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1. Introduction

Context

- 1.1 In late October 2015, SQW Ltd and Cambridge Econometrics Ltd (CE), supported by Steer Davies Gleave Ltd (SDG), John Jarvis Consulting, and (as peer reviewers) Professors Philip McCann (Groningen), Ron Martin (Cambridge) and Roger Vickerman (Kent) were appointed by Transport for the North (TfN) on behalf of wider partners, to undertake **an Independent Economic Review (IER) of the Northern Powerhouse (NPh)**.
- 1.2 Partners' intentions in commissioning the IER were threefold, namely to provide:
- **data, evidence, and intelligence to underpin TfN's Northern Transport Strategy in Spring 2016**, as an input to the Spring 2016 Budget, and subsequent proposals for transport investment.
 - the evidence and arguments around **which the 'narrative' for the NPh** could be forged and developed.
 - the **analytic bedrock on which subsequent NPh development**, – including, but not limited to, strategy and action planning – could be built and progressed for the future.
- 1.3 The work was undertaken between late-October 2015 and March 2016. It comprised five workstreams as follows:
- Workstream 1 – analysis of the **prosperity and productivity gaps in the North**, and the potential contribution role of different drivers, including (proxies for) transport connectivity, in closing these.
 - Workstream 2 – a focused analysis of the **economies of the 11 Local Enterprise Partnership (LEP) areas, which together form the North**, including an assessment of local productivity performance and causes, sectoral specialisms, capabilities, and assets, and major investments planned/underway to address the causes of the performance gaps and realise sector opportunities.
 - Workstream 3 – analysis of **distinctive competitive advantage and sectoral strengths, capabilities, and industrial potentials** of pan-Northern significance.
 - Workstream 4 – **modelling future growth scenarios for the North, including growth consistent with NPh's aspirations**, and the role of agglomeration and transport in influencing the growth across the North.
 - Workstream 5 – developing **suggested proposals for an Independent Panel** to act as the guardians of the IER's evidence base going forward.

What the Review was . . . and what it was not

- 1.4 The Review was seeking to characterise the North's economic position and the causes underpinning its performance, and to identify opportunities where 'pan-Northern' effort can

sensibly support existing 'local' activities. Whilst key elements of the work involved drilling down into transport specifics, the Review as a whole was intended to reflect on the wider 'ecosystem' in the North of England, of which transport is a part.

- 1.5 Importantly, the Review was not intended as a fully-dimensioned 'economic baseline' for the North, although in undertaking its work it ranging widely across a range of domains. Equally importantly, the IER was not about developing the NPh strategy or action plan, nor was it concerned with any NPh governance arrangements. Rather, it relied heavily on a review and synthesis of existing literature and evidence, with additional modelling work by Cambridge Econometrics, building on analysis of the North's 'prosperity' and 'productivity' gaps, and sectoral performance, as its key evidential foundations.

Workstream 5: Purpose and Approach

- 1.6 A key requirement of the brief for the IER, and early requests from key stakeholders to the work, was that **formal attention be given to thinking through how the evidence base generated by the Review could be maintained, and progressed, going forward**. This is much in line with one of the underlying realities of the wider Review – that it is an assessment of the North's position and prospects *at the time of writing*. As time moves on, positions and prospects will need to be refreshed and, importantly, mined and analysed still further to improve the North's understanding of its economy. Without this, the evidence and knowledge with which to understand the North's economy, and take key decisions, will become dated and stale.
- 1.7 In this context, this Workstream developed suggested proposals for establishing an independent Panel to act as the custodian of the evidence which the NPh's IER has generated. In progressing it, four operating examples were reviewed, all of which have sought to fulfil '*guardian of the evidence*' roles in similar contexts. The examples are:
- The North West Economic Regional Forecasting Panel, which operated with Regional Development Agency (RDA) funding between 2004 and 2010. Following the demise of the RDA, the Panel was wound up.
 - The West Midlands Regional Observatory, launched in 2004 as an RDA/West Midlands Regional Assembly initiative for the West Midlands, and acquired in 2011 by Marketing Birmingham. Now rebranded as the Regional Observatory, it plays a major role in informing policy thinking and investment action in the region.
 - The Regional Learning Partnership and Skills Observatory for South West and Central Wales, launched in 2009 by Welsh Government, and now undergoing formal review in the wake of the establishment of the Swansea Bay City Region.
 - The Research and Policy Strand of The Northern Way, which worked to underpin the work of that initiative with evidence and best practice, from both within and outwith, to drive continuous improvement.

Report Structure

- 1.8 **This report is the final report on Workstream 5.** The Workstream's draft findings were presented to, and tested, with the North's Leaders and the TfN Executive Board in early February 2016. The report also benefits from formal comments offered during mid-March 2016 by the Review's Economic Reference Group.
- 1.9 The remainder of the document is structured as follows:
- Section 2: sets out the rationales and proposed functions that an independent Panel could deliver on.
 - Section 3: informed by these requirements, this Section presents the various practical forms through which these requirements could be addressed, and highlights the 'pros' and 'cons' to the various choices on offer.
 - Section 4: this Section sets out the inputs and practical activities that could characterise a Panel 'in operation', then going on to set out in headline terms the outputs and outcomes that might be expected.
 - Section 5: this concluding Section presents the Reviewers' recommendations on how the Panel might be taken forward.

2. Rationale and Proposed Functions

Rationale

2.1 In the context of safeguarding and advancing the IER's evidential legacy, the rationale for an independent Panel at the level of the North of England could have five components:

- An excellent understanding of the North's economy is necessary for the design and execution of economic, efficient and effective economic strategies, policies, programmes, and projects.
- As elsewhere, the North's economy is dynamic, and so economic data and forecasts are subject to change. As such, they require updating at reasonable frequency if they are to remain accurate and beneficial.
- The current work on IER in reviewing the North's economy establishes a 'snapshot' and time-limited forecast of economic growth, which is informing here-and-now investment thinking and decisions. Future economic development and change means that, for the IER's wider evidence base to be effective, a process for maintaining, updating, and deploying economic analyses and forecasts will be needed.
- There is a need to add value to the good work carried out by individual Local Enterprise Partnerships (LEPs), by providing analyses and forecasts at the level of the North, helping to ensure that pan-LEP issues (such as higher-end labour markets, innovation, supply chains – all of which work at supra-LEP areas) are understood fully, that issues of LEP connectivity and inter-dependence are characterised effectively, and that the sum of LEP ambitions for growth and development, bottom-up, align with those top-down aspirations for growth across the North.
- The IER identifies four key capabilities (in Advanced Manufacturing, Energy, Health Innovation, and Digital), which operate at the level of the North. Ensuring a strong pan-Northern view on these capabilities and their development, notwithstanding local efforts and investments, will be important to maintain Northern policy coherence.

Functions

2.2 Informed by these rationales, a new Panel could deliver on six functions, namely to:

- **Provide an independent, evidence-based, assertion-free overview of economic performance and prospects at the level of the North.** In so doing, it would provide the evidential feedstock to provide LEPs, Northern agencies, national government and other stakeholders to inform policy development and investment decisions. The experience of the North West Regional Economic Forecasting Panel was that its work had a significant effect in assisting decision-making among private sector actors with regional interests.

- **Act as a cost-effective guardian of the economic data pertaining to the North**, and achieve economies of scale in the commissioning and production of economic forecasting and forward-looking thinking at the level of the North.
- **Offer specific advice and guidance on how the different domains of the economic 'ecosystem'** (for example, Knowledge, Skills, Labour Force, Infrastructure, Enterprise etc.) **can be flexed and progressed to help achieve the 'transformational' and 'transformational plus' scenarios** set out in the Review's Workstream 4 report.
- **Draw on wider thinking about the economic development of the UK in the global context**, and to use this to inform views about the North's economic future. A key function here would be for the Panel to act as a 'channel for engagement' with other specialist thinkers on economic issues, such as the Organisation of Economic Cooperation and Development and various Think Tanks, and port and translate this knowledge to the North's economy for benefit.
- **Identify gaps in the existing data and/or knowledge** regarding the economy in the North, and to **commission research to address these gaps**, ensuring this new evidence is widely diffused and embedded. Key here would be exploration around those sorts of issues which the Independent Economic Review has not had time (or resource) to probe – for example the relationship between Skills and Occupations in the North, the supply chain linkages within the 'Prime' and 'Enabling' capabilities, and issues around innovation capacity, which BIS' proposed Science and Innovation Audit process is initiating work on.
- **Provide a 'reality check' and act as 'critical friend' to policy-makers in the North**, to ensure that relevant strategies, policies, programmes and projects are robust and evidence-based, and take account of connections between places, economies, policies, investments, and disinvestments (by public and private sectors).
- **Provide 'thought-leadership' in 'foresighting the issues,'** based on scenarios of different technological and market trends, which pushes the boundaries of explanation and understanding of how the economy of the North operates.

2.3 In progressing these functions, the Panel should be independent and objective, following the style adopted for the main Independent Economic Review. It could have an advisory, inputting, and challenging role to the Northern Powerhouse's thinking and development. It would not be a formal component of the Northern Powerhouse governance structures or related policy-making/deciding processes; so to do would compromise its intended, and distinctive, independence.

3. Forms and Operation

3.1 With issues of rationale and function highlighted – *'what should it do?'* – this Chapter now turns to questions of forms and operation – *'how would it do it?'* It addresses three considerations:

- The form that a Panel might take
- The form of a supporting secretariat
- The nature of the economic analyses and forecasts that might comprise the 'core business' of a Panel.

The form that a Panel might take

3.2 In thinking about the forms that a Panel might take, and drawing on existing experience, there are three key considerations

- **The Panel would need to be sufficiently broad to encompass different points of view, specialist knowledge and experience, all at the level of the North, and without being too cumbersome to operate.** Ideally, the construct of the Panel would be less on representation (be this geographic, sectoral, or political, though all of these and other characteristics would feature across the totality of the Panel membership), and more on knowledgeable, articulate, and inquisitive individuals from the North (with perhaps one or two 'externals' from outside of the North) to drive Panel thinking and debate.
- On size, previous experience, e.g. of the North West Economic Forecasting Panel, **would suggest a membership of 10-12 being appropriate for a Panel which covers the North as a whole.** The number would need to be large enough to ensure rich and fertile debate among a community of interested, expert, and committed individuals, but not so large as to become an unwieldy mechanistic committee to which the commitment of individuals becomes diluted. As stressed elsewhere, this scale of operation would ensure a focus on 'content and value added', not simple 'representation'.
- On **assembling practically a Panel membership**, a range of options present:
 - Seeking nominations could be sought from each of the LEPs in the North for 'their' Panel member. The risk here is of an overly geographic focus, and 'representation of place', rather than the provision of an independent, expert view. This representation approach was used in forming the South West and Central Wales' Regional Learning Partnership 'panel' (their so called Strategic Group), albeit with a focus on types of institution (Higher Education, Further Education etc.), rather than geography. Recent work has shown this model to be more procedural and less value adding than had been hoped for, and is being revisited.

- A 'technical specialists' Panel could be assembled, with strong academic and research knowledge of the North's economy and/or data methods and techniques (such as econometrics and economic forecasting, skills provision, transport planning etc.). Whilst being technically strong, a Panel solely or overly made up of specialists is likely to lack sufficient tacit, local knowledge of what is affecting businesses and labour markets in the North and may not carry weight in the wider community that it needs to influence. As such, it is potentially unlikely to provide the 'real world' grip that would be key to an applied Panel operation.
- A mixed Panel with representatives from business, academia, appropriate parts of the public sector, and representative partners (e.g. Northern TUC, CBI etc.). Panel members might be appointed via an open recruitment process (conducted on the basis of a role specification which focuses on individual knowledge of, and expertise in, the North's economy) or via a process of co-nomination (whereby a wide range of stakeholders are approached to suggest members based on their perceived expertise and experience, with those most frequently cited ones being approached to join a Panel). The co-nomination approach was the one used in forming the North West Regional Economic Forecasting Panel (and the West Midlands Regional Observatory in its original form). On the downside, a Panel of mixed membership faces the usual challenge of having effective cross-disciplinary discussion and may fail to form consensus, both of which raise the importance of a first-rate Chairing resource.

The Form of a Supporting Panel Secretariat

- 3.3 The emphasis of a Panel in its own right would need to be on reviewing, assessing and challenging the data and evidence which are put to it. This is where a Panel, and its expert membership, can best add value. **To enable this, and ensure the Panel does not become engaged unduly in evidence gathering and assembly, there would need to be a secretariat infrastructure which is capable of supporting and servicing the Panel.**
- 3.4 Irrespective of the options available, which are discussed below, there are three key considerations:
- The ease with which the secretariat might be set up
 - Its establishment and operating costs
 - Plans for the future with regard to developing an 'in-house' capacity to produce economic analyses and forecasts for a Panel.
- 3.5 Against this background, **potential options for a secretariat infrastructure could include:**
- **An outside contractor providing the secretariat this function.** This option might be linked to the provision of economic analyses and forecasts (see below), or it could form a separate contract. This was the model which supported the work of the North West Regional Economic Forecasting Panel over its operating life.

- **A lead partner from within the North providing a small-scale secretariat support from within existing resources.** This option could also act as a stepping stone to establishing an independent secretariat over time. This was the model adopted by the South West and Central Wales' Regional Learning Partnership.
- **Establishing, from the start, a new, independent and standalone secretariat,** this with a view to building up in-house capacity to carry out economic analyses and forecasts over time. This was the model employed by West Midlands Regional Observatory in its original form. Conceivably, this might be done within TFN's emerging structure and responsibilities, not least given TfN's geographic remit. However, some care would be needed to ensure this TfN 'home' did not skew overly the work of the Panel in favour of a transport-related agenda given; the Panel's essence must be about taking an ecosystem-wide view of the North's economy and its performance.

3.6 There are pros and cons with each of these options:

- A secretariat provided by an outside contractor could be established relatively quickly, deliver expertise immediately, and reduce employment commitments by partners. However, Panel members would need to ensure that their requirements were spelled out clearly if their needs were to be met properly. Furthermore, such an arrangement would need to ensure that building in-house capacity was worked into any contractual terms.
- Again, a secretariat provided by a lead partner from existing resources could be established relatively quickly and result in limited additional costs. But, there would be a risk that the Panel might not be seen to be independent if its secretariat were supported by staff from one lead partner. Furthermore, staff in the secretariat would face competing demands if the role were added simply to their existing activities. Given the ways reporting lines influence behaviours, such an arrangement might hinder the effective servicing of the Panel.
- An independent secretariat would be able to support fully the work of the Panel and enable the development of in-house expertise with regard to economic analysis and forecasting. But, it would take time to establish and build, and would require partners to enter into employment commitments, presumably as part of wider governance arrangements for the Northern Powerhouse.

Options for analysing economic data and forecasts

3.7 There would be a number of options for identifying and acquiring data, analysing these, and generating economic forecasts at the level of the North. Bearing in mind the Panel's prime objective of medium and long-term analysis to inform forward-looking policy, these could include:

- Procuring LEP-level data and forecasts, to produce a bottom-up analysis and a composite forecast. This was the model used, from time to time, by the both the North West Regional Economic Forecasting Panel and the West Midlands Regional Observatory, alongside the third option below.

- Establish a group of economists (either as a formal part of the Panel, the secretariat, or working as a specific 'task group') to prepare and deliver a range of economic datasets and forecasts at the level of the North, informed by publicly available datasets, e.g. provided by ONS, the Office of Budget Responsibility, the UK's national economic forecasters etc. This option would be concerned primarily with developing a Northern dataset and economic forecast from scratch, representing essentially a solution 'developed by the North for the North'. This model might draw on the economics expertise in the North's academic departments and/or Business Schools.
- Procure a private sector partner, operating at a national/international level, to provide economic analyses, forecasts, and forward-looking thinking at the level of the North. Again, these would be based on publicly available datasets, e.g. provided by ONS, the Office of Budget Responsibility, and the UK's national economic forecasters, but rather 'flex' these existing forecasts from mainstream providers to the Northern context. This material might then be augmented by independent evidence from sources, such as the Confederation of British Industry, British Chambers of Commerce, the Purchasing Managers Index etc., again calibrated to the Northern context.

3.8 There are, again, pros and cons to each of these options:

- The aggregation of LEPs' data and forecasts would be relatively inexpensive. However, there are some differences in the datasets which LEPs use, and where they have commissioned or produced economic forecasts they often apply different assumptions and cover different timescales, and there are overlapping footprints of LEPs across the North. It may be difficult to establish what the underlying 'stories' are that inform the separate forecasts. This, simple upwards aggregation might prove problematic and of limited value.
- A group of economic forecasters from within the North would enable a Panel to explore a range of views and develop an innovative home-grown perspective on the North's position and prospects. It would also enable a Panel to work with economic forecasters to improve their forecasting capability and capability, perhaps with a view to establishing a long-term indigenous competence for the North. However this might be seen as a rather 'closed' model – Northern forecasters advising Northern Panel members, and potentially lacking some credibility given that the forecasting work would be provided for the Panel alone, and not subject to wider deployment and testing.
- An academic or a private sector partner, operating at a national/international level would be able to provide consistent datasets and national/regional forecasts on which analysis could be built. As such, it would be a more transparent operation than a group of Northern forecasters alone. However, there are risks attached to an over-reliance on one forecasting model, and one provider, given the inherent uncertainties and difficulties involved in economic forecasting.

3.9 Irrespective of the option adopted, ensuring close working links with the North's LEPs and local authorities, and their research and intelligence agendas, would be a key operating behaviour of the Panel.

Common Requirements

- 3.10 Notwithstanding the various options that would be available for establishing a Panel, underpinning secretariat, and a supporting data/forecasting resource, the development of the wider Panel model could have five overarching requirements:
- The requisite budget to cover at least three years of operation. This duration would be needed to permit the establishment of the Panel, allow it to gain some operating momentum, and show the extent of its value added.
 - A commitment to transparency in terms of how the Panel would operate, who would sit on it, how its work plan would be agreed, and how its output would be reported and disseminated.
 - A clear understanding by the Panel of its audiences (e.g. central government departments, local government, LEPs, combined authorities, regional agencies, mayors, schools/colleges/universities and, importantly, the private sector) and their needs (e.g. timely, accurate data and forecasts to inform policy development, decision-making and budgeting).
 - A mechanism for ensuring that the Panel's findings were communicated to, and understood by, relevant audiences across the totality of the North.
 - A clear 'route to impact' for the Panel's work, to give it real influence rather than becoming a 'talking shop'.
- 3.11 A clear line of reporting to the Northern Powerhouse partnership, perhaps best realised as things stand presently to the TfN Executive Board, would be a clear requirement of the Panel's accountability. Were this option considered optimal, with formal reporting perhaps on a six monthly cycle, TfN would have an important role to play in defining lines of specific enquiry for the Panel, these alongside other actors (for example, the N8 Research Partnership, TechNorth etc) with non-transport agendas. This 'commissioning' of activity and reporting back by the Panel of its independent findings would be important in ensuring the Panel's direction and transparency.

4. Inputs, Activities, Outputs and Outcomes

- 4.1 The previous Section set out possible options for achieving the forms and operations of a functional independent Panel. In this Chapter, we set out four other considerations – the Inputs, Activities, Outputs, and Outcomes – that would be associated with a successful Panel operation. Again, these draw on the experience of appropriate analogues elsewhere.

Inputs

- 4.2 Reflecting the arguments made earlier in this report, it is suggested that the operationalisation of a successful panel model would likely require four key inputs:
- Recruitment of 10-12 Panel members, who would volunteer to provide their expertise for 18-month terms, with a commitment to attend at least three of the Panel's proposed three/four meetings each year. The Reviewers would stress again the need for a focus on knowledgeable, articulate, and inquisitive individuals from the North, rather than simple representatives.
 - An effective, economically adept, and directive Chair who could lead genuine debate and command respect for the Panel's work in key fora at the level of the North and nationally. An ability to think laterally in the face of the known economic issues facing the North would be critical. Given the extent of preparation work embodied in the chairing role, models elsewhere have remunerated Chairs with a modest stipend.
 - A secretariat function to commission and liaise with those providing economic analyses and forecasts, arrange meetings, prepare meeting papers, take meeting notes, and publish the Panel's findings and thinking. Building on the experience of The Northern Way, it may be appropriate to consider approaching, for example, the Office of National Statistics (and/or similar) for expert secondee resources to ensure the secretariat is plugged into national thinking on data.
 - The budget to procure economic data, analyses and forecasts etc., this for a first three year period for the Panel's operation, with the expectation that, were the Panel to prove value-adding, this would continue into the future.
- 4.3 Experience from elsewhere suggests that the **core running costs of a Panel, secretariat, and data/forecasting operation would be in the order of £120k-£140k annually.**

Activities

- 4.4 The core activities of the Panel could span the following:
- Reviewing economic data, analyses and forecasts to aid forward-looking thinking relating to the North
 - Identify gaps in data and/or knowledge about the North and its economy

- Commissioning research to fill gaps in data and/or knowledge. The costs of this additional research would be in addition to the core running costs of £120-140k pa, as above.
- Check-and-challenge the analyses and forecasts based on local and/or specialist knowledge, e.g. to ensure data collection methodologies do not skew analyses and forecasts
- Develop a 'narrative' or 'commentary' to aid decision-makers' understanding of the economy in the North
- Conduct reviews of, or hearings on, policy themes, and/or local areas, identified for further investigation by the Panel, e.g. the degree of fit between local economic forecasts and the economic forecasts produced at the level of the North, drivers of economic growth, and the explanations for variations in performance across the North's economy. Key here would be exploration of all the factors of the economic 'ecosystem' which drive the North's success, not only those relating to transport and connectivity, and doing this in a way which builds upwards and outwards from the necessarily pragmatic evidence base of the IER.

Outputs

4.5 In terms of the outputs that these inputs and activities could generate, five are conceivable:

- One annual long-term economic forecast (perhaps 20 years forward) for the North and its component economies, with commentary and user-friendly Executive Summaries. The emphasis here would be on forward-looking thinking to inform policy. This would be the most significant output that the Panel would produce annually.
- Two short-term economic projections, set within the context of the annual long-term forecast, but providing a perspective for the next three-five years. Again, this would be complemented with commentary and user-friendly Executive Summaries.
- Publication of 'gap-filling' intelligence and explanation reports on 'special topics' with commentary on their relevance to economic growth in the North. Building on the findings of the Review's Workstreams 3 and 4, these 'special topics' might examine how the following could be realised in pursuit of improved economic performance:
 - The likely effects of technology and market discontinuities for the North's 'Prime' and 'Enabling' capabilities
 - Better management skills, including the uptake of innovation
 - Better commercialisation of university research
 - Improved education outcomes, work-based and vocational training
 - Improved graduate retention, helped by better prospects for skilled, mobile workers to make their careers in the North through good access to

opportunities in more than one city region, and by a good supply of high-quality housing

- Publication of findings from reviews of, or hearings on, policy themes and/or local areas identified for further investigation by the panel with commentary on their relevance to economic growth in the North and user-friendly Executive Summaries.
- Targeted assessment of implications for policy-makers and recommendations for actions, based on analysis of the research in the policy areas which had previously been neglected or misunderstood.

Outcomes

4.6 In terms of its ultimate effects, and tying-back to its foundational rationale, a Panel's prime outcome would be to identify relevant economic data and ensure it is up to date, and then oversee and quality assure the process by which that 'data is turned into intelligence', through a process of challenge and commentary. The value added of this would be to ensure that decision-makers in LEPs, government, other stakeholder organisations, and the North's private sector were able to develop and deploy:

- Better informed strategies, policies, programmes and projects that take account of the relationships between economies within, across, and at the level of the North, and with the wider national and global economies.
- More robust appraisals and evaluations of policies, programmes and projects.

5. Recommendations

- 5.1 This concluding Section sets out recommended 'next steps' for how a Panel could be organised, the form a supporting secretariat might take, and the nature of the economic analyses/forecasts that might comprise the 'core business' of a Panel. These would need to align with the rationale and proposed functions given in Chapter 2.
- 5.2 Reflecting on the job to be done in maintaining and taking forward the IER's evidence base, drawing on experience from elsewhere, and the need for flexibility and reversibility in arrangements, the Reviewers' recommendation are as follows:
- A panel to develop and progress the evidence base produced by the Independent Economic Review should be established, this to operate for a minimum of three years.
 - The panel should comprise a group of 10-12 (unpaid) representatives from business, academia, appropriate parts of the public sector, and representative partners (e.g. Northern TUC, CBI etc.), under the direction of a high quality, expert and credible Chair. As part of the membership, thought should be given to including a couple of 'external' experts to provide non-Northern perspectives on discussion. In recruiting panel members, the emphasis should be on knowledgeable, articulate, and inquisitive individuals, rather than simple place, sector, or interest 'representatives'.
 - Panel members should be recruited via a process of co-nomination and asked to commit sign up for a minimum of 18 months and agree to attend at least three (of four) proposed Panel meetings a year.
 - Given the importance of his/her role in such a Panel, a Chair should be identified at the earliest possible opportunity, so that he/she is able to participate in the recruitment process, and shape the emerging form. As well as being able to chair meetings effectively, encourage debate, and form judgements on complex issues the Chair should command the respect of his/her peers. The Chair should be offered a small stipend in recognition of the time the role requires.
 - The Panel would meet on four occasions during the year. The most significant meeting of the year would focus on reviewing and agreeing a long-term forecast for the North, running through to 2035/40. At the three other meetings, short-term forecasts with a five-year forward purview would be presented, discussed, and agreed. As the Panel became increasingly familiar with the nuances of the forecasts and the issues they were raising, it would be able to commission bespoke pieces of work to drill down into particular topics and lines of enquiry. These bespoke pieces would seek to progress the areas for further investigation emerging from the Review's Workstreams 3 and 4 e.g. the role of technology and market change in shaping the North's economy (and the 'Primes' and 'Enabling' capabilities in particular), how best to drive-up the North's skills and innovation performance etc.
 - A small-scale secretariat (1-2 part-time posts at a relatively senior level, and with strong economic skills and organising abilities) should be provided by a lead partner from the North, drawing on its existing resources. This approach should minimise the

time required to establish the secretariat, provide scope to build in-house capacity, and leave open the opportunity to establish an independent secretariat at some point in the future, should partners wish to do this.

- A private sector partner, operating at a national/international level, should be procured to provide economic analyses and forecasts at the level of the North. This partner would draw on official and established data sources for its economic analyses, and would bring a credible forecasting model capable of providing economic forecasts at the level of the North and for its component geographies. The partner would also have access to other forecasting intelligence, such that its own forecast could be complemented with a 'consensus' forecast built from the projections of other providers in the market. Given the risks identified above, in relation to reliance on a single provider, the Panel would be required to review and challenge the forecasts and identify, and help iron out, any anomalies in the model.
- Operationally, the Panel/secretariat is likely to require a budget of £120-140k pa, if it is to operate to full effect, i.e. conduct quarterly meetings, produce a long-term forecast on an annual basis, and provide quarterly updates with commentaries. Ideally, the Panel should also have access to a discretionary budget (£100-120k pa) that it could use to commission research and/or conduct hearings and reviews which would fill gaps in data and/or knowledge.
- Once formed, the Panel and partners should discuss, at the earliest possible opportunity, how the economic analyses and forecasts should be best used, the nature of the commentaries to be provided, and the most useful timings of meetings and publications, e.g. to align with budget-setting in the public sector.
- After 21 months of operation, and what might be thought of as a 'pilot' period, the Panel and its operation should be subject to evaluation. On the basis of a positive assessment, a commitment should then be given to funding the Panel formally for the next three years, again after which there would be formal evaluation to again decide whether a three-year term was warranted. Were a negative relation to be the outcome, the Panel would be managed down within its initial three-year period.