English workforce failings could sink post-Brexit economy, study warns

Monday 6 November, 2017

Press release

Embargo date: from 05.00 a.m. Monday 6 November 2017

English workforce failings could sink post-Brexit economy, study warns

The country's future national prosperity is imperilled because a toxic cocktail of threats - including Brexit, automation and a shrinking skills base - risks squeezing the supply of native workers trained to do tomorrow's jobs – a report from Localis has today warned.

In a paper published today entitled 'In place of work – influencing local labour markets' the study authors estimated that just under half of England's local labour markets have an above-average level of jobs risk due to a post-Brexit migration squeeze; around half have an above average risk to the increased automation of jobs; and just more than half have an above-average risk arising from a low skills base.

Research undertaken by Localis indicated a staggering gulf in the strength of England's local labour markets, with the bulk of investment – both public and private, infrastructure, research and development and foreign investment – being channelled into London and the space which occupies the golden triangle between it, Oxford and Cambridge.

The analysis also revealed that rural county areas account for nine-out-of-10 locations most at risk from the toxic cocktail of future threats to local labour markets. Report sponsors the County Councils Network (CCN), which represents 37 county councils in England, argued the report makes a clear case for devolving powers to its members so they can devise local labour strategies.

However, the findings do not support the traditional view of 'north-south' divide in wealth and economic outcomes, but instead outlined there are greater differences within regions, with labour markets of the South East, in places like Kent and Essex, needing support just as much as certain parts of the North East.

Co-author of the report and chief executive of Localis, Liam Booth-Smith, said: "As the country slowly gets to grips with the broader implications, both positive and negative, of Brexit, it strikes us that the biggest threat to our future prosperity won't come from Brussels, but from our own people.

"Simply put, our population is too low-skilled for the high-paying industries we are developing."

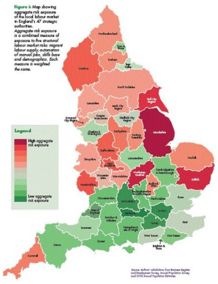
Co-author, **Localis researcher Joe Fyans**, said: "While national government can and should set the policy framework for reshaping the country's labour market to meet future economic needs, local areas must be empowered to respond to their different circumstances. Government must empower England's strategic authorities to positively influence their local labour markets.

"We would like to see devolved powers in apprenticeships and further education, to coordinate the needs of local enterprise and the local population. We place a particular emphasis on the beneficial role this could play in helping disabled people achieve sustained employment and in preventing the premature exit from the jobs market of people aged over 50."

Chairman of the County Councils Network (CCN), Cllr Paul Carter, said: "Counties have intimate knowledge of their local economies, both public and private sectors, but have been hamstrung by a 'one size fits' all skills agenda. Government must hone and unleash this potential in rural areas by creating strategic authorities, led by the county authority.

"County authorities have the ambition, size, and expertise to engineer real change in their local skills market, but are shackled by a lack of powers. Let's embrace the art of the possible – this new approach would be good for business and good for residents.

Media:



Related Sectors:

Business & Finance :: Education & Human Resources :: Government :: Manufacturing, Engineering & Energy :: Public Sector & Legal :: Transport & Logistics ::

Related Keywords:

Brexit :: Labour Markets :: Jobs :: Employment :: Economy :: Skills :: Infrastructure :: Investment :: Education :: Automation :: Population ::

Scan Me:

"This report by Localis sets out a deliverable framework to develop local labour market strategies. By devolving significant skills budgets and adult education powers, we can begin to create make a difference locally and a more prosperous country nationally."

ENDS

Press enquiries:

Jonathan Werran, Head of News and Events, Localis
0870 448 1530 / 07967 100328 / jonathan.werran@localis.org.uk

Notes to Editors:

1. The report is being launched at the County All Party Parliamentary Group (APPG) Autumn Reception on Monday 6 November from 4.00 p.m. to 6.00 p.m. – limited press places are available upon request.

2. A full copy of the report can be downloaded here: 'In Place Of Work – influencing local labour markets'

3. The 10 main report recommendations are as follows:

Recommendations

1. Government should formally recognise the status of England's remaining strategic authorities without a devolution deal by instituting an Industrial Compact, as recommended in the previous Localis report *The Making of an Industrial Strategy*, thus creating the devolved bases upon which new local labour market strategies and powers can be developed and utilised.
2. As part of every new local industrial strategy, every local area should develop a local labour market influencing strategy which highlights at risk industries and businesses.
3. Government should devolve control of the Adult Education Budget to all strategic authorities in England and empower them to convene local colleges, training providers and businesses in order to set the priorities for their local labour market strategies.
4. Local public sector organisations, most pressingly it would be sensible for the NHS and local government to collaborate, should explore what options are available to pool their apprenticeship levy within a strategic authority area. In particular this should be seen as a priority in areas where the health and social care workforce is dependent on a significant amount of migrant labour.
5. Government should accelerate the current 18-month time limit for moving funds held in an apprenticeship levy account down an organisation's supply chain.
6. Government should create the option to allow employers to passport their apprenticeship levy funds to a strategic authority for local skills development activity. This would need to be ring fenced and the priorities for development established before a strategic authority could accept the funds.
7. Government should empower and fund strategic authorities to raise the profile of apprenticeships and the wider state support offered for in work training. The most successful and advanced strategic authorities should be legally allowed to set 'start quotas' for apprenticeships in their areas.
8. In local areas where industry collaboration is weak and relationships with the strategic authority need formalising, strategic authorities should establish employer guilds. These guilds would work with the strategic authority to help shape labour market policy, thus ensuring a steady supply of qualified labour for their future business requirements.
9. As in the previous Localis report A Sector Deal for Disability we reiterate the recommendation for the Department for Work and Pensions to establish and chair a new working group on skills, access and employability for people with disabilities to support the sharing of best practice amongst councils, CCGs, schools and colleges locally. Preferably this should utilise existing professional networks.
10. Government should take a top slice of 5% from apprenticeship levy accounts nationally in order to create a Local Skills Development Fund which can be devolved and focused on supporting strategic authorities' efforts to raise the employment level of key low activity groups, in particular disabled people and the over 50's.

4.National Scorecard of Labour Market Risk

Localis has produced a scorecard ranking 47 **Strategic Authority** areas of the country most at risk from the automation of jobs **(see below for definition).**

What is a Strategic Authority?

A Strategic Authority is the recognised body which leads the industrial strategy in a local area. It would most commonly be a formal collaboration of local authorities across a geographic area. This would be different to a (non-mayoral) combined authority because of a) the requirement for an additional level of democratic mandate and b) the new suite of powers it would wield.

To become a strategic authority an area must first have in place;

- A formal collaborative arrangement of local councils across a geography. (Our previous report, *The Making of an Industrial Strategy,* introduced the concept and this report includes a map indicating the breakdown of strategic authorities in England[1].)
- Democratic legitimacy in the form of either a) a directly elected mayor, b) a strategic authority wide elected assembly led by a chair voted for by the assembly or c) in areas where the formal collaborative agreement consists of a county and its districts or a sole unitary county, the county could become the strategic authority (with agreement from partner councils where appropriate).

The rankings indicate **Berkshire and Brighton and Hove** are joint best-placed to cope with labour market change, and **Lincolnshire** is the Strategic Authority most at risk from the combined threats of: -

- i)restricted post-Brexit migration;
- ii)increased automation of jobs;
- iii)low skills bases;
- iv)demographics.

Strategic Authority		Av. Rank	Automation Score	Rank	Migration Score	Rank	Skills Score	Rank	Demographics Score	Rank	Total
1	Berkshire	2.333	134	4	138	1	225	2	104	13	497
1	Brighton and Hove	2.333	157	1	131	5	254	1	122	1	542
3	Surrey	3.667	136	3	136	2	185	6	101	20	457
4	West of England	5.333	126	7	132	4	189	5	111	3	447
5	Oxfordshire	5.667	131	6	126	8	210	3	106	6	467
6	London	6.667	151	2	120	14	201	4	116	2	472
7	Gloucestershire	12.333	110	15	125	11	127	11	100	24	362

8	Hampshire & Isle of Wight	13	107	17	121	13	135	9	97	31	363
9	Dorset	14	124	8	112	20	124	14	84	47	360
10	Cambridgeshire & Peterborough	15	102	21	133	3	100	21	105	8	335
10	Hertfordshire	15	97	27	130	6	126	12	104	13	353
12	Devon	16.667	116	9	98	27	124	14	93	43	338
12	Swindon and Wiltshire	16.667	100	22	113	18	134	10	100	24	347
14	Buckinghamshire & Milton Keynes	17	95	30	120	14	153	7	102	16	368
15	East Sussex	17.333	133	5	122	12	67	35	90	46	322
16	Tees Valley	18.667	114	12	126	8	63	36	102	16	303
17	Tyne and Wear	20.333	111	14	119	16	71	31	108	4	301
18	Essex	22.333	105	19	113	18	72	30	99	29	290
19	Sheffield City Region	23	99	25	128	7	59	37	106	6	286
20	Greater Manchester	24	100	22	99	26	81	24	107	5	280
21	Cheshire & Warrington	24.667	100	22	91	32	102	20	100	24	293

22	Kent	25.333	95	30	108	23	82	23	99	29	285
23	Shropshire	26	108	16	86	35	75	27	96	33	269
24	Bedfordshire	26.25	72	41	109	22	68	34	105	8	249
25	Cornwall	26.667	116	9	42	47	81	24	93	43	239
25	Lancashire	26.667	98	26	98	27	75	27	100	24	271
25	Liverpool City Region	26.667	112	13	101	25	45	42	105	8	258
28	North Yorkshire	27	106	18	49	45	110	18	94	39	265
28	Somerset	27	94	32	77	37	126	12	92	45	297
30	Northumberland	27.333	115	11	92	31	50	40	96	33	257
31	Leeds City Region	28.333	97	27	112	20	57	38	105	8	266
31	West Sussex	28.333	82	36	91	32	115	17	94	39	288
33	County Durham	29	97	27	116	17	42	43	104	13	255
33	Norfolk	29	103	20	105	24	42	43	94	39	250
35	West Midlands	29.333	90	33	126	8	-6	47	105	8	210
36	Leicestershire	29.667	66	45	81	36	152	8	102	16	299
37	Warwickshire	30.667	68	43	95	30	105	19	100	24	268
37	Worcest	30.667	70	42	88	34	120	16	97	31	278

	ershire										
39	Nottinghamshire	31.667	86	34	97	29	70	32	101	20	253
40	Derbyshire	34.333	73	40	70	41	89	22	101	20	232
41	Cumbria	34.667	86	34	48	46	81	24	96	33	215
42	Staffordshire	37	67	44	74	38	74	29	101	20	215
43	Herefordshire, County of	38.333	82	36	71	40	53	39	95	38	206
44	Hull City Region	40.333	54	46	62	42	69	33	96	33	185
45	Northamptonshire	42	49	47	72	39	50	40	102	16	171
45	Suffolk	42	80	38	60	43	37	45	94	39	177
47	Lincolnshire	43	77	39	51	44	27	46	96	33	155

Company Contact:

_

Localis

T. 0870 448 1530
E. jonathan.werran@localis.org.uk
W. https://www.localis.org.uk

Additional Contact(s):
07967 100328

View Online

Additional Assets:
Localis Labour Market Report - 'In Place Of Work'
Localis Labour Market Report - Scorecard Strategic Authorities

Newsroom: Visit our Newsroom for all the latest stories:
https://www.localis.pressat.co.uk