



Ministry of Housing,
Communities &
Local Government



Department for
Business, Energy
& Industrial Strategy

Place based approaches to understanding and improving progression from low pay

annie.maciver@communities.gov.uk
Head of Labour Markets and Skills
Cities and Local Growth Unit

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Impact of place on a person's progression prospects

Disproportionate concentration of low pay in **certain sectors, occupations, working patterns, groups and places** although currently limited evidence directly illustrating progression prospects for workers by these factors.

Certain parts of the country are not creating the necessary jobs to facilitate progression.

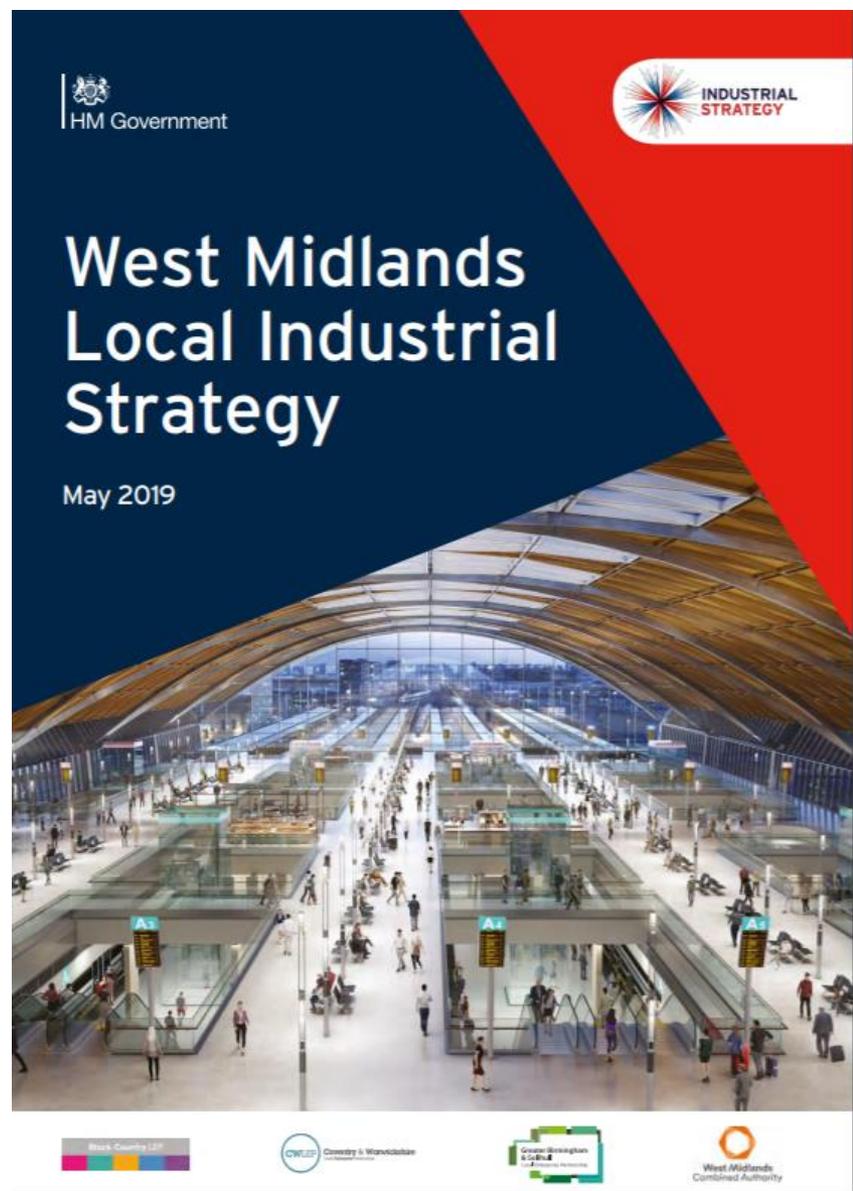
- London has created **35% of new jobs** in the UK in the last decade, and **half of all jobs** in London and the South East are classed as skilled professional occupations.
- By comparison, the North East saw the **lowest increase in new jobs** in the UK, and its proportion of **high skilled work fell to 39%** in the region.

Local industrial strategies

Publication of local industrial strategies by April 2020 which:

- Focus on **foundations of productivity** and priorities across Ideas, People, Infrastructure, Business Environment and Places
- Establish **deeper partnerships** between local and national government and the public and private sector
- Set out **clearly defined priorities** for how cities, towns and rural areas will maximise their contribution to UK productivity

Learning and Work Institute completed **comparative analysis of local labour markets** and **reviewed what works** in tackling local labour market challenges including progression from low pay to support development of local industrial strategies.



Data dashboard

North East CA

Compared with other CAs



(Average for England)

Jobs Profile		Employment Outcomes		Population/skills profile			
1. Sectoral profile KIBS 16.0 (24.0) Public KIBS 30.5 (25.7) Other services 35.5 (35.6) Primary 1.9 (1.8) Manufacturing 11.5 (8.1) Construction 4.5 (4.8)		8. Employment rates All WA 71.3 (75.2) Males 74.5 (80.0) Females 68.3 (70.5) Aged 16-24 54.1 (53.9) Aged 25-49 80.5 (84.3) Aged 50-64 67.1 (71.4) White 72.2 (77.1) All EM 57.0 (65.5) Indians 76.5 (75.4) Pakistanis/Bangladeshis 67.6 (55.3) Black or black British 49.0 (67.9) Mixed ethnic 61.5 (67.8) Other ethnic 50.3 (63.4) EA core or work-limiting 46.9 (53.7)		9. Employment rates by qualification NVQ4+ 84.5 (84.7) NVQ3 72.8 (75.3) Trade App 79.1 (84.4) NVQ2 68.5 (70.0) NVQ1 61.4 (68.0) Other quals 63.7 (74.4) No quals 40.1 (44.8)		13. Population Working age 63.0 (62.8) Growth -0.1 (0.3) Migrants 8.3 (20.1)	
2. Occupational profile High skill 39.9 (46.3) Mid skill 22.3 (20.1) Low skill 37.5 (33.2)		10. Inactivity All WA 24.7 (21.4) Want job 22.4 (21.8) Do not want job 77.6 (78.2)		14. Skills profile NVQ4+ 32.2 (38.3) NVQ3 18.6 (17.3) Trade App 4.1 (2.9) NVQ2 18.8 (16.1) NVQ1 11.5 (10.9) Other quals 5.9 (6.9) No quals 8.8 (7.6)			
3. Job quality Low pay* 23.7 (22.2) Atypical work 4.9 (4.7)		11. Inactivity by reason Student 24.9 (26.8) Look after family 22.8 (24.9) Temporary sick 3.2 (2.0) Long-term sick 27.7 (21.5) Retired 13.0 (12.9)		15. 2030 skills profile NVQ4+ 36.8 (42.9) NVQ3 24.7 (21.2) NVQ2 18.4 (16.0) Below NVQ2 14.9 (14.9) No quals 5.3 (5.0)			
4. Employer training* Any 63.0 (66.0) Off-the-job 48.0 (48.0) On-the-job 51.0 (53.0)		12. NEETs 16-17 NEETs 6.9 (6.0)					
5. Average quals of new recruits NVQ4+ 30.7 (39.6) NVQ3 21.0 (20.5) Trade App 3.9 (2.4) NVQ2 22.4 (17.8) NVQ1 12.0 (9.7) Other quals 5.1 (5.8) No quals 4.8 (4.2)		16. Skills needs* Complex analytical 45.8 (43.4) Operational 55.3 (52.5) Digital 48.1 (48.0) Management/leadership 54.8 (52.6) Sales & customer 45.0 (44.3) Self-management 51.2 (51.7)		17. Skills shortages by occupation type* High skill 51.7 (35.3) Mid skill 20.2 (23.1) Service intensive 16.9 (21.6) Labour intensive 10.7 (18.0)			
6. 2024 occupational profile* High skill 40.6 (47.5) Mid skill 20.9 (18.8) Low skill 38.5 (33.7)		18. Incidence of skill shortages* All 11.2 (12.1)		19. Skills gaps by occupation type* High skill 14.7 (21.9) Mid skill 26.5 (19.7) Service intensive 28.0 (29.3) Labour intensive 30.8 (29.1)			
7. Jobs Growth Annual change % 2.7 (1.3)		20. Incidence of skills gaps* All 13.4 (13.0)		21. Achievement rates Early years 72.2 (70.2) GCSE 61.8 (64.2) A-levels 16.8 (20.6) Adult education 74.7 (72.9) Apprenticeships 70.4 (67.7)			
				22. Participation rates A-levels 20.0 (25.0) Adult education 10.9 (8.8) Apprenticeships 2.5 (1.6) Higher education 31.9 (37.5)			
				23. Graduate mobility* Retention 49.0 (48.4) Attraction 26.8 (60.9)			
				24. Apprenticeship achievement rates Intermediate 71.1 (67.2) Advanced 71.1 (69.3) Higher 56.2 (61.9)			
				25. Adult education achievement rates English & maths 63.5 (65.5) Full level 2 68.3 (65.7) Full level 3 56.1 (52.9)			

*Data is based on LEP area definitions and may not align with the CA area definition

Place based approaches to tackling supply side barriers to progression

Review used evaluations of **pre-employment programmes**, such as career pathway initiatives, **and in-work support** such as work coaches or advisors, occupational training, careers advice and job brokering, peer mentoring and employer engagement.

Indicated support for in-work progression can positively effect individuals' earnings however:

- Effects vary across different programmes.
- Interventions tend to have greater impacts on those furthest from the labour market and on the lowest incomes.
- Evidence of impacts over the longer term are limited and outcomes are mixed.

Studies highlight the importance of **responding to local demand** based on an understanding of growth sectors and opportunities for progression, and working closely with employers to design and deliver support.

Testing new place based approaches is currently underway including:

- Health & Social Care progression academy in Cambridgeshire and Peterborough
- West of England Employment Support pilot
- Progression coaches trial West Midlands
- Greater Manchester progression pathways
- Local ESF schemes
- Use of devolved adult education budget

Placed based approaches to tackling demand side and infrastructural barriers to progression

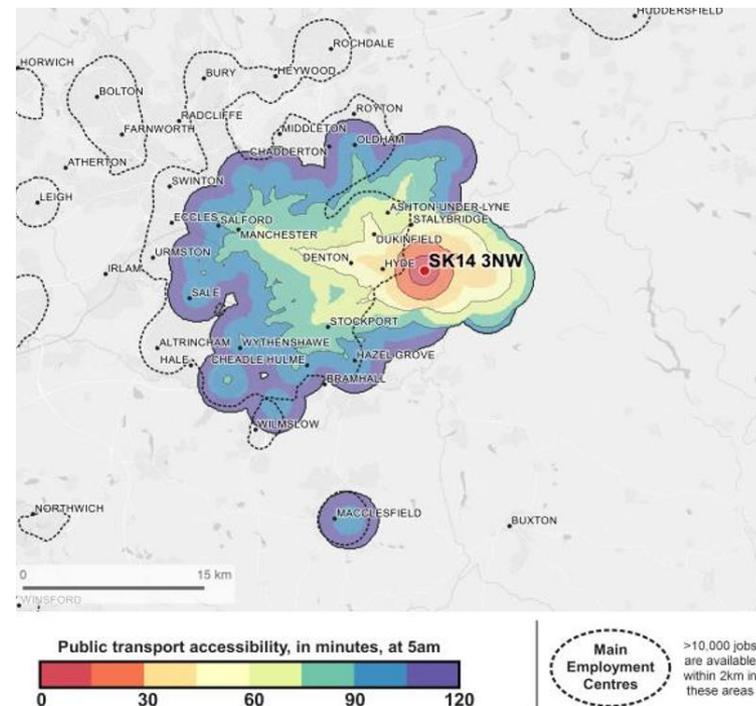
Demand side barriers

- Studies sought to address ‘supply side’ barriers – limited evidence on types of intervention effective in influencing employer behaviour **including hiring, staffing and promotion practices** as well as management practices, such as **employee engagement**.
- Continued interest in how job progression can be encouraged through **leveraging social value procurement**.

Infrastructural barriers

- In Leeds, **1 in 8 economically inactive bus users** turned down a job offer in the past because the bus service was inadequate and **almost half** felt that a better bus service would give them access to a better job.

Mackie P., Laird J. and Johnson D. (2012) Buses and Economic Growth Leeds ITS for Greener Journeys. Figures are from a survey of over 1,000 bus users.



Local sustainable transport fund evaluation included:

- New public transport services
- Free or discounted public transport
- Subsidised hire of a moped
- Free or low cost refurbished bikes
- Personalised journey planning

Resources

The Great Escape? Low pay and progression in the UK's labour market -

<https://www.resolutionfoundation.org/app/uploads/2017/10/Great-Escape-final-report.pdf>

In-Work Progression Toolkit: High Involvement Management Practices

<https://whatworksgrowth.org/resources/in-work-progression-toolkit-high-involvement-management-practices/>

In-Work Progression Toolkit: In-Work Support

<https://whatworksgrowth.org/resources/in-work-progression-toolkit-in-work-support/>

DCMS connected growth manual

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/808980/Connected_Growth_Manual.pdf

Decent work: Harnessing the power of local government

<https://www.ippr.org/research/publications/decent-work>

Hiblin B., Taylor I. and Sloman L. What Works? Learning from the Local Sustainable Transport Fund 2011-2015

<https://www.gov.uk/government/publications/local-sustainable-transport-fund-what-works>

Tackling transport-related barriers to employment in low-income neighbourhoods - <https://www.jrf.org.uk/report/tackling-transport-related-barriers-employment-low-income-neighbourhoods>

Questions, comments, feedback to

annie.maciver@communities.gov.uk

labourmarkets&skills@communities.gov.uk