

Alignment: putting homes at the heart of northern growth

The Northern Position

Across Europe, regional cities are engines of growth that drive productivity. In England, productivity in London and the South East outstrips much of the North. Recognising this, the Government has announced plans to introduce new Local Industrial Strategies designed to drive forward regional economic growth to close the gap.

The Northern Powerhouse Independent Economic Review (NPIER) reveals a 25% GVA per head 'performance gap' between the North and the rest of the country highlighting the need for local strategies aimed at boosting our economies. In line with this, we also need to plan homes that support economic growth. The Government's current standard method of assessing housing need fails to take into account the scale of ambition and growth potential across the North. Our analysis shows that this approach could mean 13,340 fewer homes every year across the North than are needed. That would result in £2.37bn in lost economic output, 16,000 fewer construction jobs and 24,160 fewer supply chain jobs. As Homes for the North highlighted in our submission to the Government's consultation 'Planning for the Right Homes in the Right Places', this is a loss the North cannot afford to take¹.

Our Ask

The Government should enable the North to plan for the homes it needs by requiring local authorities to align their Local Industrial Strategies and housing supply plans, ensuring the methodology for assessing housing need reflects forward looking economic growth scenarios.

Potential impact

The NPIER highlights sectoral strengths and specialisms on a pan-Northern scale indicating that building on these strengths through transformational economic scenarios can create a prosperous future for the North. With investment and innovation, and substantial improvements in the skills base and transport connectivity, the North could see:

- a 15% increase in GVA
- a 4% increase in productivity;
- and 850,000 new jobs by 2050.

There is an excellent opportunity to put homes at the heart of the Local Industrial Strategies that can make these figures become reality and capitalise on the already growing industries across the North. This would be a clear sign of economic ambition, and readiness for further growth. Homes for the North are keen to influence the development of Local Industrial Strategies through working with leaders locally and nationally to offer our expertise in planning homes alongside economic growth.

¹ Homes for the North (2018) 'Planning for the Right Homes in the Right Places – Response to the Government Consultation'