



Three policy priorities for Liverpool City Region

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Introduction

The first metro mayor for Liverpool City Region will be taking on strategic powers over an area which has many of the amenities and much of the physical infrastructure that makes it primed for growth. It has an excellent cultural offer and built environment, a well-run rail system and relatively affordable housing. In May, the metro mayor will take on strategic powers over housing, transport and planning and will need to manage and sustain the city region's strengths in these areas. However the employment rate (68 rather than 74 per cent) and the weekly pay (£476 rather than £525 per week) is lower in the city region than the national average.

In order to ensure that both the economy and residents across the city region thrive, the metro mayor will need to focus his or her policies on enabling more people to work in more and better jobs. Alongside supporting businesses to form and grow, the mayor must support those residents that currently miss out on access to the jobs and resources around the city region by improving skills and transport.

This briefing sets out three priorities that address the biggest issues facing Liverpool City Region.

A **'quick win'** will help the mayor to set the tone for delivery right from the start. Delivering results quickly will build trust, and show what the metro mayor is able to do for the city-region. The best 'quick wins' in these circumstances are high profile and of value to citizens.

Decisions about major strategic issues set the framework for delivering the metro mayor's vision and should take advantage of the new geography that enables decisions to be taken at the city region level. While the mayor will be keen to show progress towards his or her vision, delivering on major strategic priorities will often take longer. Regular monitoring and careful evaluation is needed to allow for flexibility in the way this is being delivered, as well as to demonstrate progress.

A long term vision for the city should be the key election platform. This is what the mayor is working towards while in office. This should be ambitious, but reflect the real needs and potential of the city. Some aspects of the vision will be achievable within the mayor's term in office, while others will build momentum or signal a change in direction. It is important to be clear and strike the balance of where each policy lies on this spectrum.

Policy priority 1: A quick win

Make taking a bus easier for communities to access opportunities across the city region

- **Improve the bus network to quickly make a difference** in poorly connected areas throughout the city region.
- **Use new strategic powers to prioritise disadvantaged residents** and cut off areas, opening up more opportunities and signalling the importance of a whole city region approach.
- Work with bus providers and other local partners to **build complementary rather than competing** priorities for the city region.

Focus on buses not trains

Liverpool City Region is home to one of the country's best performing rail services – Merseyrail. Satisfaction is high, maintenance and investment is ongoing (between the Wirral and Liverpool) and additional rolling stock will be in use by 2020. In short, unlike in many city regions, the railway network is not in need of a major overhaul. Instead the metro mayor should be making buses simpler, more efficient and easier to use.

An effective bus system can help overcome the mismatch between the places where lower skilled people live and where the jobs they seek are located. Buses are disproportionately important to job seekers (nationally two thirds of whom do not have access to a car) and young people. The metro mayor should be prioritising bus routes that can connect communities with services, amenities and each other, and can connect commuters to more jobs throughout the city region. This will help to ensure the residents of Sefton or St Helens can access the maximum number of opportunities be they in Halton, Birkenhead or Liverpool city centre. This will at times mean putting the interests of bus users above car users on key strategic routes around the city region.

Use newly devolved powers to regulate the network, roll out smart ticketing and consider more bus lanes

While much has been improved through the area's Bus Alliance (between Merseytravel and the three bus operators) there are additional powers being devolved through the Bus Services Bill that will make a real difference to residents. The metro mayor for Liverpool City Region will take control of strategic transport powers, including over the key route network, franchising bus routes and smart ticketing – he or she should use this to make travelling across the city region easier. There are three ways the metro mayor can make the most of these powers.

Firstly the metro mayor (and combined authority) should use his or her new regulatory powers to simplify the service across the city region. By coordinating routes, the timetables and ticketing services that are currently run by different operators should complement each other rather than compete. This does not mean the city would take over franchises but instead make operators work together, so users would benefit from a simplified, coherent timetable and ticketing system.

Secondly the metro mayor should expand where travellers can use the Walrus card and integrate it fully with the different transport options and ticket types (for example the Solo, Trio and Railpass). This would assure users they can use a single ticket across the city region.

Thirdly, the metro mayor should consider re-introducing bus lanes on key strategic roads to ensure that buses are quick and efficient. While this will be controversial in the city centre (where bus lanes have been removed) the metro mayor must ensure that the key route network prioritises a free flowing peak time service for commuters from across the city region. This will also be an early testing ground as to the diplomacy and co-operation between the mayor of Liverpool and the metro mayor.

A well-functioning bus service is vital for any city region and particularly for its more deprived areas as they provide a flexible and affordable way of getting around the city region. The vision should be to simplify the experience of using a bus and enable more communities to be better linked with the jobs and services on offer across the city region.

Policy priority 2: A strategic aim

Improve the skills of the workforce so more people can access jobs across the city region

- **Help out of work residents to access more jobs** across the city region by improving their skills
- **Use the apprenticeship levy to better match businesses with skills providers** across the city and improve the quality of schemes through the apprenticeship hub.
- **Build links and networks** between city hall, businesses and key education institutes.

Prioritise giving those without the right skills a second chance to get job ready skills

Skills are integral to the employment prospects, pay and wellbeing of individuals and their ability to access and create more jobs. But they also impact on business competitiveness and the economic prospects of a city. The devolution of skills policies to the metro mayor reflects the importance given to local flexibility and decision making in meeting these needs.

The skills levels of Liverpool City Region's workforce remain lower than the national average. Of particular concern is the high share of residents with no formal qualifications. Across the city region 12 per cent of working age residents have no formal qualifications, compared with nine per cent nationally. But there are more acute concerns within the city region: in Liverpool 14 percent of residents have no formal qualifications and in Knowsley it is close to double the national average (16 per cent).

Given the newly devolved powers, the new metro mayor will be well placed to improve workforce skills across the Liverpool City Region and should prioritise giving residents who are not working a 'second chance' to develop skills that match the existing and future jobs.

Build on the successful apprenticeship hub and work with businesses to develop higher skilled apprenticeships

The good news is Liverpool City Region is performing better when it comes to apprenticeships. These provide residents of working age with new pathways into employment by upgrading their skills and filling local skills gaps. Centre for Cities research found there is a relatively large amount of apprenticeships in Liverpool and Birkenhead,¹ as well as good take up and success rates. Recent research from the UK Commission for Employment and Skills (UKCES) identifies the Liverpool City Region as having one of the country's highest rates of employer support for young people in regards to offering work experience and other opportunities.

¹ Liverpool PUA refers to Liverpool and Knowsley while Birkenhead refers to Wirral, details can be found in Serwicka, I. (2016) Briefing: apprenticeships in cities.

The upcoming apprenticeship levy will boost business demand and funding for apprenticeships, and the apprenticeship hub will be key in managing the various different actors at a city region level. The metro mayor will need to set the agenda on this, convening the business community, universities and skills providers, and highlighting the importance of high quality apprenticeships for residents and businesses, as well as matching apprenticeships with businesses from different areas of the city region.

But further efforts are needed to improve the quality of apprenticeships as there are fewer schemes that offer ‘advanced’ and ‘higher’ apprenticeships compared with the more typical intermediate apprenticeships. The metro mayor will need to work with the city region’s employers through the Apprenticeship Hub to improve the demand for apprenticeships among local businesses. This could be funded in part through the incoming apprenticeship levy and will be of specific importance in the most deprived areas in which residents will be eligible for additional support.

Concentrate on supporting graduate level jobs to attract the highest skilled workers

Liverpool is home to four universities and their large student population. Despite this, just 29 per cent of working age residents have a degree as opposed to 37 per cent nationally.

Although many leave after they finish their studies, there is a net gain of graduates each year of around 2,600.² In the past, there has been a dearth of jobs in higher level occupations, but between 2012 and 2015 this gap with national performance has shrunk.³ The metro mayor must work with these institutions, making the most of their role and reputation in the city, while recognising that the main focus of graduate retention policies should be on supporting higher quality jobs for graduates in the area which will help to retain them, or attract new highly skilled individuals in.

The metro mayor should use his or her influence and informal powers to better link businesses with colleges and universities to ensure that courses and vocational education match the needs and opportunities of the city region’s businesses, and provide residents with higher skills and better access to opportunities in the future.

Policy priority 3: A longer term vision

Make improving school performance a top priority for the city region

- **Trial initiatives to boost school performance** in the areas of the city region that need it most
- **Enable school leavers to get the qualifications they need** to access and create the jobs of the future
- **Make best use of the visibility of the role** to challenge schools that are underperforming.

Prioritise improving school performance

Perhaps of greatest concern for the future of the city region economy is the poor results of school leavers. 53 per cent of students achieve five good GCSE results (A*-C) compared with 58 per cent of students for England and Wales. In an increasingly polarised job market, school leavers without good results will be at a distinct disadvantage for years to come so areas with poor performing schools should be targeted.

2 For analysis of the movement of students and graduates in Liverpool and Knowsley read the Centre for Cities briefing: <http://www.centreforcities.org/publication/great-british-brain-drain-analysis-migration-liverpool/>

3 Liverpool City Region (2015) Skills for Growth

The low attainment levels can partially be attributed to poor performing schools. The city region has an overall Progress 8 score of -0.3. This means that students starting at a similar position perform considerably better on average elsewhere in the country than they do in the Liverpool City Region, especially in Maths. This is a persistent challenge for the area, and the solutions, while crucial, are not simple.

Position the City Region as the test bed for innovative approaches

The metro mayor will not have direct powers over education but should be using his or her visibility and position to call on central government to commit to school reform pilots in the Liverpool City Region, including for proposals set out by Sir Nick Weller for 'Teach North'. Trials and investment could be targeted at particular areas that are in need, for example Knowsley, where just 37 per cent of students achieve five good GCSEs (the lowest proportion in the country) as opposed to Wirral, where two thirds of students achieve these results.

The metro mayor could also consider options such as developing the US model of offering additional funding for good quality teachers that move to the area. An alternative as set out by Weller would be for the cityregion to offer enhanced Career Progression Pathways, or an adaption of the Teach First program. This way the poorest performing areas of the city region would better attract top calibre teachers.

Evaluate the impact of these pilots effectively

The key to making best use of these pilots is to ensure they are designed with the best evaluation techniques that are suitable – from the beginning of the process. This includes defining success, finding a control group and ensuring the most relevant data is collected and evaluated.⁴ The metro mayor has the opportunity to ensure there are huge improvements in schools that affect the life chances of young people across the city region but measuring and evaluating initiatives will be as important as the level of funding they allocate.

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4 For more information about evaluating local economic growth policy programmes, see the What Works Centre for Local Economic Growth: www.whatworksgrowth.org