

South Yorkshire Weekly Policy Briefing

24th February 2023

SYMCA Policy Team

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This Week's Policy Highlights:

- ❑ Data from the ONS on household incomes and labour markets in South Yorkshire provide an insight into the long-term trends in our region around work patterns, gender inequality and economic inactivity.
- ❑ Recent data from Tussell that calculates the Government's bill for third-party advisers has soared to a record £2.8bn in 2022 as the book [‘The Big Con’](#) unpacks the entrenched relationship between the consulting industry, government, and our wider economy.
- ❑ New research by [YouGov](#) shows how the cost-of-living crisis is affecting five distinct groups across the British population in different ways.

Analysing Household Income and Labour Market Statistics



Income by Local Authority

This section aims to provide a detailed overview of the long-term trends seen in labour markets and household incomes for South Yorkshire, based on the most complete datasets available from the ONS.

While *median income* has risen by 14.2% between 2012 and 2021, [admin-based income statistics](#) tell a much richer story.

The average gross salary in each of South Yorkshire’s four local authorities can be seen in the table here, with a split between the poorest (1st), middle (5th) and richest (9th) deciles. This shows a disparity of £29.6-£32.1k between the richest and poorest in our region.

However, these differences pale in comparison to the national picture. The best paid local authority is the City of London, with the top 10% earning an annual salary of £178,000. In contrast the bottom 10% only earn £6,000 (income in ratios), giving an income disparity of £172k – 5.5 times larger than that in South Yorkshire.

Local Authority	1 st Decile	5 th Decile (median/average)	9 th Decile
Barnsley	£5,150	£15,762	£34,728
Doncaster	£4,927	£15,644	£34,904
Rotherham	£5,091	£15,777	£35,006
Sheffield	£3,446	£15,128	£35,590

Income by Age and Gender

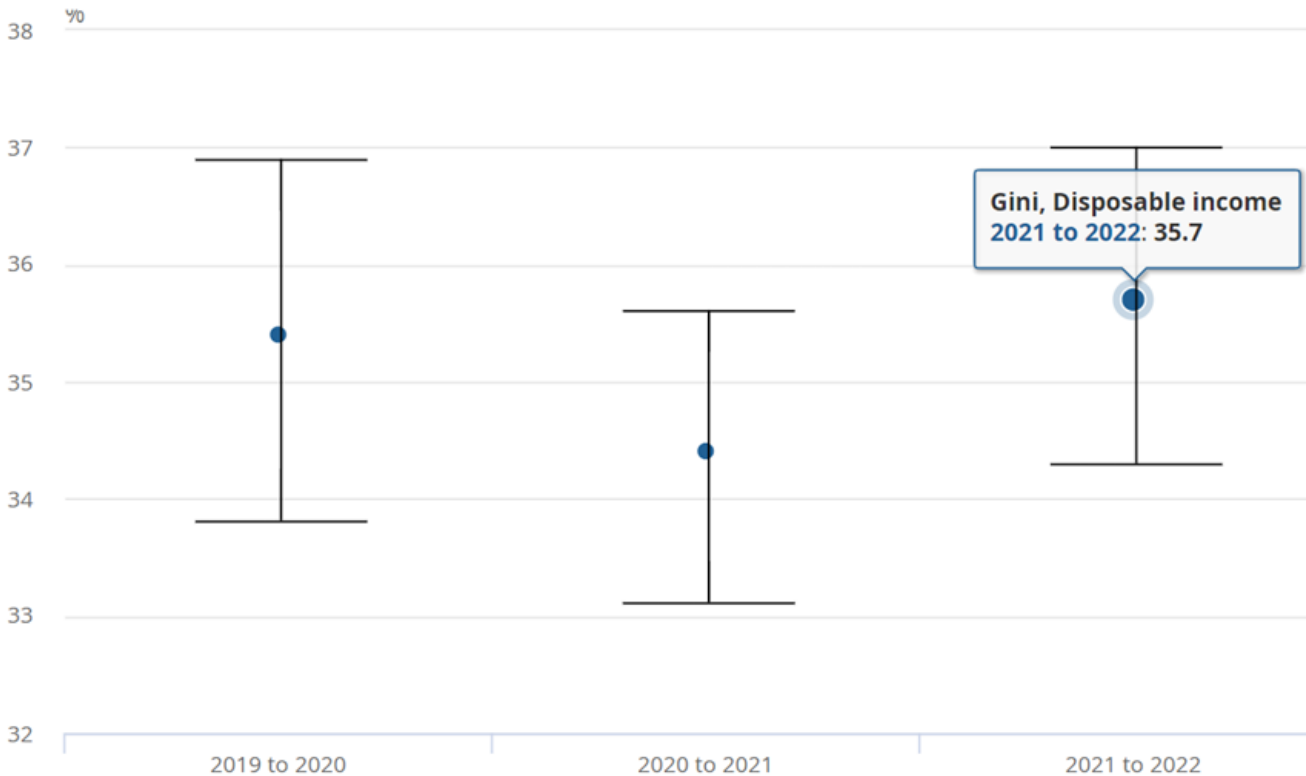
We can also analyse income by demographics.

Looking at 2018, men and women of average age (~40yrs) in the 50th percentile of earners had an annual salary of £25,395 and £18,120, respectively. This is a difference of £7,275 or 40% for women, but this gap grows to £23,274 or 53% at the 90th (top) percentile of earners.

It also rises with age, with 55yr old men earning £8,302/51% and £25,346/65% more than 55yr old women in the 50th and 90th percentiles, respectively. In other words, the gender pay gap increases at higher salary levels.

These details highlight the dimensional inequalities by which existing wage gaps persist across the UK today, as illustrated by the diagram above which shows how inequality increased between 2020 and 2022 by 1.3pp. as the lowest paid saw their real benefits squeezed by rising inflation.

Gini coefficient for disposable income and 95% confidence intervals around the central estimate, UK, FYE 2020 to 2022



Employment Measures

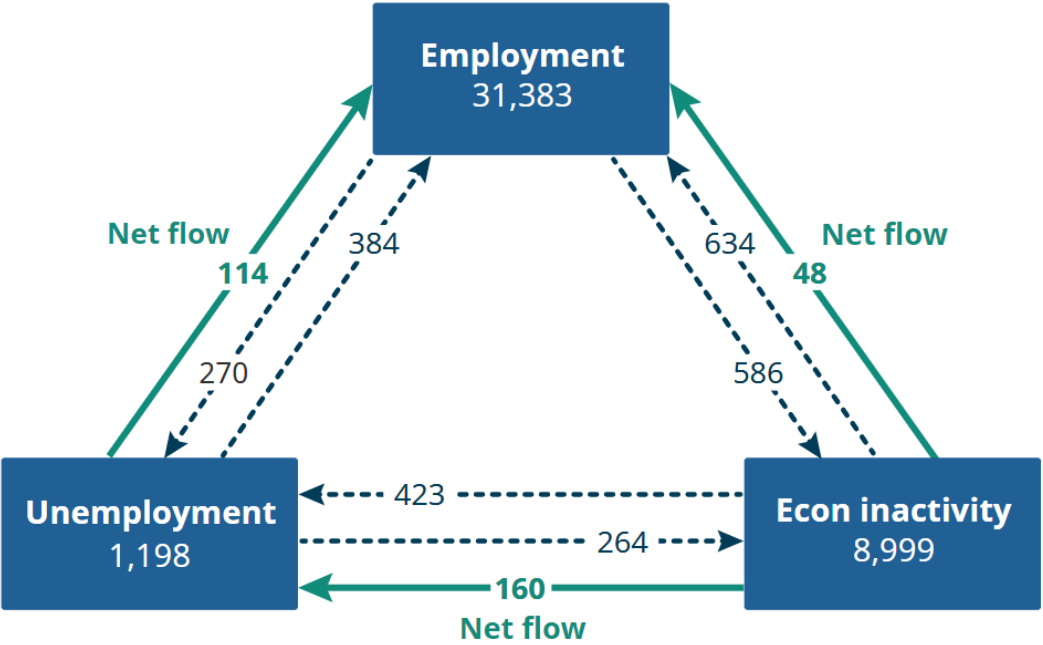
The [ONS](#) have also provided their latest data on the UK's labour markets. This includes breakdowns of three key indicators: employment, unemployment and economic activity.

While you may assume that both unemployment and employment rise and fall simultaneously for any given month, this is not always case. In fact, data to December 2022 showed that both measures rose last year.

As demonstrated in this diagram, this was due to falling economic inactivity. More people who left the labour market during the pandemic chose to return than those who were either made redundant or resigned from their positions during this period.

UK flows between employment, unemployment, and economic inactivity, people aged 16 to 64 years, seasonally adjusted, July to September 2022 and October to December 2022

Number of people aged 16 to 64 years (thousands)



Employment Measures

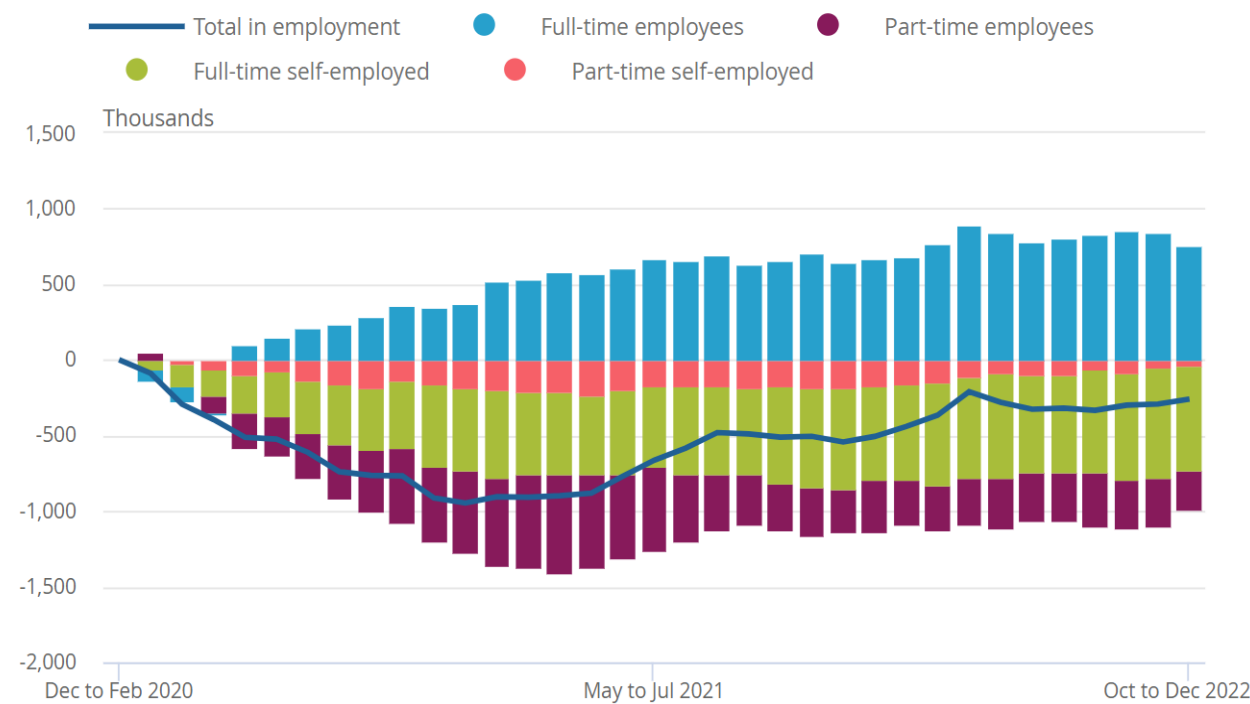
The [Business Register and Employment Survey \(BRES\)](#) can also give us an indication of how our local labour markets have changed based on work patterns.

In 2021, 587,700 were in registered employment in South Yorkshire, with nearly 46% of these jobs in Sheffield. Nearly 21% (122,000) of these jobs were in the public sector, which was slightly higher than the Yorkshire and Humber average of 19%.

Of those registered as ‘employees’, 373k (65%) worked full-time and 202k (35%) were employed part-time. This means South Yorkshire has slightly less full-time employees than the regional average (66%).

Sheffield has the largest per worker public sector, consisting of 21.7% of paid employees, and the highest percentage of workers in part-time employment (36%).

UK employees and self-employed workers, full-time and part-time workers aged 16 years and over, seasonally adjusted, cumulative change from December 2019 to February 2020, for each period up to October to December 2022



Consultants in Government



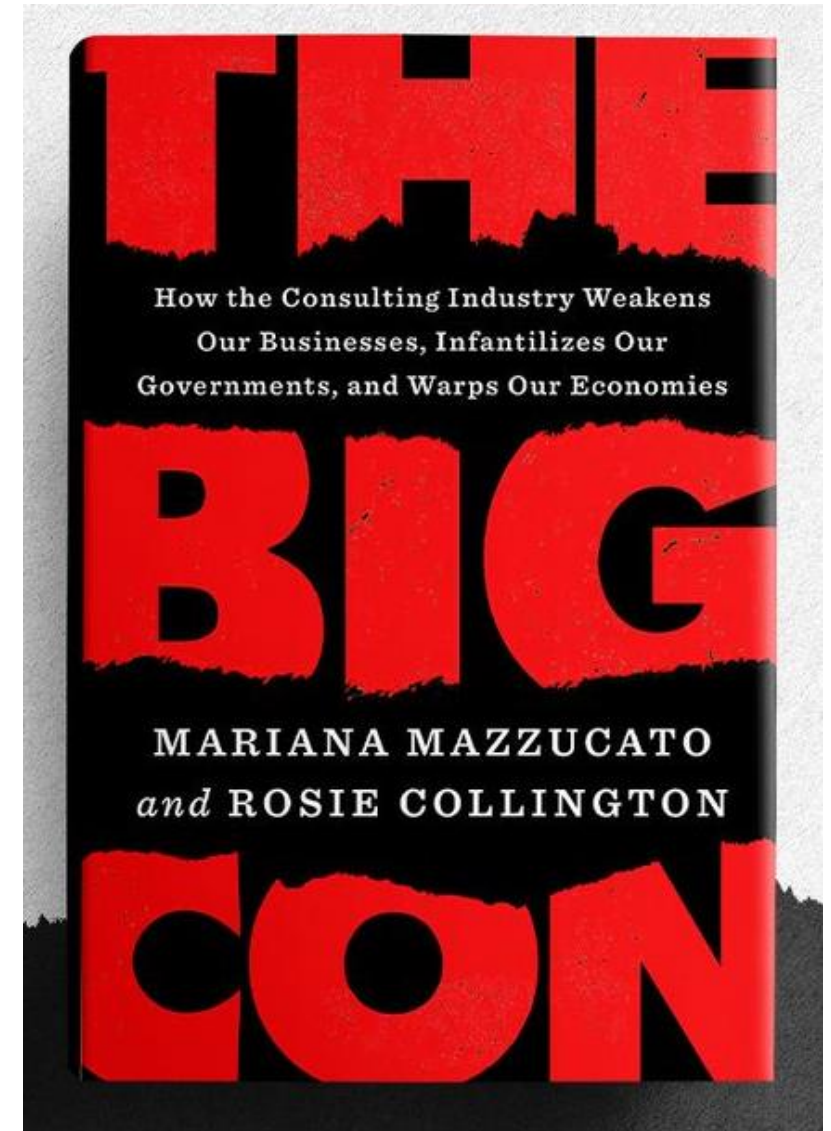
A Big Con?

The book [‘The Big Con’](#) unpacks the entrenched relationship between the consulting industry, government, and the wider economy.

It explains that appointing consultants temporarily through tenders can be cheaper than employing specialists full time as consultants often ‘low ball’ their tenders in the hope that once they are through the door they will pick up more lucrative contracts later or leverage connections to win new private sector work.

However, the authors argue that this short-term gain is outweighed by long-term costs: the more public sector organisations outsource, the more they stop investing in their own capacity and capabilities and are depleted of knowledge, skills and vision.

Globally, expenditure on consultants has reached nearly £1trillion. The book refers to several global examples that further demonstrate this reliance.



Increasing Reliance in the UK

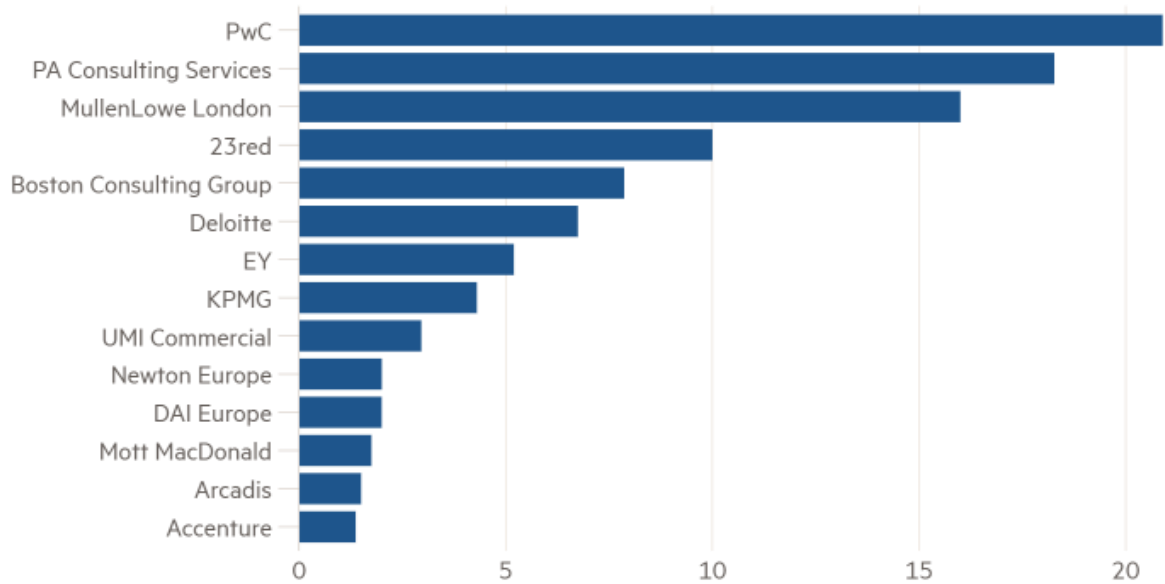
It comes amid recent data from Tussell that calculates the Government’s bill for third-party advisers has soared to a record £2.8bn in 2022, 75% higher than in 2019, four times higher than the 2016 total and way above the £6m figure from 1979.

Further analysis, as displayed by the [Financial Times](#), shows that in the first few months of the COVID-19 pandemic, UK consultants were paid £109m to advise the Government on its response to the coronavirus pandemic in the early stages.

Use of consultants during the pandemic became controversial with failures in PPE procurement deals, issues with care homes and a flawed test and trace programme the costing £1m a week in consultancy fees.

Covid-19 consulting awards

Value of government contracts by supplier (£m)



Source: Tussell
© FT

Solutions

The book proposes the following set of recommendations to address the issues that this reliance causes, with implications for local and regional Government in particular:

1. Investing internally in public sector orgs
2. Politicians & media changing discourse on the state
3. Ending prime contracting
4. Contracts with 'no excess profits' clauses
5. Ensuring good conditions & pay in public sector
6. Letting employees take on challenges & supporting learning
7. Re-establishing in-house IT expertise
8. Establishing in-house consultancies (esp. to meet potential short-term capacity deficits when cutting consulting spend)
9. Embedding learning in contracts when they are necessary
10. Harnessing genuine expertise in the economy - in local govt using lessons from the Preston model
11. Mandating transparency and conflicting interests disclosure
12. Valuing tenders in advance to prevent low-balling



Cost of Living in British Society



Defining affected groups

New research by [YouGov](#) shows how the cost-of-living crisis affects five distinct groups across the British population.

The research collected data from over 11,000 people and established five distinct population segments, each with a unique experience and viewpoint on the crisis.

From statistical analysis of blind survey questions, the model identified the following clusters:

- Worried and Suffering
- Cautiously Hopeful Strugglers
- Squeezed but Coping
- Unsettled Withstanders
- Calm and Comfortable

	<p>Worried and Suffering</p> <p>These are the Britons hit hardest by the cost-of-living situation, sitting at the extreme end of the struggle and worry. They've made cuts to their spending and are still struggling to cover their food costs and bills. They're very worried about the coming years and their financial position, employment and housing. They are most likely to be in part-time work or unemployed and have a low average household income.</p>	<p>Around 1 in 5 of British public</p>
	<p>Cautiously Hopeful Strugglers</p> <p>This segment are feeling the pinch of the cost-of-living situation, being likely to have had to made cuts and struggled so far. However, they have the most positive outlook towards the UK economy and their own personal finances going forward. This the youngest segment, with the highest number of students.</p>	<p>Around 1 in 7 of British public</p>
	<p>Squeezed but Coping</p> <p>This segment represent 'the middle of the road' on most metrics. They are certainly feeling the effects of the cost-of-living situation but seem to be managing so far. This group are making necessary cuts to their spending but are unlikely to be struggling to afford essentials like food and bills. They tend to be middle aged and own their own home.</p>	<p>Around 1 in 4 of British public</p>
	<p>Unsettled Withstanders</p> <p>People in this group make up one of two segments who have not really felt the financial impact of the cost-of-living situation yet but are very worried for the coming months – particularly outwardly for the UK as whole. They have not made too many cuts, nor are they struggling to pay bills. They are likely to be highly educated, with a well-paid job, and have discretionary spending and savings to fall back on.</p>	<p>Around 1 in 5 of British public</p>
	<p>Calm and Comfortable</p> <p>This group of people are the least affected by the cost-of-living situation and are optimistic that they will continue to be relatively unaffected in the coming years. They are the least likely to have needed to make cuts yet, and most don't expect to need to. Their finances are unlikely to have taken a hit so far and they're confident they'll be able to manage going forward. There are high numbers of retirees in this group, and many own their home outright.</p>	<p>Around 1 in 5 of British public</p>

Varied Life Satisfaction

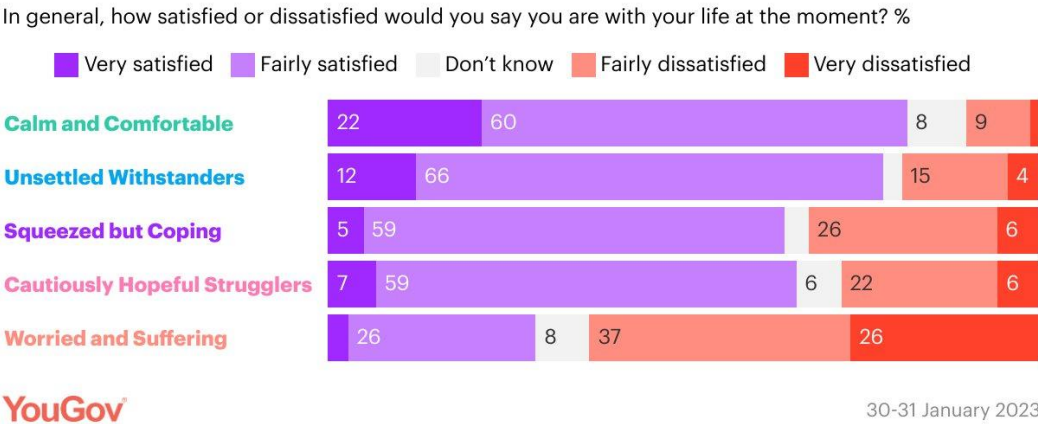
The survey addressed life satisfaction to gauge perceptions about life beyond short term responses.

The data found that the Calm and Comfortable are the most satisfied with their life as it is, with over four-in-five (82%) holding this view, followed by The Unsettled Withstanders with over three quarters (78%) saying they are satisfied with their life.

Most of those among the Cautiously Hopeful Strugglers and the Squeezed but Coping are also satisfied with life as around two-thirds of each feel satisfied with their lives (66% and 64% respectively).

However, people in the Worried and Suffering segment are by far the most dissatisfied with their life of all groups as two-thirds say they are either fairly (37%) or very dissatisfied (26%) and only 3% say they are ‘very satisfied’.

YouGov Cost of Living Segmentation: how satisfied are people in each group with their life at the moment?



Need for Government Action

The demand for more Government help across varied but most groups agreed with mote intervention.

Unsurprisingly, the Worried and Suffering are most likely to want more help, with nearly nine in ten (88%) saying so, along with the Squeezed but Coping group with over eight in ten (83%) agreeing.

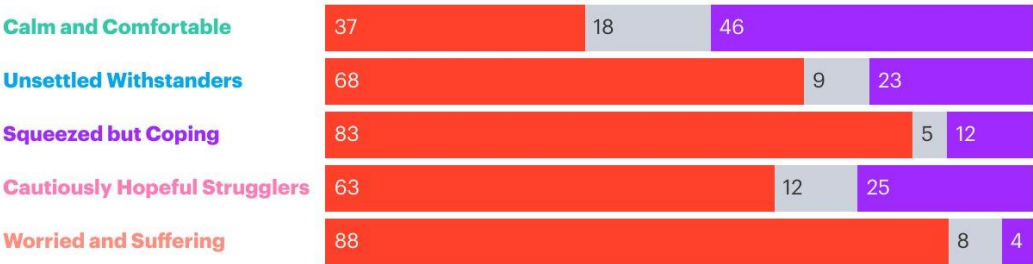
In contrast, we see comparatively higher levels of satisfaction with current levels of government action among the Calm and Comfortable. Over one-third (37%) agree, while nearly half (46%) think there is enough.

The Cautiously Hopeful Strugglers and the Unsettled Withstanders share similar opinions on the government's response, despite their very different financial situations: 63% of the former and 68% of the latter say that the government should be doing more to help people.

YouGov Cost of Living Segmentation: all groups except the one least suffering during the cost of living crisis say the government should be doing more to help

Which of the following statements comes closest to your view? %

■ The government should be doing more to help people through the cost of living situation ■ Don't know ■ The government are currently doing everything they reasonably can to help people through the cost of living situation



YouGov

30-31 January 2023

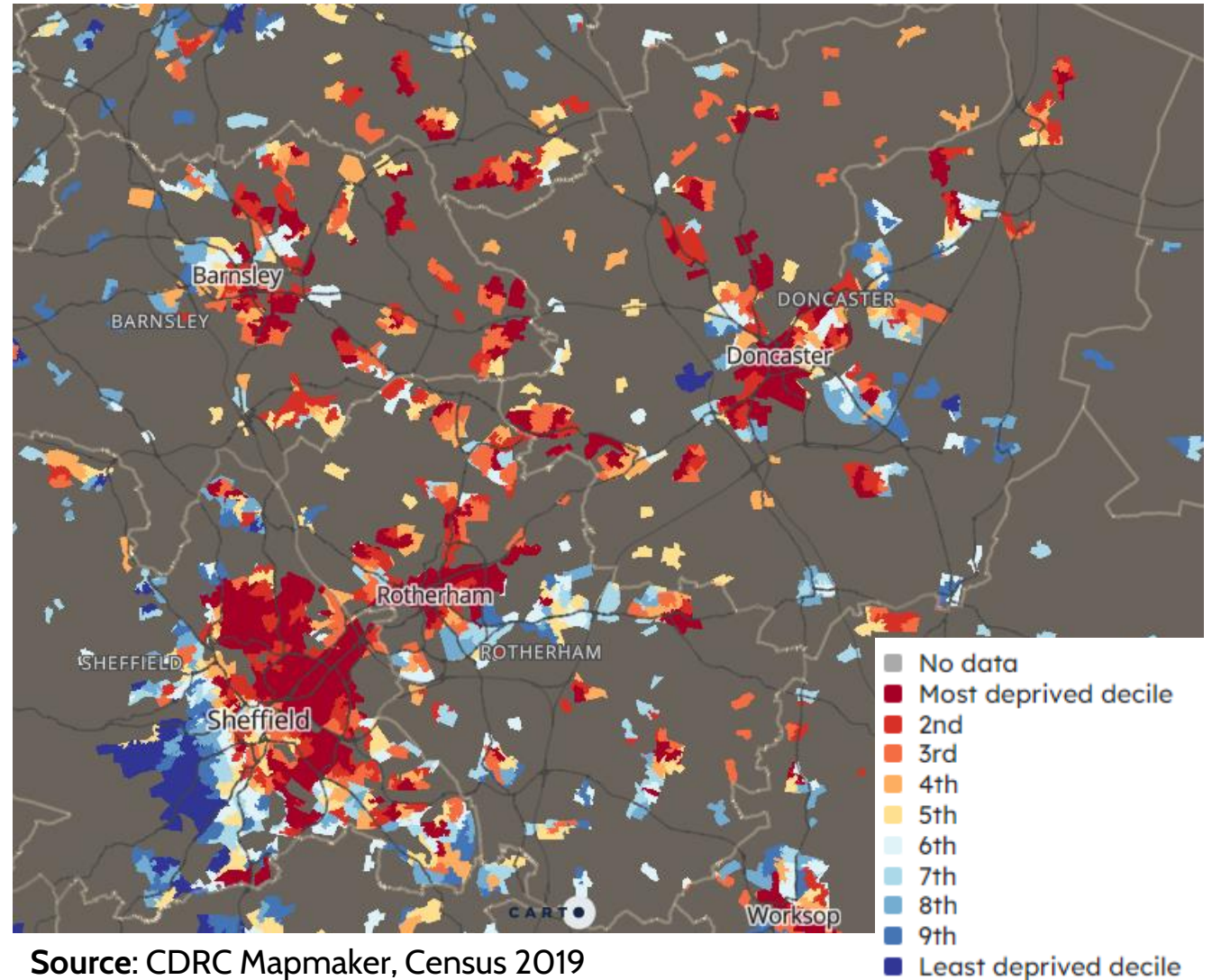
Looking Ahead in South Yorkshire

The cost-of-living crisis is widespread and indiscriminate but affects different people to very different degrees.

Breaking down how different groups are experiencing the crisis in different ways allows for a much more thorough understanding of the population as people navigate the challenges of rising costs.

For example, in South Yorkshire, SYMCA analysis of 2019 Indices of Multiple Deprivation (IMD) data found that approximately 48% of South Yorkshire is in the 3 most deprived IMD deciles.

This level of detail in data will also help decision makers to target specific groups of the population.



And in other news.....

If you're happy and you know it...

Researchers from The University of Sheffield have revealed a list of songs that are scientifically proven to make people happy.

And the song that took the top spot is the famous Beach Boys song.... **GOOD VIBRATIONS!**

The Music Psychology and Wellbeing Team, lead by Dr Michael Bonshor found that the most uplifting tracks have the following features:

- Major key
- Tempo of 137 beats per minute (bpm)
- Regular verse/chorus verse/chorus structure
- Some unpredictable elements like a key change or 'seventh chords'

WORLD'S HAPPIEST SONGS, ACCORDING TO SCIENCE		
Rank	Song title	Artist
1	Good Vibrations	The Beach Boys
2	I Got You (I Feel Good)	James Brown
3	House of Fun	Madness
4	Get the Party Started	P!nk
5	Uptown Girl	Billy Joel
6	Sun Is Shining	Bob Marley
7	I Get Around	The Beach Boys
8	YMCA	Village People
9	Waterloo	ABBA
10	September	Earth, Wind & Fire

Struggling to encourage Car-los in Spain

Two top Spanish transport officials have resigned over a botched order for new commuter trains that cost nearly €260m (\$275m; £230m).

The trains could not fit into the tunnels in the northern regions of Asturias and Cantabria, often in mountainous areas.

The head of Spain's rail operator and the Secretary of State for transport, Isabel Pardo de Vera, have now left their roles after the design fault was made public earlier this month.

The Spanish government says the mistake was spotted early enough to avoid financial loss. The mistake means the trains will be delivered in 2026, two years late.



South Yorkshire Data & Intelligence Hub

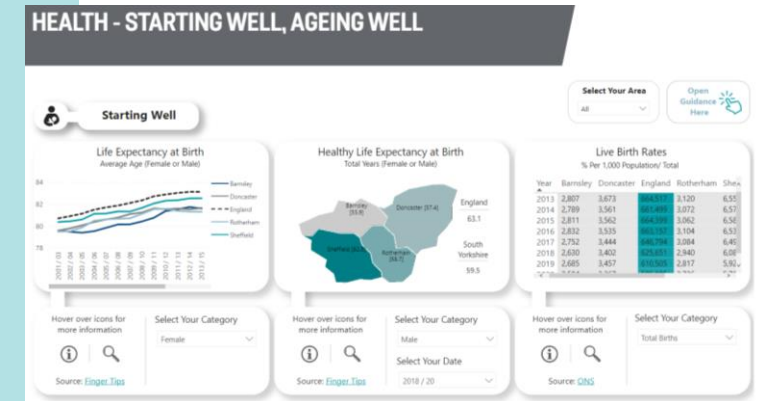
Want to access data and trends relating to South Yorkshire?

Head to the [South Yorkshire Data & Intelligence Hub](https://southyorkshire-ca.gov.uk/Data-Intelligence-Hub), which provides a range of data useful for understanding the local economy, as well as social and environmental outcomes.

It also helps to understand relative performance and changes in data. See how it works on YouTube [here](#).

Whether you're a resident, employer, academic, researcher or just interested in data, this can help you understand South Yorkshire's economy and develop evidence-based solutions.

Visit the dashboard now at <https://southyorkshire-ca.gov.uk/Data-Intelligence-Hub>



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