economic growth, freight reliability, and housing delivery.

Going further – next steps

24. **Northern Powerhouse Rail (NPR):** In *Northern Growth Strategy: Case for Change*, the government set out that it would provide up to £45 billion of funding to deliver NPR, and committed to working in collaboration with Mayoral Strategic Authorities (MSAs) on development for the programme. As part of that, government will be discussing local funding contributions with relevant MSAs to enhance impact in and around the route. This year, government will progress the programme business case for NPR as well as development work on early phases, taking on board the recommendations of the NAO in their recent report on the programme⁸. Joint reviews are taking place with Greater Manchester and West Yorkshire to explore options for Manchester Piccadilly and a new station in Bradford respectively, with conclusions expected later this year. A holistic plan for rail improvements at Leeds is being developed, which will unlock land around the station. Alongside work on the first phase of NPR, the government is working with North East Combined Authority (NECA) on the business case for the proposed reopening of the remainder of the Leamside Line, with the first part of this scheme (Metro extension to Washington) being taken forwards through the TCR settlement for NECA.

25. **Consolidated local transport funding:** from April, the government is providing all local leaders with consolidated, simplified, more flexible and longer-term funding. This will allow them to invest in local transport priorities aligned to local plans, and to invest in the skills to develop and deliver those plans.

⁸ NAO, DfT [Northern Powerhouse Rail](#) (2026)

NPR will transform the region's connectivity, and government will work closely with local leaders, businesses and other stakeholders to ensure those benefits are realised as quickly as possible.

- *What should the priorities for government and its partners be, through the wider Northern Growth Strategy, to make sure the economic benefits of improved rail and wider transport connectivity are fully realised and delivered?*

Increasing effective city size, density and town regeneration

The opportunity

26. For the North's cities to drive wider regional prosperity, more people and businesses need to be able to locate in and around urban centres. Denser city centres bring people closer to jobs and strategic transport links, support innovation through closer collaboration, and strengthen labour markets.
27. Different places will need different approaches: major cities need support to densify and expand, while towns need better connections and targeted investment. Unlocking the North's significant land assets, such as large brownfield sites near transport hubs, will be central to this. However, many sites across the North face viability challenges including high upfront costs, barriers from contaminated land, and other issues that keep projects from moving forward. Addressing these challenges will help realise the North's full development potential.

Action to date

28. Mayors are already using devolved powers and Integrated Settlements to drive city-centre renewal, brownfield development and town regeneration through their Local Growth Plans, supported by forthcoming Spatial Development Strategies and strengthened tools including extended Mayoral Development Orders and Development Corporations to accelerate delivery at scale. This will build upon the success of significant densification work already taken forward by councils such as Leeds and Manchester.
29. The government is backing delivery with significant national and place-based schemes, including through: Platform4, owned by Network Rail, aiming to deliver 40,000 homes on surplus rail land; targeted Homes England investment such as £55 million at Liverpool Central Docks; and delivering up to 1,300 new homes in Neepsend and Furnace Hill in Sheffield. This is alongside up to £5.8 billion through the Pride in Place Programme, providing funding for

local communities to spend in the ways they think best for their area.

Going further – next steps

30. The government is launching a City Investment Fund of new grant, loan and patient capital, with £1.7 billion going directly into hands of Mayors of the largest city regions in the North to deliver city densification at a local level, and address viability gaps. This tailored approach minimises the overall public funding needed to support the development of city centres and over time, will shift city regions towards a sustainable long-term financing model, where the proceeds of growth are reinvested at a local level.
31. City Investment Funds will bring together financing tools for five MSAs in the North: Greater Manchester, Liverpool City Region, West Yorkshire, South Yorkshire, and the North East. Mayors can blend this funding flexibly to respond to the specific viability challenges they face in their areas.
32. As part of its commitment to City Investment Funds:
 - a) The government will provide £620 million of new grant funding from the new City Densification Fund to Mayors in the North. This is the total sum that will be granted across 2026 to 2031, allocated on a per capita basis. The intention is to directly address viability gaps - a crucial tool of last resort for schemes that cannot proceed without grant funding, and where no other instrument can bridge the gap between cost and value. This new funding will be delivered via Integrated Settlements, with government and MSAs agreeing associated outcomes to be reflected in the overall outcomes framework.
 - b) Relevant northern Mayors will be able to access up to £1.1 billion of financial transactions from the new Housing Acceleration Fund. This will be devolved directly to the Mayors, to enable them to offer to finance house building in their area. Mayors will receive new subsidy to allow them to offer lower cost loans and investments, all while meeting their overall target rates of return.
 - c) The government's ambition is to make City Investment Funds self-sustaining, with Mayors able to share in the proceeds of growth through the use of recyclable funding and a commitment to further retention of business rates. The government will work with MSAs to examine how best to deliver this. The government will not make any change without local consent and no constituent authority will lose out. The goal is to provide local areas greater certainty, and see them financially benefit from the growth generated by their investments. The government will also continue to support MSAs to build the

necessary capacity and capability to deliver effectively, building on the recent uplift of around £20 million a year to Mayoral Capacity Funding across this Spending Review period.

33. City Investment Funds build on the £500 million Mayoral Revolving Growth Fund announced last year. This fund is a creative use of public finance designed to absorb early-stage risk, shift investor confidence, and crowd in private capital that would not otherwise move.
34. City Investment Funds will back a pipeline of priority projects drawn from Local Growth Plans, focused on densifying city centres and capitalising on investment around NPR stations. In the first instance:
 - a) In Greater Manchester, the government will provide £175 million of new grant funding to support Greater Manchester's Good Growth Fund, backing the Mayor's programme of city centre densification and inclusive regeneration across the Greater Manchester city region. The fund will support projects including the Victoria North development, one of the largest city centre regeneration schemes in the UK, transforming 155 hectares of brownfield land north of the city centre into a mixed-use neighbourhood of new homes, workspace and public realm, directly connected to Manchester's expanding commercial and innovation districts.
 - b) In Liverpool City Region, the government will provide £95 million of new grant funding to support Liverpool City Region's new Investment Fund, focused on densifying Liverpool's urban core and accelerating its central regeneration programme. Investment will back projects including Liverpool Central Gateway, including the wider transformation of the station quarter, alongside sites at the Knowledge Quarter, building on the Liverpool City Region's distinctive strengths in biomanufacturing and vaccines, as well as established strengths in Life Sciences and Digital and Technologies which are already attracting high-growth firms. The fund will also support housing opportunities in the north of the city, where the Mayor's proposed Mayoral Development Corporation provides the strategic framework for long-term place-based investment.
 - c) In West Yorkshire, the government will provide £145 million of new grant funding, to support the Combined Authority - working with Leeds City Council, and Bradford Council - with projects including the densification of the areas around Leeds City Station, and the new Bradford NPR station. In Leeds, investment will build on the South Bank programme, one of Europe's largest regeneration opportunities, with potential for 13,000 new homes and three million square feet of commercial space across Hunslet and Holbeck. In Bradford, the fund will support the

Southern Gateway: delivering new homes, green spaces and sustainable transport connections around one of the corridor's most significant development sites.

- d) In South Yorkshire, £85 million of new grant funding will support the Combined Authority - working with Sheffield City Council and Rotherham Council - with development of projects including the Don Valley Corridor, connecting major innovation, industry and brownfield housing sites between the Sheffield city centre Innovation Spine and Rotherham Town Centre. This will include supporting around 3,000 new city centre homes across Sheffield's new 'Moorfoot Neighbourhood' and 'Station Campus', integrated with new Grade A office space at this prime location next to the rail station, as well as bringing forward the Rotherham Gateway Innovation Campus surrounding the new NPR Rotherham Mainline station.
- e) In the North East, £120 million of new grant funding will support the North East Combined Authority - working with Newcastle City Council and Gateshead Council - including to accelerate development across Newcastle's city centre and wider urban core. For example, investment will be directed into projects within the proposed Mayoral Development Zone spanning Newcastle and Gateshead, with Gateshead Quays and Forth Yards as flagship anchors.

- 35. **Mayors and local leaders will be in the driving seat:** developing the pipeline, overseeing deployment, and reinvesting returns. Mayors will be able to work strategically with public investment bodies including the National Wealth Fund, the National Housing Bank and the Local Government Pension Scheme - already the country's largest investor in local projects. The government will work with Mayors and the private sector to develop the approach further and will set out more detail at the autumn Budget.
- 36. **Priority Projects:** MSAs will use City Investment Funds to back a series of top priority regeneration projects across the North. For each of these projects, the government will offer to assign central government sponsors, responsible for stewarding work across departments, arm's length bodies, and public financial institutions in support of local partners. This convening offer will also apply to other specific projects, including York Central and the Leamside Investment Corridor in recognition of these unique opportunities.
- 37. **DfT Land Release Toolkit:** To support growth and housing ambitions, the Department for Transport is trialling a new land release toolkit, in partnership with the Greater Manchester Combined Authority, Network Rail, and Platform4. The aim of the toolkit is to identify and unblock barriers to development around transport sites in Greater Manchester region, with the intention of

further use to unlock rail-led development opportunities by local government bodies across the North and wider country in the future.

38. **Creation of national spatial priorities:** As part of government's support offer to MSAs across the country, the National Infrastructure and Service Transformation Authority (NISTA) will work with partners in the North to identify infrastructure needs at key growth and housing sites. Using the new ALIGN spatial tool, this will create a shared evidence base and ensure these locations are reflected as national spatial priorities, helping to align public and private infrastructure investment to support delivery.

Over the coming months, government will work with Mayors and councils to identify how local and central government levers can work most effectively together to densify city centres.

- *Other than viability gaps, what do you see as the main barriers to accelerating densification and development in the North? In what ways are they distinct from wider national challenges and how can they be tackled?*

Supporting business investment and innovation

The opportunity

39. The North has significant strengths in Industrial Strategy sectors, with strategic assets and high-growth companies that anchor economic activity, good jobs, and higher incomes in the region. This ranges from research institutes, to Manchester airport, to major firms such as Nissan in Sunderland, BAE Systems in Barrow and Lancashire, and Unilever in Liverpool City Region, to mid-sized strategic businesses like Sheffield Forgemasters which play a vital role in supply chains.

40. Yet the investment opportunity this presents is not being fully realised. There are far fewer equity deals and far less equity investment in the North than London and South East, relative to its share of high-growth businesses⁹. Commentators note that this may reflect companies scaling into smaller local markets or because they are not as visible to investors concentrated in London and the South East¹⁰. To address this, the government is using public R&D and

⁹ British Business Bank, Nations and Regions Tracker, p.35 [Nations and Regions Tracker](#) (2025)

¹⁰ Stansbury, Turner, and Balls [Tackling the UK's regional economic inequality: Binding constraints and avenues for policy intervention](#). (2023)

public finance to build visible, investable clusters - creating ecosystems in which high-growth businesses can start, scale and attract private capital.

Action to date

41. The Industrial Strategy and its eight Sector Plans are tackling barriers to investment across the North, with funding available across growth sectors, including DRIVE35 and Great British Energy's £1 billion Energy Engineered in the UK programme.
42. The government is strengthening place-based innovation and access to finance through up to £500 million via the Local Innovation Partnerships Fund (with £170 million already earmarked for five northern clusters). The aim is to leverage over £340 million of private investment in the North through this investment. The government has committed £2.6 billion through the British Business Bank to support entrepreneurs wherever and whoever they are to access capital, driving the growth of smaller businesses across the UK's Nations and regions.

Going further – next steps

43. **Investing in research and innovation:** the government is investing £86 billion in Research & Development over this spending review period, a significant proportion of which will flow to the North. UK Research and Innovation (UKRI), is the UK's largest public investor in R&D. Its funding to the North has increased 50% over the last five years, with support for innovative firms doubling. Over the next four years UKRI will go further to support the North, building on this record level of investment. Its goal will be to develop a globally recognised ecosystem around northern clusters to develop the concentrations of excellence, innovation, infrastructure, and investment that have been critical to the development of the Golden Triangle around Oxford, Cambridge and London.
44. **IS-8 partnerships:** The Industrial Strategy is unashamedly place-based, focusing its efforts on the city regions and clusters with the highest potential to drive growth. Nowhere is this truer than in the North, where the government is already supporting the IS-8 sectors across the region. The government will continue to back these strengths, and will go further by building on the five Industrial Strategy opportunities which have the potential to be globally competitive, and will work in partnership with MSAs, relevant departments, universities, Public Financial Institutions, and the private sector, to turbo-charge scaling these opportunities. These five opportunities are:
 - a) **Greater Manchester global growth cluster**

- Transforming Greater Manchester into a **“global growth cluster”**, beginning with Life Sciences (Genomics Diagnostics, Advanced Therapies, IPC, Health Data), Advanced Manufacturing (Advanced Materials) and Digital & Technologies (AI, Cyber), and unlocking strategic sites via co-investment with the private sector and Greater Manchester’s £1 billion Good Growth Fund.
- As a start, Greater Manchester will deploy its **£50 million Local Innovation Partnerships Fund** award on Health Innovation and Life Science, Advanced Materials & Manufacturing and Applied AI, helping to unlock the potential of Atom Valley as well as other projects. This will be supported by significant funding from the third Road Investment Strategy to upgrade ‘Simister Island’ – reducing congestion at the M60/M62/M66 interchange to unlock Atom Valley’s potential.
- The government is investing hundreds of millions into the development of a world-class centre of digital expertise in the heart of Manchester. **Manchester Digital Campus** will bring together 8,800 civil servants and ministers to solidify Manchester’s status as a digital and AI hub, support economic growth and jobs in the area, and save the taxpayer billions through consolidating existing estate.

b) **Liverpool City Region Life Sciences and Digital & Technologies**

- The government is strengthening Liverpool City Region’s position as a leading destination for Life Sciences (Genomics, Diagnostics, Advanced Therapies, IPC, Health Data) and Digital & Technologies (AI, EngBio, Quantum), including by investing **£51 million in a state-of-the-art National Cryogenics Facility** at Sci-Tech Daresbury to enable cutting-edge cryogenic research and development, supporting the scale-up of quantum computing. This investment, subject to business case, will establish the North West as a global hub for quantum-enabling cryogenics, attracting regional investment from world-leading quantum companies, and creating more high quality jobs.
- Liverpool City Region has been selected to host the first pilot within the **Industrialising and Digitalising Construction Challenge**. This is a new **£85 million** national challenge through the R&D Mission Accelerator programme, that will see digital technology used to boost UK construction productivity.
- The government is delivering a successful pilot of the Life Sciences Large Investment Portfolio’s (LSLIP) Place First Approach in Liverpool City Region and Greater Manchester, in advance of the official launch of the scheme and opening to company applications. The approach will provide internationally competitive, bespoke support packages to land the most

promising £250 million+ Life Sciences Investment Portfolios. Liverpool City Region will deploy its **£30 million Local Innovation Partnerships Fund** award on materials chemistry, infection prevention and control, and artificial intelligence.

- c) Working with the **east coast Clean Energy Industries across the North-East, Tees Valley, York & North Yorkshire, and the Humber**, an area rich in expertise across offshore wind, Hydrogen, CCUS, and Heat Pumps, to realise the potential of this corridor. The government will work in partnership with its local leaders and businesses to attract and develop Clean Energy industries investment and infrastructure into the region. NWF will pursue further investment in port infrastructure and the clean energy sector, the Office for Investment will co-develop investment opportunities and promote them to major investors, and UKEF will support export-led growth for major manufacturers, helping sustain activity across local supply chains.
- d) Supporting **West Yorkshire's Financial Services and Professional and Business Services "Northern Square Mile"** (FinTech, Asset Management, Wholesale Services, Legal Services, Accountancy, PBS Tech) strengthening innovation in Financial Services and promoting the Northern Square Mile as a destination for global Financial Services businesses supported by the Office for Investment: Financial Services concierge service. The government is also working with local partners to densify the city centre and unlock office space through the Leeds South Bank project.
- e) Building on **South Yorkshire's strengths in Advanced Manufacturing and Defence**, the government will work with partners to remove barriers to expanding the world-class Advanced Manufacturing Innovation District through the Don Valley, and South Yorkshire Innovation Spine. The government is further backing South Yorkshire through its Defence Growth Deal and is **confirming £50 million of investment** which will leverage South Yorkshire's existing industrial base, skills ecosystem, and connectivity, to further bolster the defence collaboration around the world-leading Advanced Manufacturing Research Centre. The deal will focus on meeting the growing demand for sovereign capabilities in steel, metal, and composite production. This will help the UK build the next fleet of submarines and develop other key defence infrastructure and capabilities to strengthen national security and industrial resilience.

45. **British Business Bank:** To supercharge clusters in the North, the British Business Bank – based itself in Sheffield – will be investing

more capital through the existing Nations and Regions Investment Funds into innovative, high-growth businesses, bringing their total additional investment into Northern clusters to more than £150 million. This will be backed by strengthened local growth network that the Bank is developing, which will leverage deep knowledge of the regions and devolved nations and senior connections to bring high-growth businesses and investors together, helping create thriving financing ecosystems clusters across the country.

46. **Business community:** As part of the government's commitment to back the best companies to start, scale, and stay in the UK, the government will work with companies in the North that reflect the region's unique strengths. To complement the investment in clusters, government will explore with MSAs and local stakeholders how these companies can best be supported and how thriving business ecosystems can be developed.
47. **Mid-sized businesses** are central to the North's economic strength, underpinning supply chains across priority IS8 sectors such as defence, life sciences, and energy, and demonstrating significant ambition to scale. Building on the north's strengths of world class clusters, deep industrial capability, and a strong base of ambitious firms — we will explore how best to support these companies and look to establish a community of high growth businesses from across the North to help realise their full potential.
48. **Northern Investment Prospectus:** The government is committed to working with leaders in the North to unlock strategic opportunities and attract private investment into the region. As part of this the government - through the Office for Investment - is partnering with northern stakeholders to support development of a northern investment prospectus, which will be launched by northern Mayors at the first Great North Investment Summit in May.

Given the continued gaps in access to finance, in particular equity finance, for start-up and scaling firms in the North, the government is interested in understanding firms experience of raising investment.

- *What has your experience been of raising investment? For example, what sources of finance have you drawn on or would you wish to draw on, what terms have been offered?*
- *How can local and central government help connect companies seeking growth finance in the North with the investor community?*

Investing in skills and human capital

The opportunity

49. Increasing skills is central to driving inclusive economic growth, improving living standards, and tackling inequality. With skills explaining between 40% and 60% of the variation in wages across different areas of England¹¹, it is important to take a place-by-place approach to developing the skills needed by local job markets.
50. To fully realise the opportunities across the Northern Growth Corridor and in the North East, more accessible, flexible training - tailored to each area - could help alleviate persistent skills gaps, including in IS-8 sectors. Some large northern cities already retain high levels of talent, with Leeds, Liverpool and Manchester seeing between 66% and 76% of graduates from the area staying in the city to start their careers¹². Giving local areas greater flexibility and more tools to attract and grow businesses that create higher paid jobs will help draw skills from a wider base and support a dynamic northern and UK economy.

Action to date

51. Devolution is strengthening local leadership on skills and employment, with Mayors across the North receiving over £350 million a year through the Adult Skills Fund, and a more formal role in Local Skills Improvement Plans. This will strengthen the role of MSAs, to align regional and national policy and delivery on skills.
52. The government is supporting people into work and building future talent through devolved employment support, including Connect to Work, Get Britain Working trailblazers across the North. It is also reforming the Growth and Skills Levy to support 50,000 more young people in apprenticeships, backed by a £140 million brokerage pilot to link young people to local opportunities.

Going further – next steps

53. Given different labour markets exist in different places, the government recognises that close partnership with leaders and partners in the North will need to continue if we are to achieve the potential for improving labour market participation, improving skills, and retaining more graduates.
54. **Co-design of employment support programmes:** The government remains committed to co-designing nationally-led employment

¹¹ Resolution Foundation, [The power of place: The role of place in driving regional pay inequalities](#) (2025)

¹²ONS, [Exploring educational attainment and internal migration, within English Travel to Work Areas: 2002 to 2019](#) (2023)

support programmes with MSAs, to allow people across the North to access high quality jobs and skills training. The Department for Work and Pensions is also considering additional roles for MSAs as part of the governance structures for non-Jobcentre employment support programmes, enabling them to directly influence the running of programmes in their areas.

55. **Higher Education Offer:** The Department for Education will shortly launch a consultation on degree break points, as confirmed in the Skills White Paper. Flexible provision in higher level learning is critical for enabling lifelong learning, and there is potential for MSAs to play a role in testing new approaches to fill skills gaps locally.
56. **Learning from currently devolved programmes:** The government is collaborating with a range of local delivery partners, including MSAs, Integrated Care Boards and Local Authorities to build a full picture of the impact local areas and Mayors can play in delivering employment support. This will be done through full evaluations of Greater Manchester's Prevention Demonstrator, the Health and Growth Accelerators, the Trailblazers, Connect to Work and WorkWell.

The government will work with local and regional businesses, alongside Mayors and councils, to identify the extent of further skills gaps, and seek to direct interventions to best meet them, growing the workforce and supporting our Industrial Strategy Growth sectors

- What measures across skills, employment and health would increase workforce participation rate in your area, particularly for young people?

Enriching culture

The opportunity

57. Cultural institutions and major events are a pull-factor for place-making and a catalyst for growth, as well as projecting the UK's global soft power. Major sporting events and institutions can leverage significant investment into local communities and catalyse regeneration whilst strengthening the identity and pride of places across the North.
58. There is a strong crossover between creative practice and high-value sectors such as digital technologies, advanced manufacturing, clean energy and health innovation. Research also shows that creative

clusters drive spill-over innovation, support start-ups and strengthen the resilience of local economies¹³.

Action to date

59. The government has already taken steps to back cultural and creative potential in the North, including the recently announced BRIT School North in Bradford, which will create new pathways into the creative industries for young people across the region.
60. Other cultural institutions like Tate Liverpool and The Lowry have demonstrated how the arts and leisure industries can drive growth and anchor regeneration. In Salford, the Quays development has seen employment in the creative and digital sector grow 142% since 2010 and the number of digital and creative industries has grown by 70%¹⁴. In 2024/25, the North West, North East and Yorkshire and Humber received over £200 million in Arts Council England grants and the government invested £150 million across six mayoral regions, four of which are in the North, to grow their creative industries.

Going further – next steps

61. The government is helping to deliver an ambitious pipeline of sporting events outside of London and the South East, notably UEFA Euro 2028. Manchester, Liverpool and Newcastle will be host cities for a tournament that will deliver £3.2 billion of socio-economic benefits across the country¹⁵. The Grand Départ for the Tour de France and the Tour de France Femmes in 2027 will also be coming to the North, travelling through Liverpool, Leeds, Manchester and Sheffield and the outstanding Lake District and Peak District national parks.
62. The government will also be publishing a visitor economy growth plan in the spring with a focus on driving regional growth, creating opportunity and building community pride around the country.

¹³ RSA, [Creative corridors: connecting clusters to unleash potential](#) (2024)

¹⁴ KPMG, [An assessment of the economic impact of the BBC](#) (2021)

¹⁵ DCMS, [Prime Minister teams up with England international to show economic benefits of hosting UEFA EURO 2028](#) (2025)

Over the coming months, government will work with local leaders and cultural organisations to explore how investment, governance and major events can be better aligned with regeneration and growth objectives, ensuring culture plays a full role in northern growth.

- *How can we maximise the impact of northern cultural institutions to attract investment to the region, and to regenerate local communities in your area?*

Future devolution

The opportunity

63. Overly centralised decision-making, short-term funding settlements and fragmented responsibilities have limited the ability of places to plan, invest and deliver growth at scale. Evidence from within the UK and from international comparators shows that empowered city regions with stable funding, clear responsibilities and fiscal flexibility are better able to align investment with local priorities, respond to economic opportunities and sustain productivity growth over time¹⁶.

Action to date

64. The government has accelerated deepening and broadening devolution, with Integrated Settlements rolled out to more MSAs, including at least £9 billion of funding from 2026-27 to 2029-30 for Greater Manchester, Liverpool City Region, West Yorkshire, North East and South Yorkshire Strategic Authorities.
65. The government is also strengthening Mayoral powers and capacity, placing the devolution framework on a statutory footing, introducing new local revenue-raising powers such as a visitor levy, and increasing Mayoral Capacity Funding to support effective delivery. The government will work with strategic authorities to ensure they have the capacity and capability needed to deliver effectively, including through targeted secondment opportunities, improved understanding of skills gaps, and creating fora to share best practice between central and regional.

Going further – next steps

66. **Roadmap for future fiscal devolution:** as confirmed by the Chancellor on the 17 March, the government will work with mayors, businesses and other key stakeholders to develop a roadmap for

¹⁶ OECD, [Enhancing Productivity in UK Core Cities](#) (2020)

Centre for Cities, [Urban productivity, local government and the levelling up agenda](#) (2021)

future fiscal devolution. This will set out plans to give regional leaders control of how they allocate a share of some national taxes that for too long have been allocated by central government, looking at income tax alongside other taxes.

67. This work will be guided by four key principles, to ensure that government is achieving its objectives of providing mayors with the long-term certainty that they need to invest in the foundations of growth in a way that is practical and responsible. These principles are:
- a) **Empowerment:** ensure that any progress on fiscal devolution is designed in a way which provides Mayors with the certainty and flexibility to back the investments that drive growth. They should be able to share in the rewards, benefitting from additional revenue brought in by new jobs, housing and businesses.
 - b) **Accountability:** set up clear lines of accountability to accompany any new devolution, putting in place transparent outcomes and robust assurance, so taxpayers can see what is being delivered with their money, and so local leaders are held to account for results.
 - c) **Sustainability:** This will begin on a fiscally neutral basis. This means that where areas receive a share of tax revenues, government will reduce grant funding accordingly, so this is a rebalancing of how we fund public services and investment, not an additional burden on the public finances. The government will also take the right approach to “gain share”, so areas have strong incentives to grow their economies while risks – such as revenue volatility – are managed sensibly for both local areas and the Exchequer. The government will be guided by ensuring our approach is fiscally responsible, including to implement the reforms in a phased and targeted way, and by having adequate safeguards in place to manage risk.
 - d) **Fairness:** This is not about new or additional taxation and will not involve consideration of devolving powers over rates or thresholds. It is about sharing and retaining a portion of existing revenues more directly, with equalisation built in where necessary, so that growth is rewarded without asking taxpayers to pay more.
68. Any reforms must be operationally deliverable for both regional government, taxpayers and the Exchequer. That will mean targeting and testing reforms in the first instance at those places which not only have the potential to benefit from these new flexibilities but are ready and equipped to do.

69. **Business Rates Retention (BRR):** alongside developing a roadmap for further fiscal devolution, government will explore how Business Rates Retention can support the long-term sustainability of the City Investment Funds, reaffirming the commitment made in the Local Government Finance Settlement to explore how the BRR system can more consistently support MSAs in driving growth. Options being considered include allocating MSAs a direct share of business rates, building on Local Growth Plans, and allowing more tax to be spent where it is raised and providing Mayors with a share of regional growth. The government has begun engagement with MSAs to co-develop an offer, including considering how this could work in place of existing grant such as Investment Funds and Mayoral Capacity Funding. No changes will be made to grants without local consent.
70. **Business Rate Retention Zones:** In November 2025, the government invited MSAs across the country to develop propositions for BRR Zones, building on the previously announced Leeds City Fund in West Yorkshire. Following this, MSAs have submitted proposals setting out the role these zones could play in driving local growth, for example by supporting city centre regeneration, unlocking commercial development and accelerating investment in priority sectors. The government will progress to a phase of co-development with local partners and final decisions on which proposals proceed will be taken at autumn Budget.
71. In addition to substantial work on fiscal devolution and BRR, government is also reaffirming its commitment to the principles of devolved delivery set out in the English Devolution White Paper. To achieve these objectives, the government will:
- a) Launch the first multi-year Integrated Settlements across the Northern Growth Corridor and North East from April, with Mayors set free to deliver for their residents with new delivery flexibilities. The government has worked in partnership with the Mayors to agree the transformative change they will deliver over the next three years. By March 2029, across the five northern MSAs, the Integrated Settlement will result in:
- Capacity for 12,000 new homes on otherwise unviable sites, with around 4,600 of these started
 - 2,800 businesses with improved productivity
 - 4,000 new jobs created in local priority sectors
 - 163,000 square meters of new commercial floorspace
 - Over 215,000 new skills qualifications
72. The government will explore expanding the functions and funding devolved through the Integrated Settlement and review its design

ahead of the next Spending Review to ensure it remains fit for purpose, with a view to ensuring established MSAs have appropriate policy and delivery flexibility to achieve regional outcomes.

73. **Right to Request:** for established MSAs, government has introduced the 'Right to Request' process, allowing Mayors to request further devolution of powers from central government to be added to the devolution framework. The first Right to Request 'window' opened in November 2025 and government is continuing to consider these requests ahead of responding to all MSAs by May 2026. The government will put the right to request process on a statutory footing via the English Devolution and Community Empowerment Bill, affirming its view that the devolution framework set out in the English Devolution White Paper should be the floor, not the ceiling of our ambition for English Devolution.

Over the coming months, the government will engage with Mayors and businesses, and other key stakeholders to develop our roadmap for future fiscal devolution.

Chapter 4

Accelerating local growth across the North

74. The *Northern Growth Strategy: Case for Change* set out the economic potential of the Northern Growth Corridor across Liverpool, Manchester, Sheffield, Leeds/Bradford, and York, and the significant potential that exists in the North East. In this chapter, the government has invited these areas to set out their strengths - from their industrial sectors and assets, to the characteristics that define their regions - alongside profiling the role of their region in driving growth. By setting out initial steps in priority areas, each of these spotlights shows how joint action will deliver tangible and visible benefits on the ground.¹⁷

Spotlight on Greater Manchester

Regional overview

75. Greater Manchester has a £100 billion economy with an Integrated Pipeline and Good Growth Fund designed to attract £10 billion in investment over the next decade. Following a decade of growth, Greater Manchester has become the UK's fastest-growing city region since 2015.

76. The region is home to clusters in sectors including Professional and Business Services, Digital and Technologies, Cyber and AI, and low carbon industries. It is home to a major Creative Industries cluster, underpinned by MediaCityUK. Strengths in Advanced Manufacturing and materials are boosted by Greater Manchester's Industrial Strategy Zone, while the Oxford Road Corridor is home to a well-established and globally significant life sciences cluster and will soon host the headquarters of UK Biobank.

77. The region's universities host more than 125,000 students with the University of Manchester 5th in the UK for the scale and quality of its research.

¹⁷ All estimates in this section provided by Mayoral Strategic Authorities.

Regional profile and future ambition

78. The Greater Manchester Strategy aims to build on recent growth and use flexibilities from devolution to realise growth opportunities and address barriers across the region. Key priorities include:
- a) **Enhanced connectivity:** Expand the Bee Network to increase effective city size and link towns into city growth, opening up housing and employment growth. Work is under way to consider integration of commuter rail lines into the network, supported by a £2.5 billion TCR settlement.
 - b) **Unlocking regeneration:** *Places for Everyone* joint development plan, including Atom Valley, Victoria North, Holt Town, Salford Quays and Old Trafford regeneration will deliver 175,000 homes and 5,000,000 sqm of commercial space by 2039.
 - c) **Strengthening business and innovation:** Deliver the Sustainable Materials and Manufacturing Centre (SMMC), led by the University of Manchester, as the first major new development in Atom Valley alongside integrated business support and innovation.
 - d) **Investing in people and skills:** Develop clear paths into high quality jobs, working with employers on technical education and advanced occupation-specific skills, including the development of the Greater Manchester Baccalaureate (MBACC), and responsive further education and progression to support the skills.
 - e) **Boosting the visitor economy:** Increase the impact of the visitor economy to £15 billion, including through the growth of Manchester Airport and the Old Trafford Regeneration project, where there are plans for 15,000 new homes and a new leisure and business destination, and a new 100,000-seat football stadium.
 - f) **Driving growth through devolution:** Work in partnership with government to enhance and maximise the impact of devolved powers, both in the existing English Devolution Framework and via Right to Request process set out in the English Devolution and Community Empowerment Bill.

Initial steps in priority policy areas

79. Greater Manchester Combined Authority (GMCA) and constituent Local Authorities will continue to invest in key opportunities and growth locations.
80. **Transport and connectivity:** Liverpool–Manchester Rail (as part of Northern Powerhouse Rail Phase 2), investment in Manchester

Picadilly as a regional and national asset, and extending the role of Manchester Airport to realise the region's growth potential. The £2.5 billion TCR settlement will advance the Bee Network, including new stations and integration of commuter rail.

81. **Housing:** Major investment and regeneration will help deliver 175,000 new homes across key locations, coupled with investment in transport, including Northern Powerhouse Rail, this will drive up the effective city size of Manchester.
82. **Business and innovation:** Deliver 5,000,000 sqm of employment space, at least £30m from the Local Innovation Partnerships Fund, the Greater Manchester Industrial Strategy Zone, and public investment through the Good Growth Fund with an initial investment pot exceeding £1 billion.
83. **Visitor economy:** The Overnight Visitor Levy will enable further investment to boost the visitor economy and cultural offer, which already contributes approximately £9 billion per year and supports over 100,000 jobs.
84. **Growth locations:** 6 growth location across Greater Manchester will ensure that economic growth lifts all of Greater Manchester's people and places:
 - a. Western Gateway – linking New Carrington to centres, Old Trafford and Port Salford, and emerging green energy cluster.
 - b. North East Growth Corridor – including Atom Valley.
 - c. Airport and Southern Growth Corridor – building on Manchester Airport, Northern Powerhouse Rail links, and MIX Manchester for Life Sciences and Tech, plus Stockport and Wythenshawe regeneration.
 - d. Central Growth Cluster – expanding Manchester city centre, with innovation hubs near Manchester Piccadilly and Northern Powerhouse Rail.
 - e. NorthFold – regenerating Bolton and Wigan centres, with new homes and a Health Innovation Campus at Royal Bolton Hospital.
 - f. Eastern Growth Cluster – driving regeneration in Ashton Mayoral Development Zone and towns along the Manchester corridor.

Spotlight on Liverpool City Region

Regional overview

85. Liverpool City Region has a £43 billion economy with significant headroom for further growth, supported by an £11 billion investment pipeline. It is the UK's main western gateway with global reach, with the Port of Liverpool handling almost half of UK transatlantic trade.
86. The region has an innovation ecosystem with distinctive specialisms rooted in clusters and strengths in Health and Life Sciences, Digital and Tech, Advanced Manufacturing, Creative Industries, and Clean Energy, backed by Professional Services, a vibrant Visitor Economy, and a major Maritime sector.
87. Liverpool City Region benefits from outstanding universities and nationally significant assets like Knowledge Quarter Liverpool and Sci-Tech Daresbury, as well as excellent transport links, diverse housing, and a cultural offer that attracts over 60 million visitors a year.

Regional profile and future ambition

88. The 10-year Liverpool City Region Growth Plan aims to add £10 billion to the economy, built around a clear Productivity Mission. Key priorities include:
- a) **Better connectivity:** New strategic transport corridors, expansion of the rail network, which could be enabled by ambitions for Liverpool Central that are currently under consideration, and a £1.6 billion Transport for City Regions (TCR) settlement to unlock jobs, regeneration, and opportunities.
 - b) **Faster regeneration:** A Housing Investment Fund and devolved tools including a Mayoral Development Corporation for Liverpool North Docks, enabling more than 17,000 homes and 5 million sq. ft. of commercial space.
 - c) **Boosting business and innovation:** Creating an integrated business support and innovation system, including a Scale Up programme, and expanding innovation strengths and specialisms in Life Sciences and Digital via regional and national partnerships.
 - d) **Building skills for future growth:** Local Skills Improvement Plan (LSIP 2.0), targeted programmes in technical and soft skills, and a Liverpool City Region Pathway and Access to Opportunities Framework to enable local talent.
 - e) **Growing the visitor economy:** Leveraging the region's cultural reputation and introducing an Overnight Visitor Levy, supporting the £6.25 billion visitor economy.

- f) **Driving growth through devolution:** Work in partnership with government to enhance and maximise the impact of devolved powers, both in the existing English Devolution Framework and via Right to Request process set out in the English Devolution and Community Empowerment Bill.

Initial steps in priority policy areas

89. Liverpool City Region is creating an integrated investment environment through its £2 billion Investment Fund that will further accelerate growth, unlock major developments, and leverage private and institutional investment.
90. **Supporting better connectivity:** Liverpool–Manchester Rail (as part of Northern Powerhouse Rail Phase 2) and the potential redevelopment of Liverpool Central (part of a government pilot for place-based business cases), if taken forwards, could support thousands of jobs and deliver major regeneration benefits for projects like Liverpool North Docks. The £1.6 billion TCR settlement will support new rail stations, greener buses and further ambitions for improved transport connectivity within the city region.
91. **Housing:** £700 million indicative spend from the Social and Affordable Homes Programme will support more affordable homes, alongside £101 million from the National Housing Delivery Fund. Combined with transport investment and Housing Investment Fund, this will open harder to develop sites and connect new housing to jobs.
92. **Business and innovation:** targeted investments include Liverpool City Region’s Seed Fund, Tech Accelerator, and Commercialisation Vehicle (Lyva Labs) to drive business innovation and growth. Furthermore, Liverpool City Region will deliver across other important initiatives, including:
- The Industrial Strategy Zone.
 - £30 million Local Innovation Partnerships Fund.
 - New Professional and Business Services Hub.
 - £25 million Creative Places Growth Fund.
93. **People and skills:** Youth Guarantee Trailblazer pioneering innovative ways to support young people, Skills Bootcamps and tailored projects will support future focused training, and Liverpool City Region’s Office for Public Service Innovation will help transform how services are delivered.
94. **Visitor economy:** The Overnight Visitor Levy will be reinvested in Liverpool City Region’s economy, supporting culture-led regeneration, public spaces and infrastructure.

Spotlight on the North East

Regional overview

95. The North East has a dynamic £54 billion economy, underpinned by a £14 billion investment pipeline and a commitment to connecting residents across the region to opportunity.
96. The region plays a leading role in Clean Energy – particularly offshore wind – and Advanced Manufacturing. It is home to the fastest-growing Creative Industries cluster, Life Sciences and Digital and Technologies businesses, and the UK's first AI Growth Zone, and has a strong defence, security and space sector. Innovation clusters, including at the Helix in Newcastle city centre, are the home of business-led Research & Development centres, alongside national innovation assets such as the National Innovation Centre for Data.
97. Strategically located and benefiting from deep-water ports at Blyth, Tyne, and Sunderland which, together with Newcastle International Airport, enhance the region's economic reach and impact. The North East has four universities and the primary innovation capabilities of the Offshore Renewable Energy Catapult. Leading businesses include Sage Group Plc, Grainger Plc, Atom Bank, Nissan UK and Siemens Energy.

Regional profile and future ambition

98. The Mayor's 10-year North East Local Growth Plan aims to add £13 billion to the economy, with delivery built around five missions to: create a growing and vibrant economy; be at the forefront of investment in green energy; further enhance international trade and foreign direct investment; support opportunity and skills; and deliver more housing and improved transport connectivity.
99. Key priorities aligned to the Northern Growth Strategy include:
- a) **Improving connectivity:** Extend the Tyne & Wear Metro to Washington, deliver a £1.8 billion TCR settlement, and expand the capacity of the A19 to unlock jobs, opportunities, and services across the region, whilst ensuring that public transport is affordable.
 - b) **Unlocking regeneration:** With Mayoral Development Zones in Durham, Newcastle and Gateshead, and Sunderland to deliver over 4,000 homes, alongside investment in commercial and cultural development.
 - c) **Strengthening growth and innovation:** Increase business investment and the ability of businesses to start and grow, including through the new £70 million North East Fund, whilst unlocking the potential of the new AI Growth Zone to create 5,000 jobs and attract £30 billion of investment.

- d) **Investing in people and skills:** Roll out a New Deal for North East Workers to develop skills and to help residents find good quality jobs and build a career in the region.
- e) **Boosting the Creative Industries and Visitor economy:** With investment in new cultural projects, including film studios in Sunderland, the Centre for Writing, and a world-class arena at Gateshead Quays.
- f) **Driving growth through devolution:** Work in partnership with government to enhance and maximise the impact of devolved powers, both in the existing English Devolution Framework and via Right to Request process set out in the English Devolution and Community Empowerment Bill.

Initial steps in priority policy areas

100. The North East Mayoral Combined Authority will continue to deliver their Local Growth Plan, supporting investment in:
- a) **Transport and connectivity:** Extending the Tyne & Wear Metro to Washington, considering the business case for re-opening the remainder of the Leamside Line alongside development of phase 1 of Northern Powerhouse Rail, expanding the capacity of the A19, and the £1.8 billion TCR settlement, supporting major regeneration, better access to jobs and opportunities, alongside keeping fares low.
 - b) **Housing:** £143 million funding from National Housing Delivery Fund and £120 million from Homes England for Forth Yards in Newcastle will bring forward over 4,000 homes across the centres of Durham, Newcastle & Gateshead – both set to directly benefit from Northern Powerhouse Rail’s onward services – and Sunderland, as part of a wider housebuilding programme.
 - c) **Business and innovation** - Key programmes include:
 - Investment in city centres with three new Mayoral Development Zones – including cultural and housing development in Riverside Sunderland; a new innovation district at Aykley Heads adjacent to Durham station; and investments in the Newcastle Gateshead urban core.
 - The £160 million North East Industrial Strategy Zone, alongside £70 million investment in funding for business growth and at least £30 million of investment from the Local Innovation Partnerships Fund.
 - d) **People and skills:** Roll out a New Deal for North East Workers to ensure that people of all ages and backgrounds can develop their skills, find good quality, well-paid jobs, and build a career in the region.

- e) **Creative industries and Visitor economy:** Over £100 million of investment from the Combined Authority to support the first phase of investment at Crown Works Studios, preparatory works for an Arena at Gateshead Quays, and growth of the wider creative industries. An Overnight Visitor Levy would enable further investment to boost the visitor economy and cultural offer in the North East, accounting for over 91,000 jobs and £2.2 billion of GVA.
- f) **Green jobs:** The Combined Authority has recently announced £19.5 million of new investment into offshore wind infrastructure and innovation. This follows the launch of NE Ports, a collaboration between the Ports of Blyth, Tyne and Sunderland, and Newcastle International Airport.

Spotlight on South Yorkshire

Regional overview

101. South Yorkshire is a gateway to the North with a £40 billion economy and a Growth pipeline that seeks to add a further £8 billion.
102. The region is contributing to growth and security with strengths in Advanced Manufacturing, Life Sciences, Clean Energy Industries and Defence, and growing strengths in the deep tech and Creative Industries. Two universities and further-education support deep pools of talent in a world-leading innovation ecosystem, including the Advanced Manufacturing Research Centre, with the region home to companies such as Boeing, ITM Power, McLaren, Rolls-Royce and Sheffield Forgemasters.

Regional profile and future ambition

103. The 10-year South Yorkshire Growth Plan aims to drive a bigger, better economy. Key priorities include:
- a) **Improved connectivity:** Phases 1 and 3 of Northern Powerhouse Rail alongside the new Rotherham Gateway Station, the £1.5 billion TCR settlement, and South Yorkshire's Light Rail Expansion Programme, enabling over 12,000 new jobs, and over 16,000 homes.
 - b) **Strengthening regeneration and urban centres:** Support housing growth and densification in urban centres including 20,000 new homes in Sheffield city centre, iconic sites such as Moorfoot and the Station Quarter, and Doncaster's Waterfront and Bassingthorpe Farm in Rotherham.
 - c) **Business investment and innovation:** World-leading translational research strengths – exemplified by the Advanced Manufacturing Research Centre – to drive productivity, create more jobs, and raise wages in nationally significant sectors. Expansion of the tech economy, which has grown from £320 million to £3.3 billion over the past decade, supported by a pipeline of startups and scaleups following the success of established companies such as Sumo Digital, Plusnet and Twinkl.
 - d) **Building skills for future growth:** South Yorkshire's flagship Pathways to Work programme to support 10,000 economically inactive people into work, providing access to work and a labour force for growing companies.
 - e) **Enriching culture:** Enhance South Yorkshire's growing £3.7 billion visitor economy, invest in flagship cultural institutions

such as the Crucible Theatre, while nurturing grassroots creativity and supporting local leisure infrastructure.

- f) **Driving growth through devolution:** Work in partnership with government to enhance and maximise the impact of devolved powers, both in the existing English Devolution Framework and via Right to Request process set out in the English Devolution and Community Empowerment Bill.

Initial steps in priority policy areas

104. South Yorkshire Mayoral Combined Authority will develop a bigger, better economy through creating the conditions for business growth and greater opportunity:
- a) **Don Valley:** Stretching from Sheffield City Centre (served by Northern Powerhouse Rail) to Rotherham town centre, the Don Valley is an established globally significant innovation district combining four adjacent innovation campuses and home to 30 cutting edge R&D facilities, alongside recognised industry leaders including Boeing, Rolls Royce, McLaren Automotive, Boeing, NIKKEN & Canon Medical. Development will unlock more than 10,000 new homes and nearly 20,000 new jobs.
 - b) **Barnsley Tech Town:** Tech Town status will position Barnsley as the UK's trailblazer, acting as a national blueprint for how AI can improve everyday life. It will deliver on the town's ambitions to put AI to work in overhauling public services and business, backed by leading firms such as Microsoft, Cisco, Adobe and Google. This will include helping increase AI adoption through expanding the Seam Digital Campus.
 - c) **South Yorkshire Airport City:** A nationally significant strategic site on national road and rail freight networks that will drive inward investment, building out from the Don Valley's globally recognised strengths in advanced manufacturing applied to sustainable aviation, sustainable manufacture and additive renewal, maintenance and overhaul. It will unlock thousands of new jobs across aviation, logistics, advanced manufacturing and related sectors, alongside delivery of 1,200 new homes.
 - d) **Pathways to Work:** A pioneering approach to tackling economic inactivity providing a comprehensive support system designed in South Yorkshire for the people of South Yorkshire. SYMCA, local councils, the NHS, employers, and the voluntary sector are coming together to develop a single, joined-up support offer for residents to move into employment, stay in work, or progress in their careers.
 - e) **An integrated transport system:** A new transport vision centred on creating an integrated public transport system across rail,

tram and bus to improve onward travel and links to Northern Powerhouse Rail. £1.5 billion Transport for City Region funding will help deliver this ambition with funding for the new Rotherham Gateway Station, the move to a franchised bus network, the renewal of Supertram assets and South Yorkshire's Light Rail Expansion Programme.

Spotlight on West Yorkshire

Regional overview

105. West Yorkshire has £74 billion economy, supported by a pipeline worth tens of billions of pounds. It is the fourth largest urban area in the country with a workforce of over 1.1 million people, a high rate of fast-growing businesses, and seven universities producing 38,000 graduates every year.
106. The region has clusters in Advanced Manufacturing, Health and Life Sciences, Digital and Technologies, Creative Industries, and Financial Services, Professional and Business Services. Strengths are built around key assets like the Northern Square Mile in Leeds, the 3M Buckley Innovation Centre, the Leeds Institute for Data Analytics, the National Pathology Imaging Centre, and the Bragg Centre for Material Science.

Regional profile and future ambition

107. The 10-year West Yorkshire Growth Plan aims to add £26 billion to the economy, with a whole-system mission led approach to driving growth. Key priorities include:
- a) **Enhanced connectivity:** Mass Transit, strengthen corridors to neighbouring regions including through Northern Powerhouse Rail, major station investments at Leeds and Bradford, and a £2.1 billion TCR settlement.
 - b) **Densifying and growing:** Densify urban and economic centres with over 10,000 new homes per year, including transformational projects at Bradford City village and Leeds South Bank.
 - c) **Supporting innovation and investment:** Local Innovation Partnership Fund to accelerate innovation adoption and diffusion, with the Local Growth Plan supporting 6 high-growth clusters.
 - d) **Learning and Creativity:** Ensure everyone can access the qualifications, skills and employment support to secure well-paid work. Investment in skills and ensuring a pipeline of skilled residents to support key growth sectors.
 - e) **Increasing access to culture:** Invest in national assets including the Royal Armouries Museum, catalyse regeneration, and support and retain 54,000 local jobs. Unleash the economic potential of creatives industries through Great North Creative.
 - f) **Driving growth through devolution:** Work in partnership with government to enhance and maximise the impact of devolved powers, both in the existing English Devolution Framework and via Right to Request process set out in the English Devolution and Community Empowerment Bill.

Initial steps in priority policy areas

108. West Yorkshire Combined Authority will continue to develop an attractive environment for investment which leverages private and institutional funds into major economic projects across our corridors of opportunity:

- a) **Transport and connectivity:** West Yorkshire Mass Transit will transform how people move across the region and, alongside Phases 1 and 3 of Northern Powerhouse Rail and the £11.5 billion TransPennine Route Upgrade to boost connectivity to neighbouring regions, and attract investment and support regeneration, including at Bradford Southern Gateway.
- b) **Housing:** £1 billion indicative spend from the Social and Affordable Homes Programme, and the £110 million Brownfield Housing Fund, will unlock over 6,000 homes within the region. Transformational projects in Bradford and Leeds will benefit from close proximity to Northern Powerhouse Rail.
- c) **Business and innovation** - Key programmes include:
 - At least £30 million Local Innovation Partnerships Fund.
 - The West Yorkshire Industrial Strategy Zone.
 - Investment Fund.
 - Mayoral Revolving Growth Fund.
 - Local Growth Fund.
- d) **People and skills:** The West Yorkshire Skills Strategy is delivering a 'Region of Learning and Creativity' framework to simplify the skills system, boost apprenticeships by 50% by 2035, upskill workers, and address recruitment challenges in key sectors.
- e) **Visitor economy:** With a visitor economy standing at £6.26 billion, the ability to introduce an Overnight Visitor Levy will provide funding and flexibility to invest in economic growth and the region's growth priorities.

Spotlight on York and North Yorkshire

Regional overview

109. York and North Yorkshire has a £28 billion economy supported by a £5-7 billion investment pipeline, with potential for more, in a region with internationally renowned heritage.
110. The region has strengths and growth opportunities driven by innovation in Food and Farming Innovation, Engineering Biology supported by cross-boundary clusters in Tees Valley, and Rail Innovation. The region's strong ecosystem includes three universities and leading institutions such as the National Agri-tech Centre HQ.

Regional profile and future ambition

111. The 10-year York and North Yorkshire Growth Plan aims to increase GDP by 28%, adding nearly £9 billion to the UK economy, built around transformative growth for the region. Key priorities include:
- a) **Enhance connectivity:** Over £100 million per annum transport funding to support growth, faster and more frequent rail services to and from York and build on new links to Northern Powerhouse Rail and York's central position on the East Coast Main Line.
 - b) **Regeneration and city size:** Accelerate and unlock commercial development and housing including Selby Growth Zone, Scarborough regeneration, York Central, and Town Investment Plans, accelerating ambitions for 60,000 homes over the next 10 years, with 28,000 homes across 49 sites which are already allocated with Local Plans, or have planning permission.
 - c) **Boosting business and innovation:** Prioritise innovation; acceleration and commercialisation; investor-readiness; cluster development; enhancing productivity; and export through the Local Growth Fund, and build on the Business Innovation Fund and development of an Innovation Strategy to drive coordination and leadership.
 - d) **Investing in skills:** Aligning skills provision to the needs of competitive advantage sectors through the Local Growth Fund and £180 million of skills funding over the next 10 years.
 - e) **Culture and heritage:** Leverage key assets including York's heritage and designation as a UNESCO City of Media Arts status and the Fountains Abbey World Heritage Site, building on the region's vibrant and successful visitor economy, which in 2024 attracted 42 million visitors, generating a total estimated economic impact of £6.2 billion.

- f) **Future devolution:** Increasing access to powers through devolution and seeking Established status.

Initial steps in priority policy areas

112. Supported by government, York and North Yorkshire Combined Authority will deliver the region's Local Growth Plan to bring major benefits for the region:

- a) **Transport and connectivity:** Northern Powerhouse Rail will deliver £45 billion of Transpennine rail improvements, with Phase 1 constructing upgrades and installing electrification of lines east of the Pennines, which will improve connections from York and North Yorkshire to Leeds and the wider Northern Growth Corridor. Alongside York and North Yorkshire's ambitious programme of transport investment, this will deliver growth across the region, connecting people to opportunity and getting them to where they need and want to go.
- b) **Housing:** The £16.7 million Brownfield Housing Fund and Mayoral Investment Fund are currently set to deliver over 1,100 new homes on 17 sites across York and North Yorkshire, with an additional £7.3 million allocated in November 2025 to accelerate affordable delivery. Additional funding, including the Local Growth Fund, will help scale delivery further and contribute to major regeneration and housing opportunities.
- c) **Business and innovation** - Key programmes include:
- £40 million Local Growth Fund.
 - Selby Growth Zone.
 - Mayoral Investment Fund, supporting a Skills Innovation Fund and a Business Innovation Fund.
- d) **People and skills:** The Local Growth Fund and the Mayoral Investment Fund's Skills Innovation Fund will realign provision to growth priorities and new consortium models from providers. The Adult Skills Fund and trailblazer activity will unlock barriers to work, particularly for those with ill health.
- e) **Visitor economy:** An Overnight Visitor Levy could drive investment into the region's communities and back business in the tourism and hospitality sector. Local research suggests a £2 levy could generate up to £52 million per year.

Chapter 5

Looking forward – a stronger partnership for growth

113. This publication has set out the government's next steps in delivering the *Northern Growth Strategy*. The government is working closely with Mayoral Strategic Authorities (MSAs) and local leaders who are leading the way in driving growth in their regions and bring strong local insight. The government is also working with councils, businesses and universities to support long-term sustainable economic growth.

114. To support this, the government is launching a consultation to gather views from stakeholders and investors across the region. This engagement will help shape the next phase of the Northern Growth Strategy, ahead of a further update in the autumn.

115. The government invites responses to the following questions at: <https://www.smartsurvey.co.uk/s/NorthernGrowthViews/>

Supporting connectivity within and between city regions, including towns:

116. Northern Powerhouse Rail will transform the region's connectivity, and government will work closely with local leaders, businesses and other stakeholders to ensure those benefits are realised as quickly as possible.

- a) What should the priorities for government and its partners be, through the wider Northern Growth Strategy, to make sure the economic benefits of improved rail and wider transport connectivity are fully realised and delivered?

Increasing effective city size, density and town regeneration:

117. Over the coming months, government will work with Mayors and councils to identify how local and central government levers can work most effectively together to densify city centres.

- a) Other than viability gaps, what do you see as the main barriers to accelerating densification and development in the

North? In what ways are they distinct from wider national challenges and how can they be tackled?

Supporting business investment and innovation:

118. Given the continued gaps in access to finance, in particular equity finance, for start-up and scaling firms in the North, the government is interested in understanding firms experience of raising investment.

- a) What has your experience been of raising investment? For example, what sources of finance have you drawn on or would you wish to draw on, what terms have been offered?
- b) How can local and central government help connect scaling companies in the North with the investor community?

Investing in skills and human capital:

119. The government will work with local and regional businesses, alongside Mayors and councils, to identify the extent of skills gaps, and seek to direct interventions to best meet them, growing the workforce and supporting our Industrial Strategy sectors.

- a) What measures across skills, employment and health would see a greater workforce participation rate in your area, particularly for young people?

Enriching culture:

120. Over the coming months, government will work with local leaders and cultural organisations to explore how investment, governance and major events can be better aligned with regeneration and growth objectives, ensuring culture plays a full role in northern growth.

- a) How can the impact of northern cultural institutions be maximised to attract investment to the region, and to regenerate local communities in your area?

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This document can be downloaded from www.gov.uk

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