

## Inclusive Growth: Supply Side

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### 1. Recap on inclusive growth

- Inclusive growth is a type of economic growth that creates opportunities for all parts of the population. It distributes the dividends of increased prosperity fairly across society.
- There are two sides to economic growth:
  - **The supply side:** looks at inclusive growth from the individual's perspective. For example, it considers how accessible jobs are; and what the quality of jobs is like.
  - **The demand side:** looks at inclusive growth from the employer's perspective. For example, it considers what skillsets businesses need to grow; how healthy the economy is; and what sectors in the local economy support inclusive growth the most.
- At the last scrutiny meeting, committee discussed:
  - Inclusive Growth is important to economic growth, as it brings more people into the economy, thereby improving productivity.
  - It can help generate innovation and the creation of new business start-ups.
  - There are case studies from other parts of the country where initiatives to support inclusive growth have been implemented.

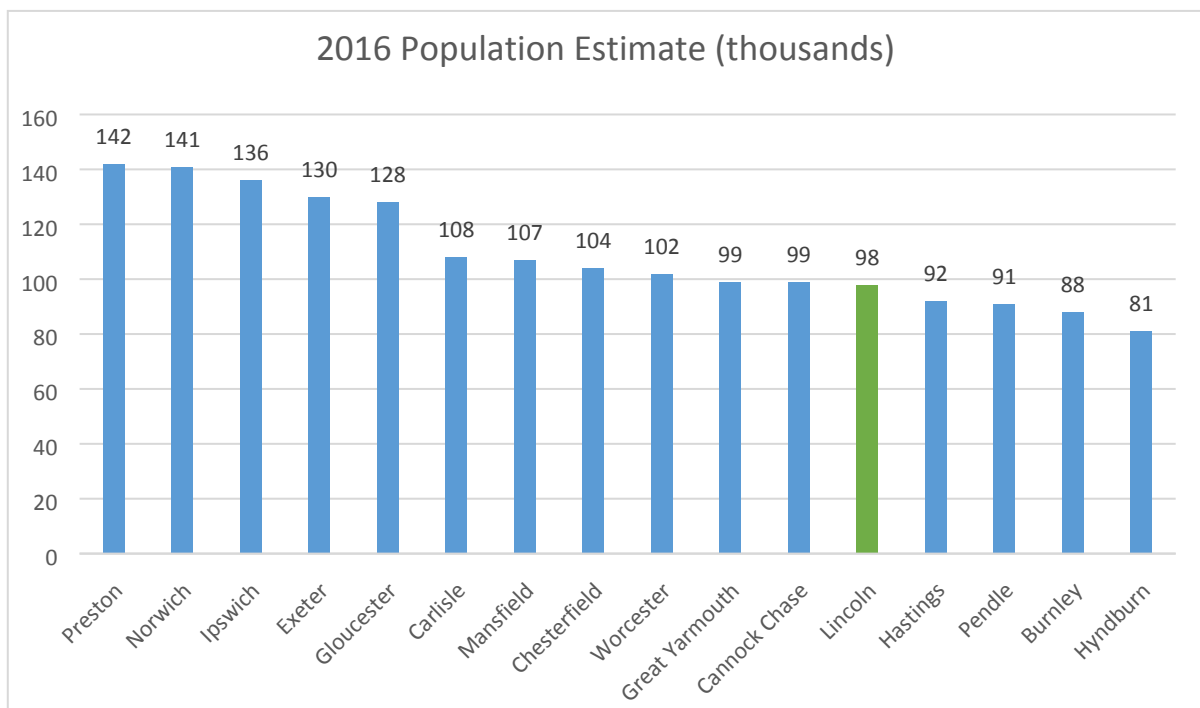
## 2. The labour market in Lincoln

This section explores some of the key indicators that relate to the supply side of Inclusive Growth. These are indicators that predominantly apply to the labour market and employees.

Comparisons are made with a selection of other areas in the country that are considered to be our statistical 'nearest neighbours'. These are areas similar to Lincoln for demographic and socioeconomic factors, and are therefore appropriate areas to compare ourselves with for a range of measures.

### 2.1 Number of residents

There is a large difference in population size for Lincoln's nearest neighbours, ranging from 141,801 residents in Preston, to 80,537 residents in Hyndburn. Lincoln has one of the smallest populations with 97,795 residents.



### 2.2. Economic activity

Economic activity is a useful measure to explore how many people are involved in the labour market. It is different to focusing on employment and unemployment, as it looks much broader at those who are available to work, and those who are unavailable to work.

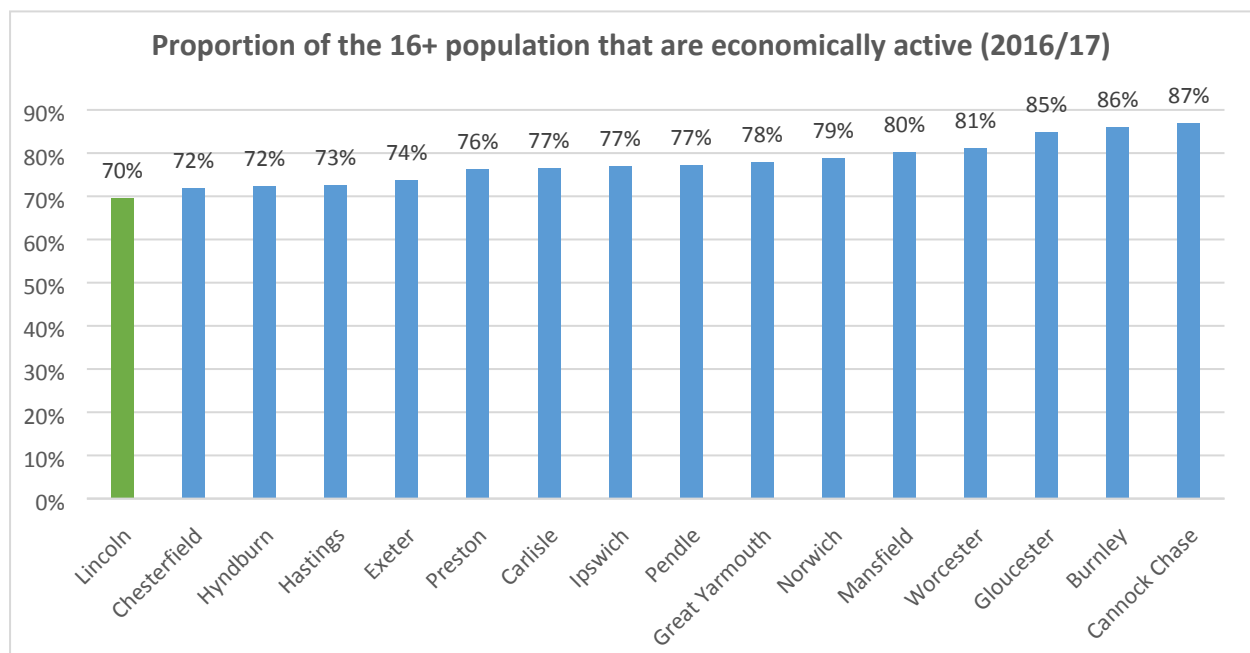
#### *What we know about Lincoln*

- There are 45,600 economically active residents in Lincoln. These are people who are available to work, and either in employment or unemployed.
  - 42,800 (93.9%) are in employed

- 37,100 are employees
  - 5,700 are self-employed
- 2,700 (5.9%) are unemployed
- There are 19,700 economically inactive residents in Lincoln. These are people who are neither in employment nor unemployed, of whom:
  - 6,900 (35.0%) of economically inactive residents are long-term sick
  - 4,100 (20.8%) are looking after a family or home
  - An unknown (but significant) proportion will be retired
- Whilst many economically inactive residents are unable to work for a number of reasons, it is interesting to note an estimated 8,200 (41.6%) economically inactive residents want a job.

### How we compare

The data shows Lincoln has the lowest proportion of economically active residents (e.g. residents who are either in work or available to work) out of all our nearest neighbour authorities. Our low proportion will be, in part, influenced by the large number of students living in a relatively small city. Nevertheless, it also shows there is potential for more people to be included in the future growth of the city.



## 2.3 Out-of-work benefits claimants

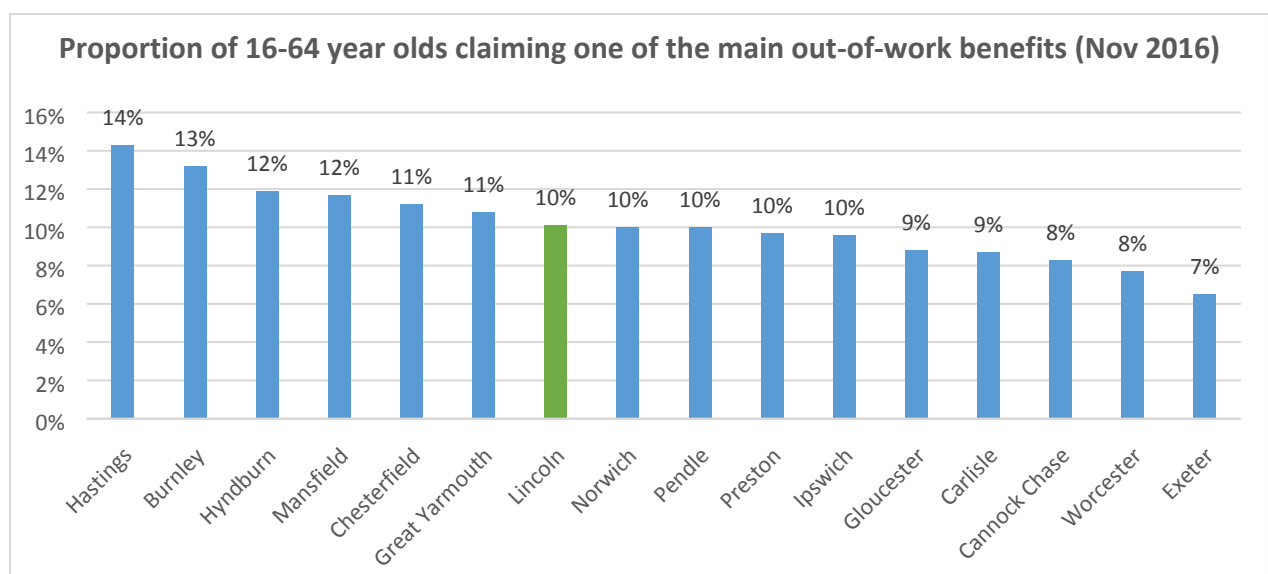
### What we know about Lincoln

- There are 6,740 claimants of the main out-of-work benefits in Lincoln. This accounts for 10.1% of the working age (16-64) population.
- The main out-of-work benefits include job seekers; Employment and Support Allowance claimants; Incapacity Benefits Claimants; and others on income related benefits.

- The most common benefit type amongst this category are people claiming Employment and Support Allowance or Incapacity Benefits. These benefits are normally claimed due to illness or disability. There are 4,730 claimants for this in total.
- The second most common reason for claiming one of the main out-of-work is due to being a carer, of whom there are 1,250 claimants in this category.
- Jobseekers (unemployment) accounts for the third largest group of 1,010 claimants.

#### How we compare

Despite having a relatively high proportion of people claiming out-of-work benefits when compared to areas such as the East Midlands (8%) and Britain (8%), Lincoln's rate of 10% is average in comparison to our nearest neighbours. This shows that urban areas similar to Lincoln tend to have higher levels of worklessness than other areas, and Lincoln is no exception.



## 2.4 Adult skills levels

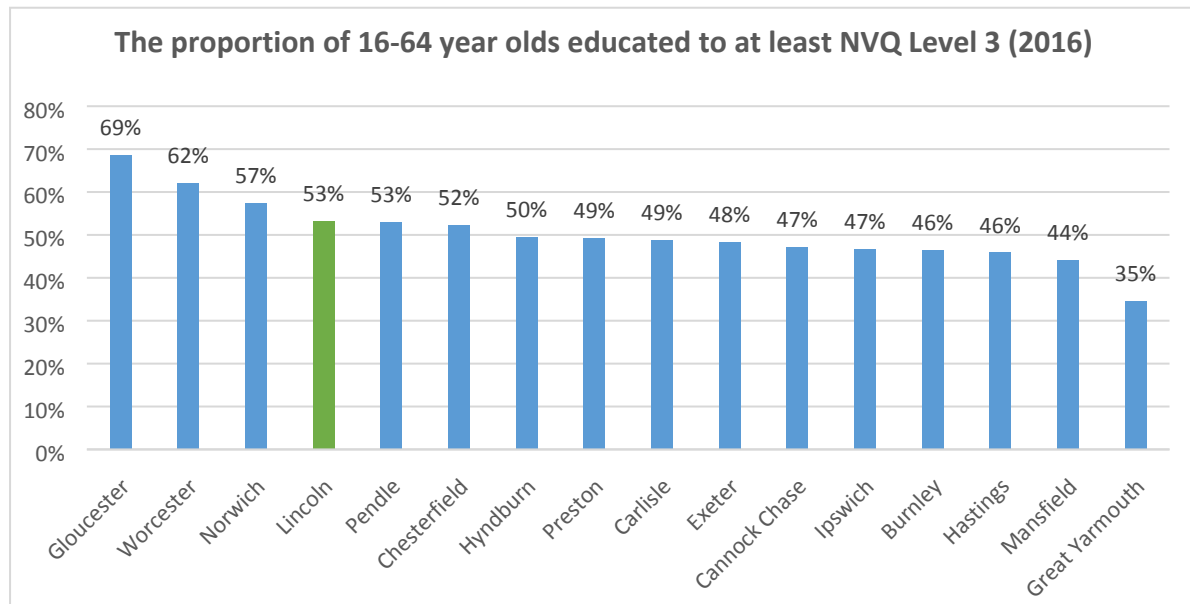
### What we know about Lincoln

Adult skills levels are measured by NVQ Levels. The data we have access to for Lincoln is an estimate based on survey data. It suggests that:

- 7.5% of adult Lincoln residents have no qualifications
- 87.2% have at least NVQ Level 1 (the equivalent of GCSE grades D-G)
- 71.7% have at least NVQ Level 2 (the equivalent of GCSE grades A\*-C)
- 53.2% have at least NVQ Level 3 (the equivalent of A-Levels)
- 31.5% have at least NVQ Level 4 (the equivalent of a Higher National Diploma)

### How we compare

When compared to our nearest neighbours, Lincoln has one of the highest proportions of adult age residents educated to at least NVQ Level 3. This shows that, whilst still having a significant proportion of residents with no formal qualifications, Lincoln has above average performance for this measure.



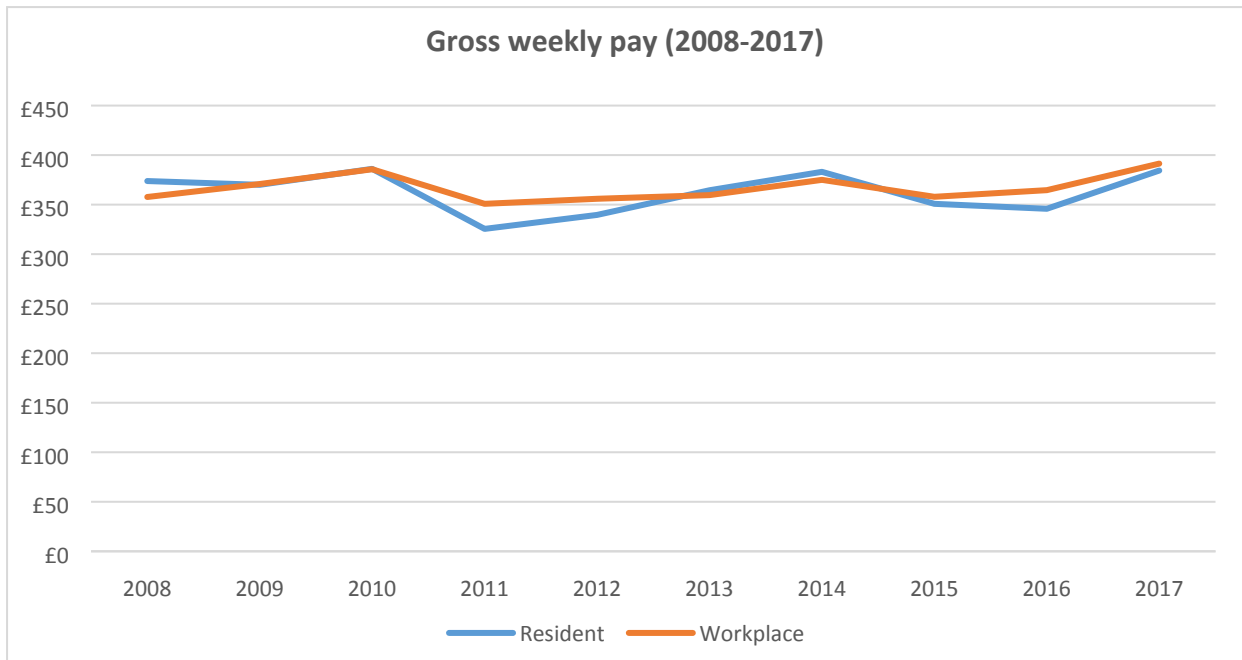
## 2.5 Salaries (and the impact of inflation)

### What we know about Lincoln

The data in this section covers both resident pay and workplace pay. Resident pay is for anyone who lives in Lincoln, irrespective of where they work. In contrast, workplace pay is for anyone who works in Lincoln, irrespective of where they live. The data combines both full-time and part-time employees.

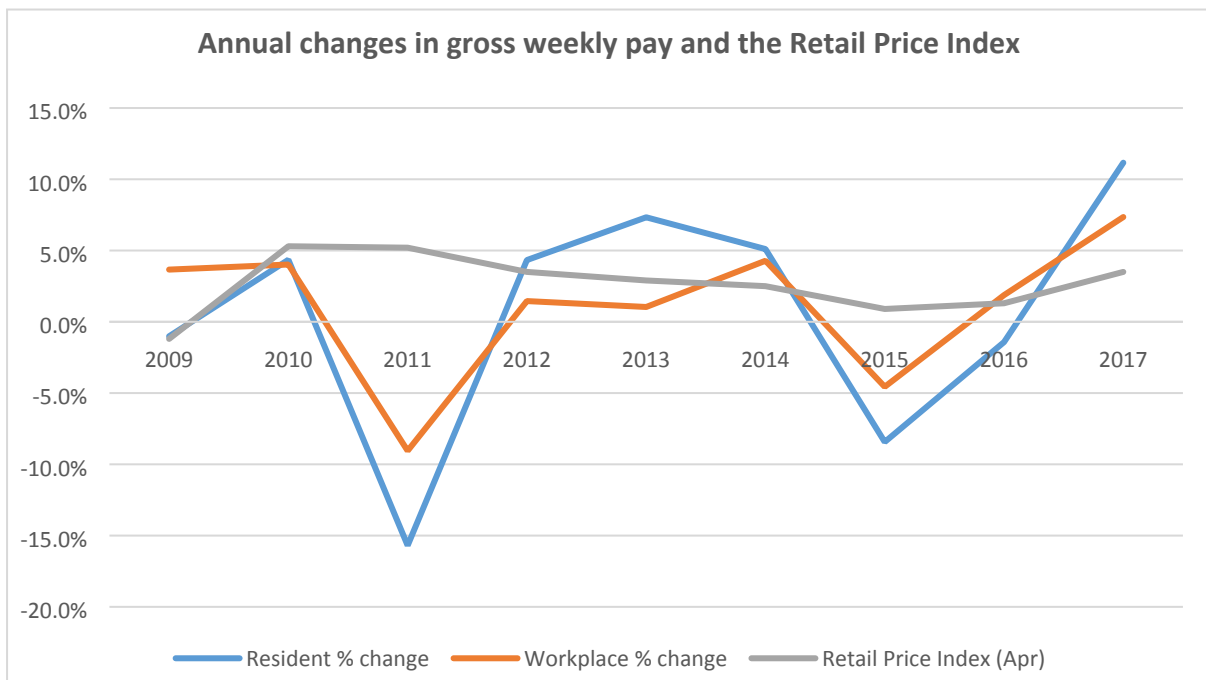
Gross weekly pay in Lincoln for both residents and workplace has fluctuated over the past ten years. However, this data is drawn from surveys of a small sample of the population, which will be one reason for the level of year-on-year fluctuation. Nevertheless, we are able to draw the following conclusions from the data:

- People that work in Lincoln tend to earn more than people that live in Lincoln, with gross weekly pay in 2017 £384 for residents, compared to £391 for employees.
- Over the 10 year period of 2008 to 2017, resident pay has increased by 2.7%, compared to workplace pay which has increased by 9.2%.



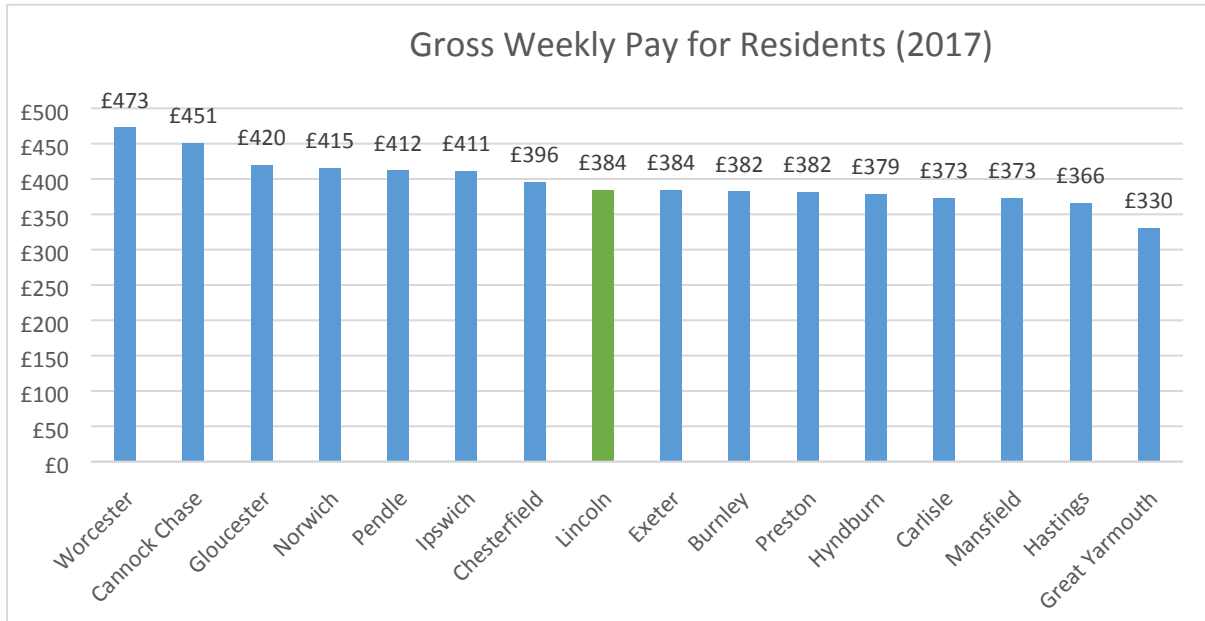
When looking at the change in pay over a number of years, it is helpful to also consider the impact of inflation, which alters the spending power of a salary. The data below includes the Retail Price Index. Again, a health warning is provided with average pay data, which, as a result of the relatively small sample size, there can be wide year-on-year fluctuations.

Nevertheless, at a high level, what it helps to show is that the annual growth in weekly pay for both residents and workplace may have struggled to compete with the annual rate of inflation over the last few years. However, there appears to have been a change in 2017, where, despite increased inflation, the data also suggests there may have been an increase in average weekly pay.



How we compare

Lincoln, along with Exeter, hold the middle ground in terms of gross weekly pay for residents.



### 3. Case studies from other parts of the country

#### 3.1 Newcastle – The Working City

Newcastle's Working City Plan recognises growth in the city must be shared more fairly. Tackling inequality is regarded as a central part of this. The plan emphasises the need for economic growth, and the need for the local economy to be fair and sustainable. The Working City is defined as “a city with more and better jobs” where employers “care about health and wellbeing”.

Initiatives to support inclusive growth include:

- Delivering a range of capital investments and ensuring investments benefit young people in the city.
- Continuing to encourage apprenticeship opportunities in the city.
- Continuing to work towards a devolution deal to ensure more decisions that impact the economy are made locally.

#### 3.2 Bradford – Get Bradford Working

'Get Bradford Working' is a programme of initiatives that tackle the issues and barriers facing Bradford's residents in the labour market. It focuses on creating jobs; apprenticeship places; and a range of support measures for employers and those furthest from the job market.

Initiatives to support inclusive growth include:

- Skills House which has been established to support retail, hospitality and visitor economy businesses and to help local people find jobs. Its priority is to upskill unemployed people in the district, by providing them with qualifications in the retail and hospitality sectors. Participants are guaranteed an interview and additional support in order to secure employment in the district.
- The Bradford Apprenticeship Training Agency acts as a recruitment agency and seeks out organisations to employ apprentices on an agency basis. This was chosen because it minimises the risk to employers associated with employing staff more permanently. The model provides the opportunity to grow apprenticeships in businesses to help develop their workforce; to raise the profile of apprenticeships; and also to reduce youth unemployment.
- Industrial Centres of Excellence are located in some schools and colleges. They are overseen by Boards which normally include business partners, education and training providers, and Higher Education partners. It gives employers the opportunity to show leadership and offer commitment through investment and support, and enables employers to help young people gain skills the local economy needs.

#### 3.3 Nottingham – Workplace Parking Levy

The Transport Act 2000 allows local authorities, with approval from the Secretary of State, to introduce a parking levy licensing scheme on employers, with the condition that revenues are spent on transport. Nottingham City Council is the only local authority to have used this power to date, to



create a Workplace Parking Levy. The levy is an annual charge of £387 (2017/18) per parking space for employers with 11 or more spaces. Disabled parking spaces and 'blue light' services are exempt.

Initiatives to support inclusive growth include:

- Infrastructure investment in the transport network, from the £9m per year raised by the levy.
- All funds are ring-fenced for transport improvements, including the tram and bus network and the redevelopment of Nottingham Rail Station.
- The money has been used to bid for other sources of match funding to invest in the city. For every £1 raised, £3-£4 of other funding is levered in.
- It was deemed particularly successful in Nottingham because of their strong public transport infrastructure such as the city tram system which enabled many people to switch from driving to public transport.

### 3.4 Bristol – City Fund

Foundations, trusts, private sector and public sector organisations regularly invest in UK cities. In response, City Funds can be set up to pool resources of investors, to provide a more joined up system to maximise the impact of these investments, and to create propositions for investors to generate more investment in a city. City Funds have been proven on a relatively small scale in the UK, having raised funds between £500k and £2.1m.

- In Bristol, key stakeholders with an interest in investing in the city were brought together into a strategic partnership to establish a 'City Fund' to mobilise local investment into priority areas such as housing and employment.
- The partnership is developing an inclusive growth strategy that is expected to contain 20-30 priorities. It is anticipated 3-4 of these priorities will be selected each year for investment through either financing or grant funding.
- There is an ambitious £10m target from a combination of investors, repayable finance, and national grant providers. Part of the Fund's longer term ambition is to attract the private sector to donate a proportion of their corporate social responsibility or marketing budgets (e.g. 10%).
- In addition, Newcastle established a £0.9m Great North City Fund to attract major events which support the visitor economy and enhance the city's national and international reputation, and maximise benefits to the city's businesses and residents in hosting the Great Exhibition of the North.

### 3.5 Cardiff – Corporate Plan

Within Cardiff City Council's corporate plan is a commitment to achieving inclusive growth. Key initiatives include:

- Focusing on achieving social value through procurement.
- Making Cardiff a Living Wage City by encouraging suppliers, contractors and providers to secure accreditation through the Living Wage Foundation.
- Working with partners on delivering a public, on street, cycle hire scheme with hire stations at key locations throughout the city.

- Increasing provision of apprenticeships, traineeships, and work placements for young people, and work based training to enable them to develop appropriate skills, knowledge and experience.