York and North Yorkshire Labour Market Analysis 2025

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Executive Summary

This report provides an assessment of York and North Yorkshire's (YNY) supply and demand of skills, with the aim of identifying how mismatches between the two can be narrowed to promote greater productivity growth. It does so while also providing an account of the business landscape of YNY, inclusivity in the labour market and in education.

The Local Landscape

YNY has a relatively **high concentration of enterprises**, with 47.7 businesses per 1,000 residents compared to the national average of 39.7 per 1,000. The majority of these businesses (89%) are micro-enterprises, defined as those with 0 to 9 employees. The region has a strong presence of agricultural, forestry, and fishing businesses, accounting for 16% of enterprises compared to just 4% nationally. Additionally, YNY has a higher proportion of enterprises in accommodation and food services than the national average (8.2% vs. 6.1%).

Between 2015 and 2024, the number of businesses in YNY grew by approximately 5.2%, an increase of 1,990 enterprises. While this growth is positive, it **lags significantly behind** the **English average growth rate** of 11.9% over the same period.

Productivity, measured by GVA per hour worked, reveals that **YNY falls behind the English average** in 2023. England's GVA per hour stands at £42.40, while YNY's is £38.2

When looking at **GVA per industry**, we see that financial and insurance activities garners the most productivity from its workforce (average per worker £128,910) while lowest productivity is noted in accommodation and food services (£28,174) and in administrative and support services activities (£28,933).

Overall, 71% of the employed workforce are working in industries where the **indicator of relative productivity rate** is below 100%.

When comparing the percentage of the working-age population qualified at Level 4+ (higher education and above) alongside productivity for combined authorities, YNY performs relatively well. It boasts higher productivity and a more highly skilled workforce than neighbouring West Yorkshire and South Yorkshire. However, the West of England region outperforms YNY, with both higher productivity and greater rates of high-level qualifications.

Pay levels in YNY are **lower than the English average** (£667 vs. £762). Gross weekly pay for full-time workers within YNY is higher when measured by their home location (£686) rather than by their workplace location (£667). This suggests that many residents commute outside the region for better-paying jobs. As later explored, there is a net outflow of commuters leaving YNY for work elsewhere, indicating that those who both live and work in YNY-particularly in North Yorkshire-may have less spending power compared to residents who work outside the region. This disparity poses a challenge for attracting new talent to work in the region.

While the median weekly pay in YNY is about 91.5% of the UK median, the gap widens at higher earning levels. At the 80th percentile, pay falls to approximately 91% of the UK median, highlighting difficulties in attracting highly qualified and experienced workers to the region.

There is a growing trend of jobs paying **below the Real Living Wage** in YNY. In York, 12% of jobs pay less than the Real Living Wage, while in North Yorkshire, this figure is 20%, compared to the national average of 16%. Overall, wages in the region are not high enough.

The **gender pay gap** in YNY is similar to the national average, both standing at 13%. However, this average hides a larger pay gap for part-time workers in the region (5% compared to -3% nationally) and significant differences within YNY. In York, the gender pay gap is 23%, whereas in North Yorkshire it is 10%.

YNY has an employment rate of 79% which is higher than the English average of 75.7%. While there is a drop in employment rate for those aged 50-64 in YNY to 74% relative to employment rates amongst other age groups (highest at 90% for those 25-34), **employment rates** are still **higher or match the English averages** for each age group.

Since the COVID-19 pandemic, the growth in the number of employees in YNY has been slightly slower than in England as a whole. The region's employee count grew by 4.85%, compared to 5.6% nationally. York's growth rate was particularly slow at 2.9%, while North Yorkshire grew by 5.5%. This suggests that York needs additional **support to boost its employment growth** to match national levels.

There has been a notable shift in the labour market from self-employment to traditional employment. Between 2014 and 2024, the **number of self-employed people in YNY fell** by 10,800, while the number of employees increased by 15,600. This trend aligns with slower business growth in YNY compared to the rest of England.

Unemployment in the region is **low**. Between October 2023 and September 2024, the unemployment rate was 1.8%, well below the national rate of 3.9%.

Early retirement is a common reason for people being economically inactive in YNY, with 21% of those inactives citing it as their main reason-significantly higher than the national average of 13%. **Long-term sickness** also contributes to economic inactivity, with 30% of inactive individuals citing it as their main reason. These factors highlight the need for **inclusive employment policies** to encourage greater participation in the labour market.

Key facts	Notes and source
Size of the total resident population – **820,478**	Source: Census 2021
Working age population (16-64) – **496,600**	Source: Census 2021
Productivity level, GVA per hour worked in YNY: **£37.40** (national average: £40.30)	Source: ONS Subregional Productivity
Average pay: **£667** per week (national average: £732)	Median gross weekly pay for full-time jobs. Source: Annual Survey of House and Earnings, 2024
Size of gender pay gap in YNY median pay for all jobs: **13%** (National average: 14%)	Source: Annual Survey of House and Earnings, 2024
Employment rate in YNY: **79%** (national average: 76%)	Source: Annual Population Survey, Jan 2024-Dec 2024
Number of people in YNY who are inactive but want a job: **13,800**	People aged 16-64 who are economically inactive but would like a job as a proportion

	of population aged 16- 64. Source: Annual Population Survey
Demand	
Number of workplace jobs in YNY: **491,000**	Source: ONS, 2023
Proportion of people in employment working in high skilled occupations – **53%** (national average – 54%)	Source: Annual Population Survey, Jan 2024 to December 2024
Proportion of workers in YNY that are employed in five lowest paid occupations – **20%** (national average – 16%)	Source: Annual Population Survey, Jan 2024-Dec 2024
Supply	
Working population of YNY with a Level 4+ qualification – **48%** (national – 47%)	Source: Annual Population Survey, Jan 2024-Dec 2024
Economic inactivity and have a level 4+ qualification – **29%**	Source: ONS, 2021
Apprenticeship starts in YNY (excluding British Army) – **6,760**	Source: Department of Education, 2024
Total adult learners in further education – **14,940**	Source: Department of Education, 2022
Number of students enrolled at YNY HE institutions, 2023/24 at York St John and the University of York – **33,350**	Source: Higher Education Statistics Agency
Mismatches	
Proportion of vacancies in YNY that are skill shortage vacancies – **25%**	Source: Employer's Skill Survey 2022
Proportion of employers in YNY who have one or more staff with a skills gap – **15%**	Source: Employer's Skill Survey 2022
Proportion of YNY employers who say the skills of their staff are underutilised – **39%** (national average 39%)	Source: Employer's Skill Survey 2022

Demand for Skills

This report examines the demand for skills within YNY by analysing the local employment profile and the qualifications required for available roles. It considers the current labour market and how patterns of employment and occupational change have evolved, particularly in the context of the COVID-19 recovery. The report aims to identify the skills that employers and the local economy need both now and in the future, considering recent shifts in the workforce and industry demands.

Job density in YNY has steadily increased from 0.85 in 2011 to 0.94 in 2021 and 0.98 in 2023. Although there remains some room for improvement, this is notably higher than the English average of 0.87. The region's strong labour market is reflected in its recovery rate following the COVID-19 pandemic: after a dip to 0.85 in 2020, job density and total workplace jobs rebounded, with jobs rising from 451,000 in 2020 to 491,000 in 2023, demonstrating resilience in the post-pandemic recovery period.

The top three **sectoral employers** in YNY are Wholesale and Retail Trade, which accounts for 57,000 jobs (14.3%); Accommodation and Food Service Activities, representing 49,000 jobs

(12.3%); and Human Health and Social Work Activities, which also employs 49,000 people (12.3%) in the region.

The concentration of **sectors** in YNY, measured by location quotient (LQ)-a metric that compares the local share of employment in a sector to the national average-shows strong representation in agriculture (3.83) and accommodation and food services (1.52), showing **sector specialisms**. Agriculture has an LQ of 3.83, meaning it is nearly four times more concentrated in YNY than across England. Accommodation and food services have an LQ of 1.52, indicating they are also significantly more prominent in the area compared to the national average.

There are notable differences within the region; for example, agriculture is more prominent in Richmondshire, Ryedale, and Hambleton than in York. Other key sectors with significant presence include manufacturing, public administration and defence, retail, and construction. However, **regional disparities** exist within these sectors as well; for instance, construction is particularly strong in Ryedale and Selby but less so in York and Craven.

Importantly, some **sectors are underrepresented** in YNY, including information and communications (0.46), financial and insurance activities (0.7), and professional, scientific, and technical services (0.81). For example, the information and communications sector accounts for less than half the proportion of employment found at the national level.

When examining the **industries divisions** with the highest employment in YNY, several industries stand out. Crop and animal production, hunting, and related services have a strong LQ of 3.97, indicating that YNY employs nearly four times as many people in this industry compared to the national average. Similarly, manufacturing of beverages has an LQ of 3.7, and manufacturing of electrical equipment is also significant with an LQ of 2. The strength of the tourism sector is notably strong, with accommodation alone employing 15,000 people-almost 2.5 times the national average-highlighting its importance to the local economy.

Notably, several **high-skill and technology-driven industry divisions are underrepresented** in YNY compared to the English average. Telecommunications employs less than half the proportion of workers found nationally, with a location quotient (LQ) of 0.45. Similarly, computer programming, consultancy, and related activities have a low LQ of 0.52. Other knowledge-intensive sectors, such as financial service activities, also show lower concentrations, with an LQ of 0.54. These figures highlight that YNY has a relatively smaller presence in these key high-skill industries compared to the national economy.

The **occupational profile** of YNY closely mirrors the English average, with 53% of employment classified as high-skilled compared to 54% nationally. Corporate managers and directors form the largest occupational group in YNY, employing 36,400 people. This group includes senior roles across various sectors such as retail, manufacturing, construction, finance, marketing, and public administration.

At a more detailed level, **skilled agricultural and related trades** are significantly overrepresented in YNY, with employment more than three times the national average. **Elementary trades** and related occupations are also prominent, employing 2.3 times more people than the English average. These trends reflect the region's economic strengths and sectoral composition.

Conversely, YNY is underrepresented in several high-skill occupations, including health professionals (LQ 0.73) and science, engineering, and technology associate professionals (LQ 0.79). **STEM professionals are also less prevalent**. This underrepresentation highlights potential workforce gaps in key sectors.

Since 2020–2021, YNY has seen a shift in **employment trends**, with high-skilled occupations surpassing other groups in numbers-a pattern that has continued through September 2024. During the post-pandemic recovery from 2021 to 2024, elementary occupations and business and public service associate professionals each gained around 7,200 jobs. However, some groups declined, including other managers and proprietors (down 9,000 jobs) and health professionals (down 7,800), likely reflecting workforce changes following the COVID-19 pandemic.

Continued upskilling of employees is essential to maintaining a dynamic labour market. Employers report that 42% of managers, directors, and senior officials require upskilling, making this group the most commonly identified for development.

The skills most frequently needed include specialist knowledge relevant to their specific roles, alongside the ability to adapt to new equipment and materials. Notably, in YNY, there is a higher demand than the national average for skills in computer literacy and basic IT. This indicates that **foundational digital competencies** are a particular priority for employers in the region.

Supply of Skills

This section looks at the supply of skills to the labour market. Overall, the area needs a dual focus both on the continued upskilling of existing employees, those engaged in apprenticeships and adult further education, alongside the provision of graduate-level and Level 4+ qualification job roles. The two strategies need to work side-by-side. They also need to do so in such a way that there is continued greater inclusion within the workplace, particularly as the workforce becomes older and has a greater diversity of people working within in.

With regard to **local demography**, YNY has a relatively higher proportion of residents who are aged 65 and over (24%) than the national average (18%). We see comparable trends where the percentage of working age population (16-64) in YNY accounts for 60% of the total population, which is lower than the 63% observed average across England. However, there are regional disparities across YNY with York having a higher proportion of working age residents (66%) compared to Craven, Ryedale, and Scarborough each have just 57%.

Looking at longer term trends, **the working age population in YNY is predicted to shrink** while projected population growth is amongst those aged 70-89, projected to grow by around 4% from 2018 to 2043.

YNY is characterised by a relatively **high level of commuting**. But there is a big level of regional disparity across YNY in working from home trends where 36% of those in York work mainly from home while only 19% of those in Scarborough do. Of those who commute to work, those in North Yorkshire are more likely to commute further for work compared to those in York. This reflects the geographical composition of the region with commuters in North Yorkshire more likely needing to travel for work given the rural characteristic of the region. This may reflect the lack of urban centres or employment providers in North Yorkshire.

YNY has high **commuting flows** but significantly, more of its commuters leave the region as opposed to entering the region for work. 39,790 residents commute outside the region for employment, compared to 30,474 who commute within YNY. Key areas where the region's commuters go to include Leeds, Bradford, Wakefield and East Riding of Yorkshire. Many people do commute to jobs available outside of their region, which points to the need to ensure there is an adequate supply of jobs internally.

YNY have relatively higher proportions of people holding intermediate **qualifications** (Levels 2 and 3) compared to the national averages, while the proportion with Level 4 qualifications is roughly on par (48% in YNY versus 47% nationally). However, there are notable regional disparities within YNY: York has a significantly higher share of its economically active population with Level 4+ qualifications (48%) compared to Scarborough (32%) and Richmondshire (35%).

While YNY has a comparable level of qualification compared to the English averages, the YNY market **underutilises a skilled labour pool**. Of those who are economically inactive, 29% have no qualifications but 29% also have a level 4+ qualification.

The **qualification and age profile** in YNY reveals important insights for labour market adjustments. While 51% of the 50–64 age group hold higher-level qualifications (RQF4+), exceeding the national average for that cohort, younger groups lag behind. Only 17% of 16–24-year-olds (nationally: 21%) and 56% of 25–49-year-olds (nationally: 57%) in YNY hold RQF4+ qualifications, both below national averages. Although YNY has higher proportions at intermediate qualification levels (RQF2 and RQF3) for these younger groups, the shortfall in higher-level qualifications suggests a need for targeted upskilling and reskilling, to sustain regional competitiveness.

In the 2023/24 academic year, YNY recorded a total of 6,760 **apprenticeship** starts. Most apprenticeships in YNY are delivered by private providers but are publicly funded, with 43% funded through government sources and another 41% through other public funding channels. Intermediate level apprenticeships make up 45% of all apprenticeship types in YNY, although the region supplies fewer apprenticeships at advanced and higher levels compared to the English averages. Additionally, YNY has a higher proportion of apprentices aged 25 and over enrolling compared to national averages, suggesting that apprenticeships in the region may be less commonly considered as a pathway immediately following school.

Among **apprenticeship subjects** in YNY, there is a disproportionate number offered in health, public services, and care, which account for half (51%) of all apprenticeships. However, business administration and law offer the highest number of higher-level apprenticeships, with 740 starts. While health, public services, and care have the greatest overall number of apprenticeship starts, the majority of these (2,320) are at the intermediate level.

Participation in **adult education** in YNY shows positive outcomes, with a relatively high level of engagement in further education compared to other combined authorities. However, most learners are pursuing qualifications at Level 2 and below. The most common subject for adult learners in YNY is Preparation for Life and Work, followed by Health, Public Services, and Care. The majority of adult learners in further education remain clustered at Levels 1 and 2, with a significant drop-off at Level 3 and above.

Higher Education (HE) institutions are a key asset to YNY; however, **graduate retention rates** within the local labour market need improvement. Graduate Outcomes data shows that 42% of new graduates working in the region originally come from YNY or neighbouring areas, indicating difficulties in attracting graduates from further afield. Furthermore, York city's graduate labour market is much smaller than those of neighbouring cities, and its private sector requires support to create and sustain graduate entry roles. While North Yorkshire recruits more graduates than York city, it has less recruitment in business, HR, and finance. To meet the projected need for 121,000 new graduate entrants by 2035, YNY must focus on both retaining local graduates and attracting new graduates to the region.

When examining equality of access to HE, YNY shows a **larger progression rate gap** for pupils eligible for free school meals compared to the English average.

When examining **labour market inclusion**, YNY show a comparatively high employment rate for individuals with an Equality Act (EA) core work-limiting disability compared to national figures (63% vs. 57%). However, the number of people with an EA core or work-limiting disability is increasing, underscoring the importance of ensuring workplaces are accessible and inclusive.

Reflecting on **workforce development**, we see that in YNY, 56% of employers provide training to their employees. This training tends to be job-specific and health and safety-related. However, 40% of employers provide training in new technology. Importantly, 43% of employers are not in a training equilibrium, meaning they feel they have not provided sufficient training but face barriers such as limited time, funding, or other constraints. Employers need more support to deliver this training. Public sector employees are most likely to receive training, highlighting the need to target training efforts in the private sector.

Mapping of Skills Demand and Supply

There is a tension between significant skills shortages in YNY and Yorkshire and the Humber, and the underutilisation of employees' skills by employers. This mismatch suggests that addressing labour market challenges requires a two-pronged approach: enhancing skills development and training to close gaps and equip workers with advanced competencies, while also improving job design, workforce planning, and management practices to better utilise existing talent.

According to the Employer Skills Survey 2022, YNY have 12,279 vacancies identified as hard-to-fill, with 5,363 of these specifically attributed to skills shortages. This means that nearly 44% of hard-to-fill vacancies in the region are due to a lack of candidates with the required skills, highlighting a significant mismatch between employer needs and the skills available in the local labour market.

In YNY, **skill shortage vacancies by occupation major groups** are notably high in professional, skilled trades, and associate professional occupations. Specifically, 49% of skilled trades vacancies, 41% of professional vacancies, and 37% of associate professional vacancies are hard-to-fill due to a lack of candidates with the necessary skills.

In Yorkshire and the Humber, the highest numbers of **skill shortage vacancies in sectors** are in business services (5,570), manufacturing (4,244), health and social work (4,149), and wholesale and retail (4,022). When looking at **skill shortage vacancy density**-the proportion

of vacancies that are hard to fill due to skills shortages-information and communications (57%), construction (56%), manufacturing (42%), and arts and other services (40%) stand out. This indicates that these sectors experience more severe recruitment difficulties relative to their size.

The primary reasons for **hard-to-fill vacancies** in YNY are a lack of interest in these types of jobs, a generally low number of applicants, and challenges related to the region's remote location and poor public transport.

In Yorkshire and the Humber, the sectors with the highest absolute numbers of hard-to-fill vacancies are health and social work (9,055), business services (8,352), hotels and restaurants (7,886), and wholesale and retail (6,945). When considering the proportion of vacancies that are hard-to-fill, referred to as **hard-to-fill density rates**, a different pattern emerges. Construction leads with 72% of its vacancies being hard-to-fill, followed by the primary sector and utilities (69%), information and communications (68%), and hotels and restaurants (65%).

There is a 15% **skills gap** in both YNY and England in relation to employees not having the adequate skills required to do their job. This is 5,919 employees in YNY who require further upskilling for their role.

Half (50%) of employers identified a skills gap in operational skills, followed by 44% in complex analytical skills. Additionally, 41% reported a skills gap in digital skills, which is notably higher than the national average of 31%. This is reflected in the greater demand in YNY for advanced or specialist IT skills (25%) compared to England overall (16%). In contrast, soft and people skills are stronger in YNY compared to the national averages. In Yorkshire and the Humber, business services and manufacturing stand out as the sectors with the largest absolute numbers of employees lacking full proficiency, with 40,123 employees in business services and 33,628 in manufacturing identified as having skills gaps. When looking at skills gap density, public administration leads with the highest skills gap density at 15%, followed by manufacturing at 13% and business services at 10%.

2 in 5 (39%) of **employers underutilise their staff**. A higher proportion of employers in YNY underutilise their staff compared to national levels (35%).

Introduction

Productivity, measured as Gross Value Added (GVA) per hour worked, reflects the average economic value generated by one hour of labour. Increasing productivity allows the economy to produce more goods and services with the same amount of labour and resources, leading to higher wages, increased business profits, and more sustainable economic growth. This focus on productivity sets the context for this labour market analysis, which examines the local economic landscape, assesses skills demand and supply, and maps how these align. What emerges throughout the report is a clear understanding of the labour market's key strengths and the challenges that must be addressed to support this growth.

The report highlights the need to create jobs that fully utilise workers with Level 4+ qualifications and graduate-level skills, as well as the importance of continually upskilling and improving the qualifications of the existing workforce. This is notable against the context where The Unit for Future Skills projects that by 2035, YNY will need 238,000 new workers to meet labour market demands, including 19,000 net employment growth and 219,000 replacement hires. Approximately 121,000 of these will be new graduate entrants, with strong demand across business services, health, education, STEM, and management sectors. However, the region faces a projected shortfall of over 100,000 graduates, partly due to difficulties in retention and in attracting graduates from outside the area.

At the same time, employers report difficulties in finding workers with appropriate skills, while also underutilising the skills of their current employees. This suggests a skills mismatch: the workforce's abilities do not fully align with labour market demands. Some workers may be overqualified for their roles, while vacancies remain unfilled due to gaps in specific skills. This mismatch can limit productivity and constrain business growth. While YNY has a comparatively strong business base, its enterprise growth rate is only half that of the national average.

Inequalities also persist within YNY. The gender pay gap is particularly significant in York, and a growing number of people are living below the Real Living Wage, especially in North Yorkshire. Educational inequalities are also evident, with pupils eligible for free school meals (FSMs) facing larger gaps in progression to HE compared to national averages.

The report proceeds as follows:

- The local landscape: the local landscape is considered. This section reviews the business base, productivity as well as trends in employment and unemployment levels.
- Skills demand: this section maps out the employment profile of YNY with attention to job density and employment by occupation and sectoral groups.
- Skills supply: this section reviews the supply of skills to YNY's labour force. Notably, this includes analysis on who is amongst the labour force with a look to demographics and the qualification profile of the labour force. This considers HE, apprenticeships and adult further education.
- Mapping of skills demand and supply: Finally, this report includes a reflection on the mismatch of skills of the labour force and the market.

Data context

The YNY Combined Authority (YNYCA) was formally established in February 2024, with the first mayoral election held in May 2024. Prior to this formalisation, significant local government reorganisation took place. Notably, North Yorkshire Council became a single unitary authority in April 2023, replacing the former seven district and borough councils.

Due to these changes, there are some issues with data continuity. For example, some 2021 Census data referenced in this document does not cover YNY at the combined authority (CA) level, so analysis is presented separately for York and for North Yorkshire. In other cases, data includes the former seven district and borough authorities, which are not reflected in more recent datasets.

Where possible, data has been collected and analysed with a focus on YNY as a CA, with distinctions made between York City and North Yorkshire throughout where appropriate.

Employers Skill Survey: The 2022 release of the employer skill survey does not include YNY as a CA.

The local landscape

Summary

- YNY has a notably strong enterprise base, with 47.7 enterprises per 1,000 residents-well above the national average of 39.7-driven by a high concentration of micro-businesses and strong representation in agriculture and hospitality sectors.
- Despite this strength, business growth in YNY (5.2% since 2015) lags behind the national rate (11.9%), and the region has fewer enterprises in high-value sectors like professional, scientific, technical, and information and communications compared to national averages.
- Productivity in YNY, measured by GVA per hour worked, remains below the English average (£38.20 vs £42.20 at the national level). There is also some internal disparity where York (£43.5) has higher productivity rates compared to North Yorkshire (£36.4).
- Median weekly pay in YNY is lower than both the English and British averages, with York's workplace-based pay (£730) nearly matching the national average (£732), while North Yorkshire's (£640) is significantly below. The gap is even wider for higher earners, indicating challenges in attracting or retaining higher-paid roles in the region.
- Pay patterns differ between work and home geographies: In York, workplace pay exceeds residence-based pay, suggesting the city attracts higher-paying jobs and commuters, while in North Yorkshire, residents earn more by commuting elsewhere, reflecting lower local job pay and a reliance on external employment opportunities.
- The proportion of jobs paying below the Real Living Wage is rising in YNY, with 12% of jobs in York and 20% in North Yorkshire falling below this threshold in 2024. North Yorkshire's rate is notably higher than the England average of 16%.
- YNY have an overall median gender pay gap of around 14%, similar to the national average, but the gap is wider among part-time workers in the region (5% vs. -3% nationally). Notably, York experiences a significantly higher gender pay gap of 22.6%, which has increased from around 20% in recent years, contrasting with the generally narrowing gap nationally.
- YNY has a higher employment rate among the working-age population (79%) than the national average (75.7%), with particularly high rates for younger age groups, but employment rates decline for older groups. There are also variations in the proportion of working-age residents across local areas, a shift from self-employment to employee roles, a shift from part-time to full-time employment, and overall employment growth that, while positive, is slightly below the national rate since the pandemic.
- YNY consistently have lower unemployment (1.8% vs. 3.9% nationally) and economic inactivity rates (19.4% vs. 21.2% nationally) than England but face rising inactivity among those aged 50–64-driven by early retirement and long-term sickness.
- As of February 2025, the claimant unemployment rate in YNY is 2.3%, lower than the England average of 4.3%, but rates have increased slightly since February 2024 and are now above pre-pandemic levels, with the most notable rise among 18–24-year-olds.

This section provides an overview of the economic and labour market characteristics of YNY, highlighting key aspects such as the region's strong enterprise base, employment patterns, productivity, and pay levels. It explores the importance of business density and sector composition in shaping local economic performance, while examining trends in employment, including shifts between full-time and part-time work and changes in self-employment. The section also considers critical issues related to pay, including median wages, the Real Living Wage, and the gender pay gap, as well as labour market challenges such as unemployment, economic inactivity, and claimant rates. Together, these insights offer a comprehensive picture of the region's economic strengths and ongoing challenges, providing a foundation for understanding YNY's current position and future opportunities.

Business base

YNY has a strong enterprise base compared to the national picture

The area has a relatively strong business base, with 39,770 enterprises operating across YNY. The population of the region stands at 834,409[1], resulting in approximately 47.7 enterprises per 1,000 residents. This represents a slight decrease from the 2023 figure of 49 enterprises per 1,000 population, yet it remains notably higher than the national average of 39.7 enterprises per 1,000. Taking this into account, YNY has around 6,644 more enterprises than it would if its business density matched the national average.

Figure 1: Profile of local enterprises by size (number of employees), 2024
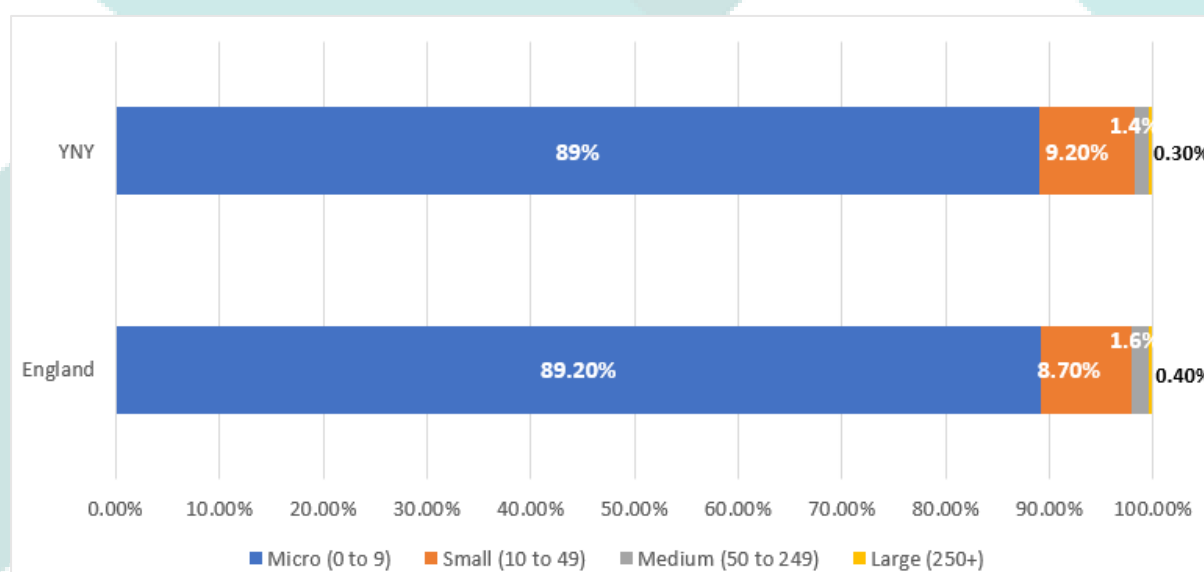
Source: NOMIS, UK Business Counts

Micro businesses (i.e., those with 0 to 9 members of staff) account for just under 9 in 10 businesses in YNY (89%), followed by small businesses (9.2%), medium businesses (1.4%), with large businesses accounting for 0.3%. This is comparable to the national picture.

YNY has a strong representation of enterprises within agriculture, foresting and fishing. Indeed, 15.6% of enterprises were in this section in 2024, compared to the national average of

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[1] York-and-North-Yorkshire-2025.pdf

3.9%. YNY also has a comparatively higher number of enterprises in accommodation and food services compared to the national levels (8.2% vs. 6.1%).

97% of agriculture, forest and fishing enterprises in YNY are micro businesses.

Figure 2: Profile of local enterprises by industry section, 2024
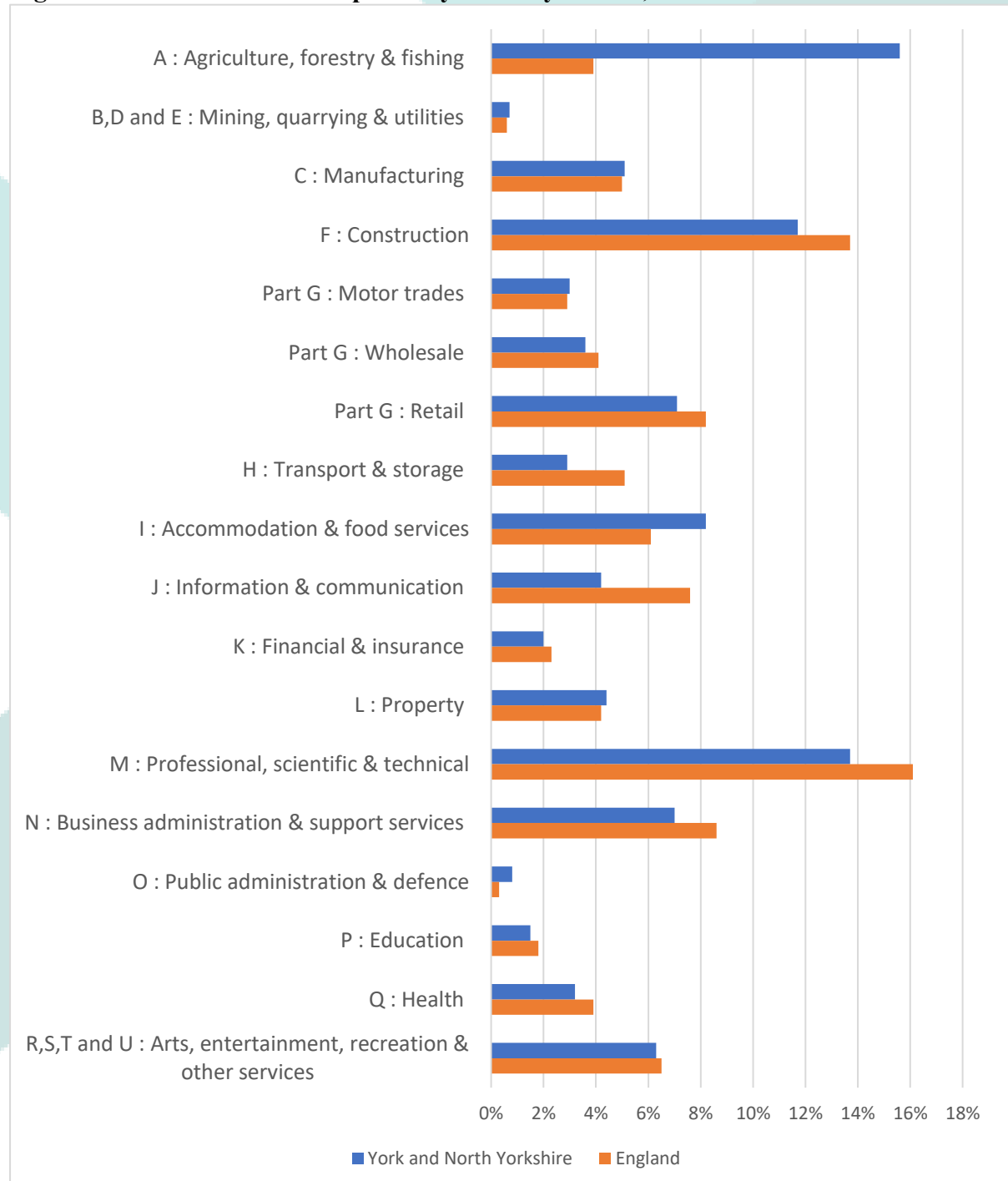
Sources: ONS

Despite having a relatively strong base of enterprises within the industry of professional, scientific and technical in YNY (13.7%), this falls below the national average (16.1%). The same is true for information and communications (4.2% vs. 7.6%). We also see YNY fall below the national average in construction (11.7% vs. 13.7%).

Large enterprises account for just 0.3% of enterprises in YNY, with the biggest relative share of largest businesses in education (4.2%) and mining, quarrying and utilities (2.4%).

Figure 3: Net change in count of enterprises, YNY, 2015 to 2024
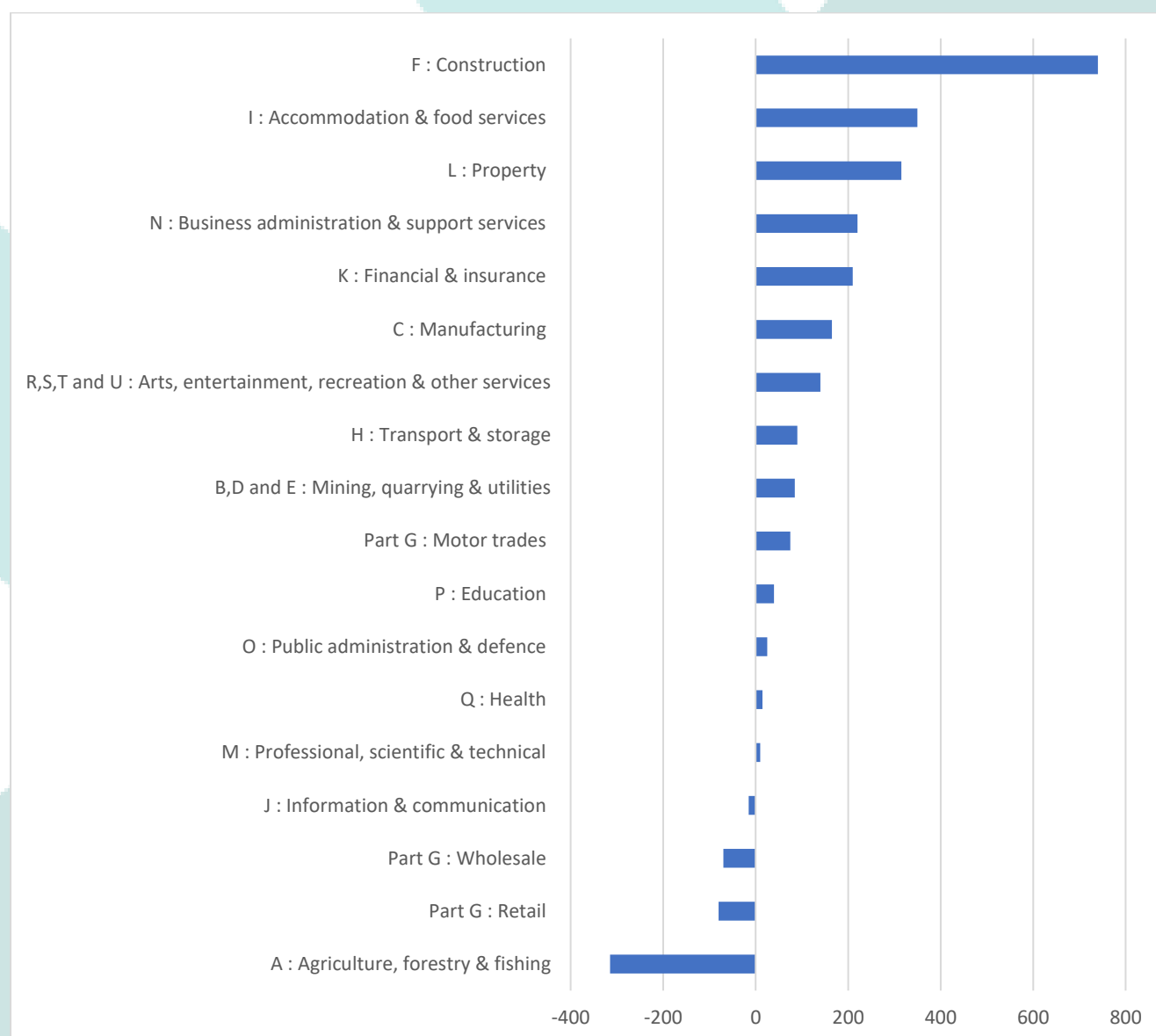
Source: NOMIS, UK Business Counts

There is a total increase of 1,990 businesses from 2015 to 2024, which is a 5.2% growth rate. Construction has experienced the greatest growth with a net change of 740 enterprises, followed by accommodation and food services (+350 enterprises).

However, this is below the national growth rate for England for the same period showing an increase of 2,116,295 to 2,368,350 enterprises anda growth rate of 11.9%.

Productivity

We assess productivity using GVA per hour worked. This measure provides a more accurate picture of economic productivity because it accounts for flexible working arrangements and variations in working hours. However, while productivity is associated with GVA growth, it

should be noted that GVA itself should be used with caution when interpreting positive productivity growth. For example, productivity is comparatively high in London and the South East, however much of this is driven by knowledge-intensive sectors such as financial and information and communications. London and surrounding cities also benefit from the agglomeration effects in the creation of clusters which drives both depth and breadth of skills in the workforce and productive working measures. The area is also well connected, and connectivity is often regarded as an integral part of the productivity puzzle. However, we also see that GVA growth can hide underlying pay inequalities and push cost-of-living upwards. This is exemplified in increasing rent prices and poverty in London. GVA remains a useful indicator when assessing productivity but should be understood as one part of the picture.

YNY (£38.20) does have a productivity gap relative to the English average productivity performance (£42.20).

When we examine productivity trends, we see that York historically had productivity rates above the English average until 2010. Since then, York's productivity has fluctuated, more recently surpassing the English national GVA per hour worked (£43.5 vs. £42.4 nationally). In contrast, productivity in North Yorkshire has consistently remained below the English average.

York (£43.5) has a higher GVA per hour worked compared to North Yorkshire (£36.4) in 2023. This points to the need to review productivity measures across North Yorkshire to avoid a widening productivity gap between the two areas within YNY.

Figure 4: Trend in productivity - GVA per hour worked (£) in current prices (smoothed)
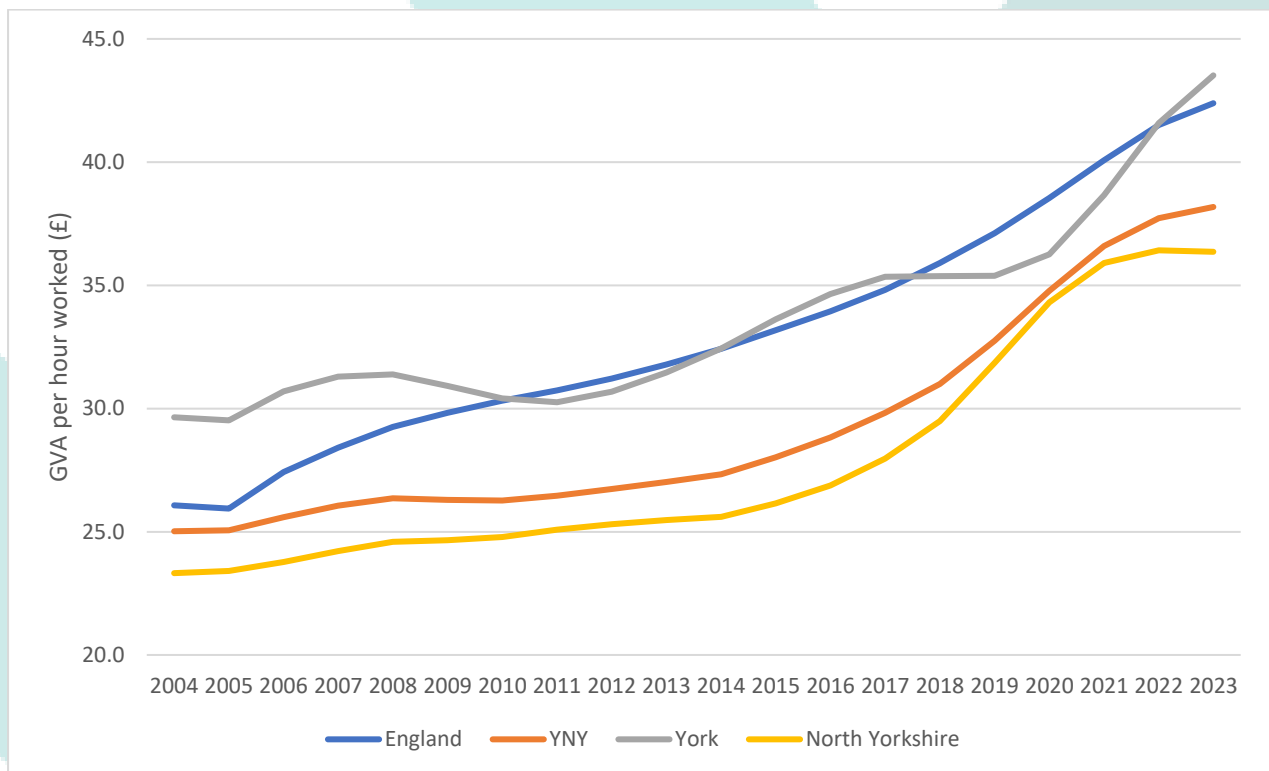
Source: ONS

When we review YNY's GVA per hour worked relative to other areas in the north of England, YNY (presented as North Yorkshire due to Census data presentation), we see that YNY performs comparatively well.

Figure 5: GVA per hour worked in the North of England ITL2 levels, 2023

Horizontal bar chart titled "GVA per hour worked in GBP (smoothed)":

Region	GVA per hour worked
Cheshire	44.6
Greater Manchester	39.8
East Yorkshire and Northern Lincolnshire	38.6
North Yorkshire	38.2
West Yorkshire	37.3
Merseyside	37.3
Lancashire	37.3
Cumbria	36.3
Northumberland, Durham and Tyne & Wear	36.0
Leicestershire, Rutland and Northamptonshire	35.9
Derbyshire and Nottinghamshire	35.6
Tees Valley	35.4
Lincolnshire	35.0
South Yorkshire	33.8

Source: ONS

In the context of other combined authorities and national productivity rates, YNY performs relatively well with a GVA per hour worked of £38.50. YNY falls below southern CA counterparts of West of England and Cambridgeshire and Peterborough.

Figure 6: GVA per hour worked Combined Authorities, 2023

Region	GVA per hour worked in GBP (smoothed)
West of England	42.0
England	40.3
Cambridgeshire and Peterborough	40.3
Greater Manchester	39.8
York and North Yorkshire	38.2
Hull and East Yorkshire	37.5
West Yorkshire	37.3
Liverpool City Region	37.3
Lancashire	37.3
Greater Lincolnshire	36.7
North East	36.0
West Midlands	35.7
East Midlands	35.6
Tees Valley	35.4
South Yorkshire	33.8

Source: ONS

YNY performs comparatively well compared to other CAs on its productivity rate and level of the working age population qualified at RFQ4+. The following graph shows that the % of those in the working age population with a level 4+ qualification is relatively high for YNY compared to other CAs with less of the working population with a level 4+ qualification only to the West of England. This points to YNY efficiency using its skilled labour force to generate greater productivity, but still less so compared to the West of England, Cambridgeshire and Peterborough and Greater Manchester.

Figure 7: Skills and productivity performance by CA area, 2023
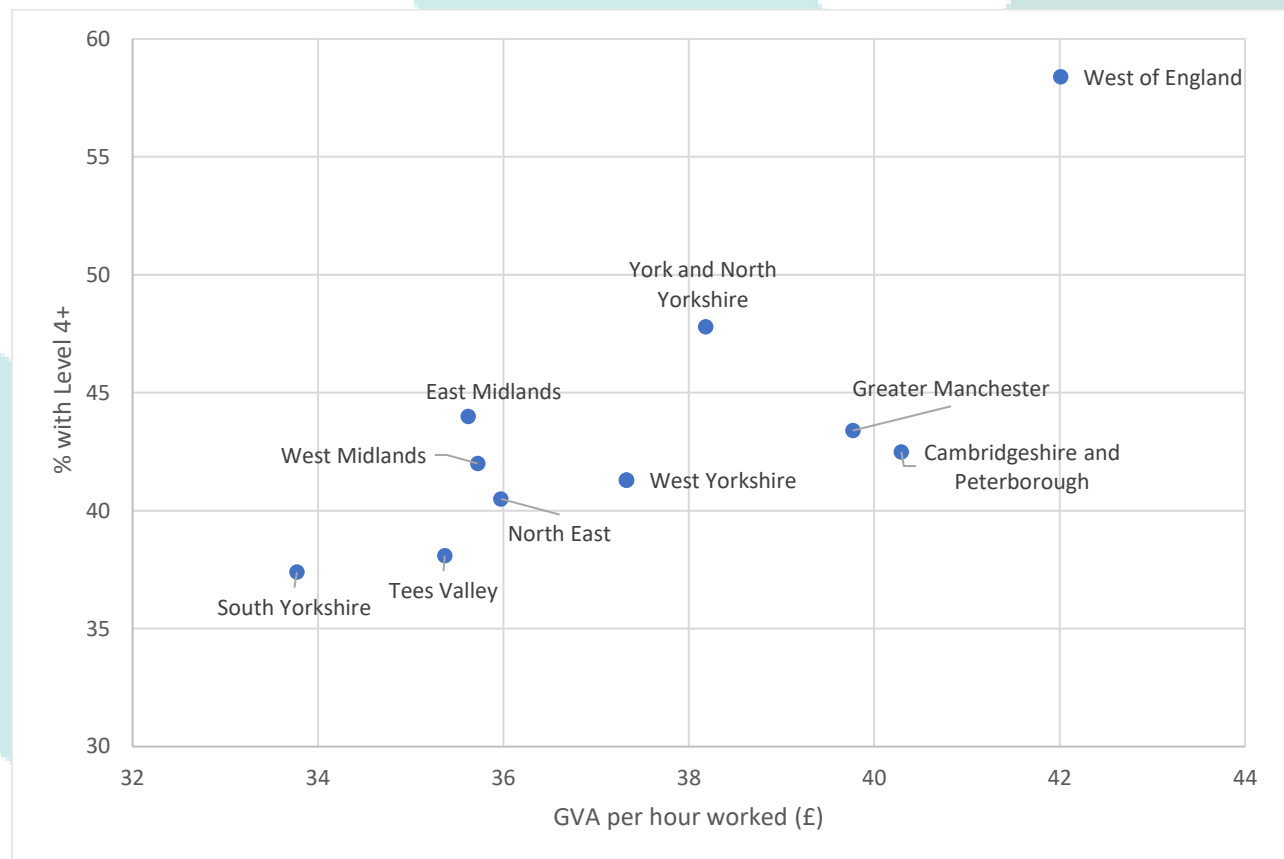
Sources: ONS and Annual Population Survey

The following table shows the average GVA per worker for each sector, represented by the figure inside each box. For example, the average GVA per worker in construction is £77,102. The number of people displayed in each box represents the percentage of the workforce employed in that industry. For instance, construction accounted for 4.2% of the workforce in YNY in 2022. The size of each box in the chart corresponds to the sector's share of the total GVA for YNY.

The finance and insurance industry stands out with the highest average GVA per worker at £171,104, indicating strong productivity, while accommodation and food services has the lowest at £28,174.

Both wholesale and retail trade and human health and social work activities stand out has having both a relatively larger percentage share of the workforce and of the region's GVA. However, they both demonstrate lower proficiencies compared to other industries such as public administration and defence and financial and insurance activities. This begins to show where productivity efficiencies can be targeted amongst the sectors.

Figure 8: Average GVA per worker, per sector representing YNY, 2022
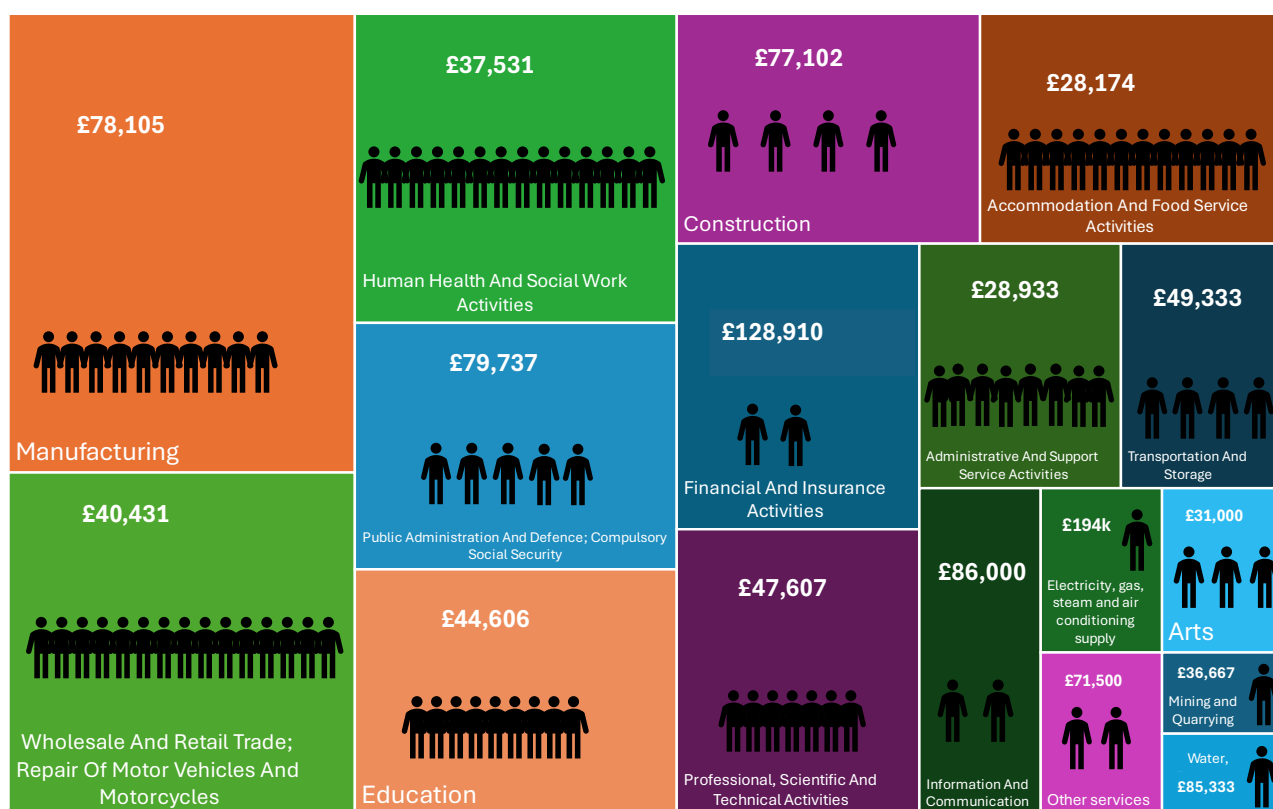
Note: This excludes real estate. Numbers in the box are GVA per employee per sector. Take total GVA of a sector and divide it by the number of workers in that sector. This produces an average productivity figure per employee, reflecting the average economic contributions of each employee in that sector. Source: ONS

Furthermore, we conduct additional analysis to calculate the total GVA for all industries (excluding real estate) for 2022, thereafter calculating the percentage of each industry's GVA of the total regional GVA. We can identify which industries have higher or lower productivity relative to their employment size. This provides an indicator of relative productivity.

What is most striking is that almost 71% of the employed workforce are working in industries where the indicator of relative productivity is below 100%. This indicates that the majority of workers are operating in industries where the value generated per worker is less than the regional (YNY) average benchmark. In other words, these industries are underperforming in terms of labour productivity, meaning that there is potential to increase output without necessarily increasing the number of employees.

Looking more closely at specific industries, the indicators are particularly low in accommodation and food services, at just 56%, and administrative and support services, at 58%. These industries employ a significant proportion of the workforce but generate comparatively less economic value per worker. Similarly, human health and social work activities have a relatively low indicator of 75%, reflecting challenges in improving output in labour-intensive and service-oriented fields.

This widespread underperformance across key industries suggests structural challenges such as limited capital investment, skills shortages, and operational inefficiencies, particularly in

labour-intensive fields. Since these lower-efficiency industries employ a large share of the workforce, targeted policies-such as workforce training, technology adoption, and improved management practices-are essential to boost productivity and unlock significant economic growth without compromising service quality and worker experience.

Figure 9: Indicators of relative productivity per industry and % of the employed workforce, 2022

% of the employed workforce

% productivity indicator per industry

384% Elec, gas, steam	258% Finance and insurance		100%
173% Info and comms	169% Water, sewage	160% Public admin and defence	94.4%
155% Manufacturing	155% Construction	141% Other services	86.7%
98% Transportation And Storage	95% Professional, Scientific And Technical Activities	89% Education	81% Wholesale And Retail Trade	70.8%
75% Human health and social work activities	63% Arts	58% Mining and quarrying	58% Admin support and support services	56% Accom and food service	35.9%

Source: ONS

Pay

Pay is important and is linked to productivity and living standards.

Overall, YNY have comparatively lower pay in their workplaces compared to English and British averages

The difference between work geography and home geography lies in their function within the labour ecosystem. Work geography denotes the physical location where an individual performs their job, while home geography represents the residential location of the workforce. Examining YNY data, a notable trend emerges: gross weekly pay for full-time workers is higher when assessed by home geography compared to work geography (£686 vs. £667). This implies that residential areas may be drawing higher-paying remote jobs or that workers are able to access higher paying jobs outside of their immediate region.

However, this pattern reveals an additional trend: in York, average gross weekly pay is higher when measured by work geography (£730) than by home geography (£711), while the reverse is true in North Yorkshire, where home geography pay (£674) exceeds work geography pay (£640). This suggests that jobs located in North Yorkshire tend to be lower paid, prompting residents to commute elsewhere for better-paying opportunities. Conversely, York attracts

higher-paying jobs, drawing in workers from outside the area and resulting in higher workplace-based pay compared to residence-based pay.

Figure 10: Median weekly pay for full-time workers – comparison of workplace and resident rates, 2024
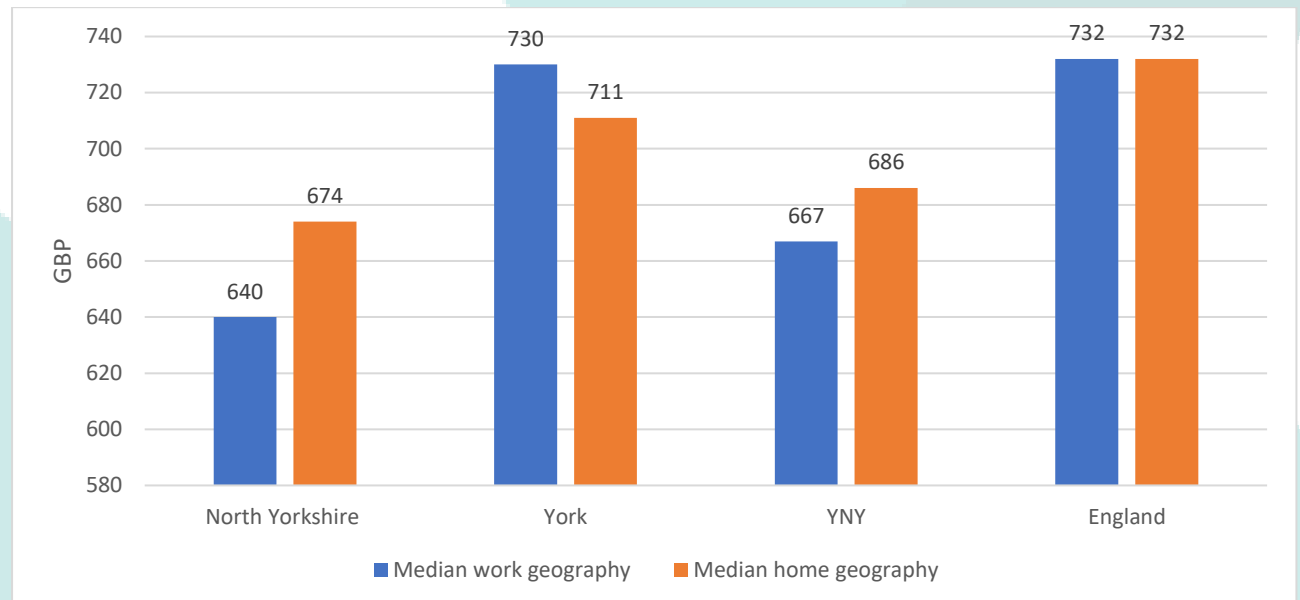
Source: Annual Survey of Hours and Earnings (ASHE)

Placing the local figures in context, the English median gross weekly pay for full-time employees, based on workplace analysis, is £732. This means that York's workplace-based median pay (£730) is almost exactly in line with the national average, while North Yorkshire's workplace-based pay (£640) falls significantly below it.

We see this trend as relatively constant over time with North Yorkshire consistently underperforming on pay relative to English levels, while there is some fluctuation in the York figures. North Yorkshire's median pay is approximately 87% of the English average.

Figure 11: Trend in median gross weekly pay (£) for full-time jobs; workplace analysis
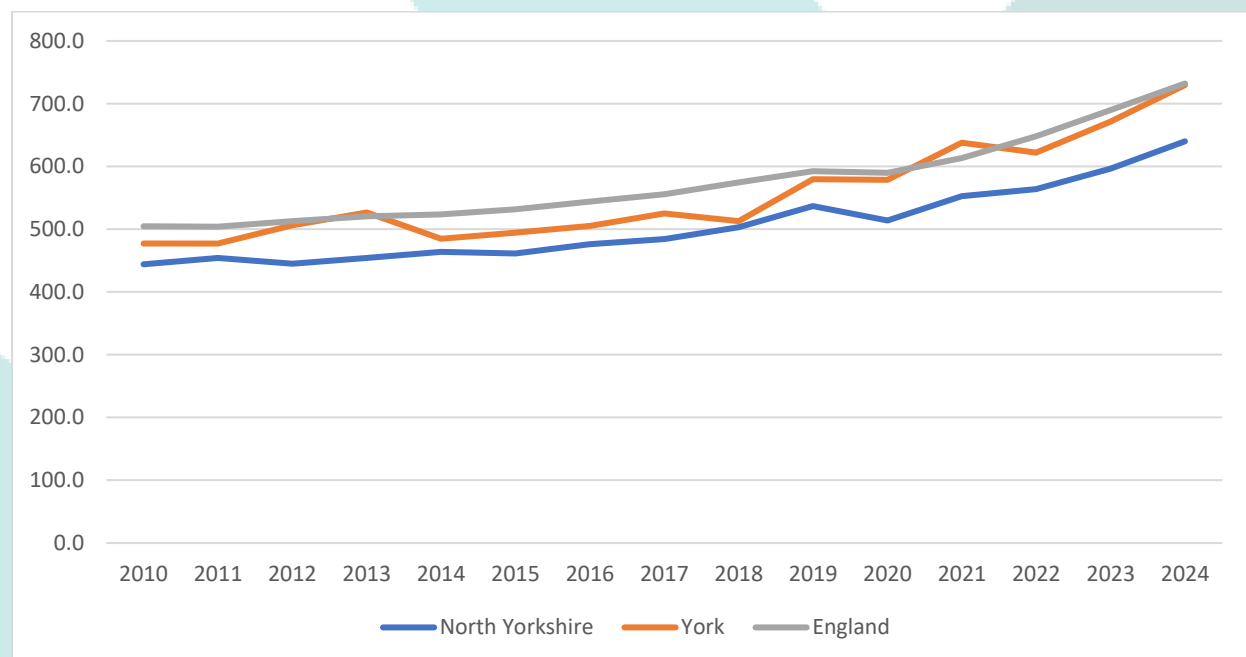
Note: Data not available for CA level, LEP level data only available 2019-2022
Source: ASHE

Median pay in YNY has experienced noticeable fluctuations in recent years, reflecting the impact of major economic shocks such as the COVID-19 pandemic, international events, and the cost-of-living crisis. Since 2022, both areas have generally seen year-on-year increases in median pay, indicating a recovery and upward trend. However, the data remains volatile, with growth rates varying from year to year, suggesting that the local labour market is still sensitive to broader economic pressures and uncertainties.

Figure 12: Percentage change in median pay on same month in previous year, seasonally adjusted
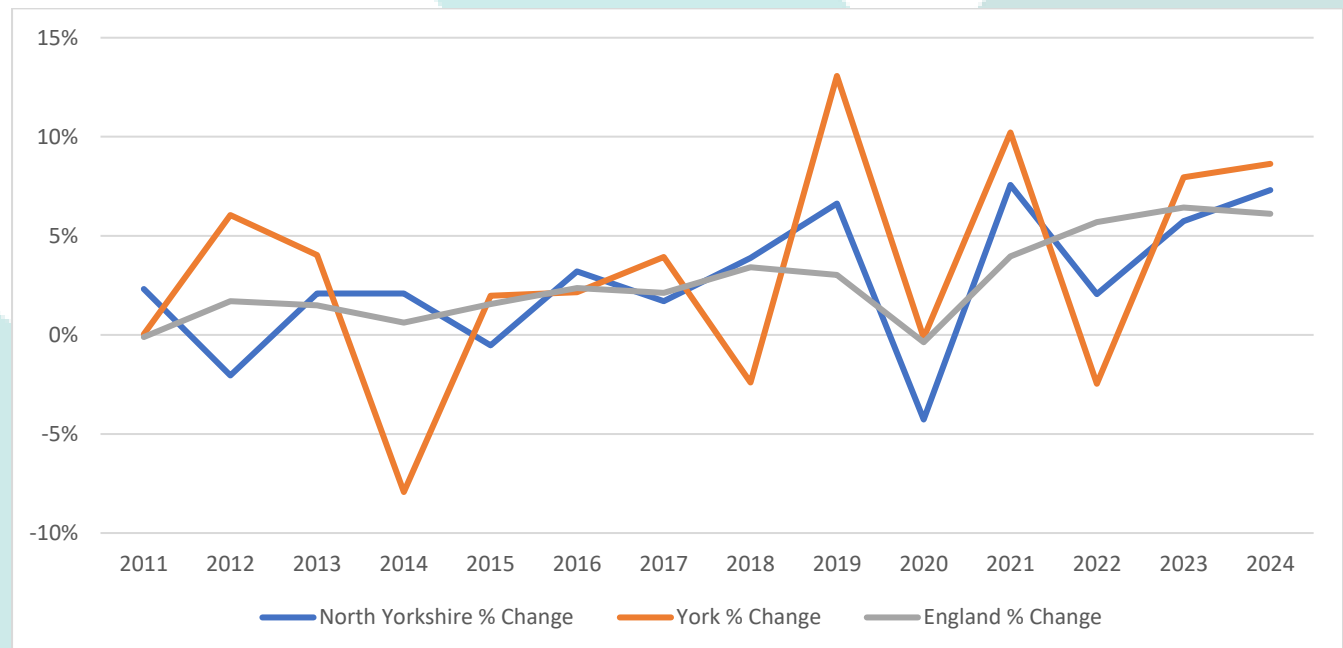
Note: Data not available for CA level, LEP level data only available 2019-2022
Source: ASHE

While YNY's median weekly pay is approximately 91.5% of the UK median, the gap widens at higher earnings levels. At the 80th percentile, pay in YNY falls to about 91% of the UK's median weekly pay. Higher earners in YNY lag further behind their national counterparts. This widening gap at the upper end of the pay distribution suggests that the area faces challenges in attracting or retaining higher-paid roles, which may have implications for overall income growth and economic competitiveness in the region.

As with previous trends, this is again more pronounced at the North Yorkshire level where the median gross weekly pay for the 80th percentile is £953 relative to York's £1044.

Figure 13: Distribution of gross weekly pay (£) for full-time jobs Gross weekly pay for full-time employees by work geography, 2024
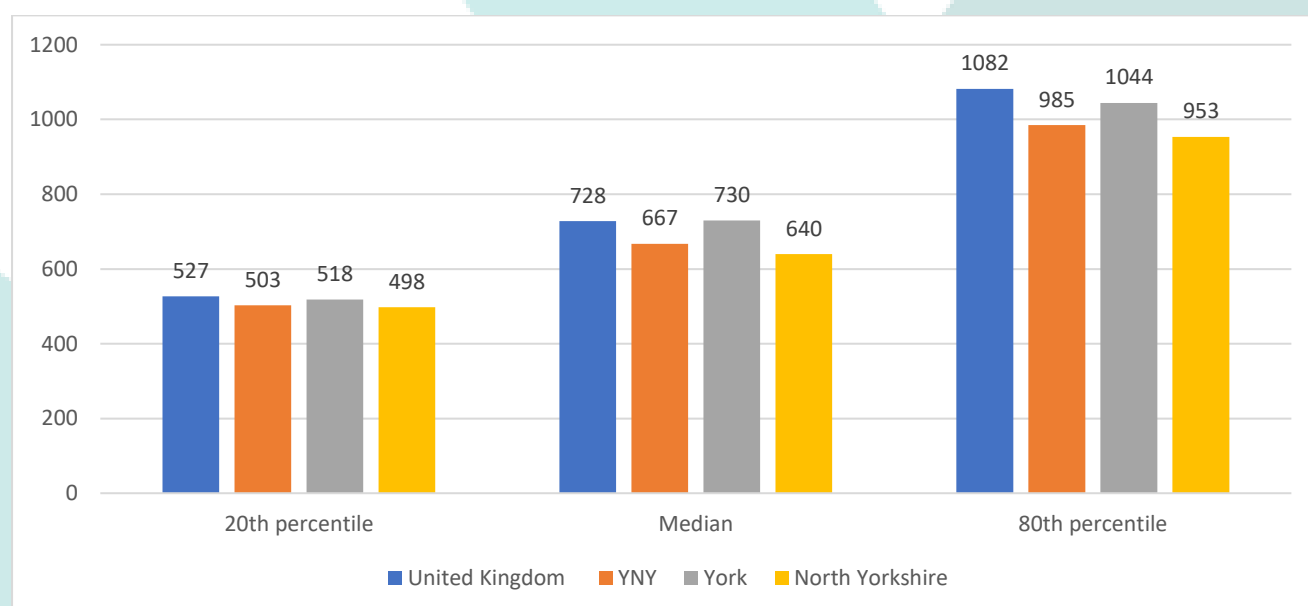
Source: ASHE

We see a similar, although less pronounced, gap at the 20th percentile, with York and North Yorkshire all falling behind the median weekly pay at the 20th percentile.

Lower levels of pay in YNY relative to the UK is in part reflected in a higher proportion of workplace employment in low-paid occupations. There are around 80,000 people employed in the five-lowest paid occupations in YNY which accounts for 20% of the workforce in YNY compared to 16% at a national (England) level.[2]

There is a rising trend of local jobs paying below the Real Living Wage in YNY

According to ONS data, we see that 12% of jobs in York pay below the Real Living Wage and 20% of jobs in North Yorkshire pay below the Real Living Wage. Both areas are measured against the 2024 England average, where 16% of jobs pay below the Real Living Wage. North Yorkshire has a notably higher proportion of jobs paying below the Real Living Wage, indicating a greater prevalence of low pay in the area.

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[2] The five lowest paying occupations are skill agricultural and related trades, textiles, sales, elementary trades and elementary administration and service. Source: Annual Population Survey, Jan 2023-Dec 2024.

Figure 14: Proportion of employee jobs paying below the Real Living Wage (as defined by the Living Wage Foundation), 2020-2024
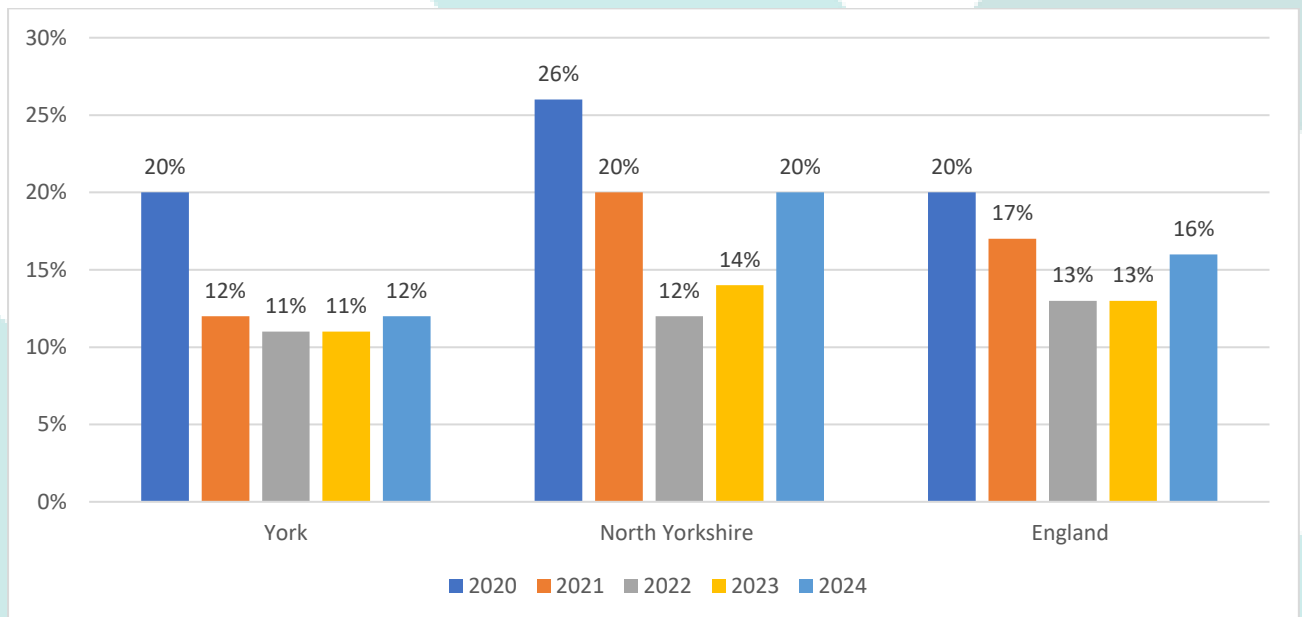
Source: ONS

While we had previously seen a decline in the % of those working in jobs earning below the living wage, notably from 2020 to 2022, a recent uptick in the prevalence of these roles is recorded from 2022 to 2024. This is likely due to external events and economic shocks as well as the Cost-of-Living crisis.

Figure 15: % earning below living wage by work geography
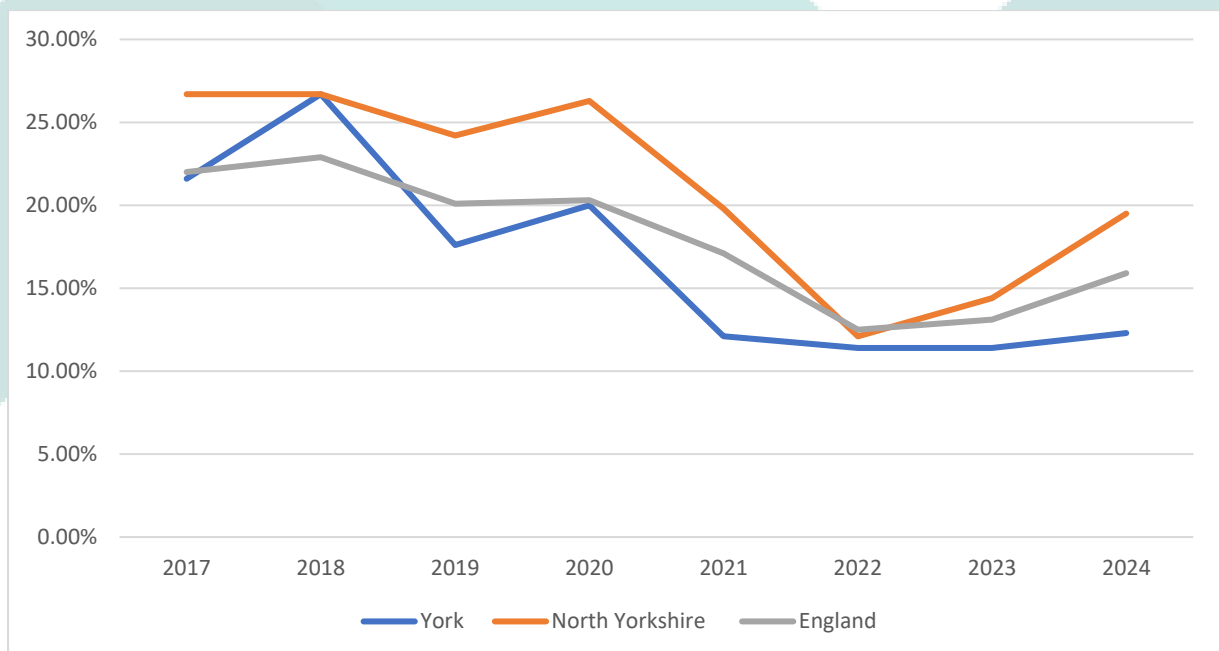
Source: ONS

YNY's gender pay gap is similar to the national average

When comparing the gender pay gap in YNY to the national average for England, we find that the median pay gap for all employees is around 14% in both YNY and England. However, the gap widens when looking specifically at part-time workers. In YNY, there is a gender pay gap of approximately 5% for part-time employees, whereas in England, the gap is -3%, meaning women working part-time nationally earn slightly more than men. This results in an 8% difference between YNY and the national figure, highlighting a more pronounced gender pay disparity among part-time workers in YNY.

York has a comparatively high gender pay gap compared to North Yorkshire and England

When focusing on York, there is a notably wider gender pay gap compared to the national average for England. In York, the gender pay gap for all employees stands at 22.6%, significantly higher than the English average of 14%. This indicates that women in York earn substantially less than men relative to the national context, highlighting a more pronounced disparity in pay between genders in the city.

Figure 16: Gender pay gap for median gross hourly earnings; 2024
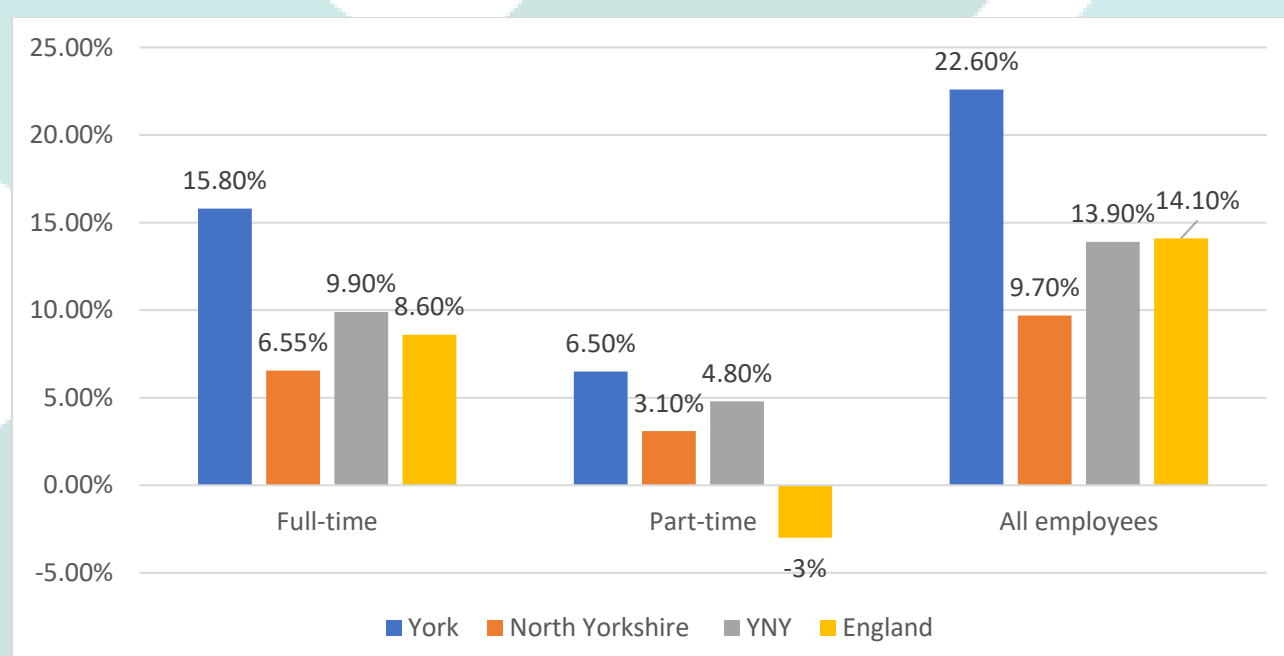
Source: ASHE

While the overall trend in the gender pay gap is slowly declining, York has experienced some volatility in recent years, with the gap increasing from around 20% to 22% in 2023–24. This fluctuation contrasts with the national picture, where the gender pay gap is generally narrowing.

Figure 17: Trends in the gender gap pay

Figure 17: Trends in the gender gap pay line chart showing York, North Yorkshire, YNY, and England from 2017 to 2024, y-axis from 0.00% to 30.00%.
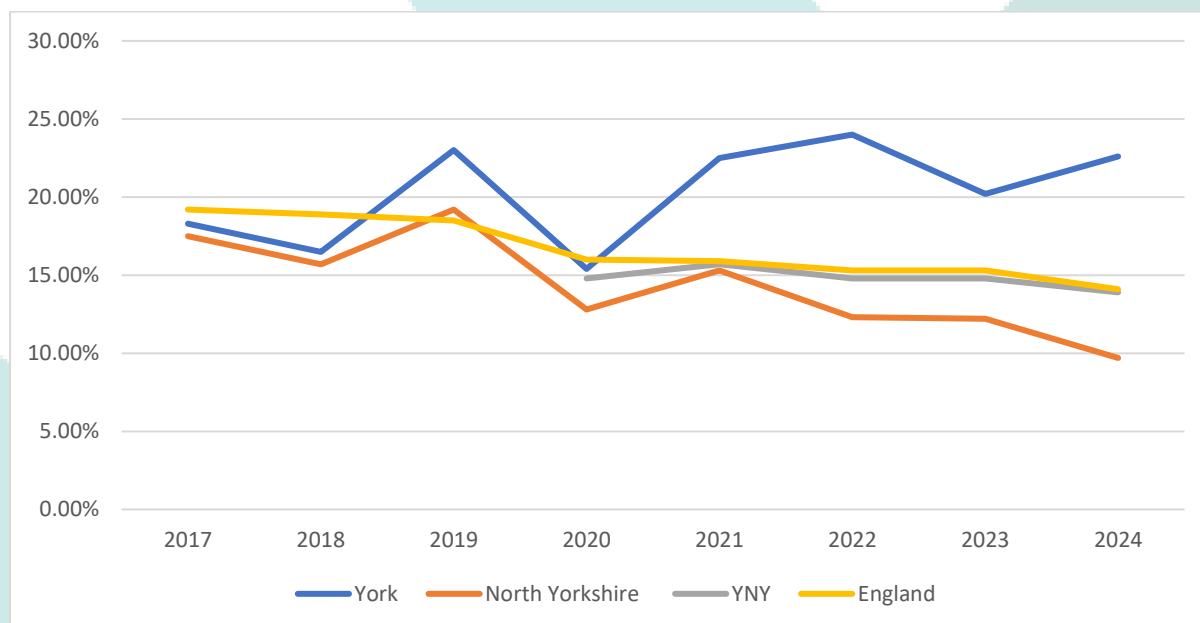
Source: ONS

Employment

Overall, there are notable differences in the working-age population across local authorities in North Yorkshire. For instance, Selby has a working-age population of 62%, whereas Craven, Ryedale, and Scarborough each have a lower proportion at 57%. In contrast, York has a higher percentage of working-age individuals at 66%. This is compared to the national average of 63% for England.

Figure 18: % working age population, 2021

Figure 18: % working age population, 2021 bar chart showing % total working age (16-64), % males working age, and % females working age for England, Yorkshire and The Humber, Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, Selby, and York.
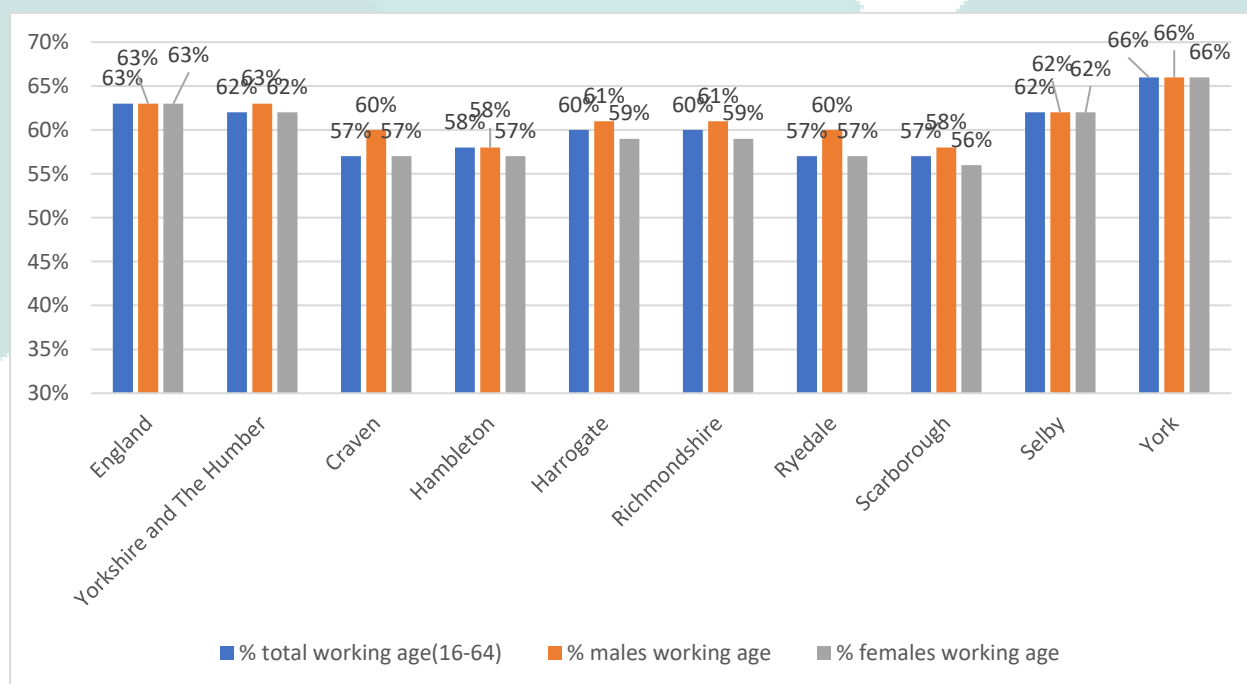
Source: ONS

YNY have a comparatively higher rate of those aged 16-64 in employment compared to the English average

YNY currently has an employment rate of 79% amongst the working age population, which is higher than the English average of 75.7%. However, the local employment rate has declined from 80.4% in 2022, when it had rebounded strongly following the COVID-19 pandemic. Despite this recent decrease, YNY continues to outperform the national average.

Figure 19: % working age (16-64) population in employment
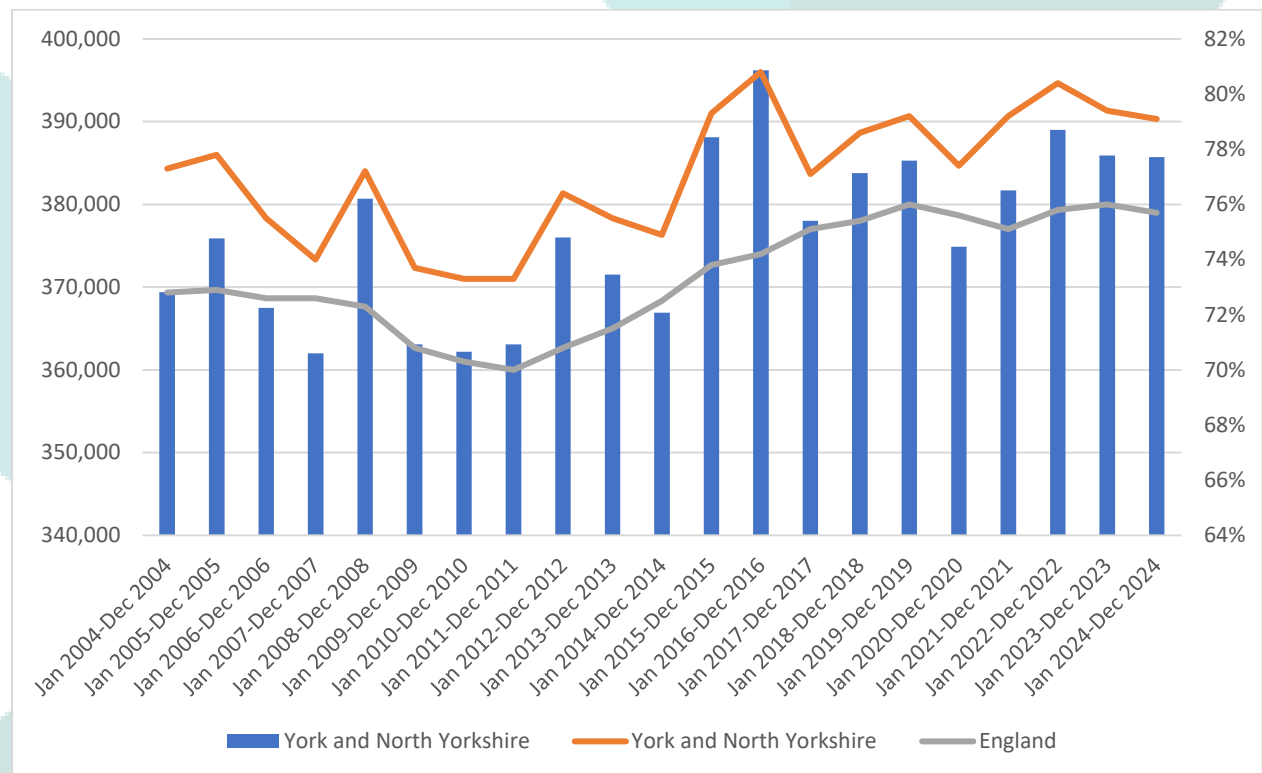
Source: Annual Population Survey

While YNY has a relatively high level of employment relative to the English average, there is a difference between York (76%) and North Yorkshire (80%).

Figure 20: Comparison of employment rates (of population aged 16-64), Oct 2023-Sep 2024
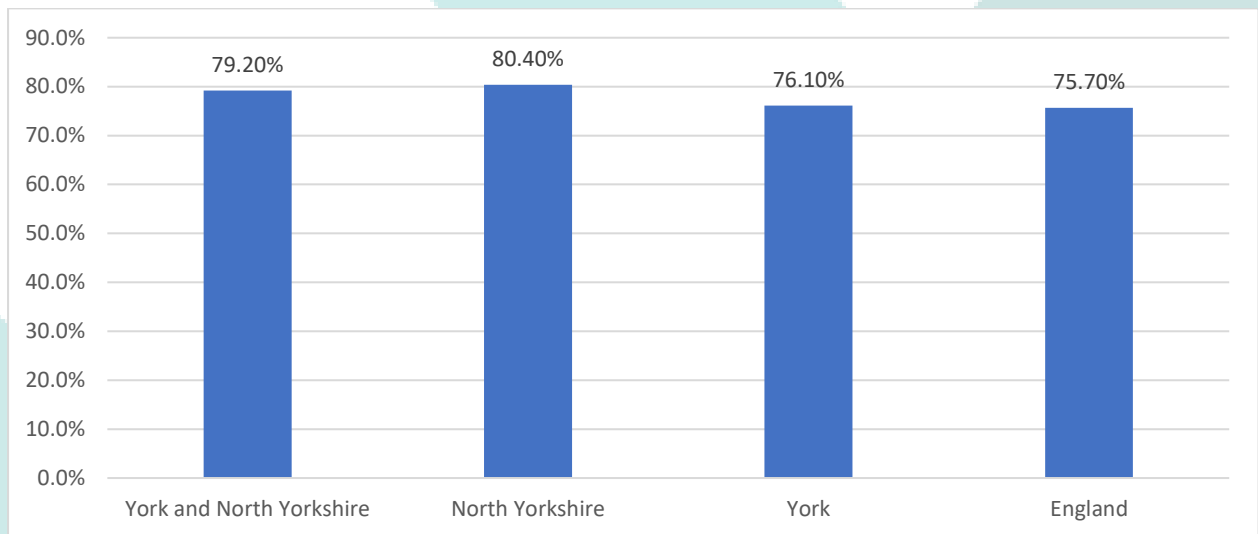
Source: Annual Population Survey

YNY consistently have higher employment rates across all age groups compared to the national average for England. This difference is especially pronounced among younger age groups: 63% of 16–24-year-olds in YNY are employed, compared to just 51% in England. For those aged 25–35, the employment rate in YNY rises to 90%, while the English average for this group is 84%.

Employment rates are lower for those 50-64, but follow national trends

We do see a general fall in employment rates from the 35–49-year-olds to the 50–64-year-old cohorts, dropping from a 89% to 74% employment rate.

Figure 21: Employment rates by age cohorts
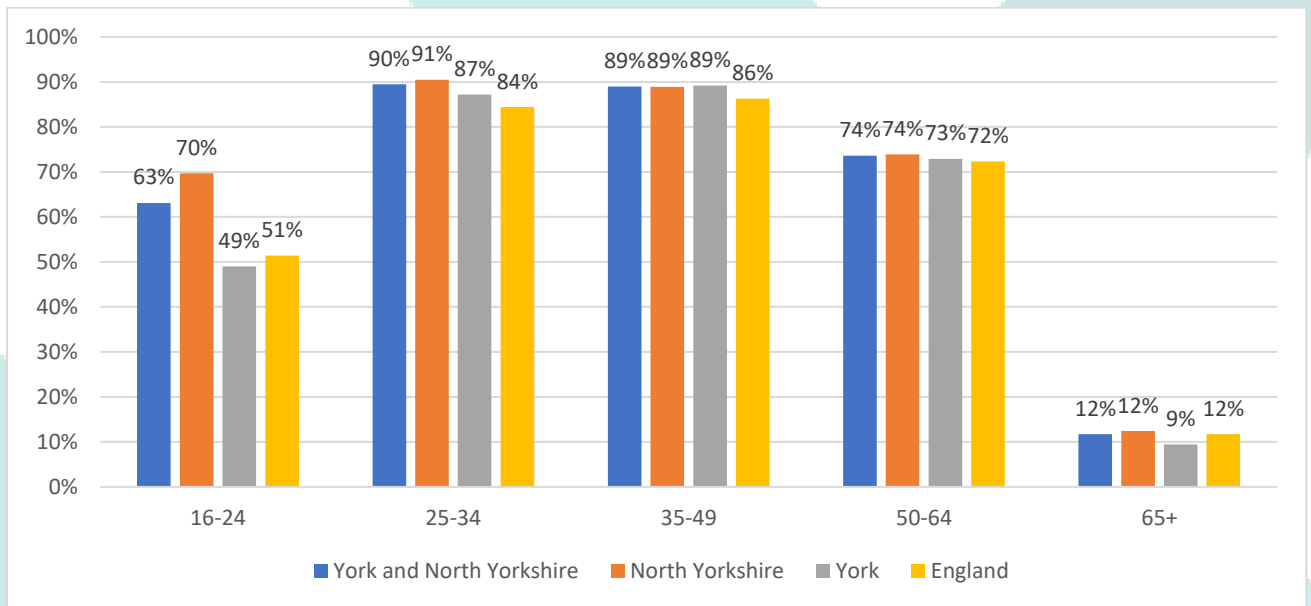
Source: Annual Population Survey

Despite some minor fluctuations, employee rates have been rising steadily since 2021 in YNY

Pay As You Earn Real Time Information (PAYE RTI) is an administrative dataset that covers all employees paid through PAYE but does not include the self-employed. The data is seasonally adjusted and provides a comprehensive picture of the employee population. According to PAYE RTI, the number of employees in YNY has been growing steadily, with only minor fluctuations since the COVID-19 pandemic. The most recent data records 367,000 employees in the region.

Figure 22: Trend in employee count, YNY
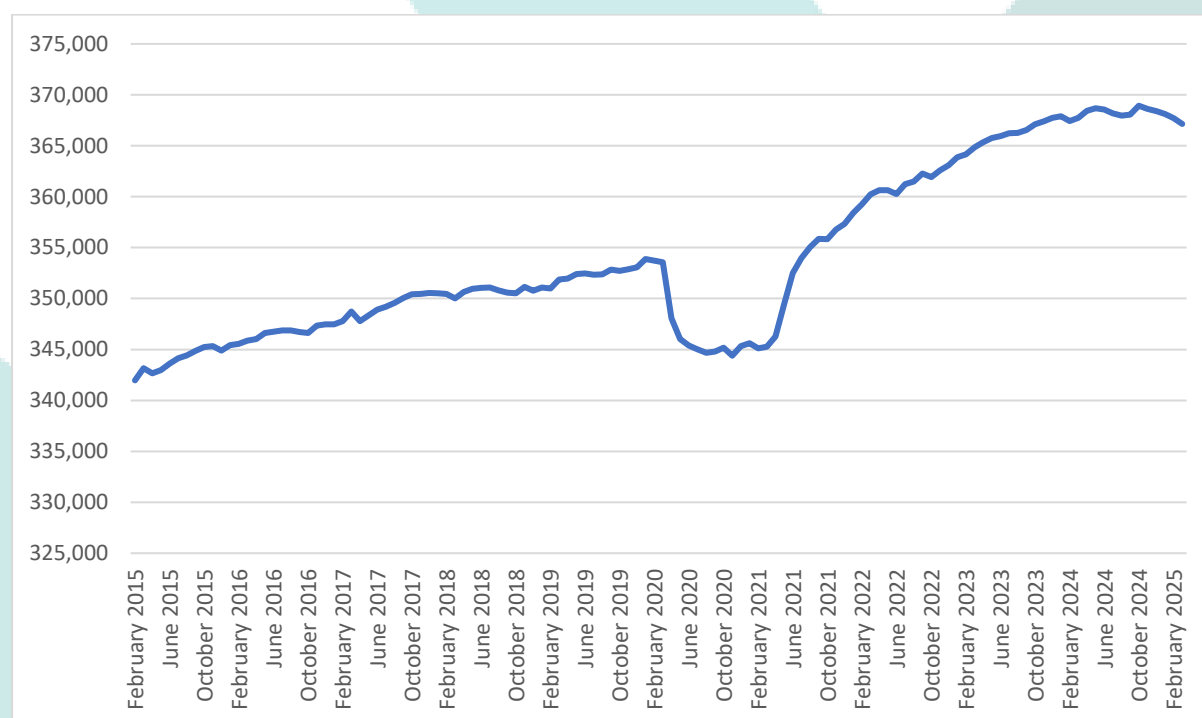
Source: ONS

Using PAYE RTI data and setting 2019 as the baseline (indexed at 100), we can track annual changes in the number of employees in YNY relative to pre-pandemic levels. In 2021, the region had about 1.5% fewer employees compared to 2019, reflecting the impact of the COVID-19 pandemic. However, by 2024, employment had rebounded, with the number of employees rising to 4.8% above the 2019 level. Despite this recovery, the growth rate in YNY remains slightly below the English average, which saw a 5.4% increase over the same period.

Figure 23: Trend in employee count, index: average of 2019 = 100
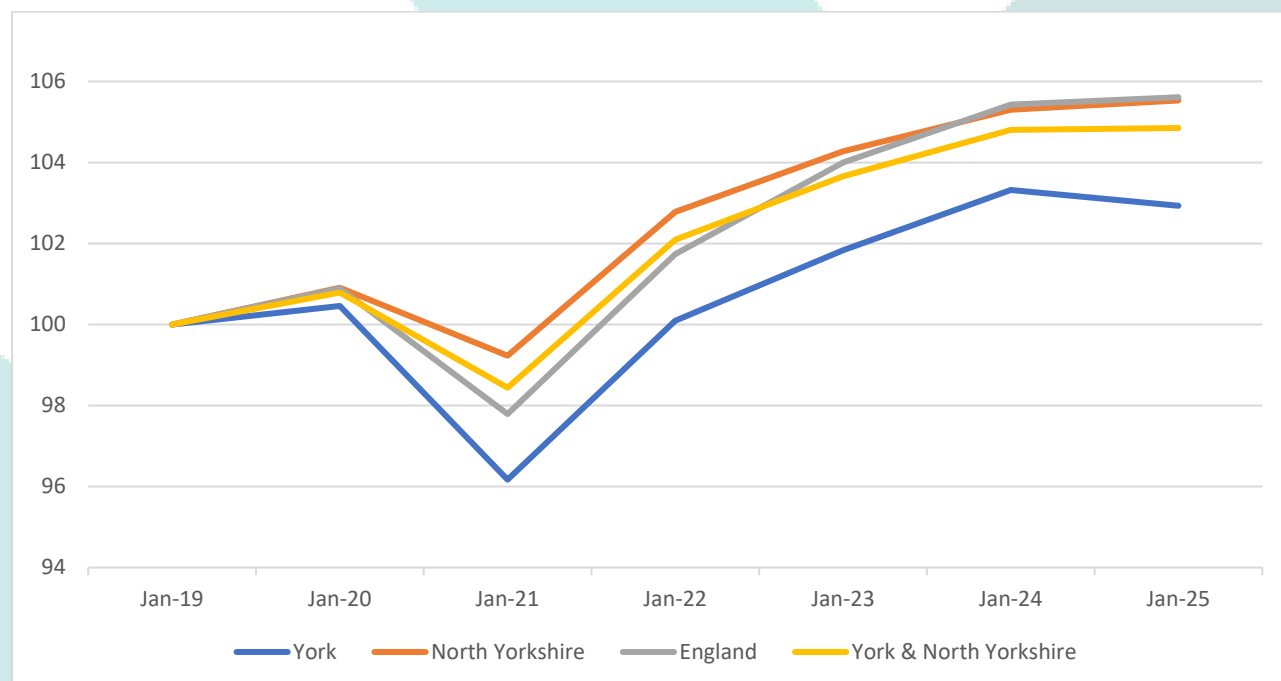
Within the region, York's employment growth since 2019 has been more modest at 2.9%, indicating that North Yorkshire has contributed more strongly to the overall regional increase. This suggests that, while the region as a whole has recovered well, the pace of employment growth varies locally and still lags behind the national trend.

Figure 24: Net growth in the employee count – January 2025 versus January 2019
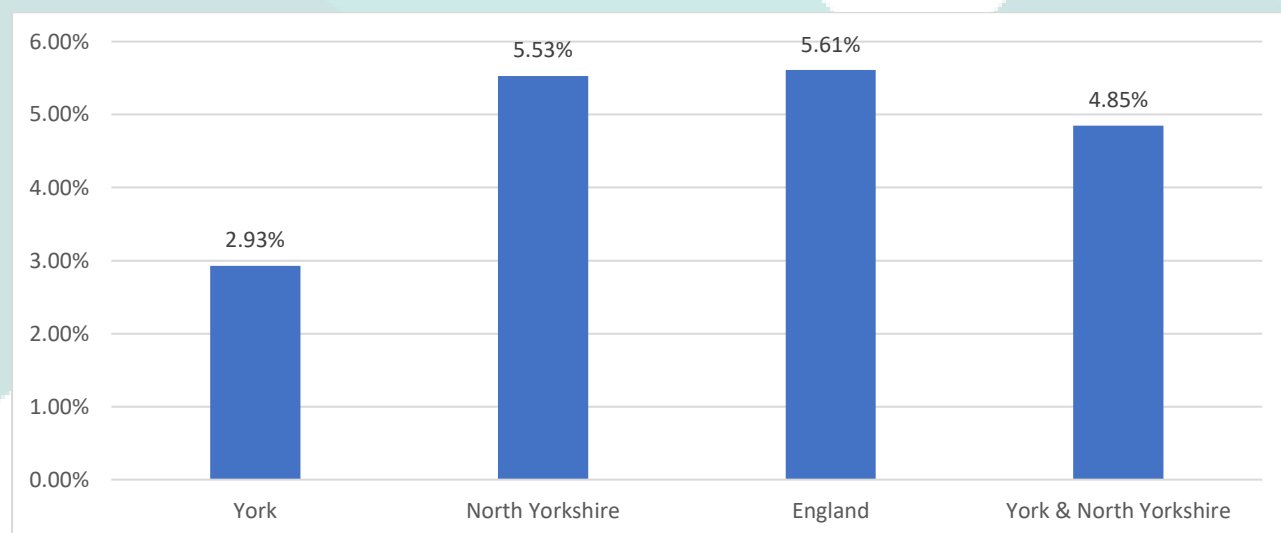
Employment status

YNY experienced a growth in employees but a decrease in those self-employed

From October 2014 to September 2024, there has been an overall increase in total employment of 3,300 in the region. This growth is primarily due to an increase of 15,600 employees. In contrast, the number of self-employed individuals has fallen significantly, with a decrease of 10,800 over the same period. This suggests a shift in the labour market from self-employment to traditional employee roles.

YNY experienced a rise in people working full-time and decline in part-time employment from 2014 to 2024

YNY have seen a notable shift in the structure of employment. While the region experienced an increase of 11,500 people working full-time, there was a simultaneous decrease of 8,600 in part-time employment.

Figure 25: Change in employment status, YNY, Oct 2014-Sep 2015 to Oct 2023-Sep 2024
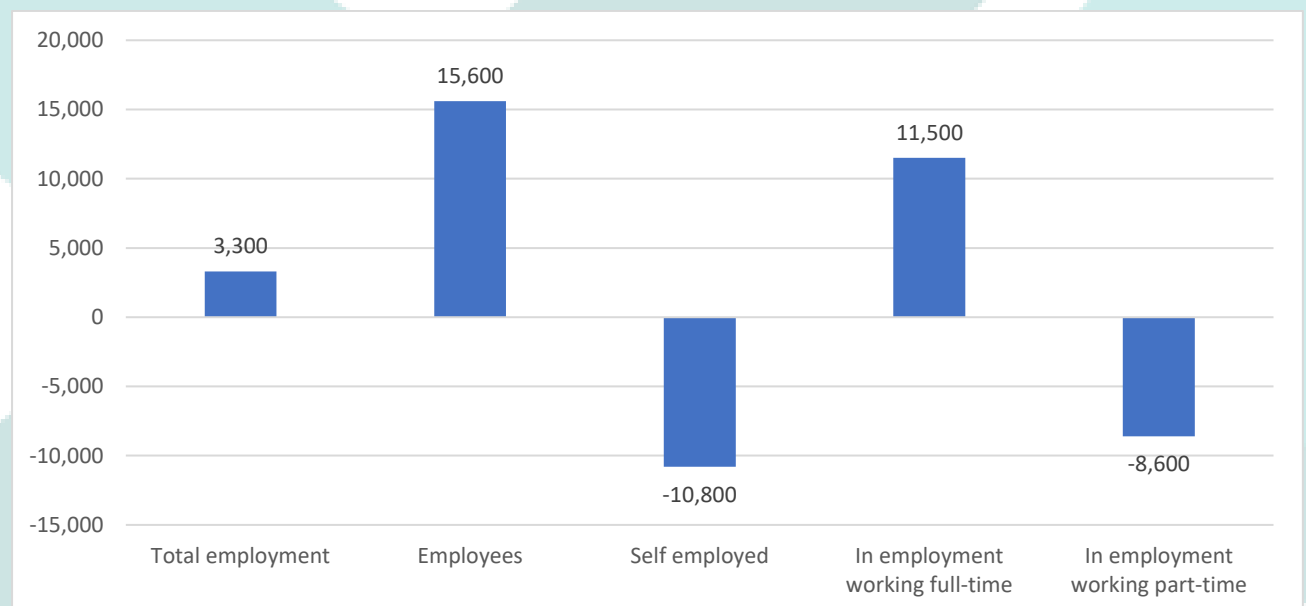
Source: Annual Population Survey, October to September periods

Reviewing the same data, but focusing on the period from October 2018 to September 2024, we can observe the impact of the COVID-19 pandemic. During this time, total employment increased by just 200. However, this overall stability masks significant underlying shifts: there was an increase of 3,800 in the number of employees, nearly offset by a decrease of 3,700 in the number of self-employed individuals. Similarly, there were comparable changes in working patterns, with full-time employment rising by 9,800 and part-time employment falling by 9,900.

Figure 26: Change in employment status, YNY, Oct 2018-Sep 2019 to Oct 2023-Sep 2024
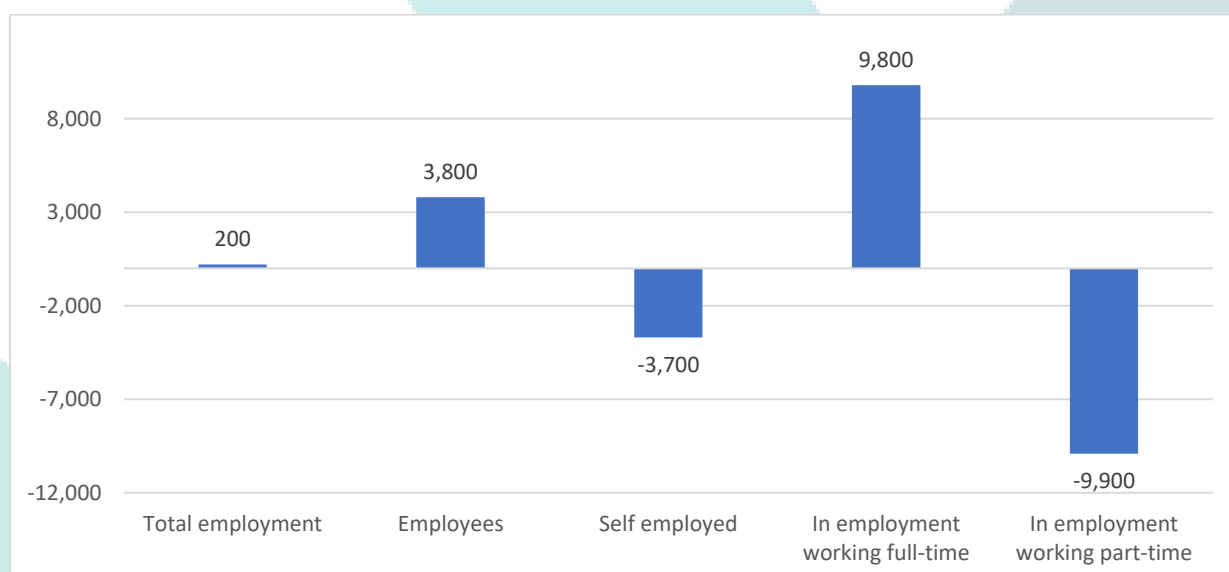
Source: Annual Population Survey, October to September periods

The employment status profile in YNY is broadly comparable to the English average. However, YNY has a slightly lower proportion of people in full-time employment (74%) compared to the national average of 77%. This difference is also reflected in part-time employment rates, with 26% in YNY working part-time, compared to 23% across England.

Figure 27: Profile of employment by status
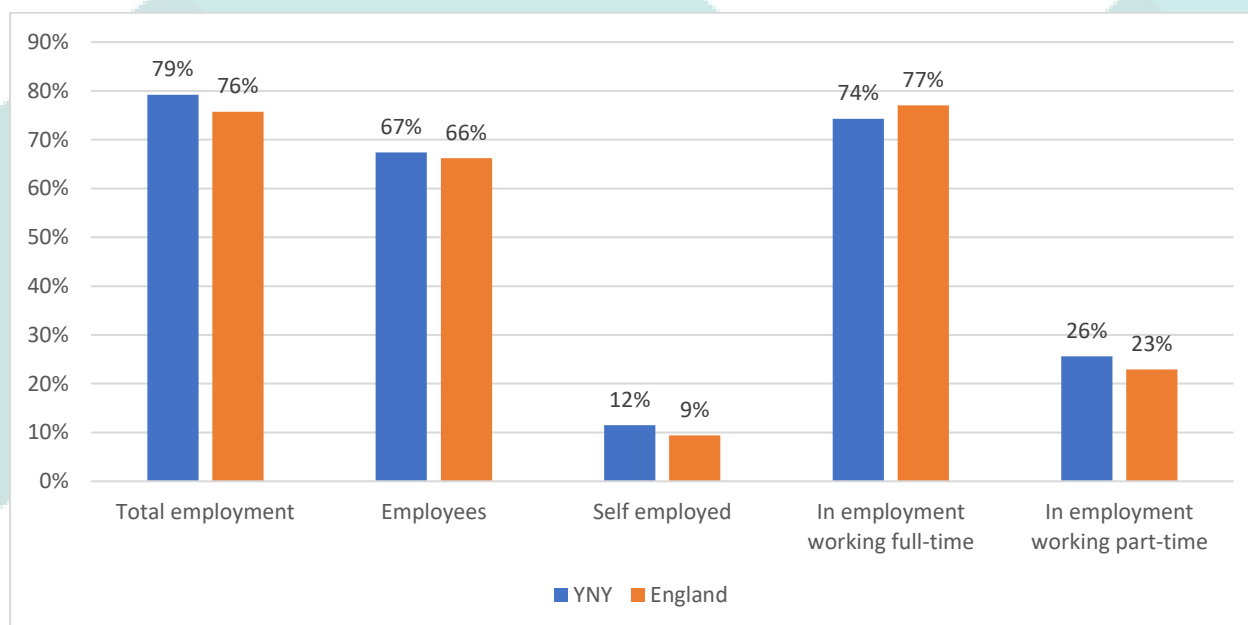
Source: Annual Population Survey, October 2023 to September 2024 period

Unemployment

YNY has low unemployment levels

Unemployment rates in YNY are relatively low compared to the national average. For the period October 2023 to September 2024, the unemployment rate in YNY was 1.8%, compared

to 3.9% for England. This region has consistently maintained unemployment rates below the national average.

Figure 28: Trend in unemployment rate and level, working age population (aged 16-64)
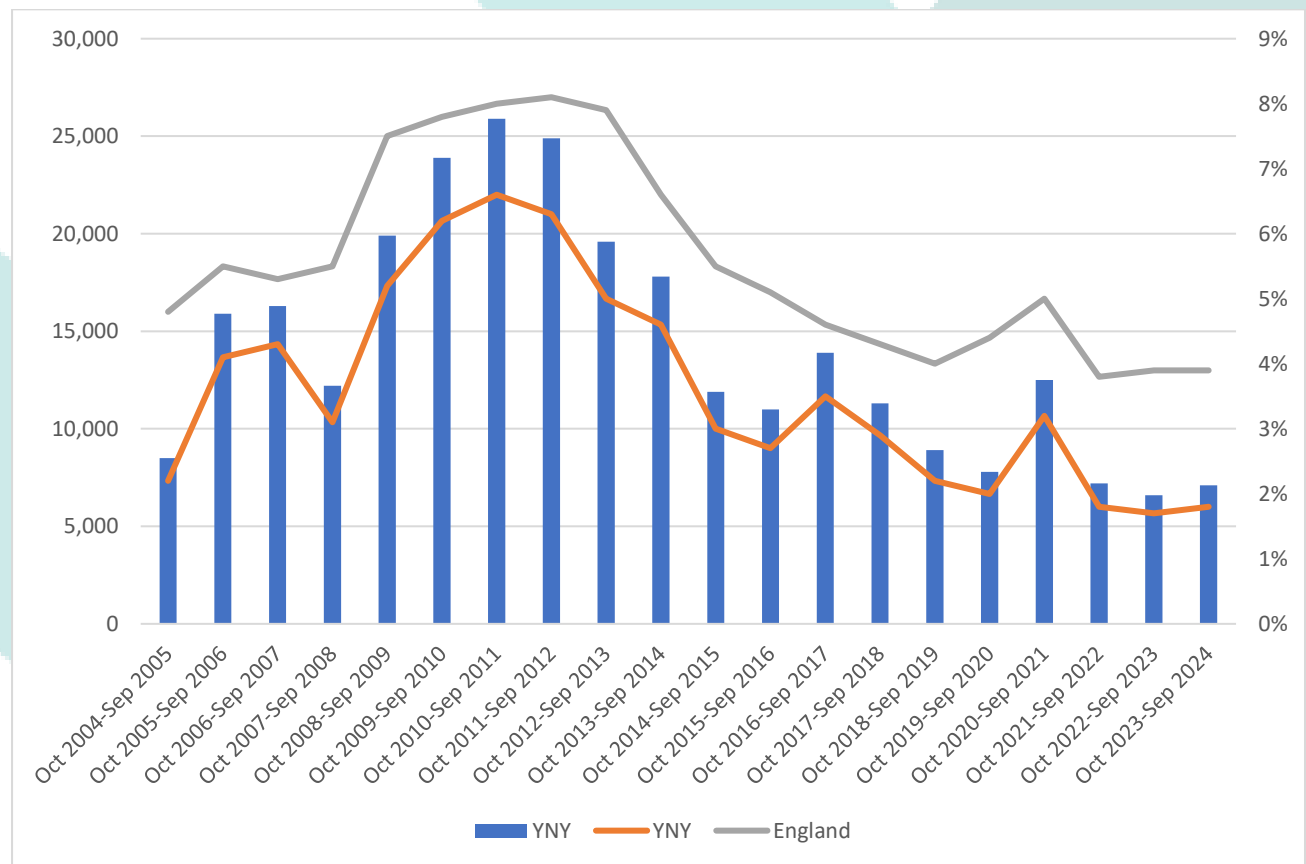
Source: Annual Population Survey, October – September periods

The increase in unemployment levels between 2020 and 2021 reflects the impact of the COVID-19 pandemic. Since then, unemployment has recovered and is now lower than the pre-pandemic rate.

Inactivity

There are 94,400 people of working age (16-64) in YNY who are economically inactive. This is 19.4% of the YNY working age population, compared to 21.2% nationally. Generally, economic inactivity rates for YNY remain below those of the national level.

Figure 29: Trend in economic inactivity rate and level, working age population (aged 16-64)
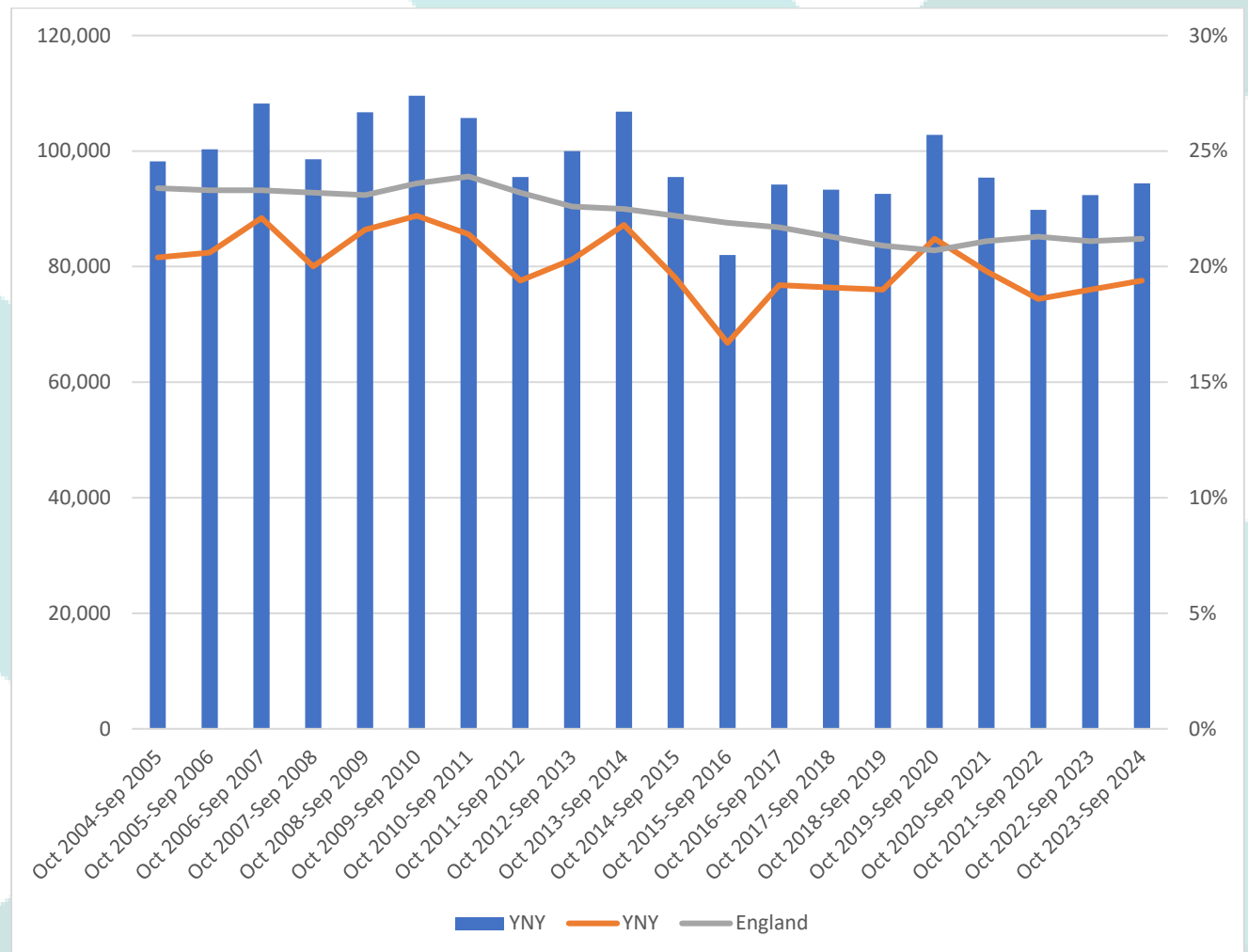
Note: includes students
Source: Annual Population Survey, October – September periods

There has been an increase in the number of economically inactive individuals aged 50 to 64, rising from 41,400 in the previous year to 47,500 between January and December 2024. However, the overall inactivity rate for this group has remained relatively stable, and these fluctuations are consistent with longer-term trends.

Figure 30: 50-64 economically inactive in YNY
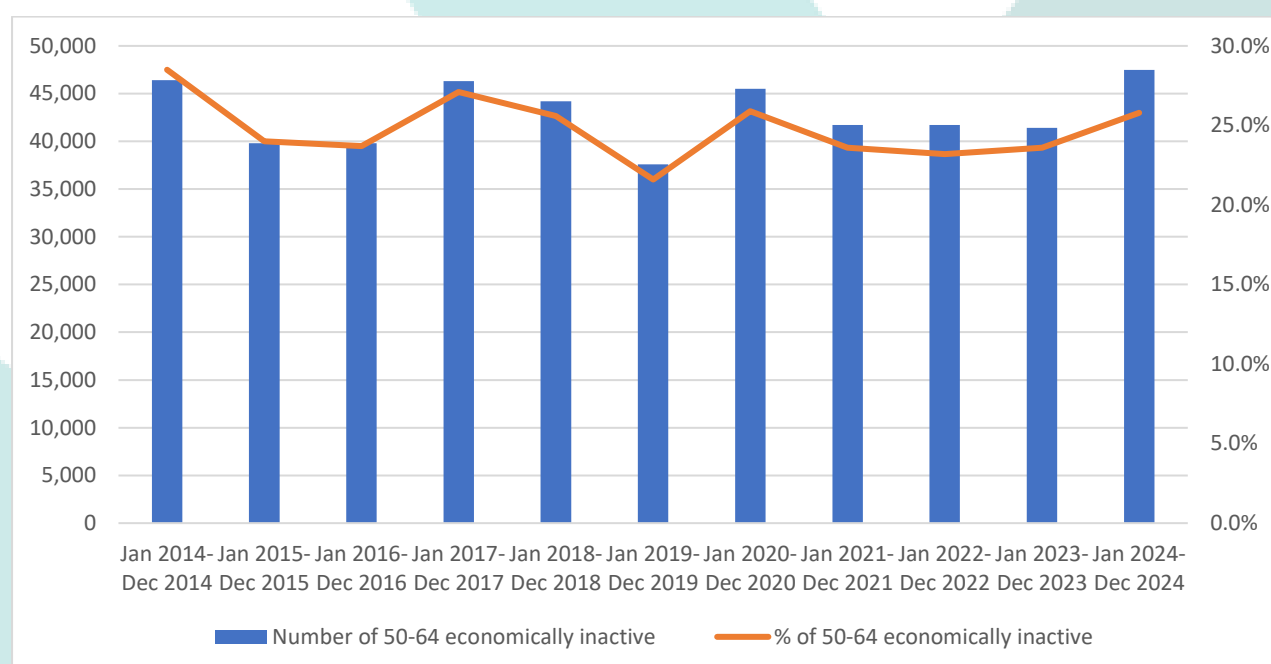
Source: Annual Population Survey

This suggests that the recent rise is likely due to normal demographic changes and population growth within this age cohort, rather than a significant shift in economic inactivity patterns. Looking ahead, it is likely that the number of economically inactive people aged 50–64 will continue to grow over the next few years. To reduce the percentage of economically inactive people aged 50–64, significant changes in policy, labour market conditions, or health interventions would be required to encourage greater participation in the workforce.

Early retirement and long-term sicknesses are key reasons for economic inactivity in YNY

Early retirement is a common reason for economic inactivity in YNY, with 21% of the economically inactive population citing it as their main reason—substantially higher than the English average of 13%. This highlights a particular challenge for the region, as a greater proportion of people are leaving the workforce before state pension age compared to elsewhere in England.

Figure 31: Economic inactivity by reason, population (aged 16-64), % of total economically inactive, Oct 2023-Sep 2024
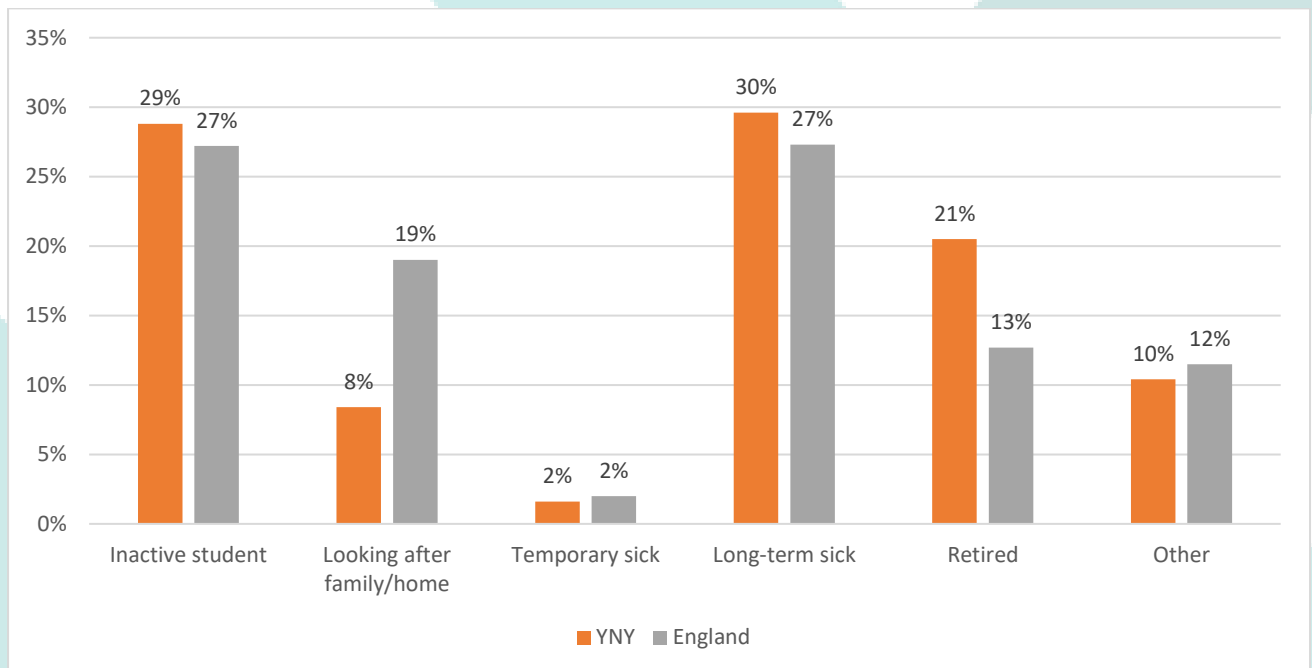
Note: Figures for "Discouraged" category not available for YNY
Source: Annual Population Survey, October – September period.

Long-term sickness is a significant factor contributing to economic inactivity in YNY, with 30% of those who are economically inactive citing it as their main reason. This is higher than the English average, where 27% of the economically inactive population attribute their status to long-term health conditions. This trend underscores the importance of targeted health and employment support for those with long-term health issues, as addressing these barriers could help reduce economic inactivity and improve overall labour market participation in the region.

Claimant unemployment

Claimant counts seek to measure the number of people claiming benefits, principally for the reason of being out of work to provide a picture of joblessness.

The claimant rate in YNY is below the English average

As of February 2025, the claimant rate in YNY is 2.3%, compared to 4.3% for England. However, recent claimant rate trends are increasing slightly from Feb 2024-2025 to levels above the pre-pandemic rates recorded in Feb 2020.

Figure 32: Claimant rate trend (% of population aged 16-64)
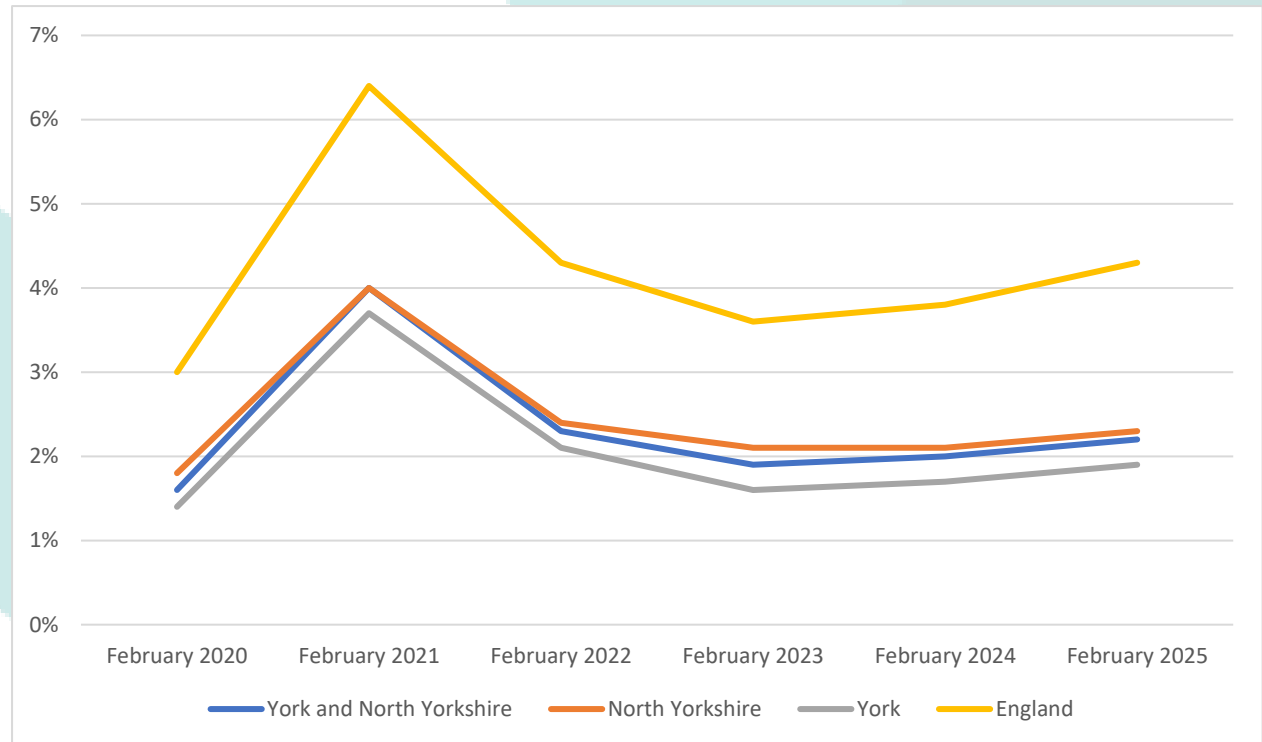
Source: ONS

North Yorkshire has a slightly higher rate of claimant count relative to York, although both are lower than both the English rate and that of Yorkshire and the Humber.

Figure 33: Claimant count by local authorities in the UK, Feb 2025
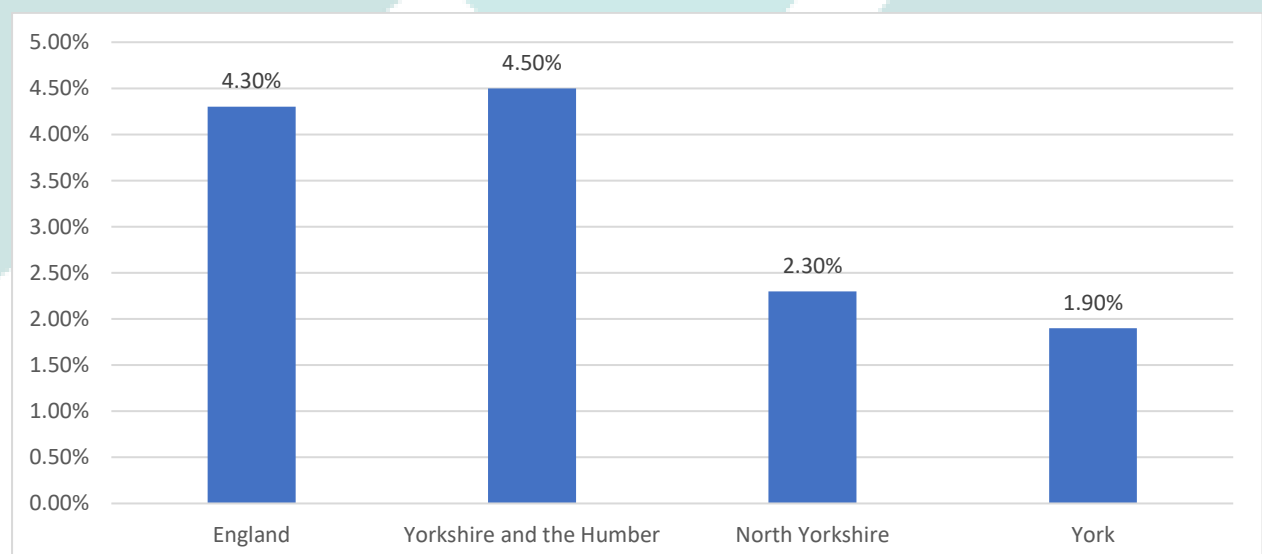
Source: ONS

Although claimant count rates remain relatively low across YNY overall, the most notable increase has occurred among 18–24-year-olds. Between February 2023 and February 2025, the claimant rate for this age group rose by 0.5 percentage points. This suggests that younger people may be facing greater challenges in entering or remaining in the labour market in YNY.

Figure 34: Claimant count increase by age band, YNY
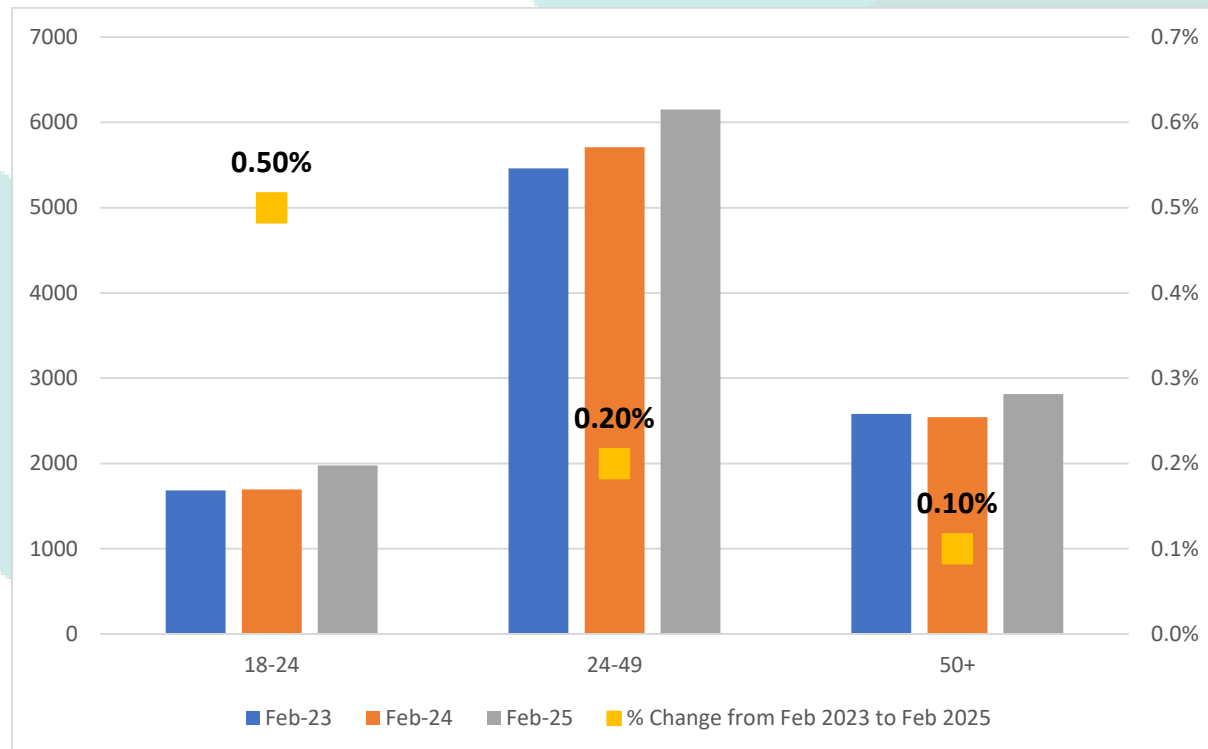
Source: ONS

Across each local authority in YNY there has been a decrease in the rate of economic activity from 2011 to 2021. This is most notable in Richmondshire where there was a decrease from 65.6% to 59.1%.

Figure 35: Rates of change of those economically active from 2011 to 2021

Economically active: In employment (including full-time students)
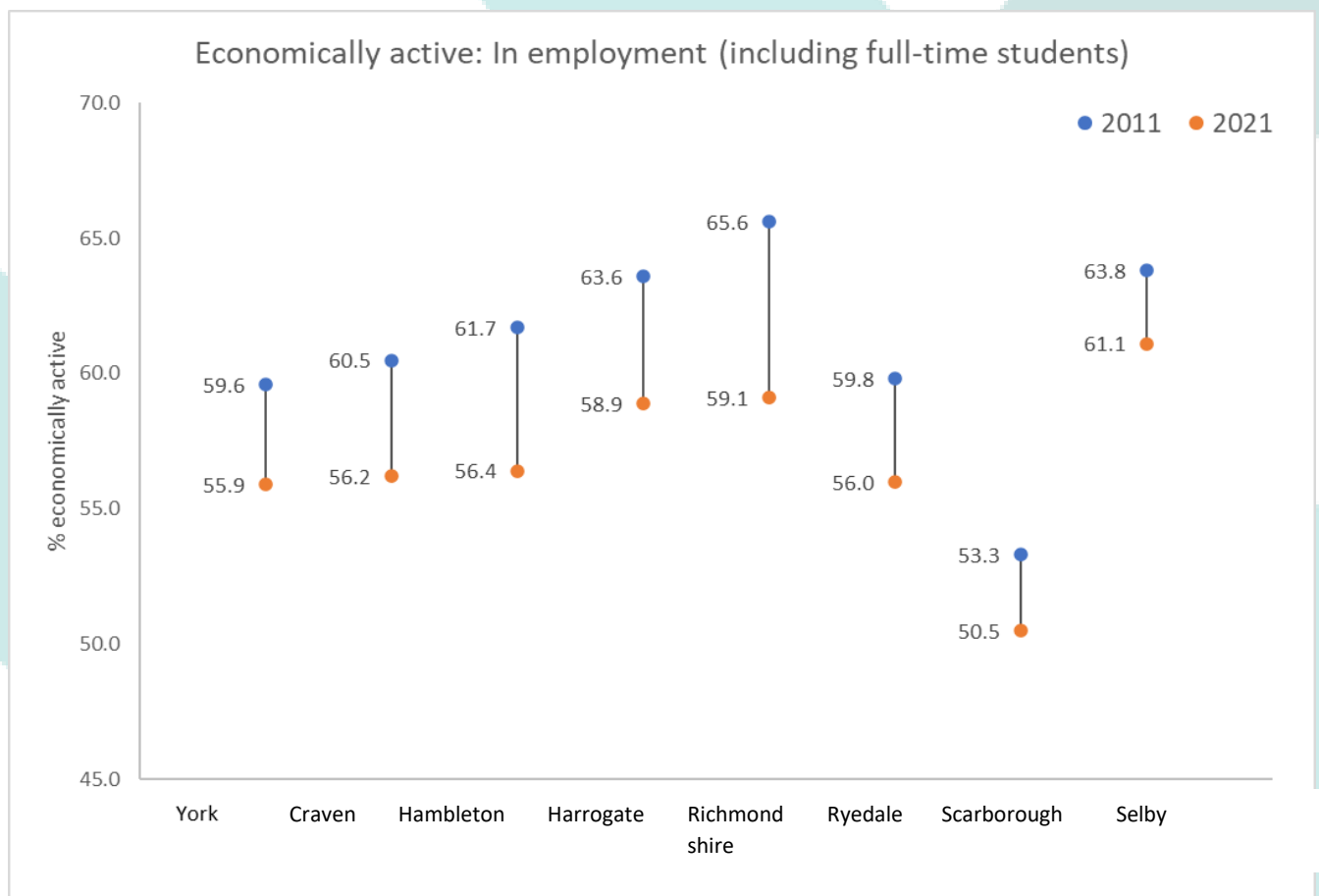
Source: Census and Labour market statistics

Skills demand

- Job density in YNY has steadily increased, reaching 0.98 in 2023 compared to the English average of 0.87, reflecting stronger labour demand in the region; however, as job density remains below 1 (York: 0.96; North Yorkshire: 0.98), there is still potential to further expand local job opportunities.
- Location Quotient (LQ) is a measure that shows how much more or less concentrated a sector is in a region compared to England overall, where a higher LQ indicates greater local prominence.
- Agriculture (3.83) and accommodation and food service activities (1.52) have high LQs in YNY, reflecting their strong local presence, especially in rural areas; other sectors with notable concentrations include manufacturing (1.24), public administration and defence (1.12), retail (1.10), and construction (1.03).
- In contrast, sectors such as information and communication (0.46), financial and insurance activities (0.70), professional, scientific and technical activities (0.81), and business administration and support services (0.84) have lower LQs, indicating they are less prominent in the region compared to the national average.
- YNY have a balanced occupational profile with 53% employed in higher skilled roles, close to the national average of 54%, and the largest groups include corporate managers, business and public service professionals, and science and technology professionals.
- Skilled agricultural and related trades are highly overrepresented in the region (LQ 3.16), while STEM professionals and associate professionals are underrepresented, with LQs of 0.88 and 0.79 respectively, indicating a relative shortage of science, engineering, and technology roles compared to the national average.
- Other underrepresented occupations include transport and machine operatives (LQ 0.58) and health professionals (LQ 0.73), highlighting specific gaps in the local labour market compared to England overall.
- Since 2020–2021, high-skilled occupations (managers, professionals, and associate professionals) have become the largest employment group in YNY, a trend that has continued through 2024; recent years have seen job growth in elementary trades, business and public service associate professionals, textiles, and skilled trades, while declines have occurred in other managers, health professionals, transport operatives, elementary administration, and sales occupations.
- In YNY, managers, directors, and senior officials are the occupations most frequently identified by employers as needing new skills in the next 12 months, with 42% of employers anticipating this need compared to 40% nationally. Skilled trades and sales/customer service occupations are also noted as groups likely to require new skills.
- Key workforce development needs include specialist skills or knowledge for specific job roles (44% of employers), adapting to new equipment or materials (38%), and understanding products and services offered by organisations (37%).
- Computer literacy and basic IT skills are a particular focus in YNY, with 32% of employers identifying this as a priority-higher than the 27% across England-highlighting a stronger regional emphasis on digital skills development compared to the national average.

This section will focus on the structure and dynamics of employment in YNY, examining job density, sectoral strengths, and occupational patterns. It will highlight how job density in the region has risen above the national average, the prominence of sectors such as agriculture and hospitality, and the relative underrepresentation of high-value and STEM-related occupations. The section will also explore recent shifts in employment, the balance of skills within the workforce, and employer priorities for upskilling, with particular attention to the growing emphasis on digital skills and the potential for further labour market development.

Job density

Job density is the number of workplace jobs per resident aged 16-64. While we can see that the English job density is 0.87, the same figure for YNY is 0.98, demonstrating the strength of the labour demand in YNY as comparatively higher than the English equivalent. It should also be noted that job density figures do not reflect patterns of commuting.

YNY have a higher job density than the national average

However, YNY still has a job density figure below 1 (York: 0.96; North Yorkshire: 0.98), but has been steadily increasing both its job density and the number of workforce jobs. For example, the job density ratio has risen from 0.85 in 2011, to 0.94 in 2021, and to 0.98 in 2023, demonstrating a clear upward trajectory.

Figure 36: Jobs density and job numbers, 2023
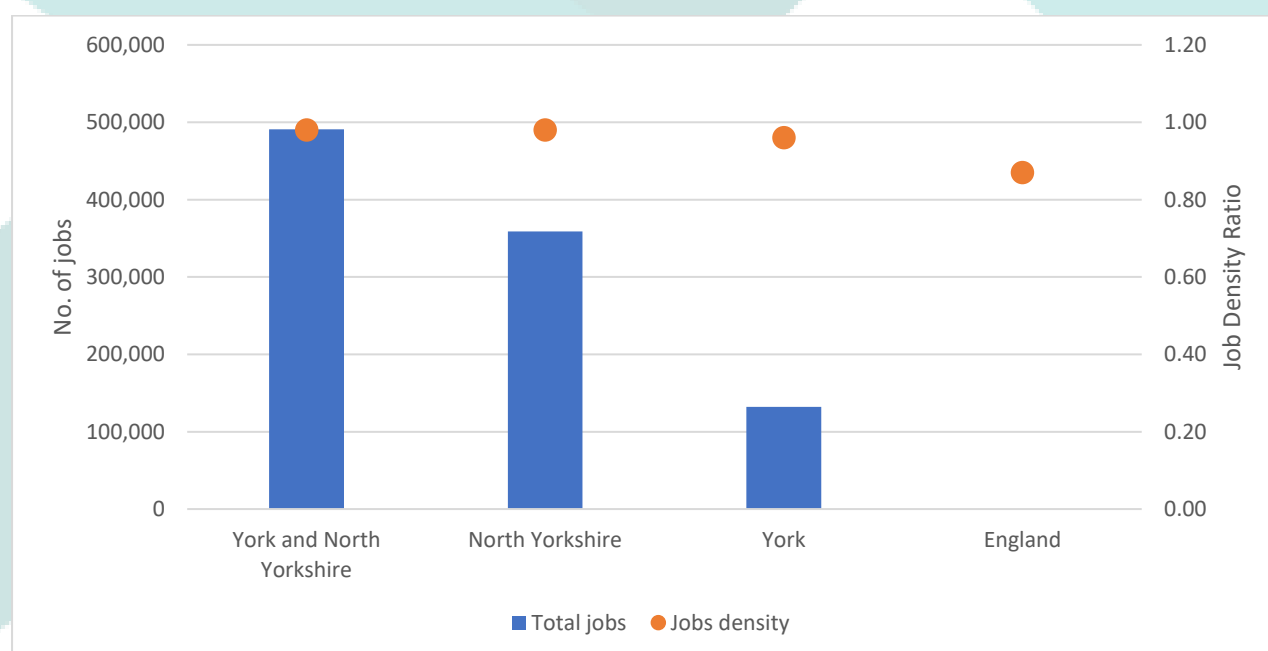
Note: England has a total job number figure of 31,555,000
Source: ONS

When examining job density ratios during the COVID-19 pandemic and recovery period, YNY had a job density ratio of 0.94 in 2018, which declined to 0.90 in 2020 but rebounded to 0.98 in 2023, indicating strong growth and recovery. This recovery rate is particularly notable when compared to the English job density ratios, which were 0.87 in 2018, 0.85 in 2020, and 0.87 in 2023, highlighting YNY's strong performance relative to the national average.

Figure 37: Job density trend

Job density trend chart showing values from 2018 to 2023 for York and North Yorkshire, North Yorkshire, York, and England.
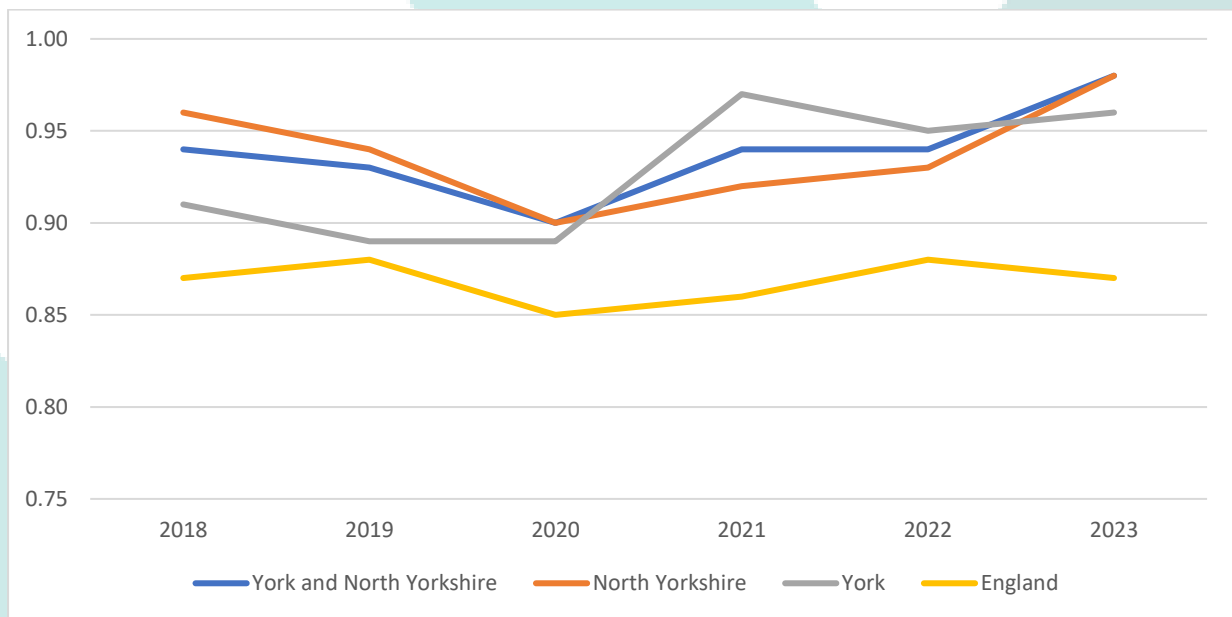
Source: ONS

YNY had a total of 472,000 workplace jobs in 2018, which declined to 451,000 in 2020 during the pandemic, but then increased significantly to 491,000 in 2023, reflecting a strong recovery and growth in the local labour market.

Figure 38: Number of jobs
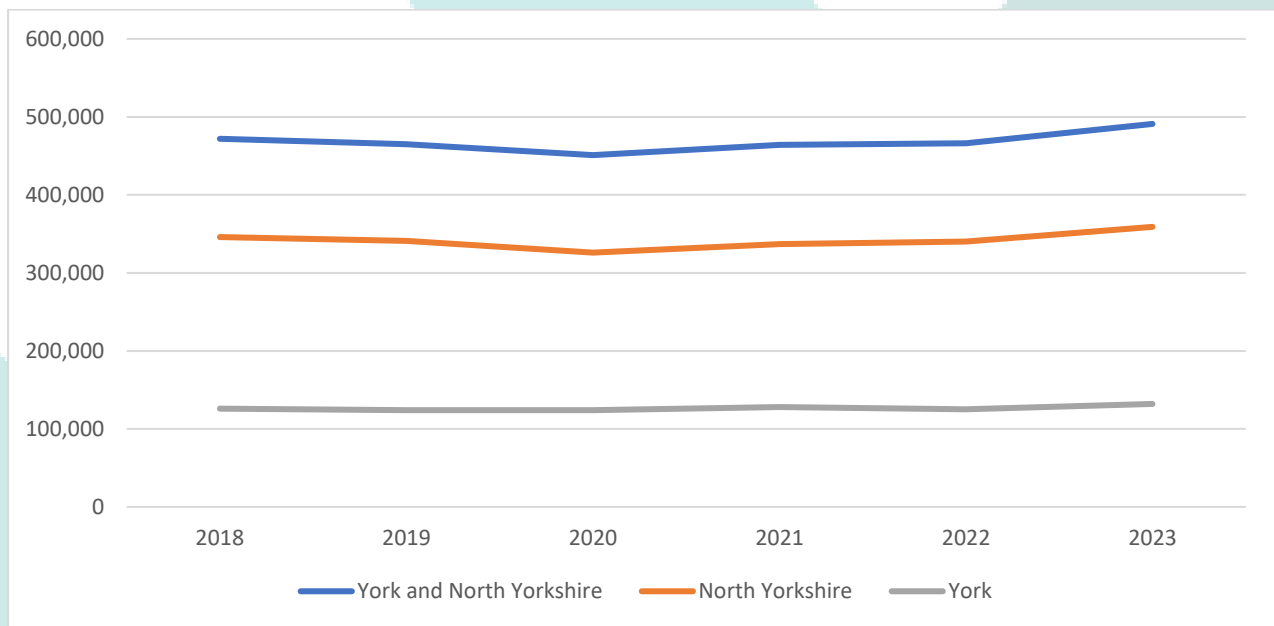
Source: ONS

Both YNY and England have comparable levels of employees in the public sector and in the private sector.

Figure 39: Number of public sector employees in YNY and England
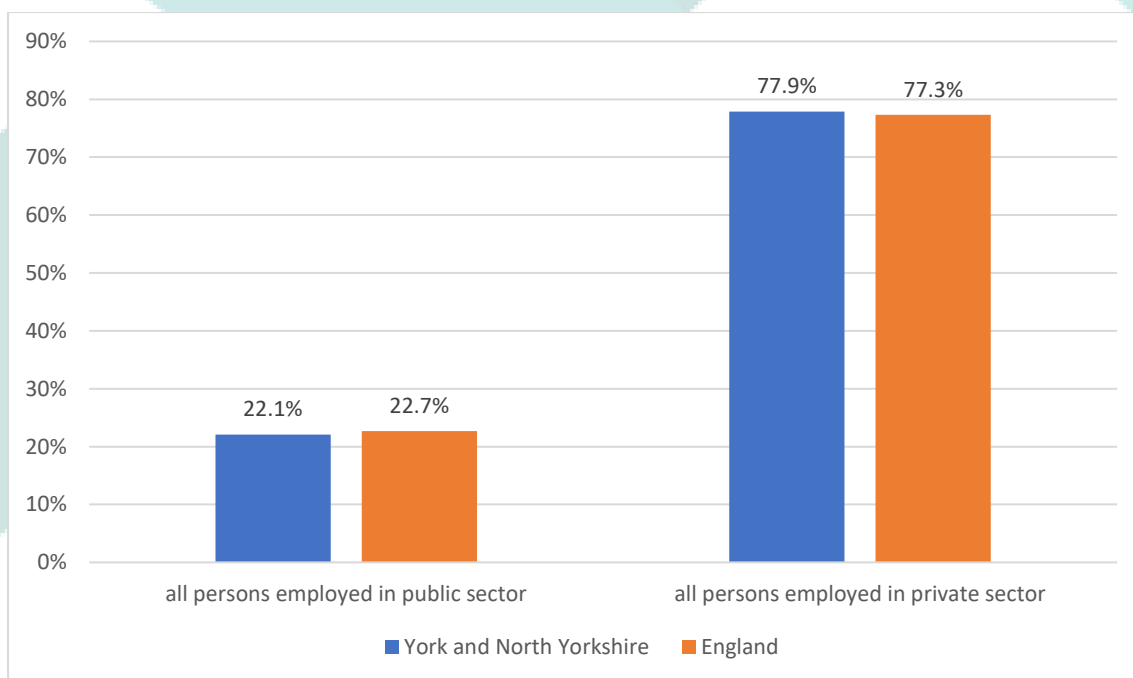
Source: Annual Population Survey, 2023-2024, % in employment

Sectoral employment profile

Overall, the largest sectors in YNY are service-related, reflecting the area's reliance on roles in wholesale and retail and hospitality. In 2023, there were 399,000 employee jobs in the region, with services dominating the top employment sectors. Wholesale and retail trade accounted for

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57,000 jobs (14.3%), while accommodation and food service activities represented 49,000 jobs (12.3%). Human health and social work activities also made up a significant share, employing 49,000 people (12.3%) in the region. This sectoral profile highlights the ongoing demand for both operational and interpersonal skills.

Additionally, manufacturing accounts for 38,000 jobs (9.5%) in YNY, while education provides 35,000 jobs (8.8%). Professional, scientific, and technical activities employ 33,000 people (8.3%), and administrative and support service activities contribute 31,000 jobs (7.8%) to the region's workforce.

Figure 40: Employee jobs by industry (SIC section), 2023, YNY
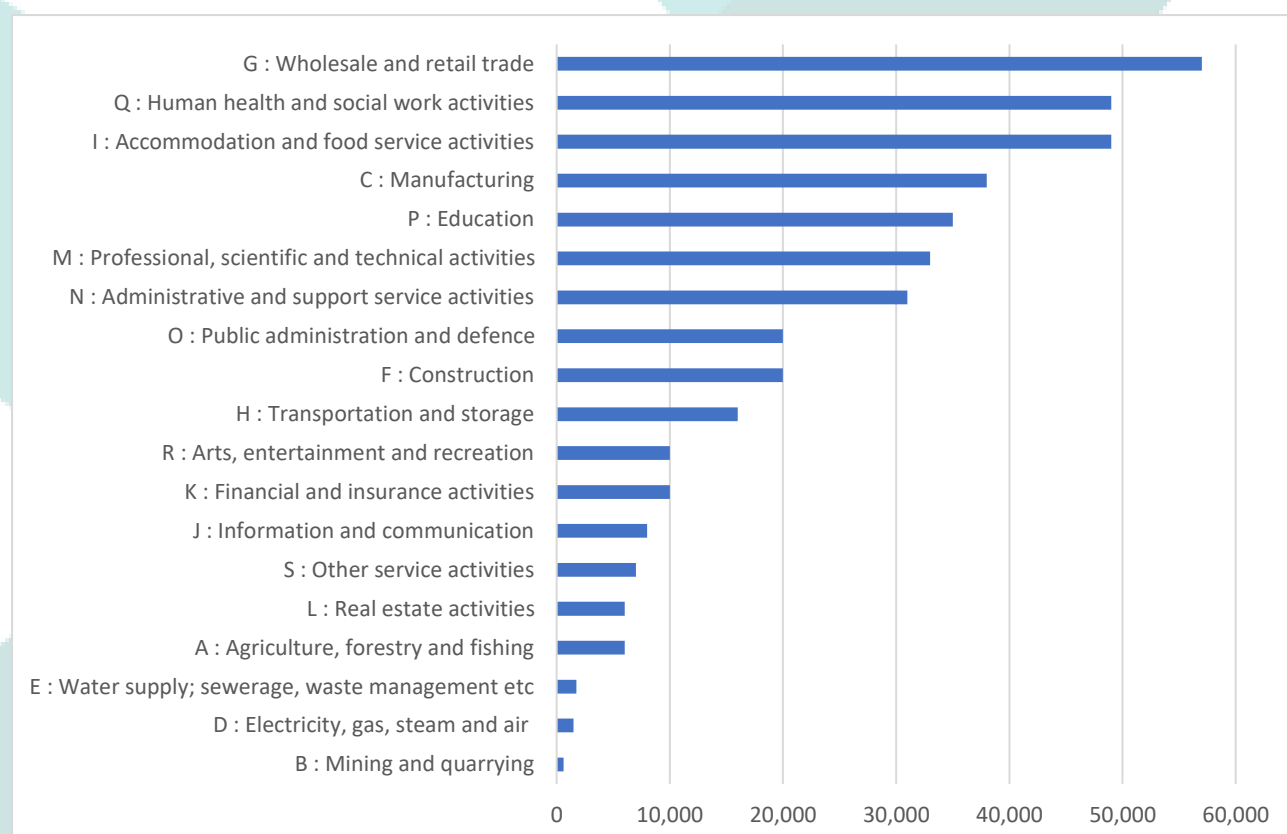
Source: Business Register and Employment Survey (BRES)

Location quotients (LQ) are a valuable tool for measuring how concentrated a particular industry or occupation is within a local area or region compared to a reference area, such as the national average. An LQ greater than 1 indicates that a sector is more concentrated locally than in the reference area, while an LQ less than 1 suggests underrepresentation.

The infographics below illustrate the LQ for each sector in YNY and the local authorities (LAs) across YNY, based on 2023 data and benchmarked against the equivalent sectors in England. This analysis provides important insights into the types of skills that are in demand in the local labour market.

In these infographics:

- Green cells indicate sectors that are strongly represented in the area, suggesting a local specialism or competitive advantage.

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- Red cells highlight sectors that are underrepresented compared to the English average.

- White cells show sectors with a concentration similar to the national level.

Agriculture (3.83) and accommodation and food activities (1.52) are strongly represented in YNY

For YNY as a whole, agriculture stands out with a particularly high LQ, indicating that this sector is much more prominent in YNY than in England overall. When examining the local authorities within North Yorkshire, agriculture is especially strong in Richmondshire, Ryedale, and Hambleton, reflecting the predominantly rural character of these areas. In contrast, York has a lower representation of agriculture compared to the national average, which aligns with its more urban profile.

In terms of specific sectors, agriculture (3.83) and accommodation and food service activities (1.52) are both strongly represented in YNY, highlighting their importance to the local economy. Other sectors with notable concentrations include manufacturing (1.24), public administration and defence (1.12), retail (1.10), and construction (1.03).

There are some notable exceptions to the general sectoral trends in YNY. While mining, quarrying, and utilities are typically underrepresented in YNY overall, with a LQ of 0.76, Selby stands out with a strong concentration in this sector, recording an LQ of 3.54.

Regional disparities are also apparent in manufacturing. Although manufacturing remains a strength for YNY as a whole (1.24), the level of concentration varies significantly across the region. The sector is most prominent in Ryedale (2.73), Selby (2.46), and Hambleton (1.81), but is much less significant in York (0.35) and Craven (0.46).

A similar pattern exists in public administration and defence. The overall YNY LQ is 1.12, but this masks considerable variation: York has a high concentration (1.61), as does Hambleton (2.33), while Craven (0.41), Harrogate (0.54), Ryedale (0.55), and Selby (0.60) are all well below the national average.

Conversely, several sectors are underrepresented across YNY as a whole. These include information and communication (0.46), financial and insurance activities (0.70), professional, scientific and technical activities (0.81), and business administration and support services (0.84), indicating less local specialism and potentially fewer related job opportunities in these fields.

Figure 41: Sectoral employment location quotients for YNY LEP area and constituent local authorities – to England

	Craven	Hambleton	Harrogate	Richmond shire	Ryedale	Scarborough	Selby	York	York and North Yorkshire
A: Agriculture forestry & fishing	4.88	7.47	3.90	10.20	8.44	3.05	3.27	0.51	3.83
BDE: Mining quarrying & utilities	0.46	0.91	0.53	0.66	0.53	0.85	3.54	0.35	0.76
C: Manufacturing	0.98	1.81	0.94	0.66	2.73	1.41	2.46	0.47	1.24
F: Construction	1.48	1.13	0.95	1.49	1.03	0.95	1.32	0.79	1.03
Part G: Motor trades	0.99	1.26	1.31	1.65	1.52	0.82	1.32	0.86	1.22
Part G: Wholesale	0.96	1.17	1.37	0.89	0.88	0.44	0.85	0.45	0.82
Part G: Retail	0.87	1.07	1.12	1.17	0.91	1.25	0.70	1.25	1.10
H: Transport & storage	0.57	0.65	0.68	0.85	0.59	0.51	1.52	0.84	0.79
I: Accommodation & food services	1.47	1.26	1.47	1.84	1.48	2.62	0.82	1.42	1.52
J: Information & communication	0.31	0.24	0.61	0.31	0.14	0.11	0.22	0.73	0.46
K: Financial & insurance	2.11	0.23	0.76	0.14	0.24	0.21	0.17	1.13	0.70
L: Property	0.69	1.06	1.10	1.39	1.12	1.23	0.49	0.93	1.03
M: Professional scientific & technical	0.52	0.57	0.95	0.99	0.68	0.26	1.19	0.88	0.81
N: Business administration & support services	2.29	0.38	0.78	0.55	0.47	0.70	1.17	0.78	0.84
O: Public administration & defence	0.41	2.33	0.54	1.13	0.55	1.09	0.60	1.61	1.12
P: Education	0.77	0.66	0.96	0.72	0.79	0.74	0.92	1.43	0.99

Q: Health	0.43	0.83	1.04	0.36	0.44	1.24	0.43	1.16	0.87
RSTU: Arts entertainment recreation & other services	0.78	0.84	0.87	1.30	1.62	1.00	0.50	0.93	0.93

Note: Employment figures relate to all employment
Source: BRES, 2023

Sector strongly represented
Sector underrepresented

YNY has a strong representation of manufacturing among its highest employment industry divisions, particularly when compared to the national average. The manufacturing of beverages is especially prominent, with a LQ of 3.68, indicating this sector is more than three times as concentrated in YNY as it is in England overall. Similarly, the manufacturing of electrical equipment also shows a strong local concentration, with an LQ of 2.01, highlighting it as a key specialism within the region's manufacturing sector.

The agriculture sector is a significant employer in YNY, providing jobs for approximately 19,000 people. This reflects the region's strong agricultural heritage and its ongoing importance to the local economy.

Figure 42: Industry divisions with highest employment location quotient in YNY (benchmark = England)

Industry Row	Employment	Location Quotient
01: Crop and animal production, hunting and related service activities	19,000	3.97
11: Manufacture of beverages	2,000	3.68
55: Accommodation	15,000	2.44
27: Manufacture of electrical equipment	2,000	2.01
65: Insurance, reinsurance and pension funding	2,500	1.88
91: Libraries, archives, museums and other cultural activities	2,500	1.76
72: Scientific research and development	3,500	1.51
81: Services to buildings and landscape activities	14,000	1.39
42: Civil engineering	3,500	1.35
49: Land transport and transport via pipelines	10,000	1.33

Note: Analysis limited to sectors with employment of more than 1,000 in YNY
Source: BRES (Benchmark = England)

Industry divisions with the lowest employment LQs in YNY are technology-related industries. Telecommunications have a LQ of 0.45, indicating that it is significantly underrepresented compared to the national average. Similarly, computer programming, consultancy, and related activities have a low LQ of 0.52. Other knowledge-intensive industries also show lower concentrations, such as financial service activities, which have an LQ of 0.54.

These figures suggest that YNY has fewer jobs in these high-skill, technology-driven sectors relative to England as a whole, highlighting a potential area for future economic development and skills investment.

Figure 43: Industry divisions with lowest employment location quotient in YNY (benchmark = England)

Industry Row	Employment	Location Quotient
61: Telecommunications	1,250	0.45
80: Security and investigation activities	1,500	0.50
62: Computer programming, consultancy and related activities	6,000	0.52
73: Advertising and market research	1,500	0.53
64: Financial service activities	3,500	0.54
52: Warehousing and support activities for transportation	5,000	0.55
33: Repair and installation of machinery and equipment	1,000	0.60
53: Postal and courier activities	2,250	0.61
82: Office administrative, office support and other business support activities	4,500	0.62
78: Employment activities	9,000	0.66

Note: Analysis limited to sectors with employment of more than 1,000 in YNY
Source: BRES

Patterns of sectoral employment change

The pattern of employment change by industry across YNY is a key driver of change in terms of skills required for the region. Focusing on the post COVID-19 pandemic recovery, we see that accommodation and food service has increased the most with a change of 9,000 in employment.

Accommodation and food services remains a strong industry in YNY

Some industries have had a net decline, including real estate (-4000) and other services (-3000).

Figure 44: Employment change by industry, 2019 to 2023, YNY
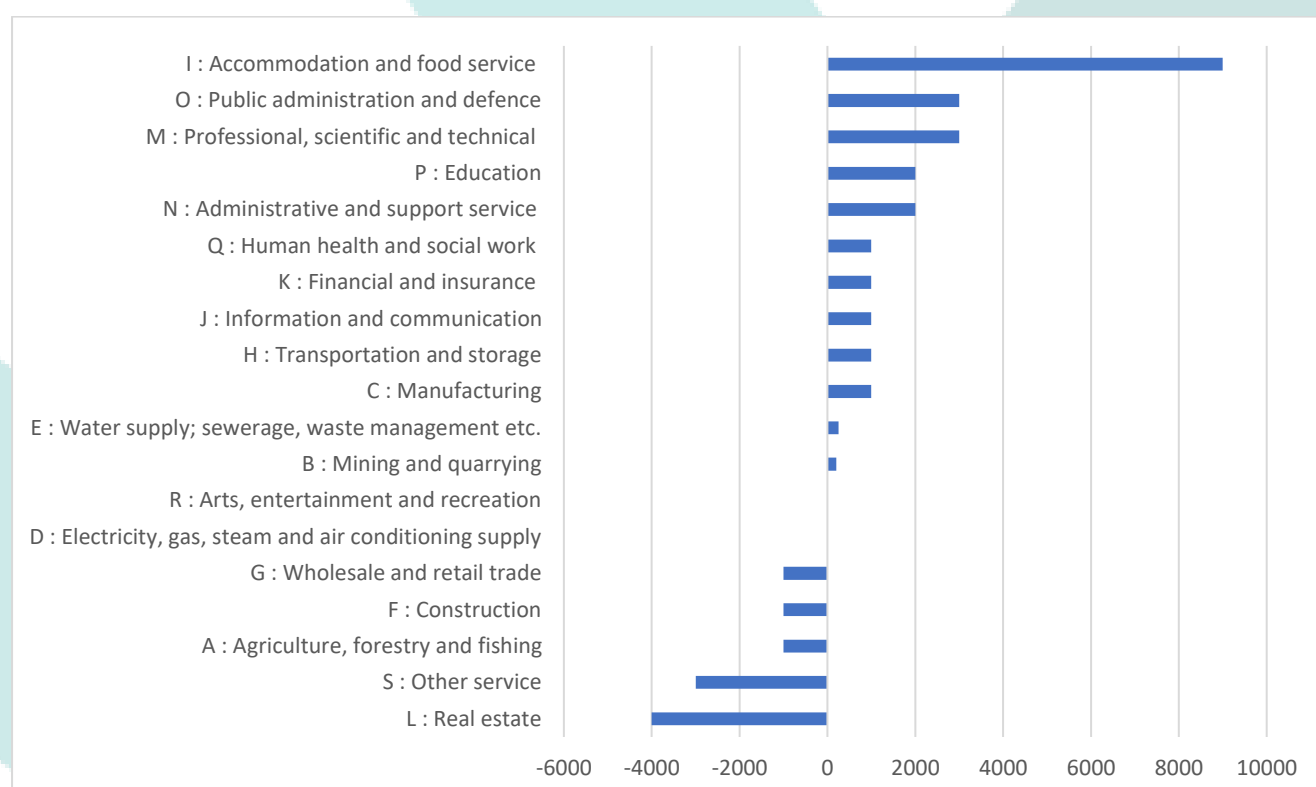
Note: Employment figures, rather than employee
Source: BRES

Occupational profile of employment

High skilled occupations are defined as those within SOC major groups 1 to 3: managers, directors and senior officials; professional occupations; and associate professional and technical occupations. These roles typically require a high level of expertise, experience, or formal qualifications, and include a wide range of positions such as chief executives, financial managers, engineers, teachers, IT professionals, and technical specialists.

The occupational profile of employment in YNY shows that skill levels among those in work are broadly similar to the English average. For 2024, 53% of people in YNY are employed in higher skilled occupations, compared to 54% nationally. This indicates only a slight difference in the proportion of people working in higher skilled roles between YNY and England as a whole, reflecting a relatively balanced skills distribution in the local workforce.

Figure 45: Profile of workplace employment by broad occupational segment
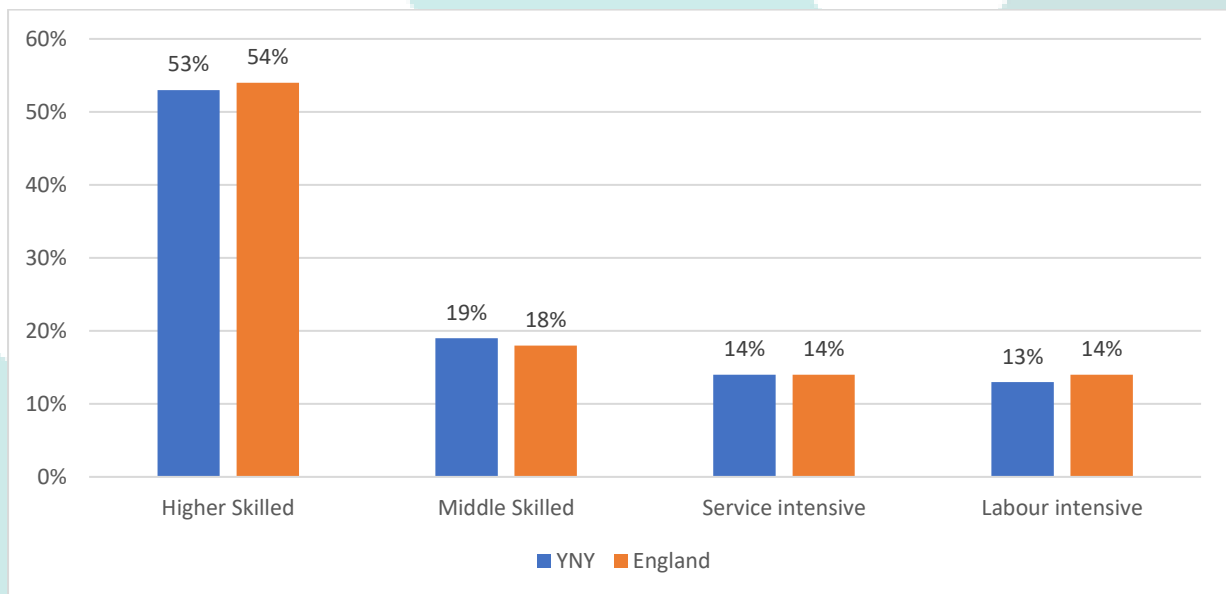
Source: Annual Population Survey, Jan 2024 to December 2024

However, the below chart shows that when we take the period of 2021 to 2024, YNY has a slower increase in the number of those working in high skilled occupations (SOC 2020 major group 1-3) compared to the English levels with the greatest growth in this period within the middle skills roles of administrative and secretarial occupations and skilled trades occupations.

Figure 46: Change in between 2021-2024 occupations in England and YNY
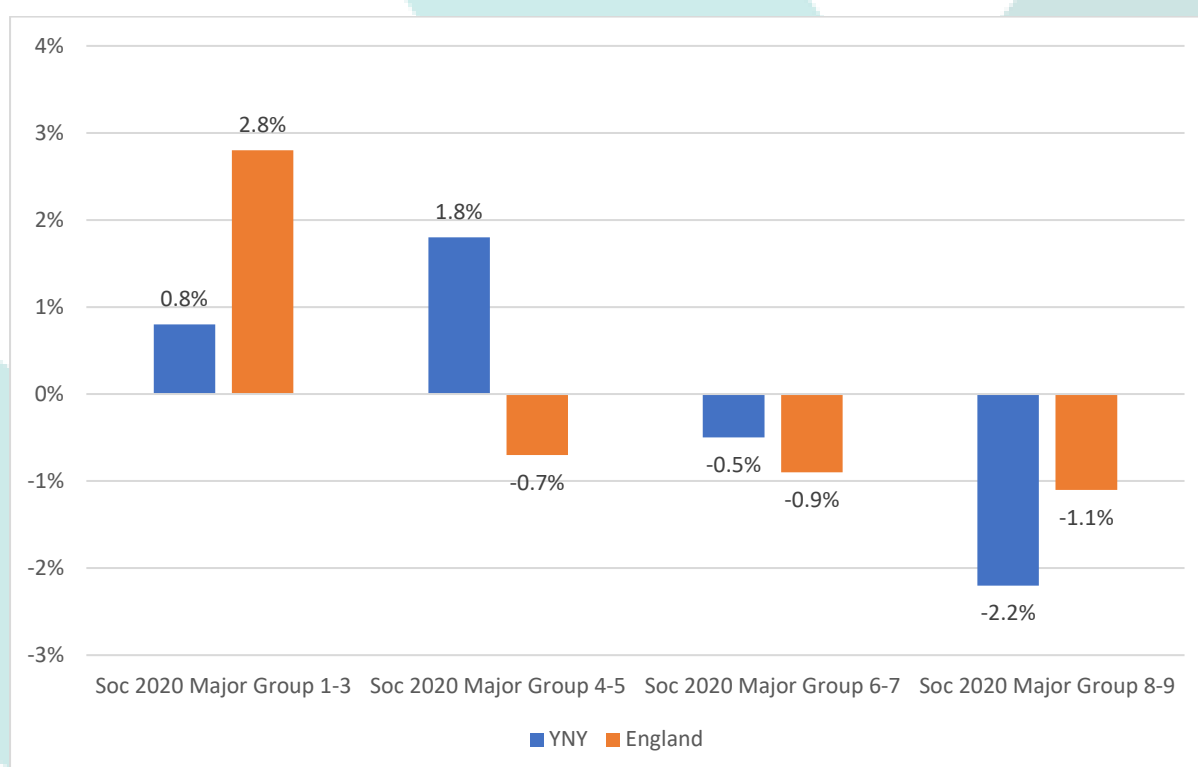
Source: Annual Population Survey, Oct 2021-Sep 2022 and Jan 2024-Dec 2024

The chart below shows the number employed by SOC sub-major group in YNY, highlighting the diversity of roles and the scale of employment in each area.

Corporate managers and directors compose the largest SOC sub-major group, employing 36,400 people. This group includes senior management roles across all sectors of the economy, such as retail managers and directors, production managers in manufacturing and construction, financial managers, marketing and sales managers, as well as chief executives and senior officials.

Business, media, and public service professionals employ 34,100 people. This group covers a wide range of professional roles including management consultants and business analysts, public relations professionals, journalists and editors, policy advisers, archivists, curators, and social researchers.

Science, research, engineering, and technology professionals account for 28,900 employees. These are highly skilled roles focused on scientific, technical, and research activities, such as biological scientists and biochemists, civil, mechanical, and electrical engineers, IT business analysts, architects and systems designers, laboratory scientists, researchers, and software developers.

Administrative occupations employ 28,300 people and include a variety of roles that support the smooth running of organisations. Examples include office administrators, receptionists, personal assistants, payroll clerks, and records and data entry clerks.

Business and public service associate professionals' number 28,000 in employment. These roles provide specialist support in business and public service settings and include human

resources officers, marketing associate professionals, police officers (sergeant and below), health and safety officers, and planning and regulatory services officers.

Elementary administration and service occupations employ 27,900 people. This group involves routine and essential support roles, often requiring little formal training. Examples include postal workers, mail sorters, messengers, couriers, kitchen and catering assistants, waiters, waitresses, bar staff, cleaners, domestics, security guards, school crossing patrol attendants, shelf fillers, and other basic sales roles.

Figure 47: Employment by SOC sub-major group, October-September 2024
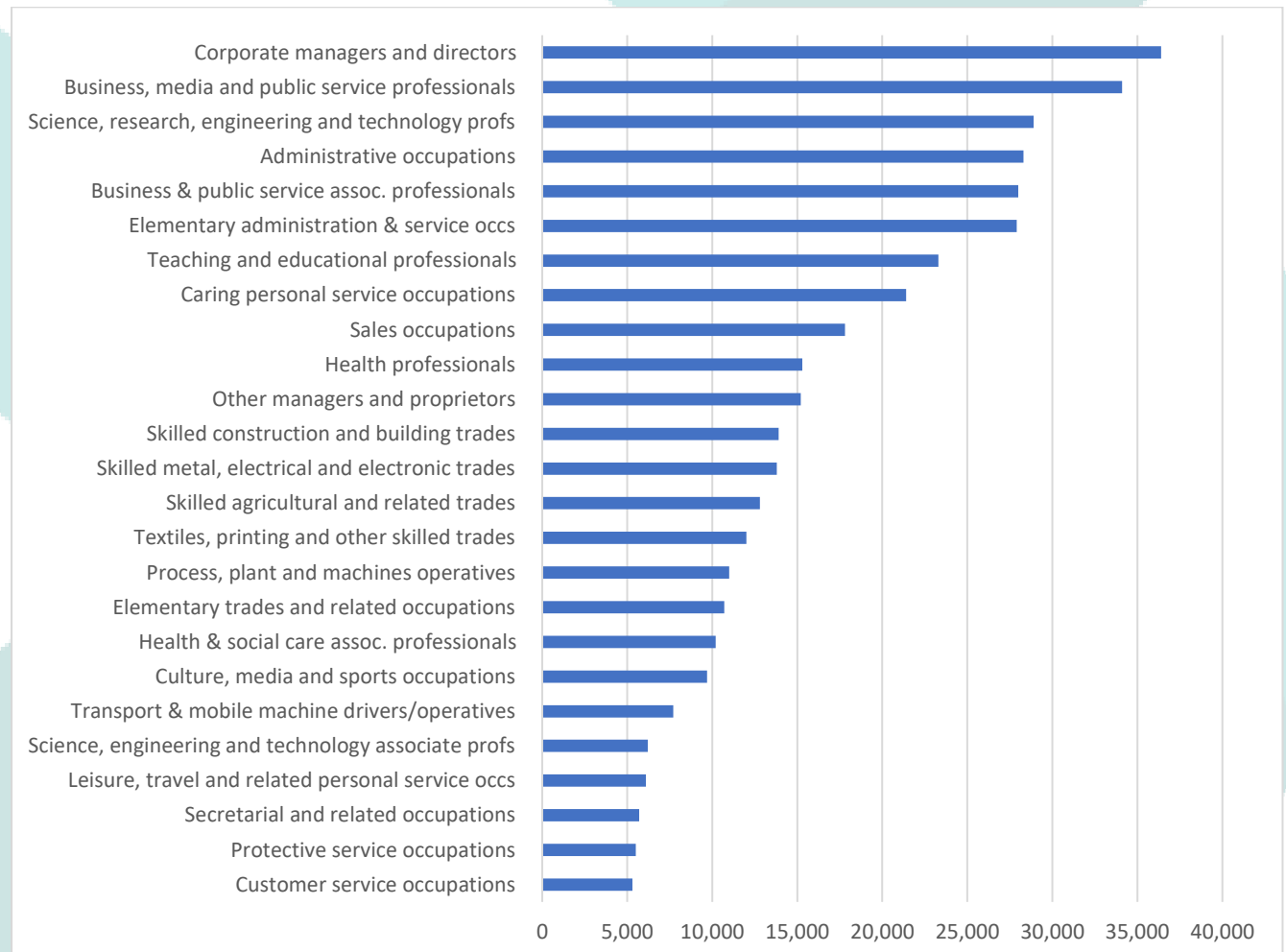
Source: Annual Population Survey, October 2023 to September 2024

The following chart shows the distribution of occupational employment in YNY relative to the English equivalent through LQ.

Figure 48: Location quotients for occupational employment in YNY; benchmark area = England
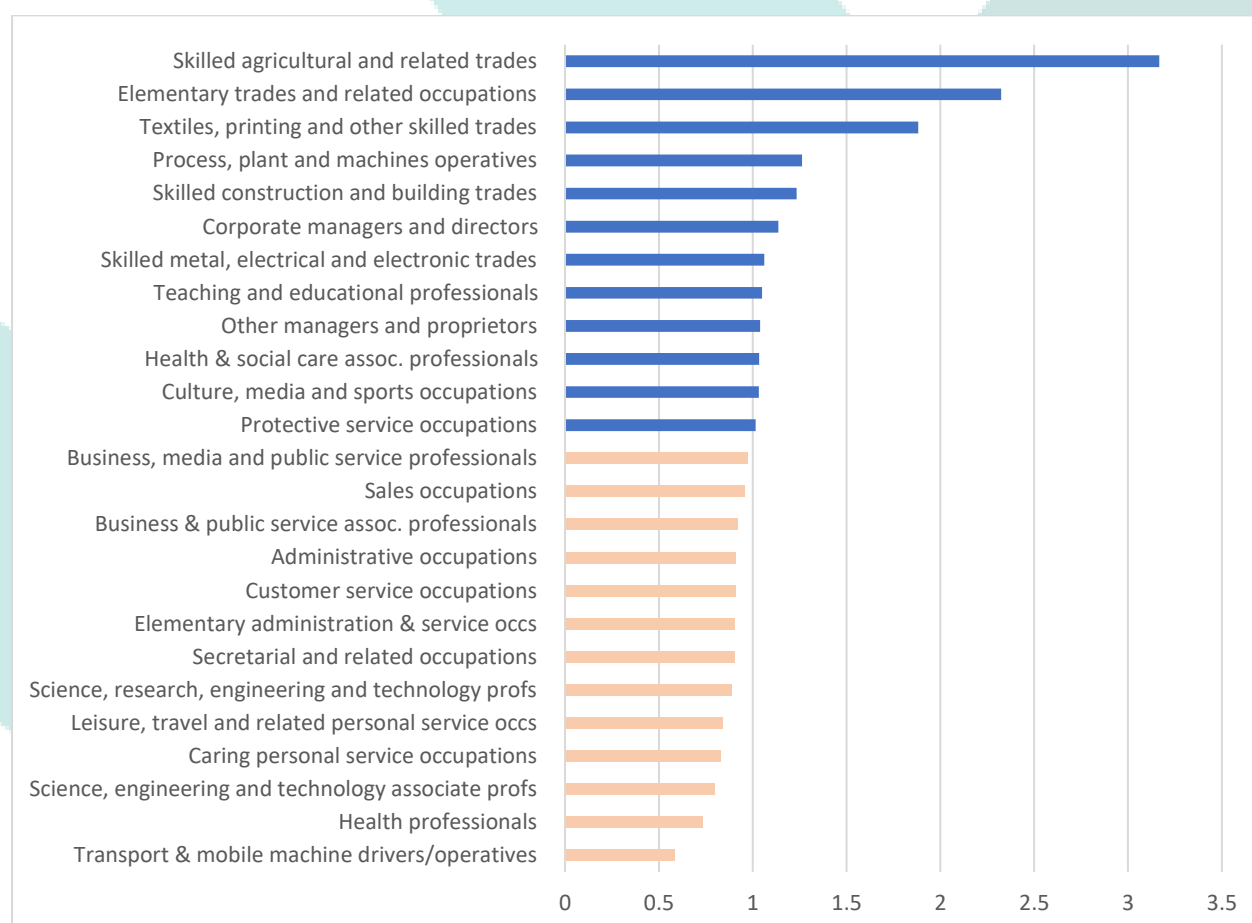
Note: a quotient of 1 indicates parity with England average with regard to employment share
Source: Annual Population Survey, October 2023 to September 2024

Skilled agricultural and related trades are significantly overrepresented in YNY compared to the English average, with a LQ of 3.16. This means that employment in skilled agricultural and related trades is just over three times more prevalent in YNY than in England as a whole. Other strongly represented groups include elementary trades and related occupations, with an LQ of 2.32, and textiles, printing, and other skilled trades, with an LQ of 1.88.

Conversely, some occupations are underrepresented in YNY relative to the national average. These include transport and mobile machine drivers/operatives (0.58), health professionals (0.73), and science, engineering, and technology associate professionals (0.79).

STEM professionals are underrepresented in YNY

STEM professionals are underrepresented in YNY. Science, research, engineering, and technology professionals have a LQ of 0.88, while associate professionals in these fields have an even lower LQ of 0.79. This indicates that both groups are less prevalent in YNY compared to the national average.

Patterns of occupational employment change

It is important to note that a reclassification transition from codes SOC2010 to SOC2020 introduced several changes that may affect trend analysis over time. The main revisions included a review and reclassification of roles considered professional or associate professional, changes to how information technology occupations are grouped, and a further breakdown of some unit groups to improve accuracy and reflect changes in the modern labour market. As a result, comparisons of high skilled employment rates over time should be interpreted with caution, as some observed changes may be due to the reclassification rather than shifts in the actual labour market.

Since 2020–2021, YNY has seen a shift in its employment trends by broad occupational segment, with the number of people employed in high-skilled occupations surpassing those in other occupational groups. This pattern has remained consistent through to September 2024, indicating a sustained emphasis on higher skilled employment in the region.

Figure 49: Trend in employment by broad occupational segment, YNY
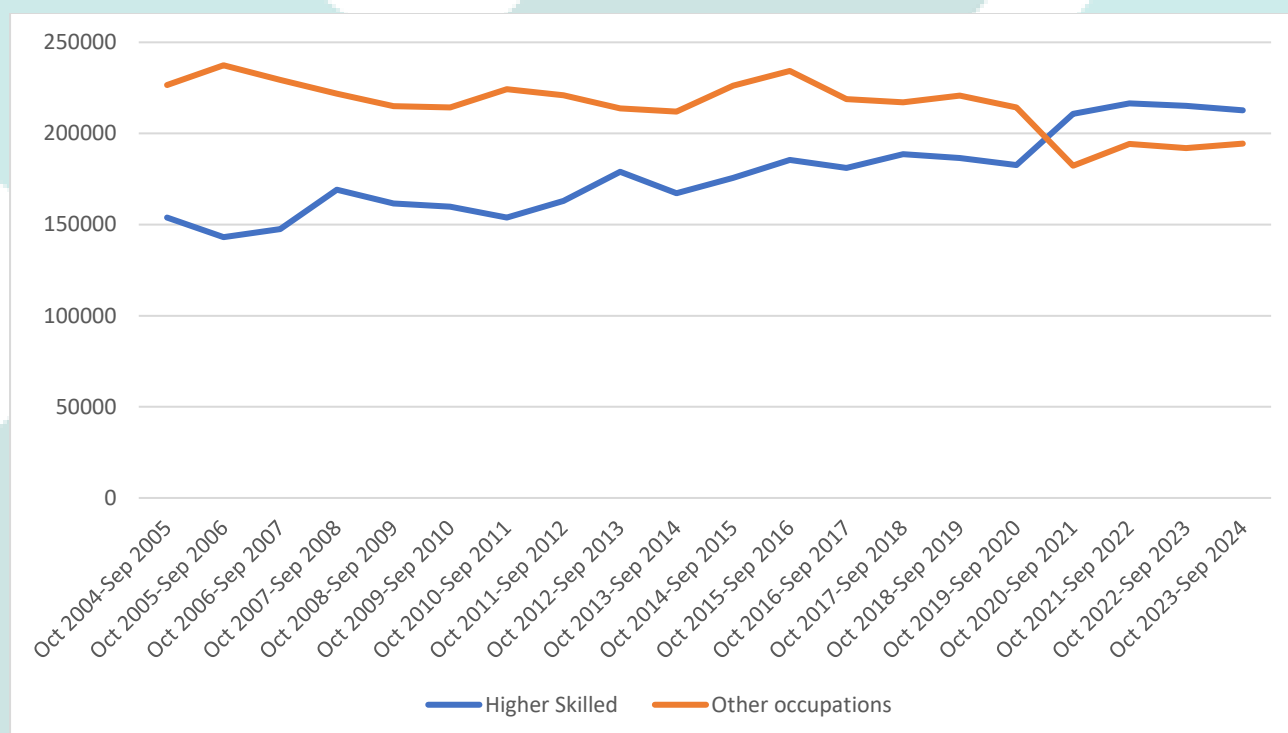
Source: Annual Population Survey

To illustrate the net change in employment following the recovery from the COVID-19 pandemic, we compare employment figures between October 2021–September 2022 and October 2023–September 2024. The most significant employment gains were seen in elementary trades and related occupations, as well as business and public service associate professionals, each increasing by 7,200 jobs. There were also notable increases in textiles, printing and other skilled trades (+4,000), and skilled metal, electrical, and electronic trades (+4,000).

Conversely, several occupational groups experienced declines. The largest decrease was among other managers and proprietors, which fell by 9,000 jobs. Health professionals saw a reduction

of 7,800, while transport and mobile machine drivers and operatives declined by 7,200. Elementary administration and service occupations dropped by 6,200, and sales occupations decreased by 5,200 over the same period.

Figure 50: Net change in employment by occupation (sub-major group) between Oct 2021-Sep 2022 to Oct 2023-Sep 2024
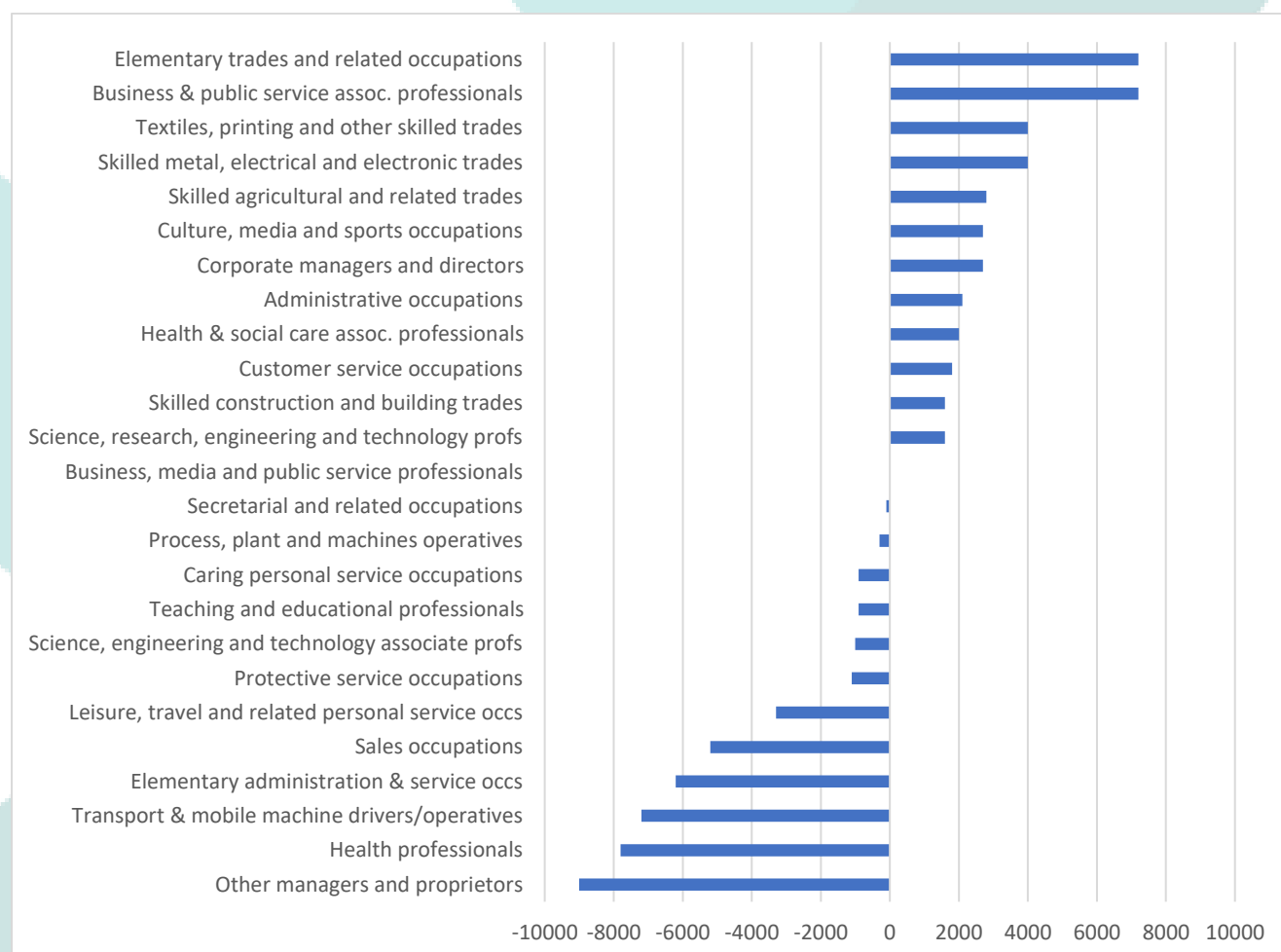
Source: Annual Population Survey

Upskilling needs

Managers, directors, and senior officials are the occupations most frequently identified by employers as requiring new skills in the next 12 months. In YNY, 42% of employers anticipate that this group will need new skills, compared to 40% across England. In addition, 7% of employers in YNY identify skilled trade occupations and sales and customer service occupations as the most likely groups to require new skills over the coming year.

Figure 51: Occupation most affected by need for new skills, among employers who anticipate a need for new skills in next 12 months, YNY
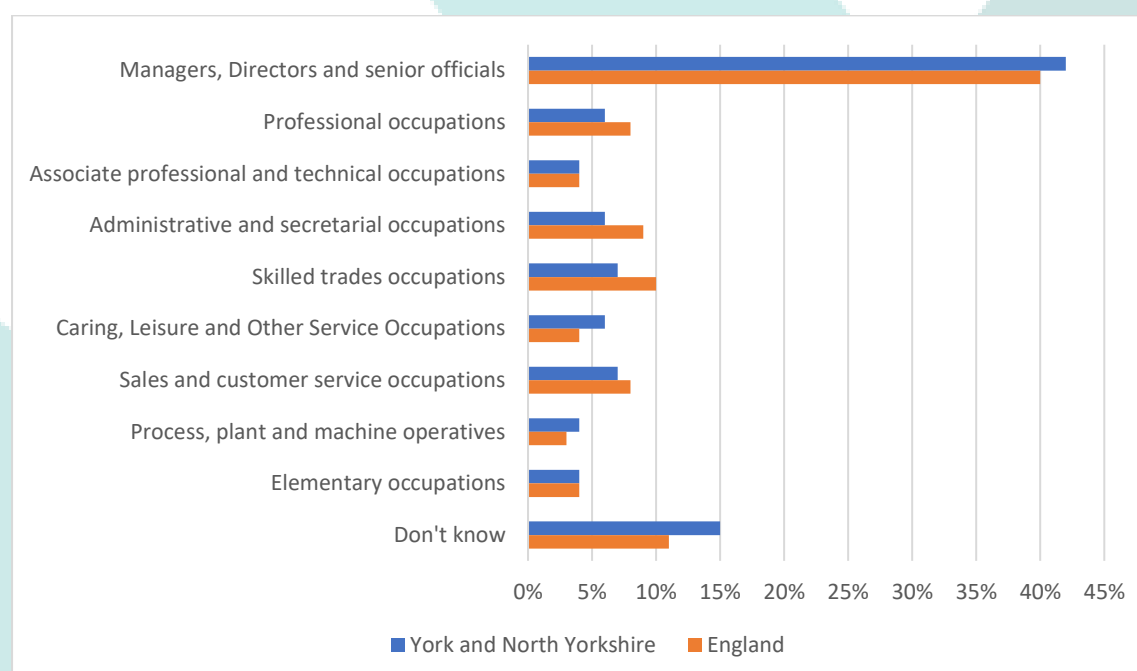
Source: Employer Skills Survey, 2022

In YNY, the most frequently identified workforce development needs include specialist skills or knowledge required to perform specific job roles, cited by 44% of employers. Additionally, 38% of employers highlight the need for staff to adapt to new equipment or materials, while 37% point to the importance of knowledge about the products and services offered by their organisation.

Notably, the only skill where demand is higher in YNY compared to the national average is computer literacy and basic IT skills, with 32% of employers in YNY identifying this as a priority, compared to 27% across England. This suggests a particular emphasis on digital skills development within the region's workforce.

Figure 52: Skills that will need developing among workforce
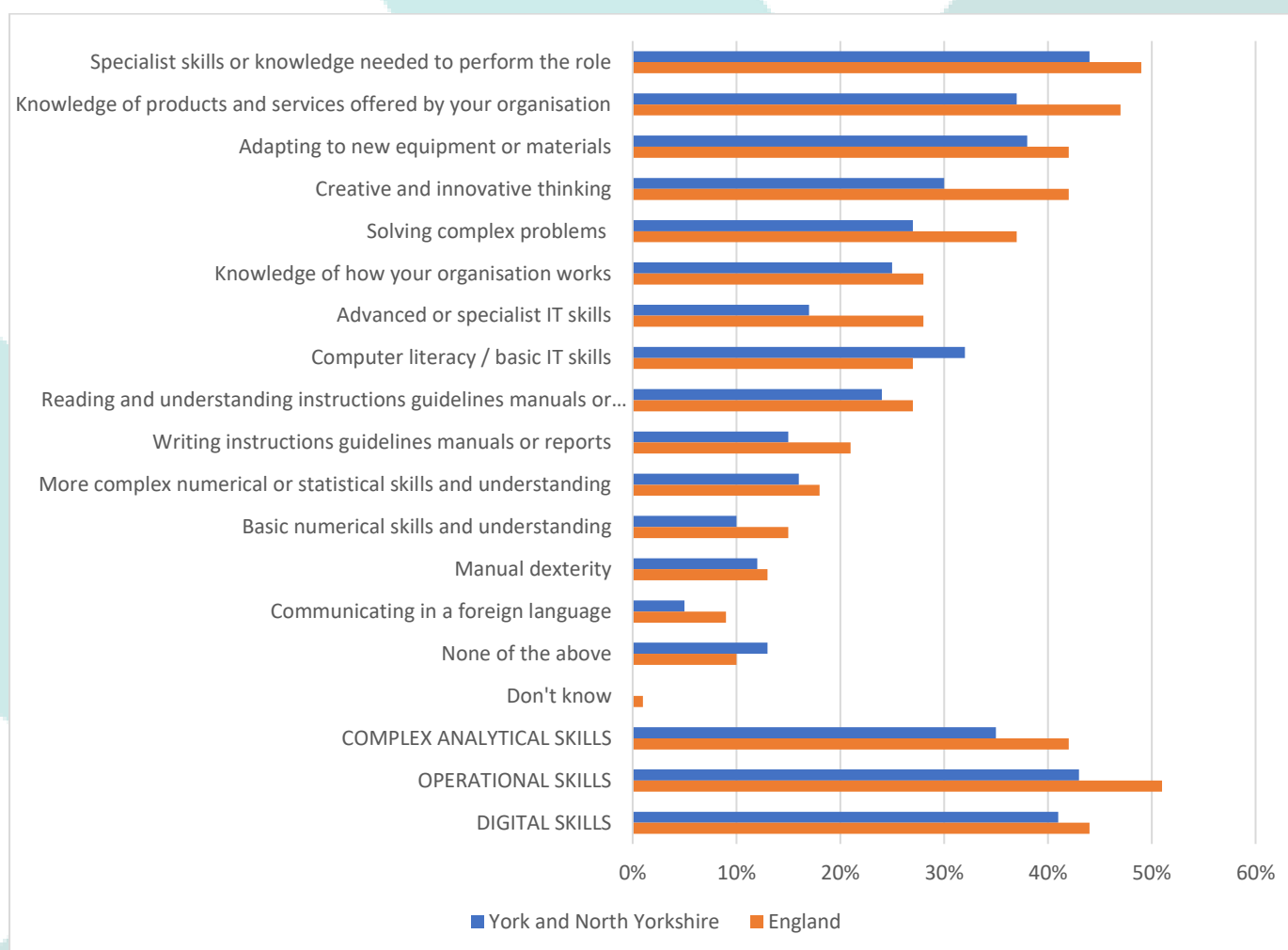
Source: Employer Skills Survey, 2022

When examining groups of skills that employers in YNY believe will require development, 43% highlight operational skills as a priority for their workforce. This is followed by 41% of employers identifying digital skills as an area needing further development, and 35% pointing to complex analytical skills as a key focus.

These findings reflect the increasing importance of both technical and cognitive abilities in the region's labour market, with employers recognising the need for staff who can adapt to new technologies, manage operational processes efficiently, and tackle complex problems through advanced analytical thinking.

When looking specifically at IT skills that need further development within the workforce, 31% of employers in YNY report a need to improve employees' ability to use new or updated company software or systems. Additionally, 16% of employers identify a need for development in specialist software, hardware, or internal systems skills. Foundation digital skills, including basic Microsoft Office application skills, are highlighted by 13% of employers as an area requiring further improvement.

Figure 53: IT that will need developing amongst the workforce
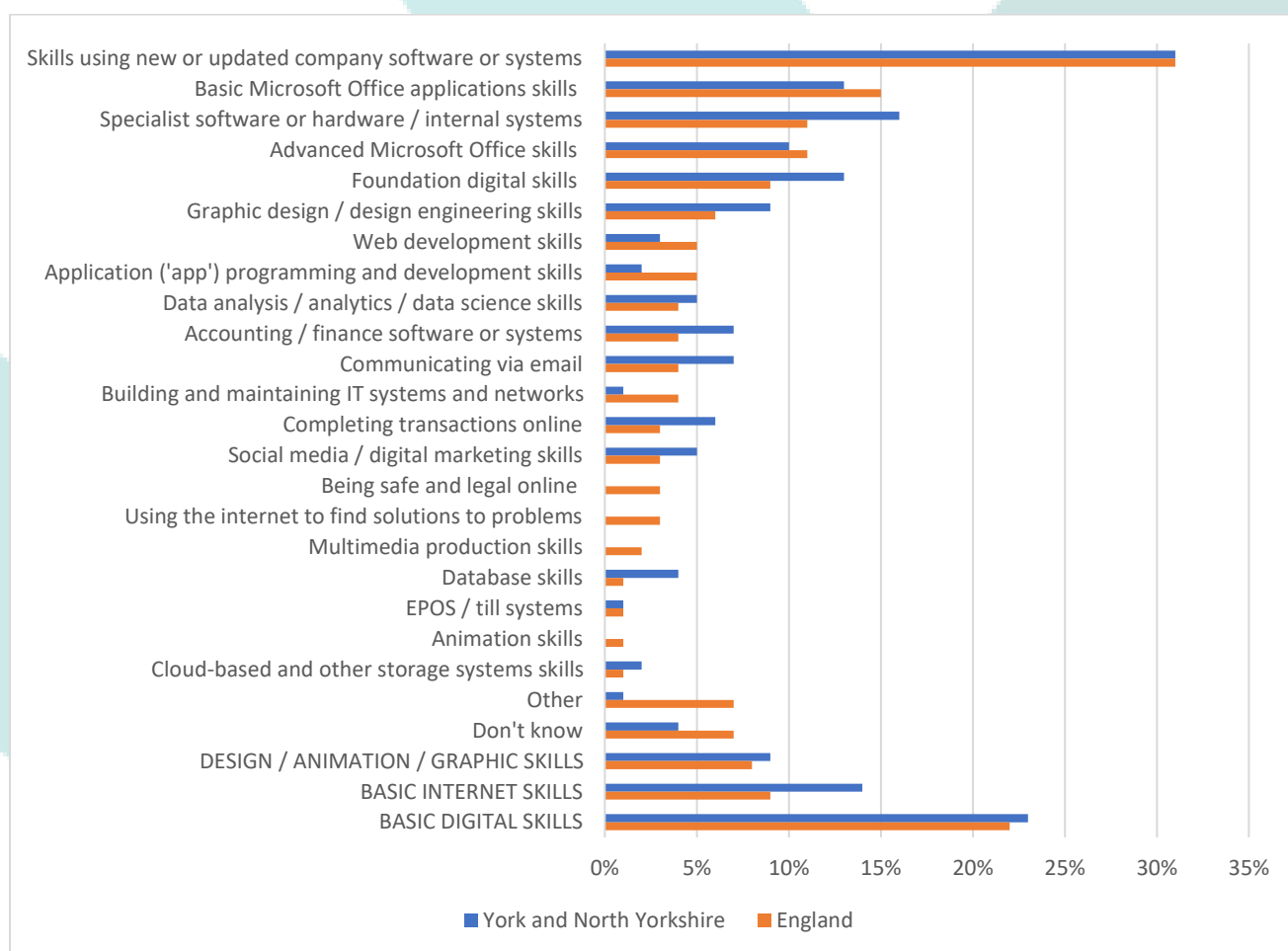
Source: Employer Skills Survey, 2022

Employers in YNY report a greater need for developing IT skills at a basic level compared to the national average. Specifically, 23% of YNY employers identify a need for improved basic digital skills among their workforce, compared to 22% across England. The gap is more pronounced for basic internet skills, with 14% of YNY employers highlighting this need versus just 9% nationally. This suggests that foundational digital competencies are a particular priority for employers in the region.

Future trends in employment and replacement demands

Projected net growth in employment by industry in the then defined local skills improvement plan (LSIP) area of York and North Yorkshire by industry 2025-2035 shows that the greater net employment is expected within accommodation and food, followed by support services. This mimics industries currently dominant in sectoral employment profiles and support projected replacement rates for occupations explored later in this report. The projected change for all industries in the 2025-2035 period shows an additional 14,000 in employment across all industries. The greater surplus change is within accommodation and food where there is a projected growth of 5,000 employees.

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Figure 54: Projected net change employment growth in 000s, 2025-2035, LSIP area of York and North Yorkshire
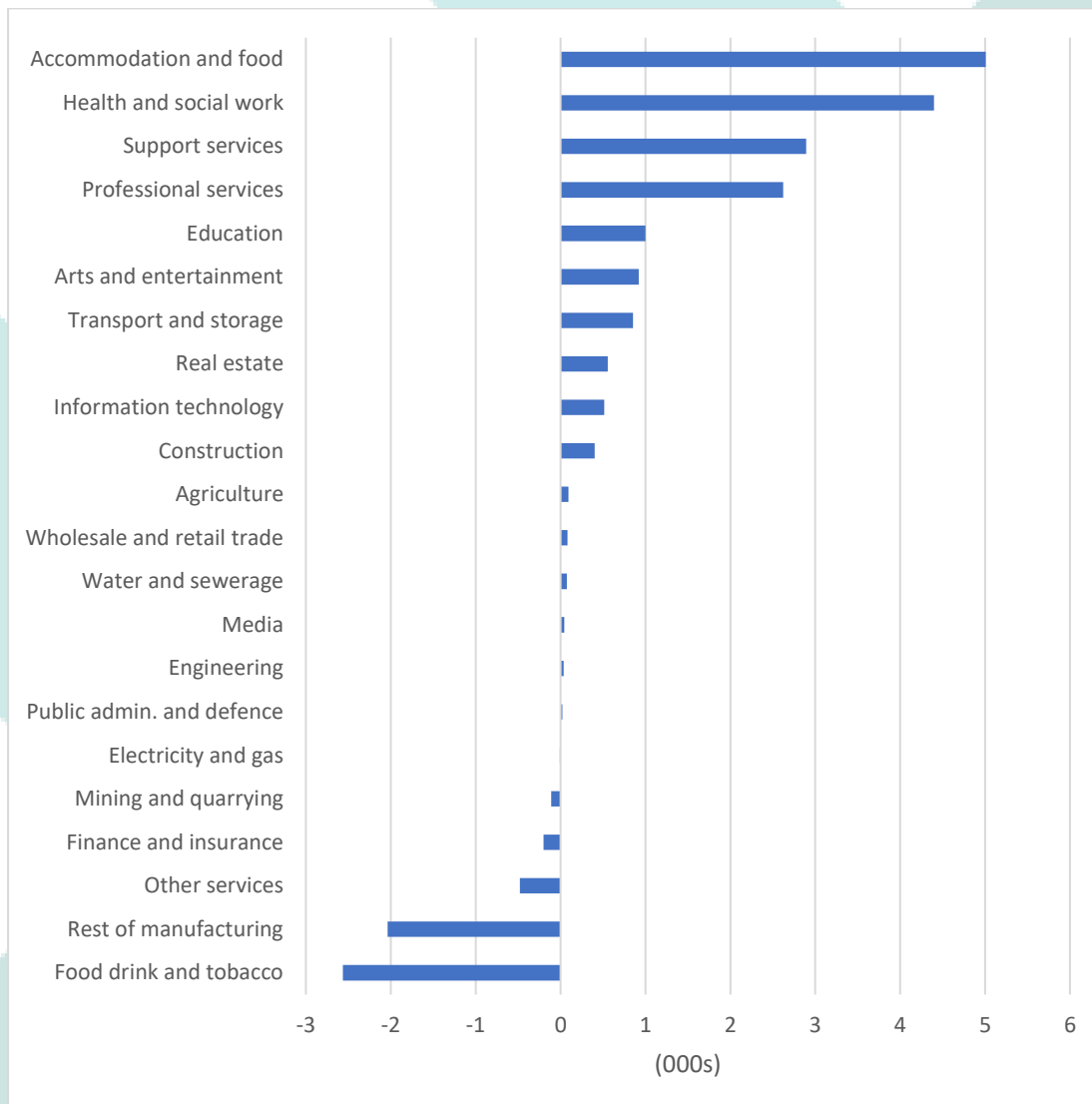
Source: Working Futures

Skills Supply

Key points

- YNY have a higher proportion of residents aged 65 and over than the national average, and a lower proportion of working-age residents (60% compared to 63% nationally).
- The region is projected to experience notable increases of around 4% in the 70–79 and 80–89 age groups, while younger and middle-aged populations-including those aged 0–9, 10–19, 20–29, 40–49, and 50–59-are expected to decline, resulting in a shrinking working-age population and increasing demands on workforce availability and local services, in years 2018-2043.
- YNY have high levels of commuting both into and out of the area. The area also has about one in three people mainly working from home, reflecting national trends. York and Harrogate have higher rates of homeworking (35.5% and 35.4%), while Scarborough has a lower rate (19%).
- Commuting patterns in YNY show that in York, 56% of commuters travel between 0–5km for work. In contrast, in North Yorkshire, 29% of commuters travel 0–5km, while 41% travel between 10–40km, reflecting the region's more rural geography.
- The proportion of residents who both live and work in the same area is highest in Scarborough (90%), while Craven (71%), Hambleton (72%), and Selby (72%) have lower shares. Overall, of residents who commute, more commute outside of YNY (39,790) than commute within the region (30,474).
- YNY has a strong qualification profile, with 48% of the working-age population holding RQF Level 4 or above, slightly above the national average (47%), and higher proportions of residents with Level 2 and Level 3 qualifications compared to England.
- There is variation within the region: York leads with 48% of economically active residents holding Level 4+ qualifications, while Scarborough has 32%, highlighting disparities in higher-level qualification attainment.
- Among the economically inactive population, 29% have no qualifications and 29% hold Level 4+, suggesting both skills gaps and underutilisation of highly qualified individuals.
- YNY have strong RQF Level 2 and Level 3 attainment among both the 16–24 age group (39% at RQF2 and 33% at RQF3) and the 25–49 age group (15% at RQF2 and 23% at RQF3), but the region lags behind England in the proportion of these cohorts holding RQF Level 4+ qualifications (17% vs. 21% for 16–24-year-olds and 56% vs. 57% for 25–49-year-olds).
- The 50–64 age group in YNY stands out with 51% holding RQF Level 4+ qualifications, compared to 44% nationally. This highlights a strong base of highly qualified older workers in the region but also signals the need to upskill younger groups as this cohort approaches retirement.
- In the 2023/24 academic year, YNY had 6,760 apprenticeship starts (excluding 2,090 British Army apprenticeships). Private providers delivered 43% of these, with local authorities and HE providers close behind, and general further education colleges providing 15%.
- Intermediate level apprenticeships dominate in YNY, making up 45% of starts, which is higher than other levels. Advanced apprenticeships account for 30%, and higher

apprenticeships 25%, indicating fewer opportunities at advanced and higher levels compared to intermediate.

- Apprenticeships in YNY have a higher proportion of older participants compared to the national trend. In 2023/24, 39% of apprenticeship starters in YNY were aged 25 or older, 37% were aged 19–24, and 25% were under 19. Nationally, the largest proportion of apprenticeship starts is among 19–24-year-olds (58%), indicating that YNY uses apprenticeships more as an adult upskilling tool, while nationally apprenticeships are more concentrated among younger people. Initial data for 2024/25 shows an increase in younger starters in YNY, with 35% under 19, suggesting a shift toward greater youth participation.

- Intermediate apprenticeships in YNY have the highest achievement rate at 67% (with 2,100 completions out of 3,060 starts), compared to 58% for advanced and 49% for higher apprenticeships, highlighting the need for additional support for those undertaking more complex, higher-level apprenticeships.

- Nearly 15,000 post-16 learners in YNY were matched to the Longitudinal Education Outcomes (LEO) dataset in 2021/22, with most areas exceeding the national average sustained positive destination rate of 80%; Richmondshire leads locally at 91% and York at 88%. Participation in further education among adults is high, but the majority of learners are clustered at Level 1 and Level 2 qualifications, with far fewer progressing to Level 3 or above, highlighting a need to support more learners to advance beyond Level 2.

- HE institutes in YNY, including Heart of Yorkshire Education Group, York St John University, York College, and the University of York, are key regional assets; the most popular subjects for student enrolments are business and management (9.2%), social sciences (5.8%), and computing (4.4%), but compared to national figures, YNY has much lower proportions of students enrolling in subjects allied to medicine (2.7% vs. 12.6%) and engineering and technology (1% vs. 6%).

- York has seen a recent decline in graduate-level jobs and offers fewer entry-level opportunities compared to larger nearby cities, while North Yorkshire has a stronger but still challenged graduate labour market with more jobs but a shortfall of graduates; overall, by 2035, the region will need around 238,000 new workers, including approximately 121,000 new graduates, highlighting the critical need to attract and retain graduates, especially through strengthening local education-employer links and promoting the area's career and lifestyle appeal.

- YNY show a larger gap in HE progression rates between pupils who receive FSMs and other pupils compared to the English average: while non-FSM pupils progress at around 50%, FSM pupils progress at only 24% in North Yorkshire and 25% in York, compared to 29% nationally, indicating a need to address this disparity to improve social mobility and equal opportunity in the region.

- YNY has a higher employment rate for both people with an Equality Act (EA) core or work-limiting disability (63% vs. 57% nationally) and those without a disability (85% vs. 82% nationally), but a significant employment gap remains between disabled and non-disabled people. The proportion of working-age residents with an EA core or work-limiting disability is also higher in YNY (27.7%) than nationally (25.8%), and this group has grown sharply in recent years, highlighting the need for strengthened health, inclusion, and employment support.

- Although employment rates in YNY decline with age, dropping from 89% for those aged 25–49 to 74% for those aged 50–64, the actual number of people aged 50–64 in employment has steadily increased over time. For example, the employment rate for this age group in YNY rose from 68.2% in 2004–05 to 76.6% in 2022–23.

YNY is shaped by a distinctive demographic and skills profile, characterised by an ageing population and a shrinking proportion of working-age residents. The region faces projected increases in older age groups, particularly those aged 70 and above, while younger and middle-aged populations are expected to decline, intensifying pressures on workforce availability and local services. Patterns of commuting, homeworking, and qualification attainment vary across the area, with strong intermediate skills among younger cohorts but a need to boost higher-level qualifications, especially as a highly qualified older workforce approaches retirement. These trends highlight both the strengths and challenges facing YNY.

Local demographics

When examining the local demographics of YNY using 2021 Census data, it is evident that the area has a comparatively higher proportion of residents aged 65 and over (24%) than the national average of 18%. In contrast, the working-age population (aged 16-64) in YNY accounts for 60% of the total population, which is slightly lower than the 63% observed across England. This demographic profile reflects an older population structure in YNY relative to the country, with implications for workforce availability and service demand.

Figure 55: Age profile of population, 2021
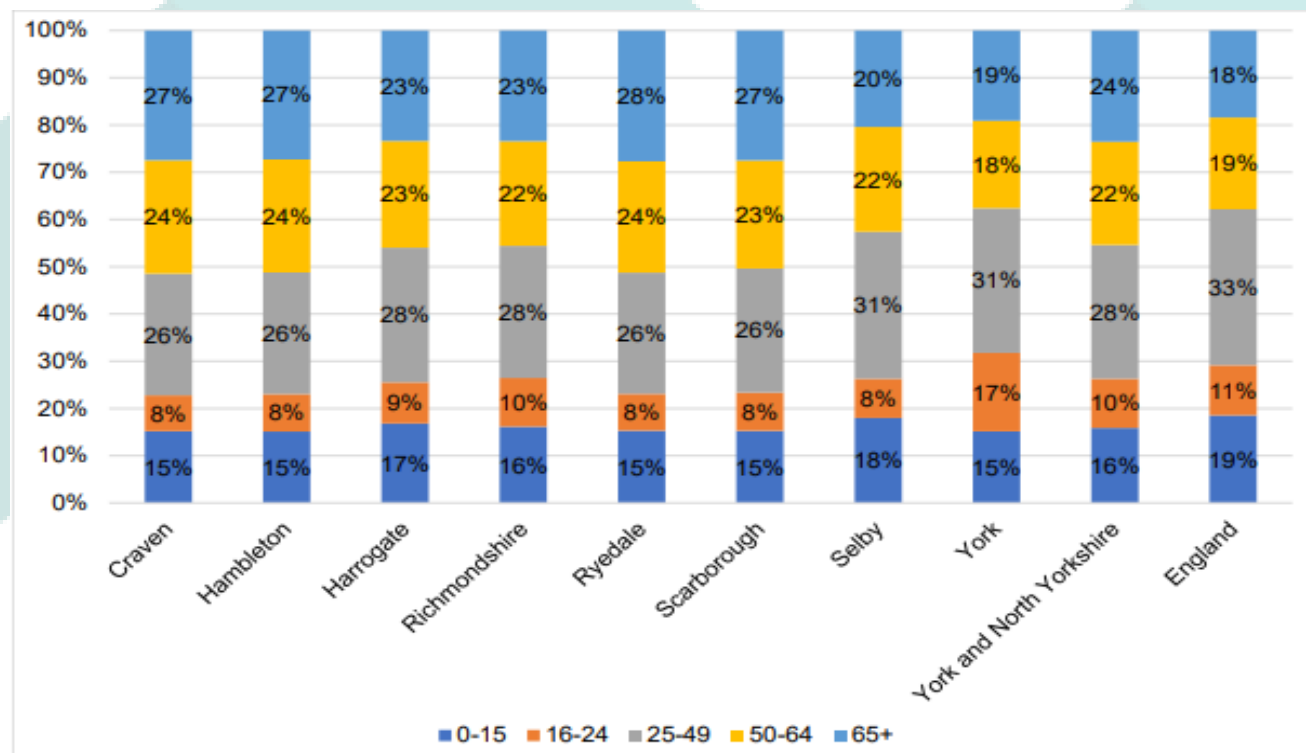
Source: ONS

When examining the working age population by district in YNY, York stands out as the only area with a proportion of working age residents (66%) higher than the English average of 63%.

In contrast, all other districts in the region have relatively lower shares of working age population. Notably, Craven, Ryedale, and Scarborough each have just 57% of their population within the working age bracket, underscoring the demographic challenges faced by these areas compared to both York and the national average.

Figure 56: Working age population per district, 2021
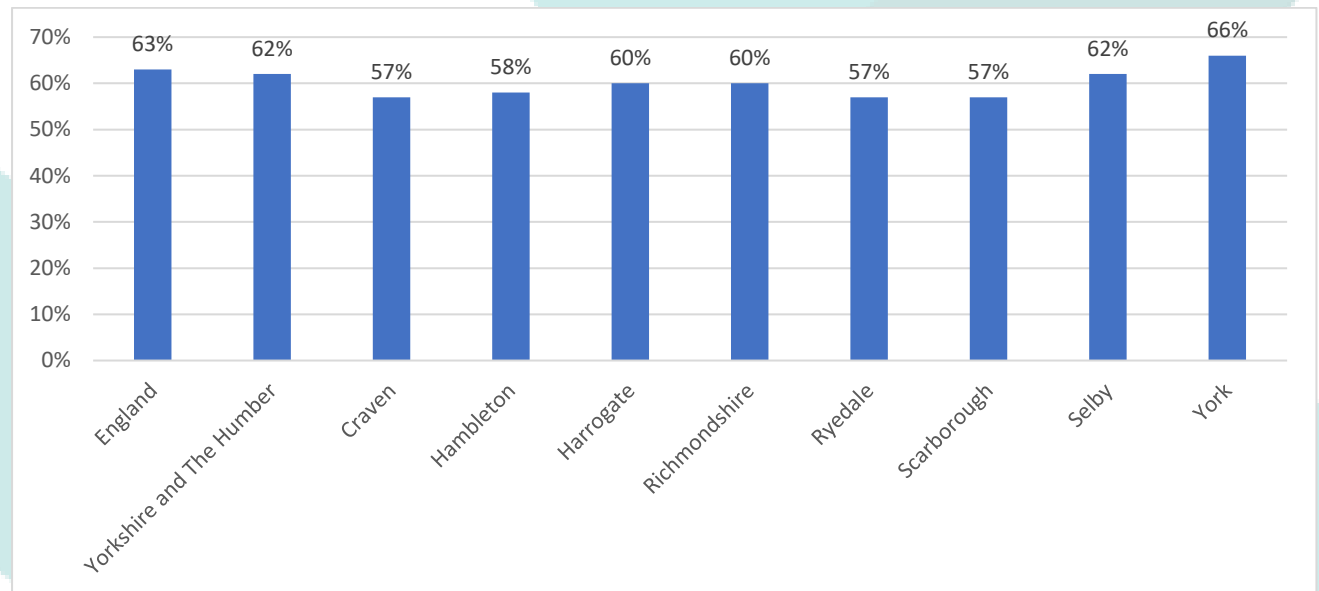
Source: Census 2021

Projections for YNY indicate a significant increase in the population aged 70–79 and 80–89 over the coming years, reflecting the region's ageing demographic profile. In contrast, there is an expected decline in several younger and middle-aged groups, including the 0–9, 10–19, 20–29, 40–49, and 50–59 age bands. This anticipated shift will result in a shrinking working-age population.

The working age population in YNY is predicted to shrink

Overall, these demographic changes highlight the growing prominence of older age groups in YNY, alongside a decline in younger and working-age populations, with significant implications for workforce availability, service provision, and local economic planning.

Figure 57: Projected population change by age band, 2018 to 2043

Projected population for YNY
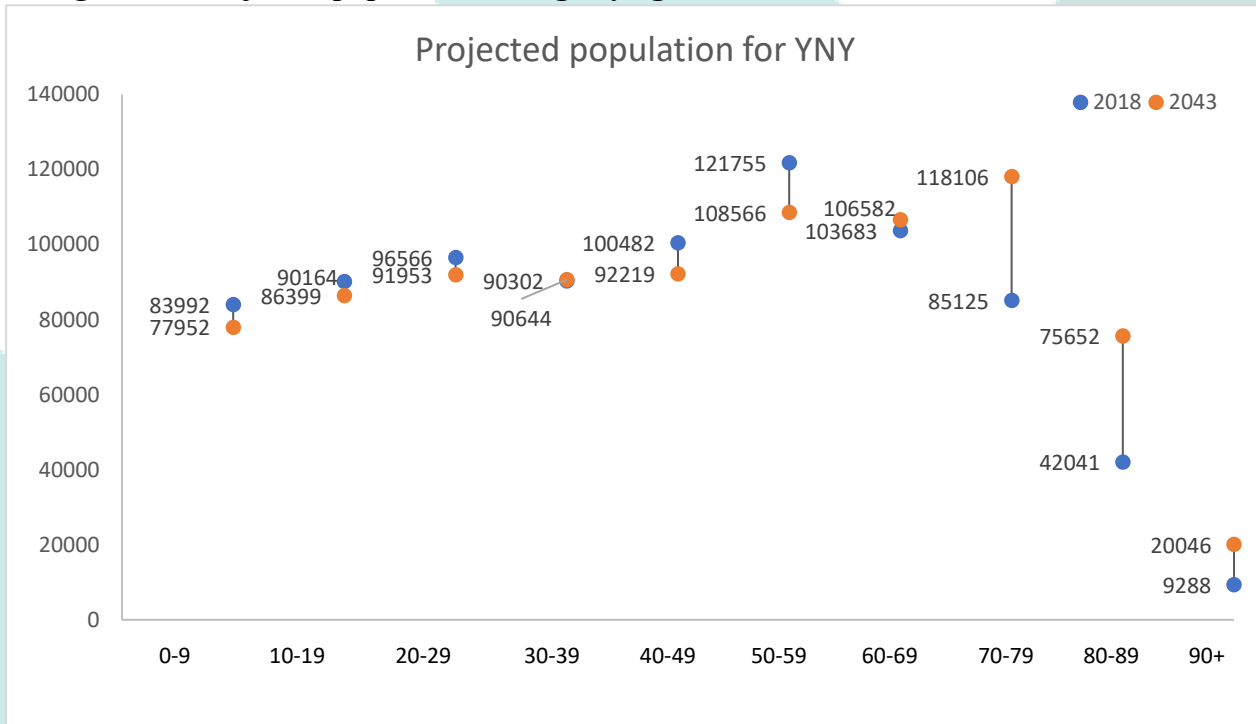
● 2018 ● 2043

Source: Census 2021

The projected population increase is highest among those aged 70–79 and 80–89, with both age groups expected to grow by approximately 4%.

Figure 58: Projected population change by age band in YNY, 2018 - 2043
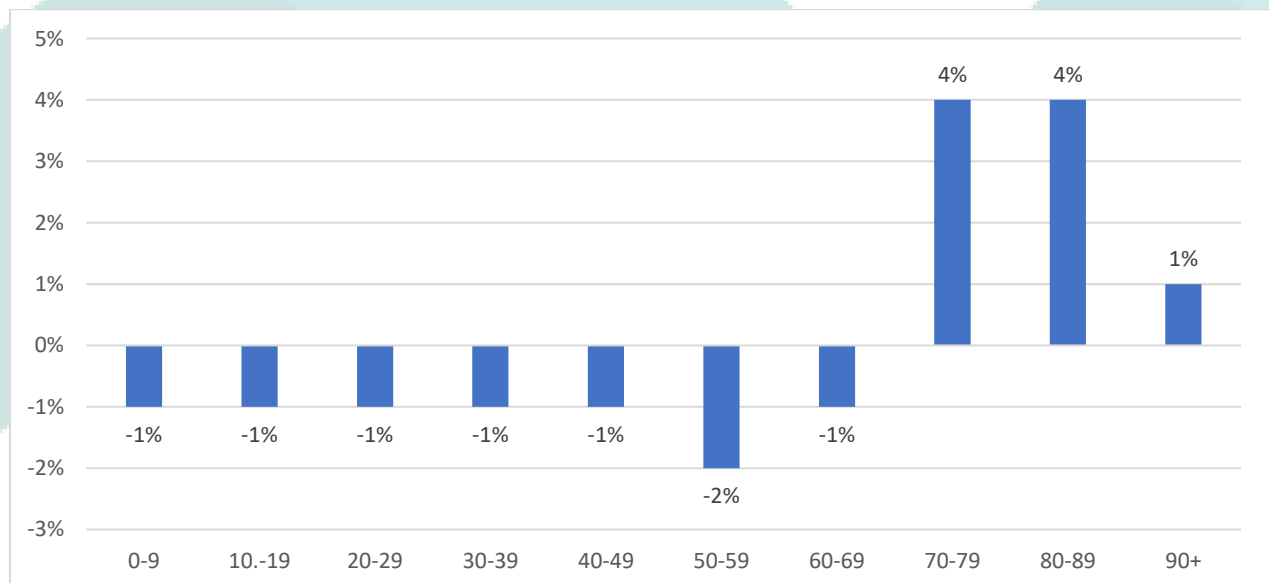
Source: ONS

We can see longer term data at the English level which looks at population prediction between 2022-2100. There is an expected growth for those aged 60 and over while there is a projected decline for those 0-59. This shows the need for a range of skills to respond to the ageing

population that include health and social care skills as well as digital and technological skills and specialist skills for an ageing society.

Figure 59: Project English population change: 2022 – 2100
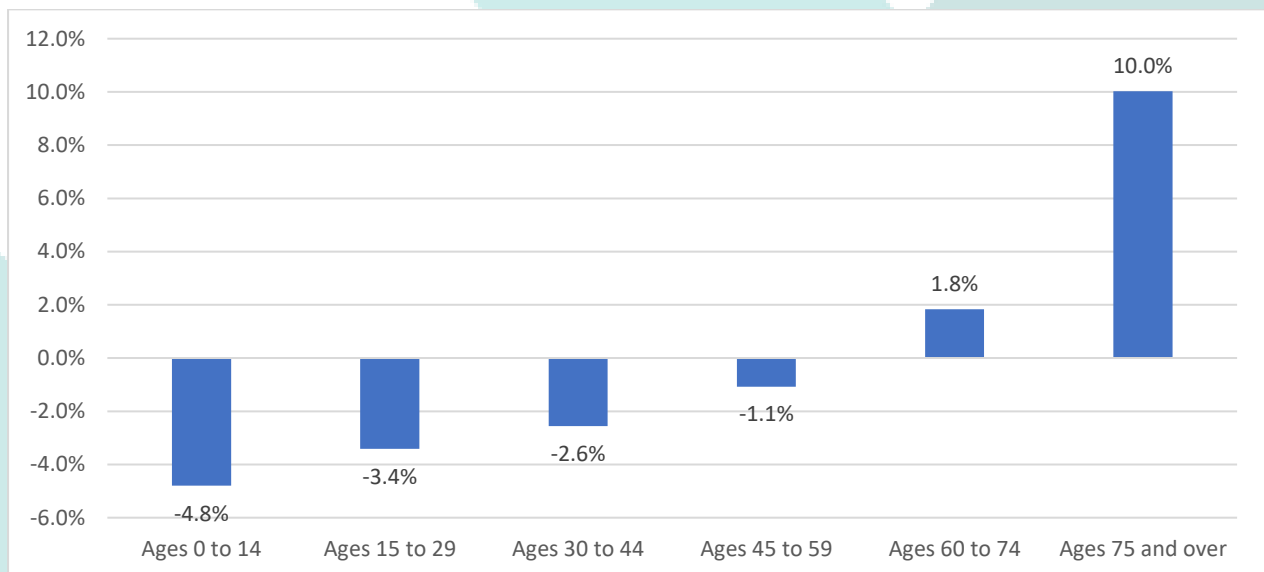
Source: ONS

Commuting

YNY have a relatively high number of commuters and those who travel both into and outside of the region for their work. However, with the advent of working from home becoming more prevalent in a post-pandemic world, we see that where there is an average of just under 1 in 3 (31.5%) of those in England who work mainly at or from home, this figure is broadly reflective of the working from home trends across YNY.

We do see some disparity, notably, York and Harrogate have higher rates of mainly working from home (35.5% and 35.4%), which lies in sharp contrast to Scarborough (19%). This likely reflects the range of dominant occupations in the more comparatively urban areas of YNY.

Figure 60: People who mainly work at or from home

Area	Percentage
York	35.50%
Harrogate	35.40%
Craven	32.60%
England	31.50%
Selby	31.10%
Hambleton	30.60%
Ryedale	29.30%
Richmondshire	27.10%
Scarborough	19%
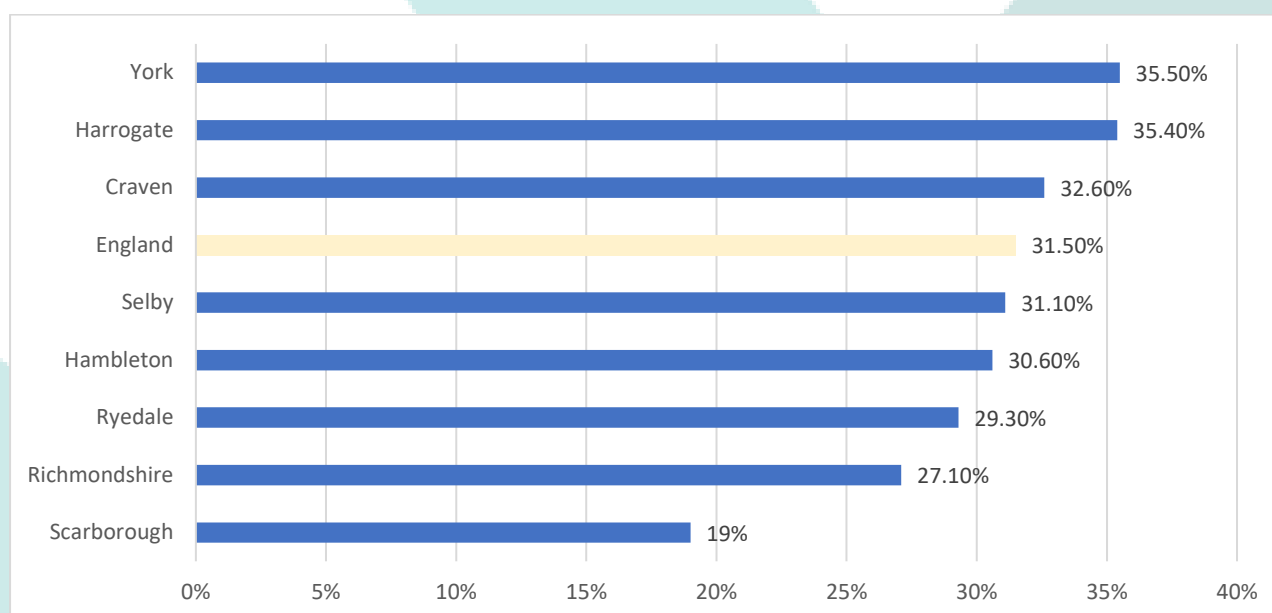
Source: Census 2021

We do see a distinction when we look specifically at commuter patterns in York compared to other areas within North Yorkshire. For example, the below graph demonstrates that that commuters in North Yorkshire are more likely to travel distances between 10-40km for work. In comparison, commuters within York are more likely to travel between 0-5km for work. This reflects the geographical composition of the regions, with commuters in North Yorkshire likely to travel greater distances given the rural character of the area.

Figure 61: Distance travelled to work in YNY
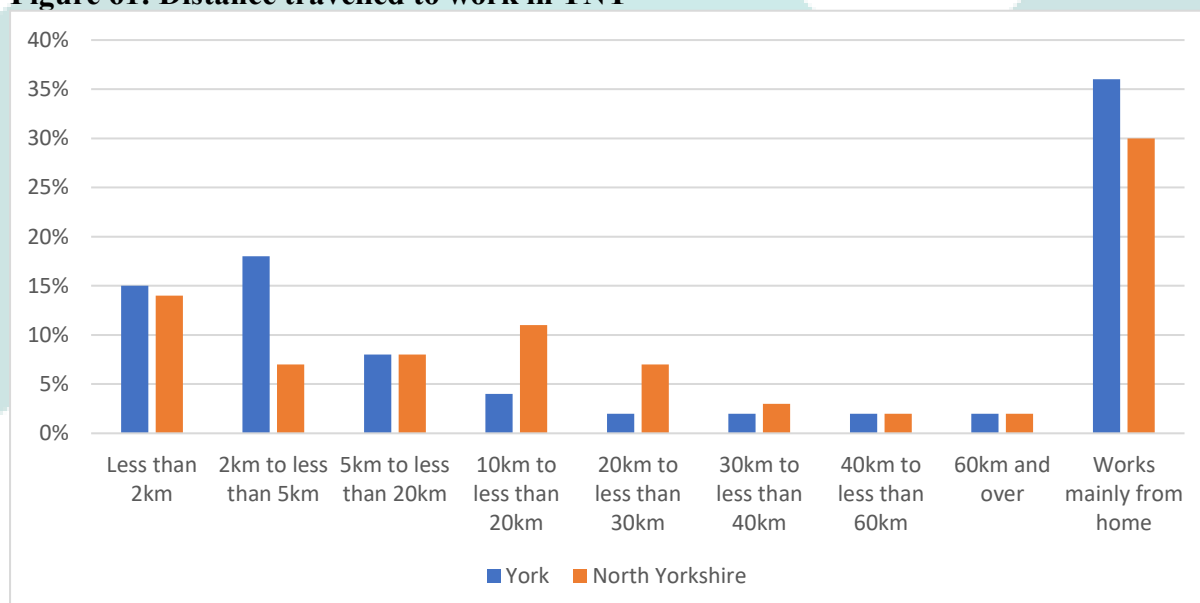
Note: Distance travelled to work excluding those who cite 'do not apply'
Source: Census

YNY has significant outward and inwards commuting flows

Analysis of 2021 Census data reveal strong commuting flows with notable variations between districts. The proportion of residents who both live and work in the same area is highest in Scarborough, where 90% of residents are employed locally. This is a clear outlier; in other districts, the figure is significantly lower-71% in Craven and 72% in both Hambleton and Selby. York (83%) and Harrogate (81%) also have relatively high levels of residents working locally, which likely reflects their more urban character.

Looking at outward commuting, around one in five residents (21%) travel to work outside the area in which they live. There is again considerable variation across YNY: Craven (29%), Hambleton (28%), and Selby (28%) have the highest proportions of residents commuting beyond their home district. In Craven, many residents travel to work in Bradford (3,021), Harrogate (526), and Leeds (456). For Hambleton, the main destinations are Richmondshire (1,663), Stockton-on-Tees (1,512), and Harrogate (1,441). Selby residents most commonly commute to Wakefield (2,739), East Riding of Yorkshire (2,268), and Leeds (2,230).

When considering net inward commuting, most areas in YNY experience a net inflow of workers, with the exception of Scarborough (-834) and Selby (-2,552), which see more people leaving for work than arriving. Overall, YNY has a net surplus of 15,928 workers. York attracts the largest number of commuters, with a net gain of 6,487, followed by Harrogate with 5,685. Those commuting into York for work primarily come from East Riding of Yorkshire (4,308), Selby (4,041), and Leeds (1,727). Harrogate draws workers from Leeds (5,297), Hambleton (2,345), York (1,639), and Bradford (1,302).

YNY experiences more of their commuters leaving the region as opposed to coming into the region for work

Despite these inflows, YNY experiences a net outflow of commuters, with more residents leaving the region for work than coming in. 39,790 residents commute outside the region for employment, compared to 30,474 who commute within YNY. This pattern highlights the interconnectedness of YNY's labour market with neighbouring regions and underscores the importance of regional transport links both within and beyond the local area.

Figure 62: Commuting patterns across YNY

	Live in area, work in area	Inward commuting	% of residents who live in area, work in area	% residents who work outside area	Outward commuting	Net inward commuting	Commute within LEP area	Commute outside LEP area	% residents who commute within LEP area	% residents who commute outside the LEP area
Craven	20,694	8,611	71%	29%	6,442	2,169	909	5,533	3%	19%
Hambleton	32,418	12,528	72%	28%	10,980	1,548	5,979	5,001	13%	11%
Harrogate	68,824	16,543	81%	19%	10,858	5,685	3,810	7,048	4%	8%
Richmondshire	19,346	6,779	74%	26%	5,326	1,452	2,620	2,636	10%	10%
Ryedale	21,107	6,834	76%	24%	4,862	1,972	3,605	1,211	13%	4%
Scarborough	45,702	5,255	90%	10%	6,089	-834	2,928	2,840	6%	6%
Selby	31,379	12,192	72%	28%	14,744	-2,552	5,471	9,196	13%	21%
York	84,721	17,964	83%	17%	11,477	6,487	5,152	6,325	5%	6%
YNY	324,191	86,706	79%	21%	70,778	15,928	30,474	39,790	7%	10%

Source: Census of Population, 2021

Qualification profile

The qualification profile of the region dictates the quality of the local skills supply.

YNY has a slightly stronger qualification profile compared to English levels

Almost half (48%) of the working-age population in YNY hold a qualification at RQF Level 4 or above, which is broadly in line with the national average for England (47%). A quarter (24%) of the working-age population in YNY have an RQF Level 3 qualification only, compared to 21% in England. The proportion of local residents with RQF Level 2 qualifications is also higher in YNY (21%) than the national figure (19%).

Overall, this indicates that YNY has a slightly higher proportion of its population holding qualifications at all levels compared to the national average, reflecting a relatively strong skills profile in the region.

Figure 63: Working age population and their qualification levels, 2024
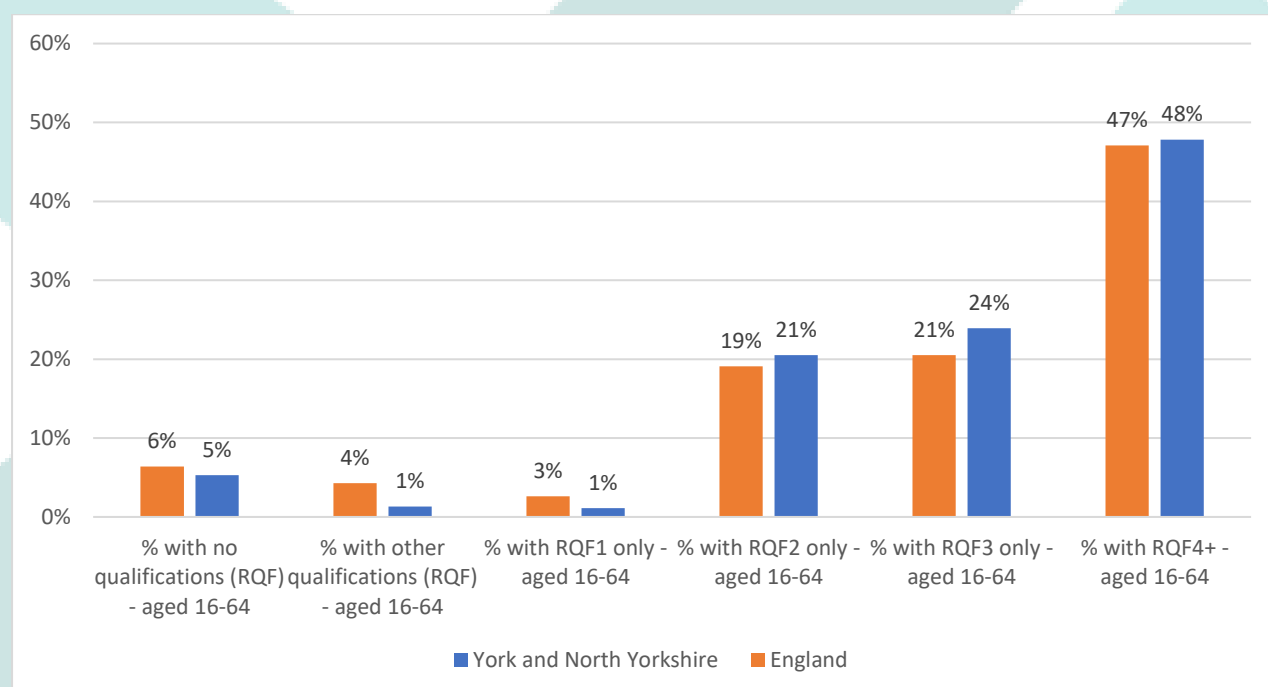
Source: Annual Population Survey, Jan 2024-Dec 2024

Qualification levels of the economically active population show disparity across YNY

Reflecting on Census 2021 data regarding the qualification levels of the economically active population, there is notable variation across the constituent local authorities in North Yorkshire. York has the highest proportion of economically active residents with a Level 4 or above qualification (48%), while Scarborough has the lowest, with 32% of its economically active population holding Level 4+ qualifications. This disparity highlights significant differences in higher-level qualification attainment within the region.

Figure 64: Qualification levels of economically active population

Region/Area	No quals (%)	Level 1 (%)	Level 2 (%)	Apprenticeship (%)	Level 3 (%)	Level 4+ (%)	Other (%)
Yorkshire and The Humber	10.36%	9.77%	14.64%	5.46%	21.05%	36.82%	1.89%
York	6.35%	7.06%	11.80%	4.45%	21.13%	47.98%	1.22%
Craven	6.78%	8.37%	13.83%	5.69%	21.86%	42.24%	1.23%
Hambleton	7.16%	8.47%	13.83%	5.71%	21.96%	41.48%	1.39%
Richmondshire	8.23%	9.13%	15.59%	6.60%	23.57%	35.42%	1.47%
Ryedale	9.21%	9.80%	15.50%	6.14%	20.86%	36.79%	1.70%
Scarborough	10.32%	10.00%	16.10%	6.93%	22.42%	32.37%	1.86%
Selby	7.29%	9.44%	15.28%	5.44%	22.63%	38.42%	1.51%

Source: Census 2021

Areas like York, with a higher proportion of economically active residents holding Level 4+ qualifications, are better positioned to meet employer demand for high-skilled roles and to attract higher-value industries. This can lead to higher employment rates, increased productivity, and stronger local economies.

Conversely, areas such as Scarborough, where fewer residents have higher-level qualifications, may face challenges in attracting and retaining high-skill jobs, limiting opportunities for local economic growth and potentially leading to higher unemployment or underemployment. These areas may also be more reliant on lower-skilled or declining sectors, making them more vulnerable to economic shifts and less able to respond to new opportunities in digital, green, or knowledge-intensive industries.

Among the economically active population in YNY, excluding full-time students, 43% hold a Level 4 qualification or above, while 21% possess Level 3 qualifications. This data suggests a strong correlation between higher qualification levels and economic activity, indicating that individuals with qualifications are more likely to participate in the workforce.

The YNY market is underutilising its skilled labour pool

However, when examining the economically inactive population, an interesting trend emerges: 29% have no qualifications, but the same proportion, 29%, hold a Level 4 qualification or above. This dual pattern highlights two key issues. First, a significant segment of those not participating in the labour market may lack the necessary skills or qualifications to access employment opportunities. Second, the fact that a substantial share of the economically inactive population holds higher-level qualifications could suggest a mismatch between the

availability of high-skilled jobs in YNY and the aspirations or expectations of the local workforce.

This may indicate that the local labour market does not offer enough high-skilled employment opportunities to fully utilise the talent pool of highly qualified individuals. As a result, some residents with advanced qualifications may remain economically inactive, possibly due to a lack of suitable roles, underemployment, or other barriers such as caring responsibilities, health issues, or early retirement.

Figure 65: % comparison of qualification levels for economic activity in YNY in 2021
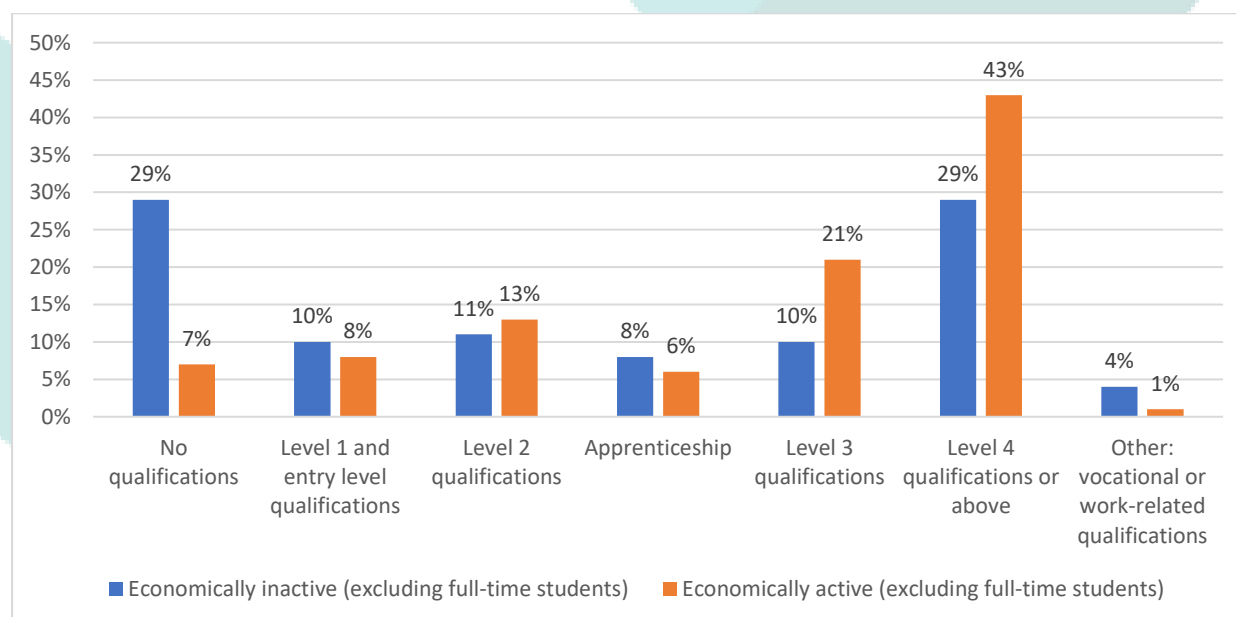
Note: sample = usual residents rather than working age population. This dataset provides Census 2021 estimates that classify usual residents aged 16 years and over in England and Wales by highest level of qualification and by economic activity status.
Source: Census 2021

YNY has strong RQF2 and RQF3 attainment among 16–24-year-olds but lags behind England in RQF4+ qualifications for this age group

While the RQF2 and RQF3 qualification profile among 16–24-year-olds in YNY is strong (39% and 33%), the region underperforms compared to England in the proportion of 16–24-year-olds holding RQF4+ qualifications (17% vs. 21%). This indicates that, although YNY matches or exceeds national averages at lower qualification levels for young people, fewer young residents progress to higher-level qualifications relative to their peers across England.

Figure 66: Qualification profile of those 16-24
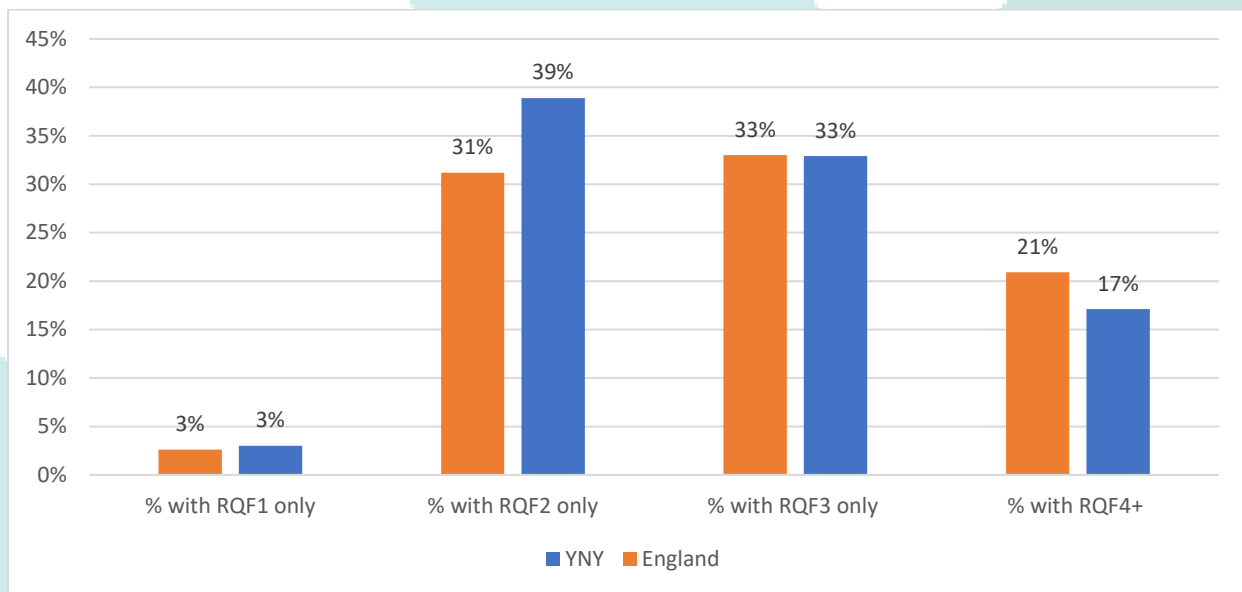
Source: Annual Population Survey, Jan 2024-Dec 2024

The same trend is evident when we review the qualification profile of those aged 25-49. YNY has a relatively strong qualification profile relative to England at the qualification levels of RQF2 (15% vs. 13%) and at RQF3 level (23% vs. 18%) however, lags slightly behind at RQF4+ level (56% vs 57%).

A strong base at RQF2 and RQF3 supports a broad range of employment opportunities and may reflect successful vocational pathways and further education provision in the region. However, to remain competitive and support higher-value economic growth, YNY may need to focus on increasing the proportion of residents with RQF4+ qualifications, particularly as other regions continue to upskill their workforces.

Figure 67: Qualification profile of those 25-49

Chart showing qualification profile with YNY (blue) and England (orange):
- % with RQF1 only: England 2%, YNY 1%
- % with RQF2 only: England 13%, YNY 15%
- % with RQF3 only: England 18%, YNY 23%
- % with RQF4+: England 57%, YNY 56%
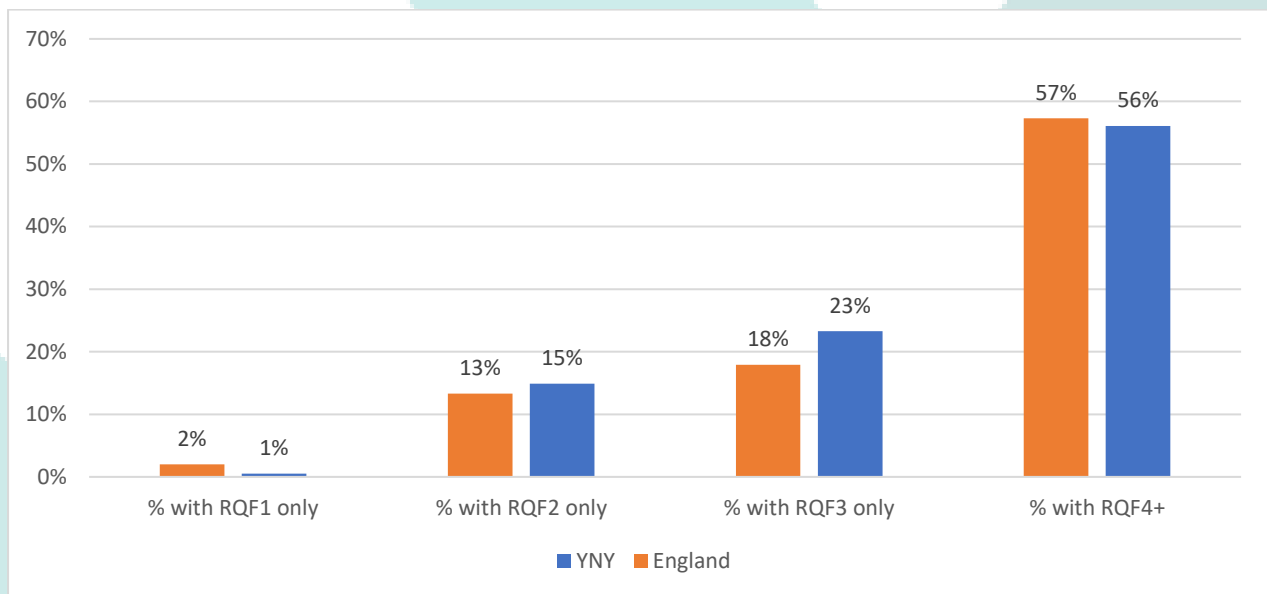
Source: Annual Population Survey, Jan 2024-Dec 2024

However, when examining the 50–64 age group, YNY stands out with a significantly higher proportion of residents holding RQF4+ qualifications (51%) compared to the national average for England (44%).

From a labour market perspective, this strong qualification profile among older workers presents both opportunities and challenges. On one hand, it provides a valuable pool of experienced, highly skilled talent that can support local businesses, mentor younger workers, and contribute to economic resilience. On the other hand, as this cohort approaches retirement,

there is a risk of losing a significant proportion of the region's high-level skills unless efforts are made to upskill younger age groups and facilitate knowledge transfer within the workforce.

Figure 68: Qualification profile of those 50-64
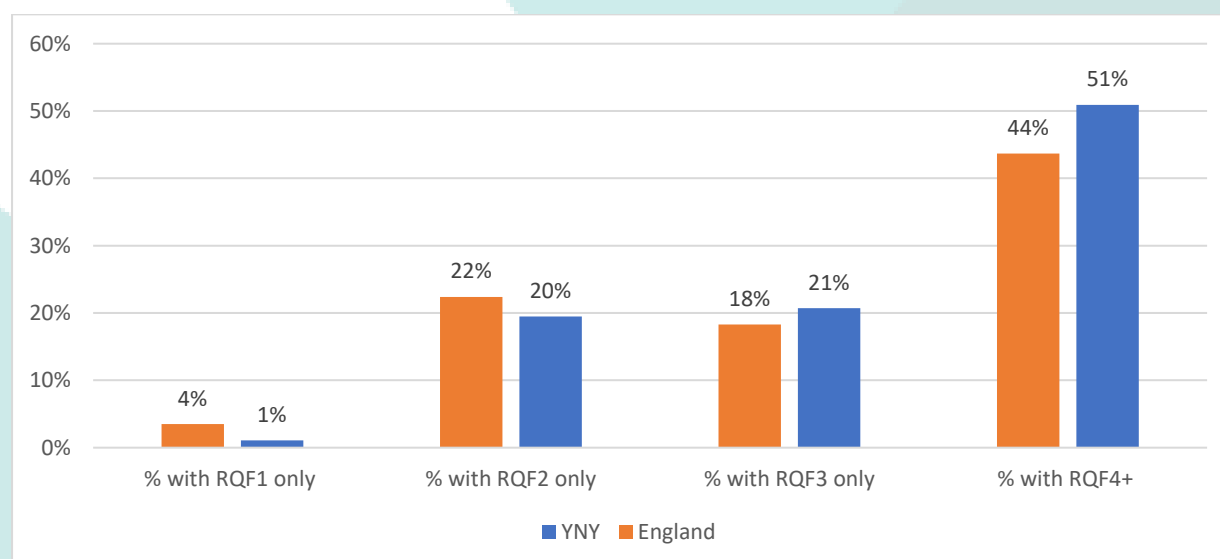
Source: Annual Population Survey, Jan 2024-Dec 2024

Apprenticeships3

Apprenticeships are a means to address skills shortages.

A total of 6,760 apprenticeship starts were provided in YNY for academic year 2023/24

Apprenticeships provided by the British Army are excluded from analysis, however, they accounted for 31% of apprenticeships provided in YNY for the academic year 2023/24 with a total of 2,090 apprenticeships provided.

Private providers account for 43% of apprenticeship delivery

While private providers provided 43% of apprenticeship starts, this is almost matched by other public funded providers such as LAs and HE. General further education (FE) colleges provided 15% of apprenticeship starts.

Figure 69: Profile of apprenticeships starts by provider type in YNY 2023/24 academic year

Provider Type	Starts	% of total
Private Sector Public Funded	2,910	43%
Other Public Funded i.e LAs and HE	2,780	41%
General FE College incl Tertiary	990	15%
Special College	80	1%

Source: Department of Education

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[3] Data for British Army is excluded. Additionally, there is incomplete data for academic year 2024/25 where trends are referenced. 2024/25 refers to Aug-Jan period.

Intermediate level apprenticeships are the most often provided in YNY

When looking at the types of apprenticeships that were provided in YNY for academic year 2023/24, intermediate apprenticeships are most common (45%), while 3 in 10 of those provided are at the advanced apprenticeship level and a quarter (25%) are at a higher apprenticeship level.

Figure 70: Apprenticeship types in YNY, academic year 2023/24

Apprenticeship type	Starts	% of total
Intermediate apprenticeship	3,060	45%
Advanced apprenticeship	2,010	30%
Higher apprenticeship	1,690	25%

Source: Source: Department of Education

YNY undersupplies apprenticeships at advanced and higher levels

When examining the level of apprenticeships offered in YNY, the region provides a lower proportion of higher-level apprenticeships compared to the national average for England. In YNY, 45% of apprenticeships are at the intermediate level, significantly higher than the 21% seen nationally. At the advanced level, 30% of apprenticeships in YNY fall into this category, compared to 43% in England. Notably, only 25% of apprenticeships in YNY are at the higher level, whereas this figure is 36% for England.

This indicates that apprenticeship provision in YNY is more heavily weighted towards intermediate apprenticeships, with fewer opportunities available at the advanced and higher levels compared to the national picture.

Figure 71: Starts by level % of total in YNY and England, academic Year 2023-2024
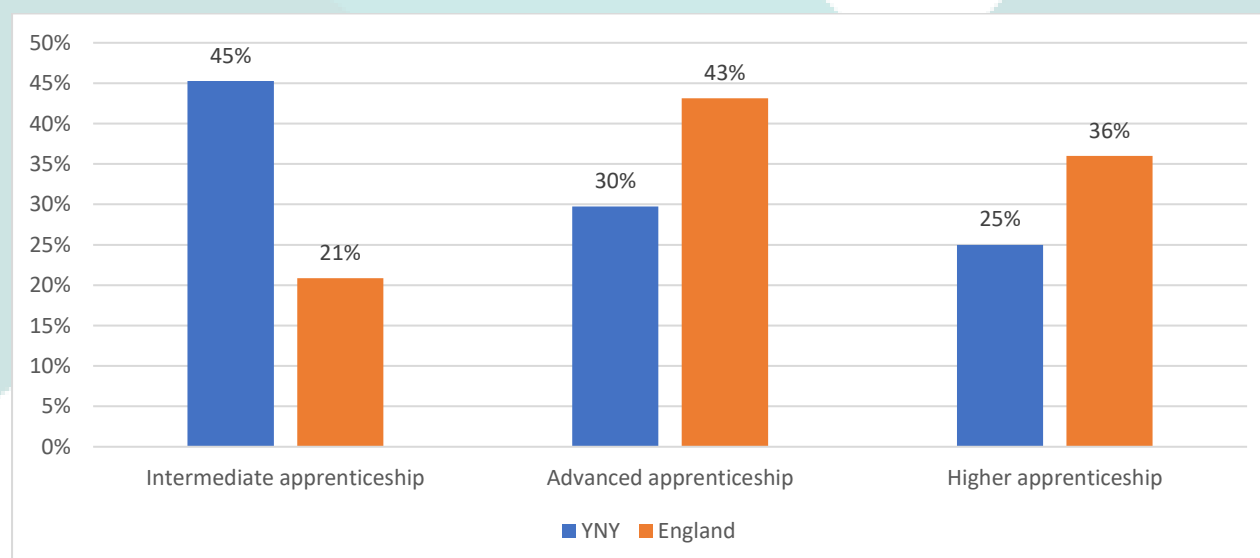
Source: Department for Education

Figure 72: Apprenticeship levels in YNY and England

	YNY	England

Intermediate apprenticeship	3060	70840
Advanced apprenticeship	2010	146520
Higher apprenticeship	1690	122230

Source: Department for Education

YNY sees a higher proportion of older apprentices, highlighting its use of apprenticeships as an upskilling tool for adults

In contrast to the national picture-where the largest proportion of apprenticeship starts in England are among 19–24-year-olds (58%), YNY shows a different trend. YNY, 25% of apprenticeship starters are under 19, 37% are aged 19–24, and 39% are aged 25 or older. This indicates that apprenticeships in YNY are more commonly used as an upskilling tool for adults, rather than being concentrated among younger entrants as seen nationally.

Figure 73: Profile of apprenticeship starts by age band, Academic Year 2023-2024
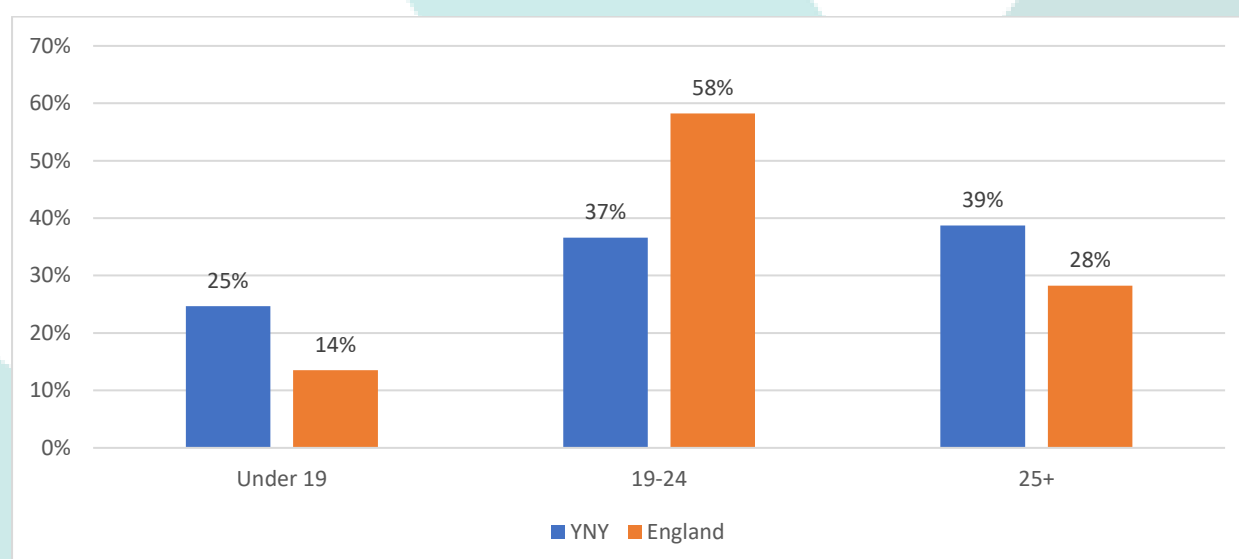
Source: Department for Education

In YNY, older apprentices are more likely to undertake higher-level apprenticeships, while intermediate apprenticeships are most common among those under 19 and those aged 19–24.

Figure 74: Number of starts by level and age in YNY, academic year 2023/24
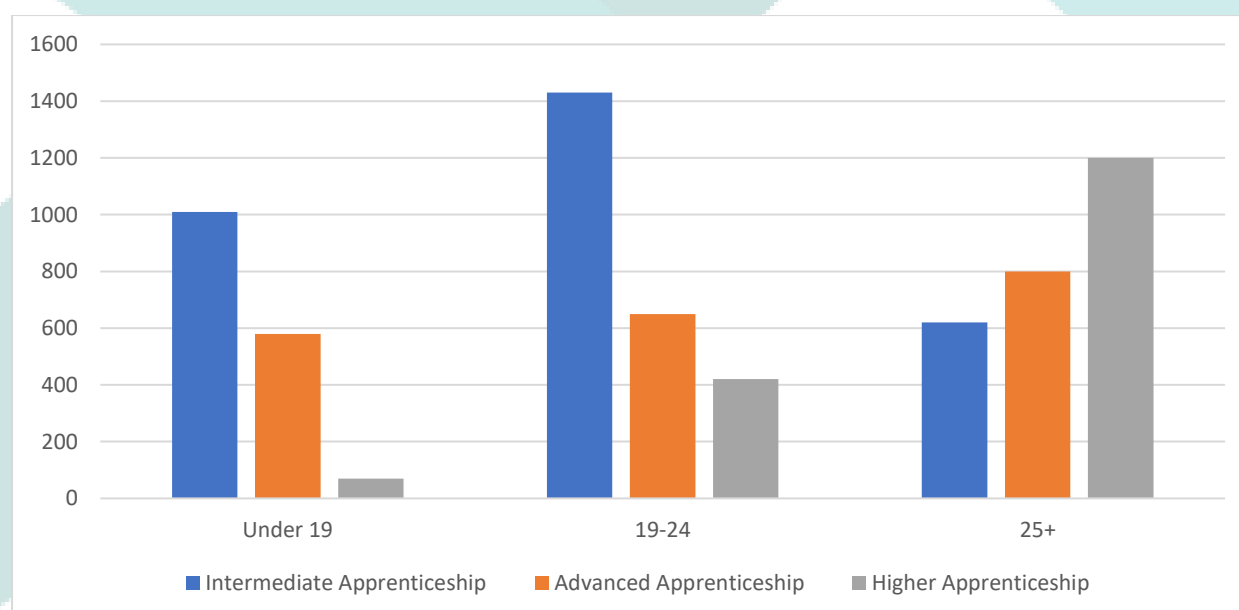
Source: Department for Education

Just over half of all apprenticeship starts in YNY were offered in health, public services and care

Of the profile of apprenticeship starts by framework sector subject area, 51% of YNY apprenticeships are offered in health, public services and care. This is a contrast to a national

figure of 28%. In every other subject (save for agricultural, horticulture and animal care), YNY offers comparatively less profiles of apprenticeship starts per each sector subject area.

18% of apprenticeship starts in YNY were offered in business, administration and law, compared to 28% nationally, while 9.6% of apprenticeship starts were offered in engineering and manufacturing technology in YNY (compared to 13.5% nationally).

Figure 75: Comparison of profile of apprenticeship starts by framework sector subject area, 2023/24
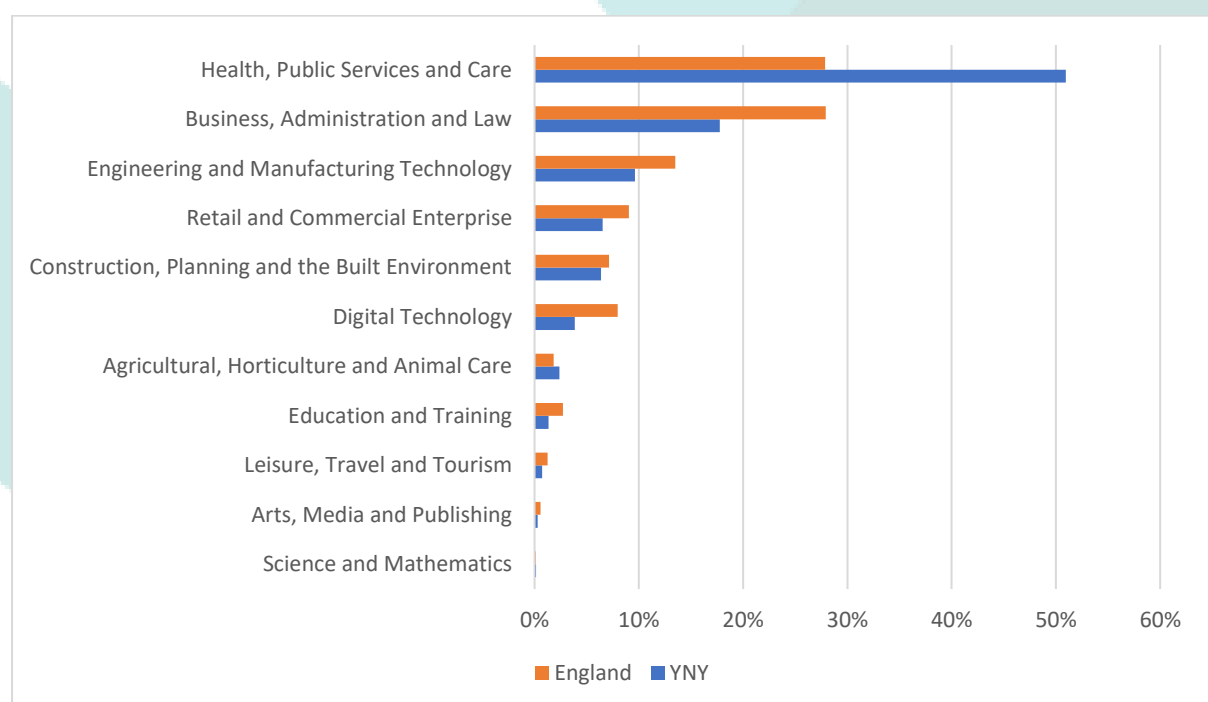
Source: Department for Education

Figure 76: Profile of apprenticeship starts by framework sector subject area, academic year 2023/24

	YNY	England
Health, Public Services and Care	3440	94600
Business, Administration and Law	1200	94880
Engineering and Manufacturing Technology	650	45800
Retail and Commercial Enterprise	440	30720
Construction, Planning and the Built Environment	430	24230
Digital Technology	260	27090
Agricultural, Horticulture and Animal Care	160	6240
Education and Training	90	9250
Leisure, Travel and Tourism	50	4220
Arts, Media and Publishing	20	1940
Science and Mathematics	10	400
Social Sciences		220
History, Philosophy and Theology		10

When examining the breakdown of apprenticeship levels by subject area in YNY for the 2023/24 academic year, business, administration, and law offer the highest number of higher-level apprenticeships (740). In contrast, while health, public services, and care have the greatest number of apprenticeship starts overall, the majority of these are at the intermediate level (2,320).

Figure 77: Profile of apprenticeship starts by framework sector subject area, academic year 2023/24
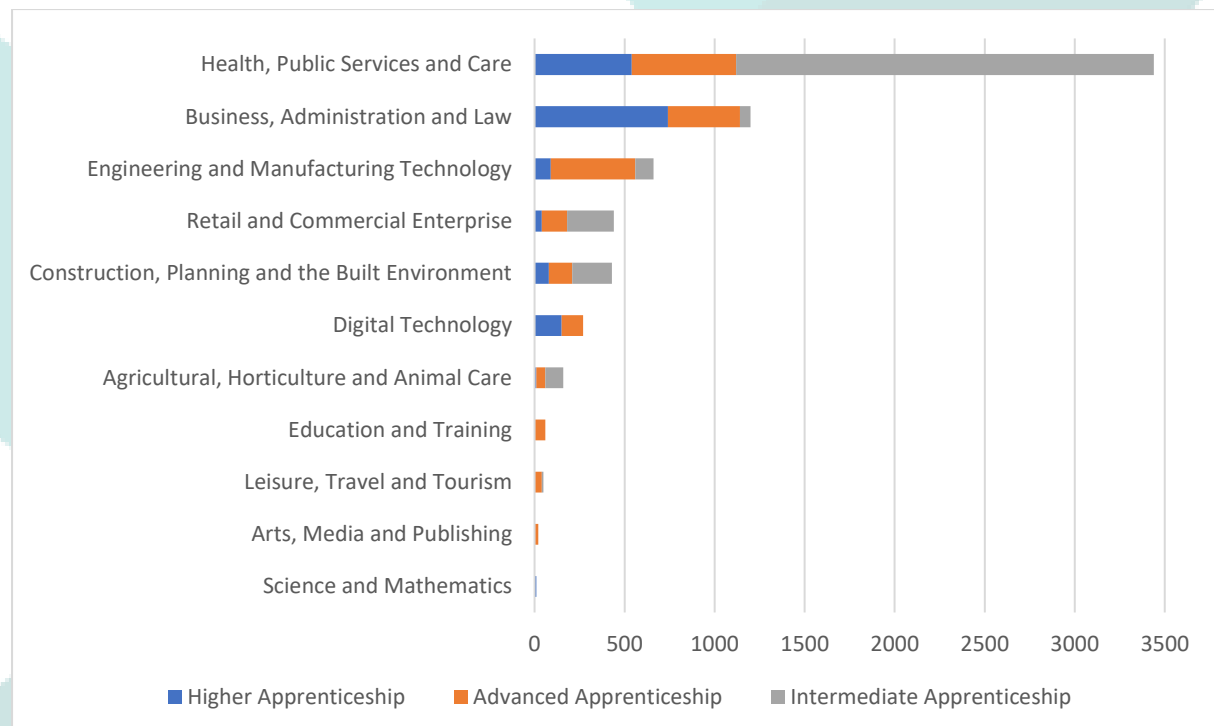
When examining higher-level apprenticeships in YNY, the most popular programmes are for operations manager (150 starts), senior leader (130), and accountancy or taxation professional (110). These top three apprenticeship types highlight the dominance of business, administration, and law in offering higher-level apprenticeships in the region. Additionally, a variety of roles within health, public services, and care are also well represented among the most popular higher-level apprenticeships.

Figure 78: Most popular higher apprenticeships by level of starts, 2023/24 academic year, YNY
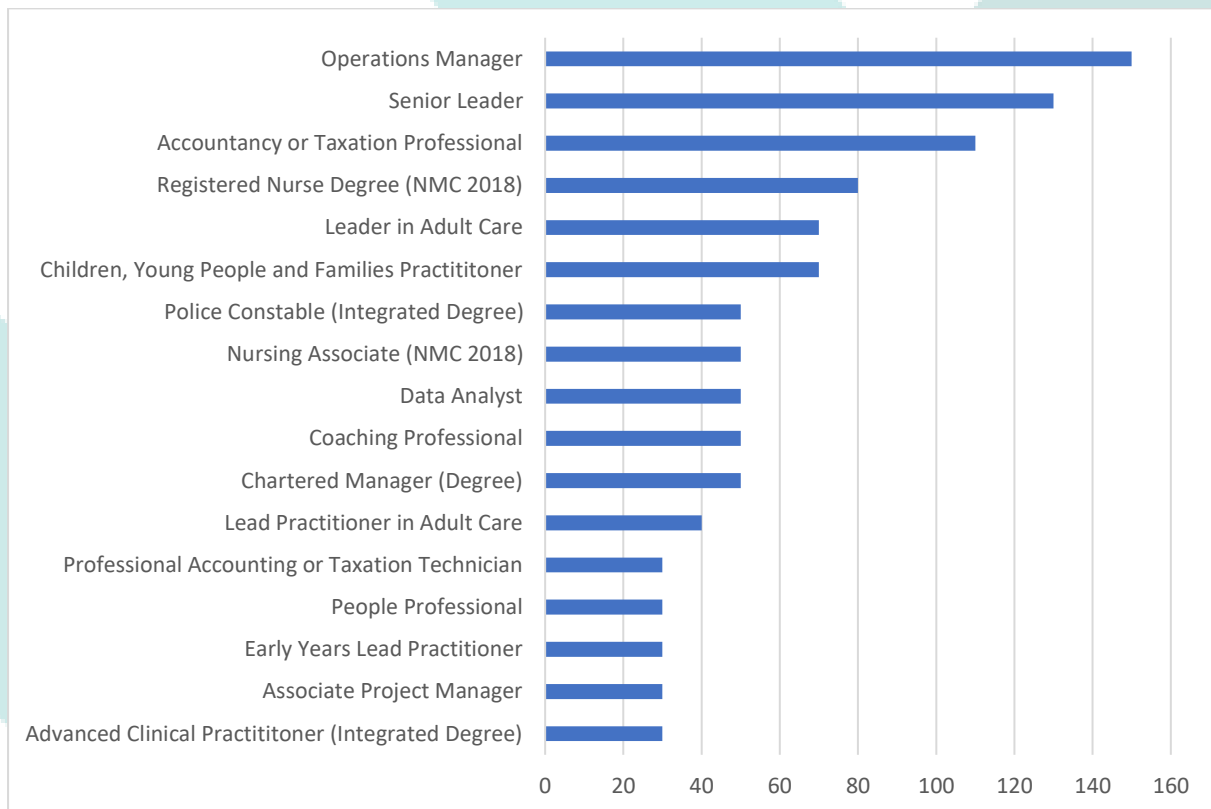
Source: Department for Education

The table further illustrates the distribution of apprenticeship levels by subject area, highlighting the prevalence of intermediate apprenticeships in health, public services, and care

(represented in dark green). It also shows a strong presence of advanced apprenticeships in engineering and manufacturing technology.

	Higher Apprenticeship	Advanced Apprenticeship	Intermediate Apprenticeship
Health, Public Services and Care	540	580	2320
Business, Administration and Law	740	400	60
Engineering and Manufacturing Technology	90	470	100
Retail and Commercial Enterprise	40	140	260
Construction, Planning and the Built Environment	80	130	220
Digital Technology	150	120	0
Agricultural, Horticulture and Animal Care	10	50	100
Education and Training	0	60	0
Leisure, Travel and Tourism	0	40	10
Arts, Media and Publishing	0	20	0
Science and Mathematics	10	0	0

Red squares indicate areas with few, or no apprenticeship starts. Notably, there is a lack of apprenticeship provision in science and mathematics, arts, media and publishing, leisure, travel and tourism, education and training, as well as agriculture, horticulture, and animal care.

Figure 79: Progression routes for apprenticeships in YNY based on starts by subject area and level, 2023 to 2024

Although there are some data limitations due to the recent formalisation of YNY as a CA in 2023, emerging trends from 2023 into early 2025 provide insight into apprenticeship provision in the region.

The data shows consistency in the proportion of higher-level apprenticeships, with these making up about a quarter of all apprenticeships offered in both periods. Initial figures for the 2024/25 academic year indicate a slight increase in the number of advanced apprenticeship starts and a corresponding decrease in intermediate level starts, suggesting a gradual shift towards more advanced training opportunities in the region.

Figure 80: Trend in starts by level, YNY, % of total apprenticeships
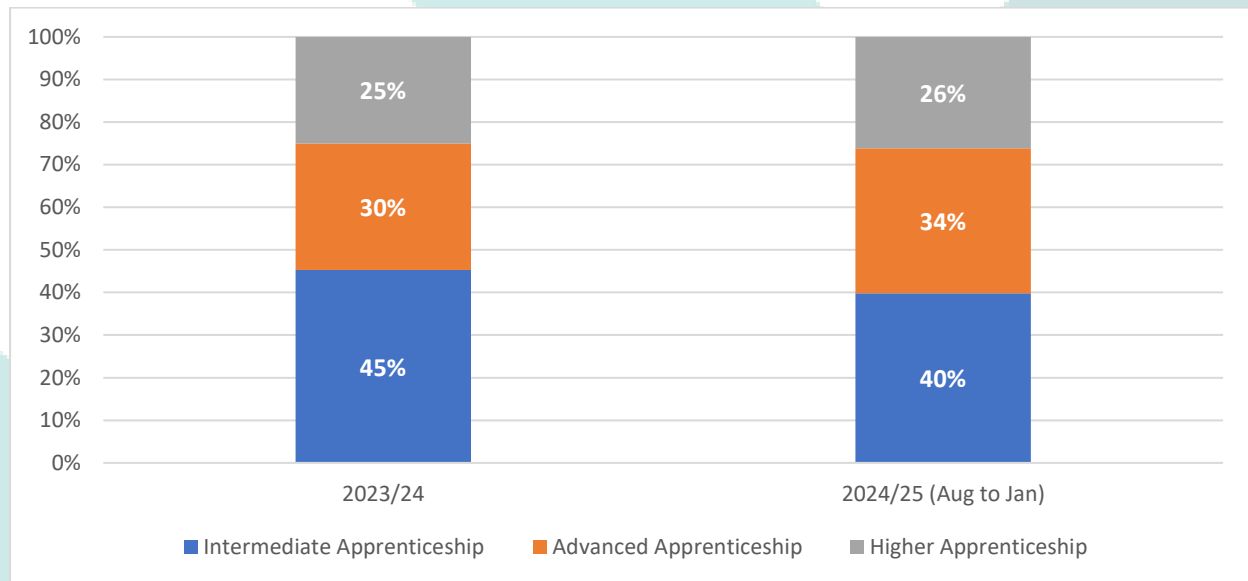
Source: Department of Education

Initial data shows some movement of the ages of those who are starting apprenticeships in YNY with the cohort entering into apprenticeship younger in the 2024/25 period compared to that of 2023/24.

Indeed, where a quarter (25%) of those starting an apprenticeship in 2023/24 were under 19, this increased to 35% in 2024/25. This increase of participation of those under 19 is reflected in a decrease of those 19-24 (37% to 39%) and those 25+ (39% to 35%).

Figure 81: Trend in starts by age YNY, % of total apprenticeships
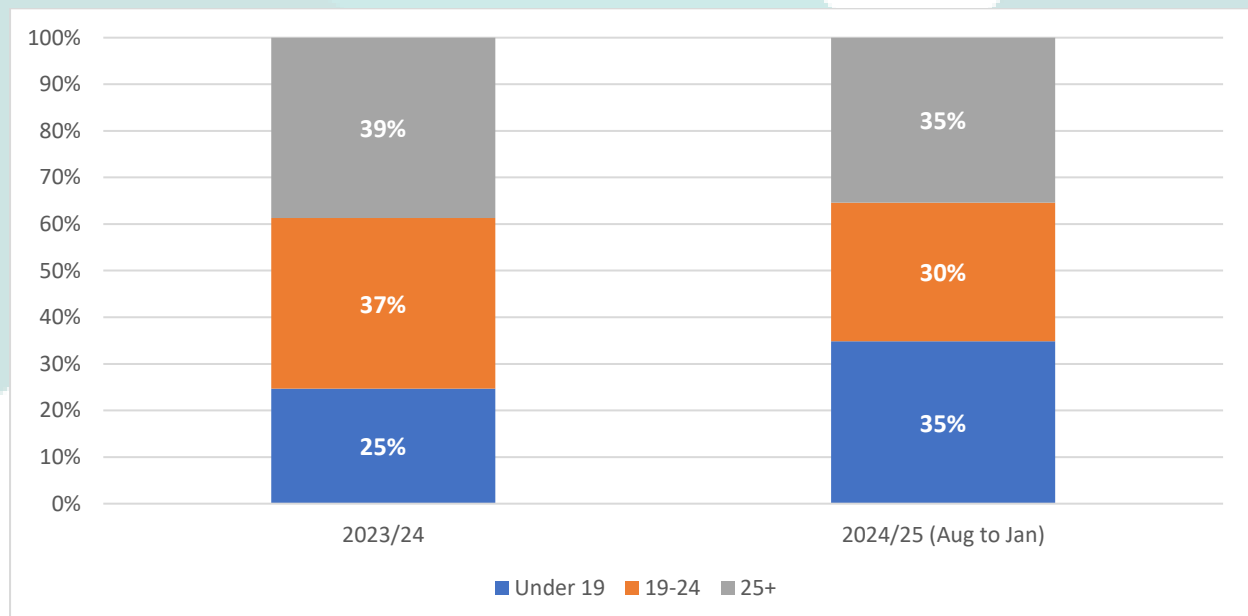
Source: Department of Education

Initial data points to consistency amongst the number of apprenticeships starts in STEM subjects in YNY from 2023/24 to 2024/25. Figures for construction, planning and the built

environment are broadly in line across the two periods with a larger gap evidenced within engineering and manufacturing technologies. Although the number of those starting apprenticeships in science and mathematics has doubled from 10 to 20.

Figure 82: Trend in starts for STEM subjects, YNY
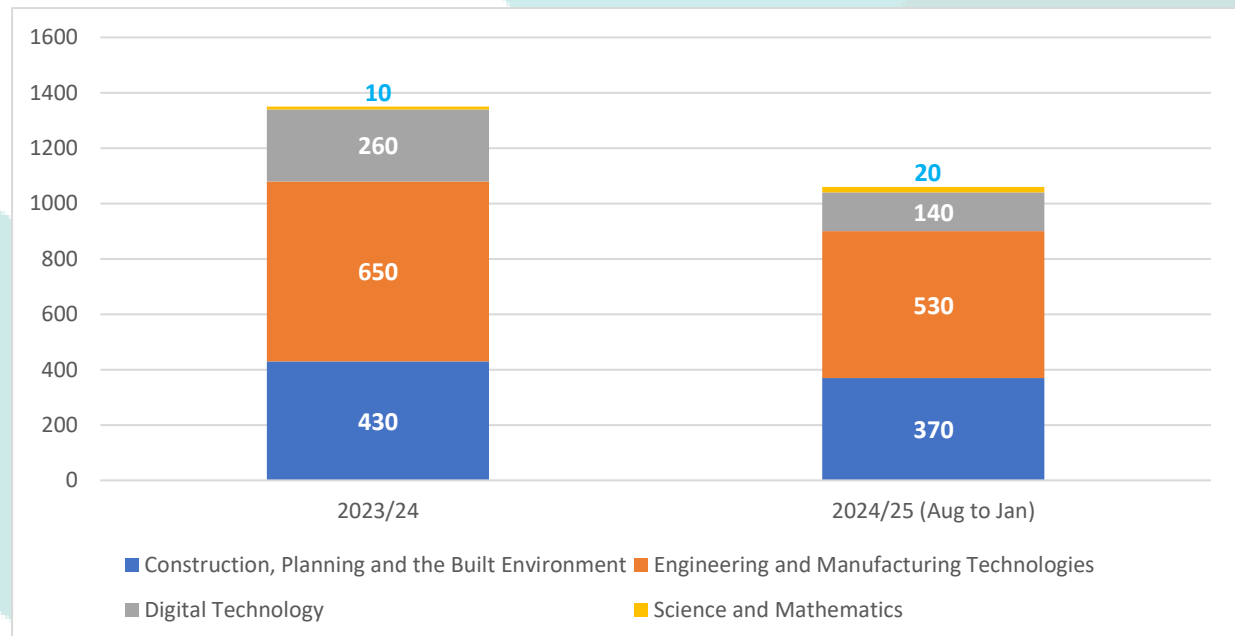
Source: Department of Education

Data is available for trends in total apprenticeship starts by local authority for YNY. When looking at the data trends for 2022/23 to 2023/24, we see that the number of apprenticeship starts within York are generally consistent (1100 to 1080) but there is a decline in North Yorkshire (6150 to 5690).

Figure 83: Trend in total apprenticeship starts by local authority
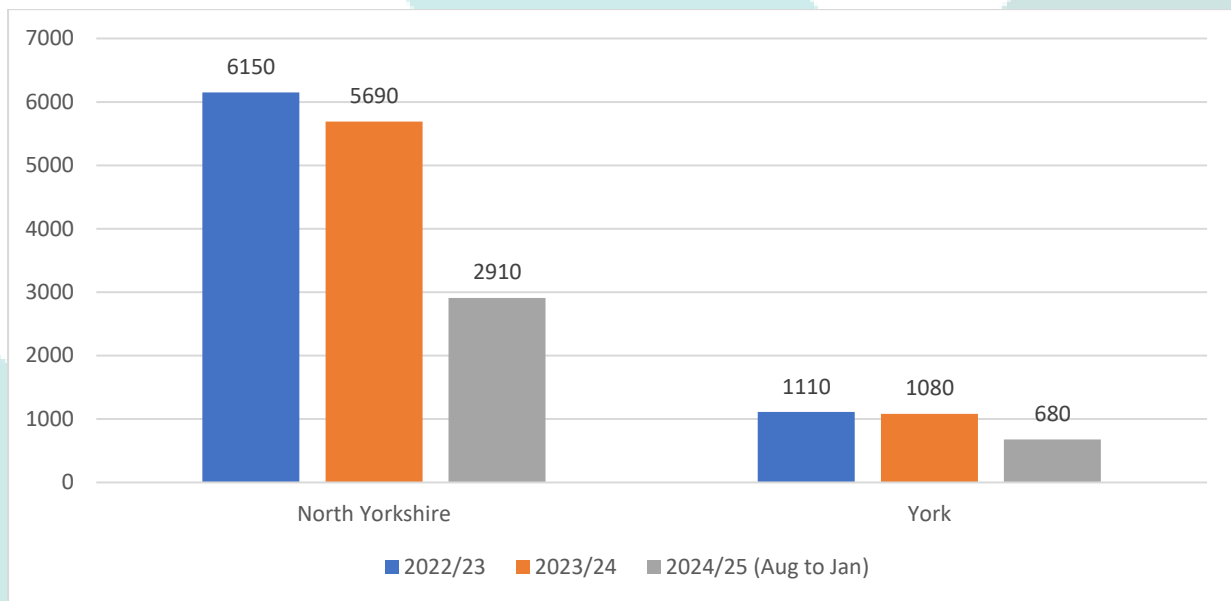
Source: Department of Education

Inclusion within apprenticeships

Inclusive apprenticeships help break down systemic barriers to employment by focusing on skill development and practical experience rather than formal qualifications, opening doors for individuals who might otherwise be excluded from traditional education or career pathways.

There is a notable imbalance in the sex distribution of apprenticeship starts

63% of apprenticeship starts in YNY were by males and 37% by females.

This imbalance suggests that males are considerably more likely to access apprenticeship opportunities in the region, which may reflect underlying issues such as gender stereotyping, limited awareness of available pathways, or a concentration of apprenticeship provision in traditionally male-dominated sectors.

Figure 84: Sex distribution of apprenticeship starts in YNY for academic year 2023/24
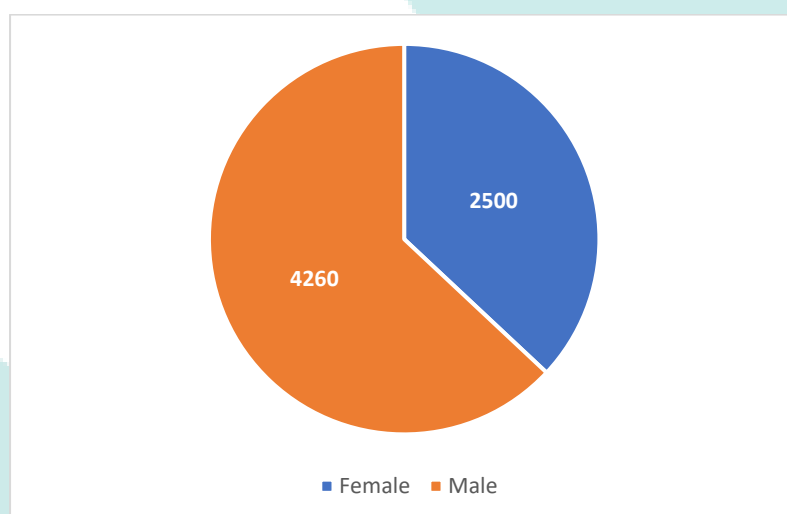
Source: Department for Education

Achievement and positive destination rates

Intermediate apprenticeships have the highest achievement rate of all the apprenticeship types. There were 3060 starts and 2100 achievements, showing an achievement rate of 67%. In contrast, there is an achievement rate of 58% for advanced apprenticeships and 49% for higher apprenticeships.

This shows that those who are undertaking higher and advanced level apprenticeships likely need additional support to meet the added complexity of their apprenticeships.

Figure 85: Start and Achievement rates for apprenticeship types in YNY, 2023/24
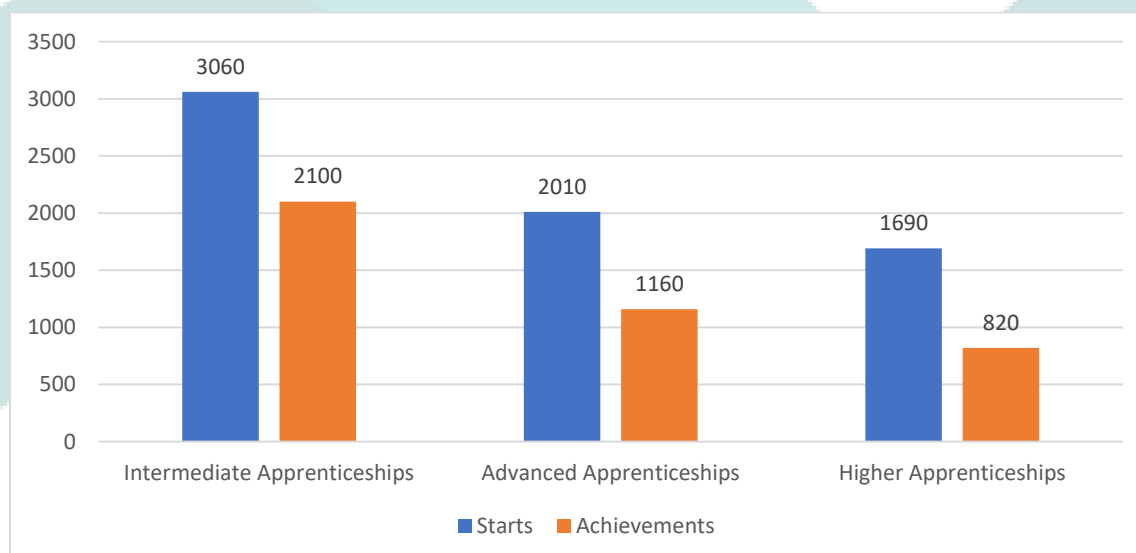
Source: Department for Education

Higher level apprenticeships, need greater support to complete their apprenticeships in YNY

When reflecting on the number of start and achievements per combined authorities and regions for higher apprenticeships for the academic year 2023/24, we see that Greater London (17,470) offers the most apprenticeships followed by West Midlands (6,480), West Yorkshire (5,560) and Greater Manchester (6,610). This likely reflects the population density of these regions.

In contrast, Cambridgeshire and Peterborough (1,800), YNY (1,690) Tees Valley (1,410) offer fewer.

Figure 86: Start and Achievement rates for higher apprenticeships combined authorities for academic year 2023/24
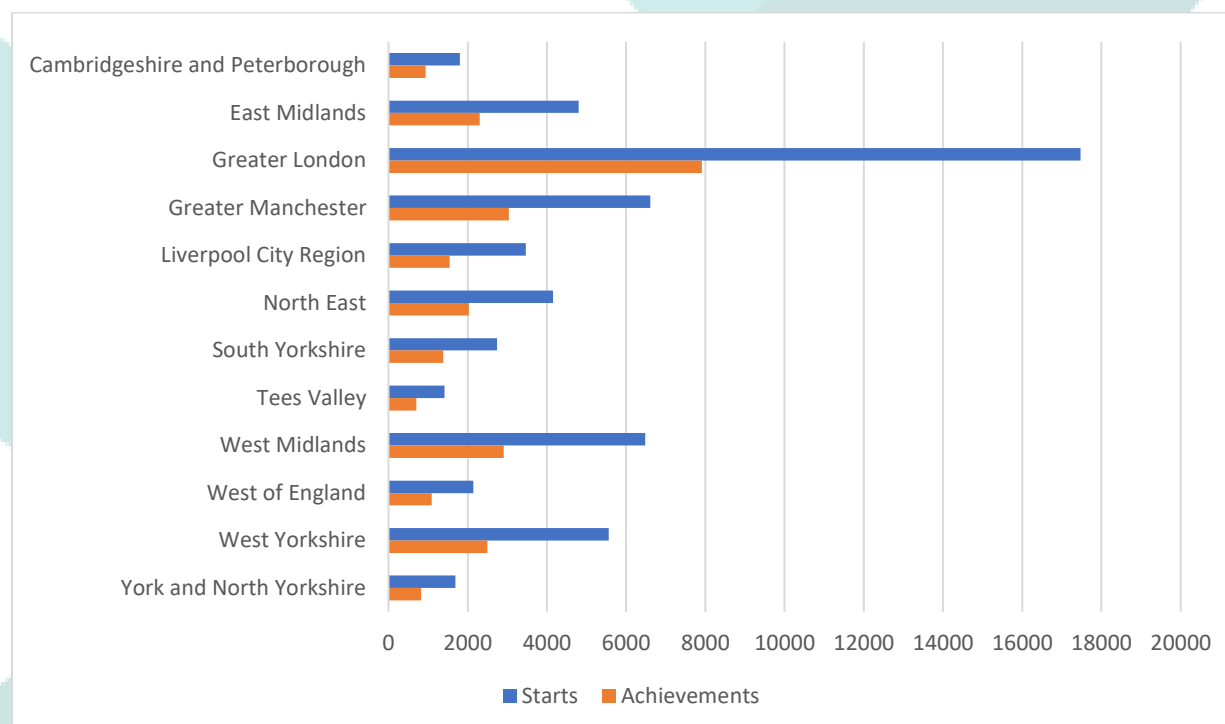
Note: No data available for North of Tyne
Source: Department for Education

The achievement rates across age groups reveal notable differences in apprenticeship completion success. The 19–24 age group has the highest achievement rate at 64%, indicating that apprentices in this age range are more likely to complete their programmes successfully. This may reflect a combination of factors such as greater motivation, fewer external responsibilities, or better alignment of apprenticeship content with their career goals.

Those under 19 also demonstrate a relatively strong achievement rate of 61%, suggesting that younger apprentices are generally well-supported and able to complete their apprenticeships, possibly benefiting from more structured learning environments or additional guidance.

In contrast, the 25+ age group have a lower achievement rate of 58%. This slightly reduced completion rate could be influenced by additional challenges faced by older apprentices, such as balancing work, family, or other commitments alongside their training. It may also reflect differences in the types of apprenticeships undertaken or varying levels of employer support.

Figure 87: Start and Achievement rates for age groups in YNY, 2023/24
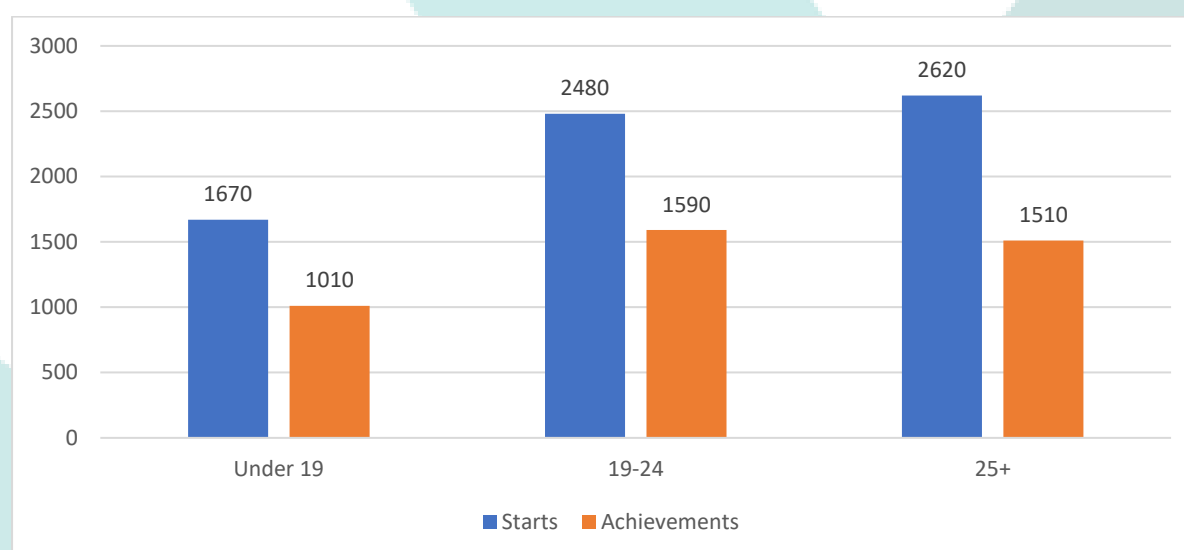
Source: Department for Education

When looking at achievement rates for the combined authorities, YNY has the highest achievement rates for all apprenticeship levels at 60%. This indicates a strong performance compared to national and regional averages.

Figure 88: % of start to achievement rate for all apprenticeship levels for academic year 2023/24
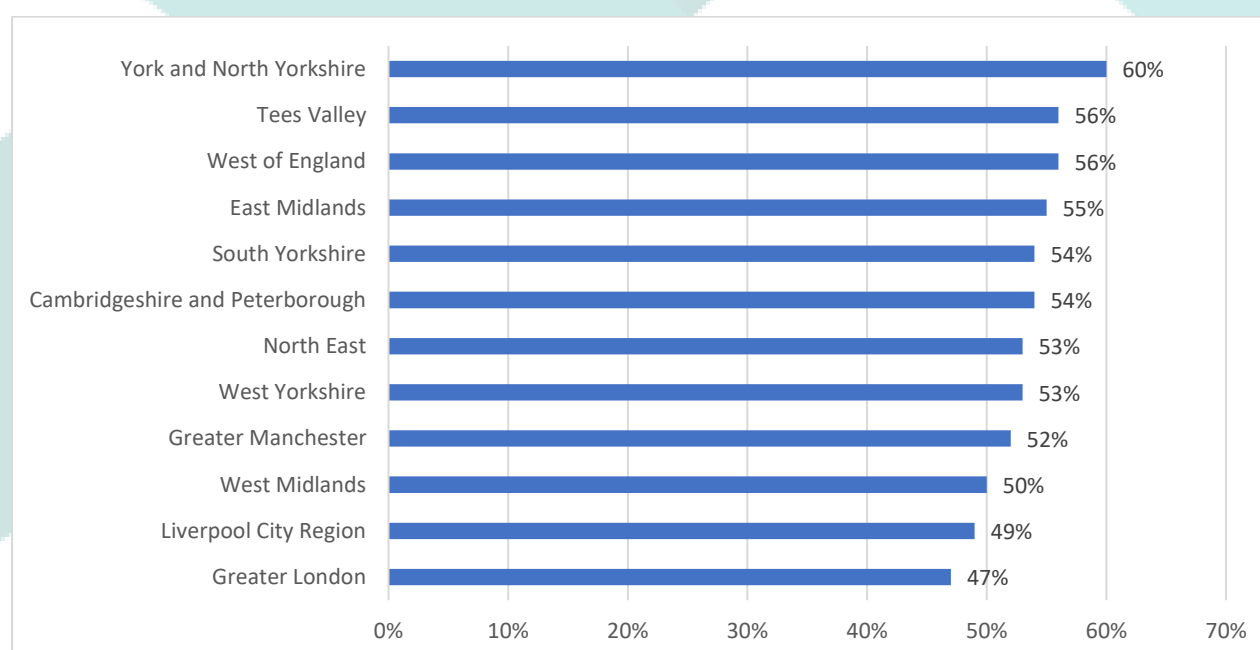
Note: No data available for North of Tyne
Source: Department for Education

Adult education

The data shows that nearly 15,000 learners from YNY were matched to the LEO dataset in 2021/22. They are post-16 learners who have completed further education courses, including

apprenticeships, adult education, technical or vocational qualifications, and other similar programmes. York has the largest number of matched learners (3,430), reflecting its urban centre and likely a higher concentration of educational institutions and learners. Other districts such as Harrogate, Richmondshire, and Scarborough also have substantial numbers (all above 2,000), while Ryedale has the lowest (780).

Figure 89: Number of learners matched to Longitudinal Education Outcomes (LEO) data, 2021/22

LA	Number of learners
Craven	940
Hambleton	1530
Harrogate	2130
Richmondshire	2160
Ryedale	780
Scarborough	2150
Selby	1820
York	3430
Total	14,940

Source: Department of Education

The proportion of learners entering a sustained positive destination refers to the percentage of students who, after completing their course or programme, go on to participate continuously in education, employment, or an apprenticeship for a defined period, typically at least six months, during the following academic year.

A high proportion of learners have a sustained positive destination rate in YNY

Across all included local authorities, the proportion of learners entering sustained positive destinations exceeds the English average of 80%. Richmondshire leads with a 91% rate, followed by York at 88%.

Figure 90: Proportion of learners entering a sustained positive destination, 2021/22
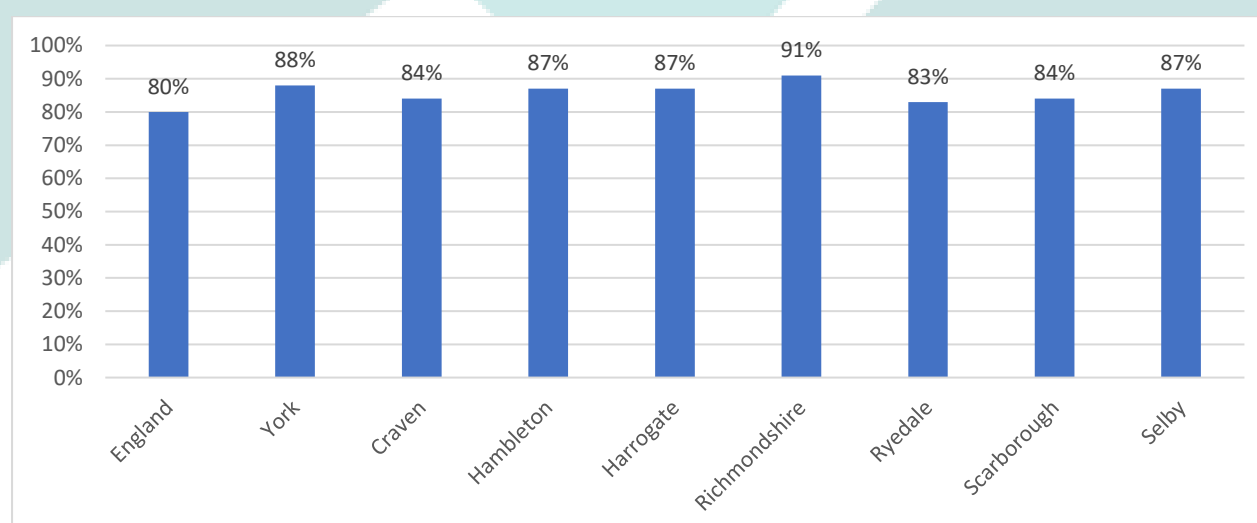
Source: Department of Education

YNY has a relatively high level of participation in further education and skills among those aged 19 and over, compared to other combined authorities

When looking specifically at those aged 19 and over participating in further education and skills, YNY has a relatively high rate of participation compared to other combined authorities, with 6,429 people per 100,000 engaged in further education. However, the North East leads with 7,900 people per 100,000 participating in further education.

Figure 91: Further education and skills participation. People aged 19 and above participating in further education and skills learning (including apprenticeships), per 100,000 people, 2023/24
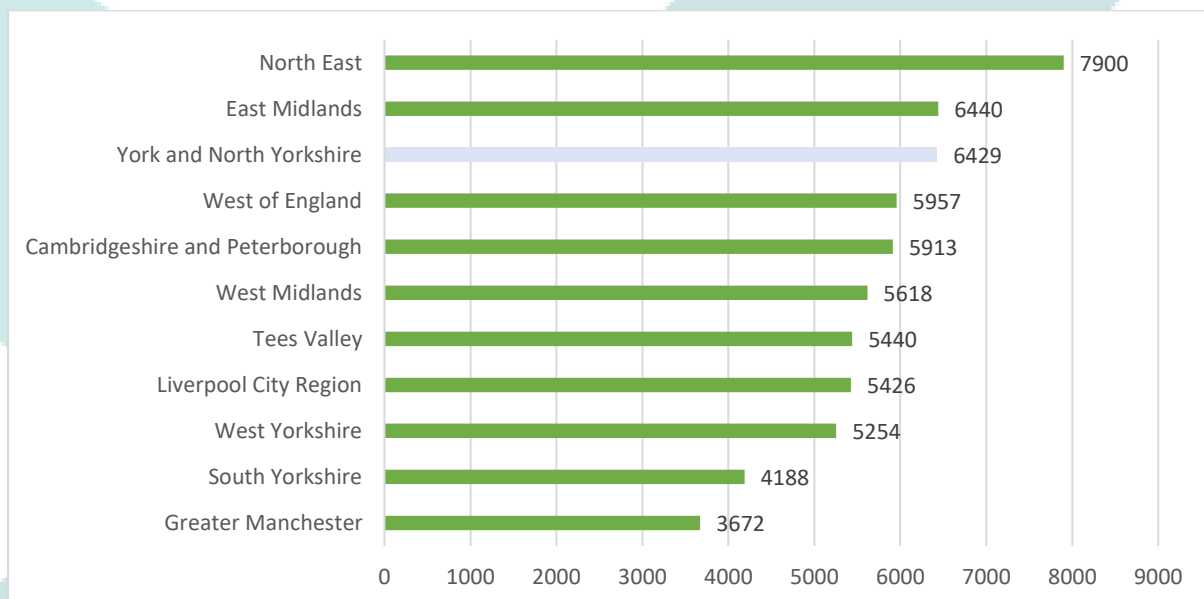
Source: ONS

The majority of those engaged in education and training enrolments in YNY are preparing for life and work (3,000 learners) and health, public services, and care (2,050 learners). In contrast, there are below 200 learners in history, philosophy and theology, social sciences (50), leisure, travel and tourism (110) and agriculture, horticulture and animal care (170).

Figure 92: Profile of Education and Training Enrolments in YNY by subject, academic year 2024/25
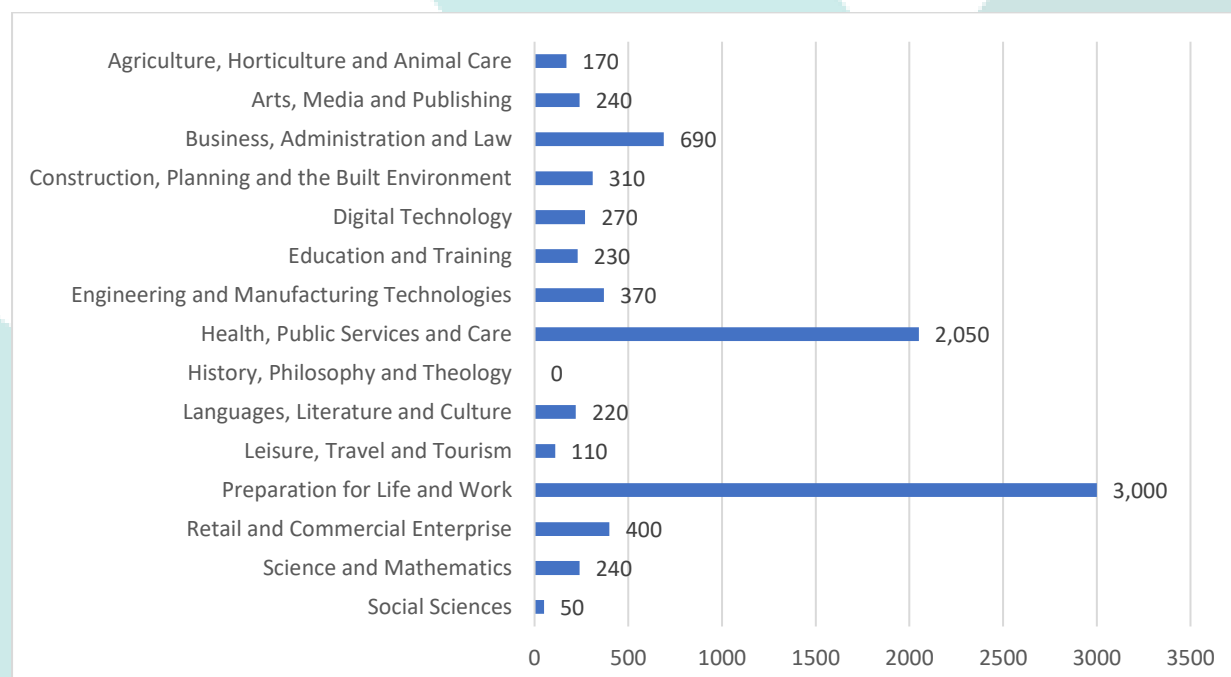
Source: Department of Education

Most learners in YNY are receiving level 2 qualification level and below

Most learners in YNY receive level 2 qualification level (3,860) followed by level 1 qualification level (2,130). Fewer receive level 3 qualification level (1,090) or level 4+ (190).

Figure 93: Profile of adult learners (Education and Training) by enrolled qualification level, YNY, 2024/25 academic year
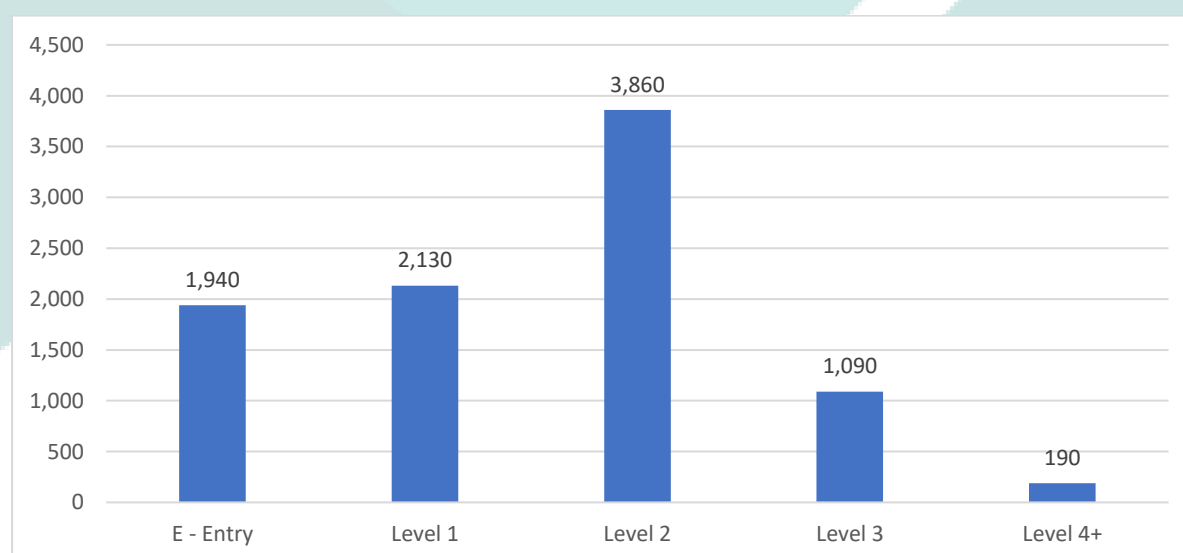
Source: Department of Education

Level 2 qualifications are the dominant outcome for learners in YNY

Level 2 is the most common qualification level across nearly all subjects, with a few exceptions:

- Arts, media, and publishing and social sciences are most common at Level 3,

- Preparation for life and work is most common at entry level,

- Construction, planning, and the built environment is most common at Level 1.

A significant proportion of Level 1 enrolments come from preparation for life and work, with 860 learners in this subject area alone-accounting for 40% of all Level 1 enrolments across subjects.

At higher qualification levels, health, public services, and care stands out, with 110 learners achieving Level 4 or above. This represents 58% of all Level 4+ achievements (110 out of 190) across all subjects.

This pattern highlights that while there is some progression to higher levels, the majority of adult learners in further education are clustered at Level 1 and Level 2, with a significant drop-off at Level 3 and above. This suggests a need for strategies to support and encourage more learners to progress beyond Level 2.

Figure 94: Profile for further education and skills subject area and qualification level, YNY 2024/25 – enrolments
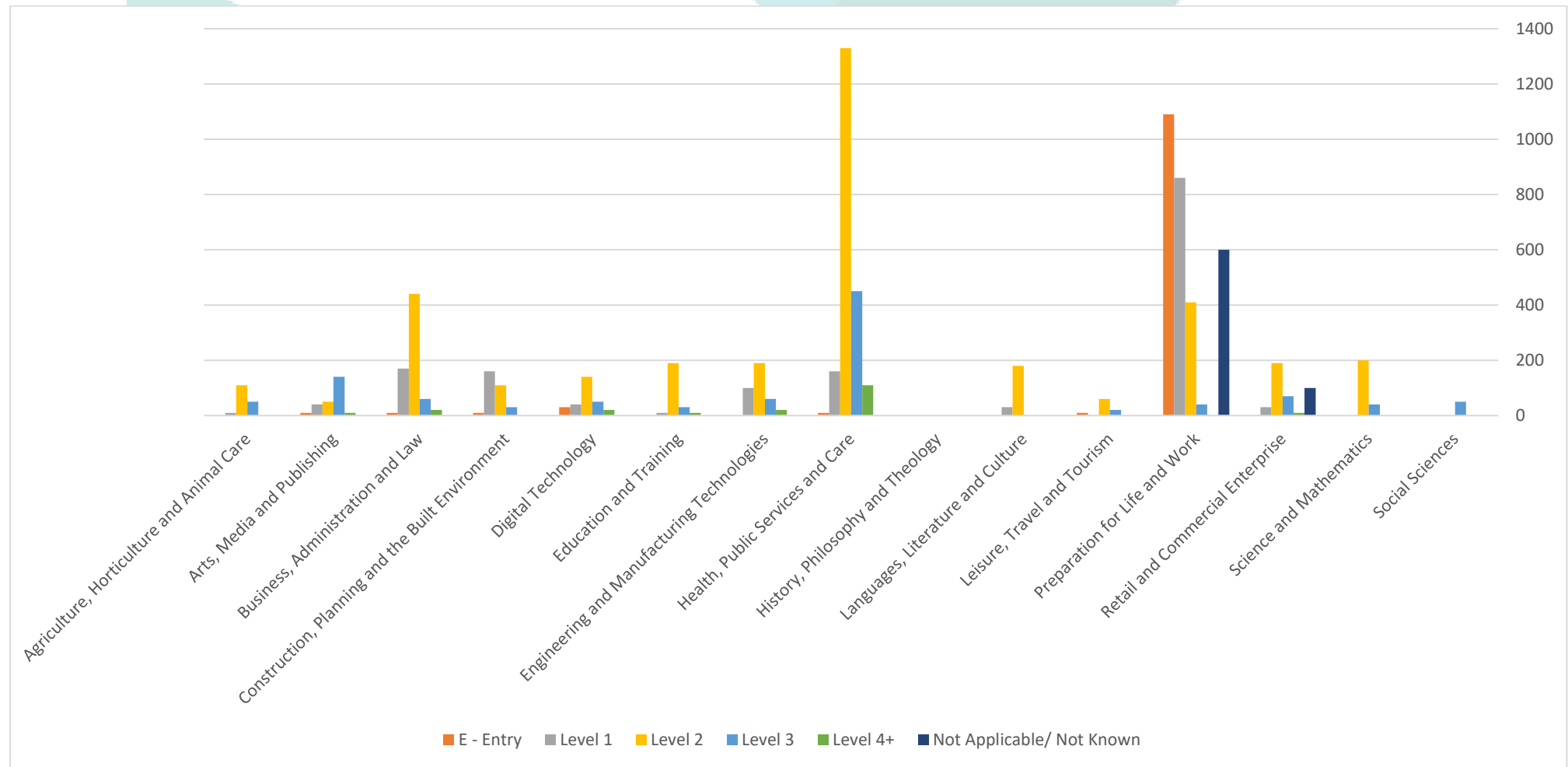
Source: Department of Education

Higher education

YNY's HE institutes are a key asset to the region. Higher Education Institutes (HEIs) include Heart of Yorkshire Education Group, York St John University, York College and the University of York.

The most popular subjects of study for HE student enrolments in YNY are business and management (9.2%), social sciences (5.8%), and computing (4.4%). In contrast, at the national level, business and management (21.4%) and social sciences (9.7%) are among the most popular subjects, but there is a much higher proportion of enrolments in subjects allied to medicine (12.6%).

YNY has lower proportions of students enrolling in medicine and engineering compared to the national average

Notably, there are significant gaps between England and YNY in enrolment for subjects allied to medicine (2.7% in YNY vs. 12.6% nationally) and engineering and technology (1% in YNY vs. 6% nationally).

Figure 95: % HE Student enrolments and subject of study of % total of all subjects, 2023/24 academic year
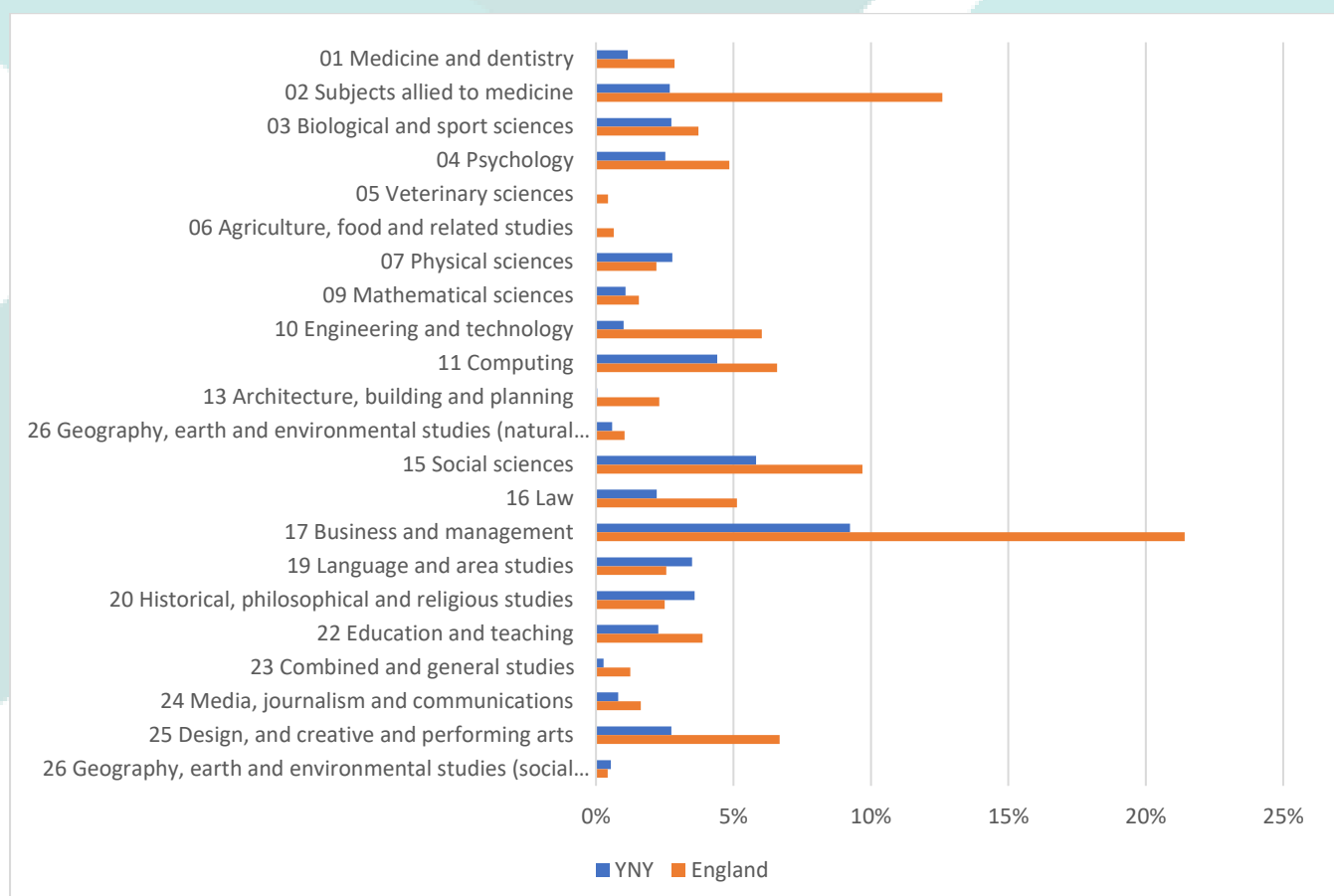
Source: Higher Education Statistics Agency

The enrolment patterns are broadly mirrored in the number of qualifiers for the academic year 2021/22 (though the comparison years may differ). For example, business and management produced the highest number of HE qualifiers (2,210), followed by social sciences (1,615).

Figure 96: Profile of qualifiers for the academic year 2021/22
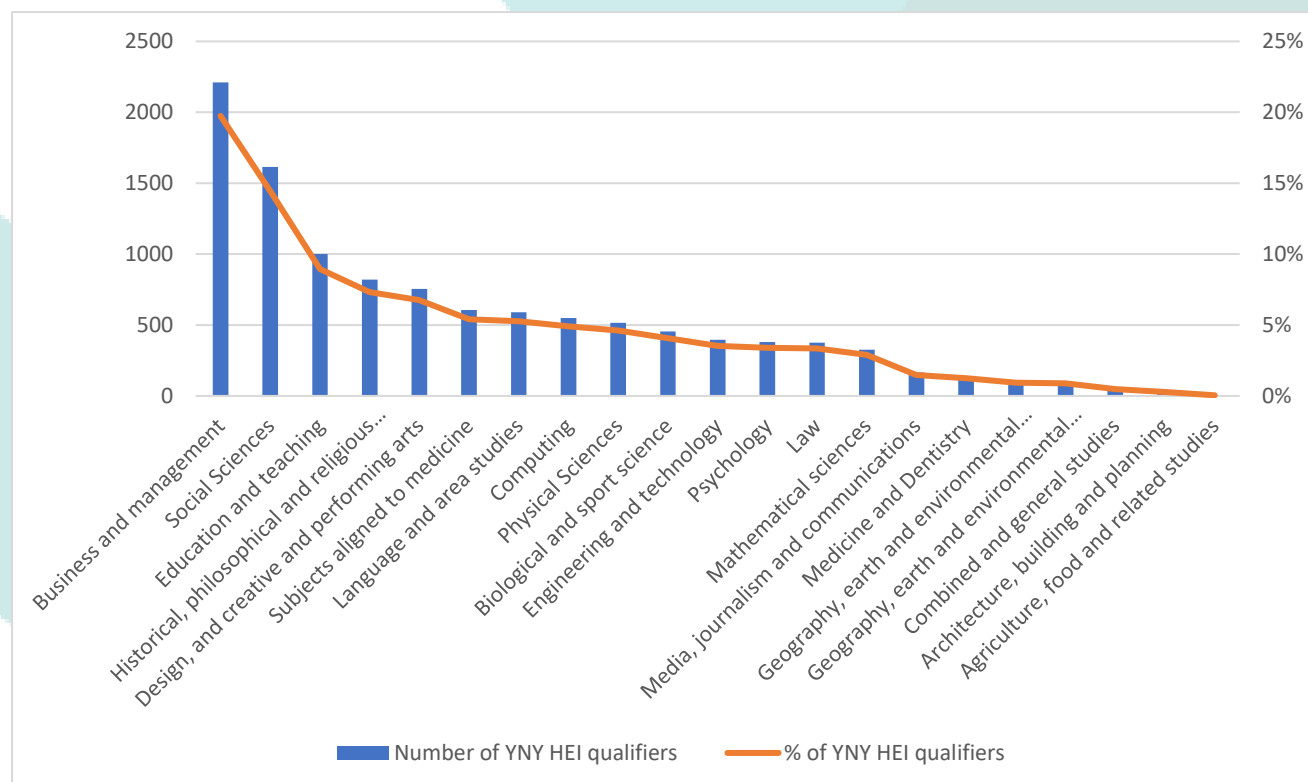
Source: Higher Education Statistics Agency

A report conducted by JISC for North Yorkshire Council found that the City of York has seen a reduction in graduate-level employment. Comparatively in North Yorkshire, there are more graduate-level jobs but a shortfall of graduates working there.

Graduate Outcomes data for YNY reveal that 42% of new graduates working in the region originally come from there, with most of the remainder originating from neighbouring regions, particularly the North East. Graduates without local or nearby origins are generally those who studied at one of the region's HE institutions, indicating that without these pre-existing connections through study, graduates are unlikely to migrate to the area.

Therefore, strategies to attract graduates should prioritise enhancing the appeal of local universities, fostering stronger partnerships between employers and HE providers, and promoting the region's quality of life and career opportunities to both retain local graduates and draw in talent from surrounding areas.

York City's graduate labour market is smaller and more limited in entry-level opportunities compared to larger nearby cities such as Leeds, Sheffield, and Bradford, which have substantially larger graduate job markets. In York, approximately 700 to 800 graduate-level positions were accessible to new graduates within 15 months of graduation in the 2021-22 academic year, with 380 first-degree graduates known to have taken up such roles. A significant

share of these entry-level opportunities are concentrated in the public sector, particularly health, which requires specific professional training.

York's private sector, while strong, is not currently generating as many new graduate jobs as the larger regional centres. Additionally, the overall labour market in York, including graduate opportunities, contracted in 2023, with early 2024 data indicating a continued modest decline. This combination of factors highlights the challenges York faces in creating sufficient entry-level graduate roles and attracting new graduate talent compared to its larger neighbouring cities.

Despite being a largely rural and dispersed area, North Yorkshire has a relatively strong graduate labour market, with significantly more jobs overall, and more graduate-level roles, than York City. For the 2021-22 graduate cohort, North Yorkshire recruited approximately 100 more graduates into graduate-level employment than York, with notably higher recruitment in STEM, management, and teaching roles; slightly higher numbers in marketing, PR, and sales; comparable figures in arts, health, IT, and social welfare; and fewer graduates in business, HR, and finance. While the region's labour market contracted slightly in 2023, early 2024 data suggest it has stabilised.

Figure 97: Number of graduates from 2021/22 known to be working
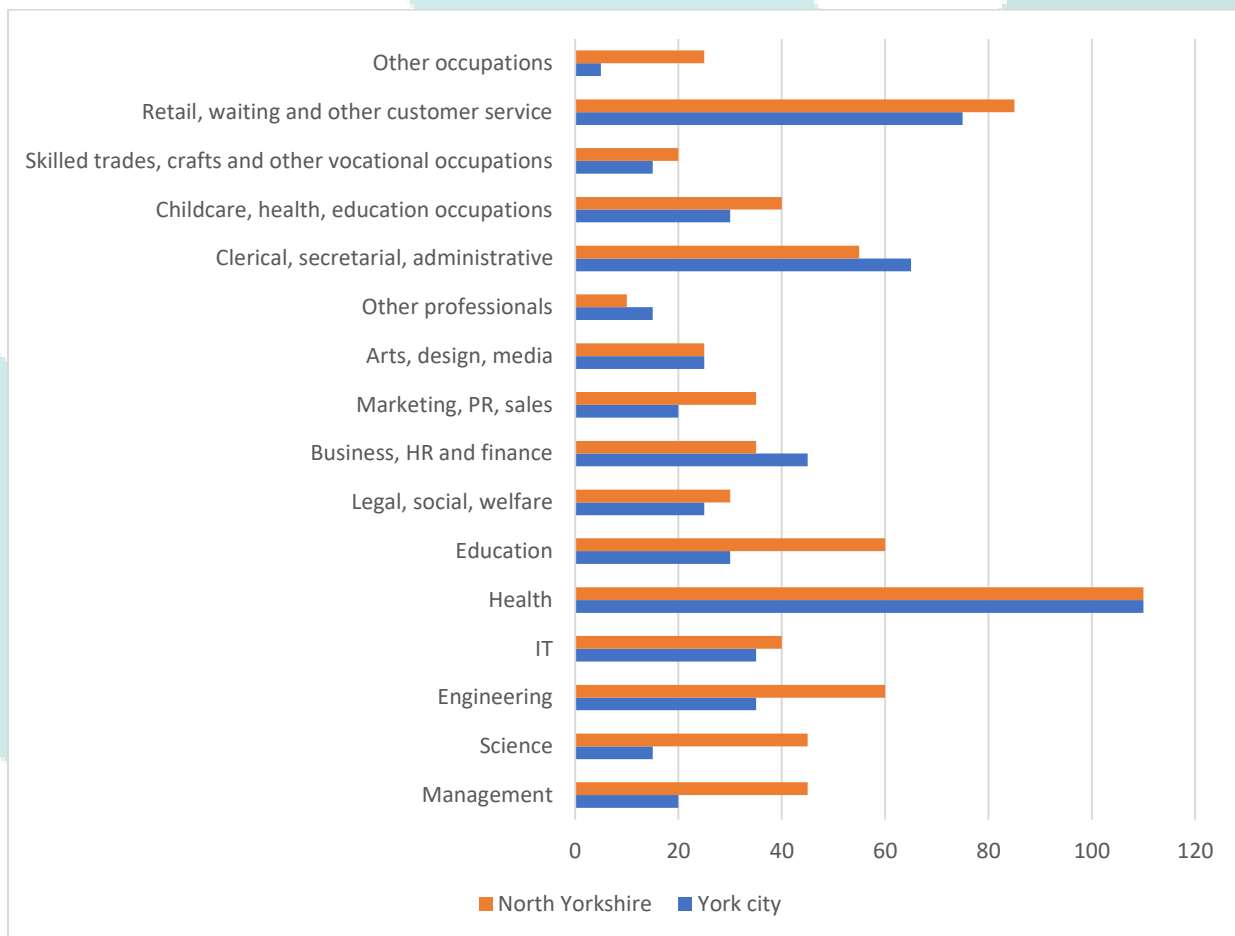
The largest suppliers of graduates to North Yorkshire's labour market are Leeds Beckett University, York St John University, and the University of York, in that order.

The Unit for Future Skills data highlights that YNY will require a total of 238,000 new workers by 2035 to meet labour market needs, driven largely by substantial replacement demand of 219,000 workers leaving the workforce. Of this total, approximately 121,000 new graduate entrants will be needed, underscoring the critical role graduates will play in sustaining the region's workforce. Graduate demand is expected to be significant and fairly evenly distributed, with particular emphasis on sectors such as business services, health, education, STEM, and management. Although the forecasts are not precise enough to define exact recruitment targets, they clearly signal strong and growing opportunities for graduates in the local labour market over the coming years.

Figure 98:YNY LSIP area projected occupation change from 2020 to 2035

Occupation (SOC Code)	2020 (000s)	2025 (000s)	2035 (000s)	Change (2020-2035)	Demand (000s)	Requirement (000s)
				Net	Replacement	Total

11 Corporate managers and directors	30	27	30	0	15	15
12 Other managers and proprietors	16	19	22	6	11	17
21 Science, research, engineering and technology professionals	21	22	25	4	9	12
22 Health professionals	18	20	22	3	11	14
23 Teaching and other educational professionals	20	20	22	2	11	13
24 Business, media and public service professionals	28	31	35	7	16	23
31 Science, engineering and technology associate professionals	9	8	8	-1	3	3
32 Health and social care associate professionals	8	8	9	1	5	5
33 Protective service occupations	5	6	7	2	2	4
34 Culture, media and sports occupations	7	6	7	0	3	3
35 Business and public service associate professionals	25	24	25	0	11	12
41 Administrative occupations	45	41	40	-4	20	16
42 Secretarial and related occupations	10	11	8	-1	5	4
51 Skilled agricultural and related trades	6	6	7	1	4	4
52 Skilled metal, electrical and electronic trades	14	14	13	-1	5	4
53 Skilled construction and building trades	13	13	11	-2	5	3
54 Textiles, printing and other skilled trades	9	9	8	-1	4	3
61 Caring personal service occupations	31	33	36	6	19	25
62 Leisure, travel and related personal service occupations	11	10	10	-1	5	4
63 Community and civil enforcement occupations	1	0	0	0	0	0
71 Sales occupations	30	27	26	-4	12	9
72 Customer service occupations	8	11	13	4	5	9
81 Process, plant and machine operatives	15	17	16	2	7	8
82 Transport and mobile machine drivers and operatives	15	16	15	0	8	8

91 Elementary trades and related occupations	8	6	6	-2	3	1
92 Elementary administration and service occupations	42	43	40	-2	20	18
All occupations	443	448	462	19	219	238

Source: Bell (2025). Graduates into Work North Yorkshire Project

Access to higher education (HE)

Reviewing who has access to HE is important because it directly impacts social mobility, equity, and economic opportunity.

YNY have a greater progression rate gap for pupils who receive FSMs compared to the English average

While the progression rate for all other pupils in YNY is consistent with the English average at 50%, both York and North Yorkshire lag behind national figures in progression rates for pupils who received FSMs. For example, the progression rate to HE for FSM pupils is 29% nationally, but only 24% in North Yorkshire and 25% in York. Addressing this gap is crucial for improving social mobility and ensuring equal opportunities for all students in the region.

Figure 99: HE Progression Rates 2023/23
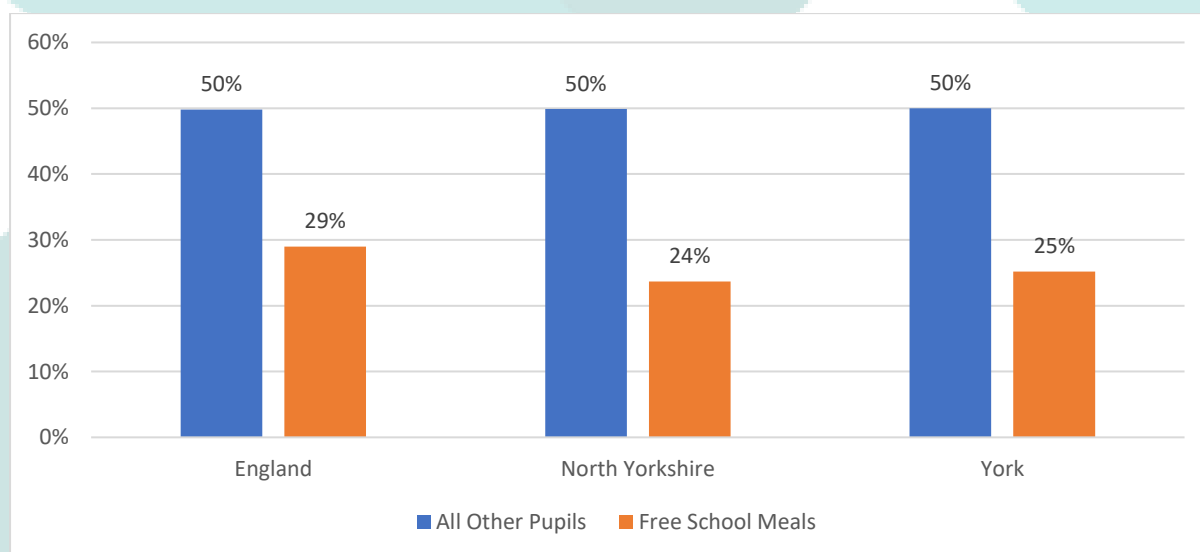
Source: Department of Education

When reviewing HE progression rate trends by FSM status, the national progression rate in England has generally increased over time. In YNY, progression rates for FSM pupils have also trended upward overall, but with more year-to-year fluctuations compared to the national trend.

Figure 100: Trend in HE progression rates by FSM status
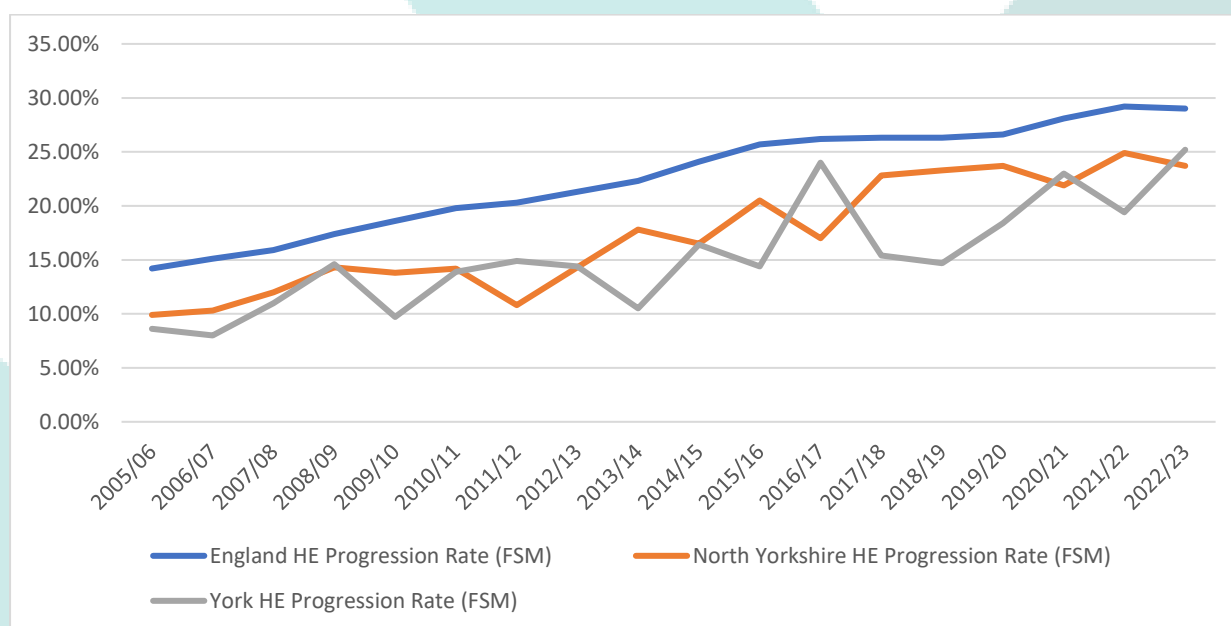
Source: Department of Education

Labour market inclusion

Reviewing labour market inclusion for disadvantaged people is crucial because it addresses persistent inequalities, helps prevent poverty, and ensures that everyone can access quality, paid work and contribute to society. Promoting inclusive labour markets not only supports individual well-being and social mobility but also strengthens the overall economy by making better use of available talent.

YNY has a relatively high level of employment rate for those Equality Act (EA) core work-limiting disabled compared to national figures

YNY has a higher employment rate than the national average for both people with an EA core or work-limiting disability (63% in YNY vs. 57% nationally) and those without a disability (85% in YNY vs. 82% nationally). Despite this positive performance, a significant employment gap remains between disabled and non-disabled people in the region.

Figure 101: Employment rate by disability status

Employment rate by disability status for York and North Yorkshire and England. York and North Yorkshire: EA core or work-limiting disabled 63%, not EA core or work-limiting disabled 85%. England: EA core or work-limiting disabled 57%, not EA core or work-limiting disabled 82%.

- ■ Employment rate aged 16-64 - EA core or work-limiting disabled
- ■ Employment rate aged 16-64 - not EA core or work-limiting disabled
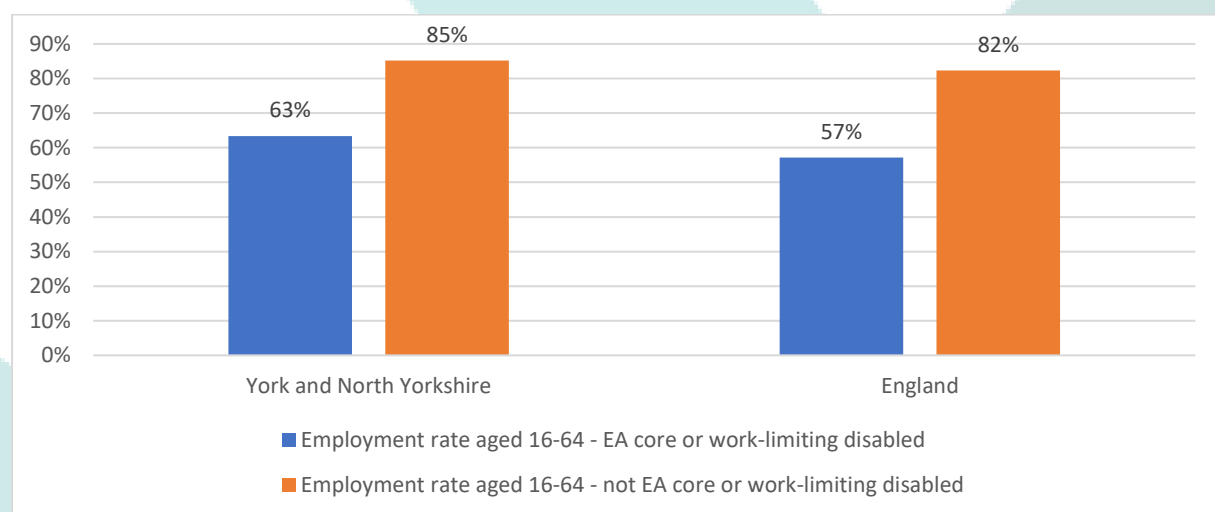
Source: Annual Population Survey, October 2023 to Sep 2024

Trends show that the number of those with an EA core or work-limiting disability is increasing

There has been an increase in both the number and percentage of people in YNY who are classified as EA core or have a work-limiting disability. Notably, there was a sharp rise between October 2022–September 2023 and October 2023–September 2024, with the number increasing from 111,400 to 134,800.

This growth may reflect a combination of factors, such as increased prevalence or diagnosis of long-term health conditions and greater awareness or willingness to report disabilities. The sharp increase in such a short period could also indicate the lingering impacts of the COVID-19 pandemic on health.

Figure 102: Number and % of those 16-64 who are EA core or work-limiting disabled, YNY
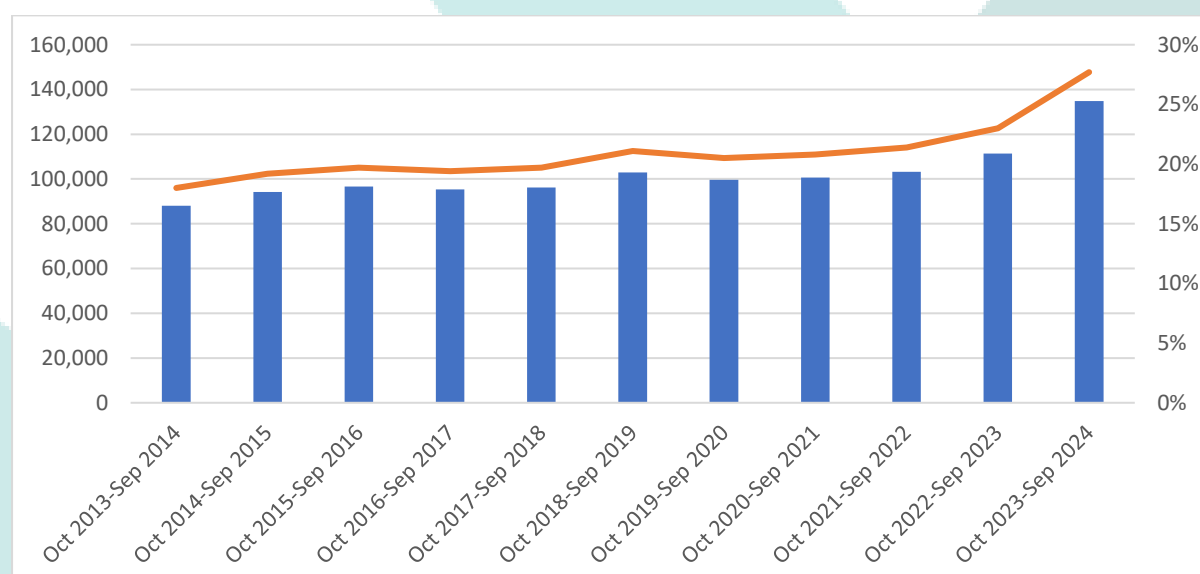
This upwards trend of those with an EA core or work-limiting disability is also reflected at national level. However, the % of those with EA core or work-limiting disability is higher in YNY (27.7%) compared to national average (25.8%).

A higher proportion of disabled people can contribute to higher rates of economic inactivity due to ill health or disability. This highlights the importance of strengthening health services, promoting inclusion, and expanding employment support to better meet the needs of this growing group.

Figure 103: Trend in England and YNY of % of those 16-64 who are EA core or work-limiting disabled
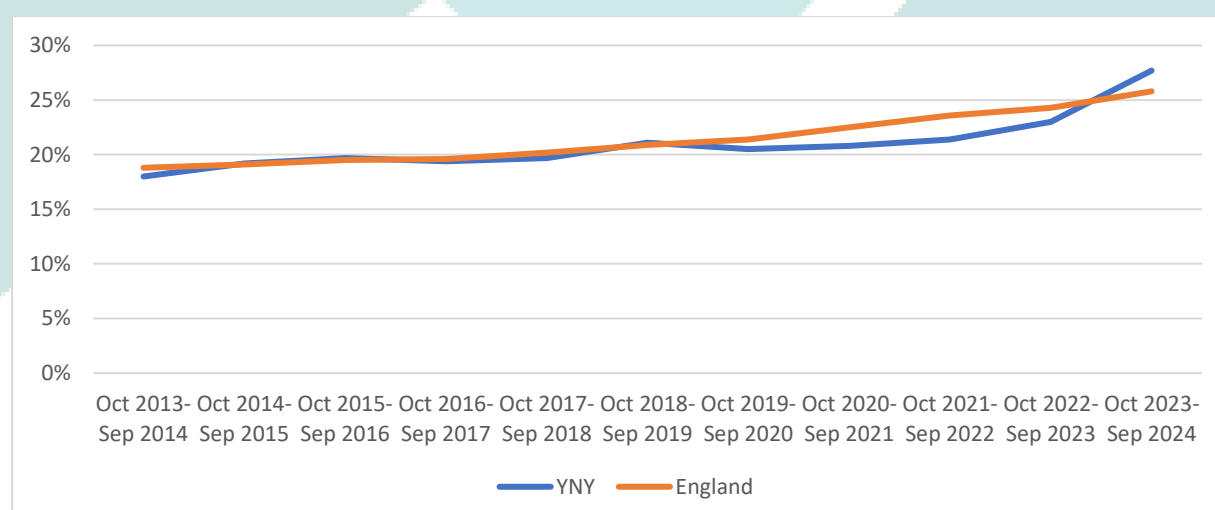
Despite YNY having a higher percentage of working-age residents with an EA core or work-limiting disability than the national average, the region consistently achieves a higher

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employment rate for this group compared to England overall, although there are some year-to-year fluctuations in YNY's figures.

Figure 104: Employment rate aged 16-64 – EA core or working-limiting disabled
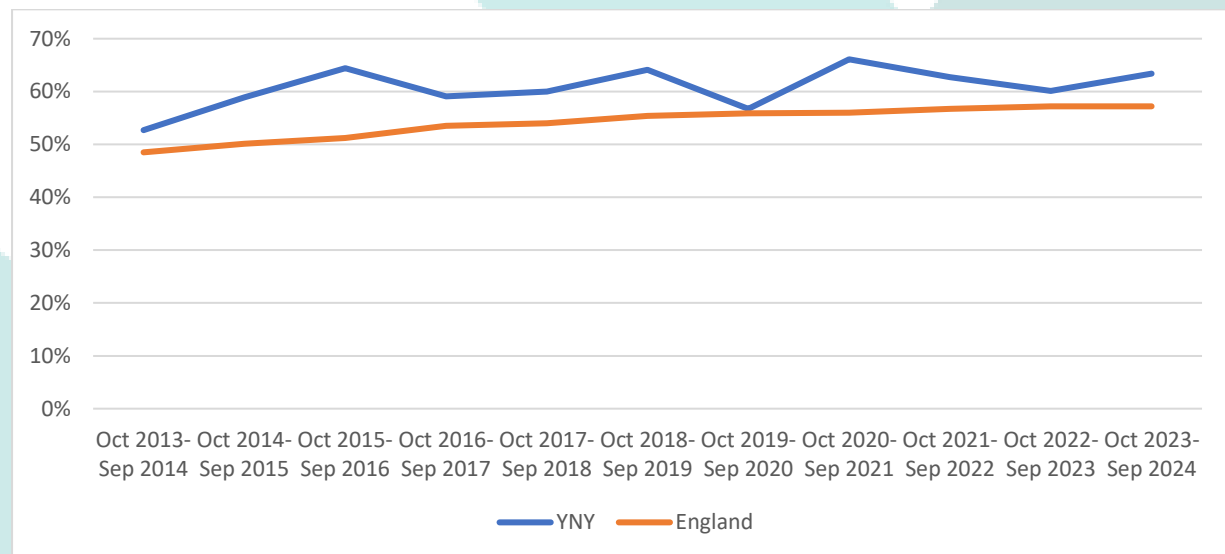
Source: Annual Population Survey

This demonstrates the relative strength of YNY in fostering inclusion for people with an EA core or work-limiting disability. However, as the number and proportion of disabled residents continue to rise, and remain above national averages, it is increasingly important to further strengthen health, inclusion, and employment support measures in the region.

Although employment rates in YNY are consistently higher than the national average, there is a clear decline as age increases. For example, while the employment rate for those aged 25–49 in YNY is 89%, it drops to 74% for those aged 50–64.

Figure 105: Employment rate by age group
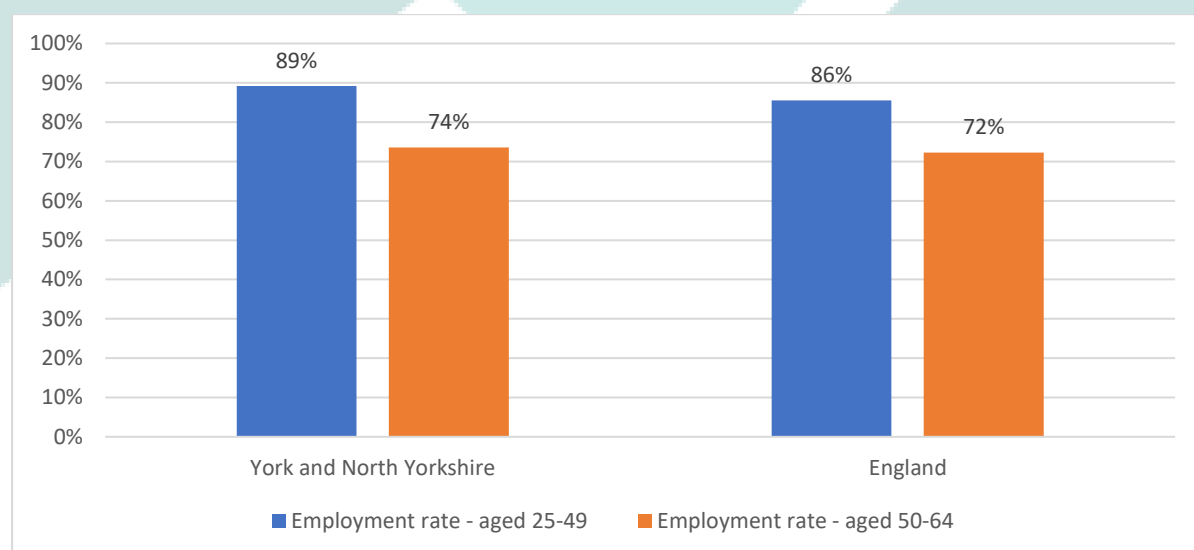
Source: Annual Population Survey, October 2023 to Sep 2024

The number of 50–64-year-olds in employment has been steadily growing

Despite the lower employment rate among 50–64-year-olds compared to younger age groups, the number of people in this older age group who are employed has been steadily increasing. Long-term trends show that the employment rate for 50–64-year-olds in YNY rose from 68.2% in October 2004–September 2005 to 76.6% in October 2022–September 2023.

Figure 106: Trend in employment level and rate for people aged 50-64

Source: Annual Population Survey

In YNY, there are 19,300 working-age people (aged 16–64) from ethnic minority backgrounds, making up 3.9% of the working-age population. The remaining 468,500 people, or 96.1%, are white.

Workforce development

In YNY, 56% of employers provide training to their employees, with the majority focusing on on-the-job training, which accounts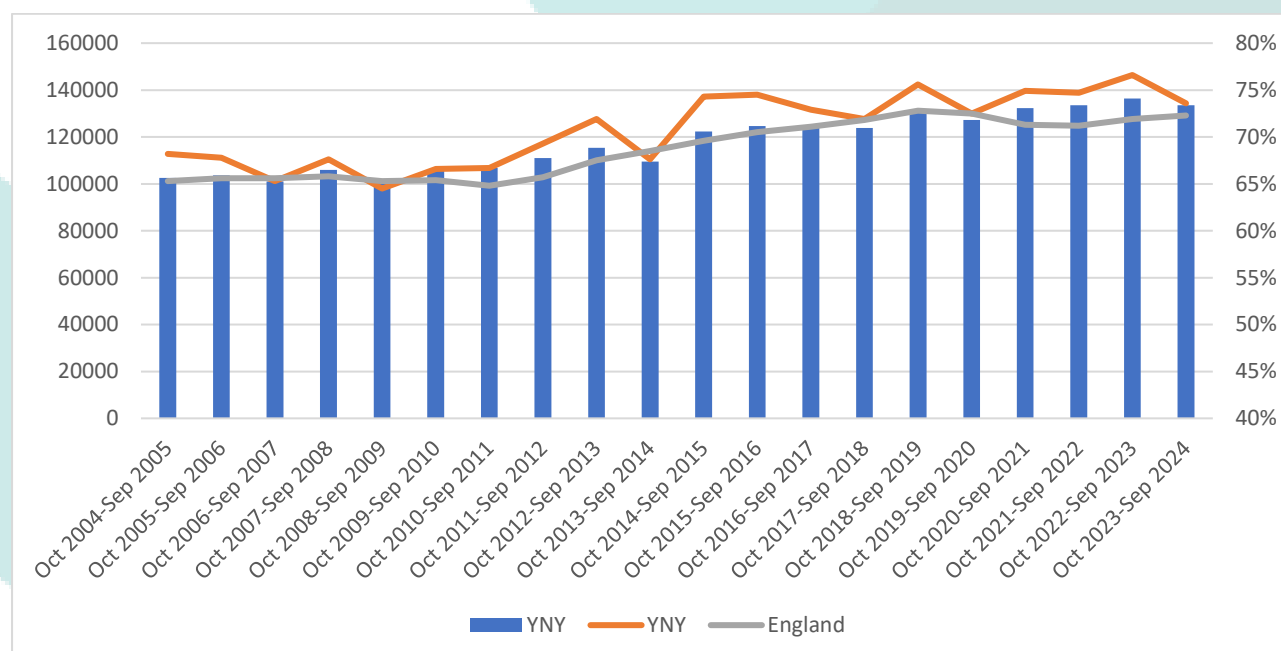 for 81% of the training offered. Additionally, 62% of these employers provide off-the-job training. The training provided is largely job-specific, with 80% of employers offering this type of training. Health and safety training is also common, provided by 69% of employers, while 56% offer basic induction training for new employees. Notably, 40% of employers provide training in new technology, reflecting some attention to digital skills.

Over the past 12 months, 55.5% of all staff in businesses that offer training have received some form of training.

Despite this, 44% of employers in YNY do not offer any training. Among these, 60% cite that there is no need for training, often because they believe their staff are already fully proficient. While 43% of this group do offer supervision to aid development of employees, 40% of all employers take no action at all to support employee development. Among those not providing training, 57% attribute this to a lack of demand.

43% of employers are not in a training equilibrium

Employers in training equilibrium feel they have provided sufficient training over the past year and do not see a need to offer more, believing their workforce is adequately skilled. On the other hand, employers not in training equilibrium would like to provide more training but face barriers such as limited time, funding, or other constraints. In YNY, 57% of employers are in training equilibrium, while a significant 43% are not.

Of the employers who wanted to provide more training but were unable to, 47% said they could not spare more staff time, and 38% cited a lack of funds or training expertise as the main barrier.

This relatively high proportion of employers not in training equilibrium suggests that many recognise a need for additional training but are unable to meet it. The fact that a substantial number of employers do not provide any training or development support may negatively affect workforce skills and business competitiveness over time. These findings highlight the need for targeted support to help employers overcome barriers to training. This could include financial assistance, access to flexible training programmes, or resources to raise awareness of the benefits of workforce development.

Figure 107: Training equilibrium summary, YNY, 2022
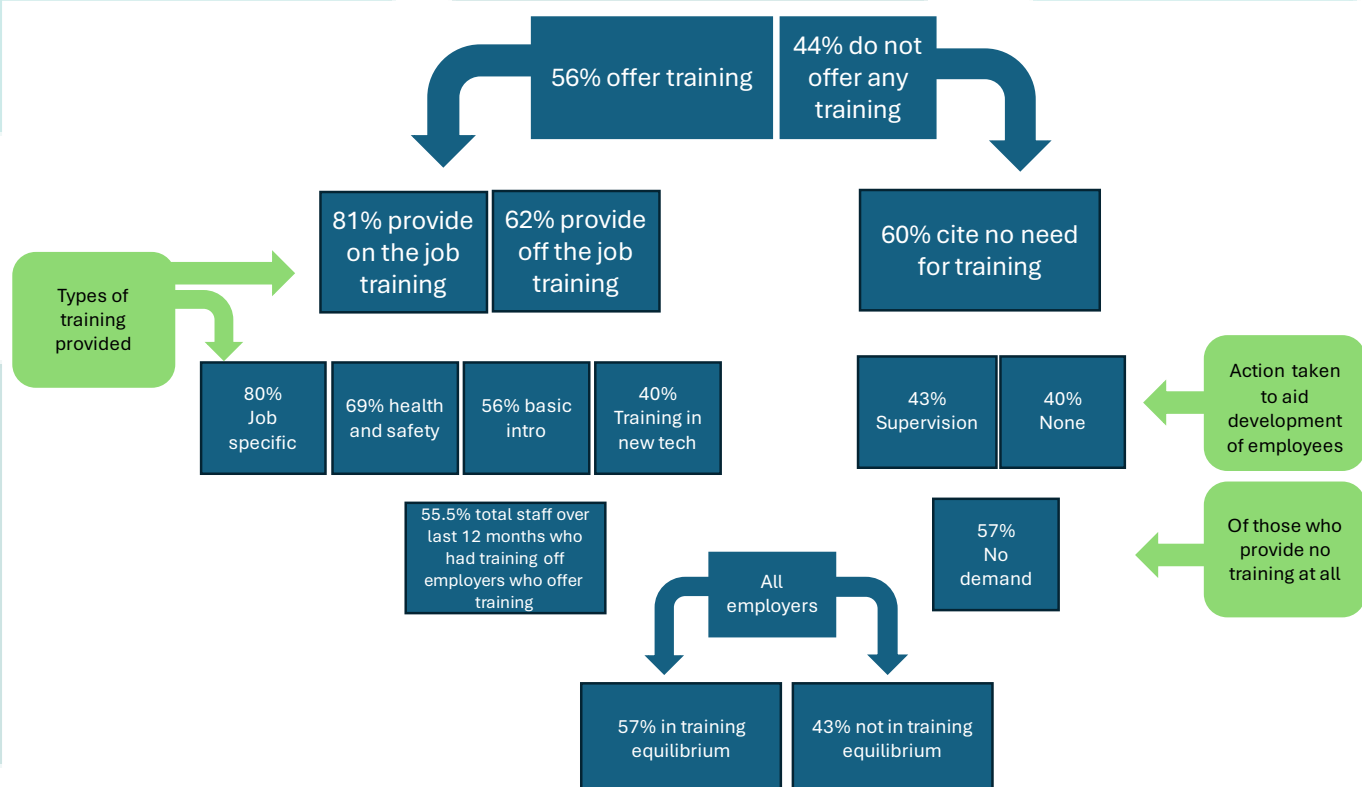
Source: Employer Skills Survey, 2022

There has been a gradual decline in the proportion of people in England receiving job-related training in the previous 13 weeks, reflecting a national slowdown in short-term training participation. In contrast, figures for YN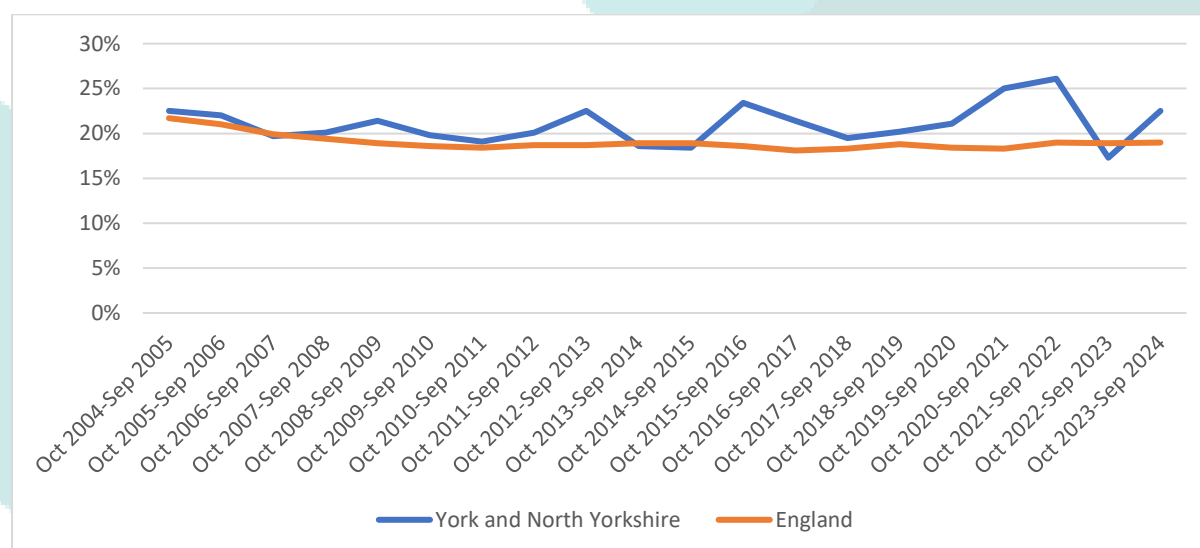Y show more fluctuation, with the proportion of people receiving job-related training varying but generally remaining within a 19–26% range between 2004 and 2024.

Figure 108: Trend in proportion of people receiving job-related training in previous 13 weeks

Source: Annual Population Survey

Public sector employees are most likely to receiving job-related training in the previous 13 weeks in YNY

In YNY, there are notable differences in job-related training participation across sectors and demographic groups. In the previous 13 weeks, 42% of public sector employees received job-related training, significantly higher than the 24% of employees in private services, 27% in production, and 31% in the service industries.

There are also clear disparities in training participation by sex and working patterns. Females are more likely to have received job-related training than males (25% compared to 20%), which may reflect the higher concentration of females in sectors like health and education, where training is more prevalent.

Full-time workers are more likely to have received training than part-time workers (30% versus 25%). This difference could be due to greater investment in employees who spend more hours on the job, or it may reflect the fact that part-time roles are often concentrated in sectors or positions with fewer training opportunities.

Figure 109: Proportion of people receiving job-related training in previous 13 weeks by labour market group, Oct 2023-Sep 2024
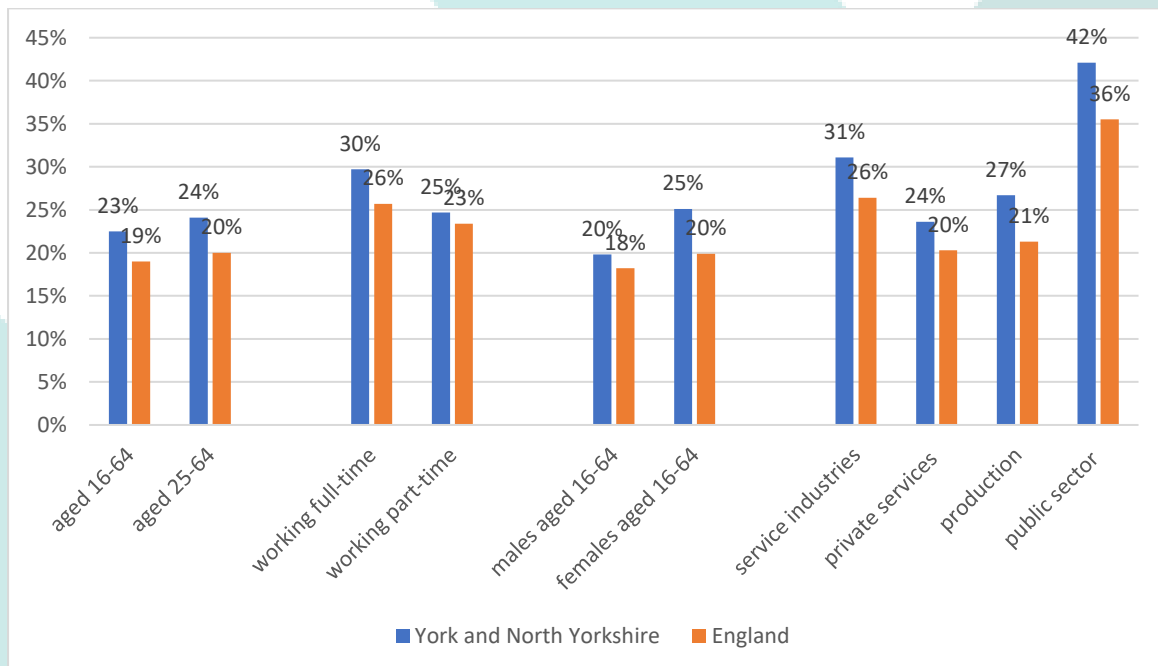
Source: Annual Population Survey

Travel time to the nearest further education college by public transport or walking is shortest in York (20 mins) compared to Ryedale (50 mins).

Figure 110: Travel time in minutes to nearest Further Education College by public transport / walk, 2019
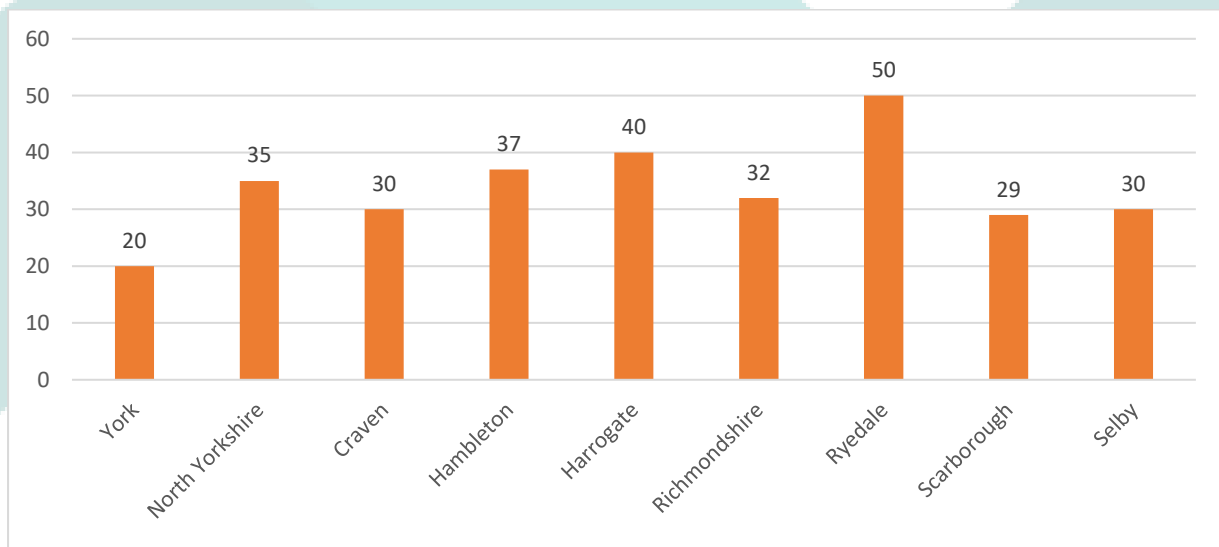
Source: Department for Transport

Mapping of skills demand and supply

- In YNY, 12,279 vacancies were identified as **hard-to-fill** in 2022, with 5,363 (44%) specifically due to **skills shortages**, underscoring a significant mismatch between employer needs and available local skills-particularly in professional, skilled trades, and associate professional occupations, where 49% of skilled trades, 41% of professional, and 37% of associate professional vacancies are hard to fill due to a lack of suitable candidates.
- In Yorkshire and the Humber, large sectors like business services, manufacturing, and health and social work have the highest numbers of **skill shortage vacancies**, while smaller sectors such as information and communications (57% of vacancies), construction (56%), and manufacturing (42%) experience the highest **density of skill shortage vacancies**, indicating especially acute recruitment challenges relative to their size.
- In YNY, hard-to-fill vacancies are commonly attributed to a lack of interest in the type of work (25%), a low number of applicants (24%), and challenges related to poor public transport or remote job locations (19%), with transport issues being a much bigger barrier locally (19% vs. 7% nationally).
- In YNY, 15% of employees lack some of the skills needed for their current jobs, totalling 5,919 workers requiring further **upskilling. Skills gaps** are highest in sales and customer service and elementary occupations (4% each), slightly above the national rates. Employers report the biggest gaps in operational skills (50%), complex analytical skills (44%), and digital skills (41%), with digital skills gaps notably higher than the national average (31%).
- **Skills** mismatches in YNY are also driven by **underutilisation**, with nearly 2 in 5 employers (39%) reporting staff whose skills or qualifications exceed job requirements-a rate higher than the national average of 35%-highlighting the need to better align roles with employees' abilities.
- Among the economically inactive in YNY, 29% have no qualifications and 29% hold Level 4 or above, showing a clear split that calls for supporting both low-qualified individuals into work and addressing barriers for highly qualified people, which may stem from job mismatches or personal circumstances like health or caring responsibilities.

This section reviews the key challenges and dynamics of the YNY and Yorkshire and the Humber's labour market, focusing on skills shortages, skills gaps, and the underutilisation of talent. It examines the prevalence of hard-to-fill vacancies, particularly in professional, skilled trades, and associate professional roles, and explores how certain sectors face more acute recruitment difficulties relative to their size. Additionally, the extent of skills gaps among employees, especially in sales, customer service, and digital skills, is assessed, along with the issue of underutilised staff whose qualifications exceed job requirements. Finally, the polarised qualification levels among the economically inactive population are considered, highlighting implications for targeted upskilling and removing barriers to employment.

Skill shortages

As per the employer's skill survey 2022, in YNY, there are 12,279 vacancies identified as hard-to-fill, with 5,363 of these specifically attributed to skills shortages. This means that nearly 44% of hard-to-fill vacancies in the region are due to a lack of candidates with the required

skills, highlighting a significant mismatch between the skills employers need and those available in the local labour market.

Figure 111: Summary of vacancy situation, YNY
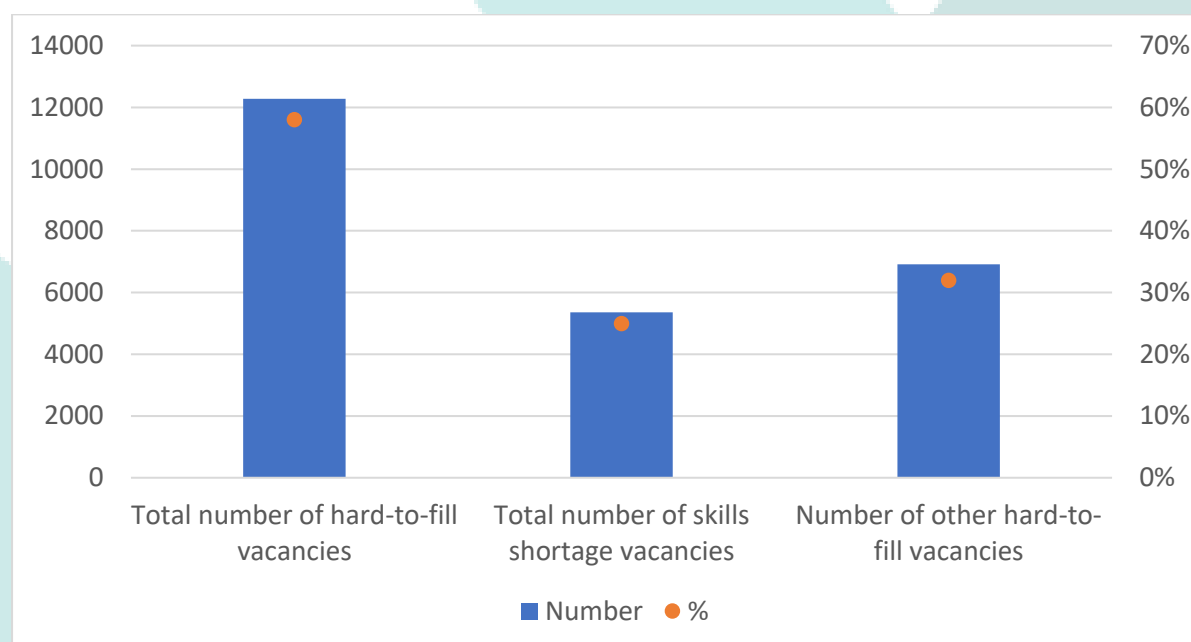
Source: Employer's Skill Survey, 2022
Base: All vacancies

Skills shortages are most pronounced for skilled trades and professionals in YNY

In YNY, skill shortage vacancies are particularly pronounced in professional, skilled trades, and associate professional occupations. Specifically, 49% for skilled trades, 41% of vacancies for professionals and 37% for associate professionals are identified as hard-to-fill due to a lack of candidates with the necessary skills. These figures reflect the structural nature of skill shortages in YNY, where sectors such as engineering, health and social care, and technical services are likely driving demand for these occupations.

The high proportion of skill shortages in skilled trades is especially notable, as it points to ongoing difficulties in recruiting workers for roles critical to construction, manufacturing, and maintenance industries, which are vital to the regional economy.

In contrast, YNY experiences relatively fewer skill shortage vacancies in administrative/secretarial roles, managerial positions, and sales and customer service occupations compared to the national average. For example, only 23% of administrative and secretarial vacancies in YNY are skill shortage vacancies, compared to 39% nationally. Similarly, 13% of managerial vacancies and 12% of sales and customer service vacancies in YNY are affected by skill shortages, lower than the English averages of 28% and 33%, respectively.

Figure 112: Density of skill shortage vacancies by occupation major group

Horizontal bar chart comparing York and North Yorkshire (blue) and England (orange) across occupation major groups:

- Managers
- Professionals
- Associate professionals
- Administrative/secretarial occupations
- Skilled trades occupations
- Caring, leisure and other services occupations
- Sales and customer services occupations
- Process, plant and machine operatives
- Elementary occupations

X-axis: 0% to 60%. Legend: York and North Yorkshire, England.
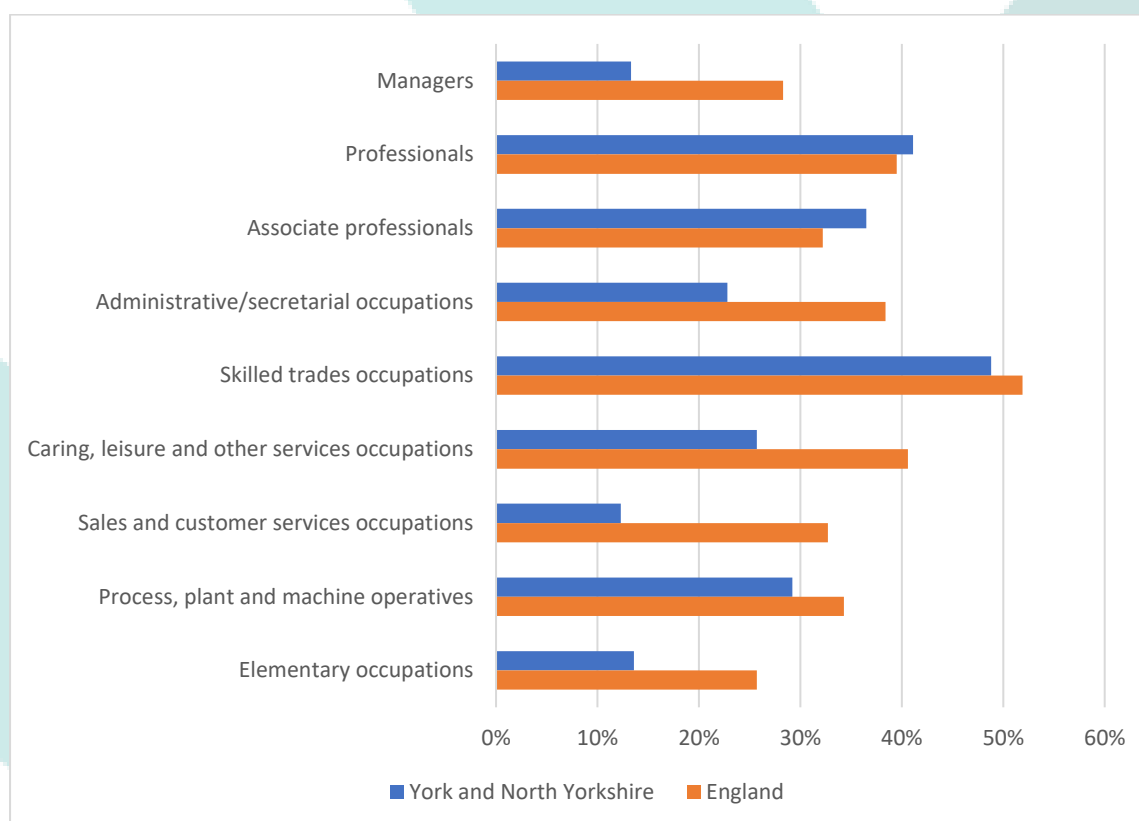
Source: Employer Skills Survey, 2022
Base: All employers with skill shortage vacancies

In Yorkshire and the Humber, the highest numbers of skill shortage vacancies are in business services (5,570), manufacturing (4,244), health and social work (4,149), and wholesale and retail (4,022). These sectors face significant recruitment challenges due to their size and ongoing demand for skilled workers.

However, when looking at skill shortage vacancy density, the share of vacancies that are hard to fill due to skills shortages, information and communications (57%), construction (56%), manufacturing (42%), and arts and other services (40%) stand out. This means these sectors have a higher proportion of vacancies affected by skill shortages, indicating more severe recruitment difficulties relative to their size.

The data highlights that while large sectors like business services and health care have many vacancies, smaller sectors such as information and communications and construction face more acute skill shortages.

Figure 113: Number of skills shortage vacancies and % skills shortage vacancy density of all vacancies for SOC codes – Yorkshire and the Humber
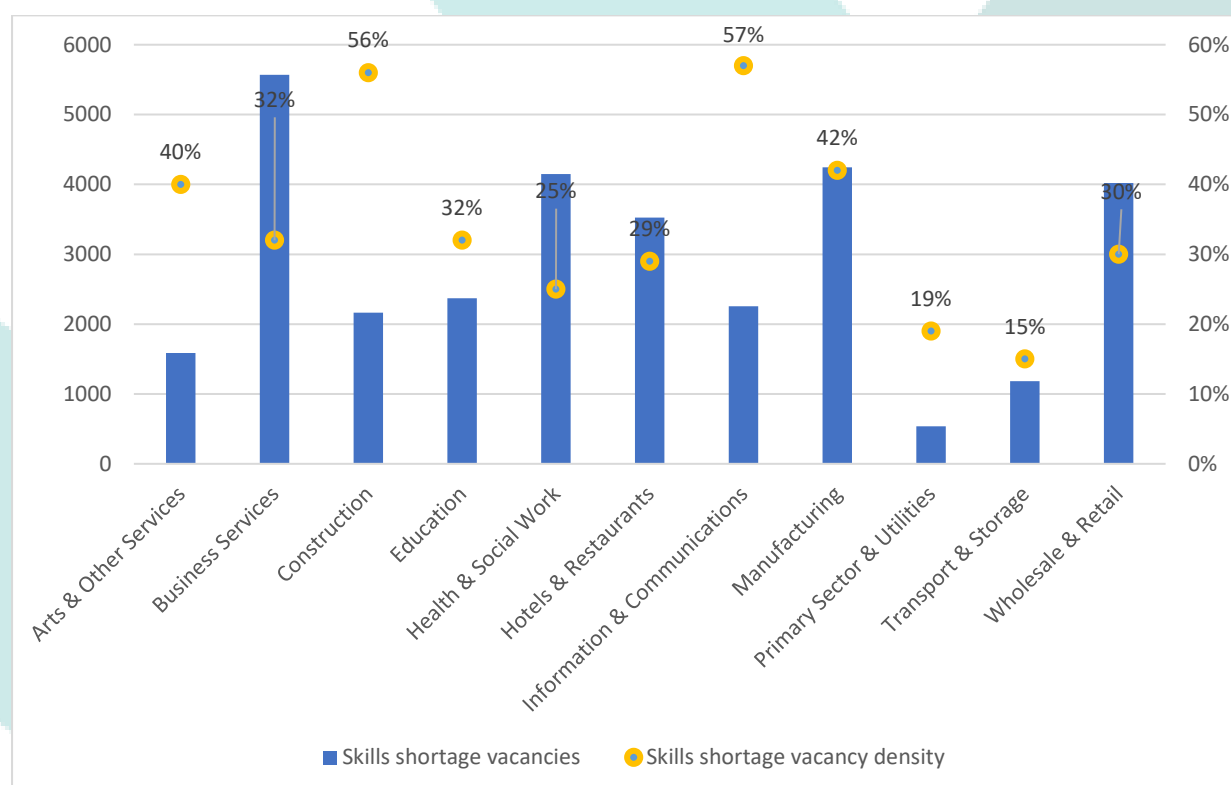
Source: Employer Skills Survey, 2022

Other reasons for hard-to-fill vacancies

When examining the reasons behind hard-to-fill vacancies in YNY, several key factors emerge. A quarter of employers (25%) report that a lack of interest in the type of work is a major barrier, while 24% point to a generally low number of applicants. Additionally, 19% of employers cite poor public transport or the remote location of the job as a significant challenge, and 19% say there are not enough applicants with the required skills.

Comparing YNY to the national picture reveals some differences. The impact of remoteness and inadequate public transport is much more pronounced in YNY, with 19% of employers identifying it as a barrier, compared to just 7% across England. This highlights the critical role that infrastructure, particularly transport connectivity, plays in the region's ability to attract and retain workers.

19% of employers in YNY cite a lack of applicants with the right skills, compared to 31% nationally. This suggests that YNY's workforce may be relatively well-matched to local job requirements overall. However, there is still a notable gap, especially in skilled trades and professional roles, as highlighted in previous analysis. To further reduce hard-to-fill vacancies, YNY should continue to focus on targeted skills development in these areas.

A quarter (25%) of employers in both YNY and England report that a lack of interest in certain types of jobs as a significant barrier to recruitment. This highlights the need for efforts to make these roles more appealing to potential candidates. Strategies to address this could include

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improving job quality, offering clearer career progression pathways, and investing in training and development opportunities.

Figure 114: Main causes of having a hard-to-fill vacancy (unprompted)

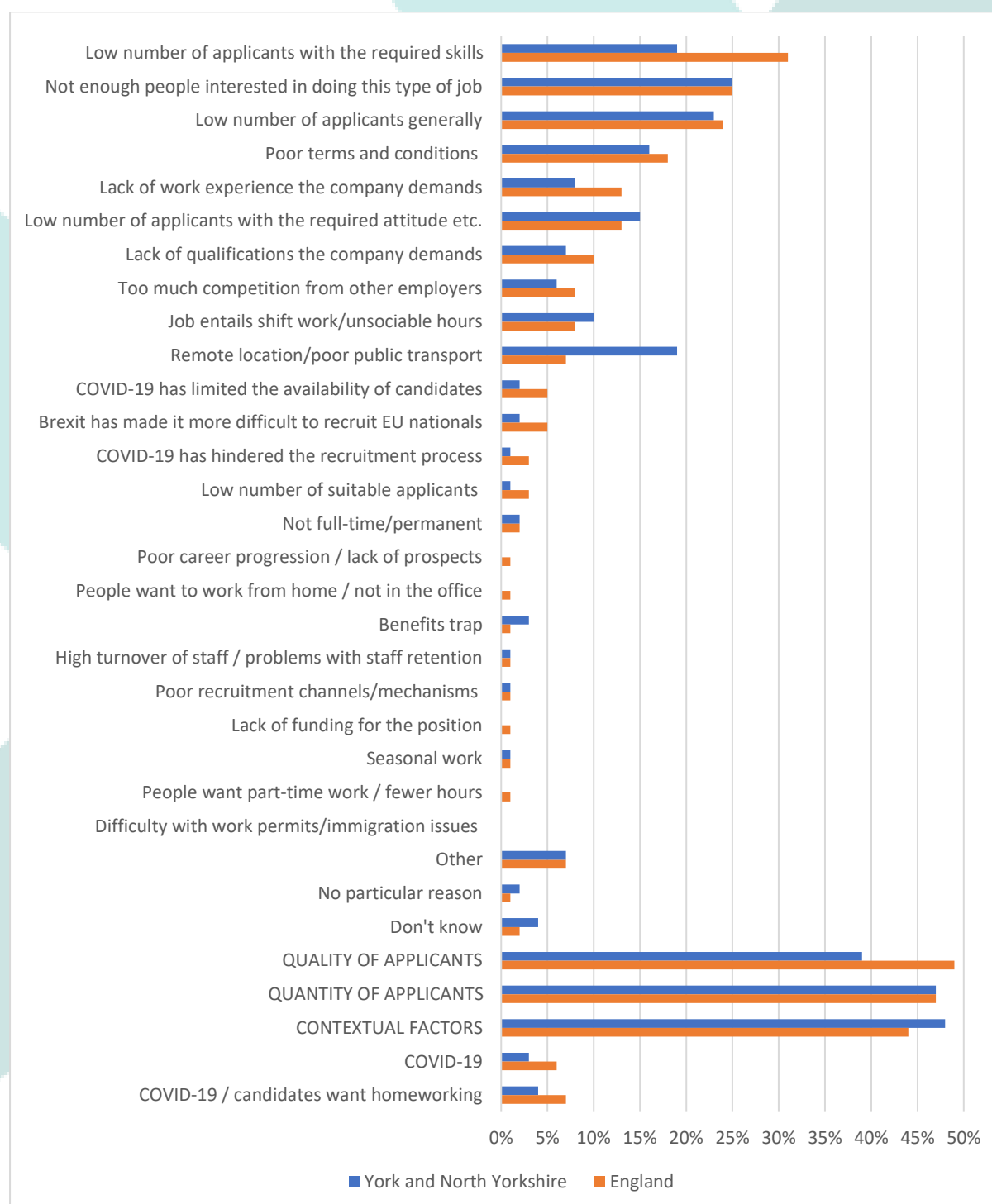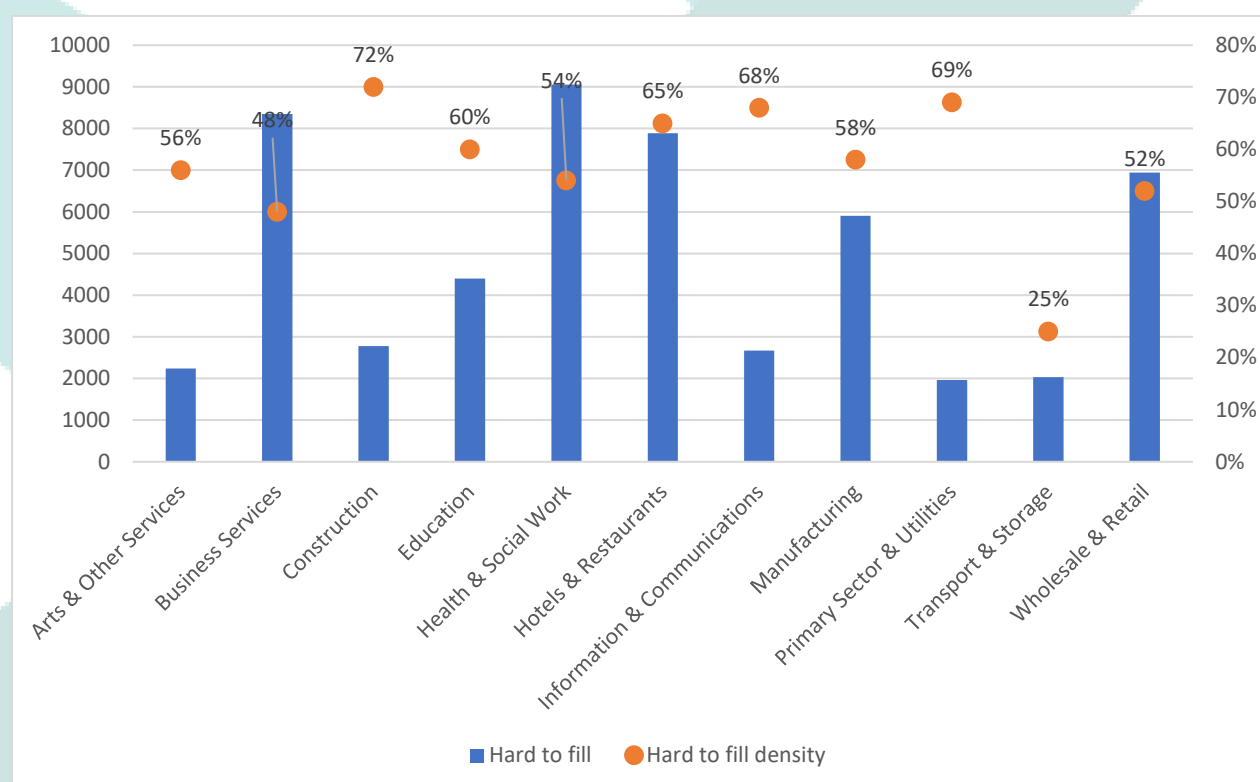*Source: Employer Skills Survey, 2022*
Base: All employers with hard-to-fill vacancies

In Yorkshire and the Humber, the sectors with the highest absolute numbers of hard-to-fill vacancies are health and social work (9,055), business services (8,352), hotels and restaurants

(7,886), and wholesale and retail (6,945). These figures reflect both the size of these sectors and persistent recruitment challenges.

However, when considering the proportion of vacancies that are hard to fill-referred to as hard-to-fill density rates-a different pattern emerges. Construction leads with 72% of its vacancies being hard to fill, followed by the primary sector and utilities (69%), information and communications (68%), and hotels and restaurants (65%). This indicates that, while some sectors may have fewer total vacancies, the intensity of recruitment difficulties is much higher relative to their size.

Figure 115: Number of hard to fill jobs and hard to fill job density in Yorkshire and the Humber per SOC code

Source: Employer Skills Survey, 2022

Skills gaps

The incidence of skills gaps refers to the proportion of the existing workforce that lacks full proficiency in their job.

15% of employees lack some of the skills in relation to their current job

There is a 15% skills gap in both YNY and England in relation to employees not having the adequate skills required to do their job. This are 5,919 employees in YNY who require further upskilling for their role.

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Figure 116: Volume and prevalence of skills gaps in YNY
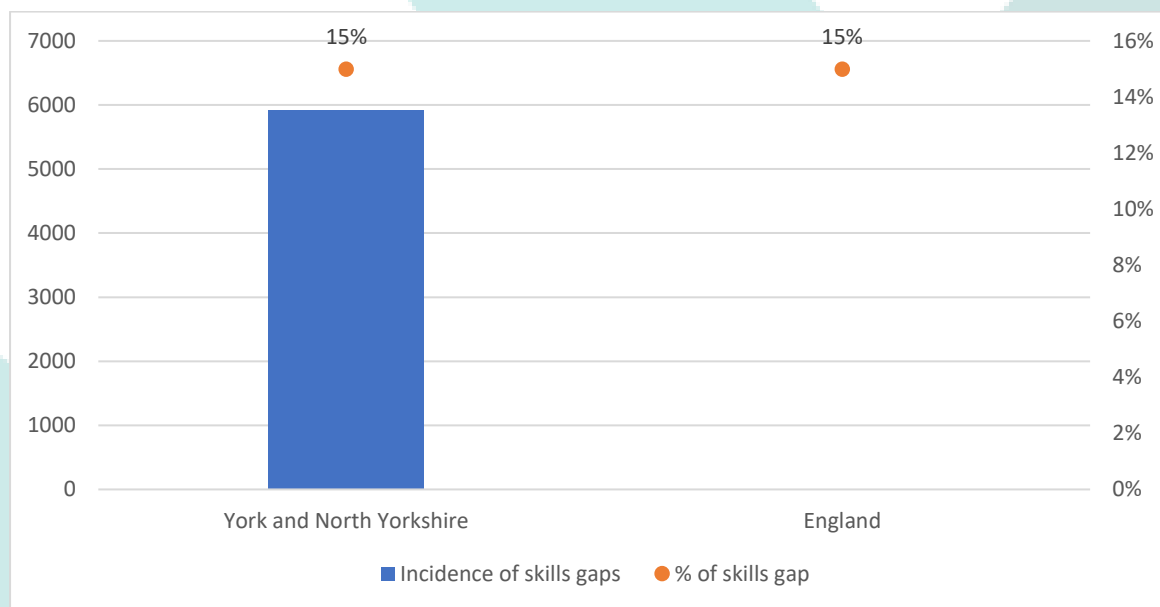
Source: Employer Skills Survey, 2022
Base: All establishments

The highest rates of skills gaps in YNY are found in sales and customer service roles, as well as in elementary occupations, with 4% of employees in each of these groups lacking some of the skills needed for their jobs. This is 1% higher than the rates for these occupations across England as a whole.

For managers, administrative and secretarial staff, and skilled trades, the incidence of skills gaps is slightly lower, at 3%.

Figure 117: Incidence of skills gaps in the area by occupational major group
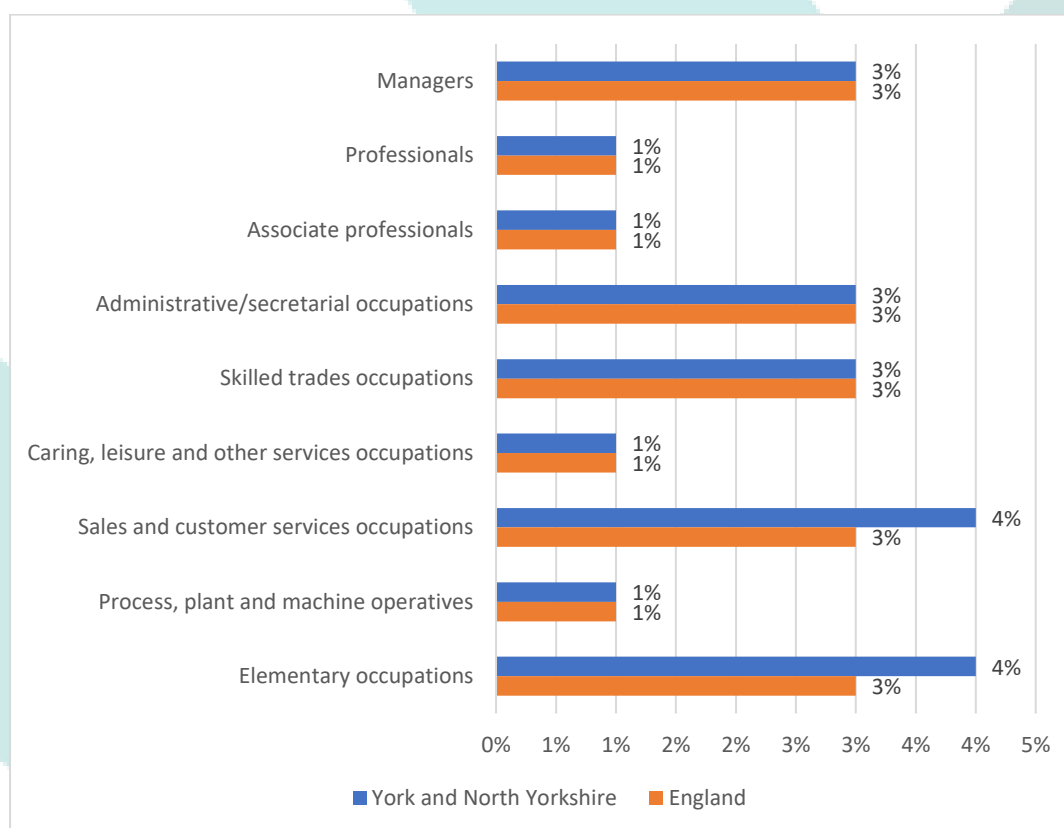
Source: Employer Skills Survey, 2022
Base: All Establishments

Of employers that identified skills gap, 50% cited a skills gap in operational skills

Half (50%) of employers identified that there is a skills gap in operational skills, followed by 44% in complex analytical skills.

41% identified that there is a skills gap in digital skills. Importantly, this shows a greater need compared to the national average of 31%. This is reflected in the greater need in YNY for advanced or specialist IT skills (25%) compared to England (16%).

In occupations with skills gaps, specialist skills or knowledge is the most prevalent in both YNY (52%) and England (54%), followed by solving complex problems (39% and 40% nationally) and knowledge of products or services offered (41% and 39% nationally).

Figure 118: Technical / practical skills that need improving in occupations with skills gaps

Soft and people skills show as stronger in YNY compared to English averages

While soft/people skills are stronger in YNY compared to English averages, nearly half (48%) of employers still identify that self-management skills need improving. 43% cited that there needed improvement in the ability of employees to manage their own time and prioritise their own tasks.

Management and leadership skills were also identified as needing improvement (33%) and 30% identified sales and customer skills as needing improvement.

Figure 119: Soft / people skills that need improving in occupations with skills gaps
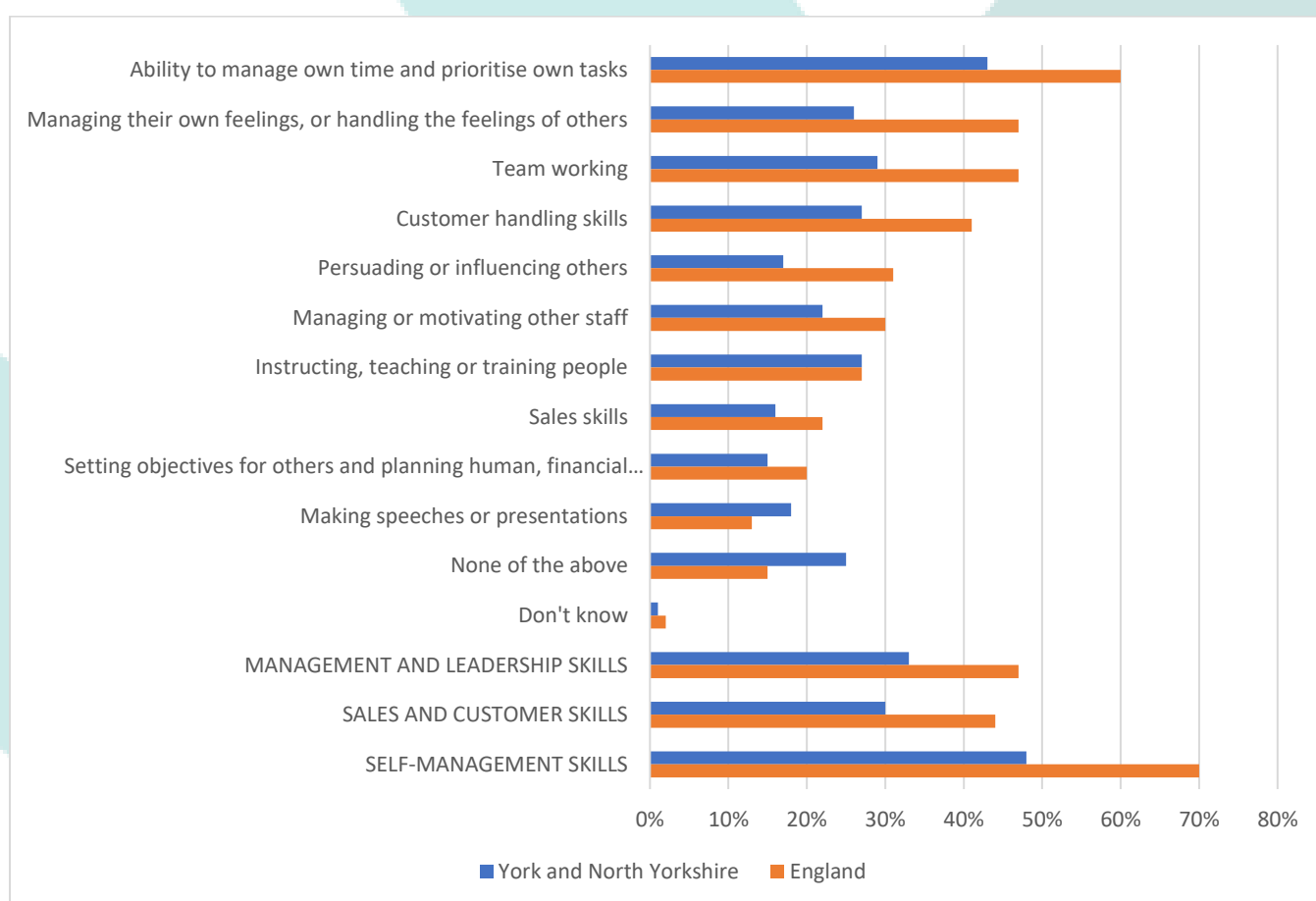
Source: Employer Skills Survey, 2022
Base: All those with identified skills gaps who followed up

In Yorkshire and the Humber, business services and manufacturing stand out as the sectors with the largest absolute numbers of employees who are not fully proficient in their roles, with 40,123 employees in business services and 33,628 in manufacturing identified as having skills gaps.

However, when looking at skills gap density, public administration leads with the highest skills gap density at 15%, followed by manufacturing at 13% and business services at 10%. This means that, relative to their total workforce, these sectors have a higher concentration of employees who require upskilling.

Manufacturing and business services warrant particular attention due to both the high number of employees needing upskilling and the significant density of skill shortages within the sector

The high density in public administration may point to the need for ongoing training to keep pace with changing regulations, processes, and public expectations. In manufacturing, both the high absolute number and high density of skills gaps highlight a pressing need for investment in workforce development, especially as the sector adapts to new technologies and production methods. Business services, while having the largest number of employees with skills gaps,

also faces a notable density rate, indicating that upskilling is a widespread issue rather than isolated to a few roles.

Figure 120: Number of skills gap and skills gap density (proportion of employees judged not fully proficient), per SOC codes in Yorkshire and the Humber
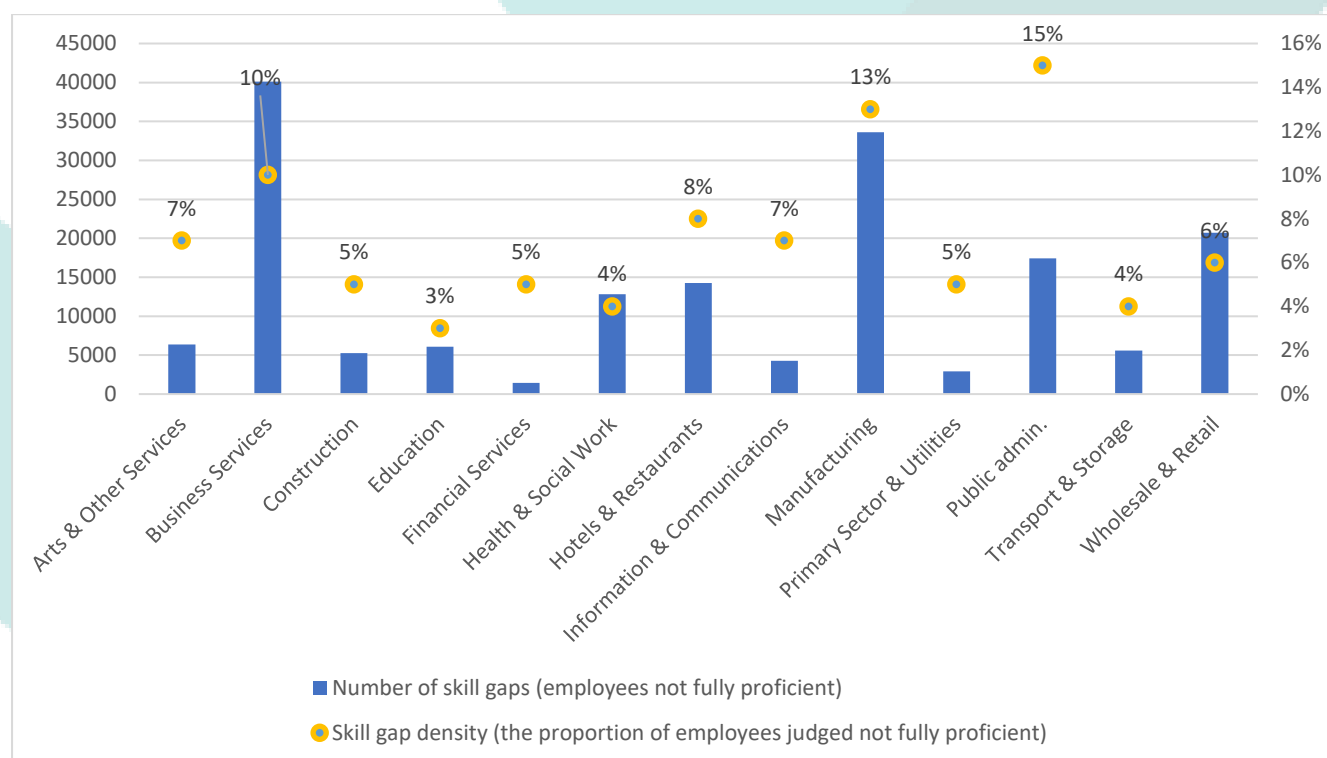
Source: Employer Skills Survey, 2022

Skills underutilisation

Skills mismatches are not solely the result of skills shortages; it is equally important to consider the extent and impact of skills underutilisation. When workers' abilities and qualifications are not fully used, it signals a misallocation of resources. Failing to make the most of employees' skills can lead to decreased motivation among workers.

2 in 5 (39%) of employers underutilise their staff

A higher proportion of employers in YNY underutilise their staff compared to national levels (35%). Nearly 2 in 5 (39%) in YNY report that they have workers whose skills or qualifications are in advance of what is required for the job.

Figure 121: Proportion of employers with underutilised staff
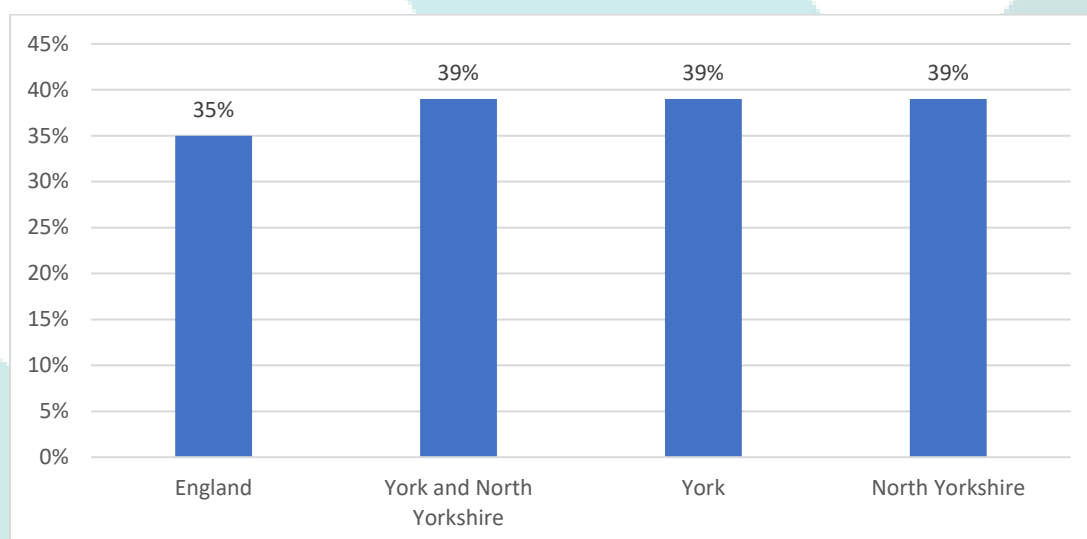
Source: Employer Skills Survey 2022
Base: All establishments

Structural unemployment

Of those who are economically inactive, the qualification profile is highly polarised: 29% have no qualifications at all, while another 29% hold a level 4 qualification or above. This makes it clear that the economically inactive population is not homogenous in terms of qualification levels but split between those with low and high qualifications.

Addressing economic inactivity requires a dual approach-supporting those with no qualifications to gain basic skills and access entry-level jobs, while also tackling the barriers faced by highly qualified individuals

The fact that nearly a third of the economically inactive have a level 4+ qualification may indicate a mismatch between the availability of jobs requiring higher-level skills and the supply of qualified individuals. This aligns with previous findings showing that 39% of employers in YNY underutilise their employees' skills.

Alternatively, the high proportion of highly qualified economically inactive individuals could reflect other barriers to employment, such as caring responsibilities, health issues, or work-limiting disabilities.

Figure 122: % of those economically inactive (excluding full-time students) and their qualification level (n=246,579) in YNY, 2021
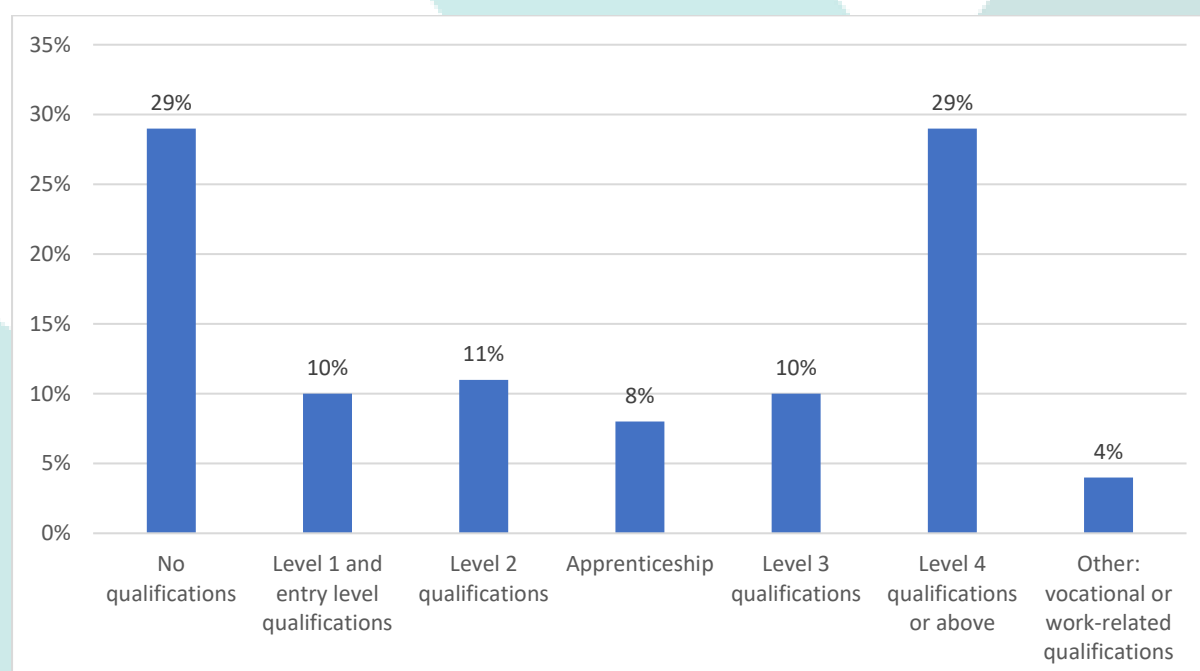
Source: ONS

Among those with no qualifications in YNY, the highest proportion is found in the 65 and over age group, where 31% have no qualifications. This decreases to 12% among those aged 50 to 64, 7% for the 35 to 49 age group, and further drops to 6% among those aged 25 to 34.

Figure 123: No qualifications in YNY, 2021
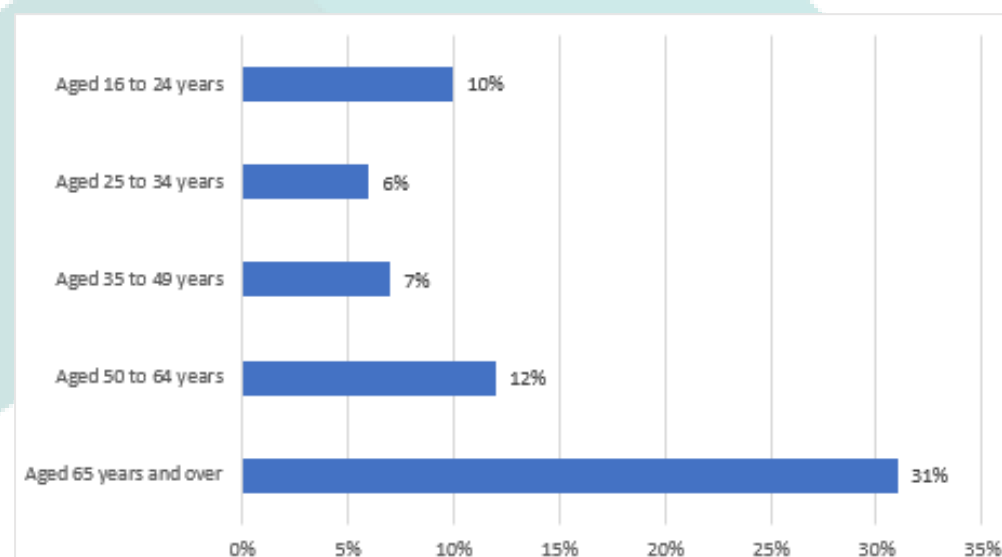
Source: ONS

Among those with a level 4 qualification or above, the highest proportions are seen in the 35 to 49 age group (48%) and the 25 to 34 age group (46%), showing a reverse trend compared to those with no qualifications.

This likely reflects an expansion in access to HE in the UK. As a result, those aged 25-49 have benefited most from this expansion. It may also reflect the changing demands of the labour market which increasingly requires formal high-level qualifications.

Figure 124: Level 4 qualifications or above in YNY, 2021
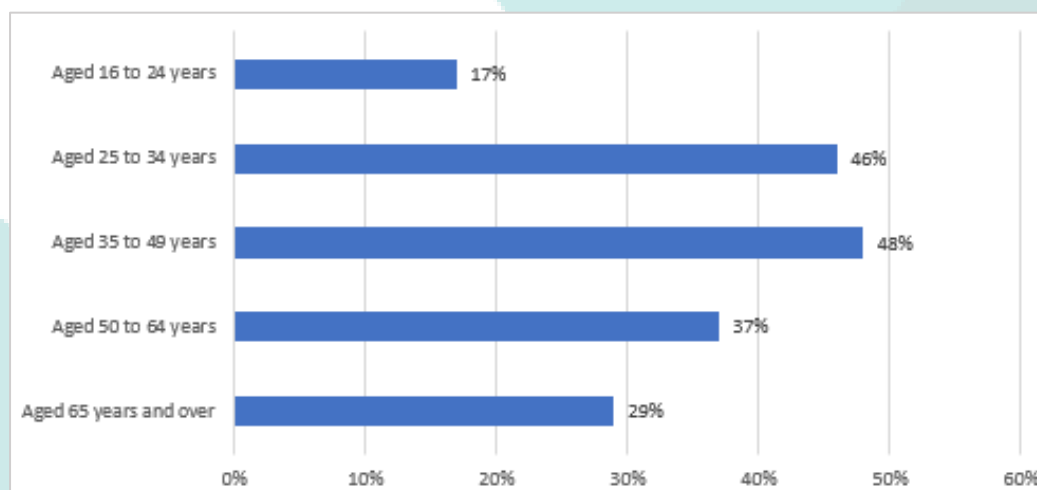
Source: ONS

Demand and supply for high skilled workers

When examining trends in the number of highly skilled people in YNY, we see that, despite a slight decline from 54% in 2021 to 52% in 2022, the proportion has since risen steadily to 53.4% in 2024. The percentage of individuals with a qualification at RFQ4+ has also increased, rising from 50% in 2022 to 53.4% in 2024.

However, this data reveals a small gap between the number of people employed in high-skilled positions and those holding RFQ4+ qualifications. If the upward trend in high-skilled employment continues, it will be important to ensure a corresponding increase in the number of people attaining RFQ4+ qualifications and expanding opportunities for upskilling within the workforce.

Figure 125: Trends in numbers of high skilled people and the level of high skilled employment, YNY
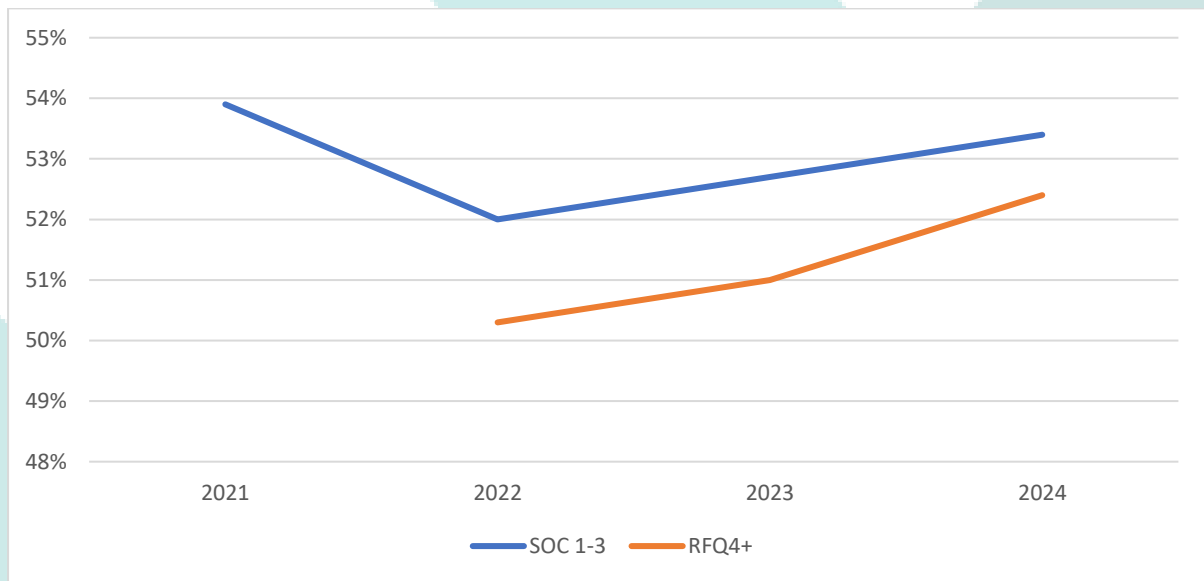
Source: Annual Population Survey

Conclusion

YNY's productivity, while good relative to other combined authorities, still falls behind the national average. Business growth is low, further entrenched by the movement of people from self-employment into traditional employment. This shift may indicate a decline in entrepreneurial activity, which could limit innovation and long-term economic dynamism. Slow business growth rates may impact employment rates across YNY. While they are generally high, the rate of employment growth since 2019 has been slower than the national average.

Median pay in the region remains low, with a relatively high percentage of people living below the real living wage. There is also a notably high gender pay gap for part-time workers and workers in York, highlighting persistent inequalities in the local labour market.

Despite this slower growth, job density age population-has rebounded following the COVID-19 pandemic and remains high compared to English averages.

But the workforce in YNY is heavily concentrated in service-related industries, and there is a relatively high concentration in agriculture, which is more than four times the national average. Accommodation and food services also have a notable presence, with employment levels approximately 1.5 times higher than the national average. Since 2019, the largest employment growth has occurred in accommodation and food services, with additional growth seen in public administration and defence, as well as in professional, scientific, and technical activities.

Conversely, technology-related industries and some knowledge-intensive sectors, such as financial services, are underrepresented in the region. This imbalance suggests that while traditional industries are strong, there may be missed opportunities for growth in higher-value, knowledge-based sectors.

Taken together, these factors suggest that while YNY has a strong employment base, there are challenges in terms of productivity, pay, and equality. The high proportion of workers in lower-productivity industries, coupled with subdued business growth and persistent pay gaps, points to underlying structural issues. Addressing these will require focused efforts to raise productivity in lagging industries, support higher wages, and tackle inequalities in the labour market. YNY remains reliant on traditional industries such as agriculture and tourism. While these industries are important strengths, their dominance may limit economic resilience. The relatively low concentration of technology and knowledge-intensive industries points to a need for strategic efforts to broaden the economic base.

YNY has a good proportion of its workforce in high-skilled occupations, with 53% compared to the national average of 54%. However, STEM roles remain under-represented in the region.

The accommodation and food services industry has seen notable growth, with an increase of 9,000 jobs between 2019 and 2023. This growth has occurred alongside an overall increase in total jobs, rising from 451,000 in 2020 to 491,000 in 2023. Both professional, scientific and technical industries, as well as public administration and defence, have each added around 3,000 jobs during this period.

Looking specifically at occupational employment changes from 2021 to 2024, elementary trades and related occupations grew by 7,200 jobs, as did business and public service associate professional roles. Significant growth has been recorded across trades occupations such as textiles, metal, and agricultural trades, while there have been net declines in roles such as science, engineering and technology associate jobs, and health professionals. There has also been a decline in other service-oriented roles, including elementary administration and service positions.

However, trends show that between the period of 2021 to 2024, YNY has experienced a slow increase in highly skilled roles compared to national averages with the greatest increase in the middle skilled roles of skilled trades and administrative and secretarial occupations.

Although YNY has a strong share of high-skilled employment and has experienced job growth in several industries, the under-representation of STEM roles and a concentration of new jobs in lower-skilled occupations highlight ongoing challenges.

Section 3 showed that the proportion of the older population in YNY is higher compared to England as a whole, and the working-age population is predicted to shrink. Additionally, more people commute out of YNY than into the region for work, showing the need to attract new people.

When we look at those aged 50 to 64 in YNY, it is evident that this group is highly skilled (51% vs. 44% nationally). Although employment rates for this age group are comparatively lower than for other age cohorts, longer term trends show that employment among 50 to 64-year-olds has been steadily increasing. Despite this positive trend, early retirement remains significant, with 21% of economically inactive individuals in this group having retired early.

Early retirement among people aged 50 to 64 in YNY could potentially be reduced by providing ongoing upskilling opportunities, particularly for managers, directors, and senior officials, as these roles are often filled by experienced workers. By supporting further skills development, these individuals may be encouraged to remain in the workforce. Additionally, offering more flexible working conditions could help increase employment rates among older workers. It is also important to note that a relatively high percentage of people are economically inactive due to long-term sickness. Addressing both skills development and workplace flexibility, alongside providing support for those with health limitations, could significantly improve employment outcomes for people aged 50 to 64 in YNY.

Providing targeted upskilling and flexible working conditions for older workers, alongside support for those with health limitations, could reduce early retirement and improve employment outcomes for people aged 50 to 64 in YNY.

Conversely, young people aged 16 to 24 in YNY are less likely to hold Level 4 or higher qualifications compared to the national average, and there has been a slight increase in the claimant count for this group. The progression rate gap for pupils eligible for FSMs is also higher in YNY than at the national level. Additionally, those undertaking apprenticeships in YNY tend to be older than the English average, indicating that participation in apprenticeships immediately after school is less common in YNY than in other parts of England. Taken together, these factors highlight a range of barriers that young people in YNY face in accessing and attaining higher-level qualifications.

Young people in YNY face barriers to progressing into higher-level qualifications and apprenticeships, which may limit their future employment prospects and contribute to wider skills gaps in the region.

Of those who are economically inactive in YNY, 29% hold Level 4 or higher qualifications. Initial analysis points to there not being enough Level 4+ and graduate entry jobs available in YNY, resulting in a skills mismatch between the qualifications held and the jobs on offer. This mismatch is reflected in the dominant growth of the accommodation and food services industry, as well as increased entry into trade occupations. While there is some growth in high-skilled jobs, it is not sufficient to absorb the qualified workforce. Indeed, a higher proportion of the workforce is employed in the lowest-paid occupations compared to England overall (20% vs. 16%) and previous trends demonstrate that YNY has experienced a net decline in the proportion of employees working in high skilled occupations compared to national averages.

Employers in YNY report that while managers need to develop new skills to keep pace with changing market demands, the most pronounced skills gaps are found in sales, customer service, and elementary occupations. Skills shortages are particularly acute in skilled trades and professional roles, with 44% of hard-to-fill vacancies attributed to skills shortages. Recruitment and retention difficulties persist across key sectors such as construction, manufacturing, and utilities, and are likely exacerbated by limited availability of higher-level apprenticeships and challenges in graduate retention.

A fundamental issue is the mismatch between the skills of the local workforce and the jobs available. Despite having many highly qualified but economically inactive individuals, there is little appetite to fill roles in sectors with persistent skills gaps, such as sales and trades. This highlights that simply increasing the supply of qualified workers is not enough; jobs must also be made more attractive and better aligned with the aspirations and skills of the local population to effectively address recruitment challenges.

Workforce development also remains a concern: while 56% of employers provide training, 43% report that they are not in a training equilibrium. Additionally, 15% of employees lack essential skills, especially in operational areas, further contributing to recruitment and retention challenges. Conversely, we also see that a high number of employers (39%) underutilise the skills of their employees, which hints that a significant proportion of the workforce are not fully utilising all of their skills and qualifications.

It should also be noted that some of these sectors with higher levels of skill shortage vacancies and hard-to-fill roles have relatively low rates of productivity and could benefit from adopting productivity efficiency practices, which could improve the appeal of these roles, increase median pay, and enhance both recruitment and retention by offering more rewarding and sustainable career pathways.

YNY face a clear skills mismatch, there are many highly skilled people in the region, but not enough high-skilled jobs available for them. Employees are also often underutilised in YNY. We also see that individuals are often unwilling to take up service or labour-intensive roles, which are the very positions facing skills shortages and recruitment difficulties. While most employers in YNY provide some training, a significant proportion still have unmet training needs.

YNY undersupplies advanced and higher-level apprenticeships, and participation patterns by age differ notably from national trends. In YNY, half of all apprenticeships are concentrated in health, public services, and care, 51% compared to 28% nationally, indicating a lack of diversity in apprenticeship types. Most apprenticeships in the region are clustered at the intermediate level, highlighting the need to expand provision at advanced and higher levels. There is also a need for more targeted recruitment of females into apprenticeships.

Adult learners in YNY have a high rate of sustaining positive destinations compared to the national average, but, like apprenticeships, most qualifications achieved are at Levels 1 and 2. This suggests that while adult learners are progressing, the region is not producing enough higher-level skills through either apprenticeships or further education.

The current apprenticeship landscape in YNY reveals a narrow sector focus and a predominance of lower-level qualifications, which limits the region's ability to meet the needs of a modern, high-skill economy. Expanding advanced and higher-level apprenticeship opportunities, diversifying sector offerings, and increasing participation among underrepresented groups-particularly females-are essential steps.

A review of HE in YNY shows that business, management, and social services produce the highest number of qualifications. However, this occurs against a backdrop of declining graduate-level employment in the region. A report conducted by JISC for North Yorkshire Council showed that there is a shortage of business graduates working in North Yorkshire. This issue is particularly relevant to sectors such as financial and insurance activities, which, despite high productivity rates per worker, have a lower presence in the region. Similarly, office administration and business support roles also have a relatively low concentration locally. These patterns suggest that greater efforts are needed to retain business graduates and to create more opportunities for them within YNY.

According to data from the Unit for Future Skills, business, media, and public service professionals represent a significant area of workforce demand in YNY, with a projected need for 23,000 additional workers between 2020 and 2035. This group is the second largest occupational sub-major group in the region, employing around 34,100 people, and has grown by approximately 7,200 since the COVID-19 pandemic. Despite this growth, business services continue to experience the highest number of skills shortage vacancies in YNY, highlighting the need to more effectively attract and retain business and management graduates.

The health sector also faces significant replacement needs, with a requirement for 25,000 workers in caring personal service occupations between 2020-2035. As discussed previously, there is also a need to increase productivity in this sector. Administrative roles similarly show high replacement demand.

YNY's HE system produces a strong flow of graduates, but the region struggles to retain these individuals and to offer sufficient graduate-level opportunities, particularly in high-value sectors. Persistent skills shortages in business services and high replacement needs in health and administration point to a mismatch between local qualifications and available jobs. Addressing these gaps requires coordinated efforts to create attractive graduate roles, improve career pathways, and expand training to develop and retain local talent for regional growth.