

ATKINS

Member of the SNC-Lavalin Group

COVID-19: ROAD TO RECOVERY SERIES
REBUILDING AND REBALANCING THE POWERHOUSE

BUILDING BACK AND LEVELLING UP REPORT

Key Findings and Recommendations

Autumn 2020

The image is a collage of three distinct scenes. The top-left portion shows a large wind turbine against a vibrant sunset sky with orange and yellow clouds. The top-right portion shows a red high-speed train moving through a tunnel, with light trails and a blurred background suggesting speed. The bottom portion shows a modern kitchen and dining area with wooden flooring, a white countertop, a stainless steel refrigerator, and a dining table set with plates and glasses.

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Atkins – a member of the SNC-Lavalin Group – is one of the world's most respected design, engineering and project management consultancies, employing over 18,300 people across the UK, North America, Middle East and Africa, Asia Pacific and Europe. Atkins helps clients plan, design and enable major capital projects, and provides expert consultancy that covers the full project lifecycle across infrastructure, transportation, nuclear and power, oil and gas, engineering and design, water, the environment, defence, aerospace, communications, project management and architecture.

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DevoConnect is a public affairs and thought leadership consultancy with a difference: it has a purpose - to help build more and better devolution across the UK. Secretariat to three regional APPGs and authors of key reports [on the future of devolution](#), DevoConnect works with public, private, and voluntary organisations to design and deliver communications strategies and thought leadership, research and intelligence, training and event management that help them communicate their ambitions and influence tomorrow's decision making process today.

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This summary report follows and complements the RSA "[One Powerhouse: Towards a Spatial Blueprint for the North](#)" published last year which looked at the extensive network of economic, social, environmental and urban plans across the North at various levels of spatial geography and concluded that Government should:

- » Invest in connectivity to consolidate the North as the UK's leader in national and international trade
- » Champion inclusive growth
- » Pioneer the green industrial revolution through clean growth
- » Grow innovation ecosystems

Last February, the UK2070 Commission set out its 10-Point Plan to address city and regional inequalities in the UK.



Atkins – drawing on extensive experience of working with communities across the Northern Powerhouse – contributed to the development of this plan by helping to identify priorities for the economic growth, infrastructure renewal and institutional reform needed to overcome deep-rooted inequalities that blight the lives of so many.

Fast forward a year and the world was beginning its fight against a global pandemic which continues to devastate economies and affect the everyday lives of billions.

For the UK, COVID has made the regional inequalities that divide our nation all the more apparent - so much so that the Prime Minister has pledged to double down on efforts to level up Britain as we look to rebuild the economy and drive up productivity.

As part of our commitment to the Northern Powerhouse and regional equality, we felt it was important, and timely, to convene clients, partners and wider industry stakeholders to explore the challenges facing the North and to set out a path for recovery which helps rebalance opportunities, growth and prosperity.

This report brings together our findings from a series of webinars and makes a number of recommendations which we hope will help guide investment and policy decisions related to housing, skills, transport and a green recovery that is essential to achieving the UK's net zero targets.

We also hope this report further amplifies the importance of the UK2070 Commission's 10-Point Plan and informs a coherent long-term strategy for the future of all cities, towns and communities, enabling them to fully unlock the talent, innovation and dynamism which will benefit the entire country.

There is no doubt that the pandemic has forced us all to 'reset' our thinking to some degree, as we realise that a new post-COVID normal should aspire to be better, smarter and fairer. This is an incredible opportunity to break free from old ideas which were holding us back and to accelerate our levelling up journey.

Thanks

Richard Robinson
CEO - Atkins UK & Europe

REBUILDING AND REBALANCING THE POWERHOUSE

The **Atkins Covid-19: Road to Recovery Series** provided a high-level opportunity to debate the key challenges facing the North and determine what needs to be done to rebuild and rebalance the Northern Powerhouse on the road to recovery from the Covid-19 crisis.

As the UK shifts from pandemic and recession and moves on to recovery, the North will need to be ready to step-up and influence policy and decision making, and make the case for what the North needs to address prevailing regional economic and environmental disparities – rebuild and rebalance.

In a post-Covid-19 post-Brexit world, if the North is to level-up and recover it needs the power to unlock growth, improve its connectivity, invest in innovation and infrastructure, create homes and places, boost jobs, skills and training, and build back better.

The **Atkins Covid-19: Road to Recovery Series** brought together Government Ministers, MPs, Peers, industry, business and public sector leaders to address the key issues in the series:

1 BUILDING NET ZERO INNOVATION AND SOLUTIONS

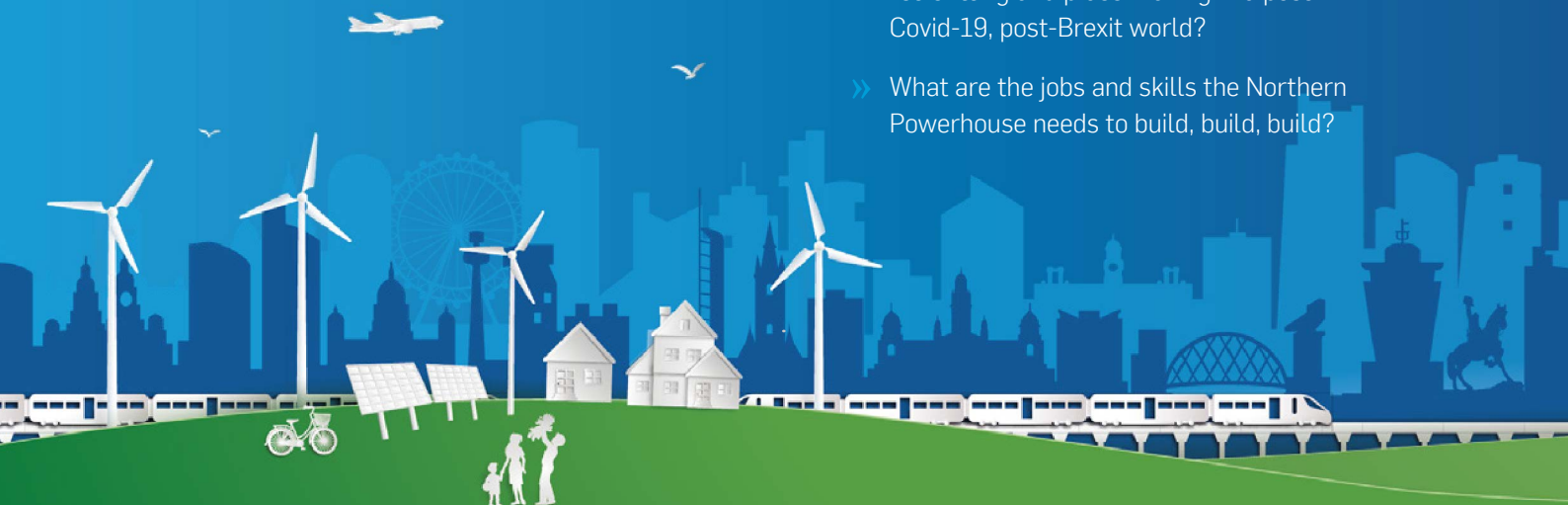
- » What needs to be done to unlock Net Zero innovation and infrastructure and create the green jobs, skills and prosperity the North needs to 'level-up'?
- » What do we need to do to stimulate a green recovery in the North and build back more inclusive, green development within the North's cities and towns?

2 BUILDING BACK BETTER TRANSPORT

- » What do we need to do to restore confidence and kick start major transport infrastructure and investment?
- » What transport innovation and infrastructure does the North need to prioritise if it is to build back better transport across the Northern Powerhouse?

3 BUILD, BUILD, BUILD SKILLS AND HOUSING

- » How can the North lead the way to a green recovery through scaling-up house building, retrofitting and place making in a post-Covid-19, post-Brexit world?
- » What are the jobs and skills the Northern Powerhouse needs to build, build, build?



6 KEY RECOMMENDATIONS:

1

Government needs to **accelerate and scale-up its investment policies and plans to 'Build Back Better' and meet Net Zero targets**. This means accelerating schemes which will have the greatest impact on recovery and decarbonisation; improving confidence in delivery; and prioritising 'green' jobs, skills, transport and housing.

2

Future policymaking must be focussed on the principles of **inclusive growth, place-making and connecting places**. This will necessitate a greater partnership approach between national, regional and local government as well as more devolved powers and resources.

3

Local authorities should work in partnership with the Government as well as private and public organisations to **co-design and deliver a fully funded pan-northern transport investment programme**. It is time to build confidence in infrastructure delivery and for the Government to act with conviction, providing more certainty for investors. It is also time for the North to benefit from a more connected, integrated and subsidised transport system. This must include lower pricing and smart ticketing as a priority for Northern passengers and business.

4

Government needs to commit to a **jobs and skills strategy for the North** so that those unemployed as a consequence of Covid-19 are not abandoned. There is a need to invest in the jobs and skills needed for the future and to support innovation, research and development, modern methods of construction, supply chains, transferable skills, apprenticeships, further, higher and adult education.

5

Investment in housing and retrofitting in the North, as a key part of a Northern Energy Policy, should be a national priority as it would not only help deliver more affordable housing but also more jobs and training, and help reach the country's commitment to Net Zero. Cross industry innovation – based within a Whole Systems Approach – should also be encouraged as it is required to accelerate growth and build back better.

6

Getting planning reform right is a major concern – appropriate regulation is the way ahead not deregulation. The Planning White Paper unduly focuses on housing to the detriment of infrastructure more generally. Safeguarding natural capital should be a priority. The lack of coordination between government departments and absence of a **national spatial plan** limits growth including private investment, public procurement and overall ambition in the North.





Session 1: _____

**BUILDING
NET ZERO
INNOVATION
AND
SOLUTIONS**

Covid-19 has emphasised the need to build back better strategic economic and environmental planning in our regions and across the Northern Powerhouse. If we are to build, build, build and rebalance the economy, the UK must focus on addressing the deep and widening regional disparities and rebuilding opportunities for today's and tomorrow's generations.

We know we must level-up and that local, regional and national Industrial Strategies must work together to boost regional growth and prioritise infrastructure investment. We also know that if we are to achieve the Government's 2050 climate change target, Net Zero needs to be at the heart of the UK's economic recovery. Net Zero innovation needs to scale-up and unlock the new green jobs and skills we need to decarbonise our housing, transport and power supply.

The North has great potential and can make a massive contribution to decarbonisation and to delivering a green recovery, but how can investment in Net Zero solutions be accelerated to create green jobs, skills and prosperity in the hardest hit towns, cities and regions across the North?

KEY QUESTIONS ASKED:

On the road to recovery, how can we accelerate Net Zero innovation and investment to build back and rebalance the Northern Powerhouse?

More specifically:

- » What do we need to do to stimulate a green recovery in the North and build back more inclusive, green development within the North's cities and towns?
- » What needs to be done to unlock Net Zero innovation and infrastructure and create the green jobs, skills and prosperity the North needs to 'level-up'?
- » How can we unlock investment in Net Zero innovation in the Northern Powerhouse?
- » How do we scale-up Net Zero infrastructure and build back the Northern Powerhouse?
- » Will the Government's Planning White Paper support a green recovery and help to accelerate a Net Zero Northern Powerhouse by 2050?
- » Can better spatial planning and a more local, or 'mega region', approach accelerate Net Zero innovation, infrastructure and transition?
- » What are the Net Zero priorities for the North? And how and where can the North lead the way on Net Zero innovation and deliver sustainable solutions?

KEY CONTRIBUTORS:

- Lord Deben, Chair, Climate Change Committee
- Sarah Longlands, Director, IPPR North
- Alex Sobel MP, Chair, Net Zero APPG
- Henri Murison, Director, Northern Powerhouse Partnership
- Professor Julian Allwood, UK FIRES, University of Cambridge
- Emma Antrobus, North West Director, Institution of Civil Engineers
- Richard Blyth, Head of Policy and Practice, RTPi
- Viral Desai, Principal Planner, Atkins
- Dr Vicky Hutchinson, Director of Environment Practice, Atkins
- Stuart McLaren, Technical Director – Net Zero, Atkins

OUR 6 KEY FINDINGS:

1

The philosophy must be that if the entire system isn't Net Zero, it isn't Net Zero. There is a need to develop a **whole systems approach**. For example, we must make our current housing stock more efficient instead of focusing all our efforts on new 'smart' homes. Similarly, we need to reskill the people made unemployed in the Covid crisis to deliver improvements to our existing housing stock, or to help with flood defences, landscape restoration and safeguarding the region's natural capital.

2

We will only reach Net Zero if we **work together**. Instead of each city creating a bespoke plan for Net Zero and trying to tackle it in its entirety, we could focus on where the opportunity exists for specific Net Zero technologies and applications across larger geographic areas. In other words, we identify where sustainability skills already exist and where, for example, carbon capture projects are already more mature. This would avoid unnecessary competition between cities, with each city aiming to be a 'leader in Net Zero', and instead focuses on the strengths these cities already have. It pulls together the region's resources towards a shared Net Zero future and gives each city a 'purpose' and pride in what they're doing to contribute to it.

3

There is a need to have **cross-industrial innovation** to meet Net Zero by 2050 or sooner. This will require new regulatory frameworks and constructs to encourage investment and innovation (both public and private sector). Investment should not only be encouraged on technology, but also on solutions e.g. governance, behaviour, procurement, digitising, finance, etc. Utilising big data to improve efficiency and behaviour will also be key.

4

Investment in **hydrogen and carbon capture and storage** is urgently required. There is also a need for a nuclear component. What the North needs is an energy policy and the empowerment to make decisions to accelerate progress: it cannot and should not be left to BEIS. There is readiness and willingness to take on the responsibility. For example, we should build new nuclear where the jobs are necessary, first looking more closely at investment, and asking: is this location sensible or should we locate in regions where jobs really matter and there is high demand? This ties in with overdue **reform of the Treasury Greenbook** in order to ensure investment funds are spent appropriately. It is clear that without such a holistic, joined up, national and spatial plan, private investment is inhibited. From an engineering perspective there is a need for a clear pipeline of work.

5

There is an overarching need to **safeguard the North's natural capital**. The North is home to 70% of all England's wetland, peat, heather and moorland, as well as many national parks. Much is in a poor state and requires restoration to prevent flooding and fires. There are also opportunities to create jobs through land restoration. Infrastructure can benefit biodiversity but needs to be costed effectively. What is needed is commitment from the Government to this agenda, followed by devolved power and resources to get the work done. There is a lot of talk regarding a 'red wall' but focus should instead be on building the 'green wall'.

6

Spatial planning is crucial and must be done in partnership with local government. Unfortunately, the Government wants to introduce new planning processes and frameworks in England. These proposals seem flawed as they allow lower standards for large developments and have no focus on sustainability objectives. It was suggested, strongly, that on the contrary, standards need to be set at a Government level; training needs to be consistent across areas; and progressive regulations need to be prescribed to encourage new ways of working and innovative solutions – a co-ordinated whole system change process will not manifest itself through market practices alone. In addition, the point was made that a person or organisation should then 'own' the Net Zero vision for the pan-region and ensure it is implemented.



Session 2:

**BUILDING
BACK BETTER
TRANSPORT**

The North needs to transform the way it connects its people and places. Decades of under-investment in transport has only worked to widen regional inequalities and reduce the North's growth potential. In a post-Covid-19 post-Brexit global marketplace, the Government urgently needs to accelerate its investment in transport and infrastructure projects in the Northern Powerhouse.

Promises to level-up and rebalance the economy are high on the Government's recovery radar. The case for investment in the North's transport infrastructure has therefore never been stronger. The Northern Powerhouse has the innovation, skills and capability to deliver 'shovel-ready' transport projects; infrastructure innovation and solutions. Government needs to support plans for major upgrades, high-speed rail and infrastructure which will build prosperity in the cities and towns across the North – connecting people to jobs and opportunities.

As we move into recovery, how we travel, transport goods, deliver services and connect must change for the better. Investing in transport is the key to unlocking the North's full potential, rebooting the economy and building back better connectivity and growth.

KEY QUESTIONS ASKED:

How do we build back better transport in the powerhouse? More specifically, in light of Covid-19, Brexit and a green recovery:

- » What powers and investment do we need from Government to unlock connectivity and growth across the North and rebalance the economy?
- » What do we need to do to restore confidence and kick start major transport infrastructure and investment?
- » What transport innovation and infrastructure does the North need to prioritise if it is to build back better transport across the Northern Powerhouse?
- » Will the Northern Transport Accelerator Council be the "rocket booster" required to deliver major transport plans in the North?
- » What kind of jobs, skills and training do we now need to build back better transport and connectivity?
- » How do we decarbonise transport and lead the way on Net Zero innovation and solutions?
- » What local government funding and support should the Government be giving to meet the challenge of changing travel demands and manage and mitigate risk caused by the pandemic?
- » Will the Government commit to major transport infrastructure upgrades and projects like HS2 in full and boost investor confidence?

CONTRIBUTORS:

- Andrew Stephenson MP, Minister of State, Department for Transport
- Kevin Hollinrake MP, Co-Chair, Northern Powerhouse APPG
- Baroness Randerson, Liberal Democrat Spokesperson for Transport, House of Lords
- Steven Broomhead, Chief Executive, Warrington Borough Council
- Kate Jennings, Policy Director, Railway Industry Association
- Mike Emmerich, Founding Director, Metro Dynamics
- Jonathan Spruce, Director, Fore Consulting
- Lorna Pimlott, Sponsorship and Policy Director, HS2Ltd
- Henri Murison, Director, Northern Powerhouse Partnership
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- Jake Kelly, Public Affairs Executive, Civil Engineers Contractors Association
- Simon Bennett, Business Development Manager, Abellio
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- Julie Hurley, Client Account Director, Northern Powerhouse – Atkins
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OUR 6 KEY FINDINGS:

1

Atkins' post-Covid survey showed that transportation companies have seen over a quarter of their work reduced, postponed or cancelled, with private sector businesses reporting an average 31% drop in revenue. While [road usage is increasing](#), **public transport figures are still far below what they were pre-Covid**. The [Atkins survey also](#) showed that in the transportation sector, only half of respondents expected the industry to recover to pre-crisis levels by Q4 2021. The long road to recovery gives us the opportunity to build back better transport, rethink the way we work and redefine why our transport is so essential to the UK – both to people and the economy. In fact, a 50-year view is now possible – a future where rail can be clean and green and public transport is seen as fundamental to local connectivity as well as safety.

2

Levelling up the North is one of the Government's key policy goals. Inequality is a drag on economic efficiency and growth, and some regions are cut off from jobs due to poor transport – congestion, inefficient rail etc. Infrastructure is therefore at the heart of government's programme for growth. The overall goal is to build back greener, faster and better. That means investing in a better connected Britain across the transport sector. £13bn investment has been allocated for the North, which amounts to more spending per head than the South for the first time. But this is not enough, further investment will be required. The new Integrated Rail Plan, due by the end of the year, will set out a programme and funding model, and will include the TransPennine extension and other key northern projects.

3

Delivery is now seen as key – there is a need to move the shovel from being 'ready' to being used. The Government's [Northern Transport Acceleration Unit](#) is hopefully a welcome step towards this. It promises not only increased levels of investment in projects but a new way of delivering these to avoid costly overrun and redesign; large transport projects are often difficult to deliver, late and over budget. Meanwhile, the M62 and Nightingale Hospitals were delivered on time and the A14, which Atkins led detailed design for, was completed eight months early. It is important to take what worked on these projects – off-site construction, 3D and automation, an innovative delivery model – and apply it elsewhere.

4

We can also take the Covid pandemic pause as an opportunity to reassess the balance across our road and rail networks, and create **the infrastructure needed for more sustainable transportation**. One way of doing this is to increase the amount of freight carried on our railways – 89% of UK freight is still carried by lorries despite rail producing [just 25%](#) of the carbon footprint of road freight. Atkins' priority is about how we enable and accelerate such 'green' schemes. These include electrification of the railway, bringing in more energy efficient trains (e.g. hydrogen), future mobility projects (e.g. Centre for Advanced Vehicular Systems) and driverless operations to our railways.

5

Local authorities are already suffering internal budget pressures due to the implementation of unplanned and unbudgeted Covid-19 measures. This is likely to disrupt and delay progress back to a world of 'normality' where transport resilience and improvements are a priority. Of course, coupled with this are changing travel demands which impact on planned economic investment for growth. Specifically, regarding transportation investment, the lack of self-funding budgets to support scheme development until external funding can be secured is a key risk to future pipelines. At the macro level it is important to have in mind that rebalancing the country so that the North is finally levelled up will cost billions and take years, as demonstrated by the decades it has taken to fully integrate east with west Germany.

6

If improved connectivity fixed all problems, Doncaster would already be prosperous. **The overall goal is to make places work better** so there is a key need for complementary policies that go alongside transport. For example, the way things are currently done is often back to front. We build houses and then create the links. We need to change this. Instead we should provide the transport connections and then develop places. We also need to look at the environmental impact of the transport industry and make sure transport investment and planning is aligned to the jobs and skills deficits – and ensure the training and adult education is there to get local people into work.



Session 3:

**BUILD, BUILD,
BUILD, SKILLS
AND HOUSING**

The North needs to transform its left-behind towns, cities and communities. If we are to build our way out of recession, the Government needs to accelerate investment in the North; its people and its places. The North needs to maximise its growth potential by generating new jobs and skills and to build back better homes and places. We need to build homes which are sustainable and places where people can prosper.

In a post-Covid-19 post-Brexit global marketplace, promises made about levelling-up need to be realised in the North. Rebooting and re-balancing the economy are high on the Government's recovery radar but what needs to be done now to unlock the innovation and skills we need to achieve a sustainable and green recovery?

The Government's focus on speeding-up the planning process might be welcome but are these plans enough to unlock the skills, innovation and housebuilding the North desperately needs? How to scale-up investment and build sustainable, quality, homes and places where people want to work, rest and play is the key to unlocking and rebalancing the North's future growth in recovery.

KEY QUESTIONS ASKED:

On the road to recovery, what needs to be done now to unlock the homes, places, innovation and skills we need to achieve a sustainable and green recovery? More specifically:

- » How can the North lead the way to a green recovery through scaling-up house building and place making in a post-Covid-19 post-Brexit world?
- » What powers and investment do we really need from Government to level-up and build, build, build?
- » What are the jobs and skills the Northern Powerhouse needs to build back better homes and places?
- » How can innovation and skills reboot and rebalance the Northern Powerhouse?
- » What needs to be done now for the North to maximise its growth potential?
- » How can we rebalance the North's future in recovery and generate new jobs and skills?

CONTRIBUTORS:

- Rt Hon Chris Pincher MP, Housing Minister, MHCLG
- Victoria Hills, Chief Executive, Royal Town Planning Institute
- Lord Richard Best, Chair, Affordable Housing Commission
- Katie Teasdale, Head of Member Relations, National Housing Federation
- James Stevens, Director for Cities, Homes Builders Federation
- Emma Degg, Chief Executive, North West Business Leadership Team
- Andrew McPhillips, Chief Economist, Northern Powerhouse Partnership
- Rachele Earwaker, Economist, Joseph Rowntree Foundation
- Charlie Trew, Head of Policy, Shelter
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- Karen Brown, Senior Policy Adviser, Northern Housing Consortium
- Cllr Hannah Roberts, Cabinet Member for Housing, Oldham Council
- Cllr Linda Robinson, Assistant to Portfolio Holder for Planning Development & Housing, Rochdale Borough Council
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- Mike Leonard, Building Alliance, Birmingham University
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OUR 6 KEY FINDINGS:

1

The Government sees **there is a great opportunity to revolutionise the economy and use the North as a flagship**. £13bn of infrastructure investment has already been earmarked and it is very receptive to new ideas and more green technologies. It is, for example, keen to see modern methods of construction (MMC) in housing and greater use of technology and innovation. The North is leading the way in these areas. Overall there is an opportunity to do better in housing in the recovery from the Covid-19 pandemic.

2

The country will need **a strong planning framework to rebalance the economy and meet its Net Zero targets**. Planning is also very important at a local level but in fact there are too often shortages of key staff in local authorities. Only half of local authorities have an up-to-date local plan. It is important to get new graduates into the sector. Sustainability must be at the heart of this new planning framework. There is also an opportunity to imbed environmental challenges such as increased bio-diversity in the forthcoming Planning White Paper.

3

The country faces an affordable housing crisis as the social housing sector has halved to 18% and the private rented sector has doubled to 20% over the past twenty years. Two in five of those in the lower half of incomes now spend 40% of their earnings on housing costs. **There is a major opportunity for the Government to build its way out of recession** and the Affordable Housing Commission has proposed a National Housing Conversion Fund which would see housing associations and local authorities buying homes from exiting private owners and also purchasing stalled developments. A £1.3bn fund would deliver 42,500 homes at social housing rents - 35,000 in the North. Buy Back Now as well as Build Back Better.

4

Covid-19 has perhaps permanently shifted attitudes to working from home and arguably housing has become more important. **The housing crisis is very different in the North** and from area to area within it. As such, funding needs to be allocated and the Treasury Greenbook reformed. There is, for example, a huge economic opportunity to build and retrofit with housing associations as partners, giving them certainty as well as flexibility. Overall investment needs to be brought forwards, with the National Housing Federation seeking a commitment of £20bn over the next 10 years including a £3.8bn retrofit fund. MMC and sustainability should be adopted as the new normal.

5

Everybody deserves a roof over their head (EDAROTH) is a good example of innovation in the housing sector with a private provider – Atkins – setting up a separate business as an end-to-end developer for social housing on brownfield sites. It utilises a 'pod and panel' housing system based on Design for Manufacturing and Assembly (DfMA). The overall goal is to work with local authorities and help create communities. EDAROTH is now developing a manufacturing facility, jobs and training will follow.

6

There are apprenticeship gaps arising from Covid and these must be addressed. People in training should be protected to avoid a gap in the employment pipeline. Greater research and development investment would beneficially impact on supply chain. **It is vital we start to level up now by maintaining job creation and investing in digital and vocational skills**. There should be massive government support for the reskilling of those who have lost their jobs.

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Prepared by DevoConnect for Atkins
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