



WHITESHIELD PARTNERS
STRATEGY & PUBLIC POLICY ADVISORY

REGIONAL LABOUR MARKET RESILIENCE INDEX 2020

UNITED KINGDOM

POLICY BRIEF

IN COLLABORATION WITH



WITH SPECIAL FOCUS ON



Whiteshield Partners
Strategy & Public Policy Advisory

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The analysis and drafting of the UK Labour Resilience Index 2020
Policy Brief (hereafter: "Report") was conducted by Whiteshield
Partners with the support from its main partner, IFOW UK based on
a methodology integrating statistics from international organizations
and interviews with the Advisory Board members.

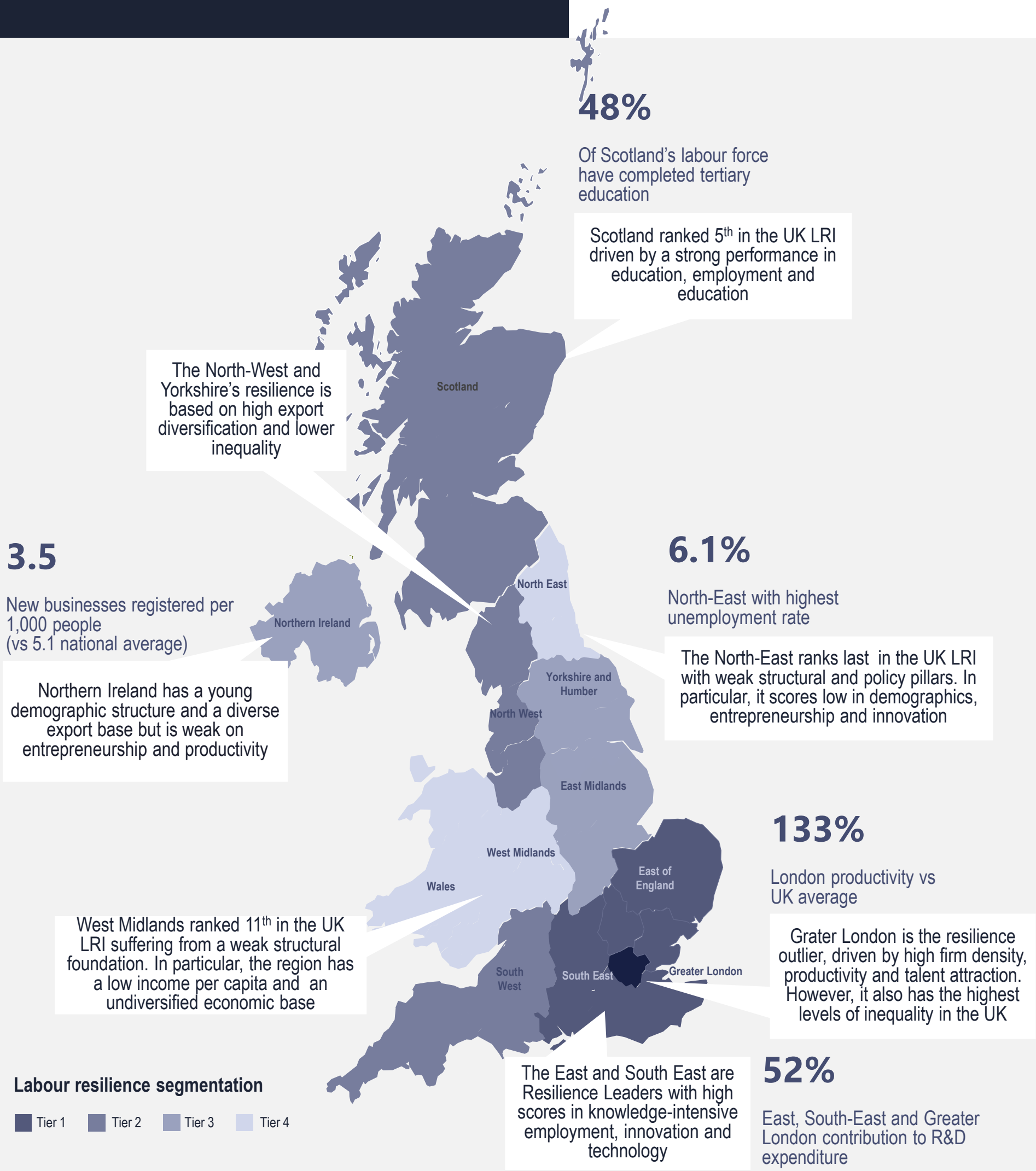
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UNITED KINGDOM LABOUR RESILIENCE INDEX 2020 RANKING

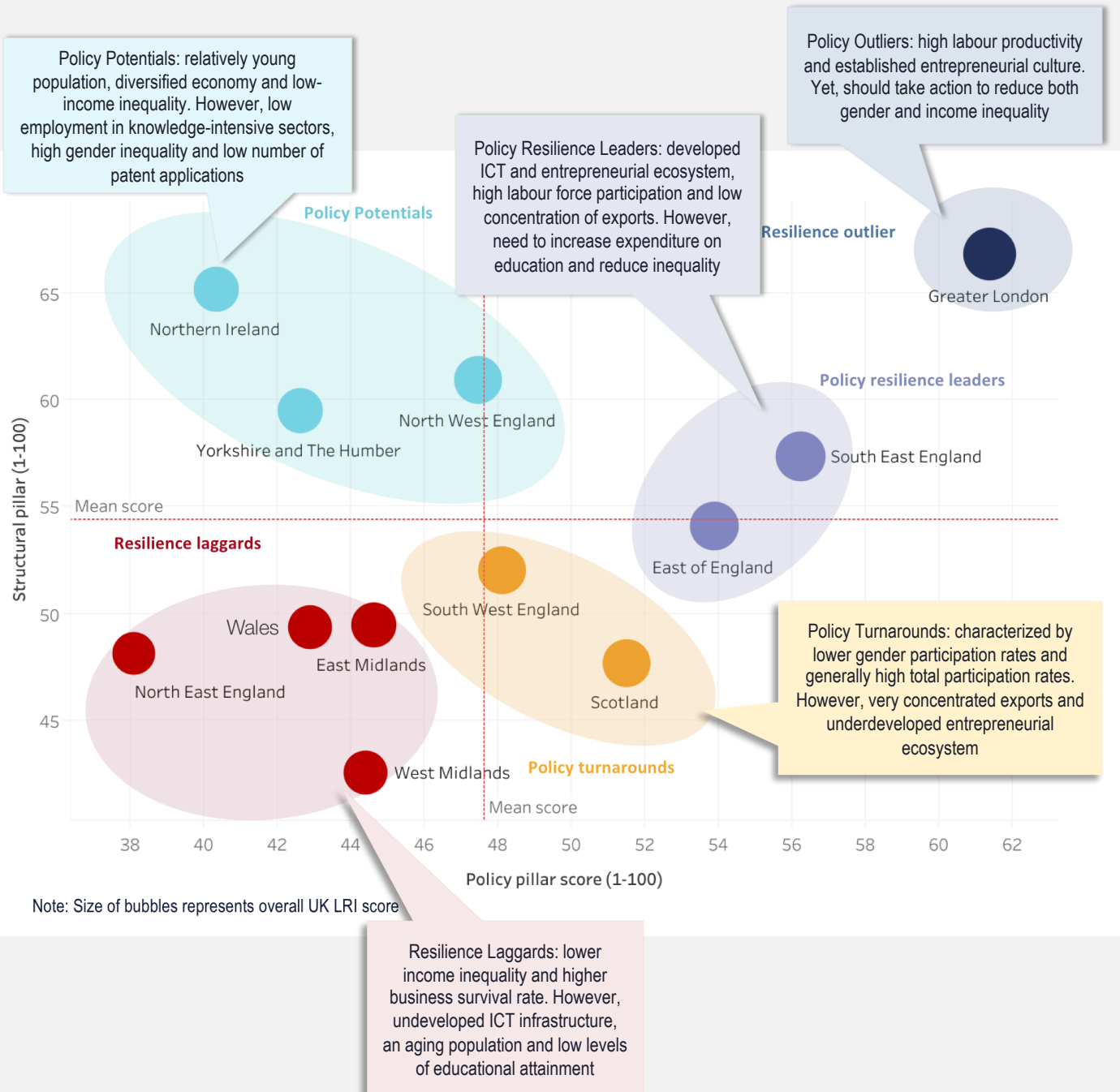
| UK Regions | LRI 2020 Rank | LRI 2015-2020 rank change | LRI 2020 score | Structural Pillar Rank | Structural Pillar Score (1-100) | Policy Pillar Rank | Policy Pillar Score (1-100) |
|--------------------------|---------------|---------------------------|----------------|------------------------|---------------------------------|--------------------|-----------------------------|
| Greater London | 1 | 0 | 63 | 2 | 66 | 1 | 61 |
| South East England | 2 | 0 | 57 | 5 | 60 | 2 | 56 |
| East of England | 3 | 0 | 55 | 6 | 57 | 3 | 54 |
| North West England | 4 | 2 | 52 | 3 | 62 | 6 | 47 |
| Scotland | 5 | 0 | 52 | 8 | 54 | 4 | 52 |
| South West England | 6 | -2 | 51 | 7 | 56 | 5 | 48 |
| Northern Ireland | 7 | 2 | 49 | 1 | 67 | 11 | 40 |
| Yorkshire and The Humber | 8 | 0 | 49 | 4 | 62 | 10 | 43 |
| East Midlands | 9 | -2 | 48 | 9 | 54 | 7 | 45 |
| West Midlands | 10 | 1 | 46 | 10 | 53 | 9 | 43 |
| Wales | 11 | 1 | 45 | 12 | 47 | 8 | 44 |
| North East England | 12 | -2 | 42 | 11 | 51 | 12 | 38 |

Note: Based on the Regional Labour Market Resilience model 2020 constructed for the UK. For a review of the methodology, see appendix 1 of the Global Labour Resilience Index 2020: The Geography of Work"
Source: Whiteshield Partners

THE UK LABOUR MARKET RESILIENCE HEATMAP 2020



UNITED KINGDOM REGIONAL LABOUR MARKET RESILIENCE PERFORMANCE MATRIX



Note: Segmentation by tier based on results of the UK Labour Market Resilience model. Bubble size reflects overall UK LRI score.
Source: Whiteshield Partners

REGIONAL CASE STUDIES



POLICY ACCELERATION: LEVERAGING DUAL CITY GROWTH IN SCOTLAND

Growth is driven by two major cities



Structural Pillar: 8th
Policy Pillar: 4th

5th
LRI Rank

6.4%

Contribution to UK
total GDP

3rd

Highest GDP per capita
in the country

4%

Unemployment rate as
compared to UK rate of 3.8%

GLASGOW



- Largest city in Scotland with population of 599 000 and an annual GVA of £ 15.7 billion
- Additionally largest centre of employment in the country providing somewhat 440 000 jobs with a focus on finance, retail, tourism, food and drink sectors
- The city has made substantial progress towards city development through the Glasgow City Deal launched in 2014. Due to this initiative 20 transformational infrastructural projects are already on the way and it is expected to add 19 000 new jobs and partially alleviate youth unemployment in upcoming 20 years
- Yet, 29% of the working age population in Glasgow are economically inactive which is higher than country' average and signals the need for intervention on policy side

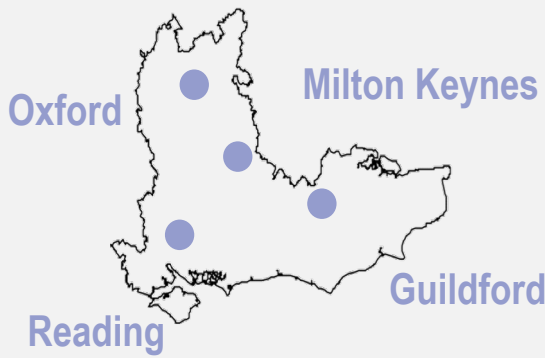
EDINBURGH



- Edinburgh employs 314 000 people, 13% of total population of Scotland
- Historically it has been closely linked to banking and currently is the 2nd largest financial centre in the country after the City of London
- Tourism is also an important contributor to the city economy generating £1.6 billion annually
- Been a beneficiary of Scotland's diversification into the £4 billion tech sector



**Oil and gas industry still plays a major role in the
economy employing 100 000 people**



POLICY POTENTIAL: CONNECTING GROWTH POLES IN SOUTH EAST

Growth is distributed across many small cities in the region



Structural Pillar: 5th
Policy Pillar: 2nd

2nd
LRI Rank

15%

Contribution to total UK GDP

2nd

Largest regional economy after Greater London

30%

Of total UK tech investment is attracted by the region

MILTON KEYNES



HEAVEN FOR ENTREPRENEURS

- City with the largest economy in the area with GVA amounting to £ 10 billion
- 90% of workforce employed in service industry out of which wholesale and retail is the largest employer
- Ranked 5th in the country for number of start-ups

OXFORD

- Hub of knowledge-based economy
- Oxford university alone contributes £5.7 billion to local economy
- Home to two leading universities, high-tech manufacturing and has 3rd highest concentration of R&D workers in the country

EDUCATIONAL CENTRE OF THE REGION



READING



RAPIDLY GROWING TECH HUB

- Historical presence of IT companies and currently home to Microsoft, Oracle and likes
- Ranked 7th best place in the country for finding the employment
- One of the most developed tech hubs in the country

GUILDFORD

- Shift from manufacturing-heavy to more high-tech sectors including gaming, cybersecurity and life sciences
- The city benefits from established links with two major transportation hubs that makes it a locus of trade

STRATEGIC POSITIONING AND PROXIMITY TO LONDON





POLICY POTENTIAL: LEVERAGING INNOVATION IN EDINBURGH

Region: Scotland
Employment Rate: 76.6%



Structural Pillar: 8th
Policy Pillar: 4th

5th
LRI Rank

38.6%

Percentage of high skilled workers

9.9%

Percentage of financial services employment in total employment (London = 7.1%)

2nd

Highest business survival rate in UK

10.1%

of population change driven by inward migration

27.5%

Percentage of Scotland's students who study in Edinburgh

CONTEXT

- Edinburgh traditionally experienced little industrialization and instead grew as a banking and commerce center of Scotland
- The city has developed into one of the UK's most educated and productive regions
- Edinburgh has the second highest GVA per capita (£39,300) and the second highest gross annual earnings per resident (£30,700) out of the UK cities

POLICY

- Edinburgh has 4 universities and is positioning itself as a major UK knowledge hub supported by large government R&D expenditure
- Being the 2nd most visited city in the UK after London, it plans to become world's leading festival city
- The city additionally aims to become UK's most entrepreneurial city with the help of Lothian Business Gateway service that provides guidance to new and existing businesses

KEY CHALLENGES

- Rapid population growth of 12.5% over the last decade is causing stress on services and housing stock
- Rising economic development has been accompanied by rising inequality
- 22% of households live on incomes below the poverty threshold

POLICY PERSPECTIVES

- Identify and support struggling segments through skills development and job support schemes
- Leverage innovational capacity further through development of national and supranational triple helix partnerships
- Sustain economic progress through inclusion of citizens into city decision framework

SELECTED BEST PRACTICES



Digital Belgium Skills Training: Skills fund to provide digital training to disadvantaged youths



Dubai Centre for Innovation: Region-level hub to promote innovation throughout government and public sector



PBNYC: Participatory budgeting in New York City gives greater political autonomy to residents



NEW DEAL FOR LABOUR RESILIENCE: TRANSFORMING MANCHESTER

Region: North-West
Employment Rate: 72.5%



Structural Pillar: 3rd
Policy Pillar: 6th

4th
LRI Rank

84%

Job growth 2002 -
2015

£6000

Amount GVA per capita
is below UK average

45.4%

Percentage of
children living in
poverty

CONTEXT

- One of the textile hubs of the world during the industrial revolution
- In the three decades following 1950, total jobs in the city declined by 22% and jobs in the vital textile industry fell by 86%
- City has grown for last two decades driven by rise in services, engineering and media

POLICY

- The city aims to develop advanced manufacturing and engineering
- As part of Greater Manchester area it seeks to capture more value from regional universities through “knowledge corridor” including investment into an engineering innovation centre
- Manchester is also developing a digital strategy based around e-commerce, cyber security, media and data analytics

KEY CHALLENGES

- Productivity 15% below the UK average
- Relatively high poverty rates
- In the last years, the city witnessed decline in employment in scientific, research and engineering occupations
- Moreover, even though the city has one of the highest number of business start-ups it is also placed 8 out of 62 cities on number of business closures

POLICY PERSPECTIVES

- Support the development of partnerships between employers and academia to reduce skills gaps and to increase back STEM participation
- Leverage the city's existing industry base to attract new advanced business clusters
- Improve connections with surrounding regions to empower ‘Northern Powerhouse’ model

SELECTED BEST PRACTICES



Skills Plus: Norwegian program providing funding to employers to upskill their workforce youths



Hsinchu Science Park: Regional cluster of research and manufacturing functions containing entire value chain



North Carolina Research Triangle: Innovative research area consisting of universities and businesses

**THE FUTURE IS LOCAL:
MAKING LABOUR
MARKET RESILIENCE
HAPPEN AT THE LOCAL
LEVEL**

PROFILE

- Create programs in **West Midlands** - which has highest gender pay gap in the country - aimed at higher inclusion of women into high-tech manufacturing sector
- For the highly unequal regions of **South East** and **Greater London** introduce performance-based funding for higher education targeted specifically for students from low-income families

NEW DEAL

- Launch government-run program, in areas with little innovation output like **Yorkshire** or **Northern Ireland** with participation of private sector, that will help building business development and high-tech skills
- Invest in digital skills of population starting from primary school

CONNECT

- For relatively struggling regions of **East Midland** and **Wales**, scale up partnerships between local universities to promote regional development through research

ACCELERATE

- Leverage growing importance of tech sector and entrepreneurial potential in **Scotland** by attracting start-ups to work with government to address both structural and policy issues

SUSTAIN
GOODWILL

- Introduce / expand participatory budgeting to promote further inclusion of citizens in decision making regarding re-skilling programs in the **North East** and **North West**

GIRLS WHO CODE NOW

PROGRAM IN THE US THAT
WITH THE SUPPORT
OF TECH-COMPANIES TEACHES
WOMEN COMPUTER SCIENCE



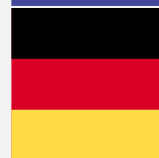
INCLUSIVE
EDUCATION
POLICY



DIGITAL INNOVATION
HUB



CLASSROOM 4.0



PARTNERSHIP
BETWEEN
4 UNIVERSITIES
IN THE NORTH EAST



STARTUP-IN-
RESIDENCE
INITIATIVE IN SAN
FRANCISCO



EMPTY HOUSE
TAXATION

INITIATIVE IN VANCOUVER
WAS USED TO COLLECT
FUNDS FOR PARTICIPATORY
BUDGET PROGRAM TO
ALLEVIATE HOUSING
PROBLEM





DOWNLOAD THE FULL REPORT AT:
https://www.whiteshieldpartners.com/insights/glri_report



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