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Northern Growth Strategy: BSA Response

Background

The BSA – Business Services Association – brings together large and small businesses, professional services firms, charities, and social enterprises delivering service and infrastructure projects across the private and public sectors.

The BSA has organised several discussions with strategic authorities and local government, often focused on the issues raised in the Northern Growth Strategy paper[1], and has a series of workstreams looking at particular service areas, from construction and infrastructure to ICT to employment support.

Several important themes have emerged, and this note seeks to capture some of these in response to the five questions in the Invitation for Views.

Question 1

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?

The lesson from Northern cities which are succeeding in achieving economic benefits is that improved rail and wider transport connectivity is vital, but will only translate into sustained economic benefits if it is embedded within a coherent, long-term, place-based growth strategy. Transport investment should therefore be treated as a catalyst within an integrated and long-term growth framework. Its economic impact depends on aligning it effectively with regeneration, planning, skills, labour-market access and delivery capability. Below are various ways to ensure this happens.

Key amongst conditions for achieving these goals is capacity. This includes commissioning capacity in mayoral strategic authorities to make sure commissioning and procurement practices are such that infrastructure and service providers can embed themselves in communities and deliver a long-term legacy for those communities - including in employment, upskilling and strengthening local SMEs. It also includes capacity to engage with stakeholders and technical skills to deliver project pipelines.

[1] Press release: Chancellor backs the North's industrial strengths with new investments - GOV.UK
Written Statement: Written statements - Written questions, answers and statements - UK Parliament
Document: Northern_Growth_Strategy_Next_Steps.pdf
Invitation for Views: https://www.smartsurvey.co.uk/s/NorthernGrowthViews/.
Original 'Case for Change' document as background: Northern Growth Strategy: Case for change - GOV.UK

In more detail:

- **Take a longer-term view.** Those Northern cities which have generated sustained and / or inclusive growth have done so by taking a long-term view – including through long-term partnership working (between authorities and with the private and charitable sectors), long-term regeneration strategies (as in Greater Manchester[2]) and long-term programmatic approaches to commissioning (as in West Yorkshire[3]). Businesses and charities need a degree of certainty if they are to invest or embed themselves in communities and deliver sustained regeneration and Community Wealth.

- **Align transport investment with regeneration, housing and employment.** Transport connectivity delivers the greatest economic value where it directly supports land-use change, town-centre renewal and employment growth, rather than operating in isolation. Rail and wider transport upgrades can unlock housing and employment space - particularly on brownfield land - when they are deliberately integrated with regeneration programmes. Alignment between transport, housing, skills, digital inclusion and local growth funding enables improved connectivity to support higher densities, more sustainable travel patterns and stronger local economies, especially around stations, interchanges and city-centre hubs[4].

- **Provide long-term, flexible funding certainty.** Multi-year funding certainty – and flexibility in how to use that funding - is critical to confidence and delivery. Devolution and integrated settlements are therefore potentially a game-changer, provided strategic authorities have the capacity to take full advantage of them. Long-term settlements allow mayoral and local authorities to take a programmatic approach, phasing transport schemes alongside remediation, public-realm investment and private development. Flexibility across funding streams enables responses to local conditions, helps close viability gaps and maximises economic spillovers. By contrast, uncertainty over funding or delivery timetables undermines private investment and delays complementary development. However for long-term certainty for strategic authorities to translate into long-term certainty for businesses and charities, capacity is key.

- **Build delivery capacity and accelerate project pipelines.** The Northern Growth Strategy highlights pipelines of priority projects drawn from Local Growth Plans and backed by City Investment Funds, focused on investment around Northern Powerhouse Rail stations designed to crowd in inward investment and local benefits[5]. For this work to be broadened across the North as envisaged requires capacity, and there are concerns that capacity constraints in many Mayoral Strategic Authorities will slow progress from the planning phase to delivery – especially in relation to "specialist skills in land assembly, development finance, commercial negotiation and delivery management"[6].

[2] A report released by the Greater Manchester Combined Authority (GMCA) in January showed that the city region was the fastest growing part of the UK between 2015 and 2023. A recent report in *Building* magazine showed how long-term partnership working has helped with regeneration: Greater Manchester regeneration: How the £2bn Good Growth Fund is transforming the UK's fastest growing city region | Features | Building
[3]Case study from page 13: Successful Local Commissioning: Principles and Case Studies - BSA
[4] These and other issues set out in this note are explored in more detail in the paper 'Devolution and Urban Regeneration' published by the Institute for Government and BSA member Balfour Beatty: Devolution and urban regeneration
[5] Next Steps pp 21-22
[6] Andrew Carter, Chief Executive, Centre for Cities, in the Municipal Journal 9th April, 2026: Government must match mayoral responsibility with the resources to make it real

- **Use procurement as a lever to maximise inclusive growth.** Commissioning capacity is also vital, because public procurement using revenue funding, as well as (and linked to) transport and regeneration capital investment, is a powerful lever for widening economic benefits. The BSA has published a note[7] showing how local commissioning can help deliver long-term legacies for communities. The principles set out include outcome-based commissioning, early market engagement and diverse supply chains. Key is a long-term perspective that enables businesses and charities - large and small - to embed themselves in communities and deliver social value outcomes in line with the priorities of the region concerned. This can be achieved through measures such as clear pipelines of work that go well beyond the statutory minimum, embedding a single procurement strategy across an organisation, and / or adopting a programmatic approach to project procurement and delivery. The note highlights examples from West Yorkshire where such an approach has been adopted to great effect. All of these principles require best practice sharing and sufficient commissioning capacity at a local or regional level, a requirement which is even more important if contracts are broken down in order to enable more SMEs to deliver them directly, because a larger number of contracts involves a commensurate increase in contract management capability.

- **Strengthen regional spatial planning and strategic coordination.** Clear regional spatial strategies are essential to directing growth to locations best served by existing and planned transport infrastructure. Strategic planning at strategic-authority level supports agglomeration by concentrating development around rail corridors, stations and urban centres, improving infrastructure efficiency and economic returns. It also improves coordination across local authority boundaries. Fit-for-purpose delivery vehicles, including development corporations where appropriate, can coordinate multi-site schemes, manage fragmented land ownership, provide planning certainty and accelerate delivery at scale.

- **Focus initially on shovel-ready projects.** It is by phasing investment and delivering at pace that benefits will be realised early, so public, investor, and wider stakeholder commitment can be secured. There are several 'shovel ready' construction and infrastructure projects which will help provide immediate jobs and income. There should be particular focus on investment which will help future-proof communities from a sustainability, resilience and agile working perspective.

- **Ensure digital keeps pace with physical infrastructure**. The nature of the modern economy and society means that digital cannot be an afterthought. Digital infrastructure needs embedding at the same time as wider infrastructure when development takes place, and digital requirements need to be factored in when development is planned.

- **Embed skills, labour-market access and inclusion.** Transport connectivity also plays an enabling role in labour-market participation by widening access to employment, training and support services – including more local transport connectivity (for example through light rail, bus or cycle networks) to enable people to access city-centre hubs. The link has been lost over time between the development of housing and the development of local economies. In previous generations, the location of housing would follow a source of employment and subsequent development of a community. Today the location of housing may depend instead on economic and / or planning drivers, and it is important that the infrastructure exists to link people living there with potential employment. When aligned with skills provision and employer engagement, improved connectivity supports local recruitment, reduces travel barriers and increases workforce participation, particularly for young people and those at risk of disengagement.

[7] Successful Local Commissioning: Principles and Case Studies - BSA

Question 2

City size and density and town regeneration: other than viability gaps, what are the main barriers to accelerating densification and development in the North, how are they distinct from wider national challenges, and how can they be tackled?

Beyond financial viability gaps, a set of structural, institutional and capacity-related barriers continue to constrain densification and town regeneration in parts of the North as in parts of the rest of the country. In some areas these factors can be more acute and tend to interact, reinforcing weak market conditions and slowing the pace at which place-based regeneration can be delivered, particularly in some former industrial towns and city centres.

- **Fragmented land ownership and legacy industrial constraints.** Large areas of post-industrial land are characterised by fragmented ownership, contamination and legacy infrastructure. These conditions increase development risk, raise upfront costs and extend delivery timescales, discouraging private investment even where demand exists. In many cases, early public-sector intervention — including land assembly, use of compulsory purchase powers where necessary, and upfront investment in remediation and enabling infrastructure — is required to de-risk sites and bring them forward for development, especially where regeneration spans multiple sites or local authority boundaries. This requires the capacity outlined in response to Question 1.

- **Institutional and governance complexity.** The rollout of devolution across the North will be an important catalyst for regeneration, provided (especially in newer strategic authorities and / or areas with diverse political composition) relationships and partnership working develop speedily, and strategic authorities are themselves able to co-ordinate their work across their boundaries. Historic administrative boundaries frequently cut across economic geographies and transport networks, limiting coordination around key growth locations. The absence of strong regional spatial frameworks has traditionally reduced certainty for developers and investors and weakened alignment between housing growth, regeneration activity and transport investment. Strengthening consistent strategic-authority-level strategic planning arrangements, as is now happening, is therefore critical to providing clear spatial direction and supporting higher-density, well-connected development.

- **Public-sector capacity and delivery capability.** As outlined in response to Question 1, many local authorities and mayoral authorities face sustained shortages of specialist skills, particularly in commissioning, land assembly, development finance, commercial negotiation and programme management, compounded by prolonged financial pressures. Capacity gaps can slow project progression, weaken delivery confidence and reduce the effectiveness of regeneration strategies. Fit-for-purpose delivery mechanisms — including development corporations and structured partnerships with national agencies — can help supplement local capacity, attract specialist expertise and enable delivery over longer time horizons.

- **Political and community opposition to development.** While opposition to development exists nationally, it can be particularly pronounced in places with experience of economic decline. Mistrust of developers and concern about whether regeneration will deliver tangible local benefits can delay schemes, and can be understandable and indeed sometimes justified, especially where decision-making is fragmented and subject to short political cycles. Clear long-term visions for place, stable governance arrangements, comprehensive social value frameworks that clearly link development with the building of Community Wealth, transparent accountability and early, meaningful engagement with communities are all essential to building support for higher-density development that is – and is perceived as - inclusive and locally beneficial.

- **Weak market signals and investor confidence.** Where towns and cities struggle to signal long-term commitment and delivery certainty at a scale, perceived delivery risk can deter private capital especially where viability is marginal. Visible leadership, coherent regeneration strategies, stable delivery structures and credible long-term pipelines of development are therefore critical to reducing risk, strengthening confidence and crowding-in private investment, particularly when combined with transport investment and public intervention in land markets.

- **Labour-market and social factors reinforcing place-based challenges.** Areas with persistent economic inactivity and lower workforce participation frequently experience reduced footfall, weaker town centres and diminished investor confidence, reinforcing cycles of decline. Regeneration strategies that focus solely on physical development, without addressing access to employment pathways, skills participation and workforce engagement, risk failing to deliver sustainable densification or long-term economic renewal.

Taken together, accelerating densification and town regeneration across the North requires an integrated approach: early public intervention to address land and infrastructure constraints; stronger strategic planning and delivery capacity; robust governance and accountability; commissioning which links clear strategic outcomes with procurement practice on the ground; and sustained investment in people alongside investment in physical assets. Only by addressing these factors in tandem can places support successful regeneration at scale.

Question 3

Business investment and innovation: 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?

Access to investment can be shaped less by an overall shortage of capital than by the difficulty of presenting clear, credible and investable propositions at scale, particularly in places undergoing regeneration or economic transition. A number of structural factors influence the availability, cost and terms of growth finance.

- **The role of public intervention in de-risking investment.** Perceived risk can remain a significant barrier to private investment. Early public intervention - through long-term funding commitments, infrastructure investment, and where necessary land assembly - plays a critical role in improving commercial viability and investor confidence. By addressing site constraints and reducing delivery risk, public investment can crowd in private and charitable capital that would not otherwise be deployed.

- **Pipeline clarity and long-term certainty.** Investors consistently respond to clarity, scale and predictability. Clearly articulated pipelines of projects, aligned to local growth plans and supported by long-term funding settlements, make it easier for investors to assess opportunity, risk and return. Uncertainty about policy direction, funding continuity or delivery timetables increases transaction costs and favours short-term or lower-risk investments over patient capital.

- **Government as a market shaper and convenor.** Local and central government have an important role in convening the investor community around place-based growth opportunities. Visible leadership, coherent spatial strategies and clearly defined delivery structures help create credible investment narratives for the North as a whole and for individual places. Strategic authorities are particularly well placed to act as intermediaries between investors, developers and local partners, translating local priorities into investable propositions.

- **Strengthening business and supply-chain capability.** Many SMEs and voluntary sector organisations face barriers to accessing growth finance due to limited capacity in business planning, financial reporting and compliance. Targeted support to improve investability, alongside procurement and supply-chain models that provide up-front contract finance and longer-term pipelines of work, can strengthen local markets and broaden access to investment. Furthermore larger tier one contractors have an important role to play in providing access to up-front finance and enabling SMEs in their supply chains to participate fully in delivery in cases where they would not have been able to do so on their own.

Taken together, improving access to growth finance in the North requires a focus on reducing risk, increasing clarity and strengthening the investability of places and programmes. Long-term policy certainty, credible project pipelines, effective delivery structures and active engagement between government and the investor community are all central to connecting companies seeking growth finance with the capital needed to support sustainable economic development.

Question 4

Skills and human capital: What measures across skills, employment and health would increase workforce participation rates in your area, particularly for young people?

Workforce participation, particularly among young people, is shaped by the effectiveness of the transition from education into sustained employment. Measures to increase participation are most successful where skills, employment and health systems operate as a coherent whole rather than as disconnected interventions[8].

- **Clear and connected routes into work.** Participation improves where all routes into employment - direct entry to work, apprenticeships and higher education - are clearly signposted, valued and supported. Fragmented or poorly understood pathways increase the risk of disengagement, particularly for young people who do not pursue university study. Clear progression routes, with the ability to move between pathways without falling out of the system, are essential to keeping young people engaged in learning and work.

- **Early intervention and prevention.** Preventing disengagement is more effective than re-engagement later. High-quality careers education and guidance, especially for those at risk of NEET, strengthened coordination between schools, further education, employers and local services, and early identification of young people at risk of disengagement can significantly reduce long-term inactivity. So can immediate intensive support for people newly out of work. Accessible, well-publicised entry points to support help ensure that young people and their families can navigate available options at key transition points.

- **Providing long-term commissioning and regeneration pipelines.** Social value frameworks and the National Procurement Policy Statement (NPPS) are now both rightly focused on employment, including the employment of young people who are, or are at risk of becoming, NEET. However wider commissioning and procurement practices need to align with this goal. Providing training which leads to sustained employment, and drawing in those further away from the labour market, both require time. Therefore procurement good practice, and the commissioning capacity which makes it possible, are both vital for achieving this, especially the provision of long-term pipelines of work, as set out in response to Question 1 and in the BSA note on this issue. The West Yorkshire model has been particularly effective in delivering apprenticeships aligned with local need through a programmatic approach to procurement[9].

- **Health-aware and personalised employment support.** Rising levels of poor mental health, long-term conditions and neurodivergence among young people mean that employment support must be adaptable and person-centred. In many cases it also needs to be more intensive than is often available through national programmes. Integrating employment support with health, wellbeing and in-work assistance, including through improved sharing of data between agencies, improves engagement, helps sustain employment and reduces the likelihood of young people cycling between short-term work and inactivity.

- **Harnessing experience and capacity in employment support providers.** One of the most important consideration in drawing up future models for employment support is to combine the need for responsiveness to local conditions, involving a large number of smaller local providers of employment support, with the need to harness the experience, knowledge of best practice, scale and capacity that larger providers can bring. There are a number of ways to do so, with the aim of involving a mixed economy of larger and smaller businesses and charities, including in supply chains.

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[8] Ideas in this section are taken from BSA discussions with members and from the paper 'A three-lane superhighway into work: Practical measures to reduce NEET rates now and in the future' published by BSA member Reed in Partnership in February 2026.
[9] Page 13: [Successful Local Commissioning: Principles and Case Studies - BSA]

- **Employer capability and responsibility.** Employers play a central role in supporting workforce participation. Participation is more likely to be sustained where employers are supported to offer inclusive early-career opportunities, structured onboarding, mentoring and clear progression routes. Strengthening employer confidence in supporting young people, including those with additional health or support needs, is critical to improving retention and long-term outcomes.

- **Linking employers with skills and employment support providers.** One area where strategic authorities can assume a leadership role is helping to link further education, in-work training and employment support providers with employers who employ people locally or who plan to do so. If this is done at strategic authority level it avoids unnecessary duplication and also complements the LSIP in helping to align provision with the employment needs of the area concerned. Any youth-focused rapid response offer needs to combine swift job-entry support with wellbeing support and early employer contact.

- **Linking skills provision to place-based growth.** Aligning skills and employment provision with regeneration, infrastructure and sectoral growth plans strengthens the connection between learning and opportunity. Where local investment programmes are linked to apprenticeships, training pathways and entry-level roles, young people are more likely to see a clear line of sight from learning into work. Improved transport connectivity further supports participation by reducing geographic barriers to accessing jobs and training.

Taken together, increasing workforce participation - particularly among young people - requires coordinated action across skills, employment, health and employer engagement, embedded within wider place-based growth strategies. Sustained participation depends not on single interventions, but on the coherence, accessibility and long-term resilience of the entire system.

Question 5

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

The cultural needs of a place need to be incorporated in the overall regeneration package that will help to drive economic activity and, crucially, attract or retain residents.

- **The cultural and civic offer is an important component of revitalising a place.** One challenge for many areas is stemming the outflow of skilled workers from areas which have been hit hardest by deindustrialisation. Although digital advances and the pandemic accelerated moves towards working from home, people will still wish to work - as well as socialise - with others where they can. Housing and infrastructure are both key to this, but so is the cultural offer and the general civic realm, which are important components of the attractiveness of a place.

- **Cultural and educational anchors can be used to create investable destinations, strengthen place identity and support jobs**. If culture-led regeneration is integrated with placemaking and public realm improvements (access, safety, sustainability and inclusive design) this helps increase footfall and investor confidence. This involves clear governance and long-term stewardship for cultural districts, with early community engagement and transparent accountability.