



**UNDERSTANDING THE OPPORTUNITIES AND CHALLENGES FROM
DEMOGRAPHIC CHANGE IN THE NORTH OF ENGLAND
THURSDAY 15 SEPTEMBER 2011**

CONFERENCE REPORT

Purpose: To consider the key findings from five reports by the N8 Research Partnership, looking at the economic impacts of demographic change in the North of England.

Audience: Over 80 delegates from Local Authorities, Local Economic Partnerships, Business, Government, Voluntary Sector, Housing Consortiums and universities,

Part One: Conference Opening

Professor Keith Burnett, Vice Chancellor, University of Sheffield and Chair of N8
Rt Hon David Willetts MP, Minister of State for Universities and Science

Keith Burnett welcomed all delegates and highlighted this was N8's first research project in social sciences, following significant success in science and technology based collaborations.

The Minister stated he was a great admirer of the N8 model and welcomed the partnership working across the N8 universities as fundamental to achieving BIS objectives. These included bringing together "intellectually creative and dynamic research clusters". He welcomed the findings of the reports, particularly the emphasis on exploiting the entrepreneurship of the over 50s. He also highlighted the importance of a range of social science disciplines in examining and addressing these issues.

Part Two: The impacts of demographic change in the functional economies of the North of England

Prof. Ray Hudson, Pro Vice Chancellor and Professor of Geography, Durham University

Ray Hudson and the four report authors (Alan Harding, Phil Rees, Tom Cannon, Lisa Buckner) highlighted the key findings of the [research programme](#).

Part Three: Response from public sector and private sector

Stephen Pegge, Chairman of the Small Firms Advisory Panel - British Bankers' Association; Director of SME Markets - Lloyds Banking Group and Chairman of PRIME Cymru

Paul Mooney, Economist, Department for Work and Pensions

Stephen Pegge highlighted the following important messages:

- 1) We should regard these changes as opportunities: the needs and wants of new populations should create growth in key markets.
- 2) The striking differences between trends – for example Liverpool compared to North Yorkshire suggests different issues and responses.
- 3) Economic activity rates must increase. The situation whereby two thirds of the population is supported by a third must change to maintain our standards of living.
- 4) Encouragement, Support and Investment are needed to increase economic activity:
 - a. **Encouragement** – awareness raising, confidence building and incentives.
 - b. **Support** – using community development organisations, especially in areas of deprivation.

- c. **Investment** – Banks will lend, plus other routes. PRIME Cymru evidence - relatively few do borrow before they get up and running- so encouragement and support more important
- 5) Cities – will create more dynamic environments, more enterprises, more competition and better chances of success. Universities can be the new hubs – but need to be more enterprising themselves.

Paul Mooney responded to the research as follows:

- 1) The key is how to grasp the opportunities identified in the N8 research – how to make use of the evidence and findings given, and not to “miss the boat”
- 2) Localism is the new opportunity to provide a ‘sensitive, customised response’ to these changes, as it is clear there are different trends in different places
- 3) We can approach in three ways
 - a. Growth - need to shape new planning and business support arrangements through Government,
 - b. Enterprise zones - maximising their potential
 - c. New plan for cities, and new appointment of Minister for Cities

Workshop sessions / Group discussions

Question 1: What are the key impacts and opportunities of demographic change in the Northern functional economies that LEPs, Local Government and business should focus on?

Key Impacts

- Labour markets - important to consider impact on younger cohorts, not simply about an ageing population
- Economic differentiation- London super-region, within the North “new agglomeration” favouring large cities
- Housing – unless we look at current planning policy there will be significant shortages
- Demand for care will outstrip supply – need to incentivise and enable to avoid “care gap”
- Long-term focus on skills needed
- Focus on start-ups should come from within communities

Opportunities for business

- Sensitising business – some starting to understand and keen to get involved but need capacity to do that. Short term pressures are priority over long term issues.
- How to take the information and use in a way that enables businesses to engage with it and forward plan?

Question 2: What can be done at a local level to respond to these impacts and opportunities, and how can central Government support these actions?

Local Level

- Vision –should we let demographics drive economy? LEPs or North of England could be proactive in creating a clear vision of the economy we want, rather than allowing the economy to be reactive to the consequences of an ageing population.
- May be too early for LEPs to respond: not ready, lack of resources, need to stay focussed on business development.
- Discussion on progress of LEPs and core functions of LEPs (including peripheral areas) – danger of LEPs having too wide a remit

Central Government

- Government should acknowledge the spatial implications of “national” / aspatial decisions – e.g. Olympics, Cross Rail, research funding.
- Demographic change is a cross departmental issue – needs one direction

- Support the needs of older entrepreneurs and 50 – 65 “NEET” group e.g.
 - Senior apprenticeships
 - quality business support – to make leap from sole trader to employer
- Web based business support does not provide quality needed
- The North needs to be competitive; retaining the skill base and transport efficiency are both crucial to this

Question 3: What issues do we need to understand better?

- Housing – better design needed to suit older population.
- Where are the potential new markets - transport, health, leisure and travel? Further research could refine the target audiences for data?
- Need to develop a communication strategy to ensure the data that has been developed has an impact on the organisations that need to be influenced by it.
- Develop and test ‘hooks’ that will quickly get people interested, and help create further interest by asking people to imagine what their future markets/communities will look like.
- Older people in the workforce for longer – need to understand HR implications better and HEI provision related to this.

Richard Baker: Policy reflections

- 1) Ongoing monitoring required as the economic and demographic changes identified were a combination of unpredictable trends with a **differentiated local position**.
- 2) The impacts and opportunities are genuinely **cross-cutting**; for example, a health response which serves to keep older people healthy and active can help boost labour market capacity. This needs leadership and co-ordination across organisations.
- 3) **The spatial level of policy making**: linked to the last point, the functional economic area was a good strategic level to observe and manage responses given that it is a level at which labour markets, housing markets, health care flows to key acute hospitals make sense for deciding on things like local transport infrastructure.
- 4) **Looking at both opportunities and challenges in balance**: the 'Holy Grail' is to identify and address issues which can address both sides of the balance sheet - an expansion in areas like health care can, for example, address needs and create growth and jobs.
- 5) **Timescales and equity**: need to think across timescales and gear responses for short, medium and long term impacts.
- 6) **National policy makers need to understand and work with localised position** in avoiding unintended consequences for local areas of a national policy issue.

Ray Hudson: Future Research Questions

- 1) Need to also **consider the younger demographic**, especially if linked to changing ethnic composition – implications for labour market, service provision etc, could lead to job losses.
- 2) Need for a more **dynamic interactive approach** to analysing demographic/economic change. Demographic forecasts make implicit economic assumptions, economic forecasts make implicit demographic assumptions – need to make these more explicit and develop a more sophisticated approach and one linked to policy goals.
- 3) Need to consider **how best to grasp the opportunities** offered by demographic change, and **how best to mitigate the negative consequences**. But need to be realistic about what can be achieved and explicit as to what goals are.
- 4) N8 – first output of collaborative social science – act as a starting point to **cross boundaries into natural sciences** – eg impact of regenerative medicine on ageing population and economic activity rates.