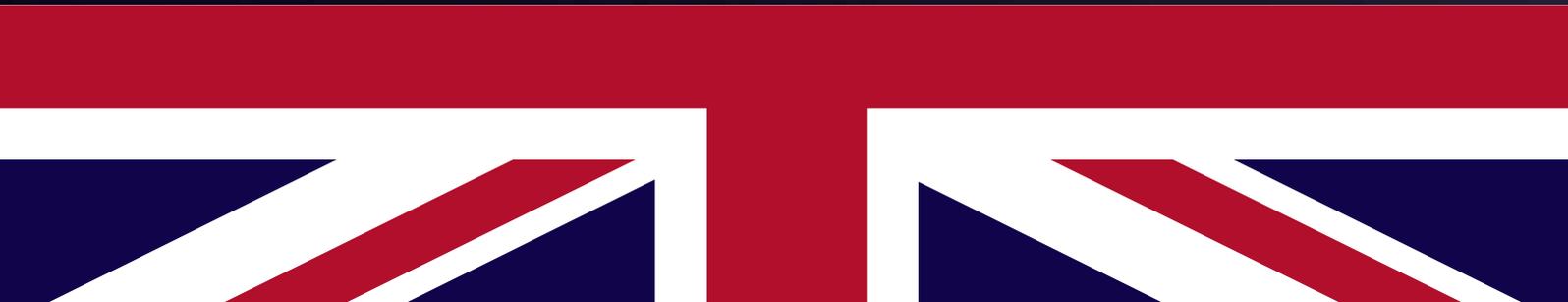


NORTHERN POWERHOUSE INVESTMENT OPPORTUNITIES



**BUSINESS
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Foreword by Philip Hammond



This Government is committed to building a Northern Powerhouse to help the great cities and towns of the North of England pool their strengths and take on the world.

The Northern Powerhouse is now recognised across the world as home to billions of pounds worth of exciting opportunities for international investors. That is why I am delighted to see this new investment opportunity portfolio. We are presenting the most impressive projects from across the region, representing a variety of sectors and a wide range of opportunities, from office to industry, retail to residential.

This builds on the UK's proven track record of attracting foreign investment. The projects included represent some of the most exciting investment opportunities in the North. There is huge potential here, driven by our innovative private sector. The area is home to 15.2 million people and contains five of the UK's ten largest cities. It has a long and rich history of innovation, entrepreneurship and commercial success. The industrial revolution began here. The North saw the first splitting of the atom and the first electronic stored-program computer was invented by Manchester-based scientists. It is therefore no surprise that the North is home to four of the world's top 100 universities, eight international airports, over one million businesses and cutting-edge science and innovation like the ground-breaking Sir Henry Royce Institute for Advanced Materials Research.

The North plays a vital role in the whole of the UK's success. International investment is an essential component in this. Your investment will help contribute to the jobs, growth and enterprise, that makes the region thrive. And the UK Government will be investing significant sums alongside you in transport, skills, science and culture across the Northern Powerhouse. This includes spending £13bn on transport up to 2020, funding ground-breaking scientific projects and supporting exciting arts and sports ventures across the region.

It is an exciting time for the North. It is clear that this is a place where businesses and industry prosper. I hope you can join us in this success.

The Rt Hon Philip Hammond, MP
Chancellor of the Exchequer, HM Treasury

Introduction by Liam Fox, Secretary of State



I am delighted to introduce the Investment Portfolio for the Northern Powerhouse region, which my Department has prepared in collaboration with local partners across the North of England. It showcases large-scale real estate and infrastructure projects that are ready for investment.

Previous Government investment pitchbooks have proved powerful tools for sharing market-ready projects with the international investment community. We have enhanced this platform further, and this new Northern Powerhouse Investment Portfolio will be a refreshed source of attractive investment opportunities in the North of England.

The Investment Portfolio will help us to build on the great successes of the Northern Powerhouse region, which has for centuries been a global hub of commerce, science, technology and innovation. The North of England accounts for 19% of the UK economy, exporting over £60bn worth of goods every year. Its levels of Foreign Direct Investment are growing at twice the rate of the rest of the UK, due in no small part to the region's universities, which undertake some of the most cutting-edge research in the world. Last year, 13,700 jobs were created.

The United Kingdom offers the supportive environment that investors need; at 20%, our headline tax rate is the lowest in the G7 and joint lowest in the G20. We enjoy a worldwide reputation for the fairness of our regulatory system, and our employment environment is flexible, open, and business friendly.

Taking this further, Government has designated Enterprise Zones across the Northern Powerhouse, offering additional commercial tax and planning flexibilities. These Enterprise Zones have already attracted £1.3 billion of private sector investment, equivalent to over £1 million per day.

Real estate and infrastructure opportunities across the North are also supported by government investment, particularly in the development of world class transport infrastructure such as High Speed rail lines. The network will bring some Northern Powerhouse cities to a little over an hour from London, spreading further commercial opportunities across the United Kingdom.

The success of the Northern Powerhouse has been driven by private sector investment, and we aim to accelerate that trend. This Portfolio is a vital part of that ambition. Britain is open for business as never before, and today's investors are our newest partners in a long history of commerce and trade.

We offer you the opportunity to share in that success.

Rt Hon Dr Liam Fox MP,
Secretary of State for International Trade

The Northern Powerhouse opportunity

Generating 19% of UK GDP, the Northern Powerhouse includes the great cities of Leeds, Liverpool, Manchester, Newcastle, and Sheffield. It was the birthplace of the industrial revolution, and subsequent innovations such as the world's first inter-city railway, the splitting of the atom and the first isolation of graphene. Today, high speed rail links between these cities and London, growing airports and ports, cost competitive and highly skilled workforces and world class research are increasing investor appetite.

The Northern Powerhouse is today recognised as a global centre for creativity and design and has attracted thriving international investment. This heritage of expertise and manufacturing know-how is well established on the world stage where the Northern Powerhouse exports over £60 billion of goods annually. There are 9 international gateway airports located in the Northern Powerhouse, flying to 254 direct destinations. And 12 major foreign trading ports are located here.

A high quality of life also attracts people to live, work, study and invest in a region blessed with beautiful national parks and a renowned heritage of football, music and culture.



£60bn

The Northern Powerhouse exports £60bn goods a year, 19% of the UK total



£

£350bn

The Northern Powerhouse has a GDP of almost £350bn - that's the equivalent of being the 21st largest economy in the World



Out of the 2.6 million UK's apprentices, 1/3 are located in the North of England



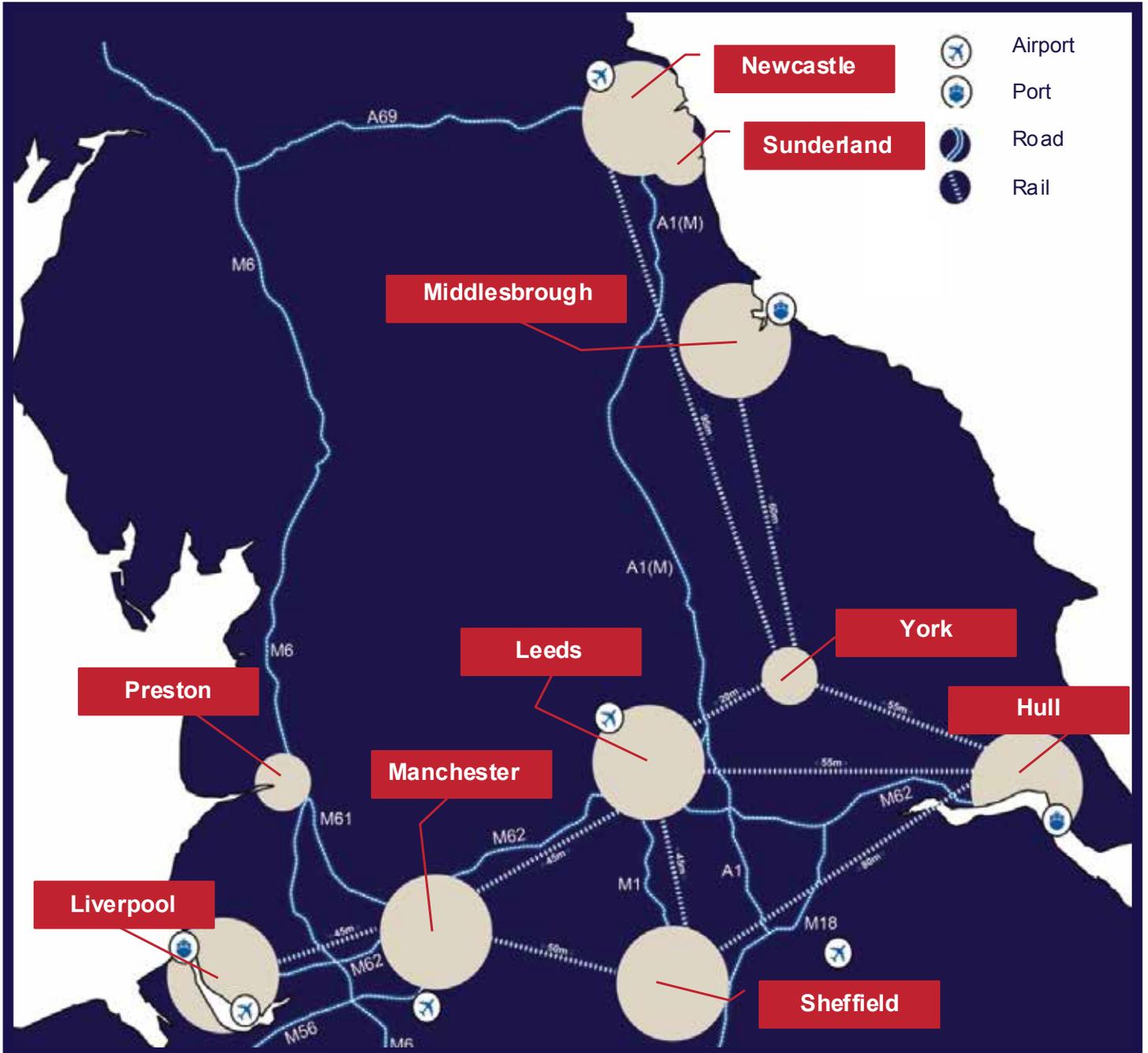
The UK Government will invest £13bn to develop a High Speed rail link in the North of England



Grimsby and Immingham is the UK's busiest port (by tonnage), handling 12% of the UK market.



The Northern Powerhouse



Infrastructure and property development

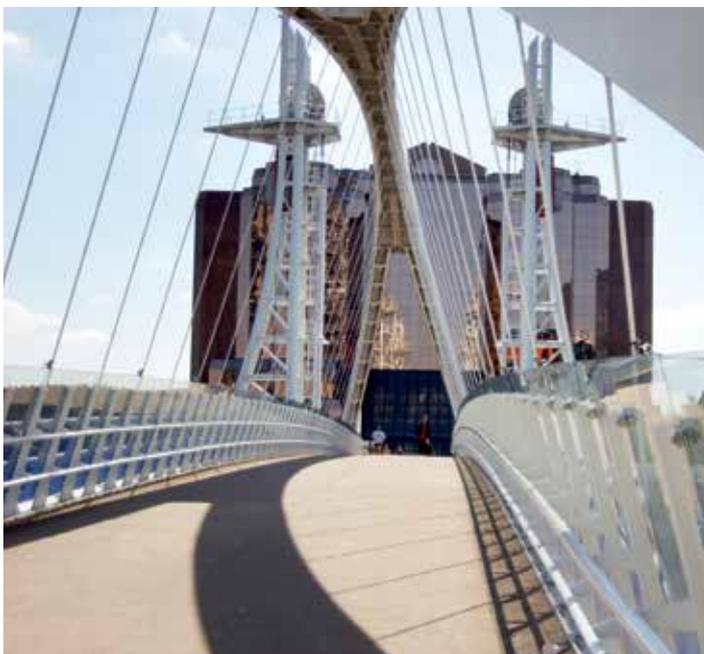
Infrastructure in the UK

The UK is an attractive location to invest in infrastructure because it provides commercial opportunities in a stable business environment with predictable and transparent regulatory decision making.

UK infrastructure provides long-term stable returns that many investors seek. We are open for investment from overseas and as a result we have seen investment in UK infrastructure from all over the world - from Australia in our airports, to Canada in our energy sector.

The National Infrastructure Plan sets out the £483bn infrastructure pipeline for the next 5 years that is required if we are to sustain a more competitive and productive economy that works for everyone. The UK Government is committed to working in collaboration with private sector companies to deliver this. Recent measures include:

- Setting up the National Infrastructure Commission as an independent body to advise on our long-term infrastructure needs.
- Commitment to proceed with High Speed 2.
- Decision to proceed with the first new nuclear power station for a generation, Hinkley Point C.



Infrastructure development catalysing growth in the Northern Powerhouse

The Northern Powerhouse is set to benefit from significant government investment in transport infrastructure. This is an exciting and powerful demonstration of government's commitment to growing the economy of Northern England. Improved infrastructure will increase market accessibility and connectivity, bring development sites to market, create higher-value land uses, help form a range of new and improved employment opportunities, and grow larger and more cohesive labour markets. Such connectivity improvements complement continued major investments in the North's international gateways - its ports and airports.

High Speed 2 Railway (HS2)

HS2 will provide additional rail capacity and reduce journey times between cities in the Northern Powerhouse and London by as much as an hour. HS2 is also an enabler of wider investment in the Northern Powerhouse economy, already leading to increased investor activity around planned stations. By creating capacity in the Northern Powerhouse for additional local rail journeys, HS2 will also catalyse development opportunities in locations not directly on its route.

Trans-Pennine links

The UK Government has committed funding to exploring improved rail and road links under and over the Pennine hills that form a spine down the North of England. This forms part of an ongoing wider upgrade of road and rail networks for both passenger and freight uses. Increased connectivity between northern towns and cities will help the Northern Powerhouse integrate its economies and pool its strengths, making the region more competitive and increasing its ability to offer specialist services in the manner of global cities such as London or Paris. Indeed, the scale of these urban areas is similar. The North of England's largest city-region is Manchester with a population of 2.7 million people, but within 40 miles of Manchester is a belt of towns and cities that contains 10 million people, including Liverpool, Leeds and Sheffield. Liverpool, Leeds and Sheffield.

Infrastructure and property development

Property Development

The UK remains a key destination for international real estate investment, with by far the highest inflow of international capital of any European nation. The vast majority of property development schemes are private sector led, generating financial returns through new or improved residential, commercial, industrial, hotel or leisure led development.

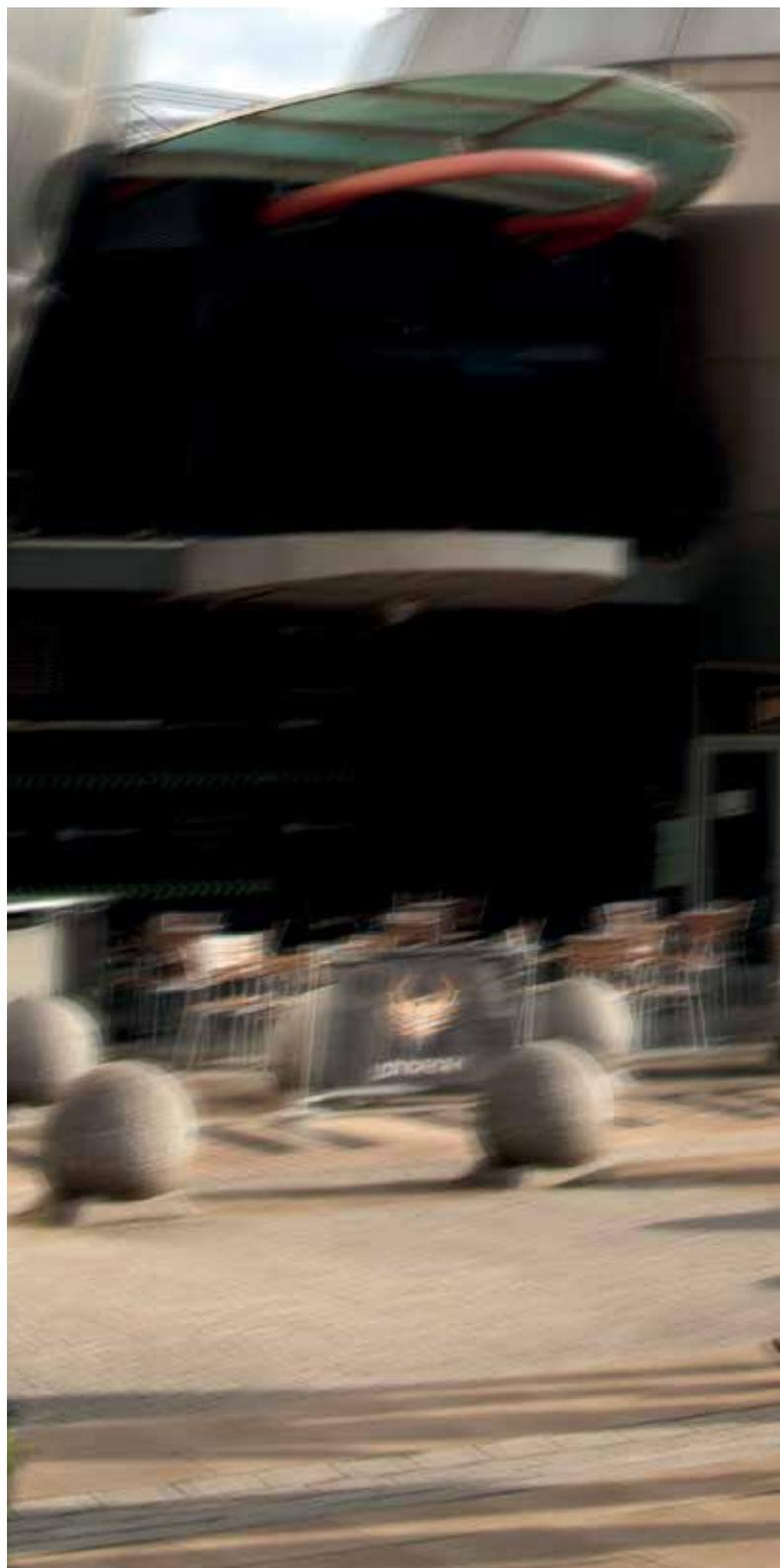
The Northern Powerhouse's strong economic and demographic growth are key drivers of real estate investment. For example, foreign direct investment is increasing faster than the UK average whilst graduate retention rates, encouraged by employment opportunities in science, engineering and technology and high quality of life, are also higher than average. The direct impacts are clear in terms of demand for new business and residential accommodation across much of the North of England.

Market liquidity and the breadth and depth of investment opportunities in the Northern Powerhouse make it attractive to investors, aided by transparent information on pricing and ownership.

Once an investment opportunity is identified, delivery can take place quickly. The UK benefits from a robust but clear and flexible planning system navigated easily with advice from the UK's world-leading advisory and legal sectors.

Property development lies at the heart of the Northern Powerhouse's ambition to grow. Whether it is building incubators for exciting hi-tech firms or providing Grade A office space to service increasing demand in key locations, international investors will find local governments and developers with an appetite and determination to deliver. This capital Investment Portfolio is a sample of the many exciting projects that are developing across the Northern Powerhouse region.

By investing, you'll be following a path already trodden by blue-chip international investors from Europe, the Middle East, Asia and the Americas.





The sector opportunities

Advanced Manufacturing

Advanced manufacturing in this region offers particular capability in materials and processes. The North of England is home to the Advanced Manufacturing Research Centre in Sheffield and the National Composites Centre in Newcastle.

Home to a high proportion of the UK's **aerospace** industry representing £10bn of aero build. Lancashire alone accounts for 14% of total UK jobs in aerospace. The North West Aerospace Cluster is one of the world's top four centres of aerospace production ranking alongside Seattle (USA) Toulouse (France) and Montreal (Canada). It represents approximately 25% of the UK aerospace industry with over 238 member companies who employ over 26,000 high value adding engineers and produce a combined turnover in excess of £7bn. Companies including Airbus, Rolls Royce, BAe and Raytheon have major sites in the region and industry and government have jointly committed £3.9bn for aerospace research to 2026.

As a leading centre for **automotive production**, it has strength in diversity from volume car plants to niche vehicle, truck and off-highway manufacturers, as well as a significant supply chain cluster. The North East and North West automotive hubs are among the most important in Europe and have both been growing strongly.

The Northern Powerhouse hosts some of the biggest names in global automotive. Nissan, General Motors, VW (Bentley) and Jaguar Land Rover have plants in the region - and Toyota has a plant just outside the area - offering huge supply chain opportunities in the area. The region has a large skilled and flexible workforce, with over 10 million of a working age population and a particular heritage in advanced manufacturing. This is underpinned by the region's world-class universities and specialist technical research centres.

Energy

The Northern Powerhouse is a major player in the **energy** sector, in particular low carbon generation, technology and processes and smart energy technologies such as storage. With a long-standing track record in Nuclear Energy (and more recently decommissioning), a proven record in Offshore Wind Energy, and a growing expertise in technologies to integrate the energy system of the future. The Northern Powerhouse also has huge shale gas potential which if realised could support significant numbers of jobs and energy security.

The Northern Powerhouse is at the heart of the UK's offshore wind industry and lies close to the UK's largest offshore wind farms - Dogger Bank, Hornsea and East Anglia. Global companies such as Siemens and Dong Energy have chosen to set up key operations in the Northern Powerhouse to serve the UK and global marketplace. A growing supply chain across all offshore wind areas including key phases of construction, manufacture and operations and maintenance, offers investors an infrastructure to support the whole lifecycle of offshore wind developments, as well as an established port infrastructure with existing O&M bases alongside excellent road, rail and air connectivity. Innovation is also key to reducing costs in the offshore wind industry and Northern Powerhouse hosts major research centres such as the Siemens' UK Wind Power Research Centre at the University of Sheffield and the national Offshore Renewable Energy Catapult (OREC).



In 2014, Sunderland built more cars than the whole of Italy

Healthcare

In the **healthcare** sector, the Northern Powerhouse is one of Europe's super-clusters of bioscience activity. Home to over 1000 health and life science businesses it supports over 38,000 skilled jobs and contributes £10.8bn to the UK health economy each year.

Its success is driven by a fully connected and integrated ecosystem where industry, academia, and clinical health sciences work together to drive innovation to patients. Key organisations in the Northern health ecosystem include the N8 group of leading universities, four academic health science networks, the Northern Health Science Alliance and NICE. The region encompasses 37% of the UK's clinical trial participants and 3 of the top 5 recruiting trusts for clinical trials are in the North.

Other key enabling strengths of the North are in precision medicine with leading centres including the Stoller Biomarker Discovery Centre, two MRC Molecular Pathology nodes and two NIHR Diagnostic Evidence Cooperatives, as well as leading centres in genomic medicine and cancer research.

The North accounts for 47% of UK's exports of medical products with a major cluster of research, development and manufacturing companies already established, including Waters Corporation, AstraZeneca, GSK, Medimmune, Unilever, and Proctor and Gamble.



Healthcare - The Northern Powerhouse delivers more clinical trials than Oxford, Cambridge and London combined

Digital

The **digital sector** is an integral part of the Northern economy, which has particular capability in high performance computing, cognitive computation, data analytics, simulation/modelling, and machine learning. It is also a major media sector and is home to the BBC, based at Media City in Manchester.

The Northern Powerhouse is home to 7 of the UK's 27 key tech clusters with the proliferation of accelerators, co-working spaces, meetup groups and community events testament to the North's enthusiasm for the digital economy. The region's tech businesses produce £9.9bn in Gross Value Added (GVA), amounting to 5.2% of the North's total economic output. Over 280,000 tech workers are employed either in tech businesses or traditional industries, the equivalent of 1 in 20 of the workforce. 18% of the nation's tech workers are based here and the largest tech cluster outside of London (by employee size) is in Manchester.

With close to a million businesses, including 600 large companies each employing more than 500 people, tech businesses can orient themselves to mainstream market opportunities across retail, manufacturing, logistics, media, life sciences, finance, aerospace and defence, energy and the public sector. There is a ready market for purchasing off-the-shelf digital products, commissioning bespoke tech solutions and for innovative collaborations.



Leeds hosts 35% of the UK's internet traffic

The sector opportunities

Financial Services

The Northern Powerhouse has one of the largest concentrations of **financial services** skills and knowledge in Europe. Over 850,000 people work across the sector in diverse areas such as Banking, Insurance, Legal, Business Consultancy; Wealth & Asset Management; Middle and Back Office operations; Shared Services and Fintech. This combination of skills from the cities based in the region offers a greater concentration of skills and knowledge than any other UK region.

The new Challenger Banks see the Northern Powerhouse as an opportunity to establish their operations due to the availability and competitiveness of skills and the emergence of fintech centres in Leeds and Manchester.

Yorkshire (Leeds & Sheffield City regions) is a key financial hub at the heart of the UK, contributing to over £14bn to the UK economy from financial, insurance and business services.

The North West (Chester, Liverpool and Manchester) is home to some of the largest financial services operations in the UK outside of London. Gross Value Added (GVA) for financial, professional and banking services in the North West was £31.7bn in 2015. It is a particular centre of excellence for Banking, General Insurance, Wealth/Asset Management, Legal Services and Accountancy. There are 5,000 financial services firms within the areas of Chester, Liverpool and Manchester.



£31.7bn

GVA for FPBS
in the North West in 2015





Support for investors

Department for International Trade, Capital Investment

The UK Government is committed to the attraction of international capital into property development and infrastructure projects in the North of England, the Northern Powerhouse.

The Department for International Trade's Capital Investment team lead on this agenda for the UK Government and have a strong track record of working closely with institutional investors and project promoters, having attracted tens of billions of pounds of investment into UK property development, energy and transport projects in recent years. Working globally, the team seeks the high flows of capital from emerging country economies as well as maintaining strong relationships in more traditional markets.

The Department for International Trade realises the value government can add to the investment process, using its global network of international offices to manage relationships with institutional investors, large corporates, family offices, private sector agents and other governments.

The Department for International Trade's Capital Investment team acts as a one-stop-shop in aligning international investors with a credible project pipeline, helping them understand risks and returns.

The Department for International Trade can introduce interested international parties to UK companies with a wealth of development expertise or to blue-chip domestic investors interested in co-funding models. It also offers its own expert advice, utilising a range of specialists in Property Development and Finance, Project Finance, Energy, Transport, Regulated Assets.

Our network of UK specialists includes a team who are based in the North of England, ensuring expert local insight into projects, local government and businesses can be quickly and reliably provided.

We look forward to working with you and showcasing the Northern Powerhouse.

For further details or to discuss the potential for an initial meeting, please email: capitalinvestment@trade.gsi.gov.uk





Department for International Trade

gov.uk/dit

DIT

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government body with responsibility for negotiating international trade policy, supporting business, as well as delivering an outward-looking trade diplomacy strategy.

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