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York and North Yorkshire Labour Market Analysis 2021

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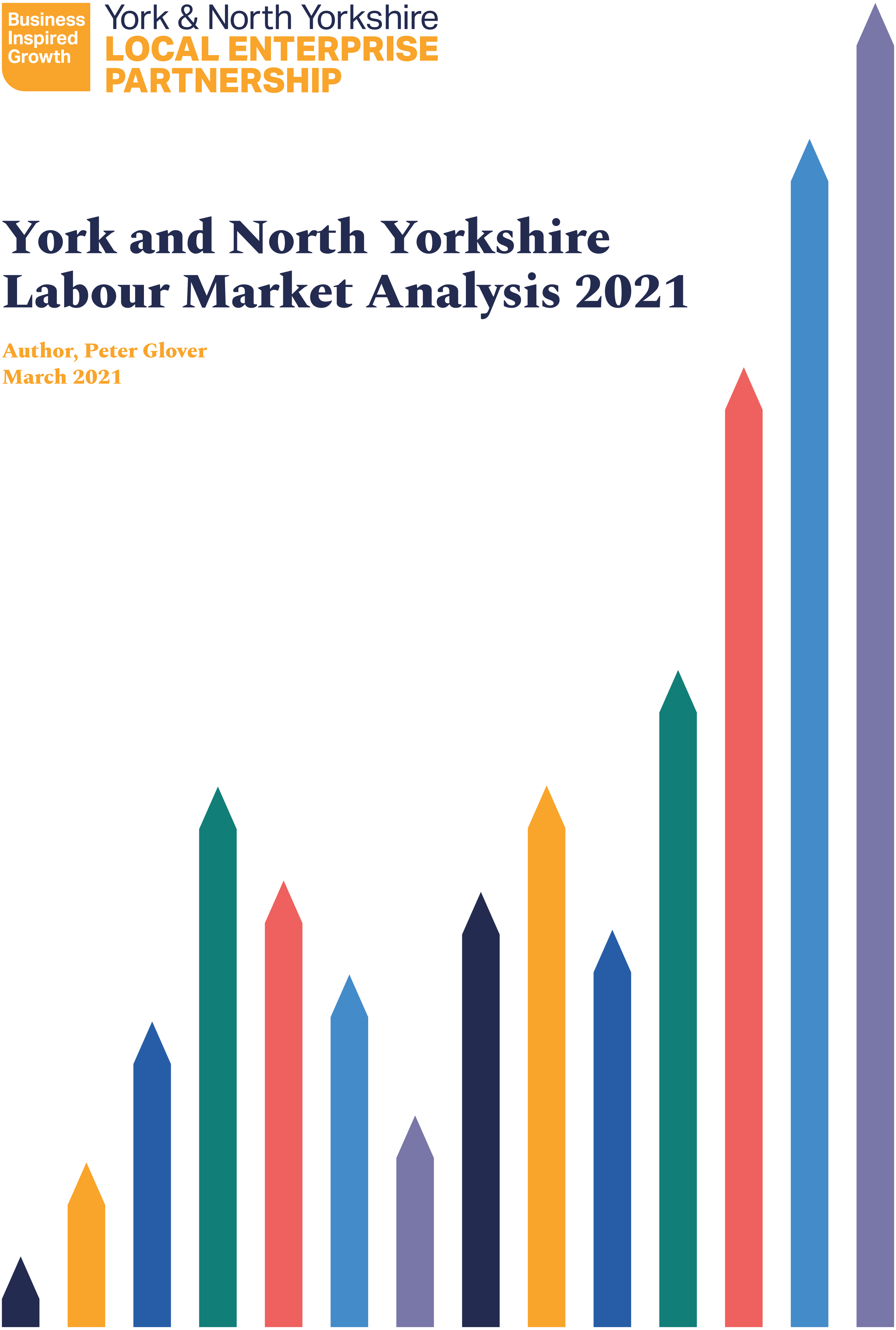

Produced on behalf of York & North Yorkshire Local Enterprise Partnership by Peter Glover, Economic Evidence Manager, West Yorkshire Combined Authority

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Introduction

This report provides an assessment of York and North Yorkshire's (YNY's) skills needs based on a detailed analysis of the supply of and demand for skills together with evidence of mismatch and market failure. It identifies employment and skills priorities and sets out key recommendations for action.

Covid-19 has had a profound impact on the workings of the local economy, labour market and education and training supply side. This report seeks to assess this impact and set out the implications of the crisis, as far as currently available evidence allows. The report also examines the underlying strengths and weaknesses of the local labour market, some of which are long term and structural and will continue to have a bearing on its future performance.

The key purpose of the analysis is to inform the deliberations of the LEP's Skills and Employability Board, now functioning as the local Skills Advisory Panel. Skills Advisory Panels comprise employers, skills providers and local government, working together to understand and address local skills challenges. The analysis also has wider applications; to inform, for example, the curriculum strategies of education and training institutions and to underpin local careers information and advice practice.

The content of the analysis takes account of the LEP's existing policy context and priorities around workforce skills, apprenticeships, social inclusion and enterprise in education.

It also takes account of recent changes to the LEP's geographic footprint, made in response to the government's LEP Review process. These changes call for a refreshed labour market analysis baseline, since the characteristics and needs of the area are substantially different under this new spatial definition, with implications for the LEP's objectives and priorities.

The local landscape

Local action on employment and skills aims to contribute to improvements in wider economic performance, particularly around productivity, earnings and employment. It also seeks to foster greater inclusion around opportunities to participate and benefit from economic opportunities. This report provides an overview of the current performance of the economy and labour market in these areas, taking into account the profound impact of Covid-19.

Contextual indicators suggest that the LEP area needs to improve the way in which skills are developed and utilised to address deficits around productivity and pay. The impact of Covid-19 on unemployment means that there will be an urgent need to get people back into work and to reskill them for new opportunities.

YNY has a strong business base in terms of the ratio of businesses to head of population; there are 5,000 additional businesses locally compared with what would be the case if local business density matched the national average. Nine out of 10 businesses are micro in size (0-9 employees) and the LEP area has a large number of agricultural businesses in this size band. Compared to the national business profile, establishments in accommodation and food services are also well represented, accounting for 8% of total enterprises compared with 6% nationally.

The analysis shows that YNY faces a significant and widening gap in its **productivity** performance. Output per hour worked in the LEP area is only 83% of the UK average (from a position of just below parity in 2004). Within the LEP area, York substantially outperforms North Yorkshire on productivity and is close to the national average. Raising local productivity up to the UK average would grow the local economy by £4 billion. There is a strong correlation between the relative performance of local areas on skills and their productivity performance. A comparison with other areas suggests that YNY is not capitalising on its skills base in terms of its productivity performance.

Pay levels also lag behind the national average, reflecting this weak productivity performance. At £13.29 per hour, gross median pay for full-time jobs in the LEP area is only 87% of the national average of £15.31. The LEP area faces a significant low pay challenge with 22% of jobs paying below the Real Living Wage, rising to 28% in Scarborough and Ryedale; much higher than the national average of 20%. YNY's pay deficit largely reflects a gap at the upper end of the pay distribution: well-paid workers in the LEP area receive less pay compared to their national counterparts. In addition, the residence-based median rate of hourly pay is 5% higher than the workplace measure and 92% of the national average, indicating that a proportion of residents are commuting out of the LEP area to jobs attracting better pay than those in the locality.

The LEP area faces a gender pay gap[1] that is somewhat lower than the national average. The overall pay gap for all employee jobs locally is 14%, slightly below the England average of 17%.

Prior to the Covid-19 crisis, the YNY economy was performing well in terms of getting people into jobs. According to the latest available data the **local employment rate**, expressed as the proportion of the population aged 16-64 who are in work, was one percentage point above the national average at 78%, versus 77%. The local rate has been consistently higher than average over the last 15 years. However, unlike many parts of the country, the LEP area has seen slow growth in its working age population, meaning that a small increase in the number of people in employment has been sufficient to drive up the employment rate. The latest local employment statistics do not give a fully up to date picture as they are based on a yearly average for the period July 2019 to June 2020. Moreover, many people currently in employment are on furlough or working reduced hours.

Local employment growth has increasingly come from employee and full-time jobs in recent years. The longer-term increase in part-time and non-permanent jobs has stalled somewhat in the last couple of years, although part-time jobs are still strongly represented in the LEP area. Should we move into a prolonged recession because of Covid we could witness a return to this previous pattern.

Based on the official estimates, unemployment remains low in the LEP area and is less than half the national average rate. However, the claimant count has more than doubled since the start of the Covid crisis, albeit from a low base, and the claimant rate remains below the national average. There are currently 19,000 people claimant unemployed in total in YNY, a claimant rate of 3.8% (national average=6.3%). There has been a particularly marked increase in claimant unemployment among young people. In addition to those who are claimant unemployed there are still a large number of individuals on furlough, according to the latest figures, some of whom could become unemployed as the job support scheme ends.

Acute **deprivation** is not widespread in the LEP area. Only 3 per cent of neighbourhoods fall within the 10% most deprived nationally; however, its isolated nature, with coastal communities particularly affected, means that outcomes are often poorer than in areas where it is more commonplace. Education, training and skills deprivation is a more significant issue than other forms of deprivation in the LEP area.

1 The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings.

Table 1: Key facts about the York and North Yorkshire labour market	
Key fact	**Notes and source**
Mapping the landscape	
Size of total resident population – **828,700**	Mid-year Population Estimates 2019, Office for National Statistics
Size of working age population (aged 16-64) – **500,900**	Mid-year Population Estimates 2019, Office for National Statistics
Productivity level, gross value added per hour worked, in YNY: - **£29.60** (national average: £35.57)	Source: Sub regional productivity: labour productivity indices by Local Enterprise Partnership, Office for National Statistics
Average pay: **£13.29 per hour** (national average: £15.31)	Median gross hourly pay for full-time jobs. Source: Annual Survey of Hours and Earnings, 2020
Size of gender pay gap in YNY (median pay for all jobs; residence-based): **14%** (England average: 17%)	The gender pay gap is the difference between average hourly earnings of men and women as a proportion of average hourly earnings of men. Source: Annual Survey of Hours and Earnings, 2020
Employment rate in YNY: **78%** (national average 77%)	Proportion of people aged 16-64 in employment. Source: Annual Population Survey, July 2019 to June 2020.
Number of people in YNY who are unemployed or inactive (but would like a job): **30,000**	People aged 16-64 who are unemployed plus people who are inactive but would like a job as a proportion of population aged 16-64. Source: Annual Population Survey, July 2019 to June 2020.
Demand	
Number of workplace jobs in YNY: 472,000	Workplace jobs comprise employee jobs, self-employed, government-supported trainees and HM Forces. Source: Office for National Statistics, 2018
Proportion of people in employment working in high skilled occupations – **46%** (national average – 50%)	Proportion of people aged 16-64 in employment. Source: Annual Population Survey, July 2019 to June 2020.
Proportion of workers in YNY employed in five lowest paid occupations – **22%** (national average – 17%)	Source: Annual Population Survey, July 2019 to June 2020.
Proportion of projected job openings in YNYER that are due to replacement demands rather than net job growth – **94%**	Source: Working Futures, 2017 -2027
Supply	
Total further education learners, aged 16-18 – **12,400**	Figure relates to YNY residents in learning in 2019/20 academic year, includes Community Learning and Education and Training. Source: Education and Skills Funding Agency
Total adult learners in further education – **26,800**	Figure relates to YNY residents in learning in 2019/20 academic year, includes Community Learning and Education and Training. Source: Education and Skills Funding Agency
Estimated Adult Education Budget spend in YNY in 2017/18 (excluding Community Learning) - **£7.6m**	Education and Skills Funding Agency
Total apprenticeship starts in YNY – **7,740**	Figure relates to YNY residents starting an apprenticeship in 2019/20 academic year - includes British Army. Source: Education and Skills Funding Agency
Number of students enrolled at YNY higher education institutions – **26,000**	2018/19 academic year. Source: HESA
Mismatches	
Proportion of vacancies in YNY that are skill shortage vacancies – **19%** (national average – 25%)	Source: Employer Skills Survey 2019
Proportion of employers in YNY who have one or more staff with a skills gap – **13%** (national average – 13%)	Source: Employer Skills Survey 2019
Proportion of YNY employers who say the skills of their staff are underutilised – **36%** (national average 34%)	Source: Employer Skills Survey 2019

Demand for skills

The report provides an overview of the demand for skills in the area, based on the profile of jobs locally and the skills required to do those jobs. It considers the current picture and the likely shape of future demand. The fundamental question that it addresses is: What skills do employers and the local economy need - both now and in the future?

The Covid-19 crisis has added to the complexity of addressing this issue. Before Covid, YNY had several key strengths on the demand-side of the labour market. However, the exposure of elements of the local economy to the pandemic and the consequences of Brexit (e.g. agriculture and hospitality sectors) could adversely affect YNY and lead to major changes in the pattern of labour and skills demand.

YNY has a high **jobs density**[2], indicating that it has a strong supply of employment opportunities for local people. Several districts have a very high jobs density, including Craven (1.20), Harrogate (1.04), Richmondshire (0.97) and Hambleton (0.97).

The four **biggest sectors** in the LEP area's employment base are Wholesale and retail (15%), Health and social care (13%), Accommodation and food services (10%) and Manufacturing (9%).

The local employment base has several distinct **sectoral specialisms**. Relative to the structure of the national economy, Agriculture and Manufacturing (particularly food manufacturing), together with Accommodation and food services are key strengths of the local employment base. There is also a major concentration of the energy sector employment in Selby. The key area of under-representation is in knowledge-intensive services, which in proportionate terms account for only two-thirds of the employment seen at national level. The local share of employment accounted for by the public sector is in line with the national average.

Overall, the LEP area has a **deficit of high skilled employment**: 46% of employees are in higher skilled roles locally, versus a national average of 50%. There is also a disproportionate reliance on low-skilled jobs. This deficit of workers in higher skilled occupations extends to employment in most industry sectors in the LEP area, reflecting relatively low value business activities, low productivity and an associated weak demand for skills locally.

In absolute terms, Elementary administration and service occupations, Corporate managers, Administrative occupations and Caring personal services account for the greatest numbers of people in employment.

In terms of specific **occupational specialisms**, the LEP area's employment base is has relatively large numbers of people employed in agriculture trades and protective service roles. The latter reflects the considerable presence of the British Army locally. The key areas where employment is under-represented include the higher skilled occupational categories of Science, research and technology professionals (which is likely to be due to low employment in digital roles) and in Business and media professional roles, reflecting the comparatively small scale of knowledge-intensive service activities locally.

The bulk of recent **sectoral employment growth** has been in service activities (both business and consumer facing). The two business service categories of Administrative and support services and Professional scientific and technical activities had the highest net employment growth followed by Accommodation and food services. Looking beyond services, manufacturing and construction also grew over this period.

Occupational employment growth has mainly been concentrated in higher skilled occupations. The number of people employed in management, professional and associate professional roles has grown by 46,000 over the longer-term between 2004 and 2019/20. This represents growth of 36%, well over twice the rate seen for overall employment (14%) for this period. The other main source of growth was in service-intensive jobs (which includes caring roles), which grew consistently by around 12,000 or 13% between 2004 and 2019/20. Employment in middle skilled roles suffered badly in the 2008 recession. After showing signs of a bounce-back during the economic recovery, it has fallen back into a period of decline. Employment in labour-intensive roles (semi-skilled operatives, labourers) has remained in negative territory throughout the period.

On-line job postings data provide an insight into the level and **profile of current job openings**. The overall level of postings plunged in the spring due to Covid-19 but then entered a steady recovery trend prior to another fall in activity in response to the re-imposition of restrictions in the autumn. With these set to continue for some time, the outlook for recruitment activity is uncertain. The occupational profile of job postings is very different to the national picture, with proportionately fewer higher skilled openings. The pattern of recovery has also been distinctive. In sectoral terms, health and manufacturing increased their share of job openings during the crisis whilst hospitality's share fell.

The individual detailed occupations in greatest demand currently cover a diverse range, most notably health, care, digital and administration. Communication is the baseline skill that is in the greatest demand by far identified in employers' job postings, followed by organisational skills, attention to detail, planning, creativity and problem solving. Customer service, teaching and team working / collaboration are the specialist skills in greatest demand.

2 Job density is the ratio of workplace jobs to the number of residents in an area.

Around two-thirds of employers have **upskilling needs** in the LEP area. Employers are most likely to say that managers need upskilling. The types of skills employers believe need to be developed are a combination of operational skills, including job specific skills and product / service knowledge; advanced analytical skills such as solving complex problems; and digital skills including digital literacy and advanced IT skills. Functional literacy and numeracy skills are also highlighted.

Based on the Working Futures study[3], **the main sectoral sources of net job growth** in YNY over the next decade will be service-based, in the form of health and social work, professional services and support services. The industries with the poorest prospects, based on the forecasts, are mainly in the manufacturing and primary sectors of the economy. Key employment sectors such as hospitality and wholesale and retail are forecast to see small net declines in absolute terms but are very likely to have significant recruitment needs linked to replacement demands.

The same projections indicate that higher skilled occupations will continue to see the strongest net growth in employment, whilst middle skilled administrative and manual roles will continue to experience net decline. Caring roles are projected to represent a second key source of net job growth. Covid-19 could have an impact on this pattern of change, reinforcing existing trends and offsetting others. Some occupations have increased their share of job openings during the Covid crisis (most higher skilled occupations, for example) whilst others have experienced a reduction (secretarial, sales and customer service, for example). At this stage we do not know whether these changes will persist into the future.

Replacement demands will reinforce net growth in higher skilled occupations and caring roles, leading to strong recruitment needs in these areas. However, because replacement demands are expected to generate 14 times as many job openings as net growth over the next decade, they will also serve to offset net declines, ensuring that most occupational areas will see a positive recruitment requirement over the next decade. The broad-based nature of the future recruitment requirement is a key message for those planning education and training provision within institutions and for individuals making careers choices.

The impact of **automation** could disrupt the labour market, rendering some types of skill obsolete, particularly those that relate to routine tasks. In broad terms, the influence of new technologies is expected to reinforce the existing pattern of change, with low and middle skilled occupations most susceptible to automation whilst higher skilled roles and caring roles face less risk of displacement. Locally, just over a third of current jobs are at high risk of automation over the next 20 years, in line with the national picture. In sectoral terms, agriculture, accommodation and wholesale / retail are most susceptible to the effect of automation.

As technology alters the importance of some tasks and jobs in the labour market, there will be a need to invest in **re-skilling** to enable workers to adapt to changes in the design of their existing jobs and to help them to move into new roles or even occupations to benefit from more sustainable opportunities.

3 Working Futures provides a comprehensive and detailed model of the UK labour market and skills needs. It projects the future size and shape of the labour market by considering employment prospects by industry, occupation, qualification level, gender and employment status.

Supply of skills

This section of the report provides an assessment of the current profile of skills and qualifications in the local area and considers the quality and responsiveness of the skills "pipeline" provided by apprenticeships, higher education, workforce development and other sources of skills supply.

Overall, the LEP area has a strong skills base currently and a high-performing skills pipeline. However, the skills system has seen severe disruption during the latter part of the 2019/20 academic year as a result of Covid-19.

With regard to local **demography**, the LEP area faces a challenge of a declining and ageing population. The working age population of the LEP area remained static in size over the course of the last decade (2009 – 2019), in contrast to the national picture, which saw an expansion of 4%. The size of the local labour force is projected to decline over the next 20 years, in contrast with expected growth nationally. The local working age population is projected to fall by 5% in the period to 2043, compared with growth of 4% nationally. In absolute terms this is a reduction of 25,000 in the number of people aged 16-64. This has important implications for future skills supply. With a limited number of working age people in the labour market and an increasing dependency ratio, there is added urgency to the task of investing in the skills of existing members of the workforce to boost productivity.

The LEP area is characterised by strong inward and outward **commuting flows**. One-fifth of residents (66,000 people) commute to jobs outside YNY, whilst a fifth (21%) of people who work in the area commute from outside - 67,000 in absolute terms. Commuting links are strongest with Leeds and the East Riding in terms of both inward and outward flows (with Bradford also significant as an outward commuting destination). Overall, the LEP area's inward and outward commuting flows are close to being in balance.

A key characteristic of the LEP area is its **rural nature and remote workplace and residential locations**. Combined with a lack of transport options, this presents a particular challenge to local employers in addressing their skilled labour needs and results in hard-to-fill vacancies.

YNYER[4] has a very high prevalence of **home working**, with 19% of people in employment mainly working from home according to the latest data available, which pre-dates Covid. York and North Yorkshire has a relatively high proportion of jobs that lend themselves to home working. In the context of Covid-19 this is a major strength, contributing to increased resilience in the local economy.

A key strength of the LEP area is the **qualification profile** of its labour force. The proportion of local people qualified at tertiary level (level 4 and above) is slightly higher than the national average (41% versus 40%), whilst the proportion with no formal qualifications is smaller (5% versus 7%). YNY LEP is ranked second out of all northern LEPs (behind Cheshire and Warrington) both with regard to the proportion of people qualified below level 2 and in respect of people qualified at level 4 and above. The LEP area has seen a steady improvement over time in its qualification profile, both in terms of growth in the proportion of people qualified at a high level and an ongoing reduction in the proportion qualified below level 2.

The LEP area's overall performance against the main accountability measures at **Key Stage 4** is well ahead of the national average. This strong performance is reflected at district level with the notable exception of Scarborough, which consistently under-performs, although Richmondshire is below the national average for some indicators. The proportion of people achieving level 2 equivalent by the age of 19 in the LEP area is 86%, 3 points above the national average, whilst 61% of young people in the LEP area are qualified at level 3 by age 19, 1 point above the national average.

There was a **pronounced fall in apprenticeship starts of 21% in 2019/20**, primarily due to the impact of Covid-19. This also exceeded the national average rate of decline of 18%. Hardest hit were intermediate apprenticeships and the three subjects of Business, administration and law, Retail and Commercial Enterprise and Health, public services and care. The decline was associated with the impact of Covid-19 as the imposition of lockdown resulted in the closure of colleges and some employers were unable to start or continue apprenticeships as planned. This impact was largely registered on starts in quarters 3 and 4 of the academic year (March to May and June to August), with starts running at 69% of the previous year in quarter 3 and only 52% in quarter 4.

Higher apprenticeship provision is narrowly concentrated in subject terms, and there is little sign that this is changing over time. In 2019/20 74% of all higher level starts fell within Business, administration and law and Health, public services and care subject areas. The number of higher apprenticeships in the technical areas of construction, engineering and information technology have all grown in the last three years but from a low base; they currently account for 6%, 3% and 6% of total higher apprenticeship starts respectively. This constrains the responsiveness of provision to the full range of higher-level skills needs, including in technical subjects.

There are issues around the **inclusiveness of apprenticeships** with regard to access for the disadvantaged and gender segregation. All districts in the LEP area, with the exception of Harrogate, have overall apprenticeship entry rates following Key Stage that are above the national average. However, all districts had apprenticeship entry rates for disadvantaged pupils that were lower than for other pupils in 2018/19. Apprenticeships are highly segregated by gender and subject, reflecting a broader national pattern. For example, 86% of starts on health, public services and care apprenticeships were for females but the proportion of female starts in Construction, planning and the built environment was only 4%.

4 The latest data available cover the previous geographic definition of the LEP area i.e. including the East Riding.

During 2019/20 academic year, 10,784 YNY people (aged 19+) participated in classroom-based **adult education courses** funded by government, with a further 5,840 participating in Community Learning. The number of Education and Training and Community Learning participants both fell in 2019/20, by 13% and 8% respectively.

Adult education provision in the LEP area is weighted towards qualifications at or below level 2 (three-quarters of learners are studying at these levels) and is concentrated in subjects like Health and social care and Retail and commercial enterprise. Within **Community Learning**, Crafts, creative arts and design accounts for a quarter of all CL learners.

Performance on **apprenticeship achievement rates** shows that residents of the LEP area have access to provision of a relatively high quality. The overall achievement rate of YNYER[5] at 69% is 4 points higher than the national average and The LEP area outperforms the national average on all key dimensions of achievement rates (age, level etc.). A ranking of LEPs' overall achievement rates places YNYER seventh out of 38 LEPs.

Positive destination rates for apprenticeships and other FE / skills provision are relatively strong locally. All districts in the LEP area, except for Ryedale and Scarborough, have sustained positive destination rates for apprenticeships that are equal to or ahead of the national average. Rates are consistently at or above 90% for apprenticeships. For wider FE / skills provision only one district, Scarborough, falls below the national average.

The LEP area has a significant **higher education footprint** with 26,100 student enrolments at its two higher education institutions during the 2018/19 academic year. HE provision in local institutions is strongly focused on biological, physical and mathematical sciences, plus social studies, languages and historical and philosophical studies; with under-representation in computer science, engineering and technology, architecture, building and planning, as well as business and administrative studies, mass communications and documentation and creative arts and design.

The economic benefit that local areas derive from their higher education institutions is to a large extent determined by the degree to which **qualifiers remain in the area following graduation**. Two-fifths of graduates from YNY institutions are retained in Yorkshire and the Humber one year after qualifying, although this proportion remains largely steady to the 5-year point. York St John University has a much higher retention rate, reflecting the fact that it recruits many of its students from the local area.

Local **entry rates into higher education** are relatively strong. However, the LEP area performs poorly with regard to entry rates for pupils who are eligible for free school meals. North Yorkshire, York and the LEP area as a whole all perform below the national average in this regard. Accordingly, they are also characterised by wider than average gaps between the entry rates for disadvantaged and non-disadvantaged pupils. Entry rates into HE have seen an upward trend for all groups in recent years. However, this has not led to a sustained reduction in the progression rate gap.

Inclusive access to employment is central to fostering opportunities for individuals and broadening the supply of labour available to employers. In line with its strong general employment performance, disadvantaged groups perform well relative to the national average in terms of accessing employment. For example, the employment rate for disabled people is 7 points higher locally than nationally. However, disabled people and older workers still face marked employment rate gaps of 22 points and 15 points respectively.

With YNY businesses making an estimated £600m annual investment in staff skills and a majority of the 2030 workforce already in employment, activity on **workforce development** is central to improving the local skills base. 61% of employers in the LEP area provide some form of training to their staff, the same proportion as the England average. At the same time, 59% of staff received training during 2019/20, similar to the national average of 60%. There have been some modest changes against these indicators between 2019 and the previous survey in 2017, with the proportion of establishments providing training falling by 3 points but the proportion of staff receiving training has increased by 2 points. The largest volume of training in YNY is undertaken in the business services sector but staff in the health sector are most likely to receive training.

However, it is important to **view training attitudes and behaviour in the context of business need**: 37% of local employers acknowledge that they under-invest in training from this perspective. The key constraints relate to a lack of funds for training and an inability to spare staff time. The key challenge is to make a persuasive case for training as a business investment that will deliver suitable returns in the form of improved business performance.

Another key challenge relating to workforce development is **unequal access to job-related training**. Local people are slightly more likely to undertake job-related training than nationally, with 21% receiving training in the previous 13 week period compared with the national average of 19%. YNY performs well across the board in terms of access to training for various groups in the workforce relative to national counterparts. However, some workforce groups are significantly less likely to undertake job-related training than others, both locally and nationally, with a potential impact on prospects for pay and progression. For example, workers who are already qualified to a high level (level 4+) are, by a significant margin, more likely to receive training than their less qualified colleagues.

The **physical accessibility of education and training services** is a particular issue within the rural parts of the YNY LEP area. For example, the average travel time to college by public transport or on foot is more than twice as high for Ryedale (46 minutes) as for York (21 minutes). Meanwhile, 29% of learners resident in YNYER travel outside the LEP area entirely to study, in addition to the 13% who travel between districts within the LEP area.

5 Achievement rate data are only available for the previous footprint of the LEP area, which includes the East Riding.

Mapping of skills demand and supply

Where skills mismatches are acute and persistent, there can be significant implications for business performance. This kind of market failure presents a policy priority but also offers an opportunity for individuals considering their career options to target areas of unmet demand. Should structural changes on the demand-side result from Covid-19 and Brexit these could lead to the emergence of new mismatches or the intensification of existing ones.

Skill shortages are vacancies that are difficult to fill due to a lack of candidates with the required skills. Around a fifth of vacancies in the LEP are skill shortages.

Construction, manufacturing and primary/utilities are the **sectors most susceptible to skill shortages** in YNY. Shortages have a very high prevalence in skilled trades occupations. The skills that employers find most difficult to obtain from applicants are principally specialist, job-specific skills and knowledge required to perform the role (for 59% of shortage vacancies). However, other skills including customer handling, team working and time management are also highlighted.

Drilling down into the more detailed **occupational pattern of shortages** across Yorkshire and the Humber, the highest prevalence of shortages is among higher skilled occupations with significant technical requirements, including health professionals and STEM professionals plus a range of skilled trades.

The causes of **hard-to-fill vacancies** are not confined to lack of the required skills among applicants. There is also a range of contextual factors that hamper employers when recruiting. Employers in the LEP area are especially likely to highlight issues with poor terms and conditions offered for the post, perhaps reflecting the large number of lower-paid roles in YNY; and remote location / poor public transport, reflecting the rural nature of North Yorkshire.

Skills gaps are another form of skills mismatch and come about when existing employees within an organisation are not fully proficient in their job and are not able to make the required contribution to the achievement of business or public service objectives. The pattern of skills gaps provides a useful indication of employers' needs in terms of workforce development.

13% of employers in the LEP area are affected by a lack of proficiency among existing staff. There are approximately 17,000 gaps, equivalent to around 5% of total employment in YNY. This is similar to the national picture, in terms of the proportions of employers and workers affected by skills gaps. The proportion of employers who report having a skills gap is slightly higher in York at 16%, compared with North Yorkshire at 12%. This may reflect the sectoral make-up of employment in York and its reliance on activities such as hospitality and retail, which are highly susceptible to skills gaps.

Hotels and restaurants, wholesale / retail and manufacturing are the sectors most affected. Lower-skilled elementary and sales / customer service occupations, together with administrative roles, are most susceptible to gaps.

People in higher skilled roles are less likely to have skills gaps, with the key exception of managers. **Gaps in management proficiency are an issue for a significant proportion of organisations** with major implications for wider workforce development and business performance.

Many skills gaps pertain to operational skills and are caused by staff turnover and the need to train new recruits. However, some gaps are driven by deficits of complex analytical skills and digital skills. Many workers with skills gaps need to improve their soft skills, in areas such as time management, team working, customer handling skills and persuading / influencing others.

Mismatches are not solely caused by a deficit of workers' skills; **under-utilisation** of skills is also an issue. Just over a third (36%) of employers in the LEP area say that they have workers whose skills / qualifications are in advance of those needed for the job; this is slightly above the national average of 34%. The survey data suggest that underutilisation has a higher incidence in North Yorkshire at 38% than in York at only 25%. This issue matters because an inability to use acquired skills and knowledge has a de-motivating effect on workers and represents a missed opportunity for employers to maximise productivity.

A structural mismatch between the occupational background and skills of the jobless and the requirements of the labour market acts as a barrier to employment for this group. Compared with the occupational profile of current employment, **the unemployed and inactive are much more likely to have an occupational background in lower-skilled occupations**, principally elementary but also sales and customer service, plus caring roles and operative roles in the case of the inactive. The proportion of unemployed and inactive people with a background in higher skilled management, professional and associate professional is less than half that of people in employment (16% versus 43%). Moreover, the jobless are disadvantaged by their qualification profile. Both the unemployed and the inactive are less likely to hold a qualification at a higher level (level 4+) than the employed and are more likely to hold a low-level qualification or have no formal qualifications at all.

This report provides an indicative comparison of the **subject profile of further education and skills provision**, relative to the profile of demand in the labour market, based on projections of future recruitment need by occupation. This shows a strong alignment between apprenticeship provision and labour market need, which is perhaps to be expected since apprenticeships are jobs with training. However, the subject profile of classroom FE (Education and Training) differs from the profile of labour market demand. There are a number of areas where achievements outweigh job openings, most notably Arts, media and publishing and Leisure, travel and tourism. Agriculture, horticulture and animal care and Health, public services and care also account for a high proportion of education and training achievements relative to job openings. Conversely, there are areas that are markedly under-represented in terms of FE achievements: most notably Business administration and law and Retail and commercial enterprise.

Applying the same approach to higher education, **comparing the profile of HE achievements with the profile of labour market demand**, in the form of job openings in higher level occupations, highlights similar disparities. There are several areas where supply is low relative to estimated demand. Key instances are Computer science and Architecture, building and planning. However, the most noticeable area of apparent undersupply is for business and administrative qualifiers. Conversely, there are subject areas in which supply, reflected in the proportion of qualifiers relative to the proportion of openings, appears to be high. This is the case for Creative arts and design and Social studies.

As with the FE comparison, a key caveat to note is that skills developed in a particular subject area have transferability. This is a likely explanation for the fact that the proportion of people who qualify in Science, engineering and technology subjects outweighs the estimated recruitment requirement for directly related roles in the labour market.

Around 6% of people in employment (141,000) across Yorkshire and the Humber are **EU migrants**, somewhat lower than the England average of 8%. The level of EU migrant worker employment is largely unchanged compared with last year's report, which may mean that overall labour supply issues arising from Brexit prove to be moderate, at least in the short-term.

Large numbers of EU migrants work in manufacturing, wholesale and retail, transport and storage and health and social work. There is a high intensity of migrant employment in sectors such as food manufacturing, which are a key part of the YNY economy.

Just over a quarter (28%) of migrants work in higher skilled roles with many concentrated in routine roles; for example, more than a quarter of elementary process plant and a fifth of elementary storage roles are undertaken by EU migrants.

There is evidence that the influx of EU migrants into the local labour market is reducing. According to figures from the Department for Work and Pensions the number of EU nationals registering for a National Insurance number (NINo) within York and North Yorkshire declined by 49% between 2018/19 and 2019/20[6]. This means that registrations are around a third of their peak level in 2015/16.

The LEP area has more people working in high skilled jobs in the LEP area workplaces than it has economically active people qualified at level 4 and above. The trends suggest that the local area has been successful in terms of increasing employment in higher skilled jobs alongside steady growth in the number of people who are qualified to a higher level.

6 A NINo is generally required by any overseas national looking to work or claim benefits / tax credits in the UK, including the self-employed or students working part time. NINo statistics are a measure of in-flow to the UK, primarily for employment, including both short-term and long-term migrants and include foreign nationals who have already been in the country but not previously required a NINo as well as migrants who may have subsequently returned abroad.

3| Introduction

3.1 Purpose of this analysis

What skills are needed to enable people to fulfil their career potential and to support the shift to a greener, fairer and stronger economy, accelerating opportunities for innovation and change in York and North Yorkshire?

This report seeks to provide a comprehensive assessment of skills needs across the YNY LEP area, taking into account the level and nature of labour demand and the sufficiency of skills available in the local area in meeting this demand.

In theory, a properly functioning local labour market will allocate resources, including skilled workers, to parts of the economy that demonstrate the greatest demand for them. In reality, a series of market failures mean that this process operates in a sub-optimal way, as reflected in the presence of various types of skills mismatch in the LEP area. Not least among these failures is a failure of information, with key players in the labour market lacking access to information on which to base their decisions. There can be disconnects between employers and individuals regarding the skills and other attributes that are required from recruits. In some cases, education and training providers' curricula may not fully reflect demand in the local labour market.

In addressing these issues the more detailed and comprehensive the information available to all parties about opportunities, the better the labour market will work.

At the current time this exercise is particularly difficult because we are in the midst of the Covid-19 crisis. Skills needs are to a large extent driven by the profile of employment in the economy – both sectoral and occupational. At the time of writing it is hard to say with certainty what this profile will look like even in a few months' time because of the disruption and potential long-lasting effects of the virus on the economy and society. Added to this, most of our sources of local data are subject to a time lag with the latest data often pertaining to the pre-crisis period or the early stages of the crisis.

In undertaking labour market analysis our aim is to add value by supplying intelligence for the following purposes:

- To support strategy and policy development, particularly around areas of market failure in the local labour market.
- To influence the focus / profile of local learning delivery with reference to evidence of labour market demand and the wider learning supply picture.
- To inform individuals' careers choices by providing clear and robust information on labour market opportunities.
- To inform action by local employers (including through collaborative initiatives) to address the skill needs of business.
- To support policy development and action on skills by local authority districts within York and North Yorkshire.

The ultimate aim is to use intelligence to get the right people with the right skills in the right place to support economic growth and individual progression and well-being.

3.2 Skills Advisory Panels

The government's policy on Skills Advisory Panels (SAPs) reinforces the importance of local labour market analysis and clearly defines the context for decision-making and action by local partnerships with regard to employment and skills issues.

The aim of Skills Advisory Panels is to ensure that local areas can get the skills they need by setting out priorities for action and investment by local partners.

Local Enterprise Partnerships across England are developing Skills Advisory Panels, each comprising employers, skills providers and local government - pooling their knowledge on skills and labour market needs and working together to understand and address key local challenges. The Skills and Employability Board (SEB) of the LEP is currently in the process of assuming the SAP remit for YNY.

SAPs reach an evidence-based view on local skills needs drawing on intelligence about the labour market. This analysis is intended to serve as a central element of that evidence base for York and North Yorkshire and it aims to inform the SEB's / SAP's thinking around employment and skills priorities.

3.3 Structure of the document

In order to assess the employment and skills needs of the LEP area this document works through the following stages:

- **The local landscape**. This section assesses how the local area is performing in terms of productivity, living standards and inclusion and shows how employment and skills are critical to raising performance in future.
- **Supply of skills**. What is the level and profile of skills available from the local labour force? This section examines the characteristics of the existing labour force and also considers the output of skills being delivered by the local "skills pipeline", comprising the formal education and training system and employers' own investment in workforce development.
- **Demand for skills**. The report examines the key forces that shape local demand for skills including changing industrial structure and the product market strategies of firms. We then turn to key indicators of the current demand for skills, including occupational structure and formal qualification attainment before taking a forward looking perspective on the prospects for skills demand.
- **Skills mismatches**. In this section the key types of mismatch are defined, taking account of deficits of skills demand as well as supply. The prevalence of each type of mismatch within the local area is then examined, giving an insight into the scale and nature of market failure in the area.
- **Conclusions and implications**. What does this analysis mean for the LEP's agenda around getting the right skills in place to support business growth and individual career progression? How effective is the employment and skills system in responding to local needs?

3.4 Policy context

Greener, Fairer, Stronger - is a product of collaborative efforts between the LEP, partner organisations, local authorities and businesses working together to set out an ambitious plan to reshape the economy of York and North Yorkshire. Ten key pledges underpin this plan, of which the following in particular present skills and inclusion challenges that the strategy seeks to address:

- Ensuring our businesses get the support, they need to adapt to the challenges of Covid-19 and come back greener, fairer and stronger.
- Helping those at risk of redundancy or newly unemployed to access the advice and support they need to get them back into employment.
- Re-calibrating training and learning provision so it has the capacity to meet demand for a greener, fairer and stronger recovery.
- Digital connectivity becoming the catalyst for change in a greener, fairer, stronger recovery.
- Creating new job opportunities that are greener, fairer and stronger.
- Ensuring our young people and those furthest from the labour market are not left behind in terms of access to support, learning, training and employment.

The LEP's Skills Strategy vision for 2026 is for York and North Yorkshire to be a place where people are empowered to achieve their potential in a greener, fairer, stronger economy:

The strategy rests on four strategic pillars:

- **Young people** are equipped to make quality decisions about education, training and careers
- **Employers** can access the skills to grow highly productive and inclusive workplaces
- Local **skills providers** enable businesses to respond with innovation and resilience to a dynamic economy
- **Communities** are empowered by learning and skills that enable everyone to participate fully in society.

4| The local landscape

Summary

- Contextual indicators suggest that the LEP area needs to improve the way in which skills are developed and utilised to address deficits around productivity and pay. The impact of Covid-19 on unemployment means that there will be an urgent need to get people back into work and to reskill them for new opportunities.
- YNY has a strong business base in terms of the ratio of businesses to head of population. Nine out of 10 businesses are micro in size (0-9 employees) and a large number of agricultural businesses in this size band distinguishes the LEP area.
- The LEP area has relatively low productivity levels and this is the result of weak productivity growth over the last decade. Low productivity in a local area implies that employment has a lower degree of skills-intensity. Within the LEP area, York substantially outperforms North Yorkshire on productivity and is close to the national average. A comparison with other areas suggests that YNY is not capitalising on its skills base in terms of its productivity performance.
- Pay levels for the LEP area are also lower than the national average, reflecting weak productivity performance. It is at the upper end of the pay distribution where the gap is largest. The pay deficit mainly lies with North Yorkshire, whilst York is close to the national average. There is some evidence that local residents are commuting out-of-area to better paid jobs.
- More than a fifth of jobs in the LEP area pay below the Real Living Wage and this proportion is much higher in some districts. There is also a significant gender pay gap in YNY, which is particularly large in York.
- The overall employment rate of the LEP area has been consistently higher than the national average since before the recession. This is partly due to slow population growth locally, as the increase in the number of people in employment has been limited.
- Local employment growth has increasingly come from employee and full-time jobs in recent years. The longer-term increase in part-time and non-permanent jobs has stalled somewhat, although part-time jobs are still strongly represented in the LEP area. The economic shock of Covid, and to some extent Brexit, could trigger a recession leading to be a reversal back to this previous pattern.
- Based on the official estimates unemployment remains low in the LEP area and is less than half the national average rate. However, the level of claimant unemployment has more than doubled since the start of the Covid crisis, albeit it from a low base and the claimant rate remains below the national average. There has been a particularly large increase in claimants among young people. In addition to the 19,000 claimants, 27,000 workers are still on furlough, according to the latest figures, some of whom could become unemployed as the job support scheme ends.
- Acute deprivation is not widespread in the LEP area; however, its isolated nature, with coastal communities particularly affected means that outcomes are often poorer than in areas where deprivation is more commonplace. Education, training and skills deprivation is more widespread than other forms of deprivation locally, particularly in terms of its impact on young people.

This section provides important context to the analysis of local skills needs by examining the area's performance against high level economic and labour market indicators, including productivity, pay, employment and deprivation. Targeted action on employment and skills is imperative if the wider vision for the LEP area around prosperity, the fulfilment of individual potential and inclusion, is to be realised.

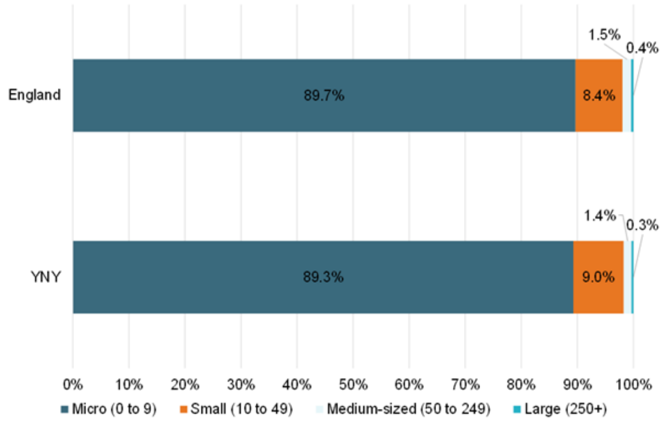
4.1 Business base

The size and sectoral profile of the local business base is a key determinant of the area's economic performance but is also an important influence on the nature of local skills needs and on business attitudes towards training and skills investment.

YNY has a high ratio of businesses to head of population

The area has a relatively strong business base: its 39,810 enterprises equate to 48 enterprises per 1,000 population, compared with a national average of 42. This means there are 5,000 additional businesses locally compared with what would be the case if local business density matched the national average.

Figure 1: Profile of local enterprises by size (number of employees), 2019

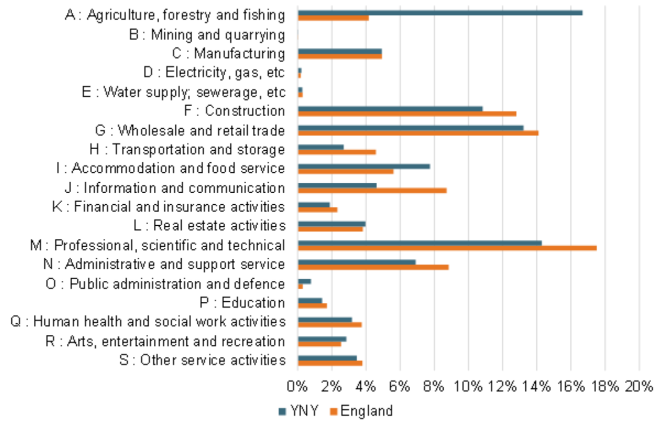


Source: Office for National Statistics, UK Business Counts

The size profile of local enterprises is similar to the national picture, with micro businesses accounting for nine out of 10 of total enterprises. In combination, medium and large businesses account for less than 2% of the total, with the remaining 9% comprising small enterprises with between10 and 49 employees.

The LEP area has a strong representation of businesses in the agriculture, forestry and fishing sector. This sector accounts for 17% of all enterprises in the area, a proportion that is around four times the national average. 97% of enterprises in this sector employ fewer than 10 people and it has more micro businesses locally than in any other sector.

Figure 2: Profile of local enterprises by industry section, 2019



Source: Office for National Statistics, UK Business Counts

Compared to the national business profile, establishments in accommodation and food services are also well represented, accounting for 8% of total enterprises compared with 6% nationally.

Medium and large businesses are concentrated in manufacturing, health, wholesale and retail and accommodation and food services.

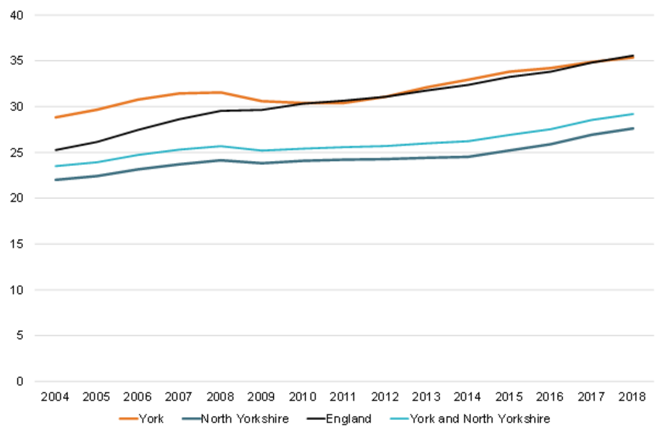
4.2 Productivity

Productivity is a central measure of the performance of the local economy because it is the main driver of economic growth, prosperity and living standards.

The LEP area faces a widening gap with UK average performance on productivity

The recent performance of the national economy has been problematic in respect of productivity. Since the 2008 recession, productivity growth has stalled, growing at a rate far lower than that seen prior to the crisis, whilst lagging behind the progress seen by a number of international competitors. Nonetheless, many local economies have fallen behind even this weak national performance.

Figure 3: Trend in productivity - Nominal (smoothed) GVA per hour worked (£)

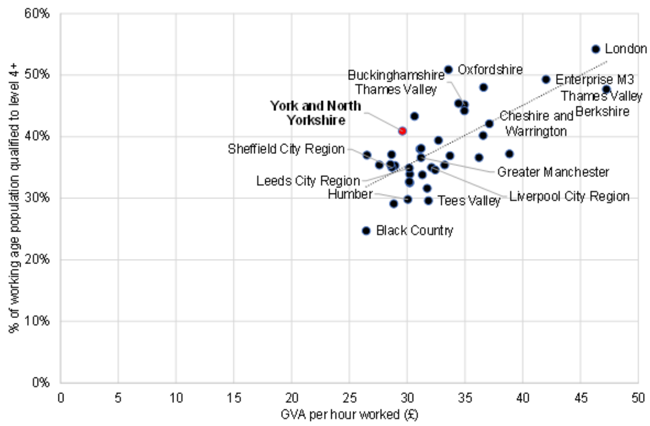


Source: Office for National Statistics

Along with most parts of the north of England, the LEP area faces a productivity deficit against the UK average, as measured by output per hour worked. This gap has widened over the last decade and a half. Productivity in the LEP area was 95% of the England average in 2004 but dropped to 86% of the average in 2009, with the gap widening further as it fell to 83% in 2018.

York and North Yorkshire have performed differently over time, in terms of their productivity performance. York's output per hour was 14% higher than the England average in 2004 but rapidly converged with the national average during the financial crisis and has shadowed the national average position ever since. North Yorkshire's starting position in 2004 was 87% of the national average but it has steadily diverged since then, falling to 80% of the average in 2009 and 78% by 2018. Therefore, both York and North Yorkshire have each seen a worsening of their relative position in respect of the national average although their starting points differed significantly.

Figure 4: Skills and productivity performance by LEP area



Source: Annual Population Survey; ONS LEP level estimates of productivity

This productivity deficit has important consequences. Estimates are that the local economy would be around £4.2 billion larger, an increase of 20%, if its productivity performance matched the UK average. This is important because prosperity in the LEP area is relatively low.

YNY is not capitalising fully on its skills base in terms of its productivity performance

A simple illustration of the link between productivity performance and skills is presented in Figure 4, which plots the performance of LEP areas against two variables – productivity (output per hour) and higher-level skills (the proportion of the working age population qualified at level 4 and above). This shows the strong relationship between the two. Unfortunately, YNY's position is towards the left of the chart, indicating relatively low productivity. The top right area, indicating high productivity and a strong skills base are in areas from London and the South East.

Relative to other areas, YNY skill levels are above what one would expect in view of its productivity performance, suggesting that the area's skills base is underutilised and / or that there is outward commuting of more skilled residents (the qualification measure is residence-based whereas the productivity measure is workplace based).

4.3 Pay

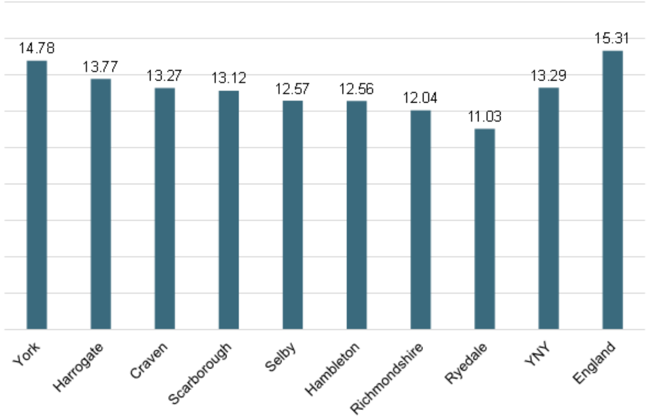
Productivity links closely to pay and therefore to living standards: firms that are more productive pay higher wages.

Local performance on pay is also relatively weak

The LEP area's underperformance on productivity shows in its performance on pay. Pay is also an important indicator of job quality and of the skill levels deployed within the area. At £13.29 per hour, gross median pay for full-time jobs in the LEP area is only 87% of the national average of £15.31.

All districts in the area have a median rate of pay that is below the national average, ranging from £11.03 in Ryedale (72% of the national average) to £14.78 (97%) in York.

Figure 5: Median gross hourly pay for full-time jobs

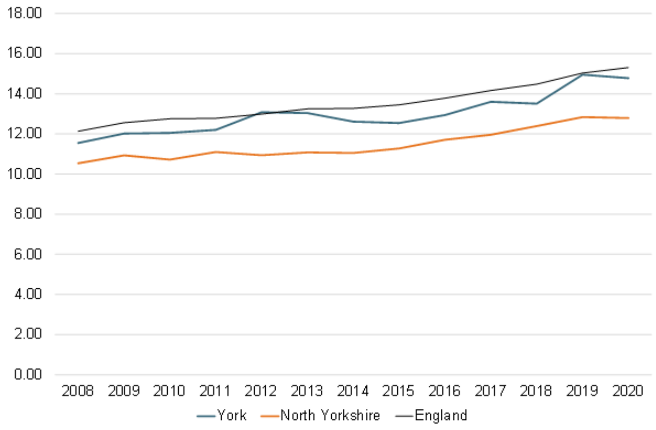


Note: Geography relates to place of work
Source: Annual Survey of Hours and Earnings, 2020

These figures relate to jobs that are located in workplaces in the LEP area. The figures for jobs held by LEP area residents in workplaces outside YNY's boundaries are more positive, although still below the national average. The residence-based median rate of hourly pay is £14.00, 5% higher than the workplace measure and 92% of the national average, indicating that a proportion of residents are commuting out of the LEP area to jobs offering better remuneration than those in the locality.

This pattern applies to most districts within the LEP area, with the exceptions of Craven and York where workplace pay is higher than the residence-based measure. This indicates that inward commuters undertake relatively well-paid jobs within each of these districts.

Figure 6: Trend in median gross hourly pay (£) for full-time jobs; workplace analysis



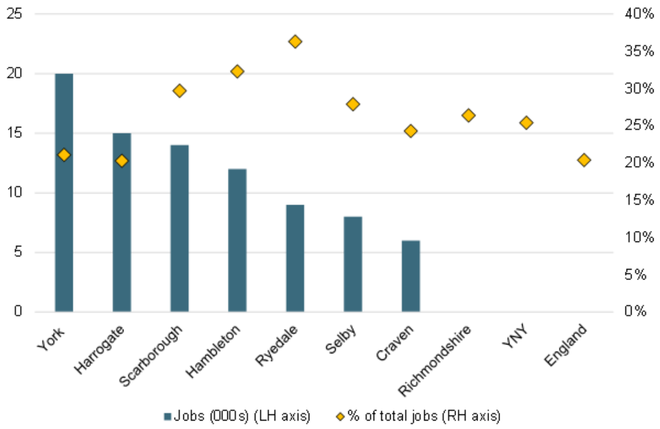
Source: Annual Survey of Hours and Earnings

There is no evidence that the pay gap with the UK average is narrowing. Figures for York are quite volatile but the trend for North Yorkshire suggests a fairly constant gap with the national average.

More than a fifth of local jobs pay below the Real Living Wage

According to the Annual Survey of Hours and Earnings 2020, 25% of local jobs pay less than the Living Wage Foundation's (LWF's) Living Wage rate, which recommends the level of pay people need to get by. This is higher than the England average of 20%. In total, around 89,000 area residents are paid below the LWF's Living Wage threshold.

Figure 7: Proportion of employee jobs paying below the Real Living Wage (as defined by the Living Wage Foundation)



Note: Workplace-based estimates. Real Living Wage set at £9.30 for areas outside London in 2020. Jobs data not available for Richmondshire.
Source: Annual Survey of Hours and Earnings 2020

The proportion of low-paid jobs based on this measure is particularly high in Ryedale (36%), Hambleton (32%), Scarborough (30%), and Selby (28%). York and Harrogate have the greatest numbers of jobs paid below the Real Living Wage but both have proportions that are similar to the national average.

The proportion of jobs paid below the Real Living Wage in YNY increased in 2020, from 22% to 25%, following a downward trend over several years. Nationally, the proportion remained steady at 20%.

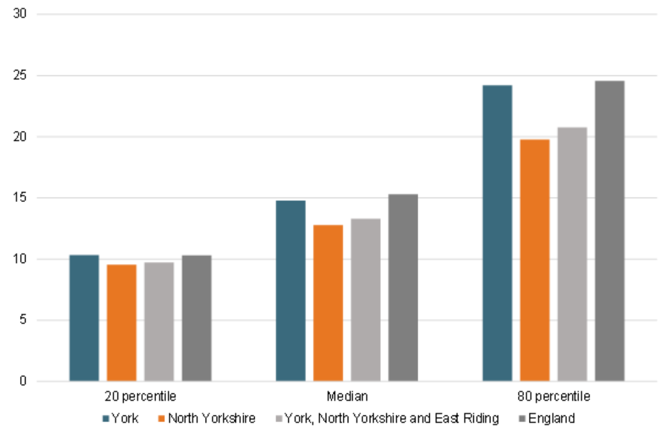
The pay deficit is driven by a pay gap for higher paid workers

Although the region has a significant proportion of people paid below the Living Wage, the main source of the pay deficit with the national average is under-performance at the upper end of the pay distribution.

For example, the pay level for jobs at the 20th percentile in the LEP area is 94% of the equivalent national figure; however, at the 80th percentile it is only 85% of the national figure.

This indicates that the higher paid jobs in the region are paid significantly less than the higher paid jobs nationally and this is the main source of the overall pay gap. This, in turn, reflects the under-representation of jobs in the highest skilled occupations in the region.

Figure 8: Distribution of gross hourly pay (£) for full-time jobs



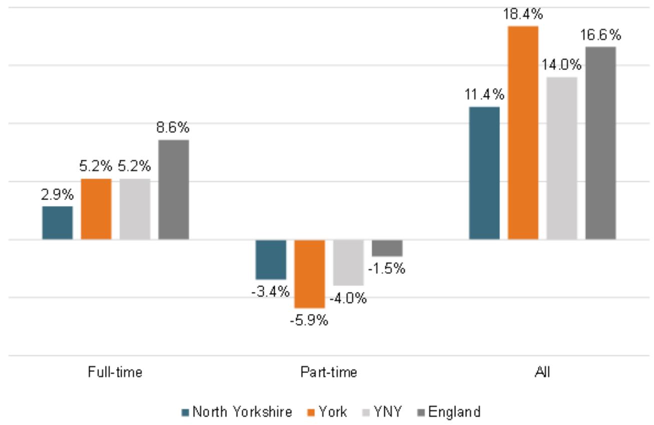
Source: Annual Survey of Hours and Earnings, 2020

As with other aspects of the local pay deficit, most of the difference with the national average is due to the performance of North Yorkshire. Pay in York is similar to the national average at both the 20th and 80th percentile points.

The LEP area has a relatively large share of its workplace employment in low-paid occupations. This is significant because level of pay provides a rough indication of the level of skill required to perform a job and its contribution to productivity. Around 90,000 people employed in workplaces in the LEP area fall within the five lowest paid occupational groups[7], equivalent to 22% of total employment. This is higher than the national average of 17%.

The LEP area faces a gender pay gap[8] that is somewhat lower than the national average. The overall pay gap for all employee jobs locally is 14%, slightly below the England average of around 17%. The size of this gap partly reflects the fact that women are more likely to work in part-time roles that attract a lower hourly rate of pay. At 5%, the gap for full-time jobs is smaller but still substantial; it is well below the national average of 9%. There is a negative pay gap for part-time jobs, reflecting the fact that women earn more per hour than men in these roles. This part-time gap is less than -4% compared with a national average of -1%. The overall gender pay gap is much more pronounced in York than in North Yorkshire and is above the national average.

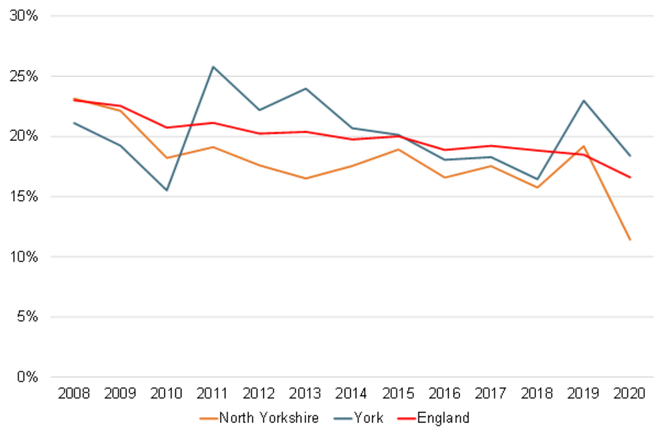
Figure 9: Gender pay gap for median gross hourly earnings (excluding overtime; workplace analysis), 2020



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

There are no published estimates of pay by age group at local level but national data clearly shows that the gender pay gap is almost entirely due to pay disparities among the older age bands.

Trend in gender pay gap, all jobs



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Although local level data is volatile, it suggests an underlying downward trend in the overall gender pay gap for both York and North Yorkshire, reflecting the broader trend across England.

7 These are: Skilled agricultural trades; Elementary trades; Sales; Textiles, printing and other skilled trades; and Elementary administration and service.

8 The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings.

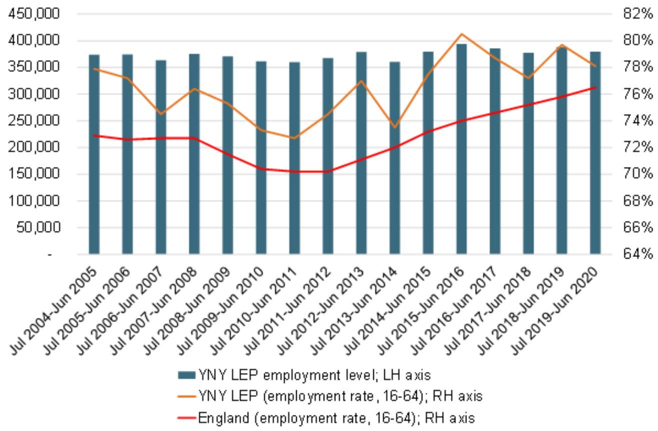
4.4 Employment

The level of employment in the area is the main indicator of the overall demand for labour. It is difficult to measure the impact of Covid-19 on employment in local economies using official data. This is because of reliance on the Annual Population Survey, which draws on 12 months of survey data for its estimates, meaning that the most recent data (for July 2019 to June 2020) captures only a small portion of the Covid-19 period whilst combining it into an average for a full 12-month period, most of which preceded Covid.

The local employment rate is above the national average

The employment rate in the YNY LEP area, expressed as a proportion of the population aged 16-64, is one percentage point above the national average at 78% (versus 77%) as of July 2019 to June 2020. The local rate has been consistently higher than average over the last 15 years and along with the national average has followed a broadly upward trend in recent years.

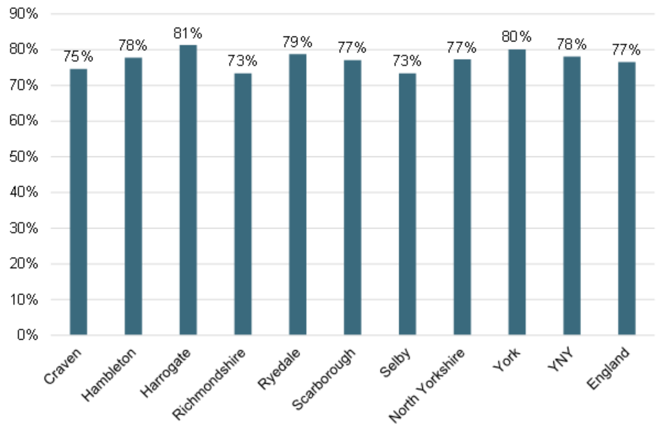
Trend in employment rate (% of working age (16-64) population in employment)



Source: Annual Population Survey

Within the LEP area, five of the eight districts have an employment rate equal to or above the national average; three districts – Craven, Richmondshire and Selby – have rates that are somewhat below the average based on the latest data.

Figure 10: Employment rate by district (% of population aged 16-64)



Source: Annual Population Survey, July 2019 to June 2020

Although this employment rate performance suggests that the local economy has been effective in getting people into work, it is important to note that the relatively high local employment rate is partly due to slow population growth. Between 2013/4 and 2019/20 the count of people in employment in YNY increased by 5%, much lower than the national average of 9%. However, over the same period the size of the local working age population fell slightly locally but increased by 2% nationally.

The Covid-19 crisis has had the greatest impact on hours worked rather than on employment levels

According to ONS, the UK employment rate, in the three months to October 2020, was 75.2%, 0.9 percentage points lower than a year earlier and 0.5 percentage points lower than the previous quarter. In absolute terms this is a quarterly fall in employment of 140,000. This decline appears relatively modest in the context of the crisis but the employment count does include those who are temporarily away from work (on furlough, for example) and this group comprises and estimated 3.7 million people. It is also evident that much of the impact of the crisis has led to a reduction in hours worked rather than a rise in unemployment. IES estimates that overall, one in six of the workforce were still away from work or working fewer hours than normal at the end of September 21.

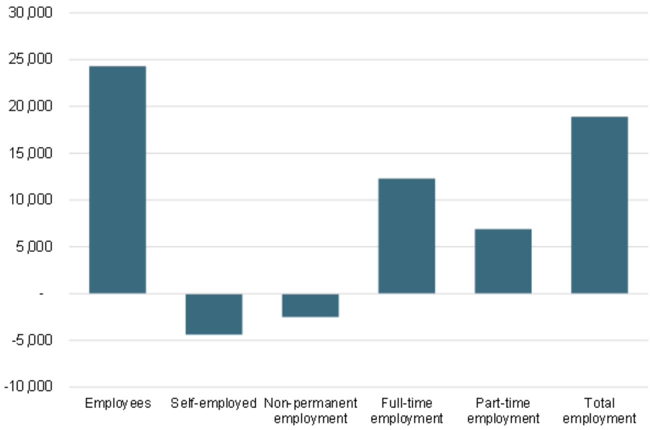
Employee jobs and full-time employment have been key contributors to employment growth in the local area in recent years

In overall terms, the area's employment growth has been relatively modest; but there is also the question of the nature of the jobs created through that growth. There is a widespread concern about the quality of jobs and, in particular, the rise of "atypical" forms of employment, including self-employment, part-time employment, temporary employment and zero hours contracts[9].

9 Taylor, M, Marsh, G, Nicol, D & Broadbent, P 2017, Good work: the Taylor review of modern working practices, Department for Business, Energy and Industrial Strategy, London. Available at www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices.

As Figure 11 shows, the strongest areas of growth in absolute terms since 2013 have been for employees, with self-employment and non-permanent employment making a negative contribution. Full-time rather than part-time jobs saw the biggest net growth over this period. The number of people in self-employment locally has been growing steadily since before the recession but fell into decline during 2018. At the same time, self-employment has continued on its long-term upward trajectory nationally. Meanwhile, non-permanent employment saw a long-term upward trend locally before peaking in 2016 and declining thereafter, broadly reflecting the national pattern.

Figure 11: Change in employment by status, YNY, 2013 to 2020

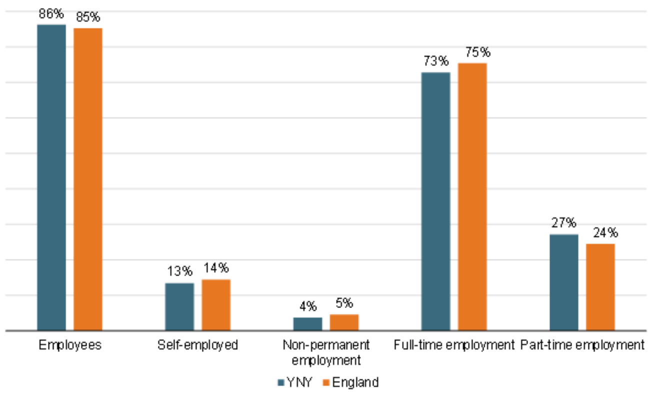


Source: Annual Population Survey

The LEP area's current employment profile is broadly similar to the national average. The key difference is that workers are more likely to be in part-time employment and less likely to work full-time than nationally.

This has implications for living standards because part-time workers receive lower rates of hourly pay than those in full-time employment.

Figure 12: Profile of employment by employment status



Source: Annual Population Survey, Jul 2019 to Jun 2020

The overall prevalence of non-permanent employment in the LEP area is similar to the national average, with 4% (14,000) people employed on this basis. However, the data available at district level, although subject to quality limitations, suggests that some districts in YNY have much higher levels of non-permanent employment. For example, the figures for York and Scarborough are 6% and 9% respectively. This reflects their reliance on employment in sectors associated with tourism, within which non-permanent employment is widespread. National data shows that temporary workers in the tourism sector are much more likely to be employed in this way because they are seasonal or casual workers rather than on fixed contracts or agency temps[10].

Published figures are not available at LEP level in respect of zero hours contracts. People on such contracts account for around 3.4% of all employment across Yorkshire and the Humber[11]. Assuming that YNY has the same prevalence as regionally, this would imply that there are around 13,000 employed on zero hours contracts in the area.

10 Source: Office for National Statistics (2016) Tourism employment summaries: Characteristics of tourism industries.

11 Source: EMP17: People in employment on zero hours contracts, ONS, August 2020

4.5 Unemployment

Getting people into work is central to inclusive growth and boosting individual living standards, but in the context of Covid-19 is an urgent priority in view of the profound impact of the crisis on key sectors of the economy and the potentially long-lasting implications for employment prospects in those sectors.

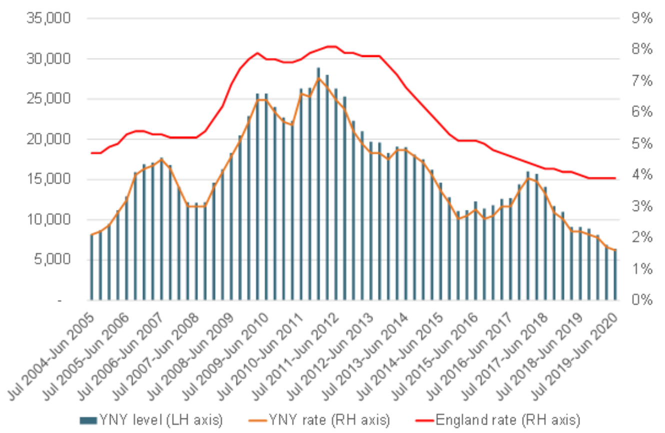
It is difficult to measure the impact of Covid-19 on unemployment in local economies using the official ILO indicator[12]. As with the main employment measure, we are reliant on the Annual Population Survey, which draws on 12 months of survey data for its estimates, meaning that the most recent data (for July 2019 to June 2020) captures only a small portion of the Covid-19 period whilst combining it into an average for a full 12 month period, most of which preceded Covid.

The LEP area has a relatively low unemployment rate, using the latest available data for the official ILO measure

Reflecting its strong employment performance, the LEP area has relatively low unemployment, using the official ILO measure. According to modelled estimates based on the Annual Population Survey for July 2019 to June 2020, unemployment stands at 6,000, 1.6% of the population aged 16-64. This is below the national average of 3.9%. The LEP area's unemployment rate has been consistently below the England average over recent years.

Unemployment is consistently low across the LEP area but particularly low in North Yorkshire, where the rate is 1.2%, compared with 2.3% in York.

Figure 13: Trend in ILO unemployment



Source: Annual Population Survey, model-based estimates of unemployment

As Figure 13 shows, the recent trend in the LEP area is one of a rapidly declining level and rate of unemployment; the downward trajectory being much more pronounced locally than nationally.

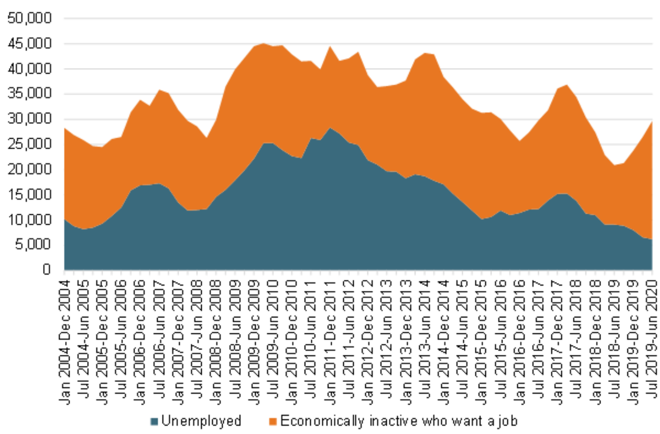
More timely unemployment data is available nationally and for the Yorkshire and Humber region, based on quarterly and monthly estimates from the Labour Force Survey. This shows that the unemployment rate in Yorkshire and the Humber had increased from 4.1% in May to July 2020 to 5.2% in the August to October quarter of 2020.

The extent to which ILO unemployment could potentially increase is explored in the Office for Budget Responsibility's Economic and Fiscal Outlook report (November 2020)[13]. In its central scenario for the impact of Covid-19 it forecasts a peak unemployment rate of 7.5% during 2021, which for YNY would imply an increase in unemployment from the latest estimate of 6,000 (rate of 1.6%) to 30,000. In its downside scenario, the rate peaks at 11%, which would suggest a peak level of 44,000. However, it is important to note that YNY's starting position in terms of its unemployment rate is well behind the national average and it would require a major increase in unemployment simply to reach convergence.

In addition to the 6,000 unemployed who are available for and actively seeking work, consideration needs to be given to people who are economically inactive but who would like a job. When they are factored in, the count increases to 30,000 or 6% of the working age population.

The number of inactive people who would like a job has remained stubborn in the face of a strengthening labour market, whereas unemployment has fallen rapidly. The number of people who are ILO unemployed has fallen by 55% in the last two years (since July 2017 to June 2018) whereas the number of inactive people who would like a job has increased slightly.

Figure 14: Number of people unemployed or inactive and would like a job, YNY



Source: Annual Population Survey

This confirms the continued importance of employment support and investment in skills development for the jobless.

12 The UK's official definition of unemployment is the one specified by the International Labour Organisation (ILO). This ILO definition defines unemployed people as being: without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks or out of work, have found a job and are waiting to start it in the next two weeks.

13 [Economic and fiscal outlook - November 2020 (obr.uk)]

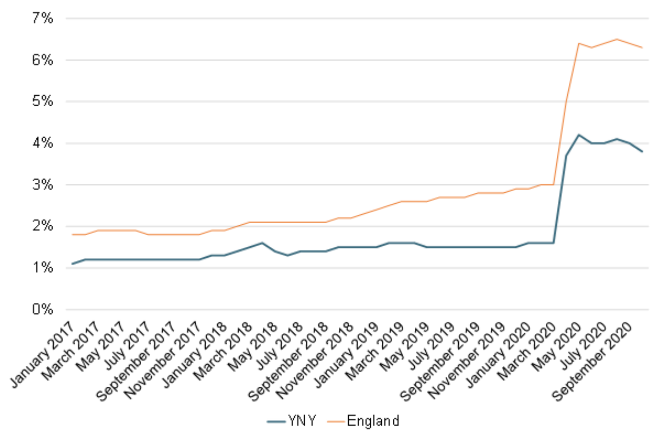
4.6 Claimant unemployment

The Claimant Count experimental dataset seeks to measure the number of people claiming benefits (Universal Credit and Jobseekers' Allowance) principally for the reason of being out of work[14]. It provides a timelier picture of joblessness at local level and is therefore a key indicator of the impact of Covid-19 on the labour market.

Claimant unemployment has more than doubled but the claimant rate remains below the national average

Unlike the ILO measure, the claimant count has registered a large increase in response to Covid-19. The number of claimants grew by 10,960 (129%), from 8,115 in March 2020 to 18,560 in April 2020 and saw a further increase of 2,460 (13%) to 20,990 in May 2020. Since then there has been a levelling off, with the claimant count standing at 19,075 as of October 2020, the latest data available. The local claimant count grew at a faster rate than nationally between March and October, increasing by 135% compared with the England average of 110%.

Figure 15: Claimant rate trend (% of population aged 16-64)



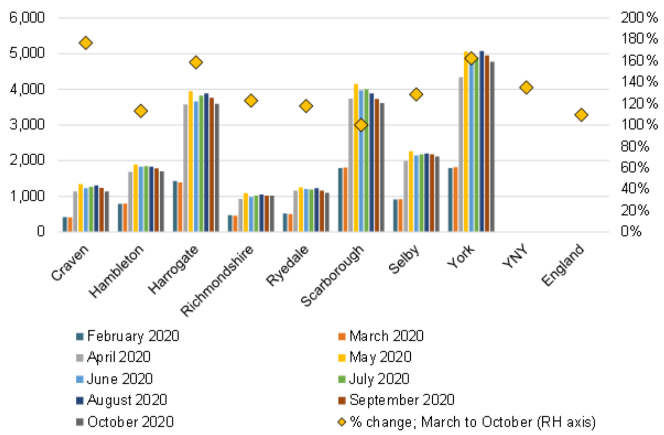
Source: Office for National Statistics

The claimant rate (claimants expressed as a proportion of the population aged 16-64) increased from 1.6% in March to 3.8% in October, remaining well below the national average of 6.3%. This shows that although the number of local claimants grew at a rapid rate, this growth was from a low base and the prevalence of claimant unemployment remains well below the national average.

The claimant rate is highest in Scarborough

At local authority level the number of claimants increased by 100% or more in all parts of the LEP area. Craven (+177%), Harrogate (+159%) and York (162%) saw the largest percentage increases. In absolute terms, York, Harrogate and Scarborough had the largest number of claimants as of October 2020.

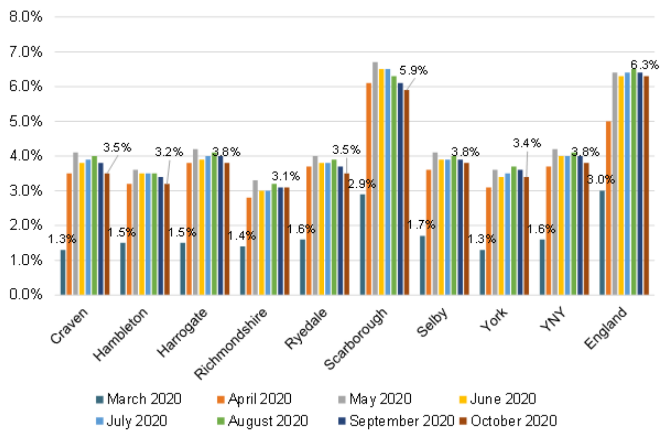
Figure 16: Claimant count trend by district



Source: Office for National Statistics

The smallest percentage increase in claimants in YNY was in Scarborough, although the count still doubled. This reflects the fact Scarborough already had a relatively high level of unemployment going into the crisis, with a claimant rate of 2.9%, almost twice that of the LEP area. Scarborough's rate had risen to 5.9% by October. Aside from Scarborough, the claimant rate for other districts was at a consistent level at the start of the crisis and this remained the case in October 2020, ranging from 3.1% in Richmond to 3.8% in Harrogate and Selby.

Figure 17: Claimant rate trend by district (claimants as a proportion of residents aged



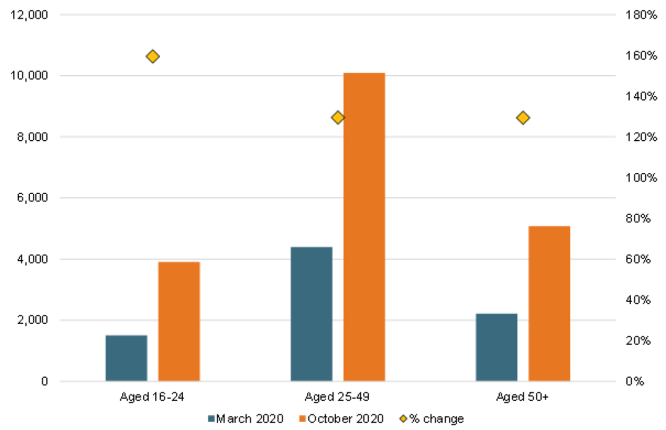
Source: Office for National Statistics

14 Enhancements to Universal Credit as part of the UK government's response to the coronavirus mean that an increasing number of people became eligible for unemployment-related benefit support, although still employed. Consequently, changes in the Claimant Count will not be due wholly to changes in the number of people who are unemployed. However, national data suggest that only around 100,000 (or 7%) of the recent growth in the claimant count is accounted for by people in work but with low earnings.

The increase in claimant unemployment has been most marked among young people. Between March and October 2020 the number of claimants aged 16-24 increased by 159% (from 1,505 to 3,905) whilst the rate of increase for people aged 25-49 and people aged 50+ was 129% in each case.

The estimated claimant rate for young people for October 2020, using the economically active population as the denominator, is 8.2% (rising from 3.2% in March 2020), compared with an overall rate for people aged 16-64 of 4.9%. This shows that the impact of the Covid-19 crisis on employment has been particularly severe among young people.

Figure 18: Claimant count increase by age band, YNY



Source: Office for National Statistics

Some of the increase in the claimant count comprises people whose circumstances would not qualify them as ILO unemployed[15].

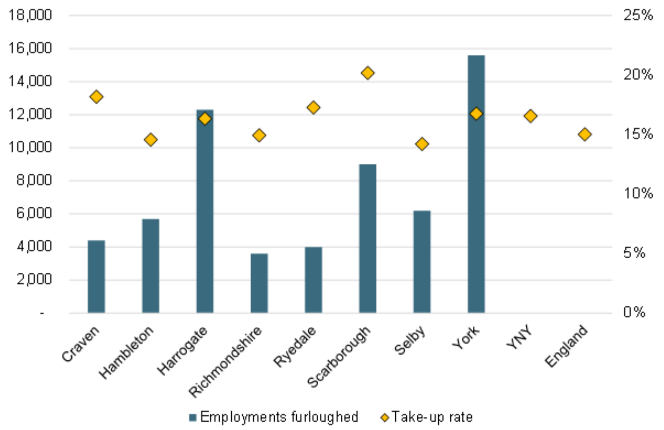
- Some are inactive. To be classed as ILO unemployed, an individual must have searched for work in the past month and those without jobs are less likely to search for work when there are few jobs on offer (a 'discouraged worker' effect). Analysis of national data suggests that many of this group were previously self-employed.
- Some are working claimants. In the claimant count, people with earned income can be counted as claimant unemployed if their earnings in the reference month are below a set threshold (this is very low at £338 per month for a single person).
- Some are people who classify themselves as employed but "away" from their job. This captures people furloughed under the Job Retention Scheme (JRS) who are continuing to earn, but it also includes people who consider themselves as employees or self-employed but who have no earnings.

This is not to understate the scale of the problem. The current situation presents a large-scale employment crisis.

Many workers remain on furlough and some could become unemployed

At the time of writing, a large number of employees were on furlough in the LEP area. In total, 61,000 jobs were furloughed as of the end of January 2021, equivalent to a take-up rate of 17% of total eligible jobs in the LEP area.

Figure 19: Employments furloughed by district as at September 30 2020



Source: HMRC

Although the number of workers on furlough has reduced (119,000 local jobs were on furlough as of July 2020), the local economy still faces a significant potential exposure when the Job Retention Scheme ends in spring 2021. This could contribute to a significant increase in unemployment during the course of the year.

15 See What's going on with the unemployment data? | Institute for Employment Studies (IES) (employment-studies.co.uk) for a review of the issues.

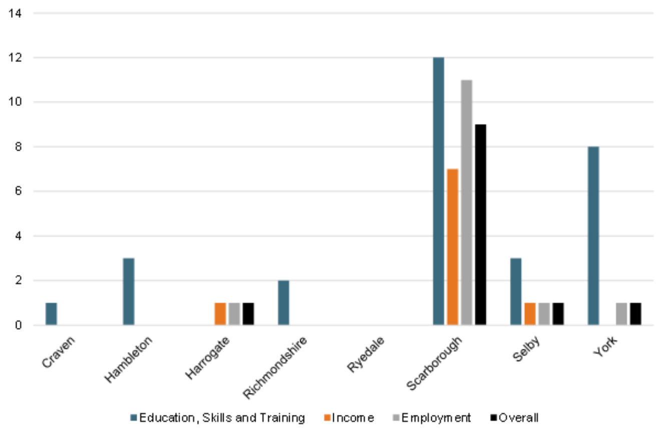
4.7 Deprivation

As well as improving the performance of the local economy, there is a need to ensure that everyone in the local community has the opportunity to participate in high quality employment and benefit from economic growth. This partly involves addressing localised pockets of deprivation at neighbourhood level.

The Indices of Multiple Deprivation (IMD) 2019 show that deprivation is not widespread across the LEP area, with 12 out of 493 neighbourhoods (2%) in the area among the 10% most deprived in England. Nine of these neighbourhoods are located in Scarborough, with single neighbourhoods in Harrogate, Selby and York. Some of the deprivation is concentrated in coastal areas: these include Scarborough and Whitby.

The Indices focus on seven different domains of deprivation, one of which is Education, skills and training[16]. This specific aspect of deprivation is a more widespread problem for the LEP than other forms of deprivation, particularly as it affects children and young people.

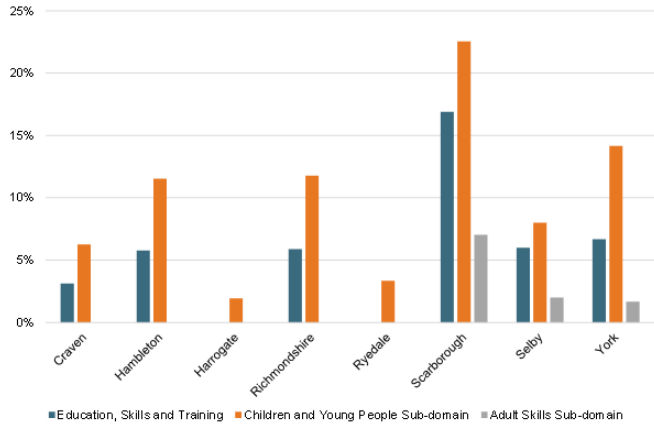
Figure 20: Proportion of neighbourhoods in 10% most deprived nationally by selected domain of deprivation and district



Source: Department of Communities and Local Government, Index of Multiple Deprivation 2019

Around 6%, of neighbourhoods in the LEP area are among the 10% most deprived with reference to the Education, Training and Skills domain of the IMD. This rises to 17% of neighbourhoods in Scarborough. All districts except Harrogate and Ryedale have at least one neighbourhood under the category of the 10% most deprived against this measure.

Figure 21: Proportion of neighbourhoods in 10% most deprived nationally by Education, skills and training sub-domain of deprivation and district



Source: Department of Communities and Local Government, Index of Multiple Deprivation, 2019

The Education, Training and Skills domain is based on two sub-domains. Around 11% of LEP neighbourhoods (52 in total) are among the 10% most deprived with regard to the first of these, which relates to Children and Young People. The deprived neighbourhoods are concentrated in York and Scarborough, but in this instance all districts in the area have at least one neighbourhood among the 10% most deprived and it is notable that York has 17.

Only 2% of neighbourhoods (8) fall into the most deprived decile in respect of Adult Skills, the second of the sub-domains. These neighbourhoods are concentrated in only four of the districts within in the area, most notably Scarborough.

16 The Education, Skills and Training Domain measures the lack of attainment and skills in the local population. The indicators fall into two sub-domains: one relating to children and young people and one relating to adult skills. The Children and Young People sub-domain is based on indicators that include attainment at Key Stages 2 and 4, secondary school absence, staying on rates and entry into higher education. The adult skills domain is made up of two indicators relating to adults with low or no qualifications and adults who lack English language proficiency.

5| Skills demand

Summary

- Going into the Covid crisis YNY had several key strengths on the demand-side of the labour market. However, the exposure of elements of the local economy to Covid-19 and to Brexit (e.g. agriculture and hospitality sectors) could have an adverse impact on YNY and lead to major changes in the pattern of labour and skills demand.
- YNY has a high jobs density, indicating that it has a strong supply of employment opportunities for local people.
- The four biggest employing sectors in the LEP area are Wholesale and retail, Health and social care, Accommodation and food services and Manufacturing.
- Relative to the structure of the national economy, Agriculture and Manufacturing (particularly food manufacturing), together with Accommodation and food services are key strengths of the local employment base but knowledge-intensive services account for a relatively small share of local jobs.
- Although the LEP area performs well in terms of the proportion of local people who are in jobs, it has a deficit of high skilled employment and a reliance on low-paid work.
- This deficit of higher-skilled employment extends to the majority of industry sectors in the LEP area and reflects a focus on relatively low-value activities.
- In absolute terms, Elementary administration and service occupations, Corporate managers, Administrative occupations and Caring personal services account for the greatest numbers of people in employment.
- Relatively large numbers of people employed in Agriculture trades and Protective service roles (the latter reflecting the considerable presence of the armed forces locally) are employed in the LEP area. There is also a strong representation in Elementary trades reflecting manual roles in agriculture.
- Key areas where employment is under-represented include the higher skilled occupational categories of Science, research and technology professionals (likely to be due to low employment in digital roles) and also in Business and media professional roles. The latter may reflect the low representation of knowledge-based business services.
- The bulk of recent employment growth has been in service activities - both business and consumer facing, including Administrative and support services, Professional services and Accommodation and food services. However, manufacturing and construction have also grown.
- In occupational terms, net growth has mainly been heavily concentrated in higher skilled occupations, most notably Health professionals and Business and public service associate professionals and Corporate managers.
- On-line job postings data provide an insight into the level and profile of current job openings. The overall level of postings plunged in spring 2020 because of Covid-19 but then entered a steady recovery trend prior to another fall in activity in response to the re-imposition of restrictions in autumn 2020. The occupational profile of job postings is very different to the national picture and the pattern of recovery has also been distinctive. In sectoral terms, health and manufacturing increased their share of job openings during the crisis whilst hospitality's share fell.
- Labour market projections indicate that higher skilled occupations will continue to see the strongest net growth in employment, whilst middle skilled administrative and manual roles will continue to see net decline. Caring roles are projected to be a second key source of net job growth. Covid-19 could have an impact on this pattern of change, reinforcing existing trends and offsetting others.
- Replacement demands will reinforce net growth in higher skilled occupations and caring roles, leading to strong recruitment needs in these areas. However, replacement demands will also serve to offset net declines in other occupational areas, ensuring that most occupational areas will see a positive recruitment requirement over the next decade.
- In the longer-term, the impact of automation could disrupt the labour market, rendering some types of skill obsolete, particularly those that relate to routine tasks. In broad terms, the influence of new technologies will undoubtedly reinforce the existing pattern of change, with low and middle skilled occupations most susceptible to automation whilst higher skilled roles and caring roles face less risk of displacement.

This section provides an overview of the demand for skills in York and North Yorkshire, based on the profile of jobs locally and the skills required to do those jobs. It considers the current picture and the way in which the pattern of demand is expected to develop in the future.

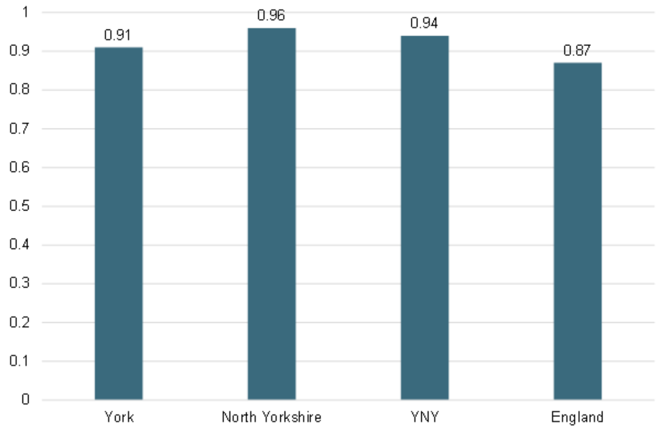
5.1 Job density

A key measure of the strength of labour demand in a local area is jobs density: the ratio of workplace jobs[17] to the number of residents in an area. Job density also needs interpreting in the context of commuting patterns, as smaller areas can serve a primarily residential role and others act as commercial or industrial centres.

The LEP area has a higher job density than the national average

The LEP area has 472,000 workplace jobs. The overall job density of the LEP area is above the national average along with that of both York and North Yorkshire. In North Yorkshire, several districts have a very high jobs density, including Craven (1.20), Harrogate (1.04), Richmondshire (0.97) and Hambleton (0.97). All districts in North Yorkshire are above the national average except Selby (0.76) which has a high level of outward commuting.

Figure 22: Jobs density, 2018



Note: Jobs density is the number of workplace jobs per resident aged 16-64
Source: Office for National Statistics

These job density figures show that the LEP area has a strong supply of jobs overall, relative to its population. The nature and quality of these jobs is considered below.

17 Workplace jobs comprise employee jobs, the self-employed, government-supported trainees and HM Forces.

5.2 Sectoral employment profile

The sectoral make-up of a local area is an important determinant of the workforce skills that are required.

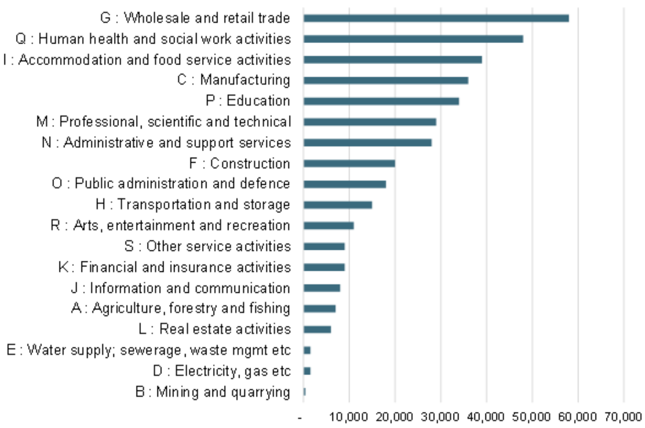
The largest sectors by employment are wholesale / retail, health and social care and hospitality

There are 379,000 employee jobs in total within the LEP area. Focusing on the profile of these jobs in absolute terms, two of the largest sectors are in the field of consumer-facing services in the form of wholesale / retail (58,000 jobs, 15% of the total) and accommodation and food services (39,000 jobs; 10%). Health and social care (13%; 48,000) and manufacturing (9%; 36,000) are also among the largest sources of employment.

In addition to health and social care there is also significant further employment in activities that are primarily public sector-based, including education (34,000; 9%) and public administration and defence (18,000; 5%).

Overall, there are 88,000 public sector employee jobs in the LEP area, based on the Office for National Statistics' broader definition. This equates to 17% of total employment, only slightly higher than the national average of 16%.

Figure 23: Employee jobs by industry (SIC section), YNY LEP area



Source: Business Register and Employment Survey, 2019

With regard to business-related services, professional service activities (section M) and administrative and support services account for 29,000 (8%) and 28,000 jobs (7%) respectively. Finance and information and communication are much smaller contributors to employment, each with around 2% of total employee jobs.

Although a key part of the local economy, the agriculture, forestry and fishing sector is relatively small in absolute terms, at least so far as employee jobs are concerned, with employment of 7,000 or 2% of the total.

Agriculture, hospitality and mining are strongly represented in the area's employment base relative to a national benchmark

Location quotients (LQ) are a useful way of quantifying how concentrated a particular industry or occupation is in a local area or region as compared to a reference area such as the nation. It can reveal what makes a particular region distinct in comparison to the national average. This gives an insight into the characteristics of local labour and skills demand and of specialist requirements.

In the table, below, cells highlighted in red represent sectors that are "over-represented" (LQ greater than 1.2) in the district or LEP area. Those highlighted in yellow are under-represented (LQ below 0.8).

For the LEP area as a whole, agriculture is particularly strongly represented and is proportionately three times larger than the national average. Agriculture is also "over-represented" in all constituent districts with the exception of York; and there are particularly substantial concentrations in Richmondshire, Ryedale and Hambleton.

Mining and quarrying is also a distinct feature of local employment, although small in absolute terms (see above). The sector has a strong presence in four districts: Craven, Richmondshire and Selby.

Manufacturing is strongly represented at LEP level and across four of the eight districts. Underlying this is a significant concentration of food and drink manufacturing, which is a feature of employment in most districts.

Employment in Accommodation and food service activities also accounts for a large share of total jobs in the LEP area and in all districts except Selby and is particularly pronounced in Scarborough and Richmondshire.

Employment in utilities is relatively low for the LEP area as a whole but this conceals a very large concentration of employment in Selby (seven times the national average in proportionate terms), reflecting the importance of energy generation to the district.

Public administration contributes a large proportion of total employment in Hambleton, Richmondshire and York. Employment in the armed forces is not included in the BRES figures.

Several sectors are under-represented to a significant extent (LQ of less than 0.8). Information and communication activities in the local area account for half the national share of employment and this under-representation extends to all districts in the LEP area. Finance and insurance accounts for two-thirds of the national share of total employment across the LEP area as a whole, although these activities are well represented in Craven and, to a lesser extent, in York. Administrative and support service activities are somewhat under-represented locally, as are Professional services.

Figure 24: Sectoral employment location quotients for YNY LEP area and constituent districts

Area	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarboro'	Selby	York	YNY LEP
A : Agriculture, forestry and fishing	3.30	5.92	2.68	7.51	8.10	1.90	4.09	0.35	3.06
B : Mining and quarrying	3.97	1.14	1.16	3.05	1.64	1.37	2.47	-	1.26
C : Manufacturing	1.04	1.80	0.73	0.89	2.46	1.44	2.42	0.58	1.20
D : Electricity, gas, steam and air conditioning supply	-	0.87	0.63	-	0.29	0.22	6.70	0.17	0.97
E : Water supply; sewerage, waste management	0.39	1.29	0.70	0.88	0.30	0.27	1.06	0.25	0.61
F : Construction	1.37	1.48	1.07	1.76	1.22	0.83	1.42	0.86	1.09
G : Wholesale and retail trade	0.99	1.10	1.12	1.13	0.91	1.06	0.73	1.04	1.01
H : Transportation and storage	0.53	0.47	0.64	0.79	0.54	0.46	2.18	0.83	0.79
I : Accommodation and food service activities	1.33	1.11	1.38	1.89	1.17	2.14	0.64	1.36	1.37
J : Information and communication	0.33	0.43	0.65	0.32	0.22	0.20	0.28	0.72	0.47
K : Financial and insurance activities	1.87	0.17	0.64	0.12	0.19	0.19	0.12	1.05	0.67
L : Real estate activities	0.66	1.08	1.10	1.28	0.77	1.04	0.47	0.92	0.90
M : Professional, scientific and technical activities	0.91	0.66	1.14	0.78	0.86	0.32	0.76	0.82	0.84
N : Administrative and support service activities	1.65	0.40	0.72	0.57	0.65	0.76	1.07	0.93	0.82
O : Public administration and defence	0.33	2.65	0.72	1.40	0.58	0.85	0.61	1.38	1.18
P : Education	0.96	0.69	0.90	0.82	1.02	0.93	0.95	1.28	1.04
Q : Human health and social work activities	0.59	0.85	1.23	0.56	0.54	1.45	0.65	1.17	1.00
R : Arts, entertainment and recreation	1.08	0.78	1.19	2.08	3.19	1.40	0.45	0.95	1.19
S : Other service activities	1.27	1.43	1.40	1.22	0.66	0.99	0.92	1.11	1.14

Note: Employment figures relate to employee jobs. Source: Business Register and Employment Survey, 2019

Sector strongly represented

Sector under-represented

The LEP area has a low representation of knowledge-intensive services, when high-technology services, financial services and knowledge-intensive market services are taken into account. These activities have employment of 54,000 locally and their combined location quotient is 0.69, meaning their share of total employment locally is barely two-thirds of the national average.

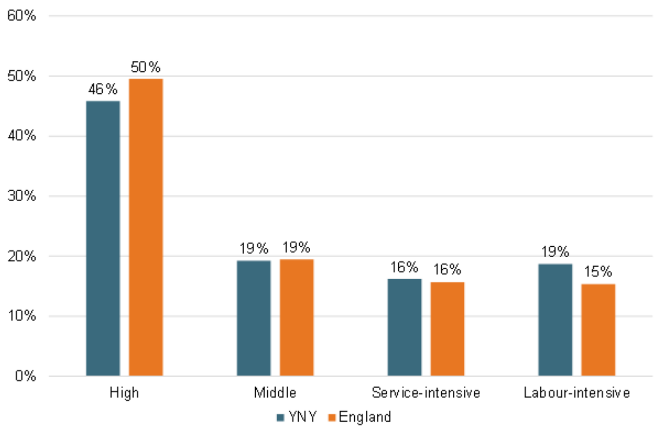
5.3 Occupational profile of employment

The occupational profile of employment provides an insight into the skills people need in order to do their jobs and reflect aspects of job quality like pay.

The LEP area has a significant deficit of higher skilled employment

Employment in higher skilled management, professional and associate professional / technical occupations accounts for a smaller proportion of the total in the LEP area compared with nationally. 46% of area residents are in higher skilled roles, versus a national average of 50%. Employment in middle-skilled, service-intensive roles accounts for a similar proportion to the national average but labour-intensive roles account for a bigger share in the LEP area than nationally.

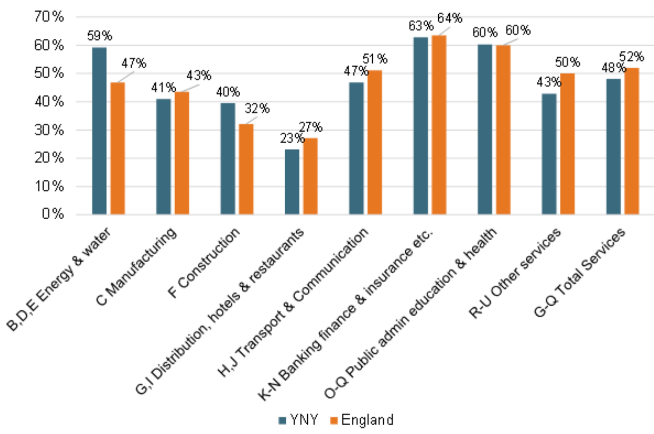
Figure 25: Profile of workplace employment by broad occupational segment



Note: workplace employment
Source: Annual Population Survey, Jul 19 – Jun 2020

Figure 26 shows that this local deficit of higher skilled employment extends to the majority of broad industry sectors. This reinforces the picture of a productivity deficit that is largely due to underperformance within sectors rather than the result of a negative sectoral mix and that the issue is not simply one of availability of skills, it is also about lack of demand for skills in these sectors.

Figure 26: Proportion of workers in higher skilled occupations by industry



Note: workplace-based employment; higher skilled occupations are SOC major groups 1-3; managers, professionals and associates professional / technical. Local data not available for Agricultural and fishing and Energy and water sectors.
Source: Annual Population Survey, Jul 19 – Jun 2020

This deficit of demand stems from the nature of the functions undertaken within sectors (e.g. front vs back-room functions, or global vs national focus) in the local area compared to high productivity locations.

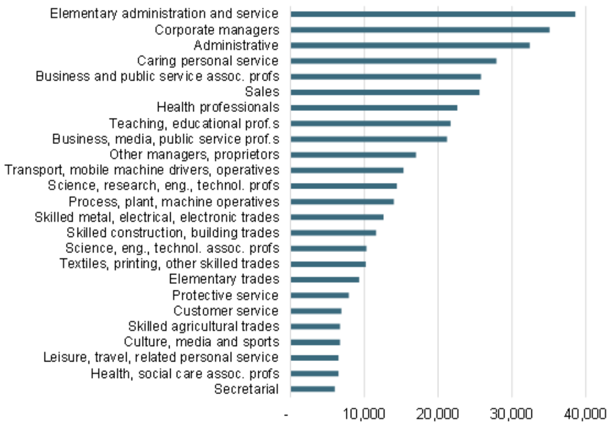
Elementary administration and service occupations is the largest category in employment terms, followed by Corporate managers, Administrative occupations and Caring personal service roles

How is employment in the LEP area distributed at a more detailed occupational level? The chart below ranks occupational sub-major groups by the level of LEP-level employment in each.

The six largest groups, each employing more than 25,000 people in the LEP area are:

- Elementary administration and service roles, a category that includes hospitality staff such as front-of-house servers, bar staff and kitchen and catering assistants; as well as cleaners.
- Corporate managers, which comprises management roles from across different parts of the economy, including retail, production managers in manufacturing and construction, financial managers and marketing and sales managers.
- Administrative occupations, including bookkeepers, payroll managers, and admin roles in finance and local government.
- Caring personal services, which includes care workers and home carers, teaching assistants, nursing auxiliaries and nursery nurses.
- Business and public service associate professionals, a diverse category, which includes sales and marketing, human resource, financial and public service roles at the associate professional level.
- Sales occupations, a homogeneous category that includes retail cashiers and sales assistants.

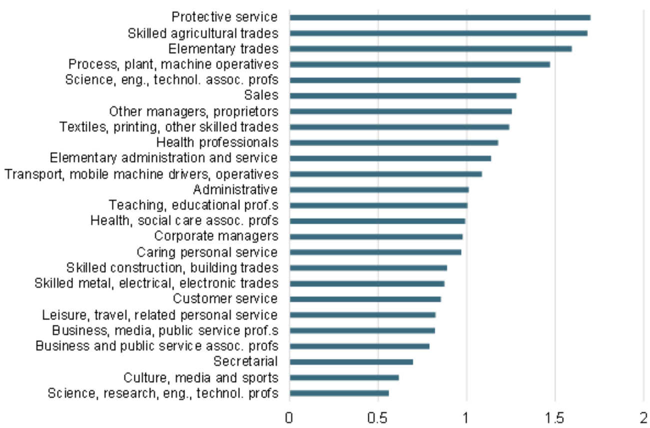
Figure 27: Employment by SOC sub-major group, YNY



Source: Annual Population Survey, Jul 19 – Jun 2020

It is also useful to understand the distinctive features of occupational employment in the LEP area, to gain an insight into specific skill requirements of the locality. The following chart provides a comparison of the occupational distribution of local employment relative to the national picture.

Figure 28: Location quotients for occupational employment in YNY; benchmark area = England



Note: a quotient of 1 indicates parity with England average with regard to employment share
Source: Annual Population Survey, Jul 19 – Jun 2020

The chart shows that the local occupational profile is broadly similar to the national average but with a number of areas that are both over- and under-represented.

- Protective service roles contribute a share of total employment that is more than1.5 times the England average, reflecting the presence of military bases in the LEP area.
- Employment in skilled agricultural trades (a category that comprises farming roles) is also strongly represented, and accounts for a share of total employment in the LEP area that is 1.5 times greater than the national average. As Figure 27 shows, this occupational area is of relatively modest size in absolute terms.

Other occupational areas that are also "over-represented" include:

- Elementary trades:[18] Census 2011 data[19] indicates that this largely reflects people working in elementary agricultural roles (e.g. farm labourers);
- Process, plant and machine operatives – many of these may be operatives working in the food-processing sector.

There are several groups under-represented in terms of their share of local employment, a number of them in higher skilled occupational areas.

Employment is under-represented in higher level STEM professional roles

Employment in Science, research and technology professional roles accounts for a small share of employment relative to the national average. Although somewhat out of date, Census data indicates that this deficit mainly arises out of an under-representation of digital professional roles, with shares of employment in science and engineering professional roles in line with national norms.

Culture, media and sport employment is also under-represented. Census data suggest that there is a relatively low level of employment in both Artistic, literary and media occupations and Design occupations.

The share of local employment in Business, media and public service professional occupations is below the national average. Data from Census 2011 indicates that this reflects a low representation of legal professionals, media professionals and business, research and administrative professionals[20]. It seems logical to make a link between this feature and the under-representation of knowledge-intensive business services highlighted above.

Secretarial employment also has a low representation but this could be a strength in the sense that this occupation has the weakest employment prospects of any category.

18 Includes packing roles, farm workers and elementary construction roles.

19 Although dated the Census provides a robust picture of employment patterns at a more detailed level than the Annual Population Survey can afford.

20 This latter category includes accountants, management consultants and actuaries, economists and statisticians.

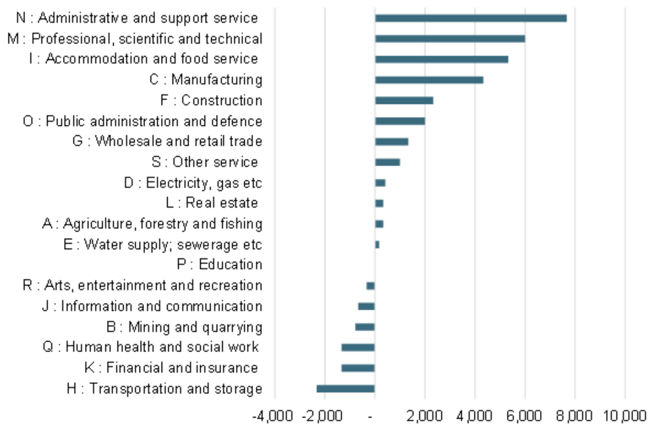
5.4 Patterns of sectoral employment change

The pattern of growth and decline across industry sectors is a key driver of change in terms of skills requirements.

Service activities have been the main sources of recent sectoral employment growth but manufacturing and construction also grew

Jobs data by industry is available for employee jobs but they are subject to volatility over time at local level and therefore two periods of three years each (2012 to 2014 and 2017 to 2019) are considered in order to discern underlying trends. Based on these three year averages the total number of employee jobs grew by 7% from 355,000 (2012 to 14) to 379,000 (2017-2019). This analysis shows that a combination of consumer and business-focused service activities were the main contributors to growth in recent years.

Figure 29: Employment change by industry, 2017 to 2019 versus 2012 to 2014, YNY



Note: Employment figures relate to employee jobs. Chart compares average employment for 2012 to 2014 with average for 2017 to 2019.
Source: Business Register and Employment Survey

The two business service categories of Administrative and support services and Professional scientific and technical activities had the highest net employment growth followed by Accommodation and food services. Looking beyond services, manufacturing and construction also grew over this period.

Sectors that experienced net decline include Transportation and storage and Finance and insurance, although the extent of the decline was relatively modest.

5.5 Patterns of occupational employment change

The changing profile of occupational employment provides an important insight into the demand for skills in the local labour market. Occupations are largely defined by the level and type of skills that are required to perform work tasks.

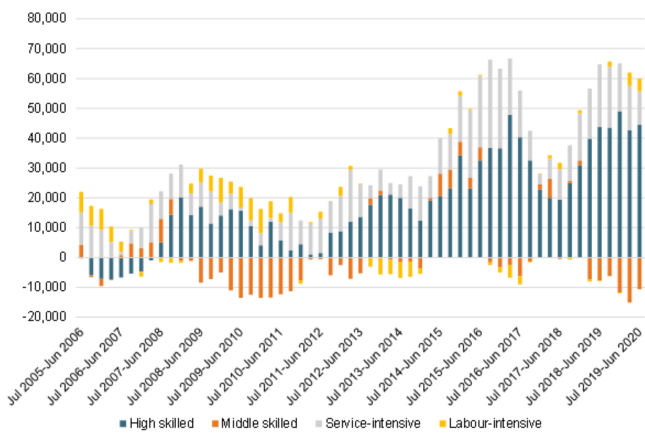
The main source of employment growth and skills demand is higher-skilled occupations

Recent employment growth has been driven by expansion of higher skilled occupations. The number of people employed in management, professional and associate professional roles has grown by 46,000 over the longer-term between 2004 and 2019/20. This represents growth of 36%, well over twice the rate seen for overall employment (14%) for this period. The resilience of this trend is also reflected in the fact that higher skilled employment continued to grow throughout the recession.

The other main source of growth was service-intensive jobs (which includes caring roles) which grew consistently throughout the period and by around 12,000 or 13% between 2004 and 2019/20.

Employment in middle skilled roles suffered acutely in the 2008 recession. After showing signs of a bounce-back during the economic recovery phase, it has fallen back into decline. Employment in labour-intensive roles (semi-skilled operatives, labourers) has remained in negative territory throughout the period.

Figure 30: Cumulative employment change by broad occupational segment, YNY



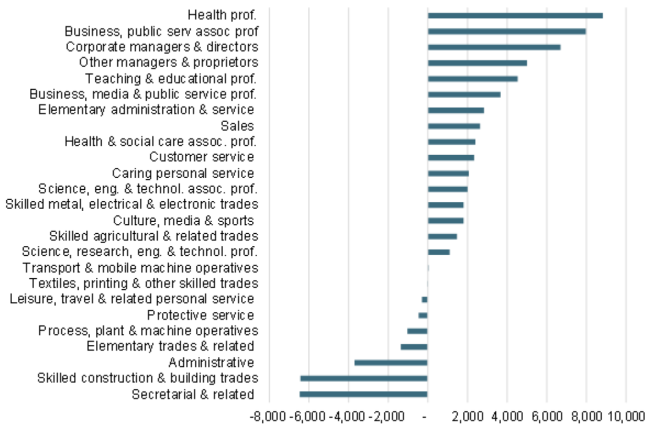
Source: Annual Population Survey

Employment statistics are volatile at local level. In order to gain a clear picture of the more detailed pattern of change in occupational employment over time, figures presented in Figure 31 have been averaged for a pair of three-year periods: one pre-recession (2004-2007) and one post-recession (2018-2020).

The occupational categories which saw the greatest growth in absolute terms were higher skilled, most notably health professionals (+9,000), business and public service associate professionals (+8,000), corporate managers (+7,000) and Other managers and proprietors (+5,000).

Caring personal services (a category which includes roles in social care, childcare as well as nursing auxiliaries) represented another important source of employment growth, registering a net increase of 6,000.

Figure 31: Net change in employment by occupation (sub-major group) between 2004-2007 and 2018-2020



Note: chart shows the net change between the average employment levels of two three-year periods
Source: Annual Population Survey

The categories subject to the most pronounced declines between the two periods were exclusively middle and lower-skilled occupations, including administrative and secretarial occupations, drivers, elementary manual roles and routine operatives. Skilled construction trades also declined.

5.6 Current job openings – on-line job postings

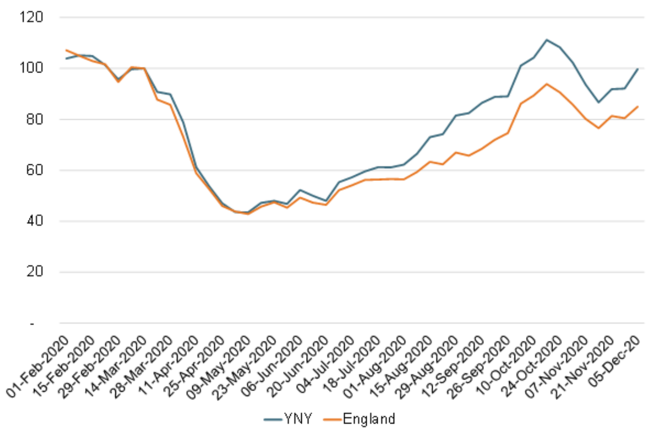
Another way of understanding demand is by examining the types of job advertised via on-line job postings. This aids understanding of current recruitment levels and patterns and the timeliness of this data provides an insight into the impact of the Covid crisis on labour demand.

Recruitment activity saw steady recovery prior to re-imposition of restrictions – but outlook is uncertain

The Covid-19 lockdown had a profoundly negative effect on the level of recruitment activity in the local labour market, with the level of weekly postings falling by 57% in the period between March 14 and May 9. However, from that point onwards postings recovered steadily in the LEP area, regaining their pre-crisis level by early October and outperforming the national picture – at this stage England's weekly postings count remained 14% below its March 14 level. However, the move towards renewed Covid restrictions starting in mid-October saw the weekly postings count fall for several consecutive weeks. With restrictions set to continue into spring 2021, the outlook for recruitment activity is uncertain.

As the following figure shows, YNY has seen a relatively strong recovery in on-line job postings compared with the national picture, although there has been a second, less pronounced, decline in the autumn, following the re-imposition of restrictions.

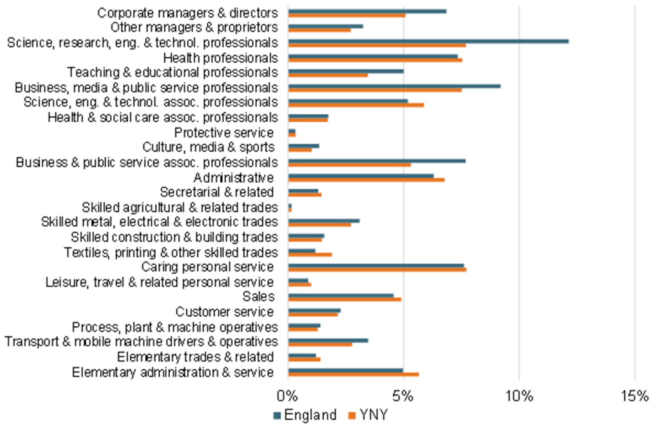
Figure 32: Index of weekly count of on-line job postings (week ending March 14 2020 = 100)



Note: Count of postings relates to the number of new vacancies posted each week
Source: Labour Insight

As at 5 December 2020, the weekly job postings count for the LEP area remained at around its pre-crisis level (using week-ending 14 March as a benchmark). York was 6% below its pre-crisis level and North Yorkshire 3% above.

Figure 33: Occupational profile of on-line job postings, September / November 2020



Source: Labour Insight

On-line job postings do not provide a fully representative picture of employer vacancies. Relative to all vacancies in on-line job postings, over-representation of higher skilled occupations and under-representation of middle and lower-skilled occupations is evident. As the only source of local data on job openings, it is useful to examine the profile of local on-line job postings relative to the national picture in order to gain an understanding of the distinctive patterns of local recruitment demand. Differences in the profile of demand in some cases align with the area's employment profile.

The occupational profile of local postings locally is very different to the national picture.

Across YNY, recruitment demand is relatively weak for most higher skilled occupations (which sit at the top of the chart). In particular, postings for corporate managers, STEM professionals, business, media and public service professionals and business and public service associate professionals account for lower shares than nationally.

The under-representation of STEM professional postings is largely due to the relatively small number of openings for digital professionals compared with the national profile.

The relatively low proportion of vacancies for business, media and public service professionals and for business and public service associate professionals is partly due to a lack of demand for workers associated with knowledge-intensive services, such as Management consultants and business analysts and Finance and investment analysts and advisers plus Sales accounts and business development managers.

Other occupational areas enjoy a high level of job postings locally relative to the national profile. This includes Elementary administration and service occupations with relatively strong demand for front-of-house staff, Cleaners and domestics and Kitchen and catering assistants.

Relatively few vacancies for Textiles, printing and other skilled trades roles are posted on-line. YNY has relatively strong demand in this area for posts like Cooks and Catering and bar managers.

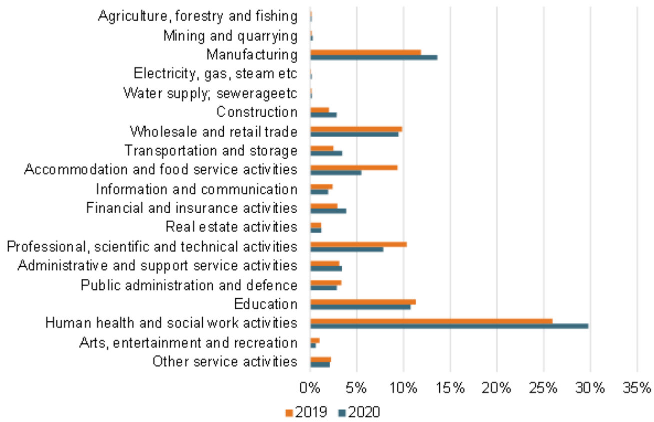
STEM professionals are under-represented in terms of the profile of local job postings but STEM associate professionals and technicians are strongly represented, including technicians in engineering and manufacturing and IT support technicians.

Overall, recruitment demand in the LEP area is low in terms of higher skilled occupational groups, including digital professionals and business roles, but is strong in terms of roles linked to the hospitality sector.

Health and manufacturing increased their share of job openings during the crisis whilst hospitality's share fell.

How have employers' recruitment needs changed because of Covid? A comparison of the sectoral and occupational profile of job postings for September - November 2020 with September - November 2019 provides an insight into how the Covid-19 crisis has affected the nature of employer demand.

Figure 34: Change in sectoral profile of job postings West Yorkshire, September / November 2020 vs September / November 2019



Source: Labour Insight

In terms of industry sector, there has been an increase in share of total job postings for Health and social care and Manufacturing, suggesting that recruitment demand in these sectors has remained relatively strong.

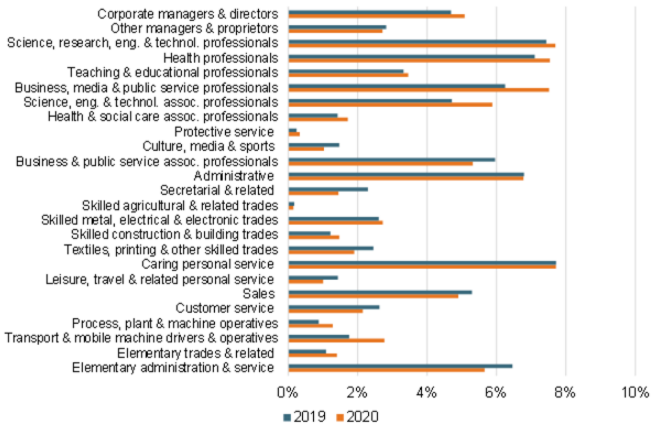
Within the broader Human health and social work sector, there was growth in health activities, residential care and social work.

Although Manufacturing as a whole saw an increase in its share of postings, food manufacturing fell steeply. However, this fall was largely offset by growth in beverages manufacturing which may suggest technical issues around the classification of vacancies.

There was a small increase in the share of openings accounted for by Transportation and storage as Land transport and Warehousing both saw a growth in share. Finance and insurance also saw an increase in its share.

The sectors that experienced declines in their share of job postings included Accommodation and food services, Professional services, Public administration and Wholesale and retail.

Figure 35: Change in occupational profile of job postings YNY, September / November 2020 vs September / November 2019



Source: Labour Insight

A number of occupational areas have increased their share of total postings, suggesting resilient demand for the associated skills in the face of the crisis. These include:

- Business, media and public service professionals
- Science, engineering and technology associate professionals
- Transport and mobile machine drivers and operatives
- Health professionals
- Elementary trades.

For Business, media and public service professionals, key detailed occupations that saw strong demand were Chartered and certified accountants, Solicitors and Business and financial project management professionals. As noted above, job postings in this occupational area accounts for a small share of the total relative to the national average.

For Science, engineering and technology associate professionals, the key roles in demand were IT user support technicians and Engineering technicians.

Van drivers and Large goods vehicle drivers, both part of the Transport and mobile machine drivers category, saw an increase in demand between 2019 and 2020. Relatedly, there was strong demand for Elementary trades, primarily elementary storage trades required in the storage and distribution system.

For Health professionals postings for nurses drove much of the increased demand, evidencing a direct connection with the Covid crisis.

Other occupational areas have undergone a decrease in their share of total postings between 2019 and 2020, suggesting that the Covid crisis has had a negative impact on demand for these roles. These include:

- Sales and customer service occupations, reflecting the impact of the crisis and the related restrictions on retail and other customer-facing sectors.
- Elementary administration and service and Textiles, printing and other skilled trades. In both cases this largely reflects the impact of Covid-19 on the hospitality-related job roles contained within these categories (see above).
- Secretarial roles – perhaps reflecting longer-term structural reduction in demand as well as the immediate effect of the crisis.
- Culture, media and sport was driven by an across-the-board decline in postings, including for authors / writers, actors / entertainers / presenters and artists.

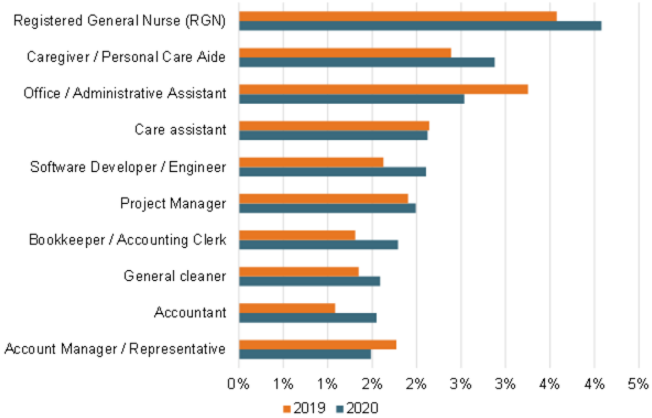
Health, care, digital and administrative roles are featured among those in greatest current demand

With respect to individual detailed occupations, which currently show the greatest demand (and using the proprietary occupational categories developed by Burning Glass for Labour Insight) the 10 occupations with the greatest number of postings are from a diverse range, covering health, care, digital and administration.

Some occupations have seen growth in the last year, based on a comparison between September to November 2019 and the same period in 2020, with potential links to the impact of Covid and reflecting the broader analysis of change set out above. In terms of health and care, Registered general nurse was already the top occupation but, nevertheless, saw growth over this period. Caregiver / personal care aide saw an increase in its share of total job postings. The General cleaner occupation also saw growth. Other areas that increased their share of postings include Software developer, Bookkeeper and Accountant.

Several occupations saw a reduction in their share of postings, most notably Office / administrative assistant and Account manager / representative.

Figure 36: Top occupations in greatest demand overall based on volume of job postings, YNY

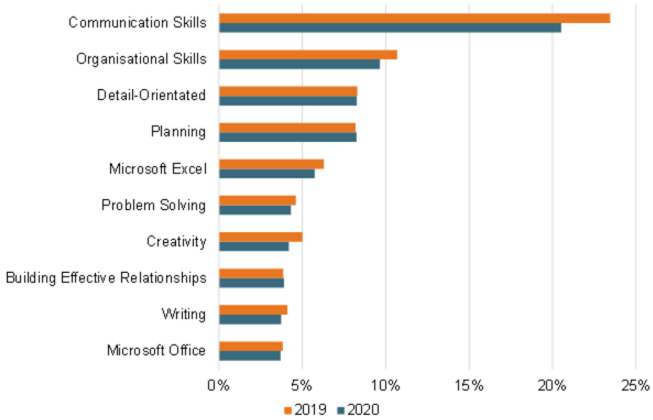


Note: Based on an analysis of on-line job postings for the period September 2020 to November 2020 compared with same period of previous year.
Source: Labour Insight

Labour Insight also supports analysis of the types of skill that employers ask for in their job postings, enabling us to profile the skills in greatest demand. The fact that employers ask for skills suggests they are not available as matter of course – in some cases they may be difficult to obtain from candidates.

The analysis presented in Figure 37 focuses on baseline skills – generic skills in widespread demand across different types of job.

Figure 37: "Baseline" skills in greatest demand, YNY

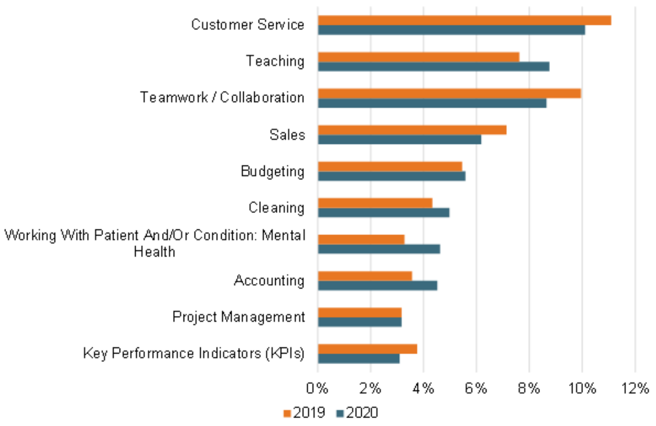


Note: Based on an analysis of on-line job postings for the period September 2020 to November 2020 compared with same period of previous year.
Source: Labour Insight

Communication is the baseline skill in the greatest demand by far, followed by skills such as organisational competence, attention to detail, planning, creativity and problem solving. The hierarchy of the top baseline skills in greatest demand has remained largely unchanged. Although the proportion of vacancies requiring communication skills has fallen slightly, it remains the most in-demand skill by far.

It is also possible to examine the specialised skills in greatest demand. These are skills that are more job-specific rather than being generic requirements.

Figure 38: Specialised skills in greatest demand, YNY



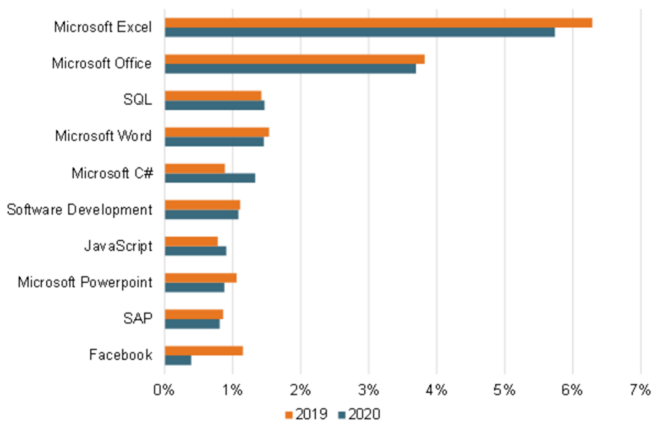
Note: Based on an analysis of on-line job postings for the period September 2020 to November 2020 compared with same period of previous year.
Source: Labour Insight

As with Baseline skills, the hierarchy of skills in greatest demand has remained broadly the same over time, although some skill types have increased their share of total postings whilst others have seen a reduction. Customer service, teaching and team working / collaboration are specialist skills in greatest demand. It could be inferred that there is a link between some of the changes in demand and the impact of the Covid crisis. For example, the proportion of postings requiring cleaning and patient care skills increased. On the other hand the proportion for which customer service and sales skills were required fell, perhaps reflecting the impact of the crisis on retail. However, it is important to remember that these modest changes, which may be linked to Covid, may not prove to endure in the longer-term.

Skills relating to use of Microsoft packages are in strong demand among recruiters

In view of the central importance of digital skills to employability across most jobs, it is useful to drill down on the specific computing skills most commonly cited in employers' job postings. Figure 39 sets out the top 10 requirements for all jobs irrespective of their overall skill level. Not surprisingly, an ability to use packages within the Microsoft Office suite is in widespread demand, particularly Excel but also Word and PowerPoint.

Figure 39: Top 10 computing skill types in greatest demand, YNY



Note: Based on an analysis of on-line job postings for the period September 2020 to November 2020 compared with same period of previous year.
Source: Labour Insight

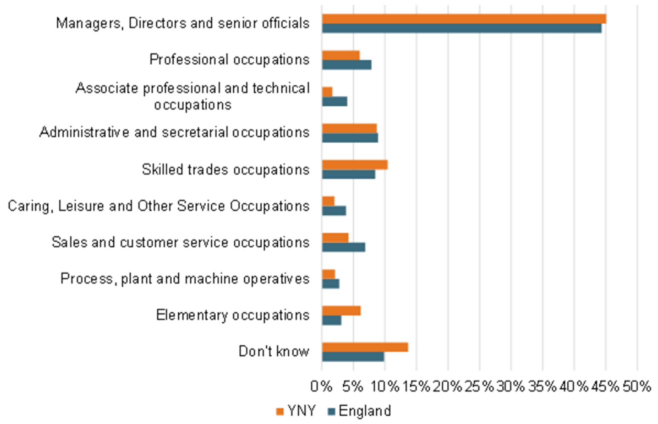
A significant number of postings also highlighted the need for specialist skills, including SQL, Microsoft C# and JavaScript.

5.7 Upskilling needs

Around two-thirds of employers expect future upskilling needs - they are most likely to highlight these needs for managers

Based on the Employer Skills Survey, two-thirds (68%) of employers expect that at least some of their staff will need to acquire new skills or knowledge over the next 12 months. This is slightly higher than the national average of 64%. The main drivers are the adoption of new working practices, the development of new products and services, the introduction of new technologies or equipment and new legislative or regulatory requirements.

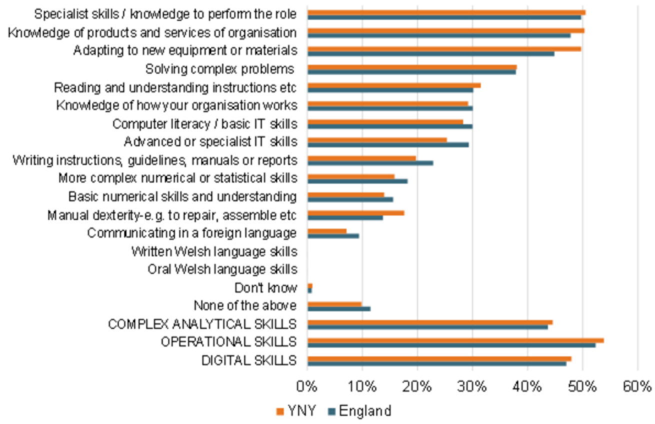
Figure 40: Occupation most affected by need for new skills, among employers who anticipate a need for new skills in next 12 months, YNY



Base: All establishments who anticipate a need for new skills in next 12 months
Source: Employer Skills Survey 2019

Managers are the occupation most likely to require future upskilling and are identified by 45% of employers with an upskilling need. This partly reflects the fact that managers are employed by virtually all organisations, unlike most other occupations.

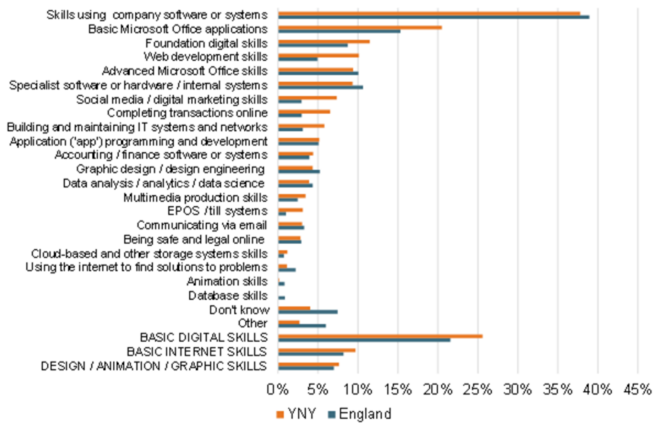
Figure 41: Skills that will need developing among workforce, YNY



Base: All establishments who anticipate a need for new skills in next 12 months
Source: Employer Skills Survey 2019

Employers believe that the skills that need to be developed are a combination of operational skills, including job-specific skills and product / service knowledge; analytical skills such as solving complex problems; and digital skills, including digital literacy and advanced IT skills. Functional literacy and numeracy skills are also highlighted.

Figure 42: IT skills that will need developing among workforce



Base: All establishments who anticipate a need for new IT skills in next 12 months
Source: Employer Skills Survey 2019

With regard to digital skills that need improving, employers are most likely to highlight various kinds of basic digital skills. Local employers are more likely to flag this than the national average. An ability to use the employer's own systems is the most commonly identified skill development need.

5.8 Future trends in employment and replacement demands

Skills development often requires a considerable level of investment and a significant lead-in time. This means that it is important to take a forward-looking perspective on the demand for skills in order to anticipate future needs and to "future proof" investment decisions, as far as this is possible.

The *Working Futures* labour market model[21] allows us to assess future sectoral and occupational employment prospects based on projections grounded in past patterns of performance and behaviour in the labour market.

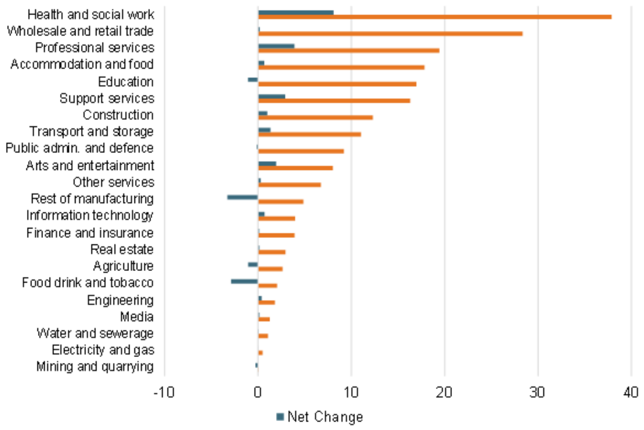
There are a number of aspects to consider: net change in the level of employment by sector and occupation; replacement demand and the net recruitment requirement.

Net employment growth is expected to be concentrated in service-based activities

The primary sources of net job growth in YNY over the next decade are forecast to be service-based in the form of health and social work (+8,000 jobs), Professional services (+4,000) and Support services (+3,000).

Other sectors will also see net growth but at a smaller level in absolute terms, including Arts and entertainment (+2,000), Transport and storage (+1,000), Construction (+1,000) and Information technology (+1,000).

Figure 43: Net employment change and net requirement by sector, 2017-2027, YNYER



Source: Working Futures

The fastest rates of growth will be in the arts and entertainment sector and in health and social work.

The industries with the poorest prospects, based on the forecasts, are mainly in the manufacturing and primary sectors of the economy. Much of the manufacturing sector, including food manufacturing, is expected to see a marked net decline in jobs, largely continuing longer-term trends. Nonetheless, these sectors will still have a positive recruitment requirement arising out of replacement demands and will see growth in higher skilled jobs, although these will be offset by reductions in lower-skilled and routine posts.

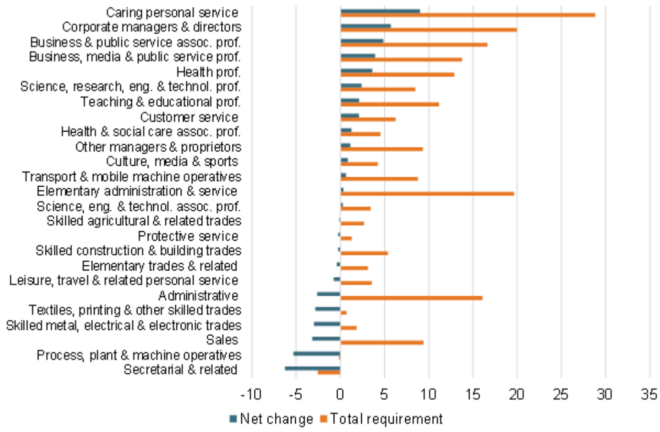
Sectoral rates of change are forecast to be broadly similar to the national average.

The forecasts indicate that major employment sectors like hospitality and wholesale and retail will see little net change in employment but are projected to have large recruitment needs linked to replacement demands.

Covid-19 and Brexit will undoubtedly affect the accuracy of these forecasts. Some sectors could see a boost to forecast growth such as health and social work; others Agriculture and parts of Manufacturing may see negative effects.

Retail employment could fall victim to an acceleration of existing structural change resulting from a decline of town and city centres and a shift to on-line shopping as well as technological change in the form of automation.

Figure 44: Net employment change and net requirement by occupation, 2017-2027, YNYER



Source: Working Futures

The occupational projections sit within the context of relatively modest forecast growth for the local area. According to Working Futures, the area expects to see overall job growth of 2%, slightly lower than forecast UK growth of 3%. However, the overall quantum of future growth is uncertain and subject to the influence of fluctuations in macro-economic conditions both nationally and internationally. The projections do not take into account the impact of Covid-19 and Brexit on the economy.

Higher skilled occupations are expected to grow much faster than the overall rate

21 Local Working Futures projections are only available for the previous LEP area definition of York, North Yorkshire and East Riding.

Even though there is considerable uncertainty about the future growth trajectory of the UK economy along with the sectoral pattern of change within the economy, it is worth noting that established trends in occupational employment have proven to be largely resilient in recent years, even in the face of the last recession.

Significant net employment growth is expected for higher-level occupations, including managers, all professional occupations and most associate professional occupations. Between 2017 and 2027, employment in professional jobs is expected to increase by 12,000 (12%), associate professional roles by 7,000 (10%) and managers by 7,000 (12%). For each of these occupations the growth rate is several times the average projected rate of growth of 2%. Taken together, these three occupational groups have a combined growth rate of 11%, around five times the average rate.

Middle skilled occupations are projected to see continued net decline

Net job losses are projected for middle skilled occupations of 11% or around 15,000 in absolute terms. This represents an acceleration in the rate of decline compared with the previous iteration of Working Futures. The most pronounced net decreases are expected for Secretarial roles (projected net decline of -44%), Textiles, printing and other skilled trades (-20%) and Skilled metal, electrical and electronic trades (-14%). Employment in Administrative occupations, the largest middle-skilled occupational area by far is projected to decline less rapidly with an employment decrease of -5%, whilst employment in Skilled construction and building trades is expected to remain largely static, although employment performance in construction is notoriously volatile. By 2027, employment in administrative and secretarial occupations is expected to be 9,000 lower than its 2017 level and to be 6,000 lower in skilled trades.

A net decline of 5,000 (-23%) is anticipated in Process, plant and machine operative jobs (semi-skilled blue-collar occupations). Employment for Transport & mobile machine drivers and operatives is likely to increase slightly by 3%, however.

Caring personal service jobs are expected to see largest growth in absolute terms

Caring personal services will, in all likelihood, see the largest growth in absolute terms of any of the occupational sub-major groups with around 9,000 net additional jobs, a growth rate of 19%.

In line with the overall picture of polarisation of occupational employment, growth is projected for elementary administration and service roles, albeit very modest (+1%). Elementary trades employment is projected to fall by 3%.

Growth in Customer service jobs of 2,000 (+17%) is projected to be offset by a net decline in employment of 3,000 (-8%) in Sales occupations.

Over the next decade, replacement demands are expected to generate 14 times as many job openings as net growth

From the point of view of assessing future labour demand, it is important to focus not just on projections of changing levels of employment by occupation, but also on replacement demands – the job openings created by the outflow of workers from the labour force.

Workers leave the labour market for a variety of permanent and temporary reasons including retirement, family reasons (e.g. maternity leave) and mortality. These outflows have a significant influence on job opportunities.

Over the next decade, replacement demands are likely to generate around 14 times as many job openings in the LEP area as those arising from net job growth. This is higher than the ratio of 1:10 set out in the last iteration of Working Futures, reflecting the fact that the latest projections assume that net employment growth will be lower.

In absolute terms this equates to around 13,000 job openings resulting from net growth and 196,000 openings arising from replacement needs, giving a total number of job openings (net requirement) of approximately 209,000.

Recruitment needs will be greatest for higher skilled occupations and caring occupations

Figure 44 presents projected expansion demand (net change in employment) and net requirements by occupational sub-major group. The net requirement reflects the recruitment requirement or number of job openings expected for the period in each occupation. It is calculated as the sum of net change and replacement demand in the occupation.

Occupations where employment is growing will require additional workers on top of those to be replaced. Almost all higher skilled occupational sub-major groups are expected to see strong demand due to this effect, especially Corporate managers (20,000), Business and public service associate professionals (14,000) and Teaching professionals (11,000).

The Caring personal service occupational category has the highest projected net requirement of any sub-major group, reflecting strong net growth combined with significant replacement demands. In total, more than 29,000 job openings are forecast for this occupation over the next decade.

Replacement demands mean that job openings are expected in all broad occupational groups including those that are projected to see net decline

Employment in some occupations will almost certainly see net decline but in most cases replacement demands mean that there will still be job openings that need recruiting to.

For example, in the case of middle-skilled occupations (administrative, secretarial and skilled trades), a net decline in jobs of 15,000 is projected; this is expected to be more than offset by 39,000 job openings arising out of replacement demands. Replacement demands tend to be much more significant than any net change in the level of jobs, meaning that we can still expect some job openings across nearly all broad occupational groups. However, in Secretarial roles employment is likely to fall at such a rapid rate that it will exceed the job openings arising from replacement needs, implying very poor prospects. Individuals will need to consider this when making careers decisions and employers will need to consider the extent to which they replace key workers.

The Working Futures study of labour market prospects was published before the Covid-19 crisis hit. However, it still provides a useful insight into longer-term, underlying trends in labour demand, bearing in mind that the broad pattern of change in occupational employment has been highly resilient to past disruption, including the shock of the 2008 financial crisis.

How might the impact of the Covid-19 crisis influence these longer-term trends? Although there is a good deal of uncertainty about the ongoing impact of Covid we can speculate, at least tentatively, about the potential influence, partly based on the current patterns of recruitment demand drawn from analysis of job postings, although it remains to be seen how long-lasting these will be.

The Covid-19 crisis seems to be reinforcing some of the existing trends in the labour market but not all

Most broad higher skilled occupational areas have remained resilient in terms of recruitment demand in the face of the crisis, suggesting the long-term expansion of employment in this area is likely to continue.

Culture, media and sport occupations have experienced strong employment growth in recent years but the current crisis appears to have had a negative impact on recruitment demand. It seems likely that this will be a short-term situation with no evidence to suggest it will develop into structural decline.

Other occupations with strong projected employment prospects have seen resilient recruitment demand during the crisis, most notably Caring personal services. This may be an example of the crisis reinforcing existing drivers of growth in health and care occupations.

The recruitment requirement for some occupations could increase above the projected level, including for health professional and associate professional and caring personal services roles.

Demand for Secretarial roles has been hard hit by the crisis as the shift to home working seems to have had a negative impact on some types of clerical employment and this could accelerate the projected decline in secretarial employment and possibly have a wider impact on administrative roles, which are also projected to see a net reduction.

There has been a pronounced increase in recruitment demand for drivers during Covid, including van drivers and large goods vehicle drivers, probably largely reflecting a need for fulfilment of ecommerce purchases. This could lead to enhanced growth for this occupation in future although there is uncertainty about the impact of autonomous vehicles in the longer term.

Relatedly, elementary trades (a category which includes warehouse and storage operatives) has seen strong recruitment demand, presumably largely driven by the shift to on-line shopping and the need for strengthened logistics and fulfilment capability. Whether this trend will continue in the face of increasing automation of many of the relevant functions is open to question.

Sales and customer service occupations have both seen reductions in recruitment demand during the crisis. This in all probability links to restrictions placed on the operations of non-food retailers and other customer-facing parts of the economy. Net employment decline is projected for Sales occupations (including checkout staff, retail cashiers etc) and the Covid-19 crisis has the potential to accelerate this because of reduced city centre footfall and a move to on-line retail channels.

Elementary administration and services has seen a fall in recruitment demand during the crisis and this no doubt reflects the inclusion of many hospitality-related roles in this occupational category. It seems likely that the eventual lifting of restrictions on this part of the economy will led to a rebound in demand.

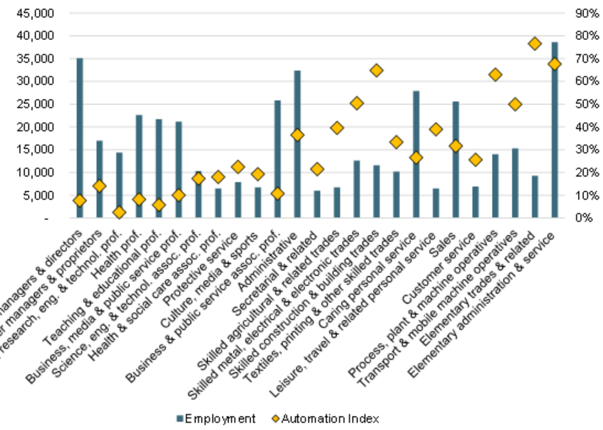
5.9 Automation

Understanding automation risk is all the more important in the context of Covid-19. Firstly, there is evidence to suggest that the effects of the Covid-19 crisis may accelerate the impact of automation on jobs[22]. Secondly, many workers may need to retrain for new roles as a direct result of the crisis. In choosing alternative career paths individuals need to understand how susceptible to automation a particular occupation may be.

The figure, below, presents the current profile of occupational employment in YNY alongside the risk of automation for each occupation, based on EMSI's Automation Index[23]. The index takes account of an occupation's task share exposure to automation (i.e. the automatability of jobs is defined in terms of the content of the tasks that they contain, rather than the entire job), plus the extent to which similar, "compatible" occupations (which require similar knowledge and skills) are also high risk. These estimates of automation risk reflect the technical feasibility of automation and do not take into account the legal, cultural, financial and organisational factors that, in combination, ultimately determine whether jobs are subject to automation.

The overall pattern of automation risk is one in which occupations comprised mainly of lower level, routine or physical skills have the highest exposure to new technology, whilst those with the lowest exposure are those requiring more analytical and interpersonal skills.

Figure 45: Automation risk by occupation in YNY



Source: EMSI and Annual Population Survey, July 2019 to June 2020

Higher skilled occupations are uniformly resistant to automation, reflecting the importance of, for example, creativity and social intelligence to these jobs, which are more difficult to computerise. Recent job postings data also suggests that these occupations have mostly remained resilient in terms of recruitment demand in the face of Covid-19.

Elementary occupations face the highest risk of automation, according to the EMSI index. With regard to elementary administration and service, the medium to long-term effect of automation could compound the current impact of Covid-19 on demand for workers in these occupations, including for hospitality roles. In the case of elementary trades, Covid-19 appears to have had a positive impact on recruitment demand in areas like elementary storage trades, but in the longer-term automation is likely to have a negative influence on demand. Similarly, Covid-19 has led to increased demand for drivers at least in the short-term but, looking ahead, there is a high risk of automation.

Employment in administrative roles has been in long-term decline, largely due to automation and hence this occupational area has a high Index score. Similarly, the Index scores for Skilled Trades groups vary but are generally high.

The nature of the Automation Index is such that it highlights occupations that are not only at risk of automation but also that present limited options for escaping the effects of automation by transitioning to similar occupations. Workers in these roles face a situation in which their skills are required in fewer jobs, and the jobs in which they could use their skills are exposed to a similarly high risk of automation. Hence, they will require more retraining to find an occupation that is at lower risk but less compatible with their existing skillset.

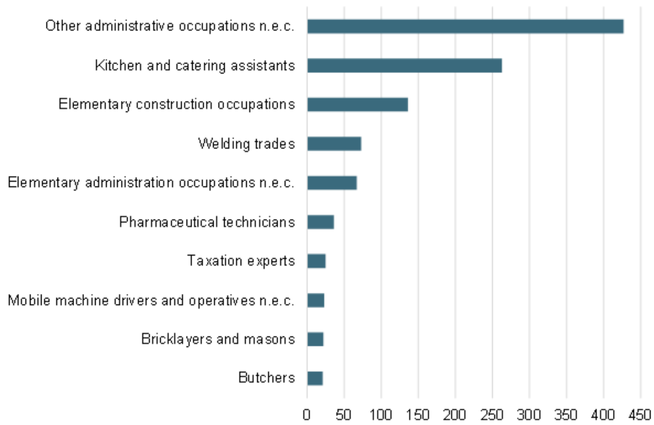
This is of particular concern since YNY has a high exposure to some of the occupations with the highest automation risk. This is the case for elementary trades, skilled agriculture trades, elementary administrative and service occupations and sales occupations; all of which have relatively high scores against the automation index.

22 Sven Smit et al., 'The Future of Work in Europe: Automation, Workforce Transitions, and the Shifting Geography of Employment' (discussion paper) McKinsey & Company, London, 2020.

23 The automation index captures an occupation's risk of being affected by automation using the following measures: % of time spent on high-risk work; % of time spent on low-risk work; number of high-risk jobs in compatible occupations.

To give a flavour of the detailed occupational areas judged to be at high risk of automation and their current levels of recruitment demand, the following figure sets out current volumes of job postings for occupational unit groups that are classified as high risk by Burning Glass[24] and also have a high (50%+) risk under the EMSI automation index.

Figure 46: Occupations at high risk of automation ranked according to volume of job postings, YNY



Note: Based on an analysis of on-line job postings for the period September 2020 to November 2020. Source: Labour Insight, EMSI

It shows a variety of occupations at high risk, most notably administrative occupations ("Other administrative occupations" includes general admin assistant type roles), plus skilled trades (welders and bricklayers), elementary manual roles from hospitality (kitchen assistants) and operatives (mobile machine drivers). The list is not limited to intermediate and lower-skilled occupations: taxation expert and pharmaceutical technician roles include a high proportion of tasks that have the potential to be codified and automated.

24 Data - Risk of Automation | Burning Glass Help Center (burning-glass.com)

5.10 Key trends shaping skills demand

Table 2, below, provides a summary of the key global and national trends that are shaping the demand for labour and skills and their implications for YNY.

Table 2: Trends in the employment and skills landscape

Trend	Description	Implications for YNY	References
Covid-19	The Covid-19 crisis and its economic impact may have structural effects on the UK economy and labour market as the crisis speeds up existing trends such as the shift to online shopping, whilst driving new trends such as increased home working.	▪ Hospitality is key to the YNY economy and is the sector most exposed to the short-term economic impact of Covid-19. ▪ Tourism dependent coastal communities like Scarborough and hospitality dependent cities such as York suffering. ▪ York is also an important retail centre and could be impacted by a reduction in footfall arising from a shift to remote working and increased online shopping. ▪ YNY already has a higher prevalence of remote working and it is well placed to take advantage of this trend.	OBR (2020) Economic and Fiscal Outlook, Nov 2020. Retrieved from: Economic and fiscal outlook – November 2020 - Office for Budget Responsibility (obr.uk) Social Market Foundation (2020) Assessing the Economic Implications of Coronavirus and Brexit. Retrieved from: https://www.smf.co.uk/wp-content/uploads/2020/06/Assessing-the-economic-impact-of-coronavirus-and-Brexit.pdf OECD (2020) Economic Survey of UK. Retrieved from: http://www.oecd.org/economy/surveys/United-Kingdom-2020-OECD-economic-survey-overview.pdf LSE (2020) Covid-19 and Brexit: Real-time updates on business performance in the United Kingdom. Retrieved from: https://cep.lse.ac.uk/pubs/download/cepcovid-19-006.pdf
Brexit	The UK's trade deal with the EU may lead to a restructuring of the economy. As well as initial customs and border disruption, the UK will see longer-term impacts from divergence from EU product standards and other regulations.	▪ YNY is exposed to restructuring of some of its most important sectors like manufacturing and agriculture, which offer tradable products and services. ▪ Brexit is likely to have a significant impact on particular groups such as blue-collar, male workers, with less formal education qualifications. ▪ Reduced migration could have a significant impact on the workforce of many of YNY's key sectors as they rely disproportionately on EU migrants.	OBR (2020) Economic and Fiscal Outlook, Nov 2020. Retrieved from: Economic and fiscal outlook – November 2020 - Office for Budget Responsibility (obr.uk) Social Market Foundation (2020) Assessing the Economic Implications of Coronavirus and Brexit. Retrieved from https://www.smf.co.uk/wp-content/uploads/2020/06/Assessing-the-economic-impact-of-coronavirus-and-Brexit.pdf IFS (2020) IFS Green Budget 2020. Retrieved from: https://www.ifs.org.uk/publications/15074 LSE (2020) Covid-19 and Brexit: Real-time updates on business performance in the United Kingdom. Retrieved from: https://cep.lse.ac.uk/pubs/download/cepcovid-19-006.pdf
Digitalisation	Growing importance of "expert systems" and digitalised processes creates a need for digital "user" skills to support ongoing employability, as well as a requirement for skills for digital specialist occupations.	▪ YNY needs to ensure that there is a sufficient pipeline of specialist digital skills and that these can be continuously refreshed ▪ All parts of the workforce need access to the basic digital skills needed to operate in the modern workplace. ▪ A good level of literacy, numeracy and problem-solving skills in technology-rich environments is key for individuals to operate in the digital world	Berger, T., Frey, B. Future Shocks and Shifts: Challenges for the Global Workforce and Skills Development. Paris: OECD. Retrieved from https://www.oecd.org/education/2030-project/about/documents/Future-Shocks-and-Shifts-Challenges-for-the-Global-Workforce-and-Skills-Development.pdf Bakhshi, H., Downing, J.M., Osborne, M.A & Schneider, P. (2017). The Future of Skills: Employment in 2030. Report prepared by Nesta and Oxford Martin School. Retrieved from: https://www.nesta.org.uk/documents/585/the_future_of_skills_employment_in_2030_0.pdf OECD (2019), OECD Skills Outlook 2019: Thriving in a Digital World, OECD Publishing, Paris, https://doi.org/10.1787/df80bc12-en.

Table 2: Trends in the employment and skills landscape

Trend	Description	Implications for YNY	References
Automation	▪ More tasks and jobs are subject to automation as a result of the development of AI and robotics. There is the potential to transform content of jobs and render entire occupational areas obsolete. Examples include autonomous manufacturing systems, service robots that can undertake cleaning tasks, use of robots in farming sector (e.g. to milk cows etc.). Scale of likely impact is disputed but still significant under all forecasts – 10% of jobs automated at low end. ▪ Technology can replace workers in rout	▪ Structural change driven by automation and other factors expected to impact local areas differently according to the structure of their existing employment base. ▪ YNY faces significant risk from automation due to presence of lower-skilled jobs and industry sectors like agriculture and manufacturing which are susceptible to automation. ▪ Without action to change structure of local economy, there is also a risk that future growth will be disproportionately driven by low-skilled and public sector jobs. ▪ Increased investment in reskilling for adults is needed to enable them to adapt to changing requirements of job or to move into new career. ▪ Businesses will have a crucial role to play in the adjustment process and in enabling workers to adapt through effective human resource management practices.	Berger, T., Frey, B. Future Shocks and Shifts: Challenges for the Global Workforce and Skills Development. Paris: OECD. Retrieved from https://www.oecd.org/education/2030-project/about/documents/Future-Shocks-and-Shifts-Challenges-for-the-Global-Workforce-and-Skills-Development.pdf Arntz, M., Gregory, T. & Ziehran, U. The Risk of Automation for Jobs in OECD Countries (OECD Social, Employment and Migration Working Papers No. 189). Retrieved from: https://www.oecd-ilibrary.org/social-issues-migration-health/the-risk-of-automation-for-jobs-in-oecd-countries_5jlz9h56dvq7-en PWC (2018). Will robots really steal our jobs?. PWC Report. Retrieved from: https://www.pwc.co.uk/services/economics-policy/insights/the-impact-of-automation-on-jobs.html Deloitte 2014. "Agiletown: the relentless march of technology and London's response." https://www2.deloitte.com/uk/en/pages/growth/articles/agiletown-the-relentless-march-of-technology-and-londons-response.html Nedelkoska, L. & Quintini, G. (2018). Automation, skills use and training (OECD Social, Employment and Migration Working Papers, No. 202). Paris, France: OECD. Retrieved from: https://www.oecd-ilibrary.org/employment/automation-skills-use-and-training_2e2f4eea-en Bakhshi, H., Downing, J.M., Osborne, M.A & Schneider, P. (2017). The Future of Skills: Employment in 2030. Report prepared by Nesta and Oxford Martin School. Retrieved from: https://www.nesta.org.uk/documents/585/the_future_of_skills_employment_in_2030_0.pdf Centre for Cities (2018). Cities Outlook 2018. London, UK: Centre for Cities. Retrieved from https://www.centreforcities.org/reader/cities-outlook-2018/
Globalisation	Exposure to international trade and greater integration within global supply chains drives economic specialisation and requirement for higher level skills, particularly in advanced manufacturing and high-value service activities; meanwhile lower-skilled and routine roles can be offshored to low-cost locations.	▪ Local skills system needs to respond to demand for higher level technical skills ▪ Ongoing decline of routine jobs needs to be addressed by re-skilling of affected workers	Berger, T., Frey, B. Future Shocks and Shifts: Challenges for the Global Workforce and Skills Development. Paris: OECD. Retrieved from https://www.oecd.org/education/2030-project/about/documents/Future-Shocks-and-Shifts-Challenges-for-the-Global-Workforce-and-Skills-Development.pdf OECD (2019), Getting Skills Right: Future-Ready Adult Learning Systems, Getting Skills Right, OECD Publishing, Paris, https://doi.org/10.1787/9789264311756-en.
Demographic change	Ageing population has a variety of implications for labour market: ▪ Longer working lives, creating need for reskilling of older workers and for wider support (e.g. around health) to retain them in employment ▪ Increasing demand for workers to care for elderly. Need to increase skills and productivity of wider workforce to counter increasing dependency-ratio.	▪ YNY is particularly exposed to issue of ageing workforce (see section 6.1) ▪ Skills system needs to develop tailored offer for older workers and employers need to consider how they can better retain workers.	OECD (2019), Getting Skills Right: Future-Ready Adult Learning Systems, Getting Skills Right, OECD Publishing, Paris, https://doi.org/10.1787/9789264311756-en. Bakhshi, H., Downing, J.M., Osborne, M.A & Schneider, P. (2017). The Future of Skills: Employment in 2030. Report prepared by Nesta and Oxford Martin School. Retrieved from: https://www.nesta.org.uk/documents/585/the_future_of_skills_employment_in_2030_0.pdf
Urbanisation	UK is witnessing a return to city centre living, with many city centres seeing strong population growth. Much of this growth is due to an influx of young professionals who are better qualified than wider population and attracted by growth in high skilled occupations plus city centre amenities. This is leading to the development of skilled cities and the potential emergence of a divide with towns and rural communities.	With its largely rural make-up outside York, YNY may need to consider how residents can connect to the opportunities emerging from the higher skilled opportunities that are increasingly concentrated in city centres.	Government Office for Science (2015) Future of Cities: An Overview of the Evidence. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/520963/GS-16-6-future-of-cities-an-overview-of-the-evidence.pdf Swinney, P., Carter, A. (2018) The UK's rapid return to city centre living. BBC. https://www.bbc.co.uk/news/uk-44482291

Table 2: Trends in the employment and skills landscape

Trend	Description	Implications for YNY	References
Changing work practices	A typical working patterns are becoming increasingly prevalent. Much of the employment growth seen in recent years has been due to increases in part-time employment, self-employment, together with the number of agency workers and workers on zero hours contracts. The rise of gig economy has also been widely documented. This has significant implications for access to training and development.	▪ A high proportion of workers in YNY are in atypical forms of employment. ▪ Skills provision will need to be increasingly flexible in the face of demand from self-employed workers, and those on zero hours and temporary contracts. ▪ Other aspects of job quality are also a concern – voluntary commitments by employers to providing good jobs may be required as a supplement to regulation.	Taylor, M., Marsh, G., Nicol, D. and Broadbent, P. (2017). Good Work: The Taylor Review of Modern Working Practices. London. https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices
Environmental sustainability	Carbon emissions are putting pressure on industry to innovate and develop new and cheaper sources of clean energy. This has implications for employment and for skills requirements. Analysis suggests there is potential for substantial employment growth in low carbon energy sectors in the North. At the same time, workers in existing carbon / energy-intensive industries could be negatively affected by the transition to low carbon. The clean growth agenda is shaping skills requirements across a wide range of industries, including construction. The continued development of the green economy and the associated demand for skills is highly susceptible to changes in government policy and regulation.	▪ Many residents in YNY have jobs in traditional energy generation activities and energy-intensive industries. ▪ Investment in skills is needed to support the transition towards clean energy and to ensure that renewable sectors can access the skills they require.	Baxter, D., Cox, E. (2017) A Northern Energy Strategy: the Final Report of the Northern Energy Taskforce. IPPR North: Manchester. https://www.ippr.org/publications/northern-energy-strategy Bakhshi, H., Downing, J.M., Osborne, M.A & Schneider, P. (2017). The Future of Skills: Employment in 2030. Report prepared by Nesta and Oxford Martin School. Retrieved from: https://www.nesta.org.uk/documents/585/the_future_of_skills_employment_in_2030_0.pdf
Emergence of new learning technologies	The skills system faces a significant and growing productivity challenge. Learners will need to develop a wider set of skills, at a faster rate and to higher-levels of achievement than ever before. New technologies have the potential to revolutionise learning and to enable disabled learners, adults learners who need to retrain and those with lower confidence levels to engage more easily and to achieve positive learning outcomes.	▪ The new learning technologies are particularly relevant to YNY in terms of providing flexible access to learning for rural communities that cannot readily access traditional learning opportunities in colleges.	Londesborough, M. (ed.) (2016) Possibility Thinking: Reimagining the Future of Further Education and Skills. London: RSA. https://fetl.org.uk/publications/possibility-thinking-reimagining-the-future-of-further-education-and-skills/
Changing consumer demand / preferences	Some non-tradable services, like food preparation, elementary services and hospitality have the potential for growth even though they have relatively low skill requirements. This is because they are associated with differentiated products, which consumers increasingly value.	▪ YNY has a strong reliance on the consumer-facing service economy and occupations linked to hospitality, tourism etc. ▪ These occupations may be ripe for job redesign and employee skills upgrading to emphasise further product / service quality and variety, as reflected in the re-emergence of artisan employment in occupations like barbering, brewing and textiles.	Bakhshi, H., Downing, J.M., Osborne, M.A & Schneider, P. (2017). The Future of Skills: Employment in 2030. Report prepared by Nesta and Oxford Martin School. Retrieved from: https://www.nesta.org.uk/documents/585/the_future_of_skills_employment_in_2030_0.pdf

6| Skills supply

Summary

- Overall, the LEP area has a strong skills base currently and a high-performing skills pipeline. However, the skills system has seen severe disruption during the latter part of the 2019/20 academic year because of Covid-19.
- The area faces a challenge of a declining and ageing population with implications for the size of the labour force and future skills supply. With a limited number of young people in the labour market, there is added urgency to the task of investing in the skills of existing members of the workforce.
- The LEP area has significant inward and outward commuting flows but these are virtually in balance. Commuting links are strongest with Leeds and the East Riding in terms of both inward and outward flows (with Bradford also significant in terms of outward flows).
- Remote locations and a lack of transport options present a particular challenge to local employers in addressing their skilled labour needs and result in hard-to-fill vacancies.
- The LEP area outperforms the national average in terms of its qualification profile and is one of the best performing northern LEPs in this regard.
- There is strong overall performance at Key Stage 4 within the LEP area. This means that unlike some other areas there is less pressure on the local post-16 skills system to bring people up to the qualification / skill level required for basic employability. However, Scarborough is an exception to this and consistently under-performs the wider LEP area in terms of attainment measures.
- There was a pronounced fall in apprenticeship starts of 21% in 2019/20, primarily due to the impact of Covid-19. This also exceeded the national average rate of decline. Hardest hit were intermediate apprenticeships and the three subjects of Business, administration and law, Retail and Commercial Enterprise and Health, public services and care.
- Higher apprenticeship provision is narrowly concentrated in subject terms, and there is little sign that this is changing over time. This constrains the responsiveness of provision to the full range of higher-level skills needs, including in technical subjects.
- There are issues around the inclusiveness of apprenticeships in respect of access for the disadvantaged and in terms of gender segregation.
- Adult education provision is weighted towards qualifications at or below level 2 and is concentrated in subjects like Health and social care and Retail and commercial enterprise.
- Based on 2018/19 data local performance is strong with regard to both apprenticeship achievement and in terms of sustained positive destinations for both apprentices and for participants in wider FE and skills programmes.
- There is a strong focus on biological, physical and mathematical sciences, plus social studies, languages and historical and philosophical studies within local HE provision. It is under-represented across a range of subjects including computer science, engineering and technology, architecture, building and planning, as well as business and administrative studies, mass communications and documentation and creative arts and design.
- The economic benefit that local areas derive from their higher education institutions is largely determined by the degree to which qualifiers remain in the area following graduation. Two-fifths of graduates from YNY institutions remain in Yorkshire and the Humber one year after qualifying, although this proportion remains largely steady to the five-year point. York St John University has a much higher retention rate, reflecting the fact that it recruits many of its students from the local area.
- Although the LEP area performs well relative to the national average with regard to the employment performance of disadvantaged groups, the disabled and older workers still face marked employment rate gaps.
- Close to two-fifths of local employers acknowledge that they under-invest in training relative to business needs.
- Access to job-related training is unequal. Most notably, workers with lower levels of qualifications are less likely to receive training than those qualified at a higher level.

Getting the right skills in place is key to achieving inclusive growth: employers need workers with the right skills to meet market requirements and drive productivity growth, while individuals need a range of skills to get a job and to progress in employment. The following section provides an assessment of the current profile of skills and qualifications in the local area, together with the quality of the skills “pipeline” provided by apprenticeships, higher education, workforce development and other sources of skills supply.

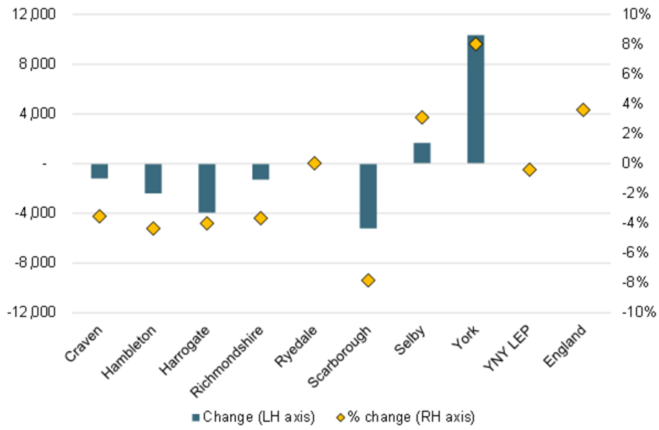
6.1 Local demographics

Changes in the structure of the local population have an important influence on the available labour supply.

The LEP area has seen a stagnation in the size of its working age population

The LEP area has a total population of 829,000 with 501,000 (60%) of working age (16-64). The working age population of the LEP area remained static in size over the course of the last decade (2009 – 2019), in contrast to the national picture, which saw an expansion of 4%. The majority of districts saw decline, with Scarborough experiencing the most pronounced falls, whilst two districts - York and Selby, saw growth and Ryedale remained static. In contrast, York saw substantial growth of 8%, which served partially to offset reductions in other districts.

Figure 47: Change in working age population by district, 2009 to 2019



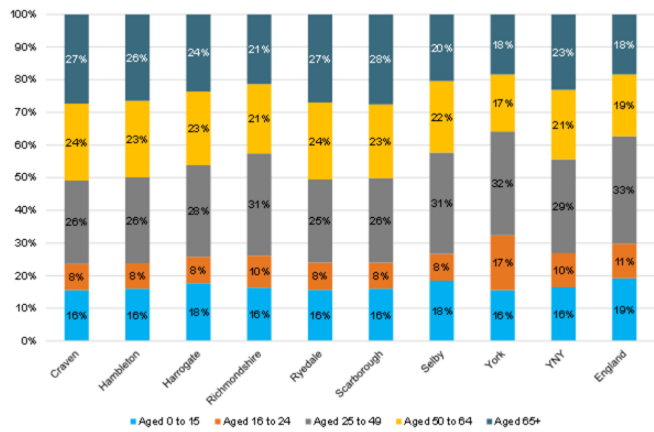
Source: Mid-year Population Estimates, Office for National Statistics

The LEP area and most of its constituent districts have an ageing population. 23% of the population is aged 65 and over compared with a national average of 18%. This proportion rises to 27% in Craven and Ryedale and to 28% in Scarborough.

The populations of four districts – Hambleton, Scarborough, Ryedale and Craven - have a median age that is around 50; 10 years older than the national median of 40 years.

The main exceptions to this pattern are York and Selby, where the age profile is much younger and only 18% and 20% of the population respectively are aged 65 and above.

Figure 48: Age profile of population, 2019



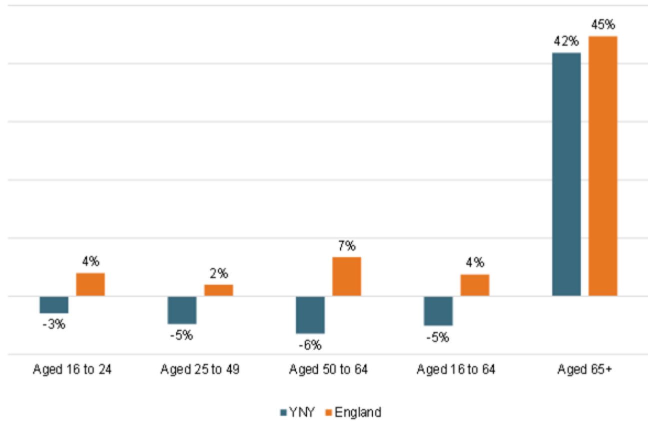
Source: Mid-year Population Estimates 2018, Office for National Statistics

Population projections produced by ONS suggest that the number of people of working age in the LEP area will continue to decline in the period to 2043, in contrast to the expected national position.

Projections suggest that the local working age population will fall by 5% over this period compared with growth of 4% nationally. In absolute terms this is a reduction of 25,000 in the number of people aged 16-64. This decline is driven by a degree of population contraction across all age bands between 16 and 64 but in absolute terms the main contributors are reductions of 11,000 in both the number of people aged 25 to 49 and the number of people aged 50 to 64.

Meanwhile, the number of 65 year olds and older is highly likely to increase by more than 40% or 78,000.

Figure 49: Projected population change by age band, 2018 to 2043



Source: Mid-year Population Estimates 2018, Office for National Statistics

At district level, both Selby and Ryedale will see growth in the size of their working age populations - of 9% and 2% respectively over this period. All other districts are set for decline, ranging from -2% for York through to -15% for Richmondshire, -11 % for Harrogate and -10% for Hambleton.

6.2 Commuting

Commuting behaviour has a key bearing on the labour supply that is available to meet demand from local employers.

The LEP area has significant inward and outward commuting flows

The LEP area is characterised by strong commuting flows, with large numbers of local residents travelling out of the area to work and a considerable number commuting into the area from neighbouring LEPs.

Almost four-fifths of local residents (79%) in employment work in the area (250,000 people) with the remaining fifth (66,000 people) commuting to jobs elsewhere. Around a fifth (21%) of people who work in the area commute from outside - 67,000 in absolute terms.

Inward and outward commuting flows are therefore almost in balance: with the number of outward commuters offset by the people who travel into the area to work.

Last year's labour market analysis shows YNYER to have had a net outward flow of workers in higher skilled jobs. This is primarily a feature of the East Riding and does not apply to York and North Yorkshire.

The main destinations for outward commuters from the LEP area are:

- Leeds, which is the destination for 22,000 commuters, mainly residents of Harrogate, Selby and York.
- Bradford, which is the destination for around 6,000 commuters, primarily from Craven.
- The East Riding, the destination for around 5,000 commuters, mostly from York and Selby.

There are also significant flows from Selby to Wakefield. Looking northwards, there is outward commuting to Middlesbrough (principally from Hambleton), Darlington (Richmondshire) and Stockton-on-Tees (Hambleton).

Leeds and the East Riding are by far the most significant sources of inward commuters (12,000 and 11,000 respectively), followed by Bradford and Wakefield in West Yorkshire and then by Darlington, Stockton-on-Tees and Redcar and Cleveland in the Tees Valley LEP area. There are also significant inward flows from Doncaster into the East Riding.

The proportion of people in employment who work outside their home district ranges from 18% for Scarborough to 59% for Selby. Therefore, in the case of Selby more residents work outside their home district than work within it.

Relatively few people in employment commute within the LEP area i.e. travel between constituent Local authority districts for work, compared with those who commute outside of the LEP area. Of the 38,000 people (12% of the total) who do, the largest flows are between the Selby and York, York and Hambleton and Hambleton and Harrogate. At the other end of the spectrum, only 4% of employed residents of Craven travel to other districts in the LEP area, although 40% commute outside the LEP area. Not surprisingly, York is the largest focal point for inward commuting among LEP area residents, with around 12,000 travelling into York and around 9,000 commuting out from York to surrounding districts.

Table 3: YNY commuting Patterns, people aged 16 and over

	Live in area, work in area	Live in area, work outside area	Work in area, live outside area	Net inward commuting	Commute within LEP area	Commute outside LEP area	% of residents who live in area, work in area	% residents who work outside area	% of those working in area who live outside area	% residents who commute within LEP area
Craven	11,763	9,131	8,901	-230	786	8,345	56%	44%	43%	4%
Hambleton	20,799	13,989	17,621	3,632	6,197	7,792	60%	40%	46%	18%
Harrogate	45,408	18,423	19,366	943	5,005	13,418	71%	29%	30%	8%
Richmondshire	13,801	7,113	7,255	142	2,990	4,123	66%	34%	34%	14%
Ryedale	12,012	6,473	7,047	574	4,379	2,094	65%	35%	37%	24%
Scarborough	31,348	6,899	5,058	-1,841	3,215	3,684	82%	18%	14%	8%
Selby	14,362	20,937	13,235	-7,702	6,769	14,168	41%	59%	48%	19%
York	62,209	21,187	25,651	4,464	8,995	12,192	75%	25%	29%	11%
LEP area	250,038	65,816	66,523	707	38,336	65,816	79%	21%	21%	12%

Source: Census of Population 2011

The LEP area has a high prevalence of home / remote working

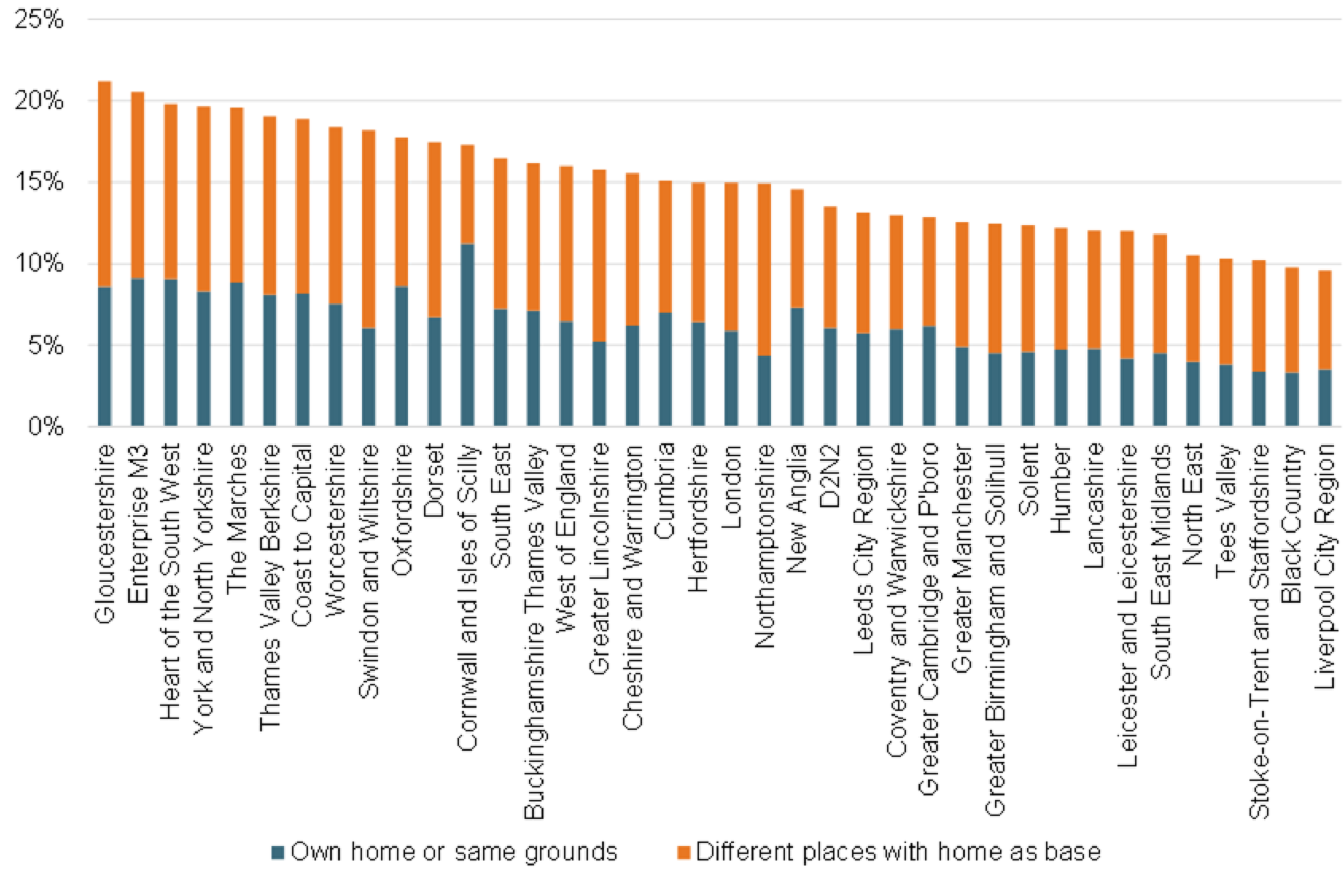
YNYER[25] has a very high degree of home working, with 19% of people in employment mainly working from home according to the latest data available.

The figures presented here pre-date the Covid crisis and undoubtedly understate the current prevalence of homeworking to a substantial extent. For example, national data from the Office for National Statistics shows that 47% of people in employment did some work at home during April 2020. Of those, 86% did so due to the coronavirus (COVID-19) pandemic.

It seems clear that York and North Yorkshire has a relatively high proportion of jobs lending themselves to home working. National data suggest that many of these jobs fall within occupations requiring higher qualifications and more experience whilst elementary and manual occupations are less likely to offer homeworking opportunities.

In the context of Covid-19 this is a major strength, contributing to increased resilience in the local economy.

Figure 50: Home working in main job by LEP area



Note: Home workers include people who work from own home, same grounds or building as home or work from different places with home as a base.
Source: Annual Population Survey, Jan – Dec 2019.

25 The latest data available cover the previous geographic definition of the LEP area i.e. including the East Riding.

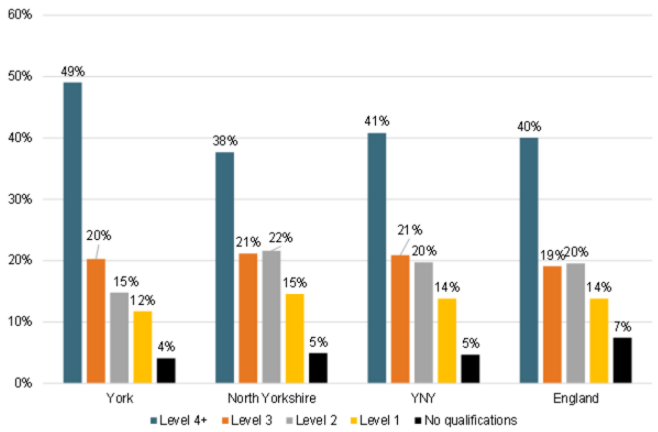
6.3 Qualification profile

The qualification profile of the population is a key indicator of the quality of local skills supply.

The LEP area has a strong qualification profile

The LEP area performs relatively strongly in this regard. The proportion of local people qualified at tertiary level (level 4 and above) is slightly higher than the national average (41% versus 40%), whilst the proportion with no formal qualifications is smaller (5% versus 7%). YNY LEP is ranked second out of all northern LEPs (behind Cheshire and Warrington) both with regard to the proportion of people qualified below level 2 and in respect of people qualified at level 4 and above.

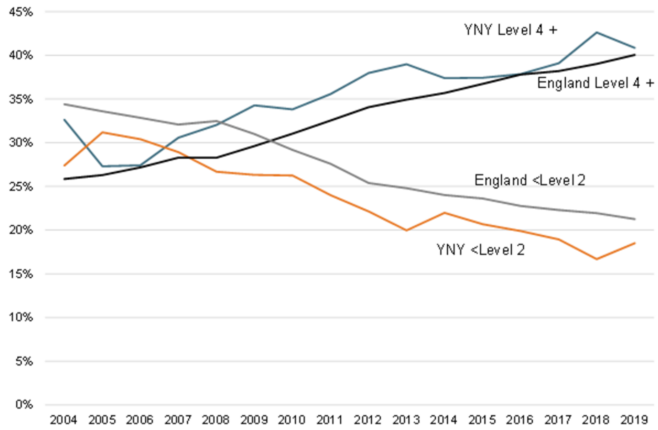
Figure 51: Profile of highest qualification held by working age (16-64) population



Source: Annual Population Survey, Jan – Dec 2019

There is variation within the LEP area in terms of skills profile. York easily outperforms the national average on higher level qualifications whilst North Yorkshire is slightly below the average. On a positive note, only 1 in 20 of the area's working age population lack formal qualifications.

Figure 52: Trend in highest qualification held, level 4 and above and below level 2



Source: Annual Population Survey

The LEP area has seen a steady improvement over time in its qualification profile, both in terms of growth in the proportion of people qualified at a high level and an ongoing reduction in the proportion qualified below level 2. With regard to the latter measure, the area has consistently outperformed the national average.

The LEP area performs strongly on Key Stage 4 attainment with only Scarborough significantly below the national average

The LEP area's overall performance against the main accountability measures at Key Stage 4 is well ahead of the national average. This strong performance is also evident at district level with the notable exception of Scarborough, which consistently under-performs, although Richmondshire is below the national average for some indicators.

Table 4: Summary of achievement against Key Stage 4 indicators by district, 2018/19 (revised)

	Average Attainment 8[26] score per pupil	Average Progress 8 score[27]	% of pupils who achieved grade 9-4 in English and Maths GCSEs	% of pupils who achieved grade 9-5 in English and Maths GCSEs
Craven	53.9	0.26	76%	55%
Hambleton	47.4	0	68%	44%
Harrogate	53.4	0.30	78%	57%
Richmondshire	45.4	-0.02	62%	37%
Ryedale	48.2	0.20	66%	44%
Scarborough	39.8	-0.35	54%	33%
Selby	48.2	0.16	71%	49%
York UA	51.4	0.22	74%	51%
York and North Yorkshire	48.1	0.12	70%	48%
England	46.7	-0.03	65%	43%

Source: Department for Education

The average Attainment 8 score per pupil for the LEP area is higher than the national average. At district level, only Scarborough and Richmondshire have an average score that is below the national average.

The average Progress 8 score for the LEP area is positive, meaning that pupils have exceeded expectations in terms of their attainment. In contrast, the national figure is slightly negative. Among the nine districts, only the figures for Scarborough and Richmondshire are negative. Richmondshire still outperforms the national average.

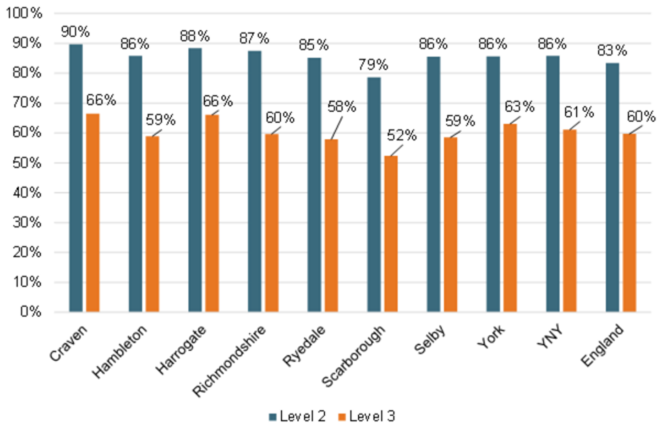
The area also easily outperforms the national average in respect of attainment against English and Maths GCSEs. This is the case for both indicators. Again, Scarborough under-performs by a significant margin, with Richmondshire also below the national average for both indicators. At the other end of the spectrum Craven, Harrogate and York perform very strongly.

The overall attainment of young people at level 2 and level 3 is strong

The attainment of young people at age 19 provides an important insight into the in-flow into the labour market of qualified people.

The LEP area performs fairly strongly relative to the national average in terms of the qualification attainment of young people. The proportion of people achieving level 2 equivalent by the age of 19 in the LEP area is 86%, 3 points above the national average and it is 7 points higher in Craven. Only Scarborough is below the national average on this measure of attainment.

Figure 53: Proportion of young people achieving qualifications at level 2 and level 3 equivalent by age 19 in 2019



Source: Department for Education

By the age of 19, 61% of young people in the LEP area are qualified at level 3, 1 point above the national average. Three districts are below the average in respect of this indicator but only Scarborough is to a significant degree. At the other end of the spectrum Craven and Harrogate are both 6 points above the national average on level 3 attainment.

26 Attainment 8 measures a student's average grade across eight subjects and is designed to encourage schools to offer a broad, well-balanced curriculum. A student's Attainment 8 score is calculated by adding up their points for their eight subjects and dividing by 10 to get their Attainment 8 score.

27 Progress 8 measures a student's progress between Key Stage 2 and Key Stage 4 across eight key subjects. It shows whether students have performed to expectation, based on a value-added measure.

Table 5: Top apprenticeship providers in YNY based on number of starts in 2019/20		
Provider name	**Provider type**	**2019/20starts**
BRITISH ARMY	Other Public Funded i.e LAs and HE	3,493
YORK COLLEGE	General FE College incl Tertiary	277
LEEDS CITY COLLEGE	General FE College incl Tertiary	199
LIFETIME TRAINING GROUP LIMITED	Private Sector Public Funded	163
HIT TRAINING LTD	Private Sector Public Funded	107
SELBY COLLEGE	General FE College incl Tertiary	94
KAPLAN FINANCIAL LIMITED	Private Sector Public Funded	92
CRAVEN COLLEGE	General FE College incl Tertiary	89
YH TRAINING SERVICES LIMITED	Private Sector Public Funded	88
LEEDS COLLEGE OF BUILDING	General FE College incl Tertiary	87
ASKHAM BRYAN COLLEGE	Special Colleges	84
BABCOCK TRAINING LIMITED	Private Sector Public Funded	80
DARLINGTON COLLEGE	General FE College incl Tertiary	77
MIDDLESBROUGH COLLEGE	General FE College incl Tertiary	62
EDEN TRAINING SOLUTIONS LIMITED	Private Sector Public Funded	51
DERWENTSIDE COLLEGE	General FE College incl Tertiary	49
CITB	Other Public Funded i.e LAs and HE	25
PEOPLEPLUS GROUP LIMITED	Private Sector Public Funded	22
NORTH YORKSHIRE COUNTY COUNCIL	Other Public Funded i.e LAs and HE	17
HULL COLLEGE	General FE College incl Tertiary	10

Note: Starts figures relate to apprenticeships undertaken by YNY residents. Source: ESFA

Table 6: Top education and training providers in YNY based on 19+ Education and Training participation in 2019/20

Provider name	Provider type	2019/20 participation
NORTH YORKSHIRE COUNTY COUNCIL	Other Public Funded i.e LAs and HE	1,205
YORK COLLEGE	General FE College incl Tertiary	1,160
DARLINGTON COLLEGE	General FE College incl Tertiary	1,058
TEC PARTNERSHIP	General FE College incl Tertiary	626
CITY OF YORK COUNCIL	Other Public Funded i.e LAs and HE	562
CRAVEN COLLEGE	General FE College incl Tertiary	533
SELBY COLLEGE	General FE College incl Tertiary	404
LEEDS CITY COLLEGE	General FE College incl Tertiary	278
ASKHAM BRYAN COLLEGE	Special Colleges	230
LEARNING CURVE GROUP LIMITED	Private Sector Public Funded	189
YH TRAINING SERVICES LIMITED	Private Sector Public Funded	181
MIDDLESBROUGH COLLEGE	General FE College incl Tertiary	175
EAST RIDING COLLEGE	General FE College incl Tertiary	167
THE WHITE ROSE SCHOOL OF BEAUTY AND COMPLEMENTARY THERAPIES LIMITED	Private Sector Public Funded	148
BRIDGWATER AND TAUNTON COLLEGE	General FE College incl Tertiary	129
HULL COLLEGE	General FE College incl Tertiary	126
NOTTINGHAM COLLEGE	General FE College incl Tertiary	28

Note: Learners figure relate to YNY residents undertaking learning. Source: ESFA

6.4 Apprenticeships

Apprenticeships are a key means for employers to grow their own skills and to address their specific needs, particularly in areas of skills shortage.

More than 40% of apprenticeship starts provided by the British Army

There were 7,740 apprenticeship starts in the LEP area in the 2019/20 academic year[28], the latest full year for which data are available.

A distinguishing feature of the LEP area is the significant presence of the British Army. In 2019/20 there were almost 3,490 army apprenticeship starts locally, accounting for 45% of total starts and almost entirely concentrated in Richmondshire. This is a hugely distorting factor when seeking to understand local apprenticeship provision; therefore, Army apprentices have been excluded from the main analysis set out below.

With Army figures not included, it leaves 4,250 starts for 2019/20.

Private providers play a leading role in apprenticeship delivery

Private providers accounted for the majority of apprenticeship starts in the LEP area, contributing 55% of the total in 2019/20 (when the British Army is excluded from the figures). General FE colleges were responsible for less than one in three starts overall whilst special colleges such as Askham Bryan occupy a relatively niche provision in terms of total starts (3% of the total).

Table 7: Profile of apprenticeship starts by provider type in YNY in 2019/20

Provider Type	Starts	% of total
Private Sector Public Funded	2,343	55%
General FE College incl Tertiary	1,278	30%
Other Public Funded i.e LAs and HE	499	12%
Special Colleges	129	3%
Sixth Form College	1	0%
Total	**4,250**	

Note: Starts figures relate to apprenticeships undertaken by YNY residents.

However, colleges make a more substantial contribution in particular subject areas. General FE colleges delivered 68% of construction starts and 56% of engineering starts in 2019/20. Meanwhile Askham Bryan was the key provider for apprenticeships in agriculture.

Table 5 provides a listing of the leading apprenticeship providers in YNY in terms of starts. This shows that national providers and providers based outside the LEP area deliver a significant proportion of apprenticeships to local people.

Four subjects dominate apprenticeship provision: Business, admin and law, Health, public services and care, Engineering / manufacturing and Retail and commercial enterprise.

Much of the British Army's apprenticeship provision is classified as Public Services in subject terms but its provision is also represented in Engineering.

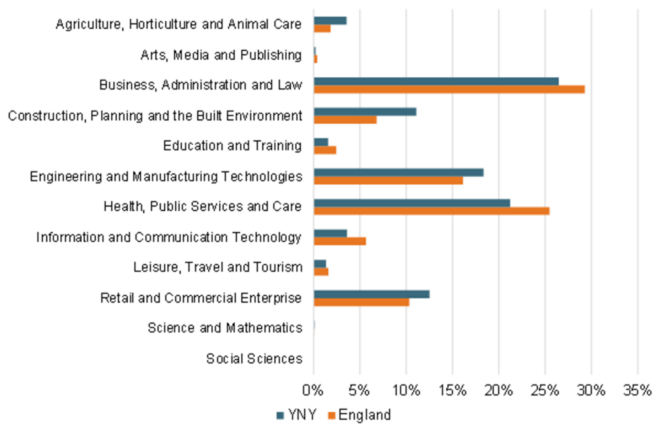
When army provision is excluded, the subject profile of starts in the LEP area is broadly similar to the national average, as Figure 54 shows. The largest subjects are Business, administration and law, which contributes 26% of total starts locally; Health, public services and care (25%); Engineering and Manufacturing Technologies (18%); and Retail and commercial enterprise (13%). See below for an analysis of the fit between the profile of provision and demand in the local labour market (see section 6.12).

Agriculture, horticulture and animal care apprenticeships account for a small proportion (4%) of total apprenticeship starts, although they are twice as prevalent as nationally. This may be because the size of agricultural holdings locally means that they are unable to offer the range of experiences required to complete an apprenticeship[29].

The profile of starts by level is very similar to the national average, with higher level starts contributing 25% of the total locally (versus 26% nationally), advanced 44% of starts (44% nationally) and intermediate starts 30% (29% nationally).

Young apprentices, aged under 19, also account for a higher proportion of total starts, at 27%, than nationally, where the figure is 24%. Adult apprentices (aged 25+) are correspondingly less well represented at 44%, compared with a national average of 47%. Advanced apprenticeships account for the remaining 29% of starts locally, similar to the national average of 30%.

Figure 54: Comparison of profile of apprenticeship starts by framework sector subject area, 2019/20



Source: Education and Skills Funding Agency
Note: YNY figures exclude apprenticeships provided by British Army

28 Unless otherwise stated all figures refer to apprenticeships undertaken by residents of the LEP area, irrespective of where the learning is delivered. British Army apprentices are classified as residents of the LEP area for the purposes of the ESFA's management information system.

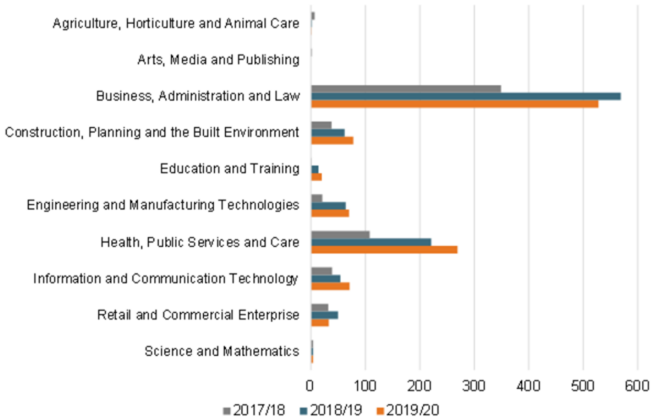
29 Beyond 2030 (2018) Future skills needs in the York, North Yorkshire and East Riding Local Enterprise Partnership Area. Agri-Tech: Agriculture.

Starts by females account for around 46% of total starts locally, below the national average of 49%. It is also notable that this proportion has fallen over time (see below).

Higher apprenticeship starts are narrowly concentrated in terms of subject

As higher skilled jobs increasingly dominate the employment scene, higher level apprenticeships gain greater significance, particularly for occupations in which exposure to the workplace is key. Higher apprenticeships are a relatively small but growing element of apprenticeship provision.

Figure 55: Profile of higher apprenticeship starts by framework sector subject area, YNY, 2019/20



Source: Education and Skills Funding Agency
Note: YNY figures exclude apprenticeships provided by British Army

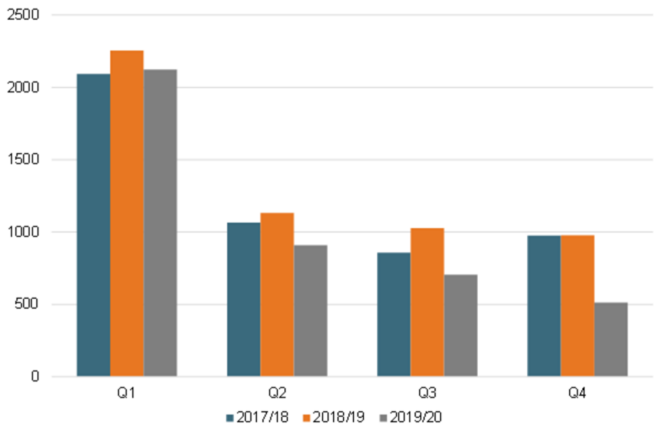
However, concern remains that higher apprenticeship availability in the local area is narrowly concentrated in a few subject areas, with 74% of all higher level starts falling within Business, administration and law and Health, public services and care. This proportion has remained fairly constant over the last three years. Of the first of these subject areas, most starts are in management and accountancy apprenticeships; of the second, care leadership and management, nursing associate and Police Constable degree apprenticeship have the highest take-up. The number of higher apprenticeships in the technical areas of construction, engineering and information technology have all grown in the last three years but from a low base; they currently account for 6%, 3% and 6% of total higher apprenticeship starts respectively. Engineering and construction, in particular, are occupational areas within which apprenticeships are a core component of people development arrangements at intermediate and advanced levels and offer a particularly valuable mechanism for addressing skills needs in these parts of the economy.

Apprenticeship starts fell by 21% in 2019/20 academic year, with intermediate apprenticeships and the three subjects of Business, administration and law, Retail and Commercial Enterprise and Health, public services and care hardest hit.

The LEP area saw a fall in the overall number of apprenticeship starts of 21% in 2019/20, compared with the previous year, exceeding the national decline of 19%. The decline was associated with the impact Covid-19 as the imposition of lockdown resulted in the closure of colleges and some employers were unable to start or continue apprenticeships as planned.

As Figure 56 demonstrates, the impact was largely registered on starts in quarters 3 and 4 of the academic year (March to May and June to August), with starts running at 69% of the previous year in quarter 3 and only 52% in quarter 4.

Figure 56: Apprenticeship starts by quarter – comparison of academic years for YNY



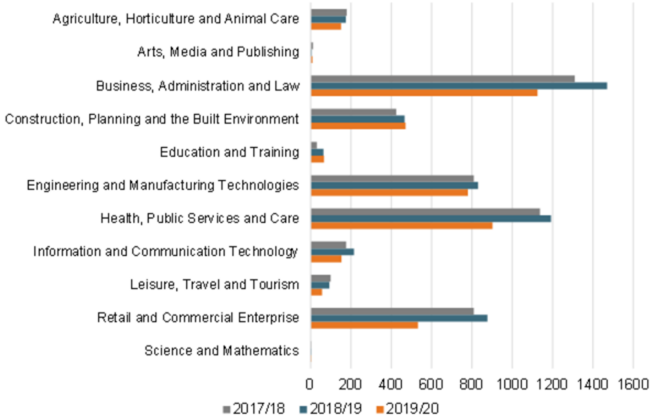
Source: Education and Skills Funding Agency

The academic year saw a significant fall in intermediate apprenticeship starts, of 34% or 660 in absolute terms, a faster rate of decline than the national average of 31%. However, advanced starts also fell by a fifth (22%), equivalent to 520 fewer starts at this level and a steeper decline than the national average of 19%. Higher apprenticeships continued to grow, with the number of starts expanding by 3%. The growth at higher level was from a small base; therefore, the increase of 34 in absolute terms did little to offset the contraction at the other levels. Moreover, the rate of growth was much lower than the national average of 10%.

The LEP area saw a similar rate of decline in young apprenticeship (under-19) starts as nationally (both -22%) but this was offset by deeper declines for both 19-24 year olds (20% versus -18%) and adults aged 25 and over (-22% compared with -16%).

The bigger contributors to the decline in subject terms were Business, administration and law (-345), Retail and Commercial Enterprise (-345) and Health, public services and care (-290). Within the Health, public services and care category, starts fell to a particularly marked extent (by 46%) for health and social care apprenticeships.

Figure 57: Trend in apprenticeship starts by subject area, YNY



Source: Education and Skills Funding Agency

None of the tier 1 subject areas saw significant growth in 2019/20. However, at tier 2 the number of nursing apprenticeships grew by 68 from a low base of 13. At this level the main areas of decline were %), Health and Social Care (-274; -33%), Business Management (-117; -20%) and Hospitality and Catering (-183; -45%).

6.5 Inclusion within apprenticeships

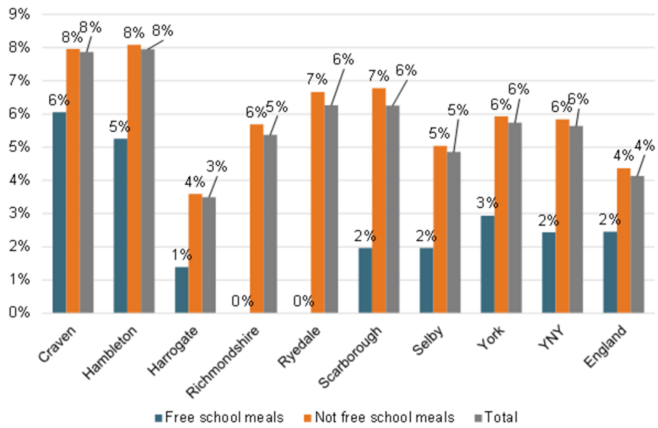
In considering the supply of skills within the local area, we need to take account of the inclusiveness of the skills pipeline, as well as the extent to which it is sufficient to meet needs.

In some districts, disadvantaged pupils are less likely to access apprenticeships on leaving school than other pupils

In the case of apprenticeships, which should provide an important mechanism for social mobility, there are issues about the degree to which they are inclusive.

There is widespread acknowledgement that disadvantaged pupils are less likely to access apprenticeships on leaving schools than other pupils.

Figure 58: Proportion of pupils entering sustained apprenticeships following completion of key stage 4, by free school meal status



Note: Analysis shows 2018/19 destinations for the 2017/18 cohort (state-funded schools, mainstream and special). Destination sustained for at least two terms. Source: Department for Education.

All districts in the LEP area, with the exception of Harrogate (3%), have overall apprenticeship entry rates following Key Stage 4 that are above the national average. The rates vary from 8% in Craven and Hambleton to 6% in Ryedale, Scarborough and York, to 5% in Selby and Richmondshire, compared with 5% nationally.

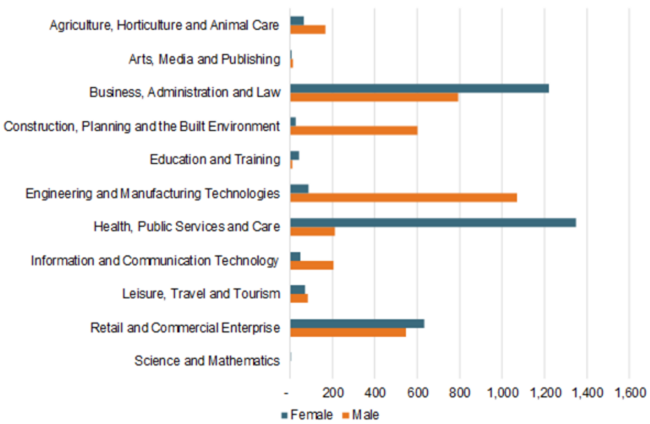
However, all districts had apprenticeship entry rates for disadvantaged pupils that were lower than for other pupils in 2018/19. To place this into context the number of pupils eligible for free school meals is small in some districts, particularly Ryedale and Richmondshire.

Making apprenticeships more inclusive is a key challenge

Another issue is that take-up of apprenticeships is highly segregated by gender and subject, reflecting a broader national pattern. For example, 83% of starts on Health, public services and care apprenticeships were for females but the proportion for Construction, planning and the built environment was only 7%. A range of national research shows that male-dominated apprenticeships such as construction and engineering offer better pay and prospects than those in which females are concentrated.

Around 5% of apprentices in YNY are from an ethnic minority, which is slight higher than the overall representation of people from ethnic minorities in the wider population.

Figure 59: Apprenticeship starts by gender and sector subject area, YNYER, 2017/18



Source: Education and Skills Funding Agency
Note: YNYER figures exclude apprenticeships provided by British Army

Information on the level of take-up of apprenticeships clearly provides only part of the picture and needs supplementing by analysis of outputs and outcomes in order to understand the quality of provision fully. Qualification achievement rates show how many learners that started a qualification went on to complete successfully.

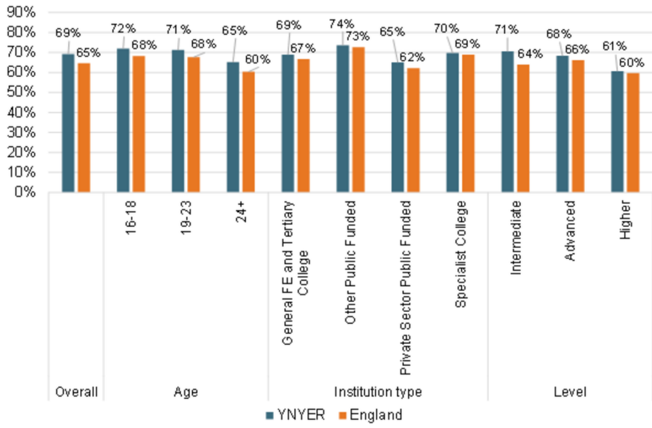
6.6 Achievement and positive destination rates

The various headline achievement rate indicators show that residents of the LEP area have access to apprenticeship provision of a high quality.

Achievement rates for the LEP area consistently outperform the national average

The overall achievement rate of YNYER[30] is 4 points higher than the national average. A ranking of LEPs' overall achievement rates places YNYER seventh out of 38 LEPs, with Cornwall and Isles of Scilly topping the ranking (72%), followed by Cumbria (71%) and the Marches (also 71%). YNYER's overall achievement rate is around 10 points higher than the rate for the lowest ranked area, London (59%)

Figure 60: Apprenticeship achievement rates, 2018/19 academic year

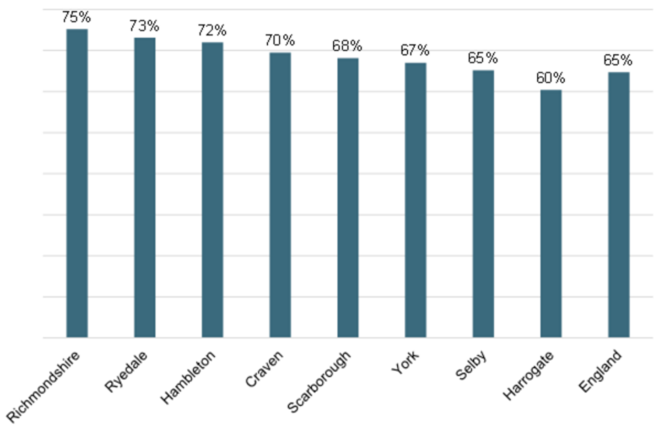


Note: Achievement rates for YNY relate to learners resident in the LEP area
Source: Department for Education

Focusing on differences in performance by type of scheme, achievement tends to be higher for younger apprentices aged 16-18 and 19-23 compared with the over-24s. Intermediate apprenticeships deliver higher achievement rates relative to the advanced level in the LEP area, in contrast to the national picture where advanced apprenticeships perform better. The LEP area's higher apprenticeship rates have improved by 3 points since last year, overtaking the national average and closing the gap with intermediate and advanced level apprenticeships. The LEP area now outperforms the national average on all key dimensions of achievement rates as set out in the chart.

30 Achievement rate data are only available for the previous footprint of the LEP area, which includes the East Riding.

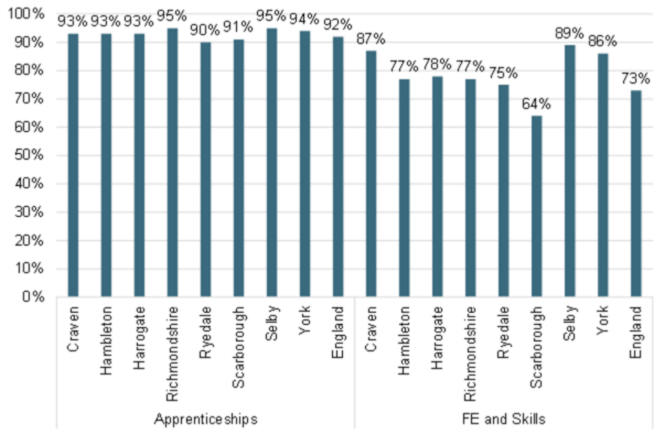
Figure 61: Apprenticeship achievement rates by district, 2018/19 academic year



Note: Achievement rates for YNY relate to learners resident in each district
Source: Department for Education

There was also a marked difference in achievement rates at district level within the LEP area. At one extreme the achievement rate was only 60% for Harrogate residents during 2018/19 and at the other it was 75% for residents of Richmondshire.

Figure 62: Proportion of learners entering a sustained positive destination by learning type



Note: Analysis relates to people who completed learning in 2017/18 academic year
Source: Outcome-Based Success Measures, Department for Education
Note: Achievement rates for YNY relate to learners resident in each district
Source: Department for Education

Figure 62 shows the proportion of learners who progress to a sustained destination in learning or employment (or both) following completion of an eligible FE qualification or apprenticeship.

All districts in the area, except for Ryedale and Scarborough, have sustained positive destination rates for apprenticeships that are equal to or ahead of the national average. Destination rates are consistently at or above 90%.

In the case of wider FE/skills provision only one district, Scarborough, falls below the national average. This may reflect the less favourable labour market conditions prevailing here. Selby and York have positive destination rates more than 10 points higher than the national average.

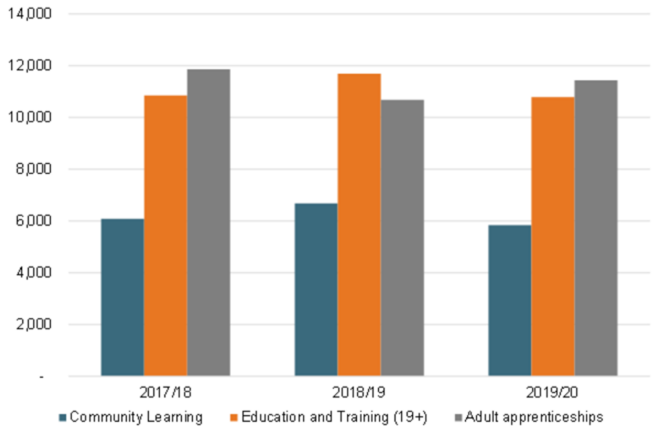
6.7 Adult education

Adult education is a key mechanism for upskilling and re-skilling adults, to support them into work or to enable them to progress within work.

Around 16,000 local people undertook government-funded adult (19+) education in 2019/20

During 2019/20 academic year, 10,800 YNY adults (aged 19+) participated in classroom-based further education courses funded by government, with a further 5,840 participating in Community Learning.

Figure 63: Participation in further education and skills programmes (funded learners aged 19+), YNY



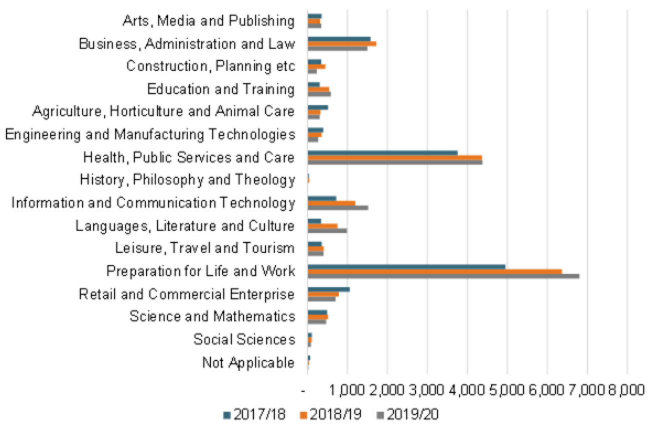
Source: Education and Skills Funding Agency

The number of Education and Training and Community Learning participants both fell in 2019/20, by 13% and 8% respectively.

The number of enrolments funded through Education and Training fell by 15%

There were 18,640 funded enrolments on adult Education and Training courses in YNY in the 2019/20 academic year. This represents a small 2% (+340) increase on the previous year. Around 80% of these enrolments were funded through the Adult Education Budget in 2019/20.

Figure 64: Education and Training funded enrolments by sector subject area, (learners aged 19+), YNY



Source: Education and Skills Funding Agency

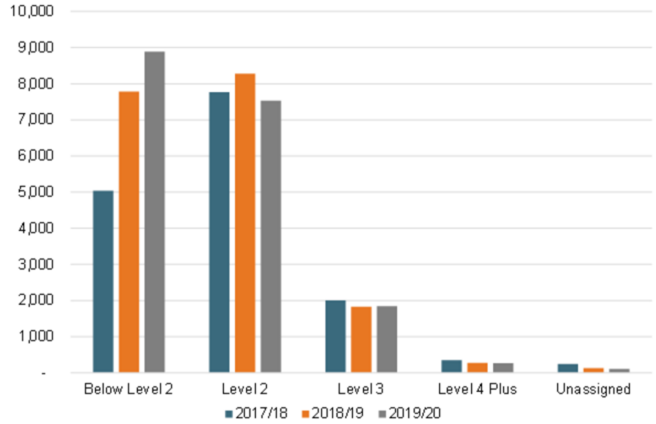
A number of subject areas saw falls in enrolments, however, including:

- Business, Administration and Law (-230; -13%)
- Engineering and Manufacturing Technologies (-85; -24%)
- Retail and Commercial Enterprise (-82; -10%).

However, these declines were offset by growth in other subjects, including:

- Information and Communication Technology (+327; +27%)
- Construction (+210; +47%)
- Preparation for Life and Work (+439; +7%).

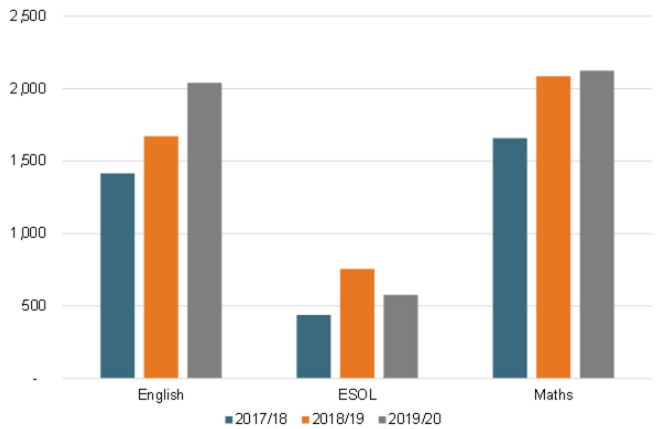
Figure 65: Education and Training funded enrolments by level, (learners aged 19+), YNY



Source: Education and Skills Funding Agency

In terms of the level of provision, there was a continuation of strong growth in enrolments at below level 2, of 14% (+1,100) in 2019/20. However, this was largely offset by a decline in enrolments at level 2 of 9% (-750). The number of enrolments at level 3 and level both saw little change.

Figure 66: Education and Training funded enrolments by basic skills type, (learners aged 19+), YNY



Source: Education and Skills Funding Agency

Basic skills enrolments increased by 5% (+230) during 2019/20, with strong growth of 22% in English enrolments combined with a decline in ESOL take-up of -24%. Maths saw little change.

6.8 Higher education

The LEP area's higher education institutions are a key asset in terms of the supply of higher level skills.

There were 26,000 enrolments at YNY's HE institutions in 2018/19

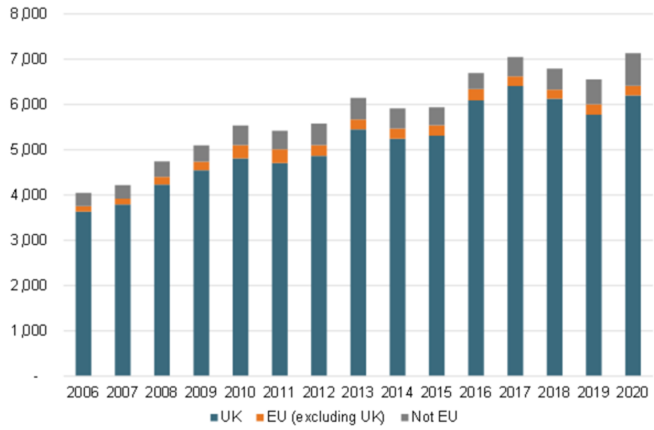
The LEP area has a significant higher education footprint with 26,100 student enrolments at its two higher education institutions during the 2018/19 academic year. Three-quarters of enrolments were at the University of York, with the remaining 25% at York St John University.

The Higher Education Statistics Agency estimates an outflow of 8,000, students from the LEP area, based on the 19,000 HE students originally from the area who studied elsewhere, compared with 20,000 students from outside the LEP area (including foreign students) who came to study at local institutions.

The number of undergraduate acceptances increased in 2020

More timely information is available for UCAS acceptances at YNY institutions for full-time undergraduate courses (this includes acceptances at FE institutions that offer undergraduate courses).

Figure 67: Acceptances for full-time undergraduate courses at YNY institutions by domicile of applicant



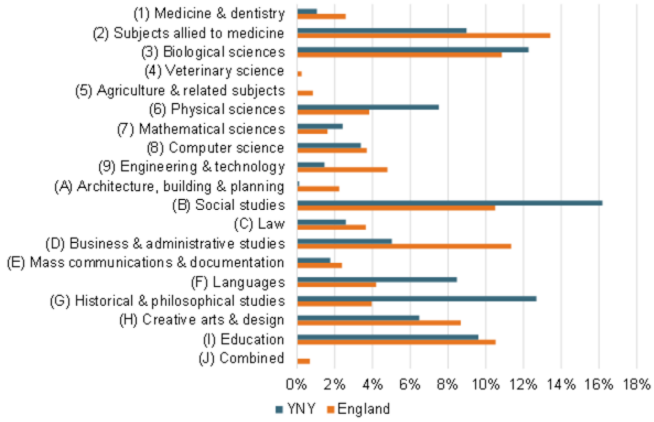
Source: UCAS

Although the number of acceptances fell in 2019 it increased quite substantially in 2020, by 9%. Acceptances for UK-domiciled students grew by 7% but for non-EU students the number grew by 32%. While the number of applicants through UCAS are up, the number of students eventually taking up places could show a different trend, particularly for overseas students. Around 17% of acceptances for the University of York were for overseas students whilst the proportion was only 2% for York St John University.

Local HE provision has a distinctive subject profile

Figure 68 shows the subject profile of the 7,032 students who qualified from local institutions in the 2018/19 academic year, compared with the equivalent subject profile for England.

Figure 68: Profile of qualifiers by subject area, 2018/19 academic year

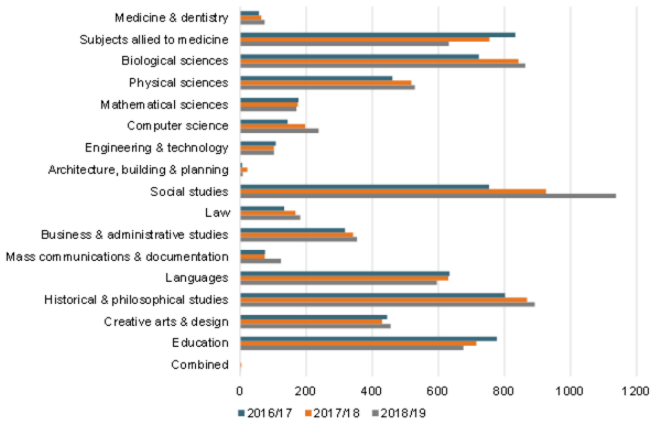


Note: Analysis relates to UK-domiciled students only
Source: Higher Education Statistics Agency

It demonstrates that there is a relatively high proportion of local HE provision in biological, physical and mathematical sciences, together with social studies, languages and historical and philosophical studies. Relative to a national benchmark there is a slight under-representation of qualifiers in computer science and larger ones in engineering and technology, architecture, building and planning, as well as business and administrative studies, mass communications and documentation and creative arts and design.

The overall proportion of qualifiers from science and technology subjects is lower in the LEP area than nationally at 37% and 44% respectively.

Figure 69: Number of qualifiers by subject area from YNY HEIs



Note: Analysis relates to UK-domiciled students only
Source: Higher Education Statistics Agency

Trends over time in YNY HE provision include increases in qualifiers in Social studies, Biological sciences, Physical sciences, Computer science and Historical and philosophical studies and reductions in Education and Subjects allied to medicine.

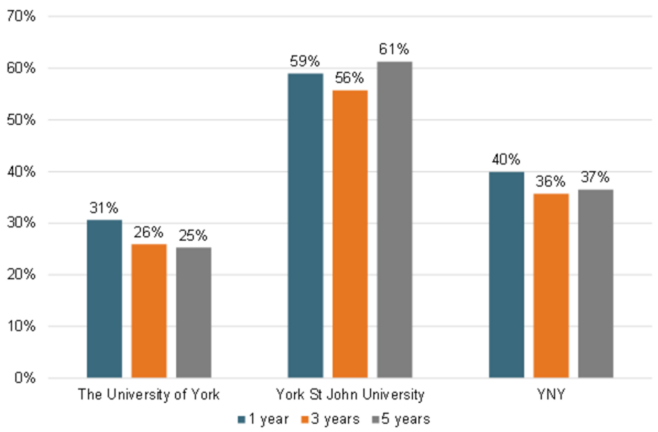
40% of graduates from HEIs in the LEP area are retained in Yorkshire and the Humber

The economic benefit that local areas derive from their higher education institutions is largely determined by the degree to which qualifiers remain in the area following graduation.

Data from the Graduate Outcomes (LEO) dataset for 2017/18 indicates that 40% of UK domiciled first-degree graduates from YNY's two higher education institutions were resident in Yorkshire and the Humber one year after graduation. This proportion falls only slightly, to 36%, at the 3-year mark and then sees a marginal increase, to 37%, at the 5-year point.

There is a marked difference between the retention rates of the two YNY institutions. 59% of York St John University graduates remain in Yorkshire and the Humber after one year and this proportion remains steady through to the 5-year point. However, the 1-year retention rate of the University of York is only around half that of York St John, at 31%, and this falls to 25% after 5 years. The difference between the institutions is at least partly due to the fact that York St John recruits much of its intake from the immediate area, whereas the University of York, as a Russell Group institution, serves a national market and its graduates are less likely to have an affinity with the local area.

Figure 70: Proportion of YNY graduates retained in Yorkshire and the Humber - 1, 3 and 5 years after graduation



Note: Analysis relates to UK-domiciled students with a UK destination only
Source: Graduate Outcomes in 2017/18, Department for Education

The main destinations for graduates outside Yorkshire and the Humber are London (accounting for 12% of leavers) and the North West and North East of England, each accounting for 7% of leavers.

What are the factors behind YNY's graduate retention performance? Research indicates that high skilled workers are highly mobile and often attracted by higher wages and better career opportunities in London[31]. As we have seen, YNY faces a deficit of high skilled jobs and there is a pay deficit with the national average at the top of the earnings distribution. Factors like housing affordability could also play a part. The ratio of median house price to median gross annual workplace-based earnings is relatively high in some districts within YNY, at 9.85 in Harrogate, 9.12 in Ryedale, 8.94 in Hambleton and 8.86 in York. This compares with a national average of 7.70[32].

Overall, the evidence suggests that cities have little direct influence over flows of graduates around the country because these are determined primarily by relative levels of demand for high skilled workers. It could be concluded that the most effective course of action would be to focus on increasing the supply of homegrown talent and helping boost demand for high skilled workers among local businesses[33].

31 Faggian, A. and McCann, P. (2009) Universities, agglomerations and graduate human capital mobility
Tijdschrift voor Economische en Sociale Geografie. Source: Office for National.

32 Statistics - Ratio of house price (existing dwellings) to workplace-based earnings (lower quartile and median), 1997 to 2018.

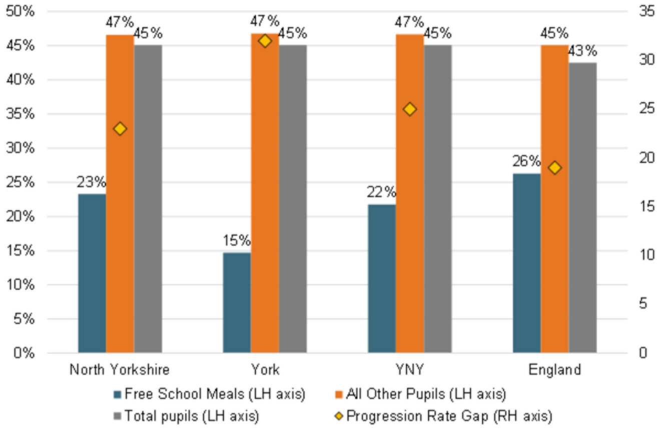
33 Webber, C. and Larkin, K. (2009) Growing by degrees? High skilled workers in Liverpool: An independent report by Centre for Cities. Centre for Cities, London.

6.9 Access to higher education

One of the constraints on skills supply is a lack of access to higher education among the disadvantaged.

Overall entry rates into higher education are strong for much of the LEP area, with North Yorkshire and York both outperforming the national average.

Figure 71: Proportion of students entering higher education by free school meal status

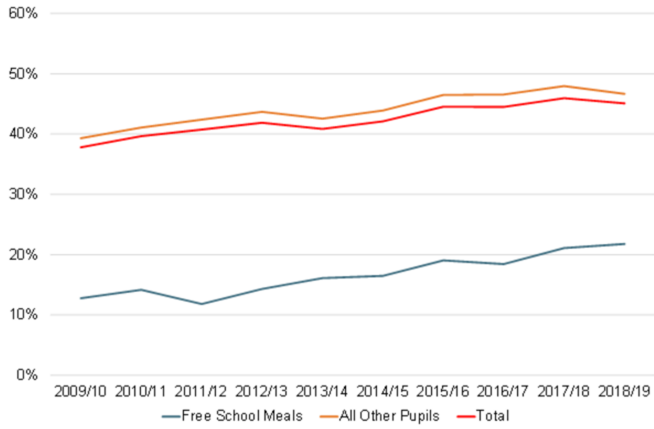


Note: Entered HE by age 19 in 2018/19 academic year
Source: Department for Education

However, in spite of this strong overall performance, the LEP area performs poorly with regard to entry rates for pupils who are eligible for free school meals. North Yorkshire, York and the LEP area as a whole all perform below the national average in this regard. Accordingly, they show wider than average gaps between the entry rates for disadvantaged and non-disadvantaged pupils.

Looking at the size of these gaps over time for the three component parts of the LEP area, there is no evidence that they are seeing a sustained reduction.

Figure 72: Trend in proportion of students entering higher education by free school meal status, YNY



Source: Department for Education

On the positive side, entry rates into HE have seen an upward trend for all groups in recent years. However, this has not led to a sustained reduction in the progression rate gap.

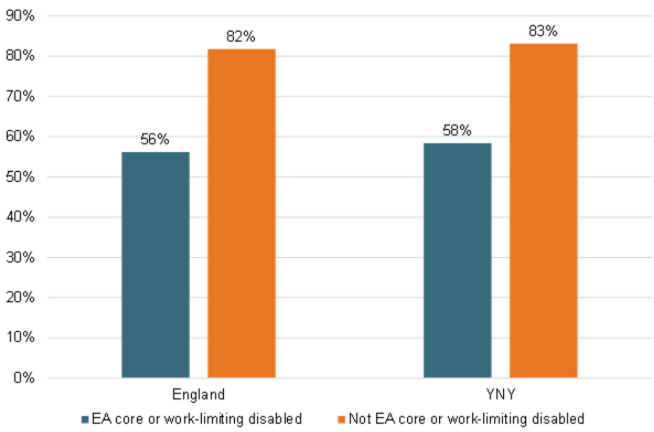
6.10 Labour market inclusion

The LEP is committed to supporting local business to develop an inclusive and diverse workforce. As noted above, the LEP area's employment rate is relatively strong; but it is important to consider whether this extends to groups that have traditionally been disadvantaged in the labour market. A key challenge in this area is the employment rate gap faced by specific groups in the labour force. As well as acting as a limitation on individual opportunity, this also constrains the labour supply available to local employers.

Several groups in the labour force face employment rate gaps, although the LEP area generally outperforms the national average for most indicators.

Around 108,000 people of working age in the LEP area are Equality Act core or work-limiting disabled[34], equivalent to 22% of the total working age population and a similar proportion to the national average of 21%.

Figure 73: Employment rate by disability status



Source: Annual Population Survey, July 2019 to June 2020

The proportion of disabled people in employment is well below the rate for those who do not have a disability, at 56% and 82% respectively - a gap of 26 percentage points. It is notable, however, that the employment rate for disabled people is higher locally than nationally (the England average is 54%) and the employment rate gap is similar to the national average. The employment rate gap for women is somewhat lower than for men at 22 points compared with 28 points.

Older people are also much less likely to be in employment than people of "prime age". The employment rate in the LEP area for people aged 50 to 64 is 74%, 14 points lower than the rate of 88% enjoyed by people aged 25 to 49. Both figures are slightly above their respective national averages. As the population ages it is clearly of vital importance that the contribution to the economy of older people is maximised. This is of particular relevance locally because people aged 50 to 64 account for a relatively large proportion of the working age population – 36% compared with 31% nationally.

The LEP area has a relatively small ethnic minority population of approximately 14,000 people of working age, equivalent to around 3% of the total working age population. The data suggests that the ethnic minority employment rate is very high at 82%.

Improving employment rates of the disadvantaged is only one step in the process. They also need help to sustain and progress within employment.

The number of disabled people in employment is increasing

As noted above, the employment rate for disabled people is higher locally than nationally. The number of disabled people in work is also increasing over time. Nationally, the employment rate for this group increased by 8 points between 2014 and 2020, a net increase in absolute terms of 1.1m people in employment. In the LEP area the rate increased by 4 points over the same period, with a net increase of 15,000 disabled people in work; giving a current total of 63,000.

It is also notable that the majority of disabled people in employment are women, at 53% of the total. This reflects the fact that there are more working age women with disabilities both nationally and locally.

The number of older people in employment is growing rapidly

Older workers are becoming an increasingly important segment of the labour force. Between 2014 and 2020 the number of people in employment in YNY aged 50-64 increased by 20,000 or 19%, whilst the number aged 65+ increased by 7,000 or more than 52%. The overall rate of growth for people aged 16-64 was only 5% whilst the number of people in employment aged 16-24 and 25-49 fell for both categories.

However, national data suggests that the potential of older workers is not being maximised. The average age of leaving the labour market has increased over the past two decades, but it is still lower than it was in 1950 and is not keeping pace with increases in life expectancy. As people approach State Pension age (SPA), the rate of employment declines steeply and economic inactivity rates rise as people leave the labour market 'early'. Although many leave the labour market voluntarily, others do so for involuntary reasons linked to ill health, caring responsibilities or redundancy[35].

As noted in section 4.5 the LEP area still has a significant number of jobless people, either unemployed or people who are economically inactive but would like a job. The LEP uses European Structural Investment (ESI) Funds to facilitate specific, evidenced interventions that will enable economic growth.

Large numbers of unemployed and inactive people have benefitted from support through ESF-funded programmes in the LEP area

European funding has been used to develop and deliver a £20m programme of skills support for those who are unemployed and inactive to increase the vocational skills of the jobless. A core component of the programme is key-worker support to enable participants to overcome personal barriers to enable them to move into further education and work.

Since its inception in autumn 2016, over 5,000 people have received support through this programme of activity. It has been particularly successful in engaging with people who lack basic skills, disabled people and people aged over-50.

34 EA Core disabled includes those who have a long-term disability, which substantially limits their day-to-day activities. Work-limiting disabled includes those who have a long-term disability, which affects the kind or amount of work they might do.

35 DWP (2017) "Fuller Working Lives: Evidence Base 2017" [online]

6.11 Workforce development

Improvements to the skills base of the LEP area depend to a large degree on ongoing investments by employers in workforce development. New entrants can only make a partial contribution since existing workers will form the vast majority of the local labour force a decade from now.

Many employers admit that they under-invest in training

Based on an extrapolation of spend per person trained taken from the Employer Skills Survey 2019 it is estimated that employers in the LEP area invest close to £600m per annum on workforce development, when wage costs are taken into account.

A review of local training performance based on key indicators from the Employer Skills Survey 2019 shows that 61% of employers in the LEP area provide any kind of training to their staff, the same proportion as the England average. At the same time, 59% of staff received training, similar to the national average of 60%. There have been some modest changes against these indicators between 2019 and the previous survey in 2017, with the proportion of establishments providing training falling by 3 points but the proportion of staff receiving training increased by 2 points.

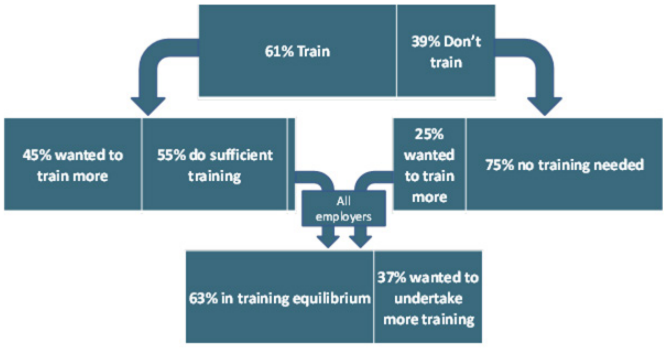
In assessing whether local employers are investing sufficiently in training it is important to view attitudes in the context of business need.

Among the third of local establishments who did not invest, a majority (75%) said that no training was needed mainly because staff already had the required skills but a significant minority (the remaining 25%) said that they would have liked to have facilitated some training. Among those employers who did invest in training, 45% would have liked to have done more.

The overall picture is that 37% of employers would have liked to have provided some training or more training. We can view this as an acknowledgement by many employers that they are under-investing relative to the skills needs of their business.

Among employers who would have provided more training if they could, the chief barriers to doing more were an inability to release staff for training due to a lack of time (54% of respondents), lack of funds for training (47%), followed by a lack of time to organise training (17%). A small proportion of respondents cited lack of suitable provision as an issue. For example, only 6% said that a lack of appropriate training / qualifications in the subject areas needed was a barrier to doing more training. The key challenge therefore is to make the case for training as a business investment that will deliver suitable returns in the form of improved business performance.

Figure 74: Training equilibrium summary, York, North Yorkshire, and East Riding



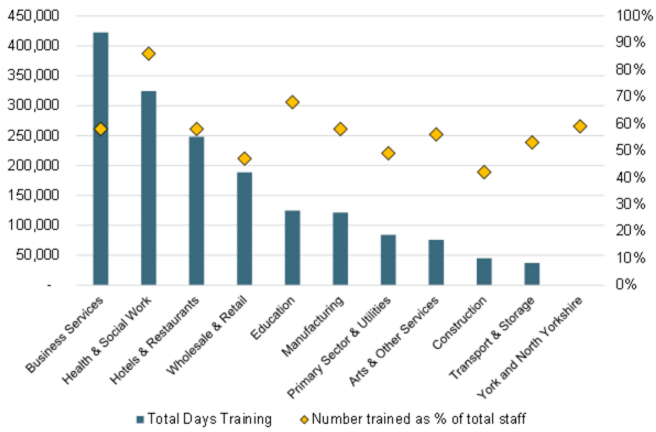
Source: Employer Skills Survey 2019. Base: all establishments in LEP area (1,703)

The prevalence and volume of training varies markedly across different parts of the economy.

The business services sector accounts for the largest volume of training but staff in the health sector are most likely to receive training

Looking at the sector profile of the training that is undertaken, business services accounts for the largest number of training days, with close to a quarter of the total. Health and social care contributes nearly a fifth of the total days of training provided with almost nine-out-of-10 staff receiving training. Hospitality and wholesale and retail are the next largest sectors, in volume terms, accounting for 14% and 11% of total training days respectively.

Figure 75: Training activity by industry sector, YNYER[36]



Note: Data not available for financial services, information and communication and public administration sectors. Source: Employer Skills Survey 2019

36 Data not available for the YNY footprint.

Aside from the health sector, staff are most likely to undertake training in the Education sector. Workers are least likely to receive training in the construction, primary and utilities and wholesale and retail sectors (the latter in spite of the large number of training days delivered).

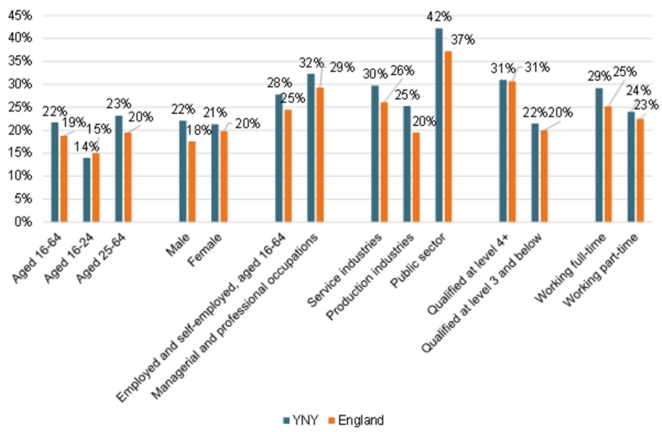
With regard to the average number of training days provided per staff member, business services ranks top (5.5 days) followed by health and social care (5.2) and hotels and restaurants (4.5). This is in comparison with an all-industry average for YNY of 3.4.

Looking at individual access to training, data from the Annual Population Survey shows that local people are slightly more likely to undertake job-related training than nationally, with 21% receiving training in the previous 13-week period compared with the national average of 19%. Compared to other LEPs, YNY performs well in respect of access to training by various/different groups within the workforce.

There is unequal access to job-related training

However, some workforce groups are significantly less likely to undertake job-related training than others, with a potential impact on prospects for pay and progression. Arguably, those who could benefit most from skills development are least likely to receive access to it. The pattern broadly reflects that seen at national level.

Figure 76: Proportion of people receiving job-related training in last 13 weeks by labour market group



Source: Annual Population Survey, July 2019 to June 2020

Firstly, there are important differences in access to training by industry. Workers in the production industries are less likely to participate than their counterparts in the service industries but people employed in the public sector are the most likely by far to receive job-related training.

Workers who are already qualified to a high level (level 4+) are, by a significant margin, more likely to receive training than their less qualified colleagues are.

Finally, females are somewhat more likely than males to receive training, but this largely is a reflection of their strong representation in public sector employment.

Data is not available at LEP level relating to access to job-related training by the disabled. However, data for Yorkshire and the Humber suggest that disabled people are equally likely to undertake training as the non-disabled.

Clearly, these inequalities of access to work-related training serve as a potential barrier to career progression and to the fulfilment of individuals' potential.

Projects supported through the European Social Fund have had a significant influence on the level of workforce development activity in the LEP area and on employee progression

The Skills Support for the Workforce (SSW) project provides employed people with opportunities to develop the skills that will enable them to progress in work. A total of £9.5m has been committed to the project across the LEP area and provides support to employers to develop their employees' skills to address intermediate, technical and higher level skills gaps and shortages.

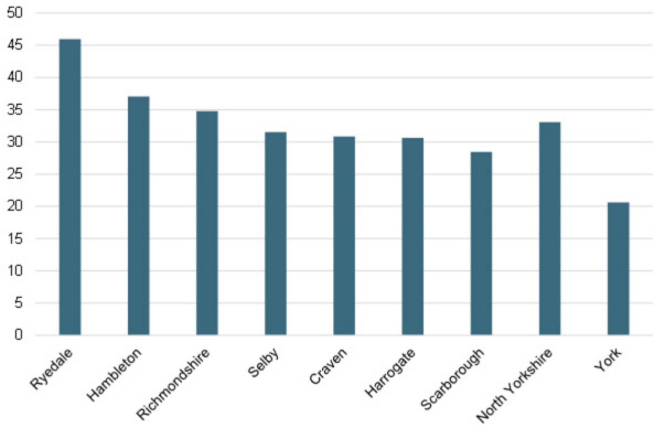
To date, 1,277 employers have engaged (as evidenced by a training needs analysis (TNA), from which 4,613 employees have completed learning programmes. Of those completing programmes, 1,158 (25%) progressed onto some form of higher- level learning.

The project has been successful in engaging hard-to-reach groups in the workforce, including older workers, lone parents and workers from ethnic minorities, exceeding participation targets for each of these groups.

Travel to learn times impact on the responsiveness of the skills system

The rural nature of much of York and North Yorkshire means that education and training is less accessible than in other areas, particularly for users of public transport and those on foot.

Figure 77: Travel time in minutes to nearest Further Education College by public transport / walk, 2017



Source: Department for Transport, Journey Time Statistics, Table JTS0404

Statistics from the Department for Transport show that the travel time to the nearest FE college is much longer for North Yorkshire than for York. For example, the travel time is more than twice as high for Ryedale (46 minutes) as for York (21 minutes).

An important potential barrier to a responsive skills pipeline is limited physical access to learning opportunities.

A large number of learners travel outside their home district and outside the LEP area to undertake learning.

Around 13% of FE and skills learners resident in the LEP area travel outside their home district to another district in the LEP to undertake learning (i.e. the delivery location of their learning is in a different district to their home district). This is primarily driven by learners travelling into York from their home district; for example, from Selby to York, East Riding to York, Hambleton to York, from Harrogate to York and from Ryedale to York and Scarborough.

Learners are more likely to travel outside the LEP area entirely than to travel to another district within it. 29% of learners travel to a delivery location that is outside the LEP area. This mainly comprises learners who travel from the East Riding to Hull (by far the largest flow of this kind) and from Hambleton and Richmondshire to the Tees Valley.

Table 8: Travel to learn flows of YNYER residents, 2017/18

	Learner residence									
Delivery location	**Craven**	**East Riding of Yorkshire**	**Hambleton**	**Harrogate**	**Richmondshire**	**Ryedale**	**Scarbo-rough**	**Selby**	**York**	**Total**
Craven	1,700	20	30	130	30	20	80	30	20	2,060
East Riding of Yorkshire	-	10,580	10	20	-	70	240	110	80	11,120
Hambleton	-	10	1,040	70	150	30	20	20	70	1,420
Harrogate	50	20	180	3,130	40	10	20	50	80	3,570
Richmondshire	-	-	40	10	3,410	-	-	-	-	3,470
Ryedale	-	40	20	-	-	730	110	-	40	950
Scarborough	-	270	20	10	-	360	4,500	10	10	5,170
Selby	-	590	10	10	-	10	10	1,820	90	2,530
York	30	830	760	750	80	640	210	1,100	8,180	12,580
YNYER Total	1,780	12,290	2,070	4,110	3,690	1,860	5,150	3,110	8,550	42,600
% travelling to another district in LEP area	3%	9%	29%	19%	6%	54%	12%	31%	4%	13%
Out of area	790	8,300	1,610	1,210	1,540	270	960	1,200	1,140	17,020
% travelling out of area	31%	42%	44%	23%	30%	13%	16%	28%	12%	29%
Total	2,550	19,570	3,650	5,180	5,210	2,100	5,990	4,260	9,600	58,110

Note: figures relate to distinct learners. Source: Education and Skills Funding Agency, Localities Cube.

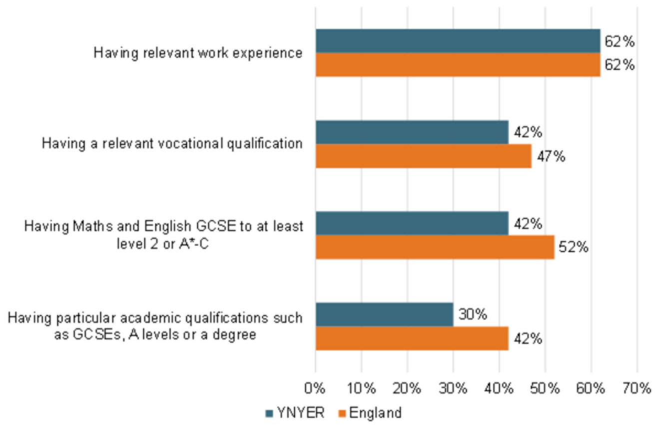
6.12 Work experience and work inspiration

Work experience and work inspiration are important ways in which the world of business can engage with education. These activities play a key role in supporting an effective transition into the world of work for young people and other groups by helping individuals to understand and meet the requirements of employers. Work inspiration involves businesses providing advice and support to students about the workplace and their industry and enables individuals to broaden their perspectives and develop aspirations regarding future career paths. By contributing to improved career-readiness and employability these activities have a positive influence on local labour supply.

Relevant work experience is key to employers' recruitment decisions

The Employer Skills Survey 2019 measures the relative importance to employers of a number of factors in their recruitment decisions including academic qualifications (Maths and English GCSE A*-C as well as the broad range of academic qualifications), vocational qualifications (VQs), and relevant work experience.

Figure 78: Factors looked for by employers when recruiting (proportion rating as critical or significant)



Source: Employer Skills Survey 2019

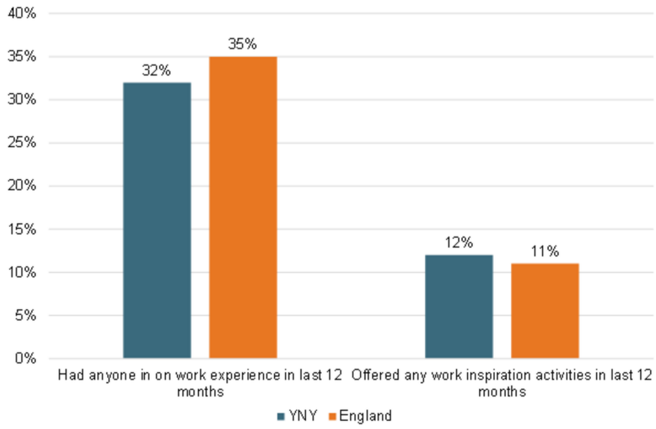
The results show that a greater proportion of employers, both locally and nationally, reported that they valued relevant work experience above anything ese when assessing potential new recruits: 62% of employers in YNYER rated relevant work experience as either critical or significant. Local employers are also less likely than their national counterparts to regard candidates having formal academic qualification as critical or significant factors in their recruitment decisions.

Around a third of employers provide work experience placements

The Employer Skills Survey examines the extent to which employers at a local level engage in work experience and work inspiration activities.

Although most employers consider that relevant work experience is an important factor in recruitment decisions, a minority actually offer work experience placements.

Figure 79: Proportion of employers who have had anyone on a work experience placement and / or have offered work inspiration in previous 12 months

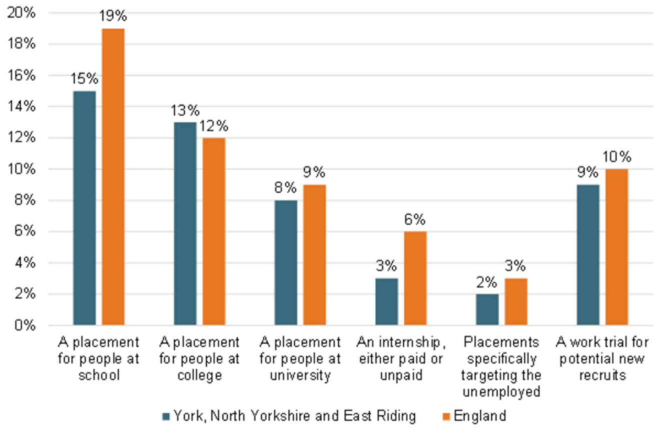


Note: Work experience placements include adult placements, work trials and internships, as well as placements for those in education. Work inspiration activities include careers talks, site visits, mentoring, mock interviews, enterprise competitions and input to design of coursework.
Base: All establishments. Source: Employer Skills Survey 2019

The survey finds that 32% of employers in the LEP area offer work experience placements of any kind, similar to the England average of 35%.

Employers are most likely to offer placements for school pupils, followed by people at college and then by people at university. Around 25% of employers provided some kind of education placement. Only 2% of employers participated in a placement targeting the unemployed.

Figure 80: Type of work experience placement provided in last 12 months



Base: All establishments
Source: Employer Skills Survey 2019

The main reasons that YNY employers give for offering work experience placements, according to the survey results, is in order to give people work experience (44%), to help with recruitment (32%), for moral / altruistic reasons (32%) and as part of CSR policy (12%).

The key barriers cited by local employers to offering placements or other work-related experiences to students of educational institutions are structural (e,g, the establishment has no suitable roles, placements not suitable due to size of establishment), cited by 71% of employers; an active choice not to – cited by 20% of employers; and a lack of awareness (19%). Very few (less than 1%) indicated that educational institutions were difficult to engage.

As the figure above shows, a much smaller proportion, 12%, of local employers offer work inspiration activities in West Yorkshire than offer work experience; this is similar to the national average.

The Gatsby Benchmarks for Good Career Guidance codify the elements of good careers provision which schools and colleges can follow, relating to:

- Providing a stable careers programme
- Use of career and labour market information
- Addressing the needs of all their students
- Linking career learning to the curriculum
- Providing encounters with employers and experiences of the workplace
- Offering the opportunity to find out about all educational routes
- Providing access to personal career guidance.

Progress against the Benchmarks is captured using Compass, a self-assessment tool that allows schools and colleges to compare their provision against both the Benchmarks themselves and with that of other providers. These results are brought together in the Careers and Enterprise Company's *State of the Nation 2019* report.

By the end of the 2018/19 academic year, schools and colleges across the country were achieving an average of 3.0 of the Gatsby benchmarks.

Progress in the YNYER area has been slightly better: an average of 3.4 of the eight benchmarks achieved to date. This places YNYER in the band of LEPs that are performing at an average level, according to the *State of the Nation* report.

7| Mapping of skills demand and supply

Summary

- Acute and persistent skills mismatches can have significant implications for business performance. This kind of market failure presents a policy priority but also offers an opportunity for individuals considering their career options to target areas of unmet demand. Should structural changes on the demand-side result from Covid-19 and Brexit these could lead to the emergence of new mismatches or the intensification of existing ones.
- Around a fifth of vacancies in the LEP are skill shortages – vacancies that are hard-to-fill due a lack of candidates with the required skills.
- Construction, manufacturing and primary / utilities are the sectors most susceptible to shortages. Shortages prevail strongly in skilled trades occupations.
- 13% of employers in the LEP area are affected by a lack of proficiency among existing staff (skills gaps). Hotels and restaurants, wholesale / retail and manufacturing are the sectors most affected. Lower-skilled elementary and sales / customer service occupations, together with administrative roles, are most susceptible to gaps.
- People in higher skilled roles are less likely to have skills gaps, with the key exception of managers. Gaps in management proficiency are an issue for a significant proportion of organisations with major implications for wider workforce development and business performance.
- Many skills gaps pertain to operational skills due to high staff turnover and the resulting need to train new recruits. However, some gaps are attributable to deficits of complex analytical skills and digital skills. Many workers with skills gaps need to improve their soft skills in areas such as time management, team working, customer handling skills and persuading / influencing others.
- More than a third (36%) of local employers say that have staff whose skills are underutilised. Underutilisation is particularly widespread among organisations in public administration, hospitality and manufacturing.
- The subject profile of both higher education and further education / skills provision is, in some respects, out of alignment with the profile of recruitment demand in the local labour market.
- Large numbers of EU migrants work in manufacturing, wholesale and retail, and health and social work, with a high intensity of migrant employment in sectors such as food manufacturing.

Skill mismatches reflect an imbalance between supply and demand in the labour market, between the skills available and the skills needed by employers.

This inability to obtain the skilled people that are required is one of the key barriers to business growth and improved productivity for firms.

Skills mismatches are often short term, as the operation of the market leads to an increase in the supply of people with the necessary skills, but in some cases they are acute and persistent, with significant implications for business performance. This kind of market failure presents a policy priority but also offers an opportunity for individuals considering their career options to focus on areas of unmet demand.

Shifts in the pattern of labour and skills demand brought about by Covid-19 and Brexit could result in the emergence of mismatches in new parts of the economy.

7.1 Skill shortages

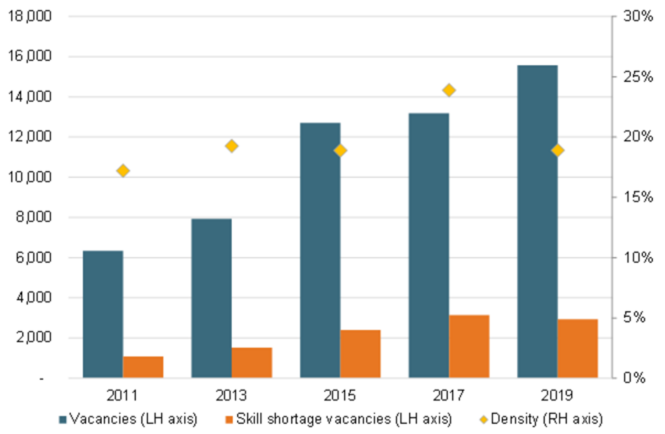
A key type of mismatch is skill shortage vacancies. These arise when employers find it difficult to fill their vacancies because of a lack of candidates with the necessary skills, qualifications and experience.

The Employer Skills Survey provides information on the number of vacancies and skill shortage vacancies that employers have at a single point in time. Skill shortages do not occur in large numbers and are not widespread. They tend to be concentrated in particular industry sectors and occupations where they can be acute and persistent.

Nearly one-fifth of vacancies are skill shortages locally

According to the most recent 2019 iteration of the survey there were 2,900 skill shortage vacancies in the LEP area at the time of completion, with 6% of employers reporting one or more shortages.

Figure 81: Trend in volume of vacancies and skill shortage vacancies, YNY



Source: Employer Skills Survey 2019

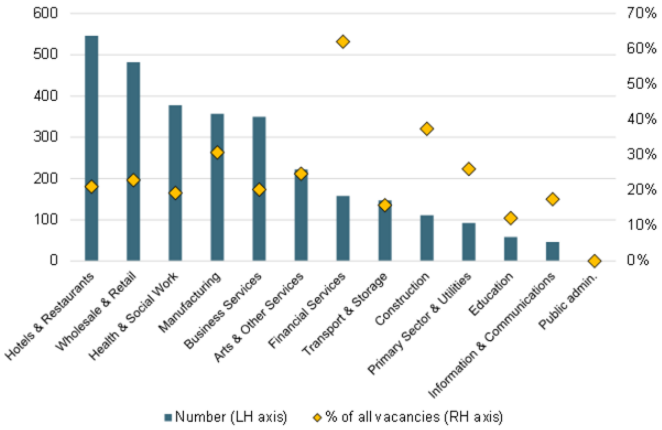
Just under a fifth (19%) of all vacancies in the LEP area are skill shortage vacancies, somewhat lower than the national average of 25%. This is also lower than the 2017 figure of 24% and similar to the 2015 estimate, which was also 19%. As Figure 81 shows, the overall number of vacancies was higher in the LEP area in 2019 but the number of shortages remained broadly the same.

Data is also available at Local Education Authority level and this suggests that North Yorkshire has a higher prevalence of shortages (20%) compared with York (17%).

Skill shortages are most acute in construction, manufacturing and primary industries

In absolute terms, the greatest numbers of skill shortages are evident within hospitality, wholesale and retail and health and social work. This reflects the sheer size of these sectors in employment terms. Shortages have the highest prevalence, relative to the overall number of vacancies, in the following sectors: construction, manufacturing and primary and utilities. The data show that the prevalence of shortages is also very high in financial services but this may be due to the small base size for this sector.

Figure 82: Number and density of skill shortage vacancies by industry sector, YNY



Source: Employer Skills Survey 2017
Note: Density measure shows skill-shortage vacancies as a proportion of all vacancies

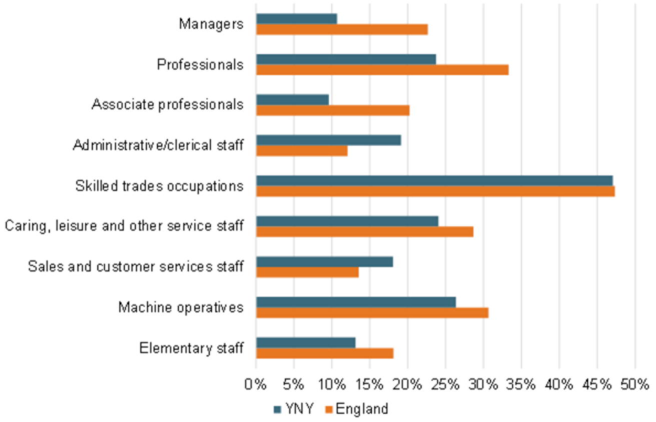
The occupational pattern of shortages provides an insight into the particular types of jobs that are most affected by a lack of candidates with the right skills.

Shortages are most prevalent in skilled trades roles

The latest data show shortages are most acute for jobs that require intermediate vocational / technical skills, specifically skilled trades occupations but also including machine operative occupations. There is also a high prevalence of shortages for Caring, Leisure and Professional occupations.

This local pattern of shortages differs from the national picture with regard to a lower prevalence of skill shortages among higher skilled manager, professional and associate professional roles but a more marked prevalence for clerical roles.

Figure 83: Density of skill shortage vacancies by occupation major group



Source: Employer Skills Survey 2019
Note: Density measure shows skill-shortage vacancies as a proportion of all vacancies

Skills employers found difficult to identify in applicants included specialist, job-specific skills and knowledge required to perform the role and these were cited with respect to 59% of shortage vacancies. In more than 80% of shortage vacancies recorded, employers highlighted a deficit of technical or practical skills. However, other skills, including customer handling, team working and time management were also mentioned.

The more specific occupations with the most acute shortages in Yorkshire and the Humber include those for health, engineering and digital professionals plus a range of skilled trades

More detailed occupational data on shortages is available for Yorkshire and the Humber, providing a clearer insight into the nature of the skills mismatches.

The occupations with the greatest overall number of shortages include caring roles (e.g. care workers), engineering professionals and metal machining trades.

However, the occupations with the greatest density of shortages, those in which shortages are most acute, are nurses, health professionals, engineering professionals, digital professionals, electrical and electronic trades and vehicle tradespeople.

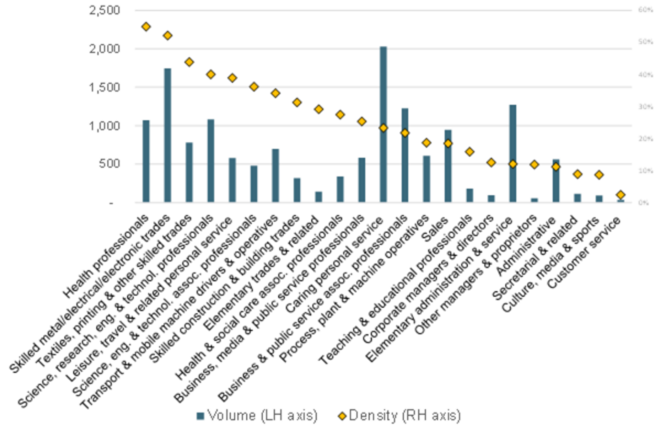
Figure 84: Occupational minor groups with highest density of skill shortage vacancies, Yorkshire and the Humber

Source: Employer Skills Survey 2019
Note: Density measure shows skill-shortage vacancies as a proportion of all vacancies

In each case, the prevalence of skill shortages in these occupations across Yorkshire and the Humber has been considerably higher than the average for all occupations since 2011, demonstrating their persistent nature.

The chart below shows the full spectrum of occupations at sub-major group level, in terms of the volume and intensity of shortages across the Yorkshire and the Humber region. It confirms that the highest prevalence of shortages is among higher skilled occupations with significant technical requirements, including health professionals and STEM professionals, plus skilled trades. It also shows that the volume of shortages is high for caring personal services and elementary administration and service, reflecting the size of these occupations; but also demonstrates that shortage prevalence is low for these groups.

Figure 85: Volume and density of skill shortages by occupational, sub-major group, Yorkshire and the Humber



Source: Employer Skills Survey 2019
Note: Density measure shows skill-shortage vacancies as a proportion of all vacancies

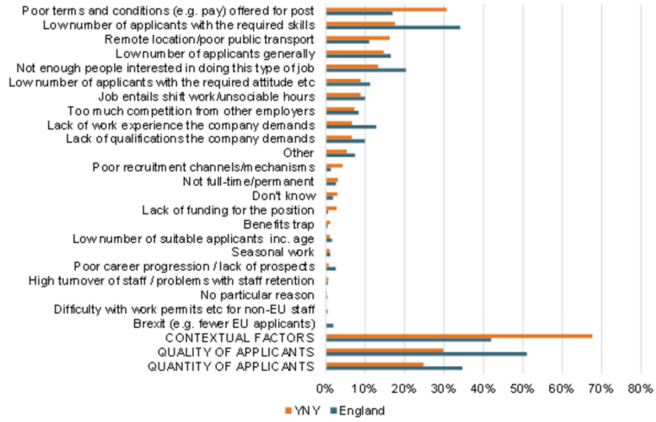
The programme of work undertaken by Beyond 2030 as part of the Skills Support for the Workforce initiative examined sector skills needs at a detailed level and provides added detail on the nature of skill shortages in the LEP area, enriching the picture provided above[37]. Key points are as follows:

- In the manufacturing engineering sector employers report difficulties in find people with welding, turning, milling skills and CAD design.
- Employers in the food and beverage service subsector say that recruiting chefs is perhaps the highest profile challenge affecting the sub sector.
- Employers in the construction sector struggle to find specialist trades, including carpenters or brick layers.
- Employers in the emerging renewables sector report concerns about recruiting electrical and mechanical engineers.

7.2 Other reasons for hard-to-fill vacancies

Lack of the required skills among applicants is not the sole reason for hard-to-fill vacancies. A range of contextual factors also exist and these hamper employers when seeking to recruit.

Figure 86: Main causes of having a hard-to-fill vacancy (unprompted)



Base: All hard-to-fill vacancies
Source: Employer Skills Survey 2019

These factors are particularly important in YNY. Employers in the area are especially likely to highlight issues with poor terms and conditions offered for the post, perhaps reflecting the large number of lower-paid roles available; and remote location / poor public transport, reflecting the rural nature of North Yorkshire.

37 See https://www.businessinspiredgrowth.com/publications/full-future-needs-reports/

7.3 Skills gaps

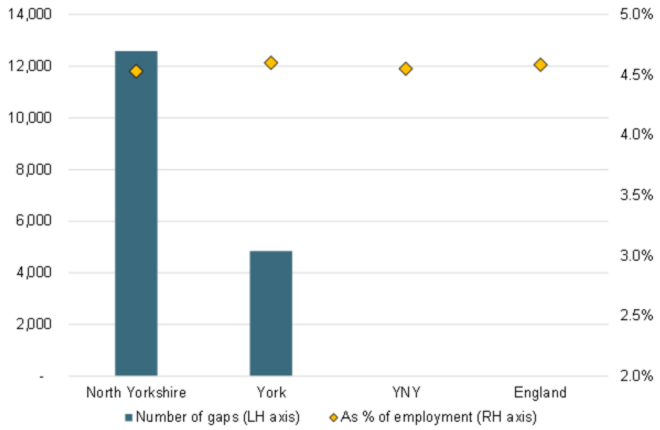
Skills gaps are another form of skills mismatch and occur when existing employees within an organisation are not fully proficient in their job and therefore unable to make the required contribution to achieving business or public service objectives. The pattern of skills gaps provides a useful indication of employers' needs in terms of workforce development.

13% of employers are affected by skills gaps, with administrative and sales and customer service staff most susceptible to gaps

Skills gaps are more widespread and numerous than skill shortages. According to the latest data, 13% of employers in the LEP area report that they have one or more skills gaps. There are approximately 17,000 gaps, equivalent to around 5% of total employment. This is similar to the national picture, in terms of the proportions of employers and workers affected by skills gaps.

The incidence and prevalence of skills gaps have also remained constant within the LEP area since 2011, when figures first became available.

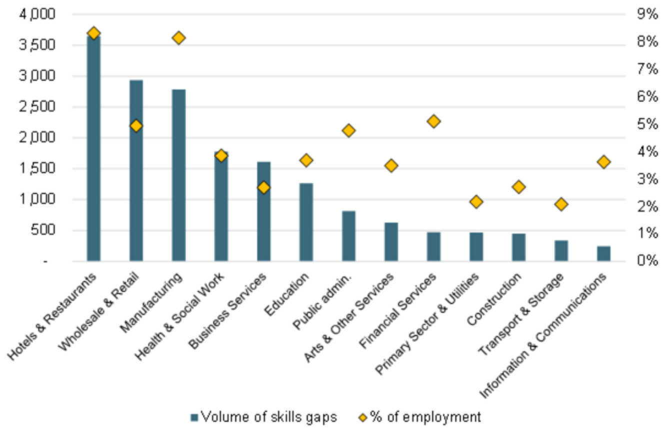
Figure 87: Volume and prevalence of skills gaps in the LEP area by unitary authority area



Source: Employer Skills Survey 2019

The prevalence of skills gaps (in terms of the volume of gaps presented as a proportion of total employment) is broadly similar in York and North Yorkshire. The proportion of employers who report having a skills gap is slightly higher in York at 16%, compared with North Yorkshire at 12%. This may reflect the sectoral make-up of employment in York and its reliance on activities like hospitality and retail, which are particularly susceptible to skills gaps (see below).

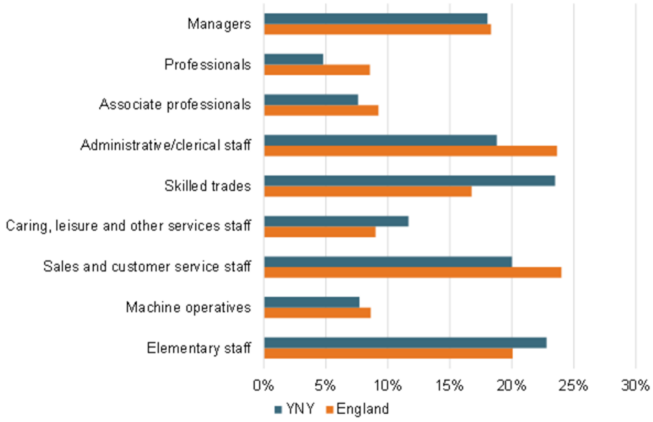
Figure 88: Volume and prevalence of skills gaps in the LEP area by industry sector, 2017



Source: Employer Skills Survey 2017

As the chart demonstrates, three sectors of the local economy have the highest volume and prevalence of skills gaps: hotels and restaurants, wholesale and retail, and manufacturing. Together these sectors account for more than half of total skills gaps. Public administration and financial services both also have a high prevalence of gaps.

Figure 89: Incidence of skills gaps in the LEP area by occupational major group



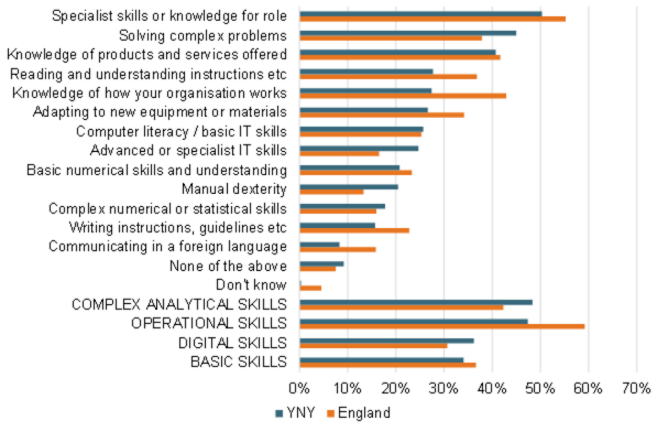
Source: Employer Skills Survey 2019
Base: all establishments with skills gaps

With respect to the occupational pattern of skills gaps, employers in the LEP area are most likely to report skills deficits in skilled trades, lower-skilled elementary staff, sales and customer service staff and administrative staff. Relatively few employers highlight gaps for higher skilled occupations, including professional and associate professional workers.

A significant proportion of employers, however, reporting skills gaps (nearly a fifth) say that management level staff are affected. This has clear implications for wider business performance.

Many skills gaps are due to a deficit of practical skills among workers, including job-specific skills and operational skills, such as knowledge of the organisation's products and services. Complex analytical skills, such as problem solving, digital skills at a variety of levels, as well as basic skills (functional literacy and numeracy) are also in deficit for many staff.

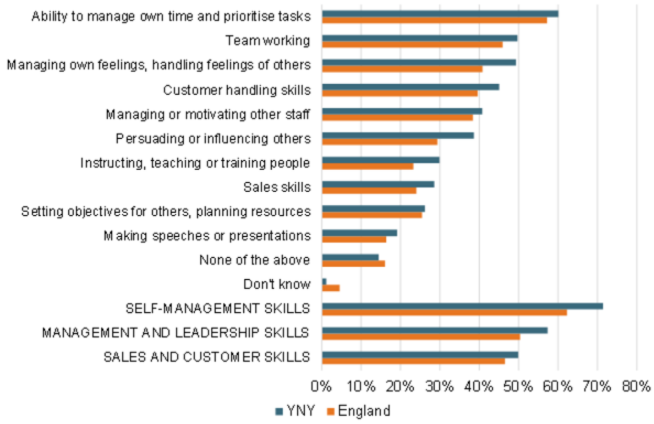
Figure 90: Technical / practical skills that need improving in occupations with skills gaps



Source: Employer Skills Survey 2019
Base: All skills gaps followed up

However, a deficit of the required "soft" skills is more common across the workforce, including "self-management" skills encompassing time management, emotional behaviour management, team working and persuading / influencing others. Management, whether it be aspects of self-management or leading / managing staff within the organisation, is a key skills gap, together with sales and customer handling skills.

Figure 91: Soft / people skills that need improving in occupations with skills gaps



Source: Employer Skills Survey 2019
Base: All skills gaps followed up

For managers with skills gaps the main types of skill requiring improvement include core management skills, complex-problem solving skills, as well as operational skills.

Many skills gaps are short term and associated with high rates of staff turnover, particularly in sectors like hospitality, in the sense that the workers are new to the role or their training is not yet complete. However, in some cases, gaps are due to wider organisational changes such as the introduction of new working practices or new technology. In other instances, gaps are associated with management issues, such as staff lacking motivation and problems in retaining staff.

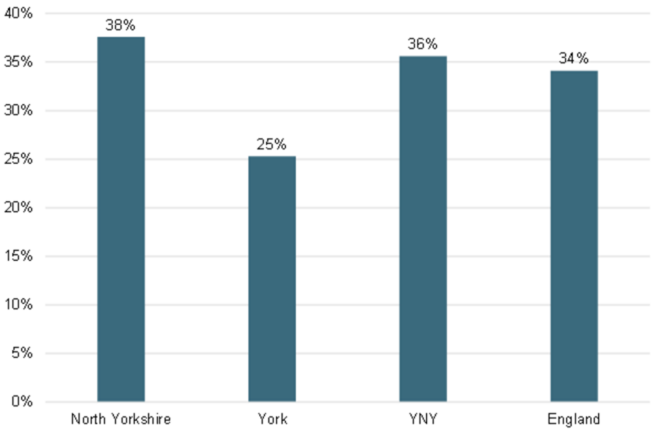
7.4 Skills underutilisation

Skills mismatches are not only due to skills deficits. It is important to understand the extent and nature of skills underutilisation as this issue implies a significant misallocation of resources in view of the large-scale investment in higher education by individuals and the state. An inability to use acquired skills and knowledge has a de-motivating effect on workers and represents a missed opportunity for employers to maximise productivity.

Skills underutilisation is widespread

Just over a third (36%) of employers in the LEP area say that they have workers whose skills / qualifications are in advance of those needed for the job; this is slightly above the national average of 34%. The survey data suggests that underutilisation has a higher incidence in North Yorkshire at 38% than in York at only 25%.

Figure 92: Proportion of employers with underutilised staff



Note: Underutilised staff are employees who have both qualifications and skills that are more advanced than required for their current job role
Source: Employer Skills Survey 2019

Analysis from Employer Skills Survey 2017[38] indicates that employers in public administration, hotels and restaurants and manufacturing are most likely to indicate that they have underutilised staff, whilst establishments in the primary and utilities, business services and information and communication sectors are least likely to say that this is the case.

7.5 Structural unemployment

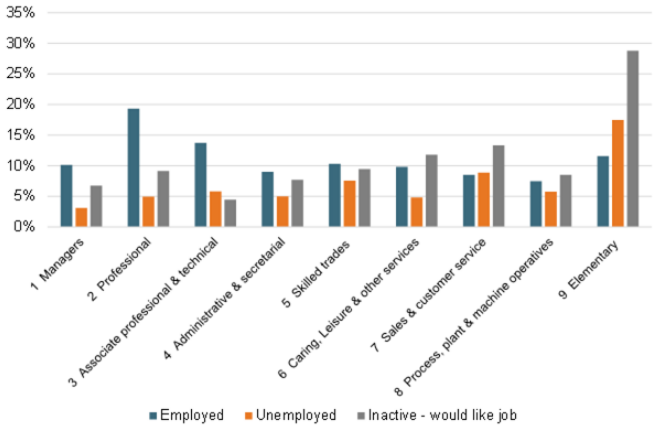
Skills mismatch also manifests itself in the form of structural joblessness, in those instances where the occupational and qualification profile of the jobless is misaligned with demand from the labour market.

Structural joblessness is a key mismatch in the labour market

Forecasts indicate that the structural and long-term component of unemployment will increase as the economy struggles to adjust to the impact of Covid-19 and individuals need to move sectors and occupations to find work. The effects of Brexit are likely to compound the issue, along with longer term drivers of structural change such as automation. This will increase the need for targeted support to help people get back into work.

Figure 93: Occupational profile of the unemployed and inactive (based on last job), Yorkshire and the Humber

Source: Labour Force Survey, October to December 2019

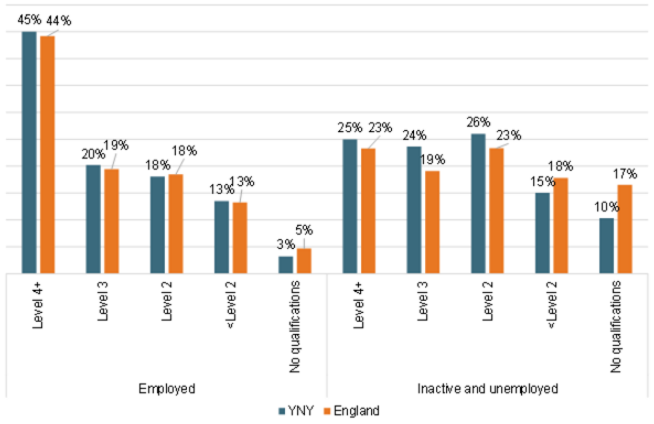


There are marked differences between the occupational profile of people in work and of those who are unemployed or economically inactive. This is even more marked if we consider the profile of jobs growth in the labour market, which is largely concentrated in higher skilled occupations. The occupational background of both the unemployed and inactive is strongly weighted towards lower-skilled occupations, principally elementary but also sales and customer service, plus caring and operative roles in the case of the inactive. The proportion of those unemployed or inactive with a background in higher skilled management, professional and associate professional is less than half that of those in employment (16% versus 43%). This implies a mismatch between the skills and experience of the unemployed and the profile of demand in the labour market.

38 Sectoral data is not available at local level from Employer Skills Survey 2019.

This mismatch could worsen due to Covid-19. For example, many of the workforce displaced from employment by the crisis work in sales / customer service (retail) and elementary roles (particularly in hospitality). This means increased competition in the labour market for many of those who are already unemployed or inactive.

Figure 94: Profile of highest qualification held by the unemployed and inactive, YNY



Source: Labour Force Survey, October to December 2018

The qualification profile of the unemployed and inactive also disadvantages them. They are much more likely to hold a low-level qualification below tertiary level than the employed or have no formal qualifications at all.

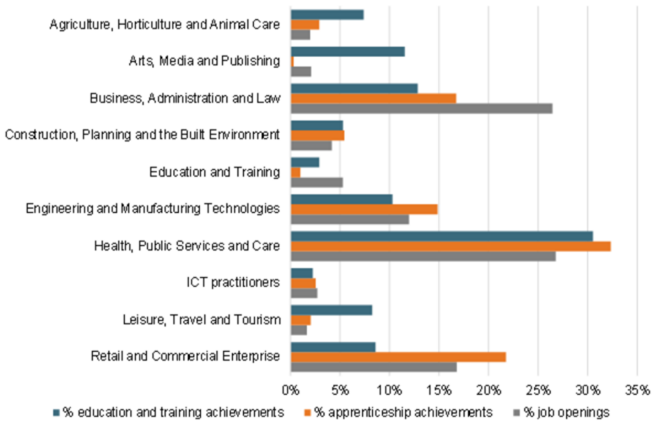
7.6 Responsiveness of education and training sector to labour market needs

We have seen elsewhere in this report that employers sometimes struggle to get the skills they need, as reflected in instances of skills shortages and gaps. There are also situations where workers' skills and qualifications are in advance of those needed to do the job they hold. The following analysis provides an indicative comparison of the profile of learning achievements with the profile of labour market demand, mapping the profile of FE and apprenticeship achievements against projections of where future job openings are likely to lie. This involves mapping subject categories to occupations[39]. Clearly, there is a major caveat around the transferability of skills. Many people find that study in a particular vocational area proves to be of value across a range of occupational settings.

There are disparities between the profile of FE provision and labour market demand

Generally, there is a strong match between the subject profile of apprenticeships and the profile of future job openings, although Business, admin and law is heavily under-represented. A good match is self-evident since apprentices, by definition, are in employment.

Figure 95: Comparison of subject profile of further education and skills achievements with projected job openings in related occupations



Note: Achievements are limited to those at level 2 and above
Source: LEP calculations based on ESFA data (2018/19) and Working Futures

However, the profile of education and training achievements (mainstream FE) does not align in the same way. There are a number of areas where achievements outweigh job openings, most notably Arts, media and publishing and Leisure, travel and tourism. Agriculture, horticulture and animal care and Health, public services and care also account for a high proportion of education and training achievements relative to job openings.

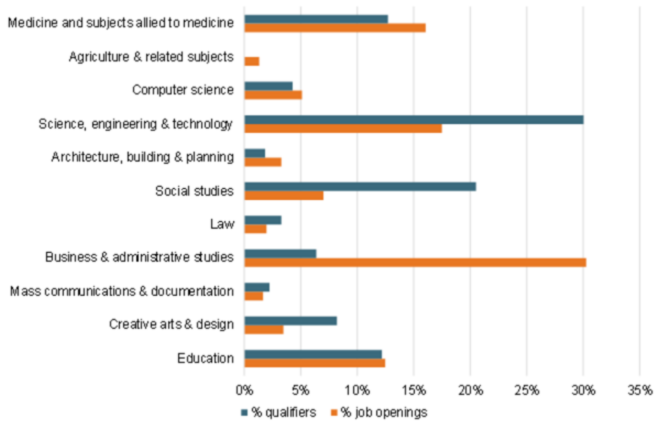
Conversely, there are areas that are markedly under-represented in terms of FE achievements: most notably Business administration and law, and Retail and commercial enterprise.

With regard to Construction, planning and the built environment and ICT practitioners, supply and demand are broadly in balance.

The subject profile of HE achievements is very different to the profile of labour market demand in the form of job openings in higher level occupations

A similar approach to comparing supply and demand is applied to higher education, below. In addition to the caveat around transferability of skills highlighted above, it should be noted that HE institutions are serving the national labour market to a greater extent than further education institutions.

Figure 96: Comparison of subject profile of higher education qualifiers with projected job openings in related occupations



Note: Job openings limited to management, professional and associate professional / technical occupations
Source: LEP calculations based on Higher Education Statistics Agency data and Working Futures

39 Those subjects that do not have a reasonably straightforward relationship with an occupational group are excluded. Examples include academically focused subjects such as history, philosophy and theology but also ICT user courses, which have a generic rather than job-specific focus.

There are several areas where supply is low relative to estimated demand. Key instances are Computer science and Architecture, building and planning. However, the most noticeable area of apparent undersupply is for business and administrative qualifiers.

Conversely, there are subject areas in which supply, reflected in the proportion of qualifiers relative to the proportion of openings, appears to be high. This is the case for Creative arts and design and Social studies. Both of these subjects, arguably, help to develop skills and qualities that are of wider value in the labour market. However, national data indicate that graduates in these subjects have relatively low annualised earnings following entry into the labour market[40].

The proportion of people who qualify in Science, engineering and technology also outweighs the estimated recruitment requirement for directly related roles in the labour market. This is a clear example where skills are highly transferable and with demand from employers extending well beyond the specific occupational field. The strong graduate earnings associated with specific subjects like mathematical sciences, engineering and technology and architecture, building and planning substantiate this view.

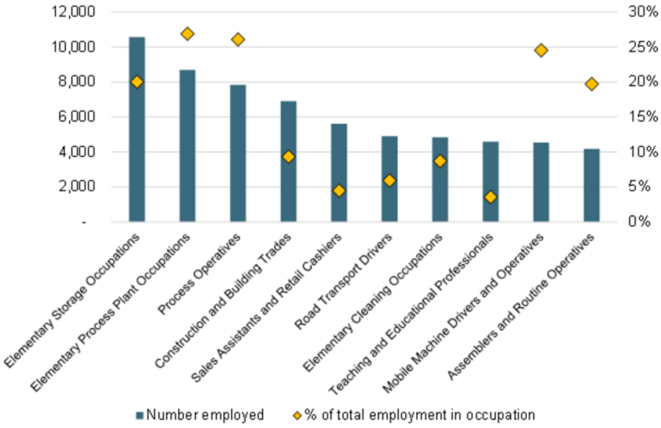
7.7 Migrant workers

The presence of migrant workers as arguably represents a mismatch between the skills / labour requirements of employers and the available supply of indigenous workers.

EU migrants account for a significant proportion of workers in Yorkshire and the Humber

Across Yorkshire and Humber there are around 141,000 EU migrant workers, equivalent to 6% of total employment in the region - somewhat lower than the England average of 8%.

Figure 97: Occupations with the highest level of EU migrant employment, Yorkshire and the Humber



Source: Annual Population Survey, Jan – Dec 2019

EU migrant employment is concentrated in certain sectors, most notably manufacturing (23% of total migrant employment) wholesale and retail (18%), transport and storage (11%) and health and social work (9%). At a more detailed level, particular industries, especially sub-sectors of manufacturing, rely on EU migrant labour to a significant extent. Key examples include food manufacturing (within which EU migrants comprise 23% of employment), manufacture of electrical equipment (34%) and manufacture of furniture (also 34%). Beyond manufacturing, there migrant employment is strong in wholesale and warehousing.

EU migrants are concentrated primarily in routine and low-skilled occupations

As the chart shows, the occupational groups with the highest level of employment among EU migrants are classified as lower-skilled elementary occupations, mostly manual, including storage occupations (such as warehouse labourers), process plant roles (such as packers, bottlers etc.), service roles (such as kitchen assistants and bar staff) and cleaning occupations. EU migrants undertake more than a quarter of elementary process plant and a fifth of elementary storage roles.

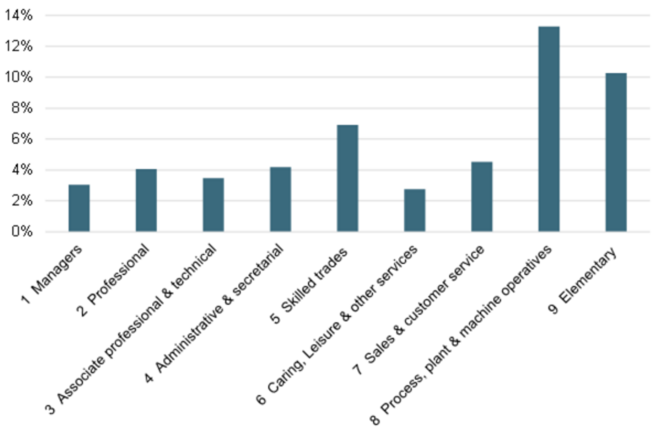
40 Department for Education (2019) Graduate outcomes (LEO): outcomes in 2016 to 2017. DfE: London.

Semi-skilled process operatives and assemblers also have a significant level of EU migrant employment. A quarter of all workers in process operative roles and a fifth of assembly roles are EU migrants.

Occupations related to agriculture do not feature in the chart and the available data for York and the Humber indicate that there are few EU migrants working in agricultural trades and elementary agricultural roles. However, it is likely that official data understate the prevalence of migrant labour in this part of the economy.

Just over a quarter (28%) of EU migrant workers in Yorkshire and the Humber are employed in higher skilled management, professional and associate professional occupations, compared with 43% of all employment in the region. EU migrant employment is highest in teaching professional and health professional and nursing occupations.

Figure 98: EU migrant employment as % of total employment in each occupational major group



Source: Annual Population Survey, Jan – Dec 2019

Although lower-skilled occupations are where the direct impact of Brexit could be greatest in respect of disruption to labour supply, there could still be significant implications for skills. For example, some employers may decide to move to a more skills-intensive business model founded on capital investment in labour-saving equipment.

For example, in the food manufacturing sector local employers highlight that the most pressing issue for them is the is the UK departure from the European Union and its effect on inward migration and the sector's ability to recruit and retain skilled staff. The same employers are also clear that the nature of production is going to change, with more automation and less hands on jobs in the lower skilled roles[41].

There is evidence that the influx of EU migrants into the local labour market is reducing. According to figures from the Department for Work and Pensions, the number of EU nationals registering for a National Insurance number (NINo) within York and North Yorkshire declined by 49% between 2018/19 and 2019/20[42]. This means that registrations are around a third of their peak level in 2015/16.

41 Beyond 2030 (2018) Future skills needs in the York, North Yorkshire and East Riding Local Enterprise Partnership Area. Food and Drink Manufacturing: Manufacture of Food.

42 A NINo is generally required by any overseas national looking to work or claim benefits / tax credits in the UK, including the self-employed or students working part time. NINo statistics are a measure of in-flow to the UK, primarily for employment, including both short-term and long-term migrants and include foreign nationals who have already been in the country but not previously required a NINo as well as migrants who may have subsequently returned abroad.

7.8 Demand and supply for high skilled workers

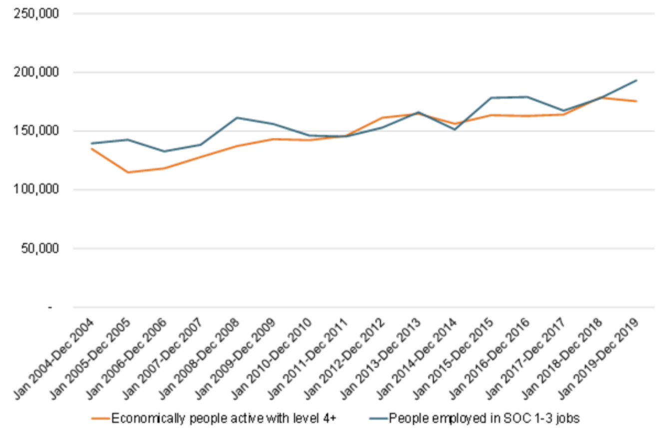
How is supply measuring up to growing demand for higher skilled workers? Figure 99, below, shows that the LEP area has more people working in high skilled jobs in the LEP area workplaces than it has economically active people qualified at level 4 and above.

Employment in higher skilled jobs has kept pace with the number of higher qualified people

In the period January to December 2019 the number of higher qualified workers stood at 175,000 whilst the number working in high skilled occupations was 193,000.

Both of these indicators have followed an upward trend over the last fifteen years, although employment in higher skilled employment has been subject to a greater degree of volatility. Overall, the trends suggest that the local area has been successful in terms of increasing employment in higher skilled jobs alongside steady growth in the number of people who are qualified to a higher level.

Figure 99: Trends in numbers of high skilled people and the level of high skilled employment, YNY

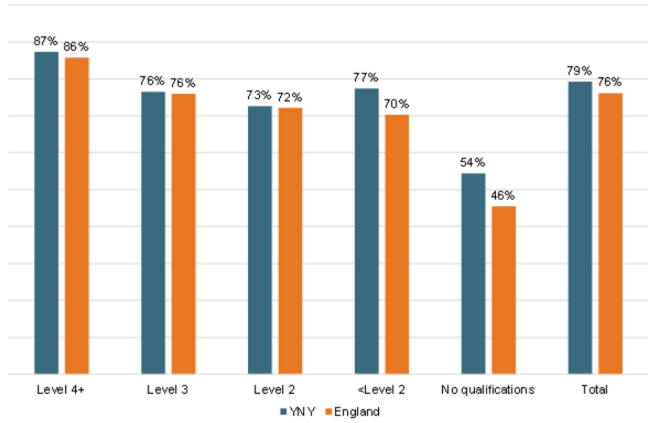


Note: people qualified at level 4+ is a residence-based measure whilst people employed in SOC 1-3 jobs (manager, professional and associate professional) is a workplace-based measure. Source: Annual Population Survey

The England average picture is also one in which high skilled employment exceeds the supply of workers with higher level qualifications, although there has been a gradual narrowing of the gap over time. The supply-demand ratio stood at 0.75 in 2004 but this had reduced to 0.93 in 2019.

It is also notable that the LEP area matches or outperforms the national average in terms of the employment rate for each qualification level, suggesting that opportunities are available for people across the skills spectrum, although the employment rate for people with no qualifications remains low.

Figure 100: Employment rate by level of highest qualification held



Source: Annual Population Survey, January 2019 to December 2020

The employment rate in YNY is 8 points above average for people with no qualifications and 7 points higher for people with qualifications below level 2, for example. This pattern is likely to reflect the pattern of supply and demand in the LEP area, with an abundance of jobs with low formal skills requirements.

8| Policy levers

This table identifies some of the key policy issues facing the LEP and proposes a range of national and local levers that could address these.

Issue	Available levers	
	National	Local
Deficit of high-skilled jobs linked to high value products and services	▪ UK Industrial Strategy supported by government policy around innovation, access to business finance, infrastructure investment, trade and investment, energy and labour market regulation	▪ Local Industrial Strategy – including action on inward investment and business support ▪ Support for Business Scale-Up – local capacity building support for small businesses to enable them to develop and growth their business
Increased need for reskilling for career adaptability driven by structural change in the economy	▪ Adult Education Budget ▪ National Skills Fund – Level 3 adult offer ▪ Skills Bootcamps ▪ National Careers Service ▪ Advanced Learner Loans ▪ Adult apprenticeships ▪ DWP in-work progression pilots ▪ Green Jobs Challenge Fund ▪ Green Homes Grant skills training competition ▪ Construction Talent Retention Scheme	▪ Skills Support for the Workforce - provides support to employers to develop their employee's skills to fill intermediate, technical and higher level skills gaps and shortages
Skills gaps among managers	▪ Apprenticeships in leadership and management ▪ Growth Hubs	▪ Leadership and management toolkit ▪ Skills Support for the Workforce
Digital skills deficit	▪ UK Digital Strategy ▪ Basic digital skills entitlement ▪ Digital Skills Partnerships ▪ Institutes of Technology ▪ Institute of Coding ▪ Technical education reforms including T-Levels ▪ High value courses – funding for school and college leavers to study targeted high value Level 2 and 3 courses	▪ Digital Skills (pipeline project) supporting businesses to increase the digital skills of their workforce
Meeting recruitment needs in social care sector	▪ Skills for Care – careers, recruitment, learning and development interventions ▪ Social care apprenticeships	▪ Specialist Skills Support: Strand 2. Capacity Building for SMEs including support to successfully recruit from a wider workforce
Better alignment of local education and training provision with local skills needs and priorities	▪ Skills Advisory Panels ▪ Office for Students	▪ Implementation of Skills Advisory Panel in YNYER ▪ Bespoke Skills – expansion of the supply of bespoke technical, specialist and transferable skills
Maximise apprenticeship volumes - support for employers to make most of levy, retain unspent levy for use by SMEs	▪ National Apprenticeship Service ▪ Levy transfer arrangements ▪ Institute for Apprenticeships ▪ Redundancy Support Service for Apprentices	▪ Apprenticeship Hub (in pipeline) – Support for SMEs new to apprenticeships and brokerage of opportunities to use unspent levy to increase apprenticeships in the YNYER area
Support skills development for in-work progression for low paid workers in sectors like hospitality	▪ National Skills Fund ▪ Advanced Learner Loans	▪ Specialist Skills Support: Strand 2 – Capacity Building for SMEs including support for in-work benefit claimants to progress in the workplace
Retention of older workers	▪ Fuller Working Lives programme	▪ Specialist Skills Support: Strand 1 – Support for an Ageing Workforce ▪ Thriving at Work – support for employees and SME businesses by raising the awareness and understanding of health conditions within the workplace
Career pathways	▪ National Careers Service ▪ Careers and Enterprise Company ▪ National Retraining Scheme	

Issue	Available levers	
	National	Local
Effective skills brokerage	▪ Growth Hub	▪ Bespoke Skills – access to bespoke technical, specialist and transferable skills
Inspire people about their career options, build career readiness, address gender stereotypes	▪ Careers and Enterprise Company ▪ National Careers Service	▪ Careers and Enterprise Network ▪ North Yorkshire Coast Opportunity Area ▪ Women into STEM initiatives ▪ Employability charter – database of employers who support enterprise in education agenda
Tackle barriers to getting jobless into work	▪ Kickstart Scheme ▪ Payments to employers who hire new apprentices (£2,000 for under-25s and £1,500 for 25+) ▪ National Careers Service (additional Covid-19 funding for personalised support) ▪ JCP Work Coaches ▪ Flexible Support Fund (increased funding in response to Covid-19) ▪ Sector-based work academies (increased funding in response to Covid-19) ▪ New Enterprise Allowance ▪ JCP Work Experience ▪ Expanded Work and Health Programme as part of government's Plan for Jobs ▪ Work trials ▪ Job Retention Bonus (Covid-19) ▪ Traineeships (additional funding to tackle Covid-19) ▪ Expanded Youth Offer for Intensive Work Search group in Universal Credit ▪ Enhanced work search support via JCP ▪ Job finding support service - on-line, one-to-one service introduced as part of Plan for Jobs	▪ Access to Employment: Move Forward ▪ Skills Support for the Unemployed Project - helps those out of work get the skills they need to begin employment or an apprenticeship ▪ Action Towards Inclusion - support to the most disadvantaged groups who are furthest from the labour market and who experience significant barriers to work ▪ Community grants - for voluntary and community groups to enable them to help unemployed people progress towards employment ▪ Community-led Local Development – targeted support to help those furthest from the labour market in coastal communities to move closer to employment and develop their skills and experience
Women disadvantaged in labour market: occupational segregation, gender pay gap	▪ ▪Gender Pay Gap Service – support for employers to understand the pay gap and to develop an action plan to address it ▪ ▪Flexible Working Task Force	▪ Women in the Workforce - This call seeks to redress the balance and support women to prosper in the local economy ▪ Specialist Skills Support: Strand 3 - Women in STEM and Digital Industries
Inclusive access to apprenticeships and technical education	▪ Recommendations of the Maynard Taskforce to improve access to apprenticeships for people with learning difficulties and/or disabilities ▪ Review of functional skills qualifications ▪ Funding for young apprentices, transitional support payments, increment for apprentices from deprived areas, additional funding to achieve English and Maths ▪ Unlocking Talent, Fulfilling Potential – improving social mobility through education ▪ Extra university places for engineering, science and nursing in response to Covid-19	▪ Local NEET support to reconnect young people with learning or move into work ▪ Industrial Placements for T Levels – supporting businesses to provide high quality T Level industry placements

Business Inspired Growth

York & North Yorkshire LOCAL ENTERPRISE PARTNERSHIP

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