

The Impact of Brexit on North Norfolk

This is a short extract from a detailed research paper that draws on primary source data and is comprehensively referenced. A copy of the full paper is available as a free download from www.martynsloman.co.uk or by email request to martynsloman@me.com.

On 23rd June 2016 voters in the North Norfolk Parliamentary Constituency voted 58.9% for *'Leave the European Union'* and 41.1% for remain. For the UK as a whole the figures were 51.9% leave and 48.1% remain. This note considers the impact of Brexit on the rural, coastal area of North Norfolk. The conclusion is stark.

Few, if any, Parliamentary Constituencies in Britain are more vulnerable to a hard Brexit than North Norfolk. It is arguably the area with the most to lose and the least to gain. An urgent consideration of the consequences is required from all local decision-making bodies.

North Norfolk in context

The most striking feature is the North Norfolk age profile. In 2016 28,513 people (out of a total of 86,710) were recorded as 65 or older. At 32.9% this amounts to almost a third of the population: for the UK as a whole the comparative figure is 18% and for the Eastern region 19.3%. North Norfolk has the third largest population of 65+ year olds in the UK, with only Christchurch and Clacton occupying higher positions in the league table. **This disproportionate number of older people has an inevitable impact on care and health services.**

The economic challenges

As well as the expanding health and care sector, tourism is a major and growing employer; farming, though still seen as one of the defining characteristics of the County, employs fewer people and the labour force is declining year on year.

North Norfolk can be described as an area of low unemployment, with below average wages and productivity, and a higher than average number of smaller, or micro, businesses.

The area does not figure significantly in the growth areas for the future identified in the various strategy planning documents prepared by the local councils. It is evident that the central, largely rural areas of Norfolk contain few of the characteristics of a modern, knowledge-driven and service-led, economy. '21st century industries' built round IT and Telecoms play a very limited role.

Brexit therefore delivers a sharp focus on an important underlying question: how, in North Norfolk can we develop the high-value organisations offering premium products that can compete internationally?

Jobs for the future

North Norfolk does not have a University within its boundaries: The University of East Anglia (UEA) is 24 miles south of the North Norfolk District Council (NNDC) Cromer headquarters – a considerable commute for most North Norfolk

residents. There are no Further Education institutes in the district at present so students must travel to Kings Lynn or Norwich if they wish to pursue vocational qualifications. Moreover North Norfolk performs comparatively badly in terms of apprenticeship places. Of 6,580 apprenticeship starts in the County of Norfolk in 2016/17 only 720 places were recorded for the NNDC area.

The emergence of high quality 'next-generation' jobs is a national challenge, but one that is more acute in rural areas; such areas often lack a manufacturing base or significant employers in the modern service sector. Withdrawal from the EU presents problems for these areas. Norfolk County Council has responded by promoting a new rural strategy '*Strong Roots New Growth*'. In a comprehensive presentation at the launch event the lead consultant drew attention to the low wage economy of rural Norfolk (male staff earning on average 20% below the national average); stressed the future importance of company competitiveness in the global economy (over 70% of agrifood exports go to Europe); and the need to consider the loss of EU funding through the Common Agricultural Policy.

Labour and migration

Importantly, the rural areas presentation highlighted a critical issue that is an inevitable consequence of North Norfolk's unbalanced economy: "*our ability to run core rural services e.g. care services for the elderly demographic concentrated in rural areas.*"

Short-term labour difficulties cannot be ignored, particularly in the farming, care, and tourism sectors. Indeed David Davis, the Secretary of State responsible for exiting the EU, during a February 2017 visit to Estonia said that '*it was not plausible that British citizens would immediately take jobs in the agriculture, social care and hospitality industry once the UK had left the EU*'.

Conclusions

North Norfolk will face big problems of adjustment and it is incumbent on us to anticipate and minimise any damaging effects. There is evident risk of severe labour shortages in key sectors of the local economy. If jobs become available they will be low-skilled and low-paid jobs, previously filled by migrant labour. There seems little short-term prospect of creating new jobs in high-value companies that can compete in any growing markets accessed under new trade agreements. Only a small number of such companies are present in North Norfolk and they are often overseas owned; none have evinced public support for withdrawal.

The conclusions for North Norfolk could not be clearer. If Brexit, whether hard or soft, goes ahead there will be a desperate need for short-term intervention to ameliorate the problems and for long-term investment to create the opportunities. The latter will be resource intensive and, even then, it is hard to see how this could be accomplished.

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