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Education and the economy



Professor Frank Peck of the University of Cumbria's Centre for Regional Economic Development writes for in-Cumbria on the big issues of the day and the economic data behind them. This month, he focuses on the role of education in the development of the Cumbrian economy

There are few activities that provide a bridge between public, private and community sectors to the same extent as education.

It is, in fact, interesting to note that any discussion of the future of the economy of Cumbria will almost inevitably come back to fundamental issues that include educational performance.

Indeed, one of the first priorities for local enterprise partnerships was to analyse educational performance and produce Skills Plans for their area.

LEP strategies clearly recognise that the education system is highly significant for the performance of all sectors across local economies.

The Cumbria Skills Plan Evidence Base published in 2016 (York Consulting) contains useful analysis of educational performance at different levels.

The picture was certainly not all negative. While there are variations between areas and institutions, across Cumbria in general, children produce good results at primary level while GCSE grades and participation in work-based learning for 16 to 17-year-olds compare reasonably well with national averages.

There are, however, challenges to be met. Expected progress in English and maths at age 16 and the proportion of 16 to 17-year-olds qualified to level two were reported to be below average. As regards higher education, the proportion of young people progressing from maintained schools in Cumbria to university has been increasing (37 per cent) though still remains below the UK average (39 per cent).

Monitoring the performance of the education system is undeniably very useful and highly relevant but the significance of education can be measured in other ways.

It is perhaps sometimes overlooked that the organisations that deliver education are themselves business entities that have impacts on local



economies not least in the wages and salaries paid to employees.

Most recent data (2016) shows that there are 20,000 people employed in education within Cumbria. The core of this employment relates to mainstream schooling at primary (circa 9,000 jobs) and secondary levels (6,000 jobs).

There is a further 700 people working in pre-school organisations and over 1,000 in further education.

Private training providers are also significant employers in Cumbria. Higher education generates employment (circa 900) but it also has very significant impacts on local economies through the student population.

The most recent local HE profiles published by HEFCE for 2014-15 show that there were 5,230 students (full person equivalents) studying at institutions in Cumbria and 35 per cent of these were from outside the county. An impact assessment carried out within the University of Cumbria in 2015 estimates that student expenditure on living costs and accommodation amounts to an input of over £23m per annum into the Cumbrian economy.

Schools, colleges and universities also have impacts on local economies through procurement of goods and services many of which are provided by local SMEs.

There are outsourced services

- catering, transport, security - as well as business generated by the need for repair and maintenance of sites and buildings as well as new construction. There is an argument for suggesting that policymakers need to consider not only how to meet the specific demand for skills locally but also how to produce them in a manner that maximises local economic benefit.

Educational establishments, however, have significance even beyond these types of measurable inputs and outputs.

Universities, colleges and schools are embedded in their communities and, alongside long-standing employers and local government, they represent reservoirs of accumulated knowledge about local strengths, aspirations and capabilities. These institutions also have the ability to evaluate local situations using knowledge and understand acquired through their wider national and international networks.

In the recently published UK Industrial Strategy white paper, the UK Government makes commitments to work with local partnerships to agree local industrial strategies that "build on local strengths and deliver on economic opportunities".

In this process, it is expected that "universities, colleges and other local institutions will be key..."