



The future of regions & cities

Local Futures' expert seminar assesses the way forward – can Britain's regions close the knowledge divides?

A step-change in national policy is needed to tackle the persistent divides between the South East and the rest of Britain.

That is the main finding from Local Futures' research on the knowledge economy. This map shows that 'knowledge-intensive' businesses continue to locate around London and the South East.

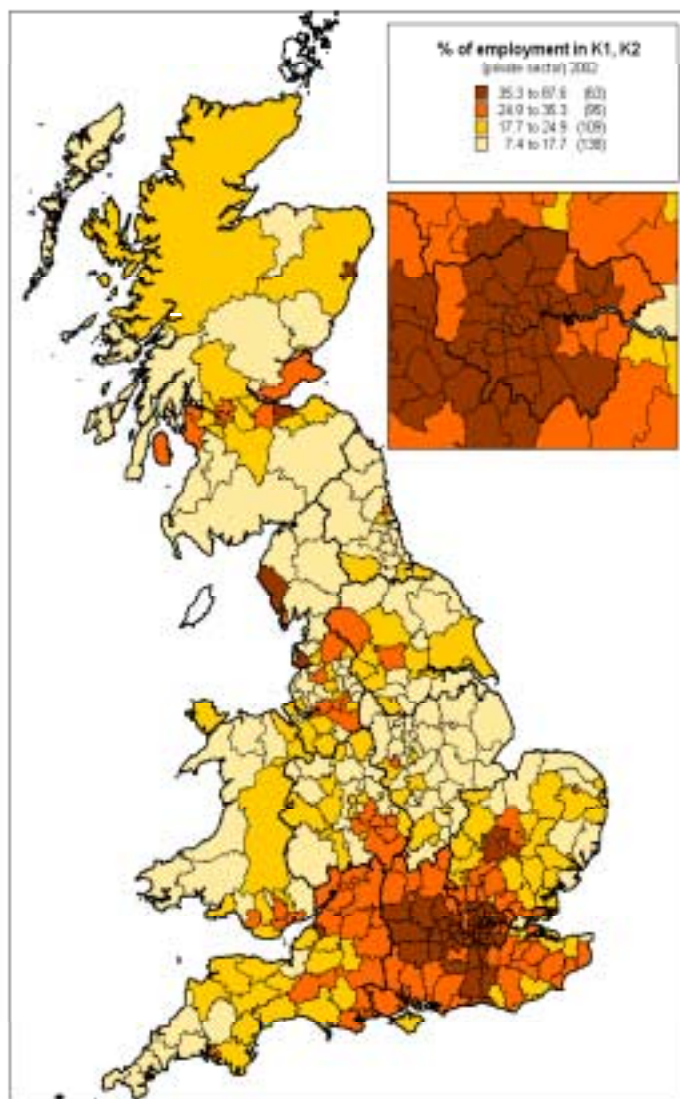
The darker coloured areas are those where businesses employ large proportions of graduates. Although high-level qualifications are spread across Britain, the business drivers of the knowledge economy are firmly rooted in and around the capital.

The public sector is effectively propping up the rest of Britain's regional economies - generating 2 in 3 high-end jobs in areas with the weakest knowledge economies.

To date, regional policy has not made much impression on this geography. But the government now has a PSA target to reduce the long-standing gap in growth rates between the regions. Regional collaborations such as the

'Northern Way' and 'Midlands Way' are emerging, based on the strength of cities such as Manchester and Newcastle.

Can these super-regions realistically challenge the supremacy of London and the South East? Do they have the combined strengths and policy framework to work together to drive a new phase of knowledge-based development? How can national policy and regional policy stimulate this process? The Local Futures / DTI expert seminar and *State of the Nation 2005 report* examine these issues and the directions of growth in 21st century Britain.



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The Global Dimension of Local Employment

In November 2004, Lloyds TSB announced the transfer of 3000 jobs from England to India. This followed similar recent announcements from Royal & SunAlliance and Aviva. Around 250,000 jobs have left Britain in ten years.

Local Employment: The Global Dimension is a new Local Futures research programme that will examine the impact of global employment trends on local areas of Britain. Some of the questions the programme will address are:

- What are the employment trends in Asia, North America and Europe?
- How significant is the migration of UK jobs?

➤What parts of the service sector are set to follow the lead of manufacturing sector moving to lower-cost countries?

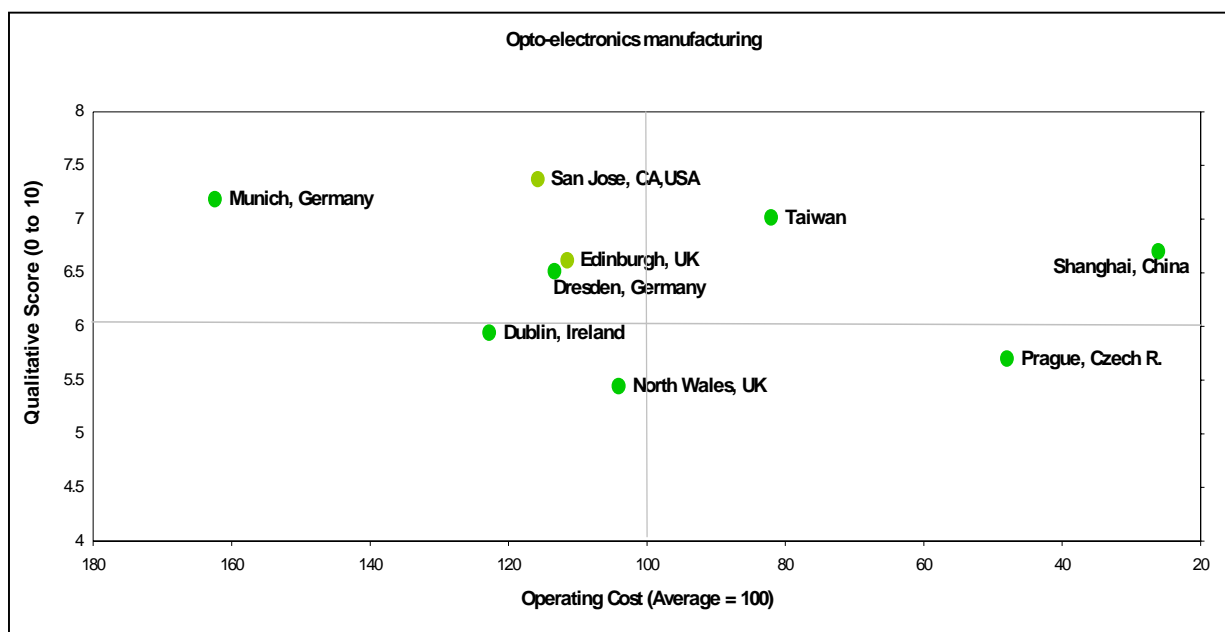
➤Which competitors now have the skills base to compete with Britain on quality as well as cost?

➤What are the implications for skills, employment and economic development policy in the UK – nationally, regionally and locally?

Today, Indian and Chinese ‘knowledge workers’ (degree-holders) compete head on with their English counterparts for IT and information service business because of global computer network connectivity – and they win, because their salary levels are low, about 10% of US salaries.

Asian and Eastern European regions can compete for high technology business and jobs. Their knowledge economy assets (talent, infrastructure, R&D, clusters) are available to multinational corporations for a third of the costs of (say) a location in Scotland. Note that optoelectronics is a designated cluster in Scotland’s knowledge economy strategy.

Global-local competitiveness in high technology sectors



The programme will involve research and workshops with each sponsor in the syndicate. We will interview national and international experts on global employment trends, local stakeholders and undertake a Skills & Employment Audit of each local area.

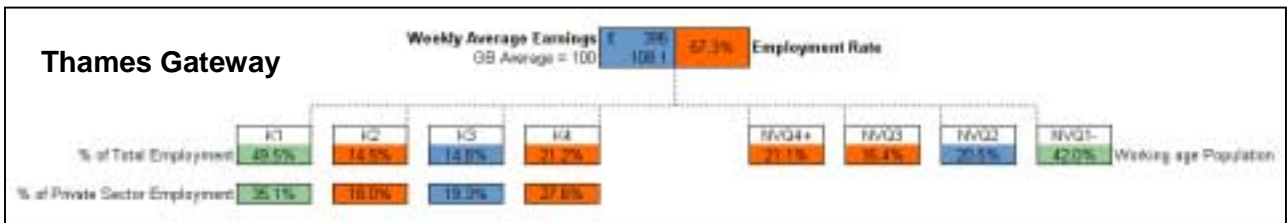
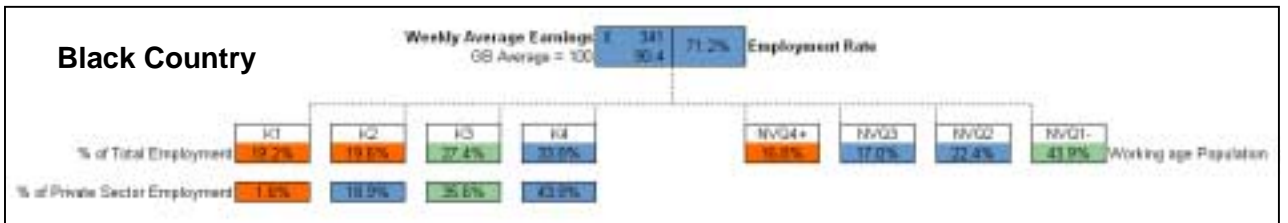
Contact: mark.hepworth@localfutures.com on 020 7520 8120 for further information about the programme, including sponsorship details.



Knowledge-based regeneration

Local Futures' research for the Thames Gateway London Partnership and Black Country Consortium is highlighting the difficulties of regenerating former industrial areas. We are using a model of *practice-based policy* to explore successful projects that have a mutual knowledge accumulation on all sides – for businesses, individuals and the delivery organ-

isations involved. The charts below compare the economic architectures of the two sub-regions. The skills profiles on the right-hand side are remarkably similar. But the Thames Gateway has many more knowledge-intensive businesses, principally because of Canary Wharf. It has a massive challenge to ensure residents have the skills to access the high-end employment opportunities. The issues for the Black Country are generating high-end businesses and improving skills.

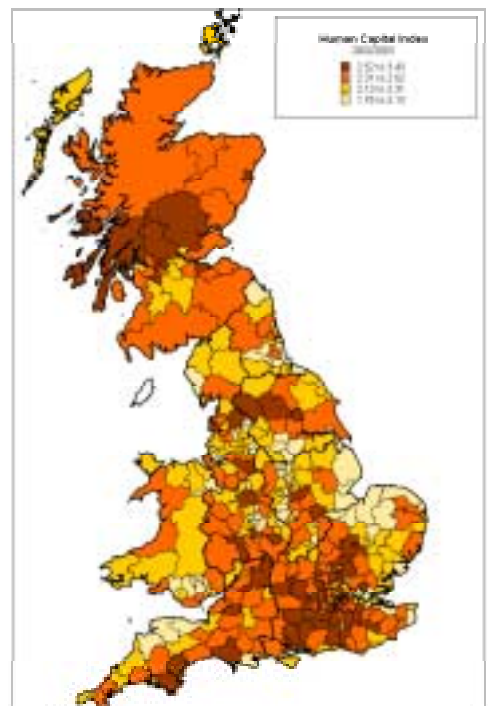


Skills & Employment Audit

The Skills & Employment Audit is a new product from Local Futures that analyses employers' demand for skills and the supply of skills in the workforce.

We examine sector trends and then the social distribution of skills, focussing on access to employment for different groups. The Audit is helping Learning and Skills Councils and Sub-regional Partnerships develop strategic plans and priorities for funding. Contact james.binks@localfutures.com or 020 7520 8143 for more information about the Audit.

As an independent geography think-tank, Local Futures creates regional and local perspectives on the 21st century knowledge economy. Europe and the UK are the primary contexts for our research and policy work.





The Economic Development League Championship

In this year's State of the Nation report, Local Futures have created a light-hearted football analogy of economic development in Britain. We have simply classified all 408 local authority districts into four 'football divisions' based upon their *local average earnings* in 2003.

Average Earnings in the North West

Premiership		
Position	District	National Rank
16	Ribble Valley	16
33	Macclesfield	33
40	Trafford	40
42	Fylde	42
56	Copeland	56
64	Ellesmere Port and Neston	64
90	Manchester	90

Championship		
Position	District	National Rank
14	Knowsley	116
18	Warrington	120
34	Chester	136
35	Halton	137
39	Liverpool	141
50	Lancaster	152
57	Stockport	159
58	South Ribble	160
76	Salford	178
81	Congleton	183
93	Vale Royal	195
94	Crewe and Nantwich	196
98	Preston	200

Divison One		
Position	District	National Rank
32	Blackburn	236
36	South Lakeland	240
55	West Lancashire	259
61	Burnley	265
76	Wigan	280
80	Chorley	284
83	St Helens	287
91	Barrow-in-Furness	295
95	Tameside	299
96	Bolton	300
99	Sefton	303

Divison Two		
Position	District	National Rank
1	Allerdale	307
3	Rochdale	309
5	Hyndburn	311
11	Oldham	317
32	Wirral	338
39	Bury	345
43	Blackpool	349
52	Rossendale	358
55	Eden	361
66	Carlisle	372
76	Wyre	382
81	Pendle	387

This example shows that the North West has 7 'Premiership' districts. Many of the local success stories lie outside the regional capitals that are expected to drive future growth. 'Yellow' districts have climbed and 'green' districts have fallen 25 places or more.

A local perspective on economic growth gets us away from 'regional determinism' and shows that each region includes a multitude of competitive and less competitive local areas.

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Want to know where your area was placed in the league championship? Have you been 'promoted' or 'relegated' since 1999?

Find out more in **State of the Nation 2005**, available now from www.localfutures.com