

# THE DOWNTOWN MANIFESTO

The five key 'asks' from Downtown to government have been presented as a 'Manifesto' and they very much chime with what our members have been calling for in recent months.

We could have added 'Secure the UK's place in the EU', 'Improve the management and delivery of the education & skills agenda', and the old perennial business shout of 'Cut red tape and bureaucracy'. However, we have focussed on issues that exercise the minds of businesses and entrepreneurs here in the North, rather than the more general agenda. Because Downtown is the only legitimate, independent business voice for the North, and if we don't do it, no other business organisation will.



# METRO MAYORS

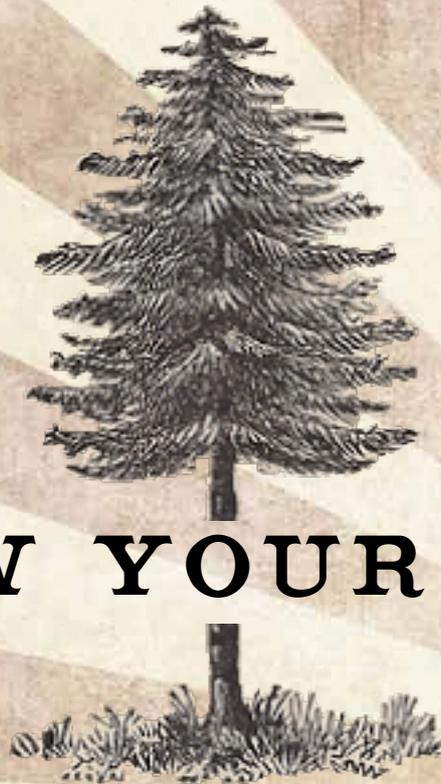
The government should significantly reduce the number of councils and councillors currently in existence across the North of England. Lancashire is an example of three tier local government that is out of control and out of date, with a county council, two Unitary Authorities, ten borough councils and over 900 elected politicians. Add to this a Local Enterprise Partnership, and a range of quasi-public sector bodies and is it any wonder that business find existing structures both confusing and frustrating. Worse, they are ineffective.

Sadly Lancashire is the rule, rather than the exception. Manchester aside, there is little common agreement on the big important strategic issues relating to business support and economic development in other city regions, unless there is a carrot in the form of additional financial support.

Despite the best efforts of the coalition government in recent months to encourage moves towards streamlined local governance arrangements and greater transparency and accountability with the establishment of elected Metro Mayors, both Leeds and Liverpool have turned their face against this modernising option.

Turkeys do not vote for Christmas, and it is clear that unless central government has the courage to force through these much needed radical changes, then they simply will not happen. There needs to be a genuine review of local government structures and boundaries; elected mayors should be introduced for city and county regions and many responsibilities currently being delivered by a myriad of external agencies should be managed by this new modern government structure.

We are trying to develop a 21st Century economy with 19th Century structures, and it is not good enough.



## GROW YOUR OWN

The number of business start ups in the North of England is still woefully short of where they need to be. In Liverpool alone they are 24,000 businesses short of where the city region needs to be, and the picture across the north is little better. Indeed the very latest Centre for Cities report showed that over the past decade, for every job created in this part of the world, twelve jobs were created in the South. Not good.

So how can we start to address these longstanding challenges? Over the past five years, there has been a focus on supporting and encouraging existing businesses that have high growth potential. Nothing wrong with that, and indeed we would support the continuation of innovative programmes that offer the 'hyper-growth' companies the maximum possible opportunity to reach their potential and meet their ambitions.

There has also been a push from all major cities, over many years, to aggressively pursue inward investment that can help with the jobs growth agenda. This strategy has had limited success in the north, although we recognise that advocating an abandonment

of significant spend and resource on an inward investment strategy in any city region would be viewed as heresy, particularly by those with a vested interest.

Nonetheless, the case for us to place more emphasis on 'growing our own' and genuinely pursuing the creation of an 'enterprise culture' in the north should win more attention, more support, and more resource.

We should focus the majority of our economic development efforts on supporting start-ups and SMEs. It is realistic, rather than defeatist, to suggest that for inward investment we can't compete with London; but we have businesses and people who, given the right environment and support, will have a go and start a business, or take additional staff on to grow their own company.

We are not suggesting that we give up entirely on inward investment. Simply that we are more pragmatic in accepting where this issue should be in terms of priority and in the resource it attracts in the future.



# A BANK FOR THE NORTH

The north south divide is getting bigger. No matter how fast Manchester and the rest of the North pedals to keep the momentum, London just keeps growing. Most graduate jobs are within a 3 square mile area in the centre of our capital.

Those kind of jobs just don't exist here in any kind of volume. Our business base is made up of small and medium sized businesses and a smattering of larger firms in the financial and professional services sector. Their recruitment processes don't require detailed psychometrics and numeracy tests. So preparing graduates for graduate jobs inevitably accelerates this drift to London. Depressing. It makes us ever more determined to keep the pressure up on what needs to be done to create real business growth, wealth and fulfils the ambitions of our young. If the challenge of re-balancing the economy is to help businesses, then the biggest issue that needs addressing is investment.

Since 2011 investment by banks into small and medium sized businesses has dropped by 14 per cent. That amounts to a drop of £20.7billion. Private equity isn't bridging the gap, crowdfunding is a drop in the ocean, invoice discounting is a short term fix to get you access to your own money. Jonathan Diggins of

Enterprise Ventures (EV), one of the region's foremost venture capital investors, says business has never had it so tough: "I cannot recall it ever being as difficult for them to raise money as it is now."

Even when you pause to applaud the £100million investment over the last three years by the European backed North West Fund, which EV partly manages, at zero cost to local government or the Treasury - it barely touches the sides.

What it has proved is a good social return and tangible economic returns. A new government needs to embrace this and go further and deeper with the ambition to draw on funds to invest in our next generation of businesses.

A really radical investment plan needs to strengthen political and economic institutions at a city region or pan-Northern level. Frankly, it doesn't matter which. What we need is a Northern investment bank, rooted here, not beholden to London or Edinburgh. Not a brand name, but something authentically of the North. It would be a far better investment than the billions currently being frittered away on business support by what passes for the Regional Growth Fund.



# TAKE THE POLITICS OUT OF PLANNING

On the face of it, this proposal may look and sound anti- democratic, but trust us, it is anything but.

Downtown has a significant number of members in the property sector, and we have yet to meet one of them operating in most cities that would privately express anything other than frustration and dismay with the planning processes that are currently in place. Unfortunately many councils, council Members and indeed government ministers, have great difficulty in viewing planning applications objectively.

The fact is that a Councillors first priority is often to get re – elected, and therefore if a planning application is considered unpopular in key electoral seats, however compelling, it will be rejected by elected Members. Political whims and parochialism take precedent over the merits of any proposed scheme. What we need is less political influence over planning issues, not more. Councillors should be consulted in the planning process, enabling them to transparently

argue against applications where their constituents are in opposition. However, the final outcome ought to be delegated to a panel consisting of independent experts who can, genuinely, come to a fair conclusion.

Recent decisions in Liverpool in respect of the development of the city's Welsh Streets, approved by a Planning Inspector but knocked back by Minister Eric Pickles MP; and on fracking in Lancashire are further evidence that we will see costs to both developers and local authorities continue, as appeal after appeal is lodged against negative planning decisions.

With a few notable exceptions, Manchester springs to mind in the Northwest, councils do not have the capacity to deal with complex and sometime controversial planning matters. It would be a massive step in the right direction to take politics out of planning.



# TRAINS PLANES AND AUTOMOBILES

A 'One North' railways strategy that will potentially see a £15 billion investment in trans-Pennine infrastructure, High Speed Rail projects that increase capacity and reduce travel times between northern cities and London and city deals that will continue to enable Lancashire, Liverpool, Leeds and Manchester to improve the road infrastructure are all welcome initiatives on the huge agenda that is transport.

Nonetheless, more needs to be done, and the pace of these planned investments must be accelerated.

The motorway network of the region is creaking. If you are travelling on the M62 you instinctively add an hour to your predicted journey time because of the volume of traffic that use this road at all times of day and night – sorting this out ought to be a priority.

The roads within our cities are resembling very large car parks, particularly, but not exclusively, around peak hours. The introduction of a modern and efficient Tram system has not solved this problem in Manchester and it is unlikely that the Trolley Bus scheme in Leeds will be sufficient to address congestion there. Liverpool does not appear to have any strategy to un-clog its roads. It may be time for us to seriously look at

the controversial 'congestion' charge across the region, with all monies raised ring-fenced for these much needed improvements.

Our regional airports also need to be supported. Manchester, as the only international airport in the north, will continue to grow, consistently increasing routes and passenger numbers; and a planned enterprise zone led 'airport city' being developed.

Elsewhere though there is a real need for us find ways of supporting our airport network and the most obvious change that needs to be made is in the area of Airport Passenger Duty. It cannot be right that Scottish Airports will benefit from Zero APD, whilst northern airports are hamstrung with this additional tax. We should also be investing in international marketing campaigns to promote the greater utilisation of the wider airport network across the UK.

Most crucially though, the devolution of transport policy, strategy and spend must be part of a modern 21st Century governance restructure. We can no longer allow Whitehall mandarins to dictate and decide where resources ought to be targeted in the North of England.