Future skills needs in the York, North Yorkshire and East Riding Local Enterprise Partnership Area

Skills Needs in the Priority Sectors, looking to 2023

VCSE Sector

Beyond 2030 has produced this Report on behalf of Calderdale College and as part of the College's delivery of the 2017-18 ESF funded Skills Support for the Workforce programme across the York, North Yorkshire and East Riding Local Enterprise Partnership Area.

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1 Introduction to the LEP and the research

The York North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP) has commissioned a series of research reports which will allow key decision makers to more fully understand the future skills needs of the eight identified priority sectors in the medium term. These sectors are:

- Visitor Economy.
- Food manufacture.
- Voluntary, Community and Social Enterprise (VCSE).
- Health and Social Care.
- Construction.
- Engineering.
- Agritech.
- Bio renewables.

As the economic and political situation changes, it is nearly universally acknowledged that improved skills and the link to enhanced productivity is a key way by which to improve economic well-being. Consequently, LEPs across England are looking at how best to support sectors with the potential to grow and generate wealth and prosperity.

In this research series, we will seek to fully understand the future skills needs required to ensure that within the YNYER LEP area, priority sectors can recruit and develop world class employees who have the skills to deliver exceptional service now, but also that they are equipped with the relevant skills to ensure a highly productive and world class sector throughout their working lives. In short, our research question can be regarded as:

> *Q. What skills are needed in the YNYER LEP to deliver world class performance in the identified 8 Priority sectors using 2023 as the horizon? What are the key messages for policy makers and those working in skills development?*

As well as wanting to more fully understand the characteristics and future needs of the eight sectors, the LEP wants to drill down to develop an understanding of the most significant sub sectors in each of the eight priority areas.

Consequently, in this series of reports there will be insight offered into the broad sector, but there will then be a more detailed series of reports which focus on sub sectors by geography.

Using standard EU metrics, the YNYER LEP has been classified into two constituent parts.

- ***Transition Area*** (TA) where GDP per capita is between 75% and 90% of the EU average – i.e. East Riding.
- ***More Developed Area*** (MDA) where GDP per capita is above 90% of the EU average – i.e. York and North Yorkshire.

In pieces of work such as this there are routinely suggestions that important nuances are missed because researchers ignore the smaller areas because they become intoxicated by the larger values and sample sizes of urban areas.

Consequently, what follows are studies of those subsectors in the MDA and the TA for each of the priority areas. There will be three subsectors studied in the MDA, with two standalone studies in the TA. These standalone reports let us test the big data against the local picture.

Following the detailed sub sector reports we present a thematic study which brings together all of the major issues identified in our secondary and primary research.

Our research draws on robust data analysis, primary research with stakeholders, employers and employees as well as many years of experience working in skills research and policy development. In this way, what follows now is a mixture of top down analysis combined with bottom up insight. In this way, we expect to deliver reports which serve as both a comprehensive and robust basis for action and investment.

1.1 Explanation of the LEP

YNYER LEP is the largest LEP in England by land area (10,718sq. km) but has a lower population density than most (106 people per sq. km) (Burge, 2016). It has a resident population of 1.14 million (ONS, 2017).

597,500 individuals are considered to be economically active in the LEP (2016). The employment rate of 79.9% is greater than GB average of 74%, while unemployment stands at 3% compared to 4.8% GB average (ONS, 2017).

Across the LEP there are nearly 61,000 businesses - the majority (85%) are micro, employing less than 10 individuals. A further 13% employ between 10 and 49. To be clear, this means that 98% of businesses in the LEP area employ less than 50 people.

Key employment sectors in the area include: wholesale and retail, employing 15.9% of the workforce, Health and social work (13.7%), manufacturing (10.8%) and accommodation and food service activities (10.1%).

The LEP faces a number of challenges:

- Average weekly earnings for full time workers in the LEP are less the English average - £481.30 v £544.20.
- Productivity in the LEP is 18% lower than English average (GVA per head £21,486 v £26,159) and is ranked 23rd out of the 39 LEPs (ONS, 2017).
- 31% of all vacancies in the LEP are hard-to-fill and of these 68% of considered to be skills shortage vacancies (UKCES, 2014).

Other key points include:

- The population of the LEP is forecast to grow by 7.7% between 2014 and 2039 (ONS, 2017) – lower than the English rate of 16.5%.
- In 2014, 22% of the population was 65+. This is anticipated to increase to 31% in 2039, which is much greater than the England average where only 24% of the population is expected to be 65+ in 2039 (ONS, 2017). Additionally, by 2039, it is expected that those aged 25 to 49 will equate to 26%, while across England this age group will account for 31%.

1.1.1 More Developed and Transitional Areas

The EU's Cohesion policy aims to reduce economic and social disparities at regional level across the EU. Consequently, the European Commission has three categories of regional funding:

- ***Less Developed regions***, whose GDP per capita is below 75% of the EU average.
- ***Transition regions***, whose GDP per capita is between 75% and 90% of the EU average.
- ***More Developed regions***, whose GDP per capita is above 90% of the EU average.

Within the YNYER LEP, York and North Yorkshire at nearly 98% GDP per capita is considered a More Developed Area (MDA), while East Riding at 83% is considered a Transition Area (TA) (Eurostat, 2016).

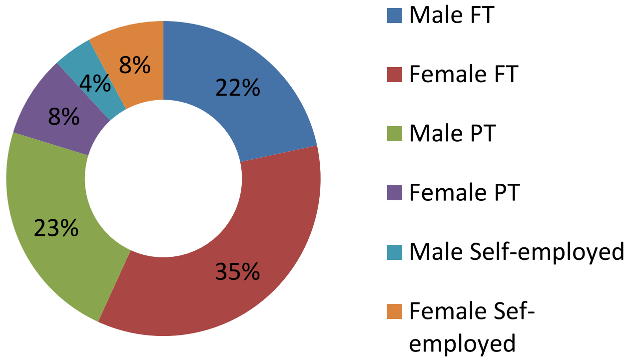
1.2 Future workforce projection

Working Futures is a model of the UK labour market, which seeks to assess future prospects for employment and address the question of where will jobs come from in the future. Whilst the data is not available at a LEP level the regional data for Yorkshire and Humber provides a useful indication of the employment projections.

1.2.1 Regional Growth

Employment in the Yorkshire and Humber region is expected to grow at 3.9% between 2014 and 2024 – or by 99,000. This is less than the whole economy where growth of 5.5% is anticipated (UKCES, 2016).

Figure 1 Employment by gender and status, Yorkshire & Humber, 2024



With an anticipated workforce of nearly 2.64 million in 2024, nearly half (31%) of the workers will be part-time.

57% will be full-time and 12% self-employed (Figure 1).

This is very similar to proportions seen in 2014.

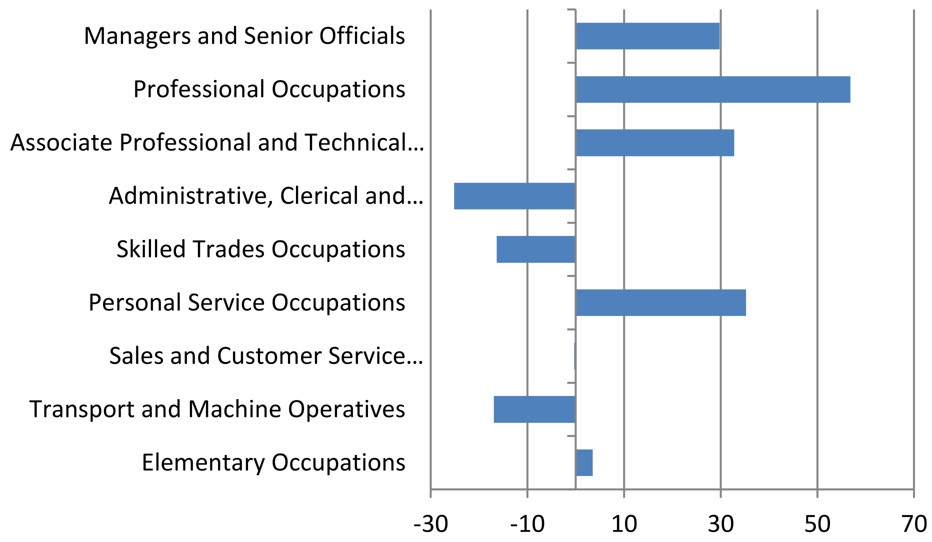
Source: UKCES Working Futures VI

Employment projections by occupation for the region are shown below. This is clearly useful for people making careers decisions.

We expect to see large employment growth for higher level occupations, including managers, professional occupations and associate professionals and technical roles, as well as personal service occupations (Figure 2).

But net job losses are projected for administrative and secretarial roles, skilled trades and elementary roles.

Figure 2 Occupation change, 2014 -2024 (000s) Yorkshire & Humber



Source: UKCES Working Futures VI

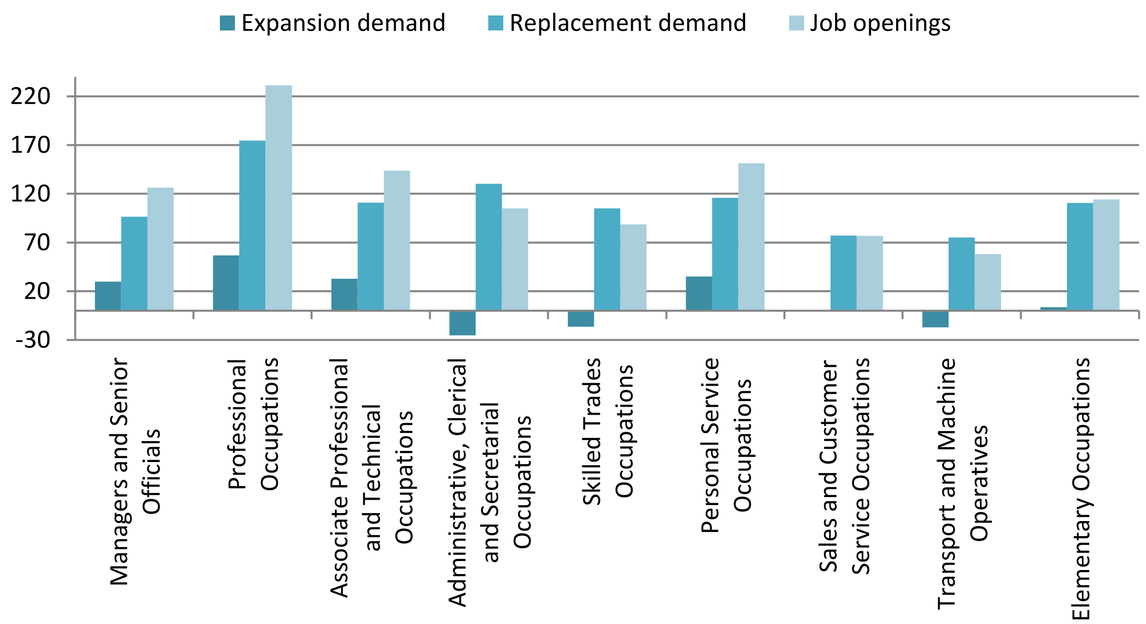
1.2.2 Replacement need and total demand

The above occupational change data is a useful indicator of changing patterns of demand for skills. However, it also important to consider the replacement demands – the job openings created by the outflow of workers from the labour market.

Workers leave the labour market for a variety of permanent and temporary reasons, including retirement, family reasons (i.e. maternity/paternity leave) etc. These outflows have a significant influence on job opportunities across the labour market. Over the next decade, replacement demands are expected to generate nearly ten times as many job openings in Yorkshire and Humber compared to net job growth. Overall the Yorkshire and Humber region is expected to have nearly 1.1million job openings between 2014 and 2024: 99,000 growth and 996,000 replacement demand. A fifth of all job openings will be within professional occupations (Figure 3).

Occupations where employment is growing will need additional workers on top of those being replaced. Occupational groups forecasting to see a net decline will still have job openings that need to be filled due to the replacement demand. Individuals need to consider this when making career choices but also employers need to be conscious of the need to replace key workers.

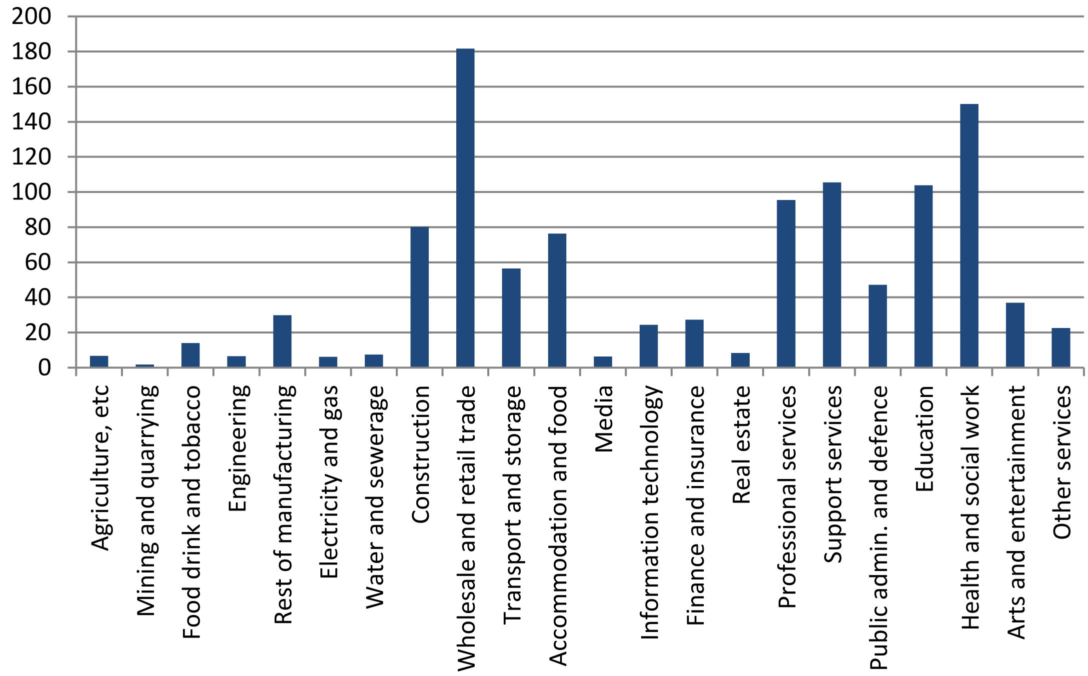
Figure 3 Job openings in by occupation 2014 - 2024 (000s), Yorkshire and Humber



Source: UKCES Working Futures VI

Nearly 182,000 (17%) of the anticipated job openings across Yorkshire & Humber will be within wholesale and retail and a further 150,000 in health and social work (Figure 4). These are the sectors with the highest proportion of individuals in the region.

Figure 4 Job openings in Yorkshire & Humber by sector, 2014 - 2024 (000s)



Source: UKCES Working Futures VI

1.2.3 Qualifications

The latest Working Future projections also consider the qualification levels of the workforce. It shows that there will be a shift towards more people holding higher qualifications.

By 2024, 47% of people employed in the Yorkshire and Humber region are expected to be qualified at level 4 and above, whilst the proportion of people with no formal qualifications is expected to fall to 2.6%, noticeably lower than the 2014 level of 6.0%.

Table 1 Change in qualification profile, Yorkshire and Humber

	No qualifications and level 1	Level 2	Level 3	Level 4 – 6	Level 7 – 8
Qualification example	GSCE (grades D – G) BTEC level 1	GCSE (grades A* - C) NVQ Level 2	AS & A level BTEC National	Certificate of higher education (L4) Foundation degree (L5) Bachelor's degree (L6)	Master's degree (L7) Doctorate (L8)
2014 level **2024 level**	565,300 338,000	564,600 542,300	549,200 514,800	674,400 985,600	183,000 255,200
2014 – 2024 % change	-40%	-4%	-6%	46%	39%
2014 % share	22%	22%	22%	27%	7%
2024 % share	13%	21%	20%	37%	10%

Source: UKCES Working Futures VI

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In-depth analysis of the skills needs and challenges facing the identified Priority Sectors and their main subsectors in both the MDA and TA

The section which follows provides an overview of each priority sector at national and LEP level.

2 Voluntary, Community and Social Enterprise (VCSE)

The voluntary, community and social enterprise sector (VCSE), is sometimes referred to as 'the Third Sector', 'Social Purpose Sector' or 'Civil Society'. The organisations which make up the sector vary enormously in size, from small local groups run exclusively by volunteers to larger national charities that have branches in several locations.

Voluntary and/or Community Organisations

There is no universally accepted definition of a voluntary or community organisation, but we can generally say that they are:

- Independent of government and constitutionally self-governing, usually with an unpaid voluntary management committee.
- Value-driven - they exist for the good of the community, to promote social, environmental or cultural objectives in order to benefit society as a whole, or particularly groups within it.
- Not run for financial gain - they reinvest any surplus generated for the good of their constituency.

This sector traditionally consists of groups that meet one or more of the following (Somerset County Council, 2017):

- Are charities – either through registration with the Charity Commission or as self-defined charities due to their annual income being below the £5,000 threshold.
- Are non-profit-making, including not-for-profit community enterprises.
- Are sports clubs, excluding professional clubs.
- Are informal and unregistered groups consisting of volunteers acting collectively to provide a service to their local community or a specific group in need.

Social Enterprises

Social enterprise is not a legal term, rather an approach (Social Enterprise UK, 2012). The phrase is used to describe businesses that exist for a social purpose.

Social Enterprises are businesses that trade to tackle social problems, improving communities, people's life chances or the environment (Villeneuve-Smith & Temple, 2017). They make their money from selling goods and services on the open market, but they reinvest their profits back into the business or the local community.

Social enterprises come in all sizes, from small community cafes to big international organisations. The legal status of social enterprises is very diverse. They may be registered with the Charity Commission, and may include trusts and foundations, community interest companies, mutual and co-operatives.

Organisational structures could include (Cabinet Office, 2016):

- Company Limited by Guarantee (CGL).
- Community Interest Company (CIC).
- Company Limited by Shares (CLS).
- Industrial and Provident Society (IPS).
- Limited Company (Ltd).
- PLC.
- Sole proprietorship.
- Partnership.

Some organisations can be classified as in more than one category - for example CICs can be CLGs and CLS, while an IPS can also be a Limited Company.

But the general characteristics of a social enterprise are that it should (Social Enterprise UK, 2012):

- Have a clear social and/or environmental mission set out in their governing documents.
- Generate the majority of their income through trade.
- Reinvest the majority of their profits.
- Be autonomous of the state.
- Be majority controlled in the interests of the social mission.
- Be accountable and transparent.

The Cabinet Office uses the following criteria for an employer to be classified as a social enterprise (Cabinet Office, 2016):

- The enterprise must consider itself to be a social enterprise.
- It must not pay more than 50% of profit or surplus to owners or shareholders.
- It must not generate more than 50% of income from grants and donations (or, equivalently, it should generate at least 50% of income from trading).
- It should think itself either ‘a very good fit’ or ‘a good fit’ with the following statement: ‘A business with primarily social/environmental objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners’.

1.1 National Picture

VCSE organisations operate across a diverse and wide-ranging set of areas, including humanitarian work, safeguarding work, health and social care, community leisure and recreation activities, environmental work, arts and culture, sport, education, campaigning and advocacy and support groups. Staffing and funding of organisations can also vary greatly.

1.1.1 Organisations

According to the National Council of Voluntary Organisations (NCVO) Almanac 2017, there are approximately 166,000 voluntary organisations (NCVO, 2017).

We can see that nearly half (48%) of organisations are micro (have an income of less than £10k) and a further 34% are small (have an income between £10k and £100k).

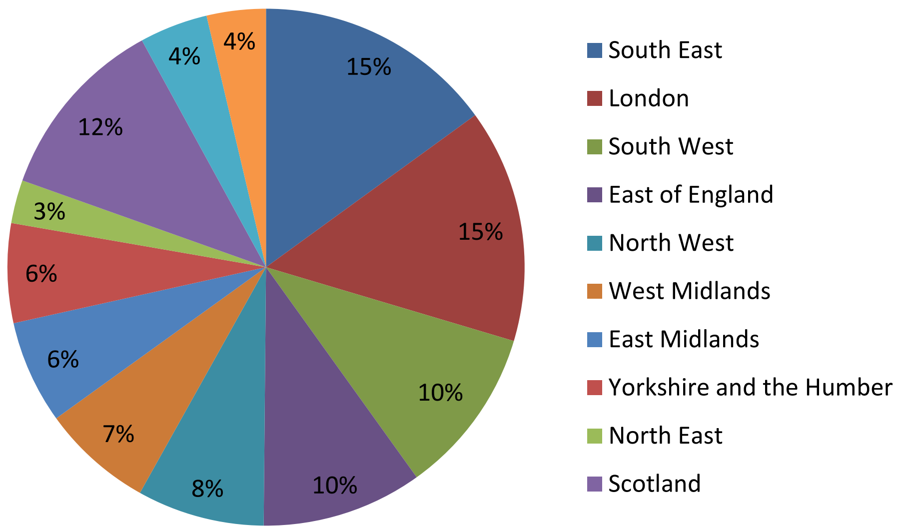
Table 2 Number of UK voluntary organisations, 2014/15

	Micro	Small	Medium	Large	Major	Super-major	Total
Definition based on income	*<£10k*	*£10k - £100k*	*£100k - £1m*	*£1m - £10m*	*£10m+*	*£100m+*	
England	63,962	46,385	18,477	3,981	534	41	133,380
Wales	3,841	2,289	773	160	17	0	7,080
Scotland	9,996	6,041	2,597	518	62	1	19,215
Northern Ireland	2,028	2,150	1,593	350	5	0	6,126
United Kingdom	79,827	56,865	23,440	5,009	618	42	165,801
	48%	34%	14%	3%	<1%	<1%	

Source (NCVO, 2017)

The South East and London have the greatest proportion of voluntary organisations, with 15% located in both areas (Figure 5). Scotland is home to 12% of voluntary organisations, with Yorkshire and Humber having a relatively small proportion of only 6%.

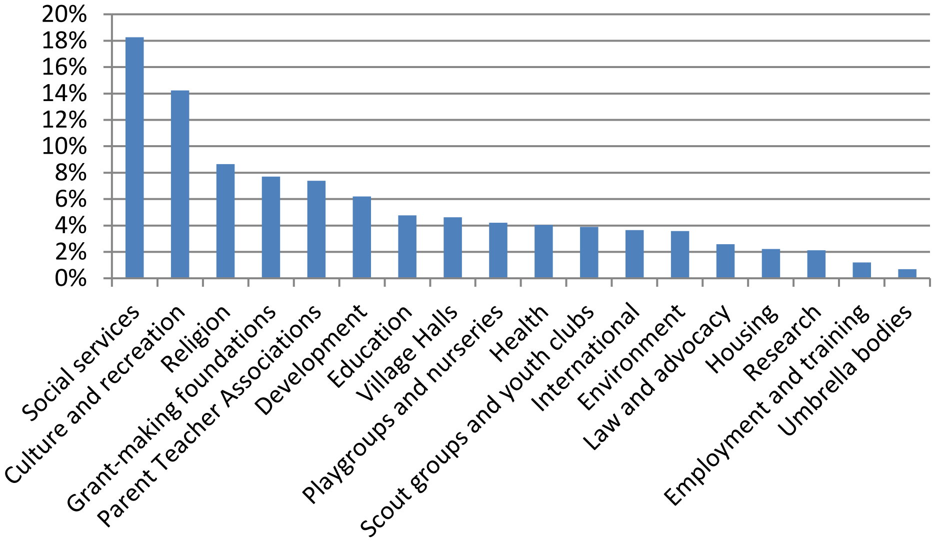
Figure 5 Distribution of voluntary organisations, 2014/15



Source (NCVO, 2017)

Figure 6 demonstrates the wide range of activities that voluntary organisations are involved. 18% work within social service activities, 14% in cultural and recreation, going down to 1% operating in employment and training.

Figure 6 Voluntary organisation by activity, 2014/15



Source (NCVO, 2017)

1.1.2 Economy

The voluntary sector's economy is dominated by larger charities (NCVO, 2017).

Voluntary organisations with an annual income of £1m or more account for 80% of the sectors total income yet make up only 3% of the total number of organisations. Conversely, organisations with an income of £100,000 or less make up 82% of the sector in terms of numbers, but account for less than 5% of total income (NCVO, 2017).

Many of the largest charities, by income, are organisations that work nationally or internationally. For example: Save the Children International, Cancer Research UK, National Trust, Oxfam, The Save the Children Fund, Wellcome Trust, Barnardo's, British Heart Foundation, The British Red Cross Society and Maria Stopes International.

1.1.3 Paid workforce

In 2016, it was estimated that 853,000 individuals were employed in the UK voluntary sector (NCVO, 2017). The number has increased by 27,000 since the previous year. Overall the sector workforce has increased by over 230,000 (27%) since 2004.

1.1.3.1 *The jobs people do*

Jobs in the VCSE sector tend to be concentrated towards the higher end of the occupational scale. One in seven (13%) work in a managerial and senior official positions and a fifth (20%) are professional occupations. This is similar to all economy figures.

Table 3 Employment by occupation

	VCSE	All economy
Managers, Directors And Senior Officials	13%	11%
Professional Occupations	20%	20%
Associate Professional And Technical Occupations	19%	14%
Administrative And Secretarial Occupations	14%	10%
Skilled Trades Occupations	4%	11%
Caring, Leisure And Other Service Occupations	19%	9%
Sales And Customer Service Occupations	3%	8%
Process, Plant And Machine Operatives	1%	6%
Elementary Occupations	4%	11%

Source (Office for National Statistics, et al., 2016)

The most common job roles in VCSE sector are show below.

Table 4 Top 15 occupations in the VCSE sector

Rank	Occupation	Number employed
1	Care workers and home carers	78,600
2	Other administrative occupations n.e.c.*	40,800
3	Welfare and housing associate professionals n.e.c.	31,900
4	Functional managers and directors n.e.c.	29,900
5	Clergy	25,100
6	Nursery nurses and assistants	19,500
7	Youth and community workers	19,400
8	Marketing associate professionals	19,300
9	Teaching and other educational professionals n.e.c.	18,300
10	Secondary education teaching professionals	16,600
11	Officers of non-governmental organisations	15,600
12	Office Managers	14,800
13	Cleaners and domestics	14,000
14	Managers and directors in retail and wholesale	14,000
15	Gardeners and landscape gardeners	13,500

Source Labour Force Survey, April-June 2016 *not elsewhere classified

1.1.3.2 Workforce characteristics

Women make up about two thirds (64%) of the voluntary sector workforce, which is greater than all sectors in which 47% of the workforce are female (Office for National Statistics, et al., 2016).

There are some variations of gender split across the occupational groups (Table 5).

Table 5 Gender profile by broad occupational group

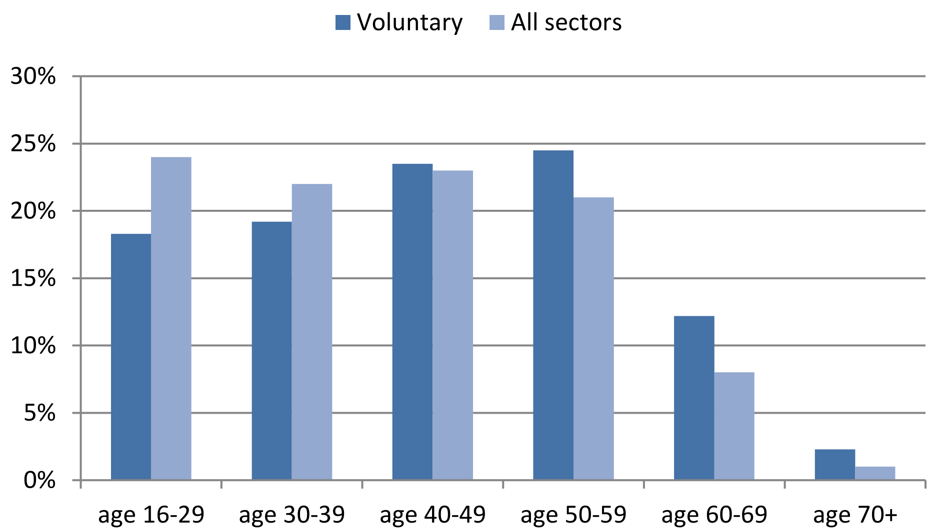
	VCSE		Whole economy	
	% Male	% Female	% Male	% Female
Managers, Directors and Senior Officials	40%	60%	65%	35%
Professional Occupations	43%	57%	51%	49%
Associate Professional and Technical Occupations	38%	62%	56%	44%
Administrative and Secretarial Occupations	16%	84%	24%	76%
Skilled Trades Occupations	70%	30%	90%	10%
Caring, Leisure and Other Service Occupations	24%	76%	17%	83%
Sales and Customer Service Occupations	32%	68%	38%	62%
Process, Plant and Machine Operatives	94%	6%	88%	12%
Elementary Occupations	39%	61%	54%	46%
All	36%	64%	53%	47%

Source: Office for National Statistics, et al., 2016 * sample too small

90% of the sector workforce are on permanent contracts, which is slightly lower than all sector data of 94% (NCVO, 2017).

The sector workforce is slightly older than all sector workers, with 39% aged 50 or over, compared to 30% across all sectors (Figure 7).

Figure 7 Age of workforce in voluntary (2016)



Source Labour Force Survey & (NCVO, 2017)

The voluntary sector employs fewer individuals born outside of the UK than all sectors. 17% of the all sector workforce were born outside of the UK, but in the voluntary sector only 13% were (Office for National Statistics, et al., 2016).

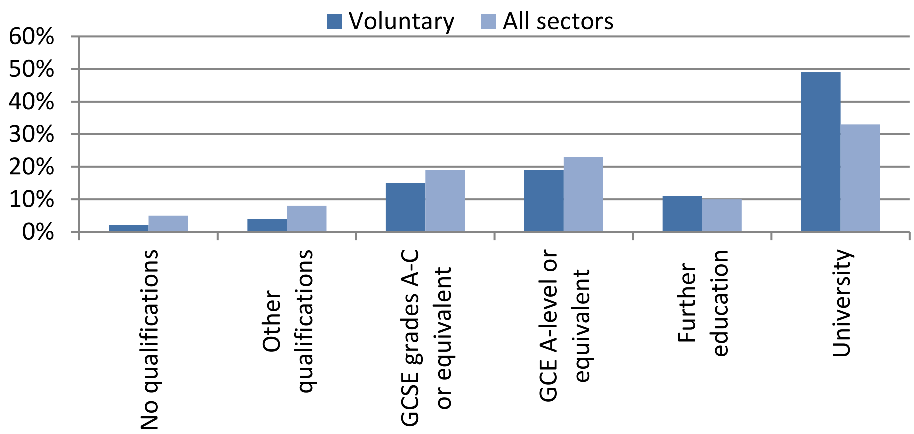
Of those born overseas, 64,500 (58%) work within health and social work sector and 10,900 (10%) work in educational sector.

1.1.4 Skills

To assess the nature and scale of skills issues within a sector, we must consider the distribution of skills and skill levels of its workforce. While there is no perfect indicator for skills or skills levels, qualifications are generally used as a proxy.

The sector has a higher skills profile in terms of qualifications compared to all sectors (Figure 8). Nearly half (49%) of the sector workforce holds a degree or above level qualification, compared to 33% across all sectors. While only 2% of the sector have no qualifications.

Figure 8 Qualification profile of workforce



Source Labour Force Survey & (NCVO, 2017)

1.1.5 Volunteers

But it is not just the paid employed workforce that is key to this particular sector functioning. Many of the organisations rely on volunteers to operate.

Volunteering may be formal or informal:

- Formal volunteering means giving unpaid help through a group, club or organisation.
- Informal means giving unpaid help to individual people who are not relatives, and not through a group, club or organisation.

In addition, volunteers may be classified as regular - where people volunteer at least once a month over the course of a given year - or irregular, where people have volunteered at least once over the course of a year.

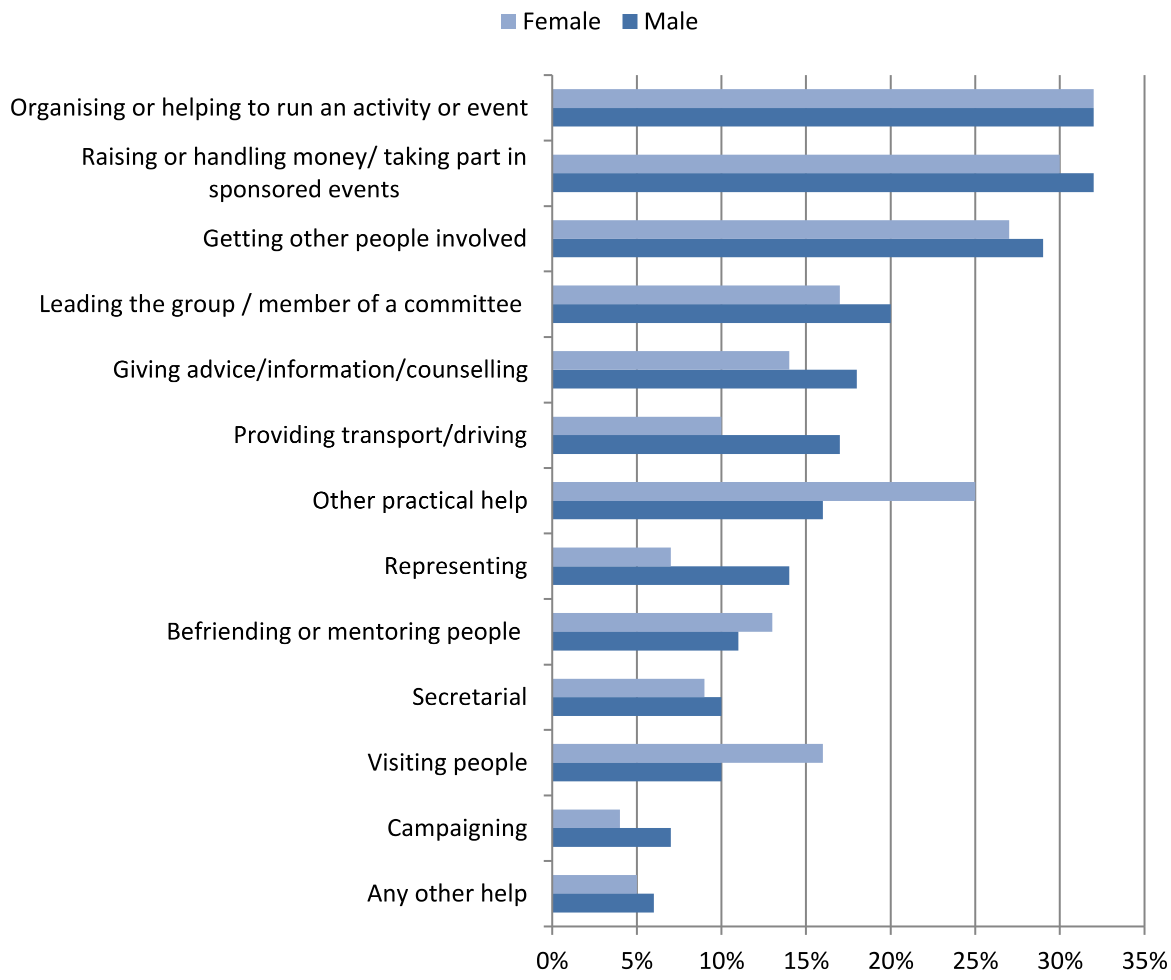
1.1.5.1 *Formal volunteers*

It is estimated that 21.9 million people (41%) across the UK volunteer at least once in the last year and 14.2 million people (27%) volunteered formally at least once a month in 2015/16 (Cabinet Office, 2016).

There is no difference in the rate of regular formal volunteering between men and women. However there does appear to be gender differences in terms of the types of activities undertaken (Figure 9).

The largest difference was seen in providing transport and representing – where more men than women reported doing these activities with practical help including visiting people in their homes was something where women were dominant.

Figure 9 Formal volunteer activities by gender

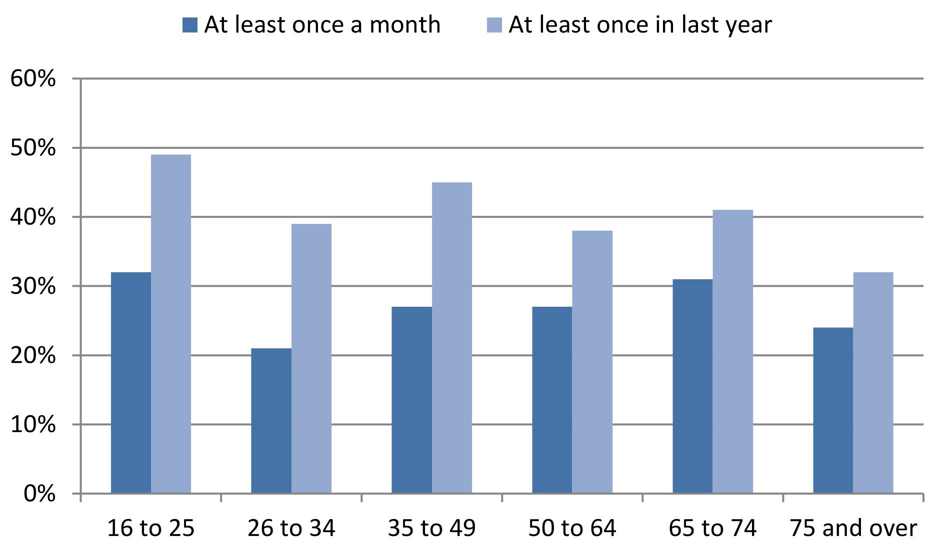


Source (Cabinet Office, 2016)

When looking at the age groups, there are noticeable differences in terms of volunteering rates (Figure 10).

- 16 to 25-year olds, and those aged between 35 and 49 were most likely to report having formally volunteered once in the previous year, with 49% and 45% respectively reporting this.
- Those 75 and over were least likely to report undertaking volunteering.
- The highest rates of monthly volunteering are in 16 to 25-year olds (32%) and 65 to 74 year olds (31%).

Figure 10 Proportion of volunteering by age group, 2015/16



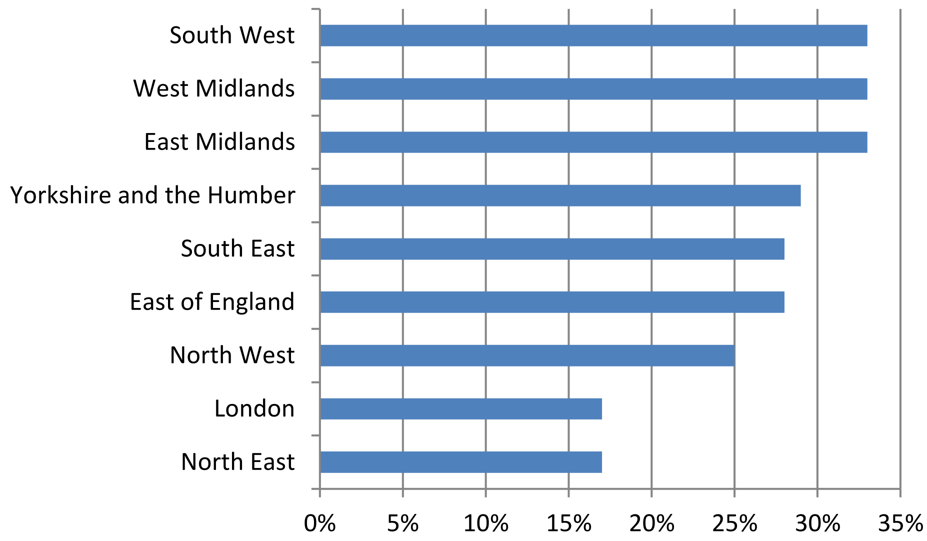
Source (Cabinet Office, 2016)

Rates of volunteering do vary according to where people live.

Volunteering rates are higher in rural areas compared to urban. 33% in rural areas volunteer formally on a monthly basis compared to 26% of those living in urban areas (NCVO, 2017).

In terms of regions, we can see in Figure 11 that the South West, West and East Midlands have the highest rates of formal volunteers, all at 33%. The lowest rates are seen in the North East and London, both at 17%.

Figure 11 Proportion of people formally volunteering at least once a month by region, 2015/16



Source (Cabinet Office, 2016)

1.1.5.2 Informal volunteers

In 2015/16, 60% of adults reported volunteering informally at least once in the last year and 34% have done so at least once a month. This means that around 31.9 million people volunteered informally at least once in the last year and 18.0 million people who volunteered regularly (Cabinet Office, 2016).

1.1.6 Skills needs

Factors that have been reported (Cabinet Office, 2016) as restricting social enterprise business success, are highlighted below.

1.1.6.1 Business capability

When considering a range of business activities, social enterprises reported that they considered their business to be:

- Strong at people management: 82% reported a 'strong' response compared to 4% reporting 'poor'.
- Strong at making decisions on regulation and tax issues (74% strong v 6% poor).

Two thirds believed they were strong at developing and implementing business plans and strategy (66%) and operational improvement, such as adopting industry best practice (65%) (Cabinet Office, 2016). This highlights room for improvement in these areas.

Conversely there were areas in which organisations were more likely to rate themselves as 'poor'. For example:

- 33% reported being poor at accessing external finance (31% reported being strong).
- 21% at entering new markets (32% reported being strong).
- 15% at developing and introducing new products or services (48% reported strong).

1.1.6.2 Obtaining finance

Social enterprises are considerably more likely than average to have difficulties obtaining finance (Cabinet Office, 2016), which relates to the findings above where firms report being poor at accessing external finance.

1.1.6.3 Business support

Two in five social enterprise businesses have sought external advice and guidance in the previous year (Cabinet Office, 2016). The most frequently cited source of advice sought was from an accountant, followed by a consultant or general business adviser and then the bank.

When seeking advice, organisations were mostly seeking strategic advice, such as wanting to better understand how to develop and grow the business or exploit a business opportunity as opposed to general advice and information (Cabinet Office, 2016).

1.1.6.4 Attracting and developing a skilled workforce and leadership

Dame Mary Marsh review of skills and leadership in the VCSE sector identified a number of skills gaps in the sector. Grouped into themes these included (Marsh, 2013):

- <u>Strengthened governance.</u>
  Updating and improving governance could bring about improvements in the relevance and quality of the sector's delivery to its beneficiaries. Often boards lack the skills they need in this day and age and can often struggle to meet good practice. Boards also need to be more diverse: a lack of diversity can lead to narrow thinking. The sector needs to invest in their boards, either by recruiting new and more diverse trustees, training trustees or carrying our board performance reviews.
- <u>Attract and develop leaders.</u>
  This is not just a sector issue - there is a deficit of effective leadership across the UK economy. Individuals and employers should be investing in leadership development, which in turn will promote the sector as a place for talented individuals. Thee sector tends to focus on developing existing leaders and less on aspiring leader but this should begin earlier in an individual's career.
- <u>Routes into and through the social sector.</u>
  Getting a foot into the sector can be difficult - especially if you cannot afford internships or have vast voluntary experience and first-class qualifications. There is a lack of clear starting or entry points in the sector and also career pathways are unclear.

- Skills sharing.
  There are two main areas in which skills sharing is undertaken in the sector: support groups at strategic levels to build leadership and adaptive capacities and practical support to help with everyday problem solving and enhancing their practice and delivery. But the sector recognises that more can be done to foster the development of such relationships.
- Digital fluency.
  Digital technology has affected virtually every aspect of life. The way in which people expect to be engaged and interacted with has changed and organisations must keep up with this.
- Data-informed social change.
  There are opportunities for the sector to use data more effectively. Data can have significant value in improving outcomes, securing funding etc.
- Enterprise capability.
  Organisations needs to be innovative and creative in the connection of value provision and sourcing of money. The challenge for organisations is to identify and tap into the source(s) of finances most suited to their mission and value.
- Collaboration in the social sector.
  Collaboration, within the sector and across sectors, offers great opportunity to work flexibly and deliver better outcomes for beneficiaries.

1.1.7 Training and development

51% of social enterprises had arranged training and development for employees in the previous 12 months (Cabinet Office, 2016). This is lower than average, where across the UK 66% of firms provide training (Vivian, et al., 2016).

Managers in social enterprises were most likely to have received training in technical, practical or job specific skills, followed by health and safety. Training in team working and leadership and management skills were also widely reported (Cabinet Office, 2016).

1.1.8 Apprenticeships

The government has made a clear commitment to delivering employer-led apprenticeship. Apprenticeships are full-time paid jobs which incorporate on and off the job training.

There are two different types of apprenticeship schemes; frameworks and standards. Apprenticeship frameworks are being progressively phased out and replaced by the newer apprenticeship standards. Both operate under different models of government funding.

Apprenticeship standards show what an apprentice will be doing and the skills required of them by job role. Standards are developed by employer groups known as ‘trailblazers’.

However, as noted above, routes into and through the sector is a key gap (Marsh, 2013). The sector has fewer young people than on average, so the questions is how can the sector attract and retain more young people, not just graduates but also school leavers?

It is recognised that getting a foot in the door can be difficult, especially for those who cannot afford internships or do not have some experience - even entry level jobs still require a level of experience (Marsh, 2013).

The sector lacks clear starting or entry points. For young people, the sector lacks a strategic approach to creating Apprenticeships and recruitment to those entry level roles/traineeships that do exist places a false value on experience and ends up recruiting people who are overqualified for their role (Marsh, 2013).

Skills – Third Sector had developed three apprenticeships specifically for charities and social enterprises (Skills Third Sector, 2017):

- Advanced Apprenticeship in Campaigning.
- Advanced Apprenticeship in Fundraising.
- Advanced Apprenticeship in Volunteer Management.

However, the table below demonstrates the low uptake, and these frameworks are no longer offered.

Table 6 Apprenticeship starts by sector framework

	2011/12	2012/13	2013/14	2014/15	2015/16
Campaigning	-	-	-	-	-
Fundraising	10	20	10	-	-
Volunteer Management	70	70	70	30	-

Source (DfE, et al., 2017) Apprenticeship Programme Starts by Sector Framework and Apprenticeship Standard (2002/03 to 2016/17- reported to date)

1.1.9 Future growth

The Cabinet Office report on social enterprise market found three quarters (75%) of businesses aim to grow over the next two to three years (Cabinet Office, 2016).

Of those aiming to grow, over 80% reported that they would improve the skills of the workforce to help achieve growth. Other factors mentioned to achieve growth included increasing the leadership capability of managers, developing and launching new products and services, capital investment and exploiting new markets (Cabinet Office, 2016). A third reported that it was likely that they would approach external finance providers to help fund this growth.

1.2 VCSE in the York, North Yorkshire and East Riding LEP

In August 2017, approximately 5,000 charities were registered with the Charities Commission as active across the LEP. Whilst a majority are based and focus on the LEP area, there are others that have a much broader sphere of activity operating beyond the LEP boundary. It is also important to note that there is also an unknown number of informal, unregistered active voluntary groups across the LEP that perform an essential role in strengthening their communities and enriching individual lives.

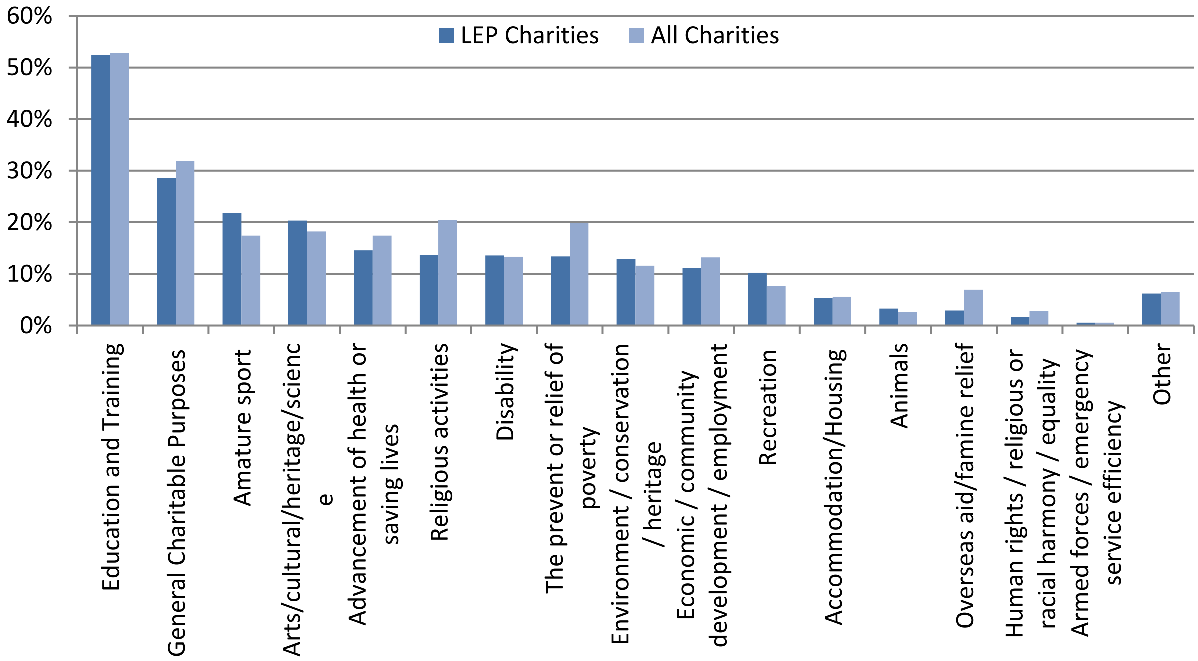
1.2.1 Characteristics of charities

To meet the requirements of the Charity Commission, charities registering must meet the public benefit requirement. The public benefit requirement has two aspects: the 'benefit aspect' and the 'public aspect'. In general, for a purpose to be a charitable purpose it must satisfy both the benefit and the public aspects (Charity Commission, 2013).

Charities operating in the LEP report operating across a range of functions (Figure 12). Over half (52%) are involved in education and training, 22% report involvement with amateur sport and 20% within arts, cultural and heritage.

Charities operating in the LEP are much less like to report that they operate to prevent or help relief of poverty (13% compared to 20%).

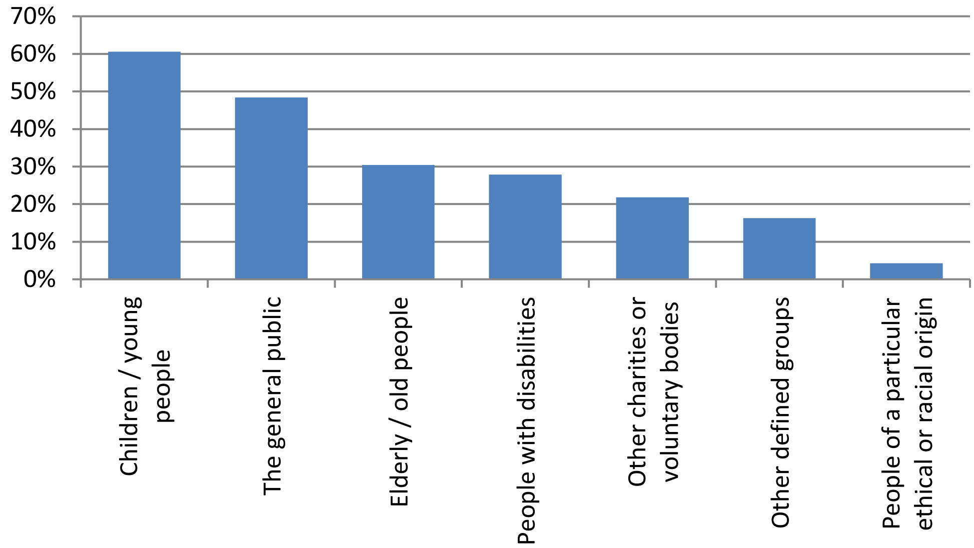
Figure 12 What charities in the LEP and across the UK area do



Source (Charity Commission, 2017)

Three in five (61%) charities operating in the LEP area report helping children and young people (Figure 13), with just under half (48%) operating for the benefit of the general public. Very few operate specifically for people of a particular ethical or racial origin.

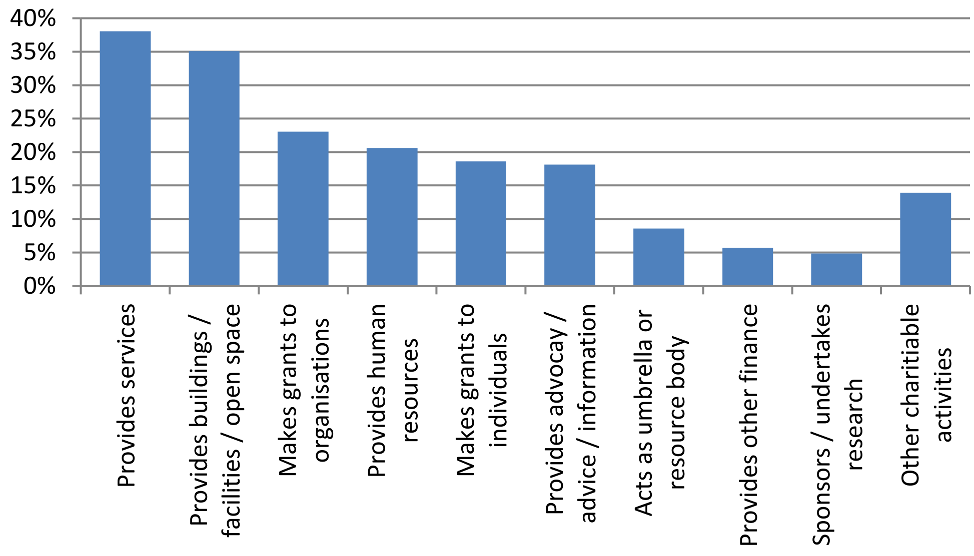
Figure 13 Who charities operating in the LEP help



Source (Charity Commission, 2017)

Charities operate in a variety of ways, from providing services, facilities to grants and information and advice. Figure 14 highlights that over a third of charities operating in the LEP area provides services and/or building facilities. A fifth provide grants to individuals or other organisations.

Figure 14 How charities in the LEP operate



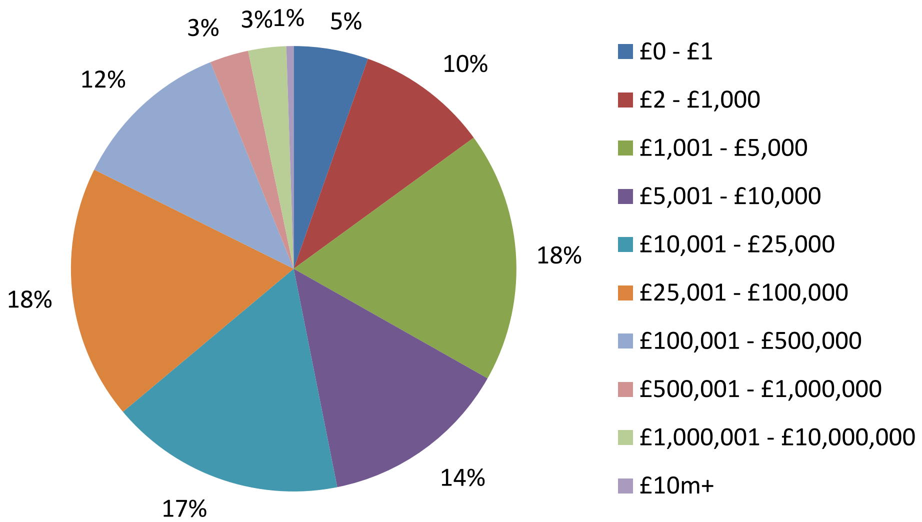
Source (Charity Commission, 2017)

Nearly half of the charities operating in the LEP area reported receiving an income of £10,000 or less, indicating that many of the charities are small organisations.

Only 3% report having an income over £1million. This included the charities such as:

- Martin House - hospice care for children and young people, which employ 166 staff and have a further 290 volunteers.
- St Leonard's Hospice York – employing 125 individuals and 486 volunteers.
- Two Ridings Community Foundation - grant making to make a difference in the region. Has 5 employees and 15 volunteers.
- Yorkshire Cancer Research – 30 employees and 500 volunteers.

Figure 15 Income range of charities operating in the LEP



Source (Charity Commission, 2017)

1.2.2 Workforce

Employment data for the VCSE sector at the LEP level is not readily accessible, thereby the following has analysed the Labour Force Survey at a regional level.

Across the Yorkshire and Humber region, 62,700 individuals work within a VCSE organisation (Office for National Statistics, et al., 2016). 58% are within the Health and social work industry, 12% in other service activities (i.e. member organisations) and 11% in education.

1.2.2.1 The jobs people do

Like the national picture, jobs in the VCSE sector across Yorkshire and Humber tend to be higher skilled. Over half (53%) of the workforce are in the top three occupational groups (Table 7).

Compared to the national picture, the VCSE sector in the region has a slightly lower proportion of managers (9% compared to 13%).

Table 7 Employment by occupation in Yorkshire & Humber VCSE sector

	Yorkshire and Humber VCSE	UK VCSE	Yorkshire & Humber All Sector
Managers, Directors and Senior Officials	9%	13%	10%
Professional Occupations	22%	20%	18%
Associate Professional and Technical Occupations	22%	19%	14%
Administrative and Secretarial Occupations	15%	14%	10%
Skilled Trades Occupations	5%	4%	12%
Caring, Leisure and Other Service Occupations	17%	19%	9%
Sales And Customer Service Occupations	5%	3%	8%
Process, Plant and Machine Operatives	3%	1%	8%
Elementary Occupations	2%	4%	12%

Source (Office for National Statistics, et al., 2016)

The most common job roles in VCSE sector in Yorkshire and Humber are:

- Welfare and Housing Associate Professionals.
- Caring Personal Services.
- Teaching and Educational Professionals.

1.2.2.2 Workforce characteristics

Women account for 62% of the VCSE workforce in the area, which is in line with the national picture, which stands at 64%. However, the proportion of women in the sector is much greater than the average in the region at 48% (Table 8).

The proportion of individuals who are self-employed is much lower in the VCSE sector than the economy as a whole (4% compared to 15%). In addition, the proportion of full-time workers is also lower (57% compared to 71%).

Table 8 Workforce characteristics of the VCSE sector in Yorkshire and Humber

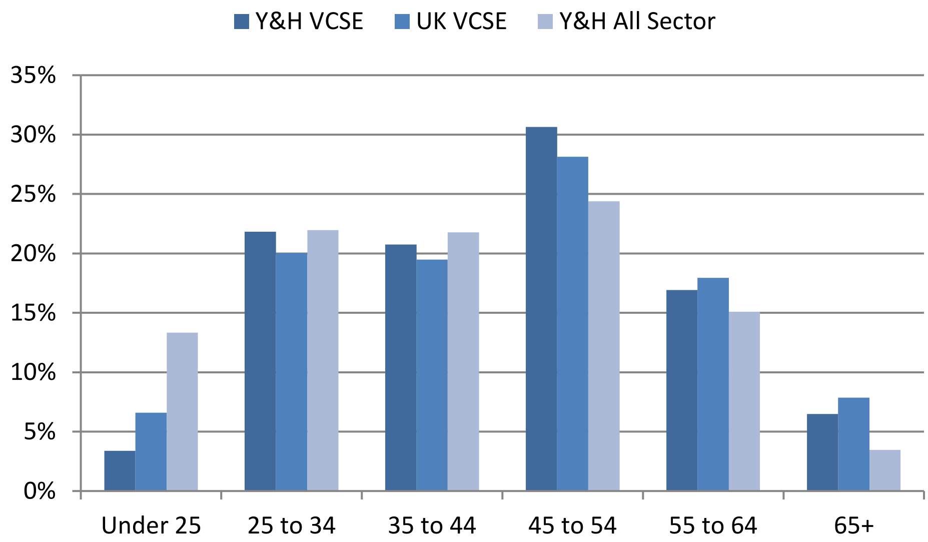
	Yorkshire and Humber VCSE	UK VCSE	Yorkshire & Humber All Sector
Male	38%	36%	52%
Female	62%	64%	48%
Self employed	4%	3%	15%
BME	6%	9%	8%
Full-time	57%	61%	71%
Part-time	43%	39%	29%
Permanent role	91%	91%	94%

Source (Office for National Statistics, et al., 2016)

The VCSE sector in the region has a very low proportion of young people, compared to national VCSE sector and the Yorkshire and Humber region all economy (Figure 16).

Over half (54%) of the sector workforce is over 45 years of age compared to 43% across the Yorkshire and Humber all economy.

Figure 16 Age profile of the VCSE sector

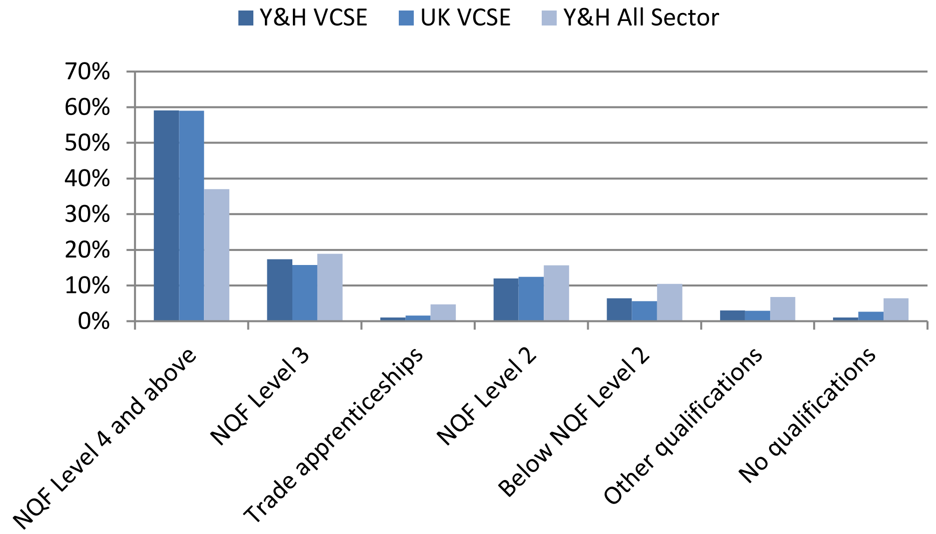


Source (Office for National Statistics, et al., 2016)

1.2.3 Skills

The skills level of the region's VCSE sector is high: three in five (59%) workers hold qualifications at level 4 or above. This is substantially greater than Yorkshire and Humber all economy data in which just 37% have such a level of qualification.

Figure 17 Qualification profile of the VCSE sector



Source (Office for National Statistics, et al., 2016)

More Developed Area: York and North Yorkshire

3 Introduction to More Developed Area of York and North Yorkshire

The EU's Cohesion policy aims to reduce economic and social disparities at regional level across the EU. Consequently, the European Commission has three categories of regional funding:

- ***Less Developed regions***, whose GDP per capita is below 75% of the EU average.
- ***Transition regions***, whose GDP per capita is between 75% and 90% of the EU average.
- ***More Developed regions***, whose GDP per capita is above 90% of the EU average.

Within the YNYER LEP, York and North Yorkshire at nearly 98% GDP per capita is considered a More Developed Area (MDA), while East Riding at 83% is considered a Transition Area (TA) (Eurostat, 2016).

3.1 York and North Yorkshire MDA

North Yorkshire covers an area of 8,654 square kilometres (3,341 sq. mi), making it the largest county in England. The majority of the Yorkshire Dales and the North York Moors lie within North Yorkshire's boundaries, and around 40% of the county is covered by National Parks.

York and North Yorkshire is divided into a number of local government districts: Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, Selby and the City of York.

It has a resident population of 809,200, which equates to 71% of the LEPs resident population (ONS, 2017). Nearly 380,000 individuals are employed in the area. Employment rates stand at 81.9% for North Yorkshire and 78% in York compared to LEP average of 79.9% (Table 9).

Using YNYER LEP as the standard, we can see various differences in the productivity, skills and employment across North Yorkshire and York. Table 9 highlights where the area performs better (green) or worse (red). For example, self-employment in North Yorkshire stands at 14.1% - greater than within York, the LEP as a whole and the English average. However, the number of individuals qualified to level 4 or above is lower and the proportion with no qualifications is greater in North Yorkshire.

Table 9 Productivity, skills and jobs:

Measure	North Yorkshire	York	YNYER LEP	England
Gross Weekly pay full time (£)	£475.40	£505.40	£504.70	£544.20
Job density (the ratio of total jobs to population aged 16-64.	0.96	0.85	0.86	0.84
Employment Rate	81.9%	78.0%	79.9%	75.0%
Self-Employment	14.1%	9.6%	12.2%	10.6%
Full-time workers	63.1%	62.7%	63.8%	69.1%
Unemployment Rate	2.3%	3.2%	3.0%	4.7%
Economically Inactive	16.1%	18.8%	17.6%	21.2%
Level 4+	35.9%	42.7%	37.5%	37.9%
No Qualifications	6.5%	6.2%	6.3%	7.8%

Source: Office for National Statistics: LEP and National Labour Market Profiles; GVA for Local Enterprise Partnerships

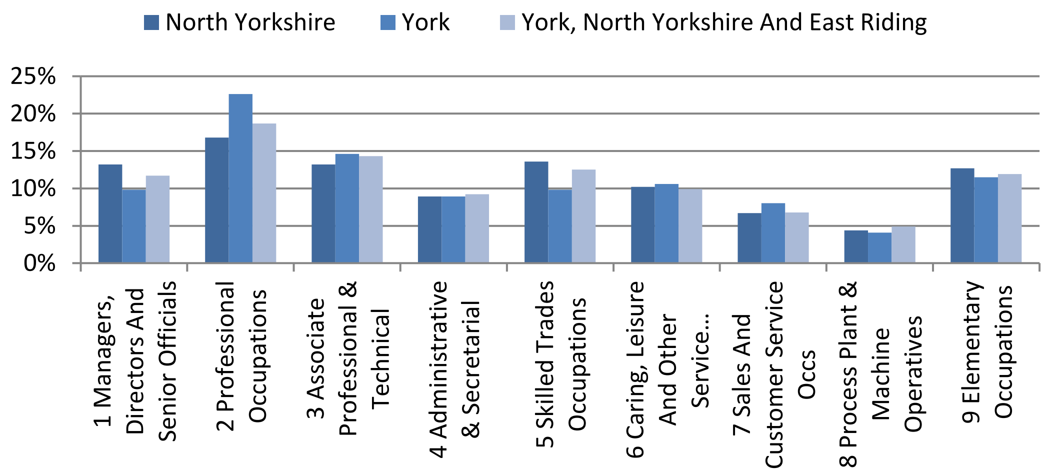
As previously mentioned nearly 380,000 individuals work across the York and North Yorkshire area. The largest employment sectors are (ONS, 2015):

- Health and Social work, employing 13% of all workers.
- Accommodation and food services, employing 11% of all workers.
- Retail, employing 10% of the workforce.

The occupational profile across York and North Yorkshire has some variations compared to the LEP and national data (Figure 18). For example:

- There are more managers in North Yorkshire - 13% compared to 10% in York and 12% at a YNYER LEP level.
- Nearly a quarter (23%) of the workforce are professional occupations in York, compared to 17% in North Yorkshire.
- North Yorkshire has more skilled trade personal than York (14% compared to 10%).

Figure 18 Employment by broad occupation (Jan 2016 - Dec 2016)



Source (ONS, 2017)

3.2 Apprenticeships

Across York and North Yorkshire there has been a steady number of individuals starting an apprenticeship. In 2011/12, just over 11,400 individuals started one, while by 2015/16 this had risen slightly to 11,570 (Table 10). Two in five (39%) of all starts have been within Richmondshire and 15% in York and 12% in Scarborough (DfE, et al., 2017).

The majority (70%) of apprenticeship starts were at an intermediate level. 4% were at a higher level. A quarter of all starts were by individuals under the age of 19 and 35% over the age of 25.

Table 10 Apprenticeship Programme Starts by level and age, York and North Yorkshire

		Level (%)			Age (%)		
Year	Total	Intermediate	Advanced	Higher	Under 19	19-24	25+
2011/12	11,400	75%	25%	*	31%	36%	33%
2012/13	11,520	72%	27%	1%	29%	38%	34%
2013/14	9,770	76%	22%	1%	27%	44%	28%
2014/15	12,920	76%	22%	2%	23%	45%	32%
2015/16	11,570	70%	27%	4%	25%	40%	35%

Source (DfE, et al., 2017) Apprenticeships geography data tool: starts 2011/12 to 2016/17

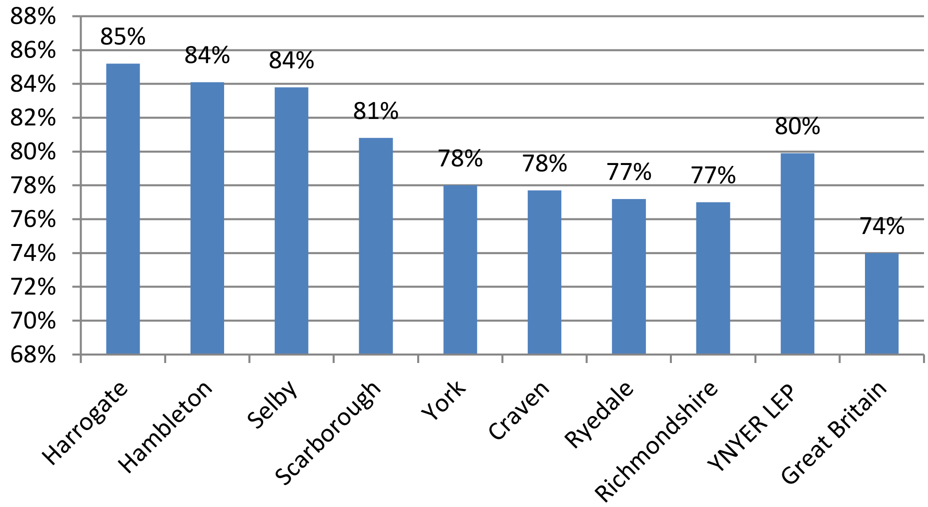
The most popular frameworks across the area were across the subject area of health, public services and care (49% of all starts). Business, administration and law accounted for a further 17% starts and Retail and commercial enterprise contributing 15% (DfE, et al., 2017).

3.3 Local Authorities

The York and North Yorkshire MDA is made up by a number of local government districts: Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, Selby and the City of York.

Looking in more detail at Local Authority level, we can see that there are variations in the employment rate: Harrogate has the highest at 85% while Richmondshire has the lowest at 77%. However, the employment rate in all local authorities is greater than the national average (Figure 19).

Figure 19 Employment rate across the LEP and North Yorkshire Local authorities



Source (ONS, 2017)

Using YNYER LEP as the standard, additional variations in the job, skills and productivity levels of each of the local authorities are highlighted in the table below. Where the area performs better, we have highlighted this in green with relatively poor performance being highlighted in red in Table 11. In summary:

- Four authorities have a lower weekly wage than the LEP average (Craven, Hambleton, Ryedale and Scarborough).
- In three authorities, the job density is above one - meaning that there is more than one job for every resident aged 16-64. These are Craven, Harrogate, and Ryedale. However Craven and Ryedale employment rate is lower than the LEP average.
- Self-employment is particularly high in Harrogate and Scarborough.
- In Scarborough, the proportion of full-time workers is low.
- The proportion of workers with a level four qualification ranges from 23.5% in Hambleton to 50.4% in Craven.

Where the local authority area performs better than the YNYER standard we have highlighted this in green or worse in red in the table below.

Table 11 Productivity, skills and jobs by local authorities in York and North Yorkshire MDA

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	YNYER LEP	England
Gross Weekly pay full time (£)	£413.10	£496.80	£535.50	£507.20	£443.10	£460.30	£549.40	£509.60	£504.70	£544.70
Job density (the ratio of total jobs to population aged 16-64.	1.16	0.98	1.06	0.8	1.02	0.93	0.73	0.85	0.86	0.84
Employment Rate	77.7%	84.1%	85.2%	77.0%	77.2%	80.8%	83.8%	78.0%	79.9%	75.0%
Self-Employment	*	14.7%	19.2%	*	12.7%	18.0%	*	9.6%	12.2%	10.6%
Full-time workers	60%	65%	61.5%	62.5%	69.9%	58.5%	68.6%	62.7%	63.8%	69.1%
Unemployment Rate	3.2%	2.8%	2.7%	2.8%	3.3%	3.7%	3.8%	3.2%	3.0%	4.7%
Level 4+	50.4%	23.5%	42.9%	25.3%	36.8%	37.5%	31.0%	42.7%	37.5%	37.9%
No Qualifications	*	9.1%	*	*	*	7.4	8.9%	6.2%	6.3%	7.8%

(ONS, 2017) * data not available, sample too small

3.4 Emerging developments in York and North Yorkshire MDA

The York and North Yorkshire area is not standing still. Improvements in transport, infrastructure, and housing continue to attract employers and business opportunities. Speaking with stakeholders we understand that each local authority has or is in the process of updating Local Plans and Investment Strategies. For example, Hambleton Inward Investment Strategy and Action Plan has just been published, with the aims to attract quality jobs to the district by looking at its unique selling qualities and how they can be recognised nationally. The initial focus will be on potential employment sites around Leeming Bar. The plan will look at the land, skills, support and opportunity the area has to offer investors, ensure a sufficient supply of good quality sites over the next five years, and encourage links between existing and potential new businesses in the area. It will also promote the creations of centres of excellence in some sectors.

Examples of growth, investment and development in the area includes:

The Fitzwilliam Malton Estate has received planning to change a vacant unit in Malton to form a gin or vodka distillery. This will include a retail area and office space. In addition, the Estate is seeking permission for a new restaurant in Malton, an area which is being marketed as the 'Food and Drink' capital of Yorkshire.

Al Khaleej International is looking at a site next to the Allerton Park waste incinerator, near the A1/ A59 junction for a new sugar beet processing plant. The company has asked Harrogate Council planners for environmental opinions before it puts in a full planning application. If the new plant goes ahead, the company claims it would create employment for 200 to 300 jobs, and would buy sugar beet from 3500 farmers mainly across the North East of England (Prest, 2017).

Sirius Minerals PLC is seeking to become a leading producer of multi-nutrient fertilizer and current focus is the development of North Yorkshire Polyhalite project. Located 3.5km South of Whitby, the project will involve the extraction and granulation of the mineral. The project involves the construction of an underground mine, along with the necessary infrastructure above and below grounds that will be necessary for transporting processing and distributing the minerals. The project is expected to deliver 2,500 direct and indirect jobs (Sirius Minerals PLC, 2017).

Covance, a global drug development business, currently based in Harrogate where more than 1,000 people are employed, are expanding on the National Agri-Food Innovation Campus, at Sand Hutton near York. Opening in late 2017, the laboratory extension in York will employ up to 30 scientists (Knowlson, 2017).

ACM Global Laboratories, a medical diagnostic testing company, has added a second specialised building to its laboratory block in Hospital Fields Road, York. The jobs generated will be high tech and include laboratory scientists, life sciences project managers, quality assurance professionals and data managers (York Press, 2017).

Furthermore, in York, York Central - a 72-hectare site formed mainly of former railway land behind the station - could see the development of thousands of new homes and enough office space for 7,000 new jobs (City of York Council, 2017).

Near Whitby, a new 60-lodge holiday could be built on a hotel estate. The Classic Lodges hotel group has submitted an application to build a holiday park on its estate at Grinkle Park, following two years of extensive planning and consultation with the relevant authorities (Copeland, 2017). The development would see the restoration of the hotel's Grade II listed stable block, the re-introduction of a derelict caravan site, and the formation of two new lakes to complement the existing water feature. The lodges would be created in an environmentally considerate way and are aimed at the 'staycation' market of families who prefer to holiday in England than abroad. In addition to the construction jobs, once fully operational, the lodge park would create 25 jobs.

Discussions with Selby District Council highlighted a number of planning applications, including housing applications, the construction and operation of a combined cycle gas turbine (CCGT) power station, While Harworth Group Plc has recently secured the resolution to grant planning consent from Selby District Council to redevelop Kellingley Colliery, 151 acre site into a major new manufacturing and distribution centre, which could create 2,900 new jobs and bring investment into the region of £200m (Bean, 2017).

Newby Wiske Hall, formerly the North Yorkshire Police's Headquarters has been sold to PGL, a company that runs educational activities for schools and young people in March 2017. PGL plan to open the site in Spring 2018 and reported that they will create more than 100 jobs, not only in instructing activities, but in catering, housekeeping, site maintenance and management roles.

The above demonstrates some of the opportunities in the area where new firms are entering and currently resident employers are expanding. These developments will have multiplier effects across the supply chains and wherever consumption occurs.

4 VCSE sector in North Yorkshire and York

4.1 Introduction to the VCSE sector in the MDA

In August 2017, approximately 4,000 charities were registered with the Charities Commission as active across North Yorkshire and York (Charity Commission, 2017). However, we can expect the number of voluntary, community and social enterprises (VCSE) operating to actually be greater. There are an unknown number of informal, unregistered active voluntary groups and social enterprises not registered with the Charity Commission that perform an essential role in strengthening their communities and enriching individual lives. Furthermore, whilst a number of organisations are based and focus their purpose on the MDA, there are others that have a much broader sphere of activity operating beyond the MDA boundary.

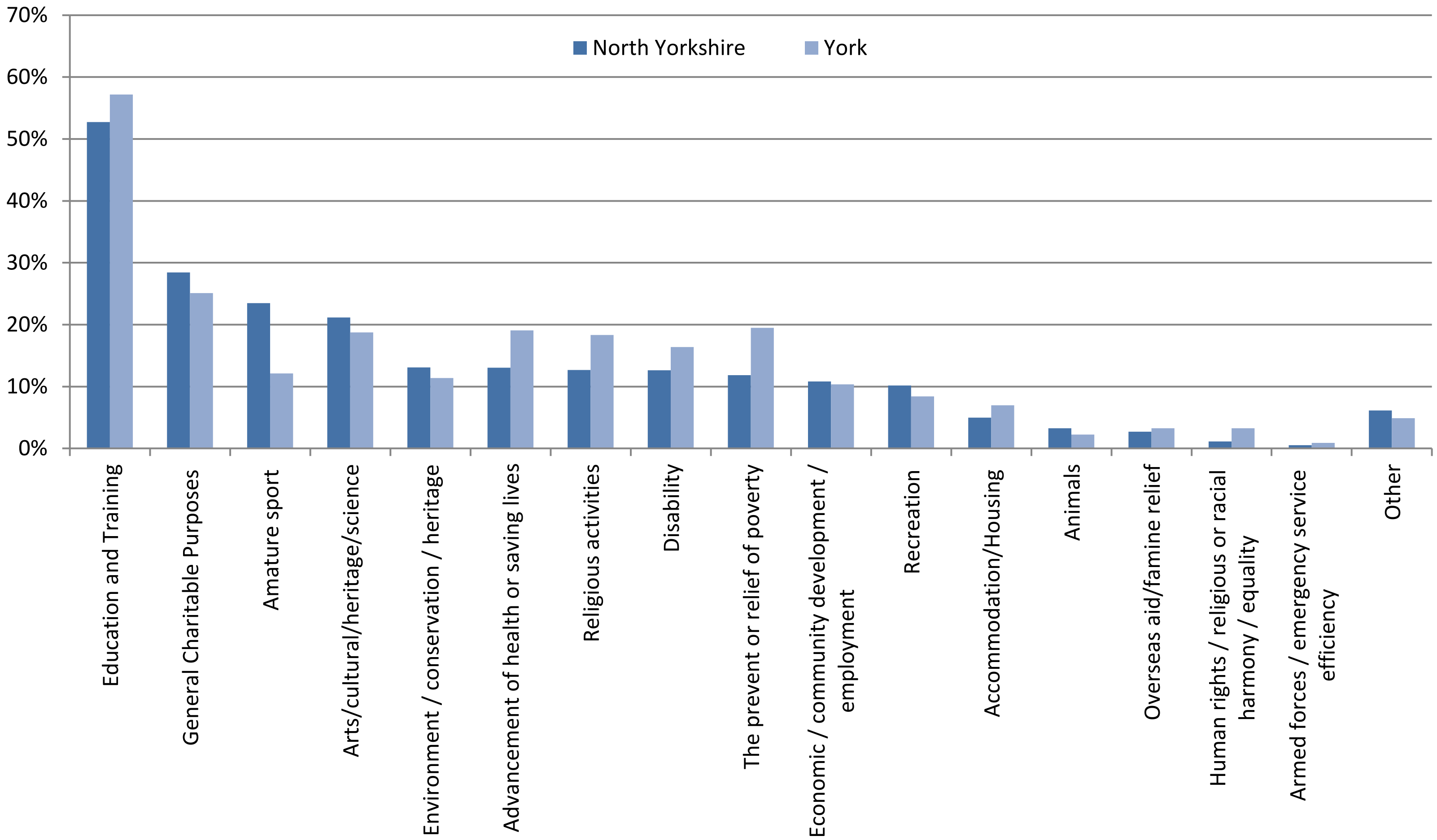
4.1.1 Charities characteristics

Charities operating in the MDA report operating across a range of functions (Figure 12). Over half are involved in education and training (53% in North Yorkshire and 57% in York).

There are some variations in activities between charities operating across North Yorkshire and York:

- A greater proportion of charities in North Yorkshire are involved in amateur sports then within York (23% compared to 12%).
- Charities in York were more likely, then those in North Yorkshire, to be involved in the prevention or relief of poverty, and/or the advancement of health or saving lives.

Figure 20 What charities in the MDA do

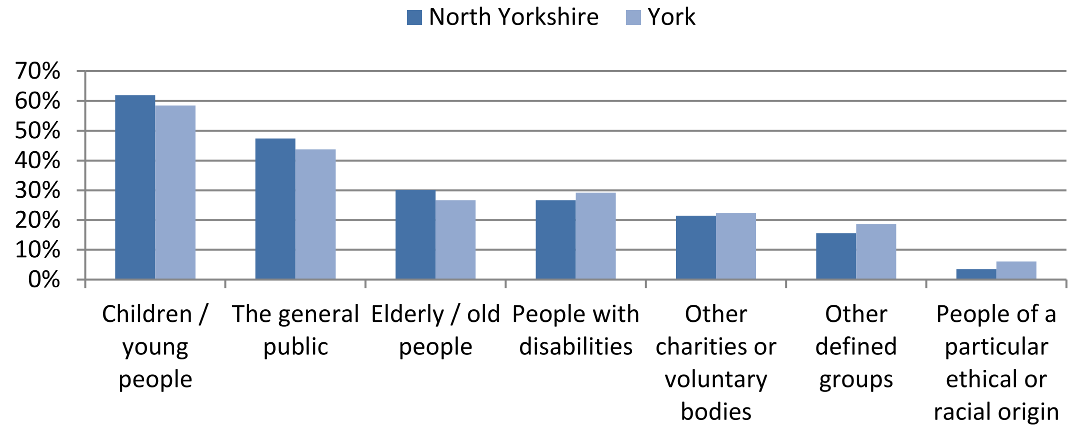


Source (Charity Commission, 2017)

The majority of charities operating in the MDA report helping children and young people (Figure 13).

There is little difference in who charities help based on the operating location of the charities.

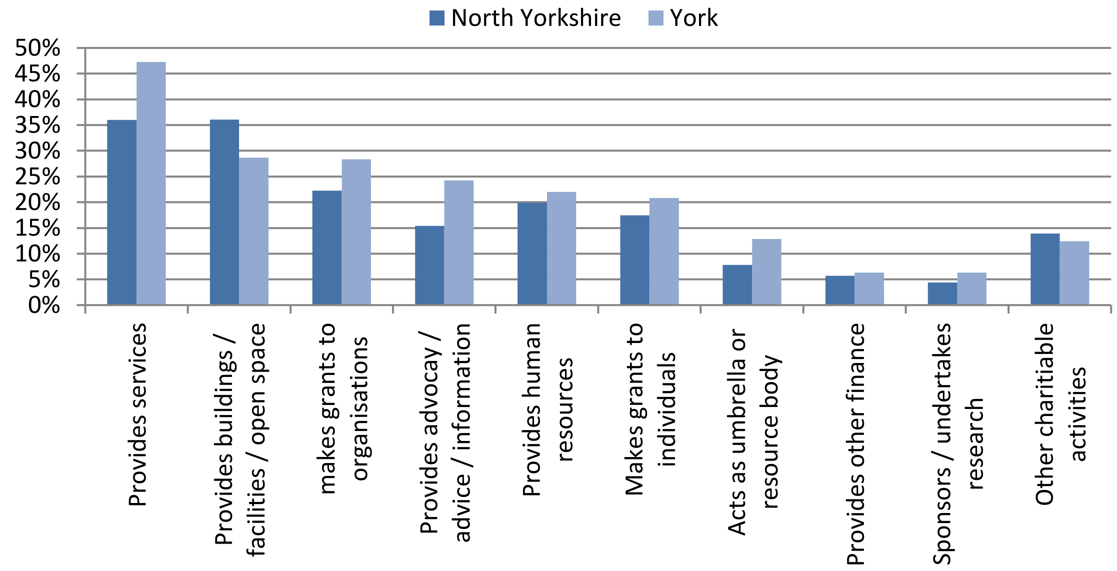
Figure 21 Who charities operating in the MDA help



Source (Charity Commission, 2017)

Charities operate in a variety of ways, from providing services, facilities to grants and information and advice. Figure 14 highlights charities operating in York are more likely to provide services, advice and information, than in North Yorkshire.

Figure 22 How charities in the MDA operate

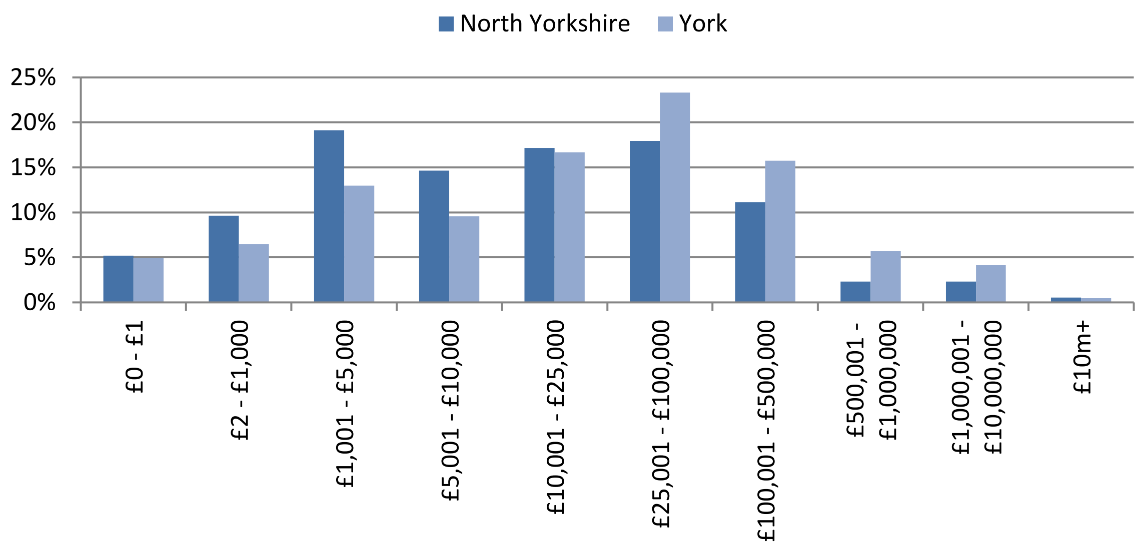


Source (Charity Commission, 2017)

By income, North Yorkshire would appear to have a greater proportion of smaller charities compared to York.

Half (49%) of charities operating in North Yorkshire reported receiving an annual income of less than £10,000. In York, this proportion was lower at 34%. A quarter (26%) of charities in York received an income of over £100k.

Figure 23 Income range of charities operating in the MDA



Source (Charity Commission, 2017)

5 Education and Training VCSE subsector

The York and North Yorkshire MDA has over 2,000 registered charities reporting to operate in the field of education and training (Charity Commission, 2017).

Of note, is that academies, sixth form colleges, voluntary aided, voluntary controlled and foundation schools are exempt charities. Such institutions are not registered or directly regulated by the Charity Commission ("the Commission"); they are instead regulated by a Principal Regulator, but they have a charitable purpose and must comply with charity and company law. Thereby the number operating in this field can be considered greater than that recorded by the Charity Commission.

Some of these charities include:

- North York Moors Historical Railway Trust Limited.

  School visits are possible at this location, having a self-contained learning centre facilities and a young engineer's interactive science exhibition. This charity employs 126 individuals and has 1,000 volunteers.

- North Yorkshire Youth Music Action Zone
  NYMAZ works with strategic partners to deliver high quality music-making activities for children and young people across rural North Yorkshire. Working across a range of music genres and styles our projects enable young people to access learning and performance opportunities with highly skilled artists and develop new musical, personal and social skills.

- Speak Up Now North Yorkshire
  Helping people with a learning disability speak for themselves and to tell them why it is important, to help them become more independent and be treated like anyone else. They organise trips, organise training courses and others.

- Craven Development Education Centre (North Yorkshire)

  Lend resources to schools. Hold training workshops for teachers. Craven DEC is managed by a voluntary management committee. Two part-time global education officers are employed as consultants.

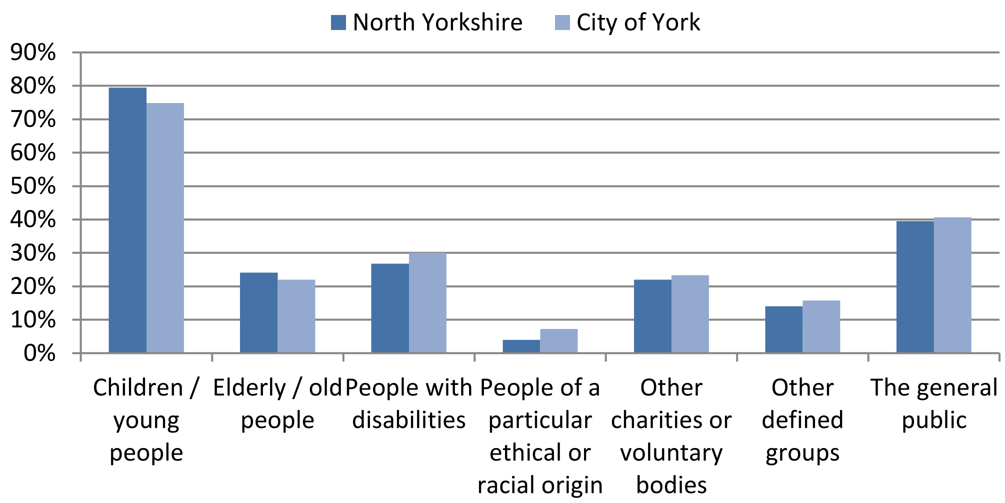
- Activ8 Learning

  Activ8 learning provides work-based training aimed at those who found it hard to access training through colleges.

The majority – 79% in North Yorkshire and 75% in York - help children and/or young people (Figure 24). This is a much greater proportion when compared to all charities where around three in five help children and/or young people (see Figure 13 above).

Charities involved in education and training are also more likely to be focussed on working with younger people.

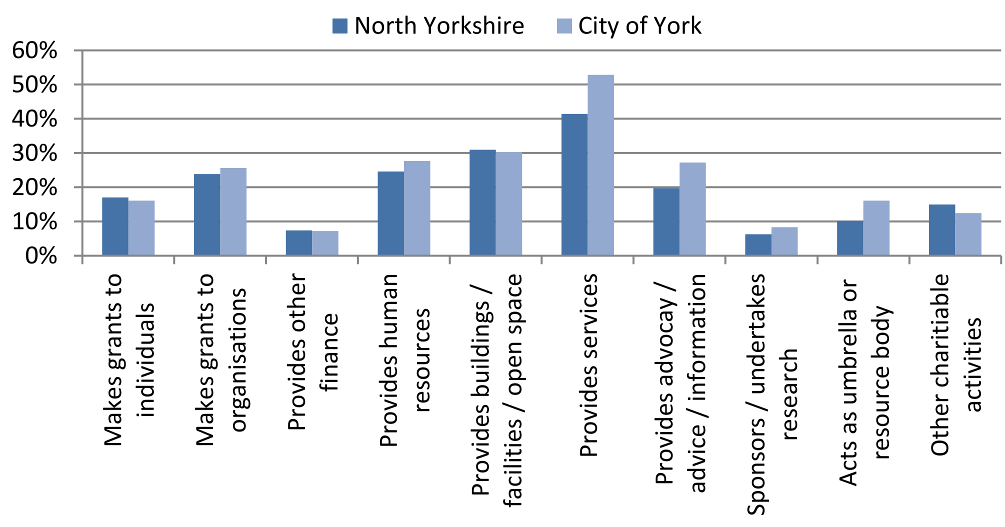
Figure 24 The focus of educational and training charities operating in the MDA



Source (Charity Commission, 2017)

The way in which educational and training charities operate is very similar to that reported by all charities (Figure 25 and Figure 14).

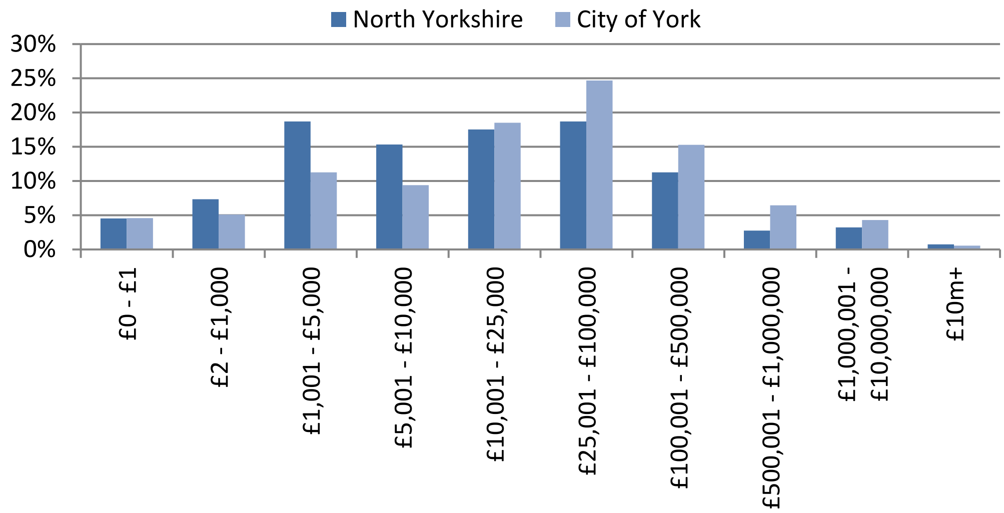
Figure 25 How educational and training charities in the MDA operate



Source (Charity Commission, 2017)

Nearly half (46%) of the charities offering education and training in North Yorkshire have an income of less than £10k. But this stands at 30% across York. Here over a quarter (27%) of charities have an income of over £100k.

Figure 26 Income range of educational and training charities operating in the MDA



Source (Charity Commission, 2017)

5.1 Skills needs – Primary research testing the data

5.1.1 Planning for the future

Data tells us that across the LEP economy 58% of firms have a Business Plan which specifies objectives for the coming year, which is slightly lower than national findings of 62% (UKCES, 2016). 39% of firms had a training plan, again less than national average of 42%.

Our primary research highlights that organisations in the subsector in the MDA frequently do have a business and training plan. Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking. Given that many of these organisations are particularly small this may be surprising as this is clearly a difference with the private sector. However, it is apparent that there is an amount of legislation affecting the VCSE sector which expects them to have certain policies and processes in place. Likewise, given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. These two factors may explain why the VCSE sector is seemingly very different from the private sector in terms of Business Plans. It also highlights the lever that is procurement. Funders can nudge the VCSE sector in certain directions by proactively shaping the expectations of procurement. This includes the skills area, where funders can insist on a number of skills development factors prior to awarding contracts.

5.1.2 Recruitment

There are recruitment demands across the subsector, but firms in the VCSE report that when roles are advertised they receive sufficient number of applicants of a high standard.

Even though in many roles, the sector has a lower salary compared to the private sector, factors such as flexible working, in which the sector leads the way, is key to attracting candidates. Candidates are willing to accept a lower wage in favour of greater flexibility and a better work/life balance, plus of course the opportunity to pursue a worthwhile cause.

The establishment of the Fundraising Regulator in January 2016, following widespread public and media concern about how charities contact potential donors, has meant many charities undertaking a review of their fundraising strategy, leading to greater emphasis on certain income streams and therefore demand for candidates with the relevant skills. For example, there has been an increase in corporate fundraising and community fundraising teams as some organisations look to offset a potential fall in individual donations by building better and stronger partnerships with businesses and community groups. Therefore, there are more opportunities for fundraisers with relationship building and business development skills.

As well as changes to fundraising, there have been lots of policy changes within the education and skills world which have impacted on these sorts of business development skills. Smaller traditional charities are looking to recruit people with experts in funding and business development, largely because of the implications of austerity. So, we see smaller providers having to engage with the tendering process, for instance in relation to local authorities or large charitable funders such as the Big Lottery. However, the huge changes within the formal education sector have also led to changes within the recruitment in schools and similar. For instance, we have noted the ways in which schools and academies actively promote themselves to feeder schools and the way in which they seek to directly engage with pupils and parents. As well as producing demand for marketing and related business development roles, this has led to the creation of roles such as school business managers, which are aimed at running the organisation in a more commercial way. This is a significant shift in the recruitment patterns in this part of the VCSE sector, and it seems is a direct result both of pressures which come from austerity, but also which arise from specific policy changes within the education and training world. As schools engage with league tables and parental choice, they are actively seeking to attract ‘customers’. This has led to new roles and new skills. Our research indicates that organisations see this drive as only likely to increase in the short term.

SASH (Safe and Sound Homes) Preventing Youth Homelessness Together

SASH prevents vulnerable young people from becoming homeless by offering them a room in a volunteer's home. They provide emergency accommodation through their nightstop service for up to 14 nights. Longer term accommodation, for up to 2 years is provided through our supported lodgings schemes.

They are seeking a Young Persons Support Worker (part-time) in Scarborough. They will lead on developing our SASH Active programme of informal learning, cultural and outdoor activities, as well as working with a caseload of young people in the Supported Lodgings scheme.

https://www.charityjob.co.uk/jobs/young-persons-support-worker-part-time-/520899?tsId=2&referrerIsJobSearch=True&returnUrl=https%3A%2F%2Fwww.charityjob.co.uk%2Fjobs%2Fyorkshire%2Band%2Bthe%2Bhumber%2Fnorth%2Byorkshire

Whilst recruiting paid for staff has not been highlighted as more challenging than usual, the question of enrolling more volunteers has been raised, right across the sector.

The Institute for Volunteering Research found that the most common fields of interest supported by volunteers was education, with sports and exercise and health and disability also in the top four (Low, et al., 2017).

Most volunteers joined organisations by 'word-of-mouth'.

Like the findings in the Third Sector Trends Study for Yorkshire and Humber (Chapman, 2017), we found that many organisations try to recruit volunteers, either by advertising or holding events, this is now a key function of many paid for staff. But we have routinely heard that recruiting new volunteers is something with which many organisations within the whole sector struggle. In this part of the sector there is a high use of volunteers, but it is also one of the subsectors where there is a good pool of volunteers on which to draw, including parents, people looking to get into the sector as a career, and retired people.

Key roles performed by volunteers in the educational and training subsector include:

- Parent Teacher Association members.
- School governors
- School speakers
- Learn support volunteers
- Teaching volunteers
- STEM Ambassadors
- Guide / Scout leaders
- Mentors

In this sub-sector recruiting volunteers is essential, but it is something that is normally possible.

In a study such as this one where we consider the skills needed by the sector, high quality and committed volunteers has been much discussed. It is clear that organisations are investing in paid staff to attract, develop and retain this essential part of the workforce. Volunteers are needed across the skills level, right from Director/Trustee to someone who can lend a pair of hands for a few hours.

Whilst larger organisations may have formal development plans for the roles they actually want to fill with volunteers, the majority of smaller organisations have expressed a willingness to use whoever is willing to help.

Other solutions to attract volunteers include:

Do-it is a database of UK volunteering opportunities. Individuals can search more than a million volunteering opportunities by interest, activity or location and then apply online.

Charity Job is a further job board site specifically for the charity, not for profit and voluntary sector jobs. Alongside jobs, the site also advertises voluntary positions. For example, in North Yorkshire the Woodland Trust recently advertised the following opportunity:

Woodland Trust

The Woodland Trust run a Green Tree School Awards funded by the players of the People's Postcode Lottery. It's aimed at involving children and schools with woods and trees, with schools gaining points for completing environmental based activities. They progress through Bronze, Silver, Gold and Platinum levels.

Schools near Skipton Woods will be offered an assembly based on the story "The Man Who Planted trees".

The trust is seeking 'Speaker for Schools' - volunteers to carry out the assemblies in schools.

By volunteering as a school's speaker, the individual will play a vital role in the trusts work. They will help by raising awareness of both the importance and value of ancient and native woodland, encouraging children to find out about and visit their local woodland.

Volunteers will be wishing to gain experience in environmental education or ex-teachers willing to pass on their knowledge, to help promote the cause to schools. Assemblies typically last for 20 minutes plus time after for questions. The presentations are delivered using a PowerPoint presentation (which are provided, along with a projector if required), and accompanying notes. You will present to both primary and secondary schools. Any specialism to one age group will be taken into account. Training will be provided to support volunteers with their presentation skills.

https://www.charityjob.co.uk/volunteer-jobs/speaker-for-schools-skipton/513506

5.1.3 What are the current skills needs and skills gaps?

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016).

From our primary research firms that report skills gaps confirmed that main causes are generally due to individual's being new to the role and their training is currently only partially completed. In particular, this is the case with volunteers. So, we have identified a need for staff to be able to support volunteers in the VCSE sector.

These two factors are both predominantly transient: that is to say one would expect skills gaps resulting from these causes to be eliminated when staff are settled into their new roles and/or existing training has been completed.

The nature of the sector also explains other areas where skills are regarded as being key.

From our primary work, we can suggest that the following skills are particularly needed and valued by educational and training VCSE organisations are:

- Management skills, particularly in relation to working with volunteers.
- Securing funding and fundraising.
- Project management.
- Safe guarding - ability to work with young and vulnerable people.
- Presentation skills relevant to working with external funders and stakeholders.
- IT skills.
- Understanding local communities and awareness of pre-existing solutions and partner organisations.

The LEP area has made strides in supporting the VCSE sector to overcome skills needs. This year (2017) Community First Yorkshire was established which seems set to be a key player in supporting the VCSE sector (see below).

New opportunities for help in the voluntary sector

Two established local charities have been awarded a £1.4 million grant by North Yorkshire County Council and the County's Clinical Commissioning Groups to deliver support and development work to the county's voluntary sector **Invalid source specified.**.

The North Yorkshire & York Forum and Rural Action Yorkshire who were awarded the grant have come together to form a new organisation – **Community First Yorkshire** - to provide enhanced support to voluntary and community and social enterprises. Their aim is to 'help your organisation or group achieve its goals and better support your beneficiaries or residents.'

Their support services include:

- Advice on running your organisation or group
- Support for community building committees and parish councils
- Help to engage with your community
- Training and resources
- Funding information
- Representing the voluntary and community sector
- Ensuring a rural voice for Yorkshire at a local, regional and national level
- Enhanced charged for services including DBS checks, employment advice, community led planning and community consultation

5.1.4 Training

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months (UKCES, 2016). The vast majority of training and development is targeted at initial training and development and statutory areas such as health and safety.

Our primary research found similar findings in this area. Cost and time were the main drag factors on engaging non-mandatory training.

Furthermore, with volunteers playing an important role in the sector, training is a key area to ensure legal compliance. Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.

Likewise, given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities. For instance, we know that other Las and LEPs have prioritised the support of ESA claimants and so are working to develop the skills of their provider network. This is potentially an interesting model, where funders work with the provider network to upskill in the particular areas of real interest to them. This may move the focus away from skills to survive, and instead see training budgets used to deliver the desired impacts.

What we have found is the discrepancy between the micro and large organisations. Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers. In this sense, we wonder if salaried staff are necessarily skilled as educators. They may indeed have training in a particular area, but we wonder if their skills in cascading information onwards could be better addressed.

5.1.5 Apprenticeships

As seen from our report on the national picture of the VCSE, there were three sector specific frameworks but these are no longer 'live'. The sector therefore does not have specific apprenticeship frameworks or standards. Generally, they make use of generic ones such as Business and Administration.

In our primary work, we found that there is support for the principle of Apprenticeships but it was felt that they were often too large an intervention for this subsector. 46% of firms in this subsector have an income of less than £10k, with many run by a voluntary committee and not employing any staff. They are, therefore, entirely dependent upon freely given time to manage organisations and deliver the work needed.

5.2 Drivers of change

5.2.1 Political

Election and Leaving the European Union

The result of the British General Election and the Brexit vote has left the voluntary sector facing an uncertain immediate future.

Organisations in the education and training subsector, have secured European funding or matched funded. However, ESF funds and contracts have been limited to 12-18 months by co-funders (DWP/SFA) compared to 2-3 years, meaning less stability and reduced chances of future planning. Also, there are questions about what will happen once ESF funding ceases.

Public Services

Government is looking to put small charities at the heart of public services (DCMS, 2016). It is recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

Therefore, three measures have been announced as part of a programme to help tackle the challenges of getting small charities into the public service supply chain. These are:

- Developing a placed based Public Service Incubator that helps small charities get commissioned.
- Exploring the development of a commissioning kitemark that will set out a best practice standard. As we have illustrated elsewhere, this sort of metric is a real gap in the VCSE sector, where we have been unable to find a recognised and widely used definition of excellence or best practice.
- Recruiting a voluntary, community and social enterprise crown representative.

Further information can be found on https://www.gov.uk/government/news/putting-small-charities-at-the-heart-of-public-services

Social Value Act - demonstrating impact

The Public Service (Social Value Act) requires commissioners who procure services to consider social, economic and environmental benefits.

Many VCSEs are well practiced at providing added social value through service delivery across many sectors including health, education, housing and transport. The Social Value Act creates an opportunity for bidders to demonstrate this to public service commissioners, who asses which potential providers would deliver maximum public benefit to the local community.

Legislation / Regulations

As with other industries which provide a service, this is a subsector which is heavily regulated – Ofsted, Ofqual etc. which standards needs to be maintained.

Employers are not expecting there to be significant new legislation in the next few years, rather they are anticipating many current standards to simply move from EU legislation into UK law.

5.2.2 Economic

Wage levels

The National Minimum Wage (NMW) was first introduced in the UK in April 1999 at a rate of £3.60 per hour for over 21-year-olds. Prior to that there was no statutory minimum. In April 2016, the government introduced the National Living Wage (NLW) at a level of £7.20 per hour for those over 25 years old, increasing to £7.50 in April 2017. It is expected to rise to at least £9 per hour by 2020. The impact of this is likely to be significant on this subsector and one unintended consequence may be to push roles that are currently paid, into the voluntary part of the service. For example, the 44% increase in library volunteers in 2013 was accompanied by a 7% drop in paid staff (Saxton, et al., 2015).

Labour availability

Following the recession, the economic situation across the UK and North Yorkshire has been improving. Unemployment rates in the area have declined from a high of 7.5% in 2011 to 2.3% at the end of 2016. Of those claiming JSA, 43% have been out of work for six months or more (ONS, 2017) and are therefore more of a challenge to get back into work. Consequently, it is becoming harder to recruit. However, this sector seems to be one that is particularly attractive and whilst salary levels may be lower, other factors add to the attractiveness of the sector. Of note is that recruitment in the paid ranks is easier than finding volunteers.

5.2.3 Social

Governance

Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. But now, more than ever before, trustees of charities and community groups need to ensure that their organisations are being run efficiently and effectively.

We note the expected role of Community First Yorkshire in supporting organisations in governance.

Volunteers

Encouraging volunteers is an ongoing issue in the subsector. Word of mouth was by far the most common route individuals took into volunteering. However, volunteers also get involved because they had previously used the organisation's services and/or seen a leaflet or poster.

But it is not just individual's volunteering at the charities. Educational and training charities are increasingly recognising voluntary work as a stepping stone into sustainable work for their clients. So as well as looking to recruit a volunteer workforce, many of these organisations are hoping to secure voluntary positions for their clients to enhance career prospects or employability.

Marketing and Communication

In today's marketplace, being noticed is a constant goal for organisations in this space.

Social media, in its various forms, presents the subsector with a direct way of reaching customers and volunteers as well as communicating key information.

5.3 Future requirements

Employers in the VCSE sector clearly face a number of challenges in the near-term future. The crash of 2007 led to a significant change in the role and perception of the VCSE sector, with a number of initiatives leading to a view that the VCSE sector could and should be replacing significant parts of the public sector. As the public sector has been diminished, and as services have been cut there has been an increased role for the VCSE sector. A clear example of this has been the growth of food banks. As state support has declined, there has been a growth of VCSE interventions. Worth noting is that we are not suggesting that these interventions have been perfect substitutes either in terms of magnitude or quality. As we have identified above, many VCSE organisations are very small and so the impacts they deliver are necessarily different from national initiatives.

The impact of the policy decisions made in the aftermath of the 2007 crash continue to be with us. Austerity policies continue to result in reduced social interventions and so there is this drive behind the VCSE sector to fill the gaps. However, it is not the case that the state has pulled out and left behind lots of funding opportunities. Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.

Austerity policies now have a sibling in the potential aftermath of Brexit. European funding through various 'pots', ESF, ERDF etc. has been a key way to finance the VCSE sector. Frankly, no one seems to know what will happen to these funding sources in March 2019. It seems unlikely that the UK will be able to access them, but the substitutes for them from the UK government have yet to be discussed. Indeed, we are not sure that there will be an attempt to replicate the funding. Consequently, the VCSE sector is at the edge of a new era. Demand is high, but the sources of funding for the future are unclear.

Consequently, at least some of the thoughts of the future are speculative based on the above uncertainty.

In this way, many of the skills identified as being needed for the future are actually skills gaps which already exist.

The clear main issue facing the VCSE sector moving forward relates to accessing funding. The previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. In particular, any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. This of course has implications for the people with whom they engage.

In this issue, there is the possibility that larger organisations will have an advantage and so will effectively have a first mover advantage when it comes to accessing new funding routes. We wonder therefore if the LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

In the wake of the high-profile closure of Kids Company, we have heard concerns around attracting high quality non-executives (NEDs). There is a concern that a seemingly charitable act of becoming a non-executive director is something that can have important implications for a career. Moving forward therefore, we wonder if some of these concerns could be allayed by having comprehensive training on obligations and best practice for potential NEDs. This may be an effective way to improve the performance of the local VCSE sector as potential NEDs become completely familiar with expectations and legal obligations.

5.4 So what does this mean for the future?

The importance of the VCSE sector has become more obvious in the wake of austerity and the cuts which have followed. Local authorities have been particularly hard hit and we have seen instances where under pressure councils have retreated to ensuring that they provide statutory mandated services. In this sense, it is clear that the VCSE sector is already, and will increasingly yet, be a key partner in delivering services and support seen as essential in the lives of many.

However, it is important to recognise that this increased role is not going to result in lots of funding becoming available. This is not a zero-sum game where the publicly funded sector loses out and the VCSE sector gains revenue. For the most part, the significance of the VCSE sector is increasing largely as a consequence of the decline in funded provision delivered in-house by relevant authorities.

There may indeed be some increases in funding, but the call to do 'more with less' is perhaps more relevant than ever to the VCSE sector.

We have highlighted a number of statistics and trends which may reasonably underpin policy responses to the new challenges.

- Approximately 4,000 charities were registered with the Charities Commission as active across North Yorkshire and York.
- Over half of the charities report being involved in education and training (53% in North Yorkshire and 57% in York).
- A greater proportion of charities in North Yorkshire are involved in amateur sports then within York (23% compared to 12%).
- The majority of charities operating in the MDA report helping children and young people.
- Half (49%) of all charities operating in North Yorkshire reported receiving an annual income of less than £10,000. In York, this proportion was lower at 34%. A quarter (26%) of charities in York received an income of over £100k.
- The York and North Yorkshire MDA has over 2,000 registered charities reporting to operate in field of education and training.

- The majority of charities operating in the field of education and training – 79% in North Yorkshire and 75% in York - help children and/or young people.
- Nearly half (46%) of the charities offering education and training in North Yorkshire have an income of less than £10k. But this stands at 30% across York. Here over a quarter (27%) of charities have an income of over £100k.
- Given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. This also highlights the lever that is procurement. Funders can nudge the VCSE in certain directions by proactively shaping the expectations of procurement.
- The establishment of the Fundraising Regulator in January 2016, following widespread public and media concern about how charities contact potential donors, has meant many charities undertaking a review of their fundraising strategy, leading to greater emphasis on certain income streams and therefore demand for candidates with the relevant skills.
- Organisations do try to recruit volunteers, either by advertising or holding events and this is now a key function of many paid for staff.
- Organisations are being run in a more commercial way - they are actively seeking customers and this has led to new roles and new skills, such as School Business Managers in academies.
- Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers.
- There is a need for staff to be able to support volunteers in the VCSE sector.
- Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.
- Given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities.
- The clear main issue facing the VCSE sector moving forward relates to accessing funding. Previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. Any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. The LEP may wish to support the VCSE sector by providing an intelligence function in respect of identifying, and sourcing new funding.
- Having comprehensive training on obligations and best practice for potential non-executives may be an effective way to improve the performance of the local VCSE sector.

As well as those organisations which are formally registered with the Charities Commission, we know that there are many others who work in this space. Consequently, we are able to show that as well as being an important sector, it is also a large one, albeit it is a difficult sector to accurately quantify. In the sector, many people work in voluntary roles. This is a key difference with other sectors. The voluntary workforce is absolutely crucial and without it, many organisations would not be able to function. Therefore, we note how important it is to renew and bring in a new set of volunteers to add to the current capacity. In just the same way that other sectors will have replacement demand, so too with the VCSE sector need replacement volunteers.

Certainly, this is an opportunity associated with the ageing population. Modern lifestyles and medicines mean that retired people are willing and able to work for far longer than in previous generations.   They may bring professional skills and expertise with them which can be of huge benefit to the sector, particularly in a voluntary setting. But this is a challenge in and of itself, and may be something that the LEP could become a key player in, namely increasing participation in the VCSE sector across a range of roles on a voluntary basis.

We have highlighted that the increase in minimum wage is likely to have an impact on the sector. The private sector will expect to pass on the wage increase in price rises, but the VCSE sector has no similar avenue. Instead they are faced with funders who are looking for more impact for less investment, so the wage constraint is really important and has potentially serious implications. It also further drives the need for more volunteers, potentially to replace roles which may have previously been paid for roles.

We see three strands to the skills needs in the VCSE sector. These strands are common cross the whole sector; where there are differences it relates to the specifics of the parts of the sector in which the organisation operate.

5.4.1 The Three Strands

There is clearly a need for senior support in terms of governance. Across the entire VCSE sector, organisations have highlighted a determination to maintain challenging and high-quality Boards. As we understand it, securing high quality and committed trustees has always been a challenge for the sector. However, recent events such as the Kids Company closure have seemingly had an impact on the willingness of appropriately skilled people to enter governance roles. It is also noting that professionals feel under time pressure regarding their own work or business and so are less able or willing to make an additional time commitment. Where non-executive experience was routinely taken as a good thing, there is now more of a need to defend and explain other commitments which take the person out of the business.

In this sense, we have an interesting position where the same economic climate that increases the demand for the VCSE sector is also the climate which may make it difficult to attract high quality individuals to assist with governance.

Then there are clearly operational skills both in terms of on-going delivery, but also as a result of changes and expected future changes. We have presented these in more depth previously, but there are a number of skills which have clearly become important to the running of a successful VCSE organisation. These skills may have always been needed, but the changed environment in which the VCSE sector exists has also brought them to the fore. As well as the skills necessary to manage volunteers, which we've concluded may increase because of external pressures, there is an increased need for bid writers and business development type skills.

This is an important conclusion. All the way through this series of reports we have been careful to avoid the mistake of suggesting that there is a public-sector hole into which the VCSE sector must fit. It is of course accurate that there are opportunities and challenges associated with austerity for the VCSE sector. However, the third sector world has changed and organisations in the VCSE sector are having to work differently to face those challenges. These new skills and indeed new roles, reflect the competitive environment in which these organisations now operate. In this sense, the VCSE sector has, or will need to become more attuned to winning funding and seeing itself as the deliverer of a project, which will to some extent impact on future funding allocations. The days of receiving ongoing grant funding seem largely to have disappeared forever. Instead, funders want impact and more value for less money. This is a really important driver in organisational behaviour and one that is having an impact on the skills of the workforce.

Moving on from governance and operational skills we have identified the third group, namely front-line skills. The previous skills and needs may reasonably be seen as the back-office skills. Without them the organisations in the VCSE sector may struggle to exist or grow. Without the necessary functional skills however, these organisations will not fulfil their goals and ambitions.

As the VCSE sector grows and takes on new responsibilities, the necessary skills required will be affected. Here there is a direct causal relationship. This too is crucial. The VCSE sector in some senses is a reactive sector in that it exists to fix problems, address gaps etc. So as and when these gaps exist, the VCSE sector will need new additional skills to work with the affected cohorts. For instance, in recent years, certainly post 2007, there was an increased demand for providing support on financial and debt issues. The demographics of the population, whilst potentially an opportunity in the sense of attracting skilled governance level individuals, is also one of the main drivers for VCSE sector provision. Increasingly organisations in the space, work with lonely or isolated elderly people. Likewise, the change in education policy, particularly in relation to academies and free schools has undoubtedly increased the numbers of, and function of the VCSE sector working with young people.

We have heard alternative views on the detail of these functional skills. It is clear that organisations working in different parts of the sector, are different by definition. However, we have also considered the similarities between the parts of the sector. A front-line worker supporting a young person does a different job than does someone supporting a person with disabilities. But in many ways their aims are the same and so are their skills. There are practical differences and different legal frameworks associated with varying client groups. But many of the skills are very similar across the breadth of the VCSE sector.

Using these three areas, we are able to highlight the following as areas where the LEP and others may seek to support this part of the VCSE sector.

Governance	Operational	Functional
High quality boards	Management skills - particularly in relation to working with volunteers	English language skills
Committed trustees	Securing funding and fundraising	Necessary safeguarding qualifications
Financial support	IT skills	Basic employability (volunteering being used as a step into employment)
	Understanding local communities and awareness of pre-existing solutions and partner organisations	
	Presentation skills relevant to working with external funders and stakeholder	

6 Amateur sport VCSE subsector

The benefits that sport can bring to people and society are widely recognised by government, not just in terms of physical and mental wellbeing but also individual, community and economic development (Sport England, 2016). VCSE sport clubs are recognised as playing a role in delivering governments sports policy (HM Government, 2015).

The majority of amateur sports clubs, such as Sunday league football and rugby teams, are voluntarily run. Some voluntary clubs own their own facilities but the majority hire facilities. Clubs often work in partnership with the private or public sector. For example, they use public sector facilities or gain sponsorship from private sector companies.

The latest figures from Sports England Active People Survey show that 36.7% of those age 16 and over play sport weekly across North Yorkshire (Sport England, 2016). This has remained steady since 2005. There are variations across the Local Authorities (Table 12). Four of the eight local authorities have seen the proportion have increased over the last year, but Scarborough, Hambleton, Selby and York all saw the proportion decrease.

Table 12 The proportion of people aged 16 and over participating in at least 30 minutes of sport at moderate intensity at least once a week.

Local Authority	Oct 2014 - Sep 2015	Oct 2015 - Sep 2016
Craven	33.4%	36.5%
Hambleton	35.7%	34.1%
Harrogate	40.6%	41.4%
Richmondshire	30.5%	37.9%
Ryedale	32.7%	39.0%
Scarborough	30.2%	26.0%
Selby	36.1%	33.3%
York	41.2%	40.5%

Source (Sport England, 2016)

The York and North Yorkshire MDA has around 800 registered charities reporting to operate in the field of amateur sport (Charity Commission, 2017). Some of these charities include:

- North Yorkshire Sport

North Yorkshire Sport Ltd is a registered charity and the County Sports Partnership (CSP) for North Yorkshire & York. Their overall aim as an organisation is to promote and encourage increased participation in sport & active recreation, whether as a participant, volunteer or coach.

- The City of York Hockey Club

Provide hockey for juniors, university students, professionals, social players, and even veterans of all abilities.

- York And District Group Riding for The Disabled Association

At the RDA, horses and ponies provide therapy, achievement and enjoyment to people with disabilities. They have centres all over the UK and all groups are run by volunteers (18,000 nationally).

- Follifoot Park Disabled Riders Group

Provides opportunities for disabled people to enjoy the unique benefits and pleasures of riding and carriage driving in the Harrogate area. They have 150 volunteers who help to provide 16 regular rides each week in groups of up to five disabled people.

- Sports Aid Yorkshire And Humberside

Is dedicated to helping talented young sports people in the region to achieve success by easing the financial barriers which stand in their way.

- Scarborough Athletic Club

The club objective is "the promotion of community participation in healthy recreation in particular by the provision of facilities and resources for running and athletic". This means organising and promoting at least four sessions per week of exercise and sport training classes in the Scarborough (North Yorkshire) area. They provide at least two senior and two junior training sessions.

- Sandylands Sports Centre

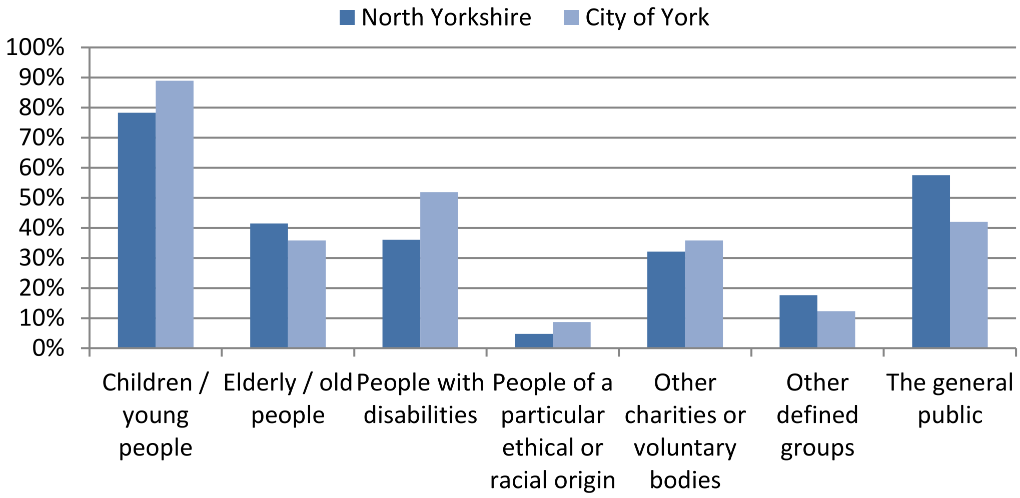
The Centre has provided a variety of sporting facilities since 1984 and is used by a number of sports clubs and members of the public who utilise the various available facilities, including an all-weather / 3G pitch, tennis courts, fitness suite, squash courts.

In addition to the above there are numerous village halls and recreational grounds/playing fields across the area which provide the facilities for sport activities such as yoga, pilates, karate, football, rugby, tennis etc.

Charities operating in the field of amateur sport were much more likely to report helping young people than on average (Figure 24). For example:

- 78% of charities operating in North Yorkshire in this subsector reported working with young children compared to 62% across all charities in the area.
- While in York, 89% of those providing amateur sport activities helped young people compared to the 58% of all charities.
- A greater proportion of charities providing amateur sports in York helped individuals with disabilities than on average (52% compared to 36%).

Figure 27 The focus of amateur sport charities operating in the MDA



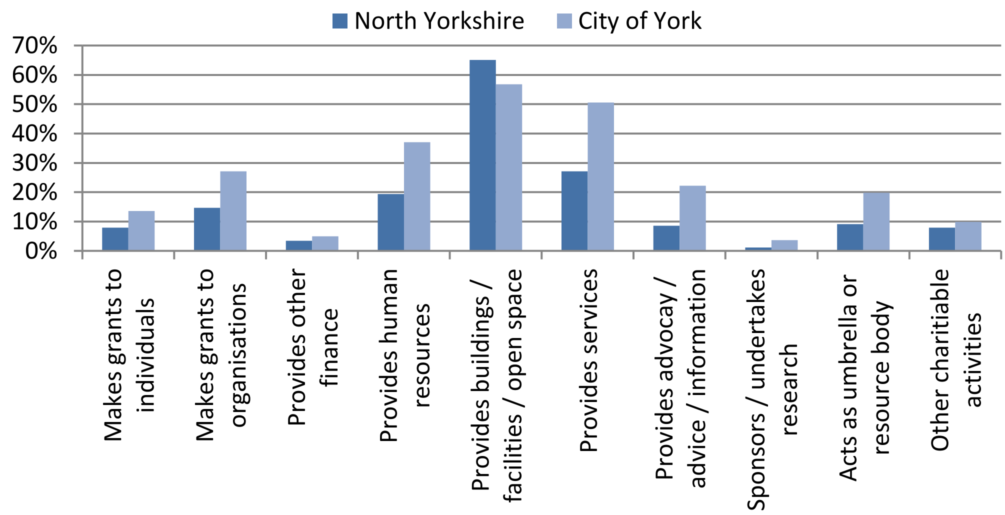
Source (Charity Commission, 2017)

Charities in the subsector are much more likely to provide building space / facilities or open space (Figure 28 and Figure 14). For example:

- Across North Yorkshire 65% of charities in the subsector provide a building, facilities or open space compared to 36% on average.
- In York, this was lower at 57% of charities operating in amateur sports, but still greater than average of 29%.
- Charities in the subsector were less likely to provide grants than on average.

These characteristics impact on the skills needed by staff, both paid and volunteer.

Figure 28 How amateur sport charities in the MDA operate

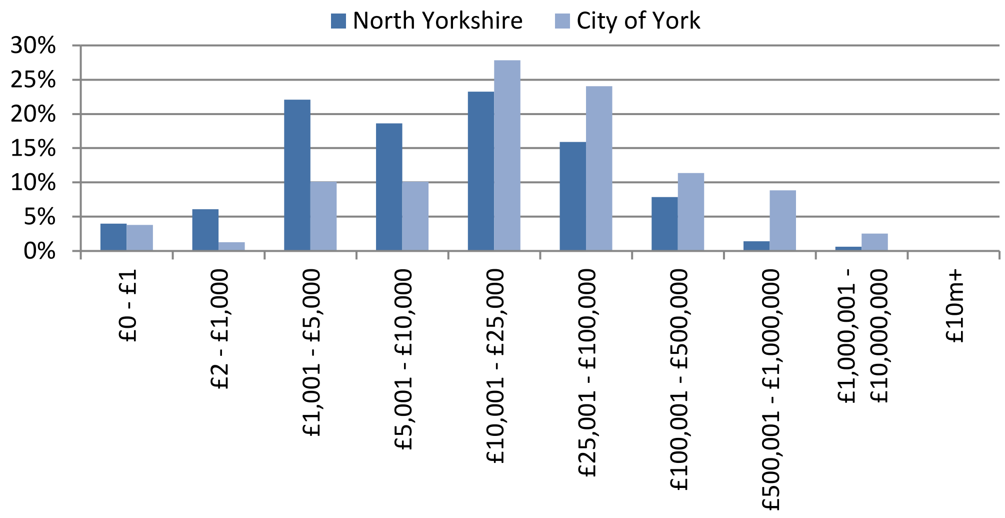


Source (Charity Commission, 2017)

Half (51%) of charities offering amateur sports in North Yorkshire have an income of less than £10k and just 10% had income over £100k (Figure 29). This indicates that many of the organisations are small, relying on volunteers rather than paid staff.

The size of charities in this subsector in York differs to North Yorkshire. In York, the proportion of smaller organisations is much smaller, with only 25% reporting an income under £10k. More than half (52%) report an income between £10k and £100k, with 23% reporting an income of £100k+.

Figure 29 Income range of amateur sport charities operating in the MDA



Source (Charity Commission, 2017)

6.1 Skills needs – Primary research testing the data

6.1.1 Planning for the future

Data tells us that across the LEP economy 58% of firms have a Business Plan which specifies objectives for the coming year, which is slightly lower than national findings of 62% (UKCES, 2016). 39% of firms had a training plan, again less than national average of 42%.

Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking. Given that many of these organisations are particularly small this may be surprising as this is clearly a difference with the private sector where many small firms do not have detailed plans for the future. However, it is apparent that there is an amount of legislation affecting the VCSE sector which expects them to have certain policies and processes in place. Likewise, given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. These two factors may explain why the VCSE sector is seemingly very different from the private sector in terms of Business Plans.

6.1.2 Recruitment

In terms of recruitment, it is the recruitment of volunteers that is most pressing.

The Institute for Volunteering Research found that the most common fields of interest supported by volunteers was education, with sports and exercise and health and disability also in the top four (Low, et al., 2017).

Most volunteers joined organisations by 'word-of-mouth'.

Like the findings in the Third Sector Trends Study for Yorkshire and Humber (Chapman, 2017), we found that many organisations do try to recruit volunteers. Some advertise via their websites but much is done via word-of-mouth. But we have routinely heard that recruiting new volunteers is something that many organisations within the whole sector struggle. In this part of the sector there is a high use of volunteers, but it is also one of the sub-sectors where there is a good pool of volunteers on which to draw, including parents, people looking to get into the sector as a career, and retired people. Unfortunately, there have been a number of stories in the news of criminal activity which has affected the subsector. Instances of abuse has led to significant changes in background checks and safety processes. Likewise, there have been several measures taken by the Football Association and other governing bodies to more fully support people who become involved in officiating. Trained and qualified officials has been raised as a worrying gap across a range of sports.

Key roles performed by volunteers in the sport subsector include:

- Sport coaches
- Cooks/Chefs - sports teams have food at end of games
- Event makers / volunteers
- Youth mentors
- Photographers / video
- Match day referees / linesman / officials
- Groundsman

Groundwork NEWY

Are looking for a volunteer sports practitioner to attend events in parks and community areas with our staff member to support or run sport sessions. Example sports include rounders, football, dodgeball and can take place at indoor or outdoor venues.

They are looking for someone who is confident of the rules, authoritative, fun and fair to help encourage young people of mixed age and ability to get active.

Volunteer expenses are covered up to £5 per day of travel and £2 per day for lunch upon production of receipts/mileage claim form.

https://www.groundwork.org.uk/Sites/newy/pages/sports-practitioner-for-community-charity-get-fit-get-fed-get-active

In a study such as this one where we consider the skills needed by the sector, high quality and committed volunteers has been much discussed. It is clear that organisations are investing in paid staff to attract, develop and retain this essential part of the workforce. Volunteers are needed across the skills level, right from Director/Trustee to someone who can lend a pair of hands for a few hours.

Whilst larger organisations may have formal development plans for the roles they actually want to fill with volunteers, the majority of smaller organisations have expressed a willingness to use whoever is willing to help.

6.1.3 What are the current skills needs and skills gaps?

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016).

From our primary research, firms that report skills gaps confirmed that main causes are generally due to individual's being new to the role and their training is currently only partially completed. . In particular, this is the case with volunteers. So, we have identified a need for staff to be able to support volunteers in the VCSE sector.

These two factors are both predominantly transient: that is to say one would expect skills gaps resulting from these causes to be eliminated when staff are settled into their new roles and/or existing training has been completed.

The nature of the sector also explains other areas where skills are regarded as being key.

We routinely heard throughout our research of the need for coaches and match day officials.

Most people who become match officials have played the game themselves and are now looking to give something back to the game they love. To be a qualified/accredited match official, individuals will need to undertake training, being able to demonstrate knowledge of the rules of the game.

To coach independently, most sports will require you to have a minimum standard of training and their governing bodies of sport run their own coaching qualifications. For example, the Football Association (FA) is the governing body for football, the Lawn Tennis Association (LTA) for tennis and so on.

Sports Coach UK recommended the following standards for coaches (UK Coaching, 2017):

- A Level 1 sport specific qualification if you're assisting a coach or helping out a club/group. (You may also need a DBS check and/or knowledge of first aid and safeguarding children.)
- A Level 2 sport specific coaching qualification if you're coaching independently.
- A Level 3 qualification if you want to deepen your coaching skills.

North Yorkshire Sport is committed to ensuring new and existing coaches working in North Yorkshire, in either a paid or voluntary capacity, are supported to develop their coaching knowledge and skills in order for them to provide high quality coaching opportunities in their coaching environments.

From our primary work, we can suggest that the following skills are particularly needed and valued by amateur sports VCSE organisations are:

- Coaching qualifications.
- Match officials.
- Volunteers with:
    - Safeguarding and Protecting Children
    - DBS clearance
    - First aid / medic / physiotherapist
    - PR and Comms
- Management skills.
- Securing funding and fundraising.
- IT skills.

6.1.4 Training

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months (UKCES, 2016). The vast majority of training and development is targeted at initial training and development and statutory areas such as health and safety.

Our primary research found similar findings in this area. Cost and time were the main drag factors on engaging non-mandatory training.

Furthermore, with volunteers playing an important role in the sector, training is a key area to ensure legal compliance. Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.

What we have found is the discrepancy between the micro and larger organisations. Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers. In this sense, we wonder if salaried staff are necessarily skilled as educators. They may indeed have training in a particular area, but we wonder if their skills in cascading information onwards could be better addressed.

6.1.5 Apprenticeships

However, as seen from our report on the national picture of the VCSE, there were three sector specific frameworks but these are no longer 'live'. The sector therefore does not have specific apprenticeship frameworks or standards. Generally, they make use of generic ones such as Business and Administration.

In our primary work, we found that there is support for the principle of Apprenticeships but it was felt that they were often too large an intervention for this subsector. 51% of firms across North Yorkshire in this subsector have an income of less than £10k, with many run by a voluntary committee and not employing any staff. They are, therefore, entirely dependent upon freely given time to manage organisations and deliver the work needed.

6.2 Drivers of change

6.2.1 Political

National Governing Bodies (NGBs)

Many voluntary clubs are affiliated to NGBs, such as Rugby Football Union, England and Wales Cricket Board, the Amateur Rowing Association. The NGB structure facilitates sports competitions and provides support for clubs.

But each NGB will have their own policy for developing the sport. This can cause a challenge to the organisations at grassroot level. Clubs will need to be aware of and respond the NGB policies, which may add additional pressure to those involved in running the club.

Public Services

Government is looking to put small charities at the heart of public services (DCMS, 2016). It is recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

Therefore, three measures have been announced as part of a programme to help tackle the challenges of getting small charities into the public service supply chain. These are:

- Developing a placed based Public Service Incubator that helps small charities get commissioned.
- Exploring the development of a commissioning kitemark that will set out a best practice standard. As we have illustrated elsewhere, this sort of metric is a real gap in the VCSE sector, where we have been unable to find a recognised and widely used definition of excellence or best practice.
- Recruiting a voluntary, community and social enterprise crown representative.

Further information can be found on https://www.gov.uk/government/news/putting-small-charities-at-the-heart-of-public-services

Social Value Act - demonstrating impact

The Public Service (Social Value Act) requires commissioners who procure services to consider social, economic and environmental benefits.

Many VCSEs are well practiced at providing added social value through service delivery across many sectors including health, education, housing and transport. The Social Value Act creates an opportunity for bidders to demonstrate this to public service commissioners, who asses which potential providers would deliver maximum public benefit to the local community.

6.2.2 Social

Governance

Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. But now, more than ever before, trustees of charities and community groups need to ensure that their organisations are being run efficiently and effectively.

This may mean looking at how services are delivered: can use of new technologies be made? Should organisations look outwards to other organisations in the same field seeking to work in partnership or at potential mergers? Is the organisation investing the time and resources to develop the skills of the volunteers and staff who deliver the services? But as important, are the right skills within trustee boards available to ensure that challenges of the future are met.

In the wake of the high-profile closure of Kids Company, we have heard concerns around attracting high quality non-executives (NEDs). There is a concern that a seemingly charitable act of becoming a non-executive director is something that can have important implications for a career. Moving forward therefore, we wonder if some of these concerns could be allayed by having comprehensive training on obligations and best practice for potential NEDs. This may be an effective way to improve the performance of the local VCSE sector as potential NEDs become completely familiar with expectations and legal obligations.

Volunteers

Encouraging volunteers is an ongoing issue in the subsector. Word of mouth was by far the most common route individuals took into volunteering. However, volunteers also get involved because they had previously used the organisation's services and/or seen a leaflet or poster.

But it is not just recruiting volunteers, it is also having the ability to manage them and keep individuals engaged. Crucially the VCSE sector needs volunteers, but this means that the organisations need skilled volunteer managers. These are often paid roles in larger organisations but in smaller organisations they are often volunteers themselves.

Members

The amateur sports market is highly competitive - individuals nowadays a have range of leisure activities and facilities to select from. This means that voluntary sports clubs must compete more fiercely for the time, money and commitment from members and volunteers.

Marketing and Communication

In today's marketplace, being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for most operators.

Social media, in its various forms, presents the subsector with a direct way of reaching customers and volunteers as well as communicating key information about and any offers. But this presents a challenge, especially for the smaller businesses: expertise and time is required.

Organised sport is under pressure

It is clear that organised and formal sport is under pressure both because of societal shift, but also where prices are increasing.

6.3 Future requirements

Employers in the VCSE sector clearly face a number of challenges in the near-term future. The crash of 2007 led to a significant change in the role and perception of the VCSE sector, with a number of initiatives leading to a view that the VCSE sector could and should be replacing significant parts of the public sector. As the public sector has been diminished, and as services have been cut there has been an increased role for the VCSE sector. A clear example of this has been the growth of food banks. As state support has declined, there has been a growth of VCSE interventions. Worth noting is that we are not suggesting that these interventions have been perfect substitutes either in terms of magnitude or quality. As we have identified above, many VCSE organisations are very small and so the impacts they deliver are necessarily different from national initiatives.

The impact of the policy decisions made in the aftermath of the 2007 crash continue to be with us. Austerity policies continue to result in reduced social interventions and so there is this drive behind the VCSE sector to fill the gaps. However, it is not the case that the state has pulled out and left behind lots of funding opportunities. Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.

Austerity policies now have a sibling in the potential aftermath of Brexit. European funding through various 'pots', ESF, ERDF etc. has been a key way to finance the VCSE sector. Frankly, no one seems to know what will happen to these funding sources in March 2019. It seems unlikely that the UK will be able to access them, but the substitutes for them from the UK government have yet to be discussed. Indeed, we are not sure that there will be an attempt to replicate the funding. Consequently, the VCSE sector is at the edge of a new era. Demand is high, but the sources of funding for the future are unclear.

Consequently, at least some of the thoughts of the future are speculative based on the above uncertainty.

In this way, many of the skills identified as being needed for the future are actually skills gaps which already exist.

The clear main issue facing the VCSE sector moving forward relates to accessing funding. The previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. In particular, any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. This of course has implications for the people with whom they engage.

In this issue, there is the possibility that larger organisations will have an advantage and so will effectively have a first mover advantage when it comes to accessing new funding routes. We wonder therefore if the LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

6.4 So what does this mean for the future?

The importance of the VCSE sector has become more obvious in the wake of austerity and the cuts which have followed. Local authorities have been particularly hard hit and we have seen instances where under pressure councils have retreated to ensuring that they provide statutory mandated services. In this sense, it is clear that the VCSE sector is already, and will increasingly yet, be a key partner in delivering services and support seen as essential in the lives of many.

However, it is important to recognise that this increased role is not going to result in lots of funding becoming available. This is not a zero-sum game where the publicly funded sector loses out and the VCSE gains revenue. For the most part, the significance of the VCSE sector is increasing largely as a consequence of the decline in funded provision delivered in-house by relevant authorities.

There may indeed be some increases in funding, but the call to do 'more with less' is perhaps more relevant than ever to the VCSE sector.

We have highlighted a number of statistics and trends which may reasonably underpin policy responses to the new challenges.

- Approximately 4,000 charities were registered with the Charities Commission as active across North Yorkshire and York.
- A greater proportion of charities in North Yorkshire are involved in amateur sports then within York (23% compared to 12%).
- The York and North Yorkshire MDA has around 800 registered charities reporting to operate in field of amateur sport
- 78% of charities operating in North Yorkshire in this subsector reported working with young children compared to 62% across all charities in the area.
- While in York, 89% of those providing amateur sport activities helped young people compared to the 58% of all charities.
- A greater proportion of charities providing amateur sports in York helped individuals with disabilities than on average (52% compared to 36%).
- Across North Yorkshire 65% of charities in the subsector provide a building, facilities or open space compared to 36% on average. In York, this was lower at 57% of charities operating in amateur sports, but still greater than average of 29%.
- Charities in the subsector were less likely to provide grants than on average.
- Many of the organisations in the subsector are small - half (51%) of charities offering amateur sports in North Yorkshire have an income of less than £10k – indicating that they are relying on volunteers rather than paid staff.
- In York, the proportion of smaller organisations is much smaller, with only 25% reporting an income under £10k. More than half (52%) report an income between £10k and £100k, with 23% reporting an income of £100k+.
- Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking.
- In terms of recruitment, it is the recruitment of volunteers that is most pressing. Encouraging volunteers is an ongoing issue in the subsector
- There is a need for staff to be able to support volunteers in the VCSE sector.
- We can suggest that the following skills are particularly needed and valued by amateur sports VCSE organisations are:
    - Coaching qualifications.
    - Volunteers with:
        - Safeguarding and Protecting Children knowledge
        - DBS clearance
    - First aid
    - Management skills.
    - Securing funding and fundraising.
    - IT skills / social media
- Cost and time were the main drag factors on engaging non-mandatory training.
- With volunteers playing an important role in the sector, training is a key area.
- Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.
- Government is looking to put small charities at the heart of public services. It is recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

- Three measures have been announced to help tackle the challenges of getting small charities into the public service supply chain.
    - Developing a placed based Public Service Incubator that helps small charities get commissioned.
    - Exploring the development of a commissioning kitemark that will set out a best practice standard.
    - Recruiting a voluntary, community and social enterprise crown representative.
- But charities need to have the expertise to write winning tenders.
- VCSE need to be able to evidence their social value.
- There is a need for trustees but it's never easy and Kids Company has added a certain nervousness.
- Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.
- The LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

As well as those organisations which are formally registered with the Charities Commission, we know that there are many others who work in this space. Consequently, we are able to show that as well as being an important sector, it is also a large one, albeit it is a difficult sector to accurately quantify. In the sector, many people work in voluntary roles. This is a key difference with other sectors. The voluntary workforce is absolutely crucial and without it, many organisations would not be able to function. Therefore, we note how important it is to renew and bring in a new set of volunteers to add to the current capacity. In just the same way that other sectors will have replacement demand, so too with the VCSE sector need replacement volunteers.

Certainly, this is an opportunity associated with the ageing population. Modern lifestyles and medicines mean that retired people are willing and able to work for far longer than in previous generations. They may bring professional skills and expertise with them which can be of huge benefit to the sector, particularly in a voluntary setting. But this is a challenge in and of itself, and may be something that the LEP could become a key player in, namely increasing participation in the VCSE sector across a range of roles on a voluntary basis.

We have highlighted that the increase in minimum wage is likely to have an impact on the sector. The private sector will expect to pass on the wage increase in price rises, but the VCSE sector has no similar avenue. Instead they are faced with funders who are looking for more impact for less investment, so the wage constraint is really important and has potentially serious implications. It also further drives the need for more volunteers, potentially to replace roles which may have previously been paid for roles.

We see three strands to the skills needs in the VCSE sector. These strands are common cross the whole sector; where there are differences it relates to the specifics of the parts of the sector in which the organisation operate.

6.4.1 The Three Strands

There is clearly a need for senior support in terms of governance. Across the entire VCSE sector, organisations have highlighted a determination to maintain challenging and high-quality Boards. As we understand it, securing high quality and committed trustees has always been a challenge for the sector. However, recent events such as the Kids Company closure have seemingly had an impact on the willingness of appropriately skilled people to enter governance roles. It is also noting that professionals feel under time pressure regarding their own work or business and so are less able or willing to make an additional time commitment. Where non-executive experience was routinely taken as a good thing, there is now more of a need to defend and explain other commitments which take the person out of the business.

In this sense, we have an interesting position where the same economic climate that increases the demand for the VCSE sector is also the climate which may make it difficult to attract high quality individuals to assist with governance.

Then there are clearly operational skills both in terms of on-going delivery, but also as a result of changes and expected future changes. We have presented these in more depth previously, but there are a number of skills which have clearly become important to the running of a successful VCSE organisation. These skills may have always been needed, but the changed environment in which the VCSE exists has also brought them to the fore. As well as the skills necessary to manage volunteers, which we've concluded may increase because of external pressures, there is an increased need for bid writers and business development type skills.

This is an important conclusion. All the way through this series of reports we have been careful to avoid the mistake of suggesting that there is a public-sector hole into which the VCSE must fit. It is of course accurate that there are opportunities and challenges associated with austerity for the VCSE sector. However, the third sector world has changed and organisations in the VCSE are having to work differently to face those challenges. These new skills and indeed new roles, reflect the competitive environment in which these organisations now operate. In this sense, the VCSE has, or will need to become more attuned to winning funding and seeing itself as the deliverer of a project, which will to some extent impact on future funding allocations. The days of receiving ongoing grant funding seem largely to have disappeared forever. Instead, funders want impact and more value for less money. This is a really important driver in organisational behaviour and one that is having an impact on the skills of the workforce.

Moving on from governance and operational skills we have identified the third group, namely front-line skills. The previous skills and needs may reasonably be seen as the back-office skills. Without them the organisations in the VCSE sector may struggle to exist or grow. Without the necessary functional skills however, these organisations will not fulfil their goals and ambitions.

As the VCSE grows and takes on new responsibilities, the necessary skills required will be affected. Here there is a direct causal relationship. This too is crucial. The VCSE in some senses is a reactive sector in that it exists to fix problems, address gaps etc. So as and when these gaps exist, the VCSE will need new additional skills to work with the affected cohorts. For instance, in recent years, certainly post 2007, there was an increased demand for providing support on financial and debt issues. The demographics of the population, whilst potentially an opportunity in the sense of attracting skilled governance level individuals, is also one of the main drivers for VCSE sector provision. Increasingly organisations in the space, work with lonely or isolated elderly people. Likewise, the change in education policy, particularly in relation to academies and free schools has undoubtedly increased the numbers of, and function of the VCSE working with young people.

We have heard alternative views on the detail of these functional skills. It is clear that organisations working in different parts of the sector, are different by definition. However, we have also considered the similarities between the parts of the sector. A front-line worker supporting a young person does a different job than does someone supporting a person with disabilities. But in many ways their aims are the same and so are their skills. There are practical differences and different legal frameworks associated with varying client groups. But many of the skills are very similar across the breadth of the VCSE.

Using these three areas, we are able to highlight the following as areas where the LEP and others may seek to support this part of the VCSE sector.

Governance	**Operational**	**Functional**
High quality boards	Management skills - particularly in relation to working with volunteers	English language skills
Committed trustees	Securing funding and fundraising	Necessary safeguarding qualifications and DBS checks
Financial support	IT skills	Coaching qualifications
	Understanding local communities and awareness of pre-existing solutions and partner organisations	Match officials
	Presentation skills relevant to working with external funders and stakeholder	First aid skills

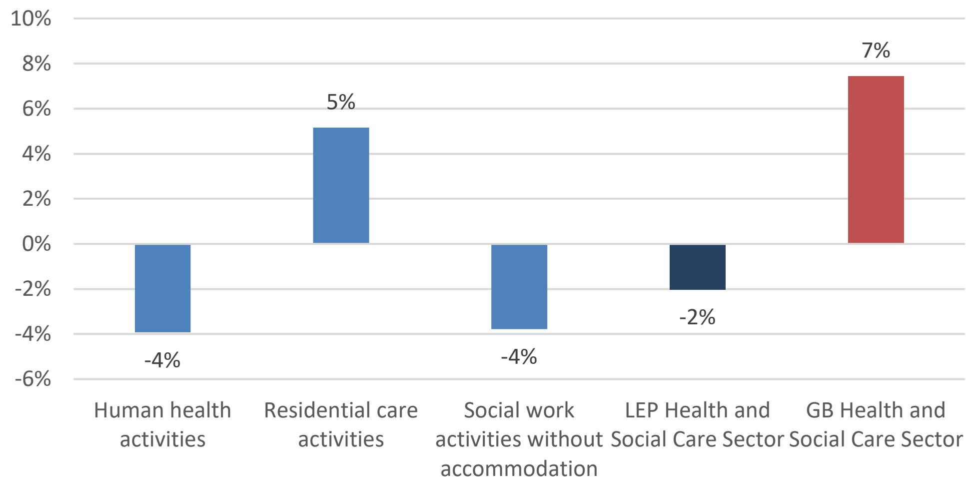
7 Health and social care VCSE subsector

7.1 Health and social care in YNYER

67,000 individuals work across the YNYER LEP health and social care sector, which is 13% of the total employment. Employment in the sector decreased by 2% between 2010 and 2015, bucking the national trend which saw a 7% increase in the same period (ONS, 2015).

The employment fortunes of each subsector between 2010 and 2015 reveals striking differences. Human health and social work activities both saw employment levels decrease by 4%, while residential care activities saw an increase of 5% in employment levels.

Figure 30 YNYER Health and social care employment change, 2010-2015



Source (ONS, 2015)

The most common job roles in the health and social care sector across the Yorkshire and Humber regions are shown below.

Table 13 Top 5 occupations in food and drink manufacture, Yorkshire and Humber

Rank	Occupation	Number employed
1	2231 'Nurses'	61,500
2	6145 'Care workers and home carers'	55,400
3	6141 'Nursing auxiliaries and assistants'	28,900
4	2211 'Medical practitioners'	22,300
5	2442 'Social workers'	10,400

Source (Office for National Statistics, et al., 2017)

Other significant roles include:

- Midwives.
- Receptionists.
- Welfare and housing associate professionals.
- Senior care workers.

7.2 VCSE health and social care subsector

VCSE organisations play a critical role in health and social care sector. They have and continue to make a substantial contribution to the delivery of high quality health and social care services and are integral to the wider health and care system. There are a number of facets within the health and social care sector in which the VCSE plays an important role.

It is clear than many individuals in the health and social care do not work for private firms (just 38% work for a private firm) (Office for National Statistics, et al., 2017). 11% of the health and social care workforce actually work for a VCSE. But there is variation when looking at the health and care areas. For example:

- 33% of those working in social care are employed by VCSE.
- 11% of those working in residential care activities are employed by a VCSE.
- While just 2% of the human health workforce, work within a VCSE (69% work for health authority or NHS)

Unsurprisingly therefore, the health and social care sector that is affected by events in the public and third sector.

VCSE organisations are key in the health and social care subsector as they are often uniquely able to offer support which looks at the whole person and whole family, thinking preventatively and whole-lifetime.

The subsector is very diverse, ranging from large organisation with significant income and staffing levels to small community groups largely run by volunteers. Often organisations draw on the contributions of staff, trustees and volunteers with first-hand knowledge and experience.

The type of health and social care work that VCSE organisations undertake is varied, reflecting their broad range of technical and professional skills. They can be providers of services, advocates, and/or bodies that represent the voice of service users, patients and carers.

The York and North Yorkshire MDA has over 500 registered charities reporting to operate in field of advancement of health or saving lives (Charity Commission, 2017). Some of these charities include:

- North Yorkshire AIDS Action

NYAA provides support for people in North Yorkshire and York who are living with or affected by HIV. Their support services are delivered as part of their partnership with York Teaching Hospital NHS.

- North and West Yorkshire Association for Spina Bifida And Hydrocephalus

The association provides direct assistance to children and adults with spina bifida and/or hydrocephalus and their parents/carers within North and West Yorkshire. They provide welfare grants, subsidised holidays and mutual support through activities, outings, workshops and seminars.

- Hambleton And Richmondshire Carers Centre

They provide support and advice to carers and the families of young carers across a range of subjects. They provide benefit advice, emotional support, social groups, activities and signposting. Working in partnership with carers they raise awareness of carer issues, contribute to local, regional and national debate and strategy for carers and collaborate with local agencies to strengthen the voice of carers.

- Next Steps Mental Health Resource Centre

Next Steps Well-being Centre supports people with mental health problems, wellbeing issues and preventing isolation and loneliness in Ryedale, North Yorkshire, by providing a drop-in centre, activities and outreach groups Kirkbymoorside/ Pickering and pop ups throughout Ryedale.

- York Against Cancer

A local charity helping local people affected by cancer. They provide care and support for patients and their families in York and North Yorkshire. They fund pioneering cancer research and provide cancer awareness education and information. All their work is funded by fundraising and donations. They have 8 employees and 70 volunteers.

- St Leonard's Hospice York

The hospice provides specialist palliative care and support for local people with life limiting illnesses. Employing 125 individuals the hospice is also supported by nearly 500 volunteers.

- The Retreat York

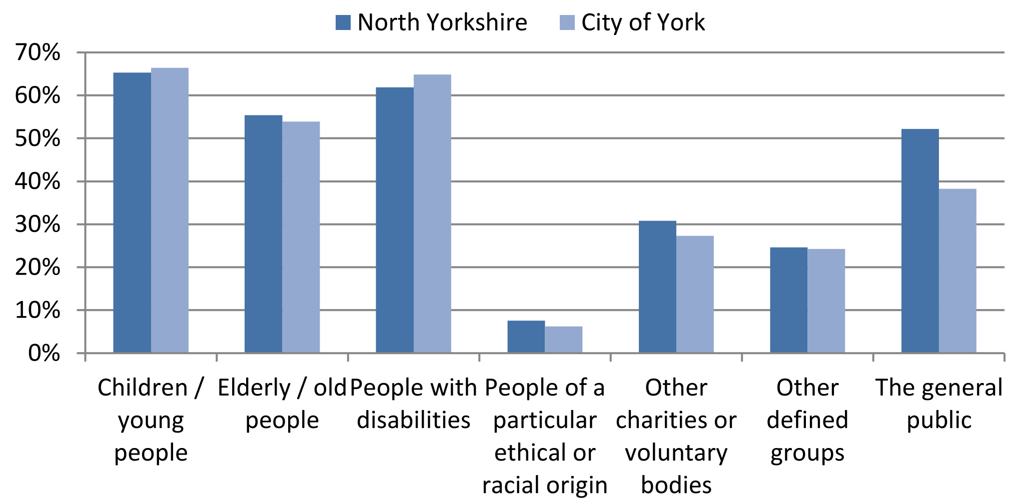
The Retreat is a charitable, not-for-profit provider of specialist mental health care. They work closely with the NHS to provide services for people with complex and challenging needs.

The majority of charities operating in health and social care reported helping (Figure 24):

- Children and/or young people.
- Elderly people.
- People with disabilities.

This subsector was much more likely to report helping elderly people and those with disabilities than charities on average (see Figure 13 above).

Figure 31 The focus of health and social care charities operating in the MDA



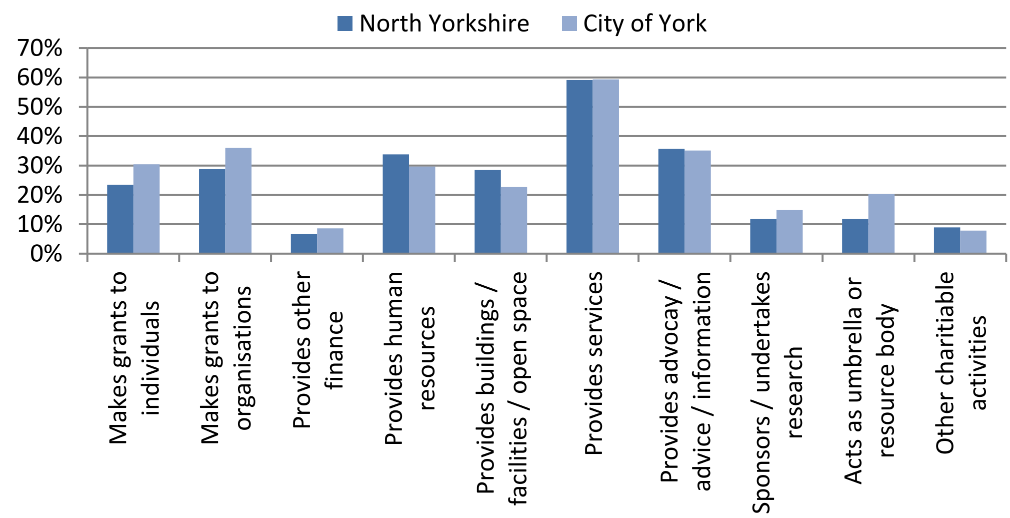
Source (Charity Commission, 2017)

Charities in the subsector are much more likely to provide services and advice and information than on average (Figure 32 and Figure 14). For example, across North Yorkshire 59% of charities in the subsector provide a service compared to 36% on average.

Charities in the subsector also provided other valuable services such as grants and undertaking research. For example:

- In York, three in ten (30%) charities operating in health and social care reported providing grants to individuals compared to 21% on average.
- Charities in the subsector were less likely to provide facilities/buildings or open space than on average.
- But they are more likely to sponsor or undertake research.

Figure 32 How health and social charities in the MDA operate



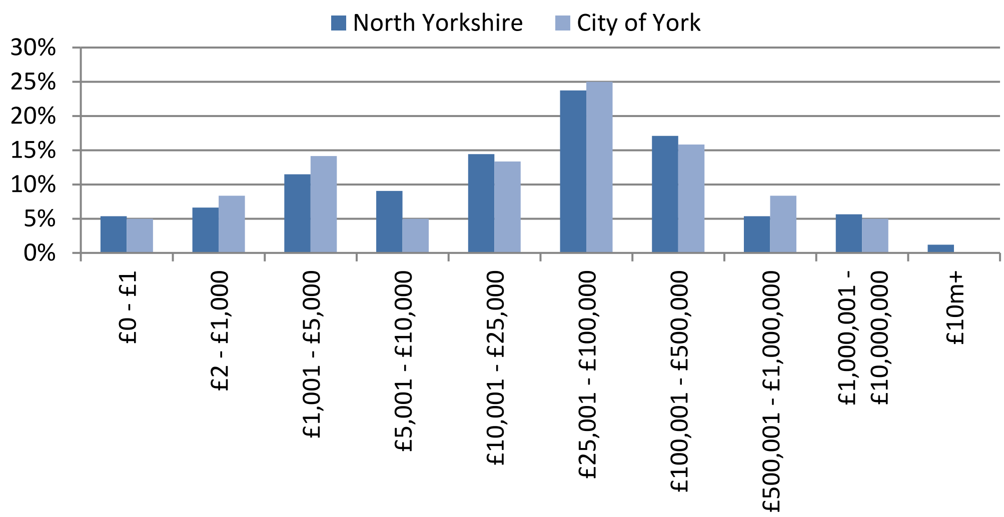
Source (Charity Commission, 2017)

A third (33%) of charities offering health and social care in York and North Yorkshire have an income of less than £10k and 29% had income over £100k.

The size of charities in this subsector in North Yorkshire is different than the average: There is a greater proportion of larger charities than on average, with 29% in the subsector reporting an income of £100k+ compared to 16%.

While in York the size is comparable (Figure 33 and Figure 15).

Figure 33 Income range of health and social care charities operating in the MDA



Source (Charity Commission, 2017)

7.3 Skills needs – Primary research testing the data

7.3.1 Planning for the future

Previous research in the LEP with businesses in the health and social care sector found 87% had specific business or training plans in place. Working to ensure they meet regulatory standards, such as those set by the Care Quality Commission (CQC), meant that the majority of SMEs had appraisal systems in place (Burke & Johnson, 2015).

Our primary research confirms this previous research with organisations in the subsector in the MDA normally having a business and training plan. Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking. Given that many of these organisations are particularly small this may be surprising as this is clearly a difference with the private sector where it is unusual to have Business Plans or Training Plans. However, it is apparent that there is an amount of legislation on the VCSE sector which expects them to have certain policies and processes in place. Likewise, given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. These two factors may explain why the VCSE sector is seemingly very different from the private sector in terms of having Business Plans.

7.3.2 Recruitment

There are recruitment demands across the subsector, but firms report that when roles are advertised they receive sufficient number of applicants of a high standard.

Roles such as nursing and carers are in demand. For example, the Retreat York had several positions:

The Retreat York

The Retreat, a provider for mental health services, had several opportunities in August 2017. Roles included:

- Staff Nurse (RMN) – Male Complex Dementia
- Staff Nurse (RMN) – Complex PTSD and Dissociative Disorders
- Staff Nurse (RMN) – Eating Disorders Service
- Staff Nurse (RMN) – Older Adult Female
- Specialist Dietitian - Eating Disorders
- Governance and Compliance Coordinator
- Contracts and Bids Leads
- Head Gardner

http://www.theretreatyork.org.uk/current-opportunities.html

The health and social care sector must be especially mindful of the new staff members that it brings on board, as so much of the sector is devoted to providing care to individuals who may be vulnerable. Thereby a key a part of recruitment is DBS check. A DBS check refers to the Disclosure and Barring Services, which helps employers make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups. Safe recruitment practices and policies are essential in the subsector.

The establishment of the Fundraising Regulator in January 2016, following widespread public and media concern about how charities contact potential donors, has meant many charities undertaking a review of their fundraising strategy, leading to greater emphasis on certain income streams and therefore demand for candidates with the relevant skills. For example, there has been an increase in corporate fundraising and community fundraising teams as some organisations look to offset a potential fall in individual donations by building better and stronger partnerships with businesses and community groups. Therefore, there are more opportunities for fundraisers with relationship building and business development skills.

Even though many roles the VCSE sector have a lower salary compared to the private sector, factors such as flexible working, in which the sector leads the way, is key to attracting candidates. Candidates are willing to accept a lower wage in favour of greater flexibility and a better work/life balance, plus of course the opportunity to pursue a worthwhile cause.

One hospice was seeking a Volunteers Service Manager, highlighting the importance of volunteers in such an organisation and across the subsector.

Volunteering England (2012) compiled a list of more than 100 roles volunteers carry out in health and social care.

Table 14 Volunteering in health and social care — settings and roles

Setting	Example roles
Community settings	Social support for vulnerable groups; signposting and improving access to services; teaching and training; advocacy and interpreting; providing wellbeing activities in the community; coaching patients through lifestyle changes; fundraising.
Acute hospital care	Assisting with meal times; buddying; delivering supplies to frontline staff; collecting patient feedback; ambulance 'first responders'; plain language volunteers (to edit written materials); clerical support; welcoming and guiding around the hospital.
Mental health care	Peer support; friendship schemes; running drop-in centres and sports groups.
Palliative care	Bereavement counselling; providing emotional support to families; running support groups; training other volunteers.
Home care	Visiting and befriending older people outside care homes to reduce isolation; home escorts for vulnerable patients; carer support services.
Care homes	Supporting people to eat properly; providing activities that improve wellbeing; dining companions; providing entertainment.

Source (Naylor, et al., 2013)

The Institute for Volunteering Research found that the most common fields of interest supported by volunteers was education, with sports and exercise and health and disability also in the top four (Low, et al., 2017).

Most volunteers joined organisations by 'word-of-mouth'.

In keeping with findings in the Third Sector Trends Study for Yorkshire and Humber (Chapman, 2017), we found that many organisations do try to recruit volunteers, either by advertising or holding events, this is now a key function of many paid for staff. But we have routinely heard that recruiting new volunteers is something that many organisations within the whole sector struggle. In this part of the sector there is a high use of volunteers, but it is also one of the subsectors where there is a good pool of volunteers on which to draw.

In a study such as this one where we consider the skills needed by the sector, high quality and committed volunteers has been much discussed. It is clear that organisations are investing in paid staff to attract, develop and retain this essential part of the workforce. Volunteers are needed across the skills level, right from Director/Trustee to someone who can lend a pair of hands for a few hours.

Whilst larger organisations may have formal development plans for the roles they actually want to fill with volunteers, the majority of smaller organisations have expressed a willingness to use whoever is willing to help.

7.3.3 What are the current skills needs and skills gaps?

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016).

The nature of the sector explains areas where skills are regarded as being key. From our primary work, we can suggest that the following skills are particularly needed and valued by health and social care VCSE organisations:

- Nursing or carers skills.
    - Dementia awareness.
    - End of life / Palliative care.
    - Mental health.
    - Safe handling of medicine.
- Management skills:
    - Of unpaid volunteer charity leaders/trustee.
    - Of the recruitment and management of volunteers.
- Volunteers with good communication skills, empathy
- Health and Wellbeing coaches
- Securing funding and fundraising.
- Project / Programme Management.
- Presentation skills.
- IT skills.
- Understanding local communities and awareness of pre-existing solutions and partner organisations.

7.3.4 Training

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months (UKCES, 2016). The vast majority of training and development is targeted at initial training and development and statutory areas such as health and safety and safeguarding.

Our primary research found similar findings in this area. Safeguarding people is fundamental to high quality health and social care and is a key area for training in the sector – individuals need to be aware and understand their safeguarding duties and responsibilities. Additional training needs include:

- Dementia awareness.
- Equality and diversity.
- Nutrition.
- End of life / Palliative care.
- Mental health.
- Safe handling of medicine.

Cost and time were the main drag factors on engaging non-mandatory training,

Furthermore, with volunteers playing an important role in the sector, training is a key area to ensure legal compliance. Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.

Likewise, given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities. For instance, we know that other areas have prioritised ESA claimants and so have worked to develop the skills of the provider network. This is potentially an interesting model, where funders work with the provider network to upskill in the particular areas of real interest to them. This may move the focus away from skills to survive, and instead see training budgets used to deliver the desired impacts.

What we have found is the discrepancy between the micro and massive organisations. Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers. In this sense, we wonder if salaried staff are necessarily skilled as educators. They may indeed have training in a particular area, but we wonder if their skills in cascading information onwards could be better addressed.

7.3.5 Apprenticeships

However, as seen from our report on the national picture of the VCSE, there were three sector specific frameworks but these are no longer 'live'. The sector therefore does not have specific apprenticeship frameworks or standards.

In our primary work, we found that there is support for the principle of Apprenticeships but it was felt that they were often too large an intervention for this subsector. 46% of firms in this subsector have an income of less than £10k, with many run by a voluntary committee and not employing any staff. They are, therefore, entirely dependent upon freely given time to manage organisations and deliver the work needed.

Larger firms that do offer apprenticeships tend to use the more generic frameworks. For example:

Mainstay, a charity which offers support to people who have a broad variety of mental health concerns, have a position available for a Business Administrator Apprentice.

The role will be to provide administrative support for project work. It will include IT support- regular updating of the data base, sending out appointment letters, post duty, filing and compiling new case files, typing reports and meeting minutes preparation for courses - admin of registration and evaluation forms and other associated admin tasks.

Source: https://www.findapprenticeship.service.gov.uk/apprenticeship/-177545

7.4 Drivers of change

7.4.1 Political

Election and Leaving the European Union

The result of the British General Election and the Brexit vote has left the voluntary sector facing an uncertain immediate future.

Nationally the voluntary sector employed a number of EU nationals: over 15,000 in social work, 4,700 in human health and 1,600 in residential care. The effect on inward migration policies from the EU and beyond could affect the sector's ability to recruit and retain skilled staff.

Public Services

Government is looking to put small charities at the heart of public services (DCMS, 2016). It is recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

Therefore, three measures have been announced as part of a programme to help tackle the challenges of getting small charities into the public service supply chain. These are:

- Developing a placed based Public Service Incubator that helps small charities get commissioned.
- Exploring the development of a commissioning kitemark that will set out a best practice standard. As we have illustrated elsewhere, this sort of metric is a real gap in the VCSE sector, where we have been unable to find a recognised and widely used definition of excellence or best practice.
- Recruiting a voluntary, community and social enterprise crown representative.

Further information can be found on https://www.gov.uk/government/news/putting-small-charities-at-the-heart-of-public-services

Social Value Act - demonstrating impact

The Public Service (Social Value Act) requires commissioners who procure services to consider social, economic and environmental benefits.

Many VCSEs are well practiced at providing added social value through service delivery across many sectors including health, education, housing and transport. The Social Value Act creates an opportunity for bidders to demonstrate this to public service commissioners, who asses which potential providers would deliver maximum public benefit to the local community.

Legislation / Regulations

As with other industries which provide a service, this is a subsector which is heavily regulated.

Employers are not expecting there to be significant new legislation in the next few years, rather they are anticipating many current standards to simply move from EU legislation into UK law. But this is conjecture and nobody really knows!

7.4.2 Economic

Austerity / Budget restrictions

With resources being evermore scarce across the health care system, collaboration and partnership is becoming ever more critical. The Department of Health, Public Health England and NHS England (the three 'system partners') agree that prevention, community building, addressing the wider determinants of health, co-production and engaging those at particular risk of poor experiences and poor outcomes are all vital to the new health and care model, and that these areas of work cannot be successful without a strong and thriving VCSE sector (NHS England, 2015).

Thereby the system partners are committed to building partnerships and working with the VSCE to ensure delivery of high quality health and care interventions.

Wage levels

The National Minimum Wage (NMW) was first introduced in the UK in April 1999 at a rate of £3.60 per hour for over 21-year-olds. Prior to that there was no statutory minimum. In April 2016, the government introduced the National Living Wage (NLW) at a level of £7.20 per hour for those over 25 years old, increasing to £7.50 in April 2017. It is expected to rise to at least £9 per hour by 2020. The impact of this is likely to be significant on this subsector and one unintended consequence may be to push roles that are currently paid, into the voluntary part of the service.

7.4.3 Social

Governance

Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. But now, more than ever before, trustees of charities and community groups need to ensure that their organisations are being run efficiently and effectively.

This may mean looking at how services are delivered: can use of new technologies be made? Should organisations look outwards to other organisations in the same field seeking to work in partnership or at potential mergers? Is the organisation investing the time and resources to develop the skills of the volunteers and staff who deliver the services? But as important, are the right skills within trustee boards available to ensure that challenges of the future are met.

In the wake of the high-profile closure of Kids Company, we have heard concerns around attracting high quality non-executives (NEDs). There is a concern that a seemingly charitable act of becoming a non-executive director is something that can have important implications for a career. Moving forward therefore, we wonder if some of these concerns could be allayed by having comprehensive training on obligations and best practice for potential NEDs. This may be an effective way to improve the performance of the local VCSE sector as potential NEDs become completely familiar with expectations and legal obligations.

Volunteers

Encouraging volunteers is an ongoing issue in the subsector. Word of mouth was by far the most common route individuals took into volunteering. However, volunteers also get involved because they had previously used the organisation's services and/or seen a leaflet or poster.

But it is not just recruiting volunteers, it is also having the ability to manage them and keep individuals engaged. Crucially the VCSE sector needs volunteers, but this means that the organisations need skilled volunteer managers. These are often paid roles in larger organisations but in smaller organisations they are often volunteers themselves.

Marketing and Communication

In today's marketplace, being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for most operators.

Social media, in its various forms, presents the subsector with a direct way of reaching customers and volunteers as well as communicating key information about and any offers. But this presents a challenge, especially for the smaller businesses: expertise and time is required.

7.5 Future requirements

Employers in the VCSE sector clearly face a number of challenges in the near-term future. The crash of 2007 led to a significant change in the role and perception of the VCSE sector, with a number of initiatives leading to a view that the VCSE sector could and should be replacing significant parts of the public sector. As the public sector has been diminished, and as services have been cut there has been an increased role for the VCSE sector. A clear example of this has been the growth of food banks. As state support has declined, there has been a growth of VCSE interventions. Worth noting is that we are not suggesting that these interventions have been perfect substitutes either in terms of magnitude or quality. As we have identified above, many VCSE organisations are very small and so the impacts they deliver are necessarily different from national initiatives.

The impact of the policy decisions made in the aftermath of the 2007 crash continue to be with us. Austerity policies continue to result in reduced social interventions and so there is this drive behind the VCSE sector to fill the gaps. However, it is not the case that the state has pulled out and left behind lots of funding opportunities. Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.

Austerity policies now have a sibling in the potential aftermath of Brexit. European funding through various ‘pots’, ESF, ERDF etc. has been a key way to finance the VCSE sector. Frankly, no one seems to know what will happen to these funding sources in March 2019. It seems unlikely that the UK will be able to access them, but the substitutes for them from the UK government have yet to be discussed. Indeed, we are not sure that there will be an attempt to replicate the funding. Consequently, the VCSE sector is at the edge of a new era. Demand is high, but the sources of funding for the future are unclear.

Consequently, at least some of the thoughts of the future are speculative based on the above uncertainty.

In this way, many of the skills identified as being needed for the future are actually skills gaps which already exist.

The clear main issue facing the VCSE sector moving forward relates to accessing funding. The previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. In particular, any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. This of course has implications for the people with whom they engage.

In this issue, there is the possibility that larger organisations will have an advantage and so will effectively have a first mover advantage when it comes to accessing new funding routes. We wonder therefore if the LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

7.6 So what does this mean for the future?

The importance of the VCSE sector has become more obvious in the wake of austerity and the cuts which have followed. Local authorities have been particularly hard hit and we have seen instances where under pressure councils have retreated to ensuring that they provide statutory mandated services. In this sense, it is clear that the VCSE sector is already, and will increasingly yet, be a key partner in delivering services and support seen as essential in the lives of many.

However, it is important to recognise that this increased role is not going to result in lots of funding becoming available. This is not a zero-sum game where the publicly funded sector loses out and the VCSE sector gains revenue. For the most part, the significance of the VCSE sector is increasing largely as a consequence of the decline in funded provision delivered in-house by relevant authorities.

There may indeed be some increases in funding, but the call to do ‘more with less’ is perhaps more relevant than ever to the VCSE sector.

We have highlighted a number of statistics and trends which may reasonably underpin policy responses to the new challenges.

- Approximately 4,000 charities were registered with the Charities Commission as active across North Yorkshire and York.
- Over half of the charities report being involved in education and training (53% in North Yorkshire and 57% in York).
- A greater proportion of charities in North Yorkshire are involved in amateur sports then within York (23% compared to 12%).
- The majority of charities operating in the MDA report helping children and young people.
- Half (49%) of all charities operating in North Yorkshire reported receiving an annual income of less than £10,000. In York, this proportion was lower at 34%. A quarter (26%) of charities in York received an income of over £100k.
- The York and North Yorkshire MDA has over 500 registered charities reporting to operate in field of advancement of health or saving lives.
- A third (33%) of charities offering health and social care in York and North Yorkshire have an income of less than £10k and 29% had income over £100k.
- There is a greater proportion of larger charities than on average, with 29% in the subsector reporting an income of £100k+ compared to 16%.
- The establishment of the Fundraising Regulator in January 2016 has meant many charities undertaking a review of their fundraising strategy, leading to greater emphasis on certain income streams and therefore demand for candidates with the relevant skills.
- Sector is increasingly seeking corporate donors, therefore, there are more opportunities for fundraisers with relationship building and business development skills.
- The attractiveness of the sector is important - recruits are willing to accept a lower wage in favour of greater flexibility and a better work/life balance, plus of course the opportunity to pursue a worthwhile cause.
- Organisations do try to recruit volunteers, either by advertising or holding events and this is now a key function of many paid for staff.
- Nursing or carers skills are in demand.

* Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers.
* There is a need for staff to be able to support volunteers in the VCSE sector.
* Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.
* Given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities.
* The clear main issue facing the VCSE sector moving forward relates to accessing funding. Previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. Any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. The LEP may wish to support the VCSE sector by providing an intelligence function in respect of identifying, and sourcing new funding.
* Having comprehensive training on obligations and best practice for potential non-executives may be an effective way to improve the performance of the local VCSE sector.

As well as those organisations which are formally registered with the Charities Commission, we know that there are many others who work in this space. Consequently, we are able to show that as well as being an important sector, it is also a large one, albeit it is a difficult sector to accurately quantify. In the sector, many people work in voluntary roles. This is a key difference with other sectors. The voluntary workforce is absolutely crucial and without it, many organisations would not be able to function. Therefore, we note how important it is to renew and bring in a new set of volunteers to add to the current capacity. In just the same way that other sectors will have replacement demand, so too will the VCSE sector need replacement volunteers.

Certainly, this is an opportunity associated with the ageing population. Modern lifestyles and medicines mean that retired people are willing and able to work for far longer than in previous generations. They may bring professional skills and expertise with them which can be of huge benefit to the sector, particularly in a voluntary setting. But this is a challenge in and of itself, and may be something that the LEP could become a key player in, namely increasing participation in the VCSE sector across a range of roles on a voluntary basis.

We have highlighted that the increase in minimum wage is likely to have an impact on the sector. The private sector will expect to pass on the wage increase in price rises, but the VCSE sector has no similar avenue. Instead they are faced with funders who are looking for more impact for less investment, so the wage constraint is really important and has potentially serious implications. It also further drives the need for more volunteers, potentially to replace roles which may have previously been paid for roles.

We see three strands to the skills needs in the VCSE sector. These strands are common cross the whole sector; where there are differences it relates to the specifics of the parts of the sector in which the organisation operate.

7.6.1 The Three Strands

There is clearly a need for senior support in terms of governance. Across the entire VCSE sector, organisations have highlighted a determination to maintain challenging and high-quality Boards. As we understand it, securing high quality and committed trustees has always been a challenge for the sector. However, recent events such as the Kids Company closure have seemingly had an impact on the willingness of appropriately skilled people to enter governance roles. It is also noting that professionals feel under time pressure regarding their own work or business and so are less able or willing to make an additional time commitment. Where non-executive experience was routinely taken as a good thing, there is now more of a need to defend and explain other commitments which take the person out of the business.

In this sense, we have an interesting position where the same economic climate that increases the demand for the VCSE sector is also the climate which may make it difficult to attract high quality individuals to assist with governance.

Then there are clearly operational skills both in terms of on-going delivery, but also as a result of changes and expected future changes. We have presented these in more depth previously, but there are a number of skills which have clearly become important to the running of a successful VCSE organisation. These skills may have always been needed, but the changed environment in which the VCSE sector exists has also brought them to the fore. As well as the skills necessary to manage volunteers, which we've concluded may increase because of external pressures, there is an increased need for bid writers and business development type skills.

This is an important conclusion. All the way through this series of reports we have been careful to avoid the mistake of suggesting that there is a public-sector hole into which the VCSE must fit. It is of course accurate that there are opportunities and challenges associated with austerity for the VCSE sector. However, the third sector world has changed and organisations in the VCSE sector are having to work differently to face those challenges. These new skills and indeed new roles, reflect the competitive environment in which these organisations now operate. In this sense, the VCSE sector has, or will need to become more attuned to winning funding and seeing itself as the deliverer of a project, which will to some extent impact on future funding allocations. The days of receiving ongoing grant funding seem largely to have disappeared forever. Instead, funders want impact and more value for less money. This is a really important driver in organisational behaviour and one that is having an impact on the skills of the workforce.

Moving on from governance and operational skills we have identified the third group, namely front-line skills. The previous skills and needs may reasonably be seen as the back-office skills. Without them the organisations in the VCSE sector may struggle to exist or grow. Without the necessary functional skills however, these organisations will not fulfil their goals and ambitions.

As the VCSE sector grows and takes on new responsibilities, the necessary skills required will be affected. Here there is a direct causal relationship. This too is crucial. The VCSE sector in some senses is a reactive sector in that it exists to fix problems, address gaps etc. So as and when these gaps exist, the VCSE sector will need new additional skills to work with the affected cohorts. For instance, in recent years, certainly post 2007, there was an increased demand for providing support on financial and debt issues. The demographics of the population, whilst potentially an opportunity in the sense of attracting skilled governance level individuals, is also one of the main drivers for VCSE sector provision. Increasingly organisations in the space, work with lonely or isolated elderly people. Likewise, the change in education policy, particularly in relation to academies and free schools has undoubtedly increased the numbers of, and function of the VCSE sector working with young people.

We have heard alternative views on the detail of these functional skills. It is clear that organisations working in different parts of the sector, are different by definition. However, we have also considered the similarities between the parts of the sector. A front-line worker supporting a young person does a different job than does someone supporting a person with disabilities. But in many ways their aims are the same and so are their skills. There are practical differences and different legal frameworks associated with varying client groups. But many of the skills are very similar across the breadth of the VCSE sector.

Using these three areas, we are able to highlight the following as areas where the LEP and others may seek to support this part of the VCSE sector.

Governance	Operational	Functional
Foundation trust governors	Management skills - particularly in relation to working with volunteers	English language skills
Committed charitable trustees	Securing funding and fundraising	Necessary safeguarding qualifications
Financial support	IT skills	Care / empathy skills
	Understanding local communities and awareness of pre-existing solutions and partner organisations. For example, volunteers can help coordinate support - i.e. feedback concerns about health, arrange appointments with health professionals	
	Presentation skills relevant to working with external funders and stakeholder	

Transitional Area: East Riding

8 Introduction to the Transition Area of East Riding

The EU's Cohesion policy aims to reduce economic and social disparities at regional level across the EU. Consequently, the European Commission has three categories of regional funding:

- ***Less Developed regions***, whose GDP per capita is below 75% of the EU average.
- ***Transition regions***, whose GDP per capita is between 75% and 90% of the EU average.
- ***More Developed regions***, whose GDP per capita is above 90% of the EU average.

Within the YNYER LEP, York and North Yorkshire at nearly 98% GDP per capita is consider a More Developed Area (MDA), while East Riding at 83% is considered a Transition Area (TA) (Eurostat, 2016).

8.1 East Riding TA

East Riding is located in the region of Yorkshire and Humber. It borders North Yorkshire, South Yorkshire and Lincolnshire and covers over 900 square miles. The Humber Estuary and North Sea mark its southern and eastern limits. There are a few large settlements, such as Beverley, Bridlington and Goole. Around half of the population live in rural communities.

The economy is mainly based on agriculture and this, along with tourism, has contributed to the rural and seaside character of East Riding. The area has a number of historic buildings, nature reserves and the Yorkshire Wolds Way long-distance footpath.

The open and maritime aspects and lack of major urban developments have led to the county being allocated relatively high targets for the generation of energy from renewable sources. Easington, on the coast, is the site of a natural gas terminal, Easington Gas Terminal, owned and operated by Centrica Storage is one of three main terminals that process gas from the UK Continental Shelf.

Goole is a significant dock area which serves as a significant employer in logistics and related sectors.

Bishop Burton is home to Bishop Burton College, a further education and higher education college specialising in agriculture and equine studies.

East Riding has a resident population of 336,700, which equates to 29% of the LEP's total resident population (ONS, 2017). Nearly 162.400 individuals are employed in the area. Employment rates stand at 77.5% (Table 9). The area has a growing and increasingly ageing population and whilst the majority of the communities enjoy a high quality of life, deprivation is evident in some areas (East Riding Council, 2016).

Using YNYER LEP as the standard, we can see various differences in the productivity, skills and employment across East Riding. Table 9 highlights where the area performs better (green) or worse (red). For example, the job density is much lower in East Riding, as is the employment rate compared to the YNYER LEP area.

The economic inactivity rate is also much higher in East Riding (19.4%). While many of these are either retired, students, or looking after the home/family, it is worth noting that 23% (nearly 9,000) would like employment (ONS, 2017).

Table 15 Productivity, skills and jobs:

Measure	East Riding	North Yorkshire	York	YNYER LEP	England
Gross Weekly pay full time (£)	£526.30	£489.10	£509.60	£504.70	£544.70
Job density (the ratio of total jobs to population aged 16-64.	0.69	0.96	0.85	0.86	0.84
Employment Rate	77.5%	81.9%	78.0%	79.9%	75.0%
Self-Employment	10.6%	14.1%	9.6%	12.2%	10.6%
Full-time workers	66.1%	63.1%	62.7%	63.8%	69.1%
Workless Households	13.5%	10.9%	12.5%	11.9%	15.3%
Unemployment Rate	3.8%	2.3%	3.2%	3.0%	4.7%
Economically Inactive	19.4%	16.1%	18.8%	17.6%	21.2%
Level 4+	36.5%	35.9%	42.7%	37.5%	37.9%
No Qualifications	6.2%	6.5%	6.2%	6.3%	7.8%

Source: Office for National Statistics: LEP and National Labour Market Profiles; GVA for Local Enterprise Partnerships

Nearly 162,400 individuals work across the East Riding area. The largest employment sectors (excluding agriculture) are (ONS, 2015):

- Health and social work and manufacturing, both employing 14% of all workers.
- Retail and education, both employing 10% of the workforce.

Agriculture is a further sector of importance in the area. In terms of agriculture, the area has 1,856 holdings, with a total farming area of 204,191 hectares. 52% of the farmed area is for cereals, 21% arable crops, 4% fruit and vegetables and the 15% grassland (DEFRA, 2016). Total labour in agriculture stands at nearly 6,000 a slight decline from 2007 when 6,150 where employed. Nearly three in five (57%) of workers are full time, 32% are part time and one in ten (11%) are casual workers (Table 16).

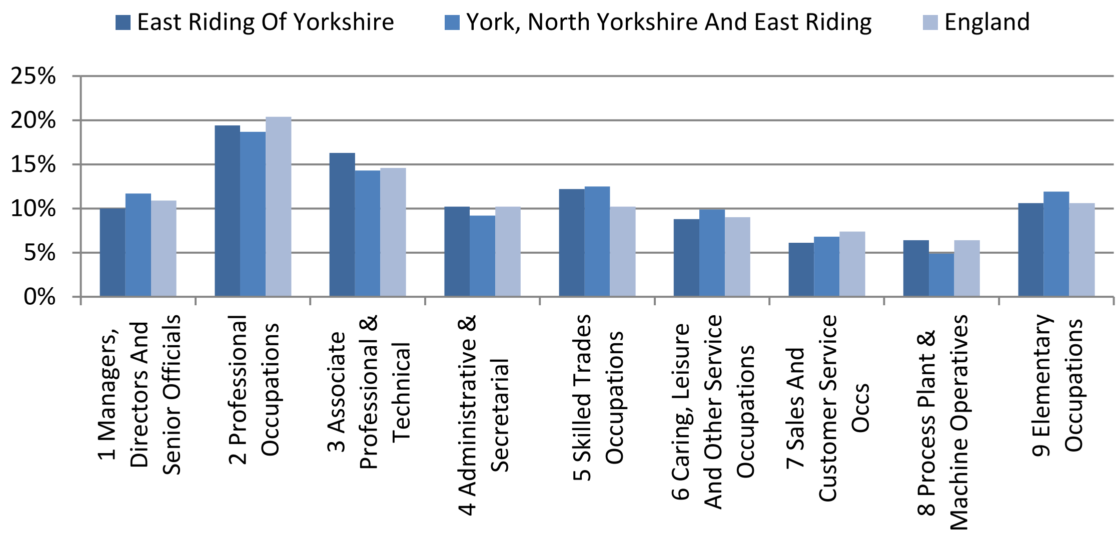
Table 16 Agricultural labour force on commercial holdings in East Riding of Yorkshire & Kingston upon Hull, 2013

	Number of people	%
Farmers, partners, directors and spouses full time	1,846	31%
Farmers, partners, directors and spouses part time	1,367	23%
Salaried managers	250	4%
Regular workers full time	1,271	21%
Regular workers part time	530	9%
Casual workers	661	11%
Total labour	5,924	100%

Source (DEFRA, 2016)

The occupational profile across East Riding is very similar to the LEP and national data (Figure 34).

Figure 34 Employment by broad occupation (Jan 2016 - Dec 2016)



Source (ONS, 2017)

8.2 Apprenticeships

Across East Riding there has been a decline in the number of individuals starting an apprenticeship (Table 17). In 2011/12, 6,040 individuals began an apprenticeship but by 2015/16 this had declined to 5,070 going against the national trend of growth in take up. Most apprenticeships are at a level 2 (66%) and 39% are undertaken those over 25years of age.

Table 17 Apprenticeship Programme Starts by level and age, East Riding

		Level (%)			Age (%)		
Year	**Total**	**Intermediate**	**Advanced**	**Higher**	**Under 19**	**19-24**	**25+**
2011/12	6,040	65%	35%	*	21%	35%	43%
2012/13	5,010	63%	35%	1%	25%	33%	43%
2013/14	4,830	73%	25%	1%	24%	39%	36%
2014/15	5,360	67%	31%	2%	24%	38%	38%
2015/16	5,070	66%	31%	4%	25%	36%	39%

Source (DfE, et al., 2017) Apprenticeships geography data tool: starts 2011/12 to 2016/17

Two in three (66%) apprenticeship starts have been within Beverley and Holderness, 20% in East Yorkshire and 14% in, Haltemprice and Howden.

The most popular frameworks were across the subject area of Retail and Commercial Enterprise, accounting for 44% of all starts. Business, Administration and Law accounted for a further 18% and Health, Public Services and Care 15% (Table 18).

Table 18 Apprenticeship Programme Starts by Sector Subject Area (2015/16)

Sector Area	East Riding
Agriculture, Horticulture and Animal Care	80
Arts, Media and Publishing	10
Business, Administration and Law	890
Construction, Planning and the Built Environment	130
Education and Training	40
Engineering and Manufacturing Technologies	630
Health, Public Services and Care	750
Information and Communication Technology	160
Languages, Literature and Culture	-
Leisure, Travel and Tourism	130
Preparation for Life and Work	-
Retail and Commercial Enterprise	2,240
Science and Mathematics	-
Unknown	-
All	5,070

Source (DfE, et al., 2017)

8.3 Emerging developments in East Riding

Investment in transport, infrastructure, and housing continues to attract employers and business opportunities in the region. In 2015, the area saw 1,405 new businesses open, up from 1,100 in 2010 (ONS, 2016). Overall the number of business has increased 3% since 2010, from 12,335 to 12,665.

The East Riding Local Plan sets out its plans for development up to 2029 (East Riding Council, 2016).

East Riding have identified key sectors of renewable energy; manufacturing and engineering (including chemicals); agriculture/food and drink; tourism; ports and logistics (it is worth noting that the LEP has not identified ports and logistics as a priority sector); transport equipment; digital and creative industries; finance and business services; construction; public administration, defence, health and education; and retail, which is also not a LEP priority sector.

Current key employment sites have been identified as Hedon Haven, Humber Bridgehead (Hessle), Melton and Capitol Park (Goole) and they will be safeguarded from alternative forms of development.

In addition, five sites in East Riding have Enterprise Zone status. These are at Elloughton-cum-Brough, Melton, Goole, Salt End and Hedon Haven. A series of financial incentives have been put in place alongside simplified planning approaches that will attract and support businesses in the renewable and low carbon energy sector.

Further examples of growth, investment, and development in the area include:

Outline planning application for the Yorkshire Energy Park, on a former aerodrome field in Preston, near Hull has recently been submitted and includes a data centre, education campus and power station. Developers Sewell Group said the scheme could create more than 1,000 jobs.

South Cliff Caravan Park in Bridlington, which currently has nearly 800 permanent static caravan pitches, 160 touring pitches, 20 tent pitches and 12 fleet hire caravans for holiday letting are seeking to extend and develop. Plans have been submitted for 31 additional pitches for tents; 15 new units for ‘glamping’ (or ‘glamorous camping’); 48 additional touring pitches; 132 additional static pitches; and 19 additional lodges. There would also be new toilet blocks and new office accommodation for the staff at the site (with up to five new jobs created), and a new area for meeting and greeting arriving customers.

Beverley Parkland Care Home has recently opened. With its own pub, shop, cinema and hair and beauty spa it is expected to create 100 jobs as well as meet a growing demand for care.

9 VCSE sector in East Riding

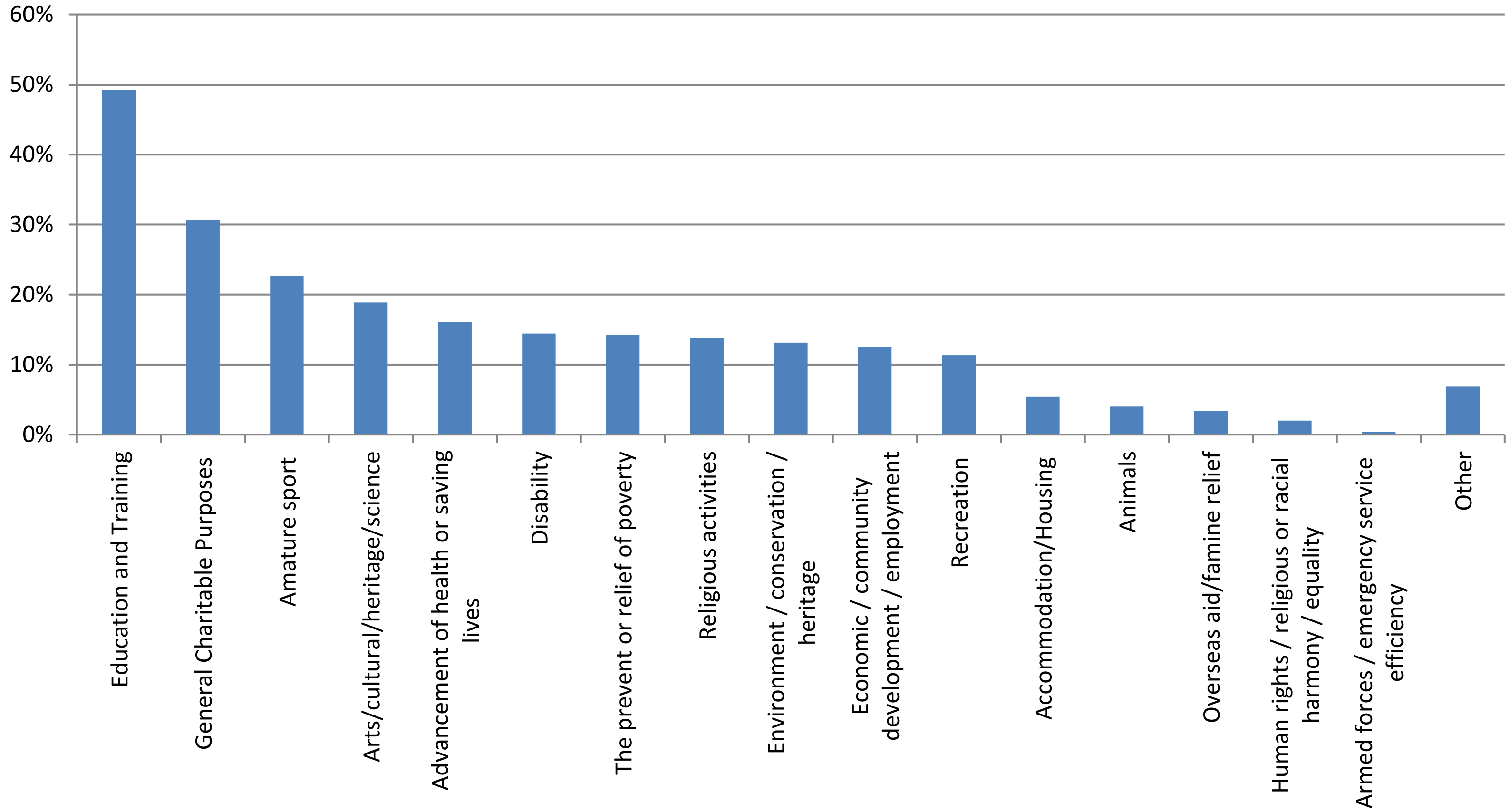
9.1 Introduction

In August 2017, approximately 1,300 charities were registered with the Charities Commission as active across East Riding (Charity Commission, 2017). However, we can expect the number of voluntary, community and social enterprises operating to actually be greater. There are an unknown number of informal, unregistered active voluntary groups and social enterprises not registered with the Charity Commission that perform an essential role in strengthening their communities and enriching individual lives. Furthermore, whilst a number of organisations are based and focus their purpose on the TA, there are others that have a much broader sphere of activity operating beyond the TA boundary.

Charities operating in the TA report operating across a range of functions (Figure 35).

Nearly half (49%) provide educational and training opportunities, 23% report involvement with amateur sport and 19% within arts, cultural and heritage.

Figure 35 What charities in the TA do



Source (Charity Commission, 2017)

10 Education and training VSCE subsector

The East Riding area has approximately 600 registered charities reporting to operate in field of education and training (Charity Commission, 2017).

Of note, is that academies, sixth form colleges, voluntary aided, voluntary controlled and foundation schools are exempt charities. Such institutions are not registered or directly regulated by the Charity Commission ("the Commission"); they are instead regulated by a Principal Regulator, but they have a charitable purpose and must comply with charity and company law. Thereby the number operating in this field can be considered greater.

The majority (76%) of charities offering educational and training help children and/or young people (Figure 36). This is much greater proportion when compared to all charities where around three in five help children and/or young people.

Some of these charities include:

- Driffield Agricultural Society

One of the main remits of the Driffield Agricultural Society is to educate and inform the community about farming and the food the industry provides. The Society's Education Committee tries to fulfil this aim with activities targeted at all sections of the community. The organisation employs 6 individuals and has 85 volunteers.

- East Riding Voluntary Action Services (Ervas) Limited

ERVAS is a development agency, that supports the voluntary, community and not for profit sectors, delivering services across The Humber but primarily in the East Riding of Yorkshire.

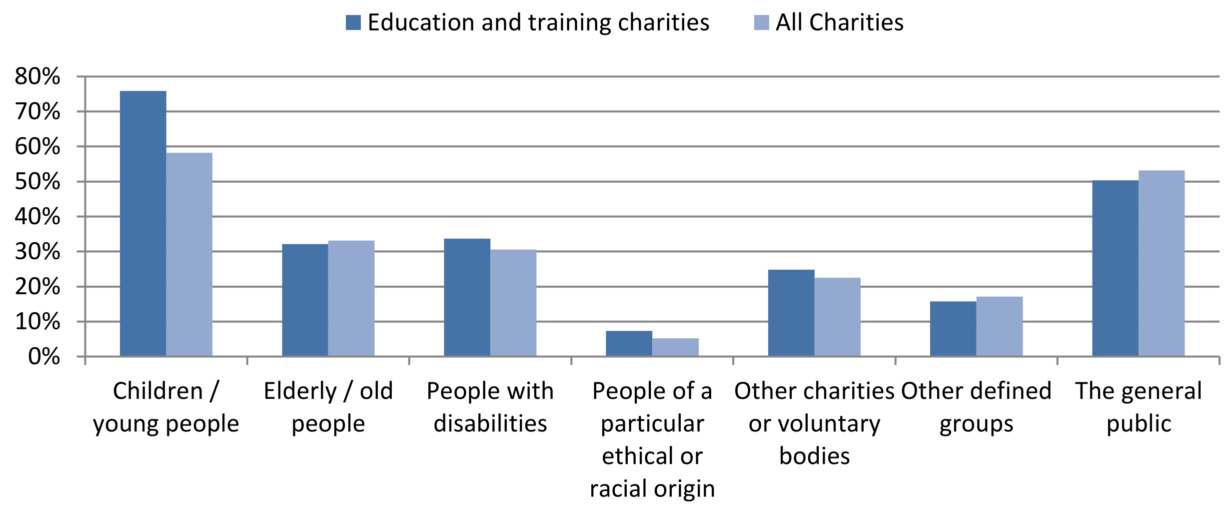
- West Hill Community Services Ltd

A charitable organisation working in Bridlington with West Hill residents and the surrounding community. Has computer classes for 65s and over.

- Blanchard's Educational Foundation

To apply the income of the charity in promoting the education of persons under the age of 25 years who, or whose parents, are resident in the parish of Barmby on the marsh in the East Riding of Yorkshire, or who attend or have attended a school therein.

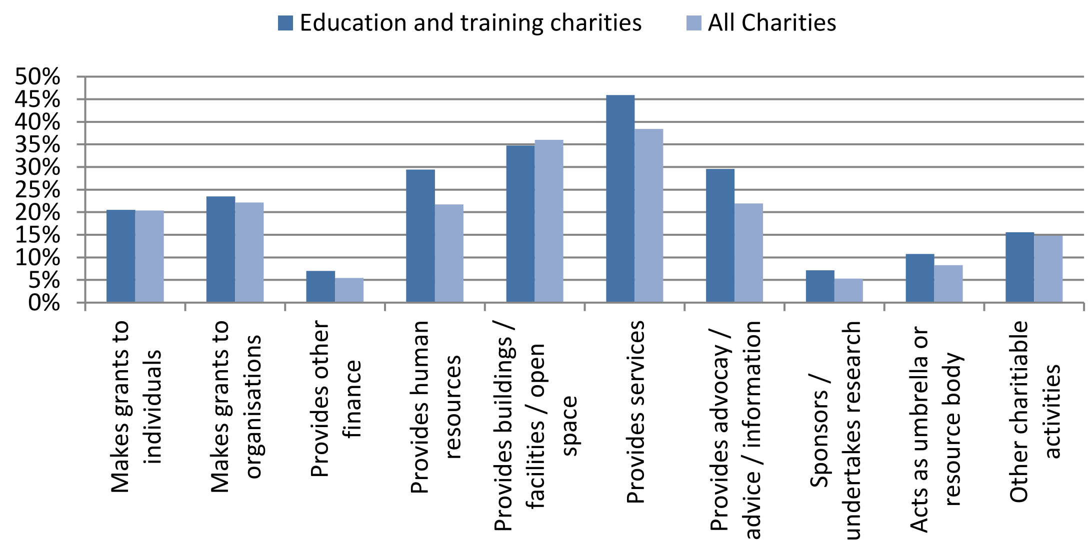
Figure 36 The focus of charities in the TA



Source (Charity Commission, 2017)

The way in which educational and training charities operate is similar to that reported by all charities (Figure 37).

Figure 37 How charities in East Riding operate

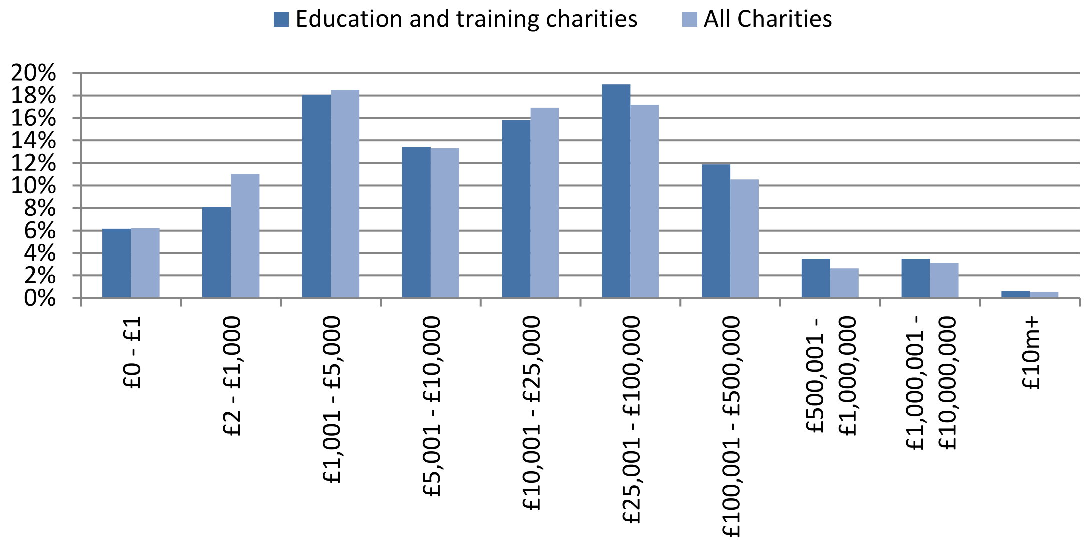


Source (Charity Commission, 2017)

Nearly half (46%) of the charities offering education and training in East Riding have an income of less than £10k, with 19% reporting an income greater than £100k.

This indicates that a large proportion of the charities in this subsector are small.

Figure 38 Income range of charities operating in East Riding



Source (Charity Commission, 2017)

10.1 Skills needs – Primary research testing the data

10.1.1 Planning for the future

Data tells us that across the LEP economy 58% of firms have a Business Plan which specifies objectives for the coming year, which is slightly lower than national findings of 62% (UKCES, 2016). 39% of firms had a training plan, again less than national average of 42%.

Our primary research highlights that organisations in the subsector in the TA frequently do have a business and training plan. Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking. Given that many of these organisations are particularly small this may be surprising as this is clearly a difference with the private sector. However, it is apparent that there is an amount of legislation affecting the VCSE sector which expects them to have certain policies and processes in place. Likewise, given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. These two factors may explain why the VCSE sector is seemingly very different from the private sector in terms of Business Plans. It also highlights the lever that is procurement. Funders can nudge the VCSE in certain directions by proactively shaping the expectations of procurement.

10.1.2 Recruitment and retention

There is low recruitment demands across the subsector for paid full-time positions, but firms in the VCSE sector report that when roles are advertised they receive sufficient number of applicants of a high standard.

There have been lots of policy changes within the education and skills world which have impacted on these sorts of business development skills. Smaller traditional charities are looking to recruit people with experts in funding and business development, largely because of the implications of austerity. So, we see smaller providers having to engage with the tendering process, for instance in relation to local authorities or large charitable funders such as the Big Lottery. However, the huge changes within the formal education sector have also led to changes within the recruitment in schools and similar. For instance, we have noted the ways in which schools and academies actively promote themselves to feeder schools and the way in which they seek to directly engage with pupils and parents. As well as producing demand for marketing and related business development roles, this has led to the creation of roles such as school business managers, which are aimed at running the organisation in a more commercial way. This is a significant shift in the recruitment patterns in this part of the VCSE sector, and it seems is a direct result both of pressures which come from austerity, but also which arise from specific policy changes within the education and training world. As schools see league tables and parental choice, they are actively seeking to attract 'customers'. This has led to new roles and new skills. Our research indicates that organisations see this drive only likely to increase in the short term.

Whilst recruiting paid for staff has not been highlighted as more challenging than usual, the question of enrolling more volunteers has been raised, right across the sector.

The Institute for Volunteering Research found that most common fields of interest supported by volunteers was education, with sports and exercise and health and disability also in the top four (Low, et al., 2017).

Most volunteers joined organisations by 'word-of-mouth'.

Like the findings in the Third Sector Trends Study for Yorkshire and Humber (Chapman, 2017), we found that many organisations do make an effort to recruit volunteers, either by advertising or holding events, this is now a key function of many paid for staff. But we have routinely heard that recruiting new volunteers is something that many organisations within the whole sector struggle. In this part of the sector there is a high use of volunteers, but it is also one of the sub-sectors where there is a good pool of volunteers on which to draw, including parents, people looking to get into the sector as a career, and retired people.

Key roles performed by volunteers in the educational and subsector include:

- Parent Teacher Association members.
- School governors
- School speakers
- Learn support volunteers
- Teaching volunteers
- STEM Ambassadors

- Guide / Scout leaders
- Mentors

In this sub-sector recruiting volunteers is essential, but it is something that is normally possible.

In a study such as this one where we consider the skills needed by the sector, high quality and committed volunteers has been much discussed. It is clear that organisations are investing in paid staff to attract, develop and retain this essential part of the workforce. Volunteers are needed across the skills level, right from Director/Trustee to someone who can lend a pair of hands for a few hours.

Whilst larger organisations may have formal development plans for the roles they actually want to fill with volunteers, the majority of smaller organisations have expressed a willingness to use whoever is willing to help.

Other solutions to attract volunteers include:

Do-it is a database of UK volunteering opportunities. Individuals can search more than a million volunteering opportunities by interest, activity or location and then apply online.

Charity Job is a further job board site specifically for the charity, not for profit and voluntary sector jobs. Alongside jobs, the site also advertises voluntary positions.

Yorkshire Wildlife Trust

Inspiring People Volunteer Roles - Living Seas Centre, Flamborough

From the Living Seas Centre the Trust runs regular events from education sessions with local schools to Living Seas Safari boat trips and Seashore Safaris for the public. They are looking for people who can inspire others and help deliver these events throughout the year.

Volunteers could be taking a group out on a seashore safari and giving some children their very first experience of the sea, introducing them to the underwater treasure trove of nature and igniting their imagination with the fabulous creatures you find there. Or you could be swaying on the waves in one of Yorkshires finest fishing cobbles pointing out to visitors the breath-taking views of Flamborough Cliffs whilst watching sea birds like puffin, gannets and razor bills descend from the sky. The trust has three roles available depending on individuals skills, level of commitment and what you would like to gain as a volunteer.

http://www.ywt.org.uk/volunteer-east

10.1.3 What are the current skills needs and skills gaps?

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016). Overall is has been calculated that over 21,200 individuals in the LEP are not proficient in their job.

From our primary research firms that report skills gaps confirmed that main causes are generally due to individual's being new to the role and their training is currently only partially completed. In particular, this is the case with volunteers. So, we have identified a need for staff to be able to support volunteers in the VCSE sector.

These two factors are both predominantly transient: that is to say one would expect skills gaps resulting from these causes to be eliminated when staff are settled into their new roles and/or existing training has been completed.

The nature of the sector also explains other areas where skills are regarded as being key.

From our primary work, we can suggest that the following skills are particularly needed and valued by educational and training VCSE organisations are:

- Management skills, particularly in relation to working with volunteers.
- Securing funding and fundraising.
- Project Management.
- Safe guarding - ability to work with young and vulnerable people.
- Presentation skills relevant to working with external funders and stakeholders.
- IT skills.
- Understanding local communities and awareness of pre-existing solutions and partner organisations.

10.1.4 Training

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months (UKCES, 2016). The vast majority of training and development is targeted at initial induction training and development and perceived statutory areas such as health and safety.

Our primary research found similar findings in this area. Cost and time were the main drag factors on engaging non-mandatory training. to ensure legal compliance. Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.

Likewise, given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities. For instance, we know that other areas have prioritised ESA claimants and so have worked to develop the skills of the provider network. This is potentially an interesting model, where funders work with the provider network to upskill in the particular areas of real interest to them. This may move the focus away from skills to survive, and instead see training budgets used to deliver the desired impacts.

Furthermore, with volunteers playing an important role in the sector, training these is a key training area.

What we have found is the discrepancy between the micro and massive organisations. Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers. In this sense, we wonder if salaried staff are necessarily skilled as educators. They may indeed have training in a particular area, but we wonder if their skills in cascading information onwards could be better addressed.

10.1.5 Apprenticeships

As seen from our report on the national picture of the VCSE, there were three sector specific frameworks but these are no longer 'live'. The sector therefore does not have specific apprenticeship frameworks or standards. Generally, they make use of generic ones such as Business and Administration.

In our primary work, we found that there is support for the principle of Apprenticeships but it was felt that they were often too large an intervention for this subsector. 46% of firms in this subsector have an income of less than £10k, with many run by a voluntary committee and not employing any staff. They are, therefore, entirely dependent upon freely given time to manage organisations and deliver the work needed.

10.2 Drivers of change

10.2.1 Political

Election and Leaving the European Union

The result of the British General Election and the Brexit vote has left the voluntary sector facing an uncertain immediate future.

Organisations in the education and training, such as Activ8 Learning have secured European funding or matched funded. However, ESF funds and contracts have been limited to 12-18 months by co-funders (DWP/SFA) compared to 2-3 years which means less stability. Also, there are questions about what will happen once ESF funding ceases.

Public Services

Government is looking to put small charities at the heart of public services (DCMS, 2016). It's recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

Therefore, three measures have been announced as part of a programme to help tackle the challenges of getting small charities into the public service supply chain. These are:

- Developing a placed based Public Service Incubator that helps small charities get commissioned.
- Exploring the development of a commissioning kitemark that will set out a best practice standard. As we have illustrated elsewhere, this sort of metric is a real gap in the VCSE sector, where we have been unable to find a recognised and widely used definition of excellence or best practice.
- Recruiting a voluntary, community and social enterprise crown representative.

Further information can be found on https://www.gov.uk/government/news/putting-small-charities-at-the-heart-of-public-services

Social Value Act - demonstrating impact

The Public Service (Social Value Act) requires commissioners who procure services to consider social, economic and environmental benefits.

Many VCSEs are well practiced at providing added social value through service delivery across many sectors including health, education, housing and transport. The Social Value Act creates an opportunity for bidders to demonstrate this to public service commissioners, who asses which potential providers would deliver maximum public benefit to the local community.

Legislation / Regulations

As with other industries which provide a service, this is a subsector which is heavily regulated – Ofsted, Ofqual etc. which standards needs to be maintained.

Employers are not expecting there to be significant new legislation in the next few years, rather they are anticipating many current standards to simply move from EU legislation into UK law.

10.2.2 Economic

Wage levels

The National Minimum Wage (NMW) was first introduced in the UK in April 1999 at a rate of £3.60 per hour for over 21-year-olds. Prior to that there was no statutory minimum. In April 2016, the government introduced the National Living Wage (NLW) at a level of £7.20 per hour for those over 25 years old, increasing to £7.50 in April 2017. It is expected to rise to at least £9 per hour by 2020. The impact of this is likely to be significant on this subsector and one unintended consequence may be to push roles that are currently paid, into the voluntary part of the service.

Labour availability

Following the recession, the economic situation across the UK and North Yorkshire has been improving. Unemployment rates in the area have declined from a high of 7.5% in 2011 to 2.3% at the end of 2016. Of those claiming JSA, 43% have been out of work for six months or more (ONS, 2017) and are therefore more of a challenge to get back into work. Consequently, it is becoming harder to recruit. However, this sector seems to be one that is particularly attractive and whilst salary levels may be lower, other factors add to the attractiveness of the sector. Of note is that recruitment in the paid ranks is easier than finding volunteers.

10.2.3 Social

Governance

Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. But now, more than ever before, trustees of charities and community groups need to ensure that their organisations are being run efficiently and effectively.

Volunteers

Encouraging volunteers is an ongoing issue in the subsector. Word of mouth was by far the most common route individuals took into volunteering. However, volunteers also get involved because they had previously used the organisation's services and/or seen a leaflet or poster.

But it is not just individual's volunteering at the charities. Educational and training charities are increasingly recognising voluntary work as a stepping stone into sustainable work for their clients. So as well as looking to recruit a volunteer workforce, many of these organisations are hoping to secure voluntary positions for their clients to enhance career prospects or employability.

Marketing and Communication

In today's marketplace, being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for most operators.

Social media, in its various forms, presents the subsector with a direct way of reaching customers and volunteers as well as communicating key information about and any offers. But this presents a challenge, especially for the smaller businesses: expertise and time is required.

10.3 Future requirements

Employers in the VCSE sector clearly face a number of challenges in the near-term future. The crash of 2007 led to a significant change in the role and perception of the VCSE sector, with a number of initiatives leading to a view that the VCSE sector could and should be replacing significant parts of the public sector. As the public sector has been diminished, and as services have been cut there has been an increased role for the VCSE sector. A clear example of this has been the growth of food banks. As state support has declined, there has been a growth of VCSE interventions. Worth noting is that we are not suggesting that these interventions have been perfect substitutes either in terms of magnitude or quality. As we have identified above, many VCSE organisations are very small and so the impacts they deliver are necessarily different from national initiatives.

The impact of the policy decisions made in the aftermath of the 2007 crash continue to be with us. Austerity policies continue to result in reduced social interventions and so there is this drive behind the VCSE sector to fill the gaps. However, it is not the case that the state has pulled out and left behind lots of funding opportunities. Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.

Austerity policies now have a sibling in the potential aftermath of Brexit. European funding through various 'pots', ESF, ERDF etc. has been a key way to finance the VCSE sector. Frankly, no one seems to know what will happen to these funding sources in March 2019. It seems unlikely that the UK will be able to access them, but the substitutes for them from the UK government have yet to be discussed. Indeed, we are not sure that there will be an attempt to replicate the funding. Consequently, the VCSE sector is at the edge of a new era. Demand is high, but the sources of funding for the future are unclear.

Consequently, at least some of the thoughts of the future are speculative based on the above uncertainty.

In this way, many of the skills identified as being needed for the future are actually skills gaps which already exist.

The clear main issue facing the VCSE sector moving forward relates to accessing funding. The previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. In particular, any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. This of course has implications for the people with whom they engage.

In this issue, there is the possibility that larger organisations will have an advantage and so will effectively have a first mover advantage when it comes to accessing new funding routes. We wonder therefore if the LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

In the wake of the high-profile closure of Kids Company, we have heard concerns around attracting high quality non-executives (NEDs). There is a concern that a seemingly charitable act of becoming a non-executive director is something that can have important implications for a career. Moving forward therefore, we wonder if some of these concerns could be allayed by having comprehensive training on obligations and best practice for potential NEDs. This may be an effective way to improve the performance of the local VCSE sector as potential NEDs become completely familiar with expectations and legal obligations.

10.4 So what does this mean for the future?

The importance of the VCSE sector has become more obvious in the wake of austerity and the cuts which have followed. Local authorities have been particularly hard hit and we have seen instances where under pressure councils have retreated to ensuring that they provide statutory mandated services. In this sense, it is clear that the VCSE sector is already, and will increasingly yet, be a key partner in delivering services and support seen as essential in the lives of many.

However, it is important to recognise that this increased role is not going to result in lots of funding becoming available. This is not a zero-sum game where the publicly funded sector loses out and the VCSE gains revenue. For the most part, the significance of the VCSE sector is increasing largely as a consequence of the decline in funded provision delivered in-house by relevant authorities.

There may indeed be some increases in funding, but the call to do 'more with less' is perhaps more relevant than ever to the VCSE sector.

We have highlighted a number of statistics and trends which may reasonably underpin policy responses to the new challenges.

- In August 2017, approximately 1 ,300 charities were registered with the Charities Commission as active across East Riding.
- Nearly half (49%) provide educational and training opportunities, 23% report involvement with amateur sport and 19% within arts, cultural and heritage.
- Approximately 600 registered charities report to operate in field of education and training across East Riding.
- A high concentration of organisations in this subsector support young people.
- Nearly half (46%) of the charities offering education and training in East Riding have an income of less than £10k, with 19% reporting an income greater than £100k.
- Given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. This also highlights the lever that is procurement. Funders can nudge the VCSE in certain directions by proactively shaping the expectations of procurement.
- The establishment of the Fundraising Regulator in January 2016, following widespread public and media concern about how charities contact potential donors, has meant many charities undertaking a review of their fundraising strategy, leading to greater emphasis on certain income streams and therefore demand for candidates with the relevant skills.
- Organisations do try to recruit volunteers, either by advertising or holding events and this is now a key function of many paid for staff.
- Organisations are being run in a more commercial way - they are actively seeking customers and this has led to new roles and new skills, such as School Business Managers in academies.
- The following skills are particularly needed and valued by educational and training VCSE organisations are:
    - Management skills
    - Securing funding and fundraising
    - Project Management
    - Safe guarding - ability to work with young and vulnerable people
    - Presentation skills
    - IT skills
    - Understanding local communities and awareness of pre-existing solutions and partner organisations
- Organisations were determined to invest in their staff and volunteers given the obvious link with delivering impact. Sometimes training was focussed on salaried staff as a way by which to cascade skills to volunteers.
- There is a need for staff to be able to support volunteers in the VCSE sector.
- Supporting innovative ways to deliver high quality, and low cost legally essential training is something that the LEP may consider as supporting the volunteer base is absolutely key to the sector.
- Given that the LEP and its stakeholders constitute one of the key funding strands for many of the organisations in this sector, we wonder if there could be closer working between the two parts of the sector. In particular, funders could think about working to develop local providers and help upskill them according to their priorities.
- The clear main issue facing the VCSE sector moving forward relates to accessing funding. Previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. Any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out

of money. The LEP may wish to support the VCSE sector by providing an intelligence function in respect of identifying, and sourcing new funding.
- Having comprehensive training on obligations and best practice for potential non-executives may be an effective way to improve the performance of the local VCSE sector.

As well as those organisations which are formally registered with the Charities Commission, we know that there are many others who work in this space. Consequently, we are able to show that as well as being an important sector, it is also a large one, albeit it is a difficult sector to accurately quantify. In the sector, many people work in voluntary roles. This is a key difference with other sectors. The voluntary workforce is absolutely crucial and without it, many organisations would not be able to function. Therefore, we note how important it is to renew and bring in a new set of volunteers to add to the current capacity. In just the same way that other sectors will have replacement demand, so too will the VCSE sector need replacement volunteers.

Certainly, this is an opportunity associated with the ageing population. Modern lifestyles and medicines mean that retired people are willing and able to work for far longer than in previous generations. They may bring professional skills and expertise with them which can be of huge benefit to the sector, particularly in a voluntary setting. But this is a challenge in and of itself, and may be something that the LEP could become a key player in, namely increasing participation in the VCSE sector across a range of roles on a voluntary basis.

We have highlighted that the increase in minimum wage is likely to have an impact on the sector. The private sector will expect to pass on the wage increase in price rises, but the VCSE sector has no similar avenue. Instead they are faced with funders who are looking for more impact for less investment, so the wage constraint is really important and has potentially serious implications. It also further drives the need for more volunteers, potentially to replace roles which may have previously been paid for roles.

We see three strands to the skills needs in the VCSE sector. These strands are common cross the whole sector; where there are differences it relates to the specifics of the parts of the sector in which the organisation operate.

10.4.1 The Three Strands

There is clearly a need for senior support in terms of governance. Across the entire VCSE sector, organisations have highlighted a determination to maintain challenging and high-quality Boards. As we understand it, securing high quality and committed trustees has always been a challenge for the sector. However, recent events such as the Kids Company closure have seemingly had an impact on the willingness of appropriately skilled people to enter governance roles. It is also noting that professionals feel under time pressure regarding their own work or business and so are less able or willing to make an additional time commitment. Where non-executive experience was routinely taken as a good thing, there is now more of a need to defend and explain other commitments which take the person out of the business.

In this sense, we have an interesting position where the same economic climate that increases the demand for the VCSE sector is also the climate which may make it difficult to attract high quality individuals to assist with governance.

Then there are clearly operational skills both in terms of on-going delivery, but also as a result of changes and expected future changes. We have presented these in more depth previously, but there are a number of skills which have clearly become important to the running of a successful VCSE organisation. These skills may have always been needed, but the changed environment in which the VCSE sector exists has also brought them to the fore. As well as the skills necessary to manage volunteers, which we've concluded may increase because of external pressures, there is an increased need for bid writers and business development type skills.

This is an important conclusion. All the way through this series of reports we have been careful to avoid the mistake of suggesting that there is a public-sector hole into which the VCSE sector must fit. It is of course accurate that there are opportunities and challenges associated with austerity for the VCSE sector. However, the third sector world has changed and organisations in the VCSE sector are having to work differently to face those challenges. These new skills and indeed new roles, reflect the competitive environment in which these organisations now operate. In this sense, the VCSE sector has, or will need to become more attuned to winning funding and seeing itself as the deliverer of a project, which will to some extent impact on future funding allocations. The days of receiving ongoing grant funding seem largely to have disappeared forever. Instead, funders want impact and more value for less money. This is a really important driver in organisational behaviour and one that is having an impact on the skills of the workforce.

Moving on from governance and operational skills we have identified the third group, namely front-line skills. The previous skills and needs may reasonably be seen as the back-office skills. Without them the organisations in the VCSE sector may struggle to exist or grow. Without the necessary functional skills however, these organisations will not fulfil their goals and ambitions.

As the VCSE sector grows and takes on new responsibilities, the necessary skills required will be affected. Here there is a direct causal relationship. This too is crucial. The VCSE sector in some senses is a reactive sector in that it exists to fix problems, address gaps etc. So as and when these gaps exist, the VCSE will need new additional skills to work with the affected cohorts. For instance, in recent years, certainly post 2007, there was an increased demand for providing support on financial and debt issues. The demographics of the population, whilst potentially an opportunity in the sense of attracting skilled governance level individuals, is also one of the main drivers for VCSE sector provision. Increasingly organisations in the space, work with lonely or isolated elderly people. Likewise, the change in education policy, particularly in relation to academies and free schools has undoubtedly increased the numbers of, and function of the VCSE sector working with young people.

We have heard alternative views on the detail of these functional skills. It is clear that organisations working in different parts of the sector, are different by definition. However, we have also considered the similarities between the parts of the sector. A front-line worker supporting a young person does a different job than does someone supporting a person with disabilities. But in many ways their aims are the same and so are their skills. There are practical differences and different legal frameworks associated with varying client groups. But many of the skills are very similar across the breadth of the VCSE sector.

Using these three areas, we are able to highlight the following as areas where the LEP and others may seek to support this part of the VCSE sector.

Governance	Operational	Functional
High quality boards	Management skills - particularly in relation to working with volunteers	English language skills
Committed trustees	Securing funding and fundraising	Necessary safeguarding qualifications
Financial support	IT skills	Basic employability (volunteering being used as a step into employment)
	Understanding local communities and awareness of pre-existing solutions and partner organisations	Language skills
	Presentation skills relevant to working with external funders and stakeholder	

11 Amateur sport VSCE subsector

The benefits that sport can bring to people and society are widely recognised by government, not just in terms of physical and mental wellbeing but also individual, community and economic development (Sport England, 2016). VCSE sport clubs are recognised as playing a role in delivering governments sports policy (HM Government, 2015).

The majority of amateur sports clubs, such as Sunday league football and rugby teams, are voluntarily run. Some voluntary clubs own their own facilities but the majority hire them. Clubs often work in partnership with the private or public sector. For example, clubs use public sector facilities or gain sponsorship from private sector companies.

The latest figures from Sports England Active People Survey show that 26.4% of those over the age of 16 in East Riding were playing sport weekly in the year to September 2016. That's a decrease from the previous 12 months ago 33.7% were playing sport and goes against the national trend where participation increased (Sport England, 2016).

The East Riding area has around 300 registered charities reporting to operate in the field of amateur sport (Charity Commission, 2017). Some of these charities include:

- Disability Sports Humber

A disability sports charity in the Humber area supporting 100s of disabled people weekly in sport. They work in a number of ways:

- Giving grants to disabled people to keep playing sport, for example a grant for a special sports chair.
- Helping fund the clubs so they can keep open to make sure there will always be sport for all in the area.
- Holding events to showcase what disability sports can do.

- Riding for The Disabled Association

At the RDA, horses and ponies provide therapy, achievement and enjoyment to people with disabilities. The have centres all over the UK and all groups are run by volunteers (18,000 nationally). Across East Riding RDA groups include the Yorkshire Wolds RDA.

- Hessle Sporting Club

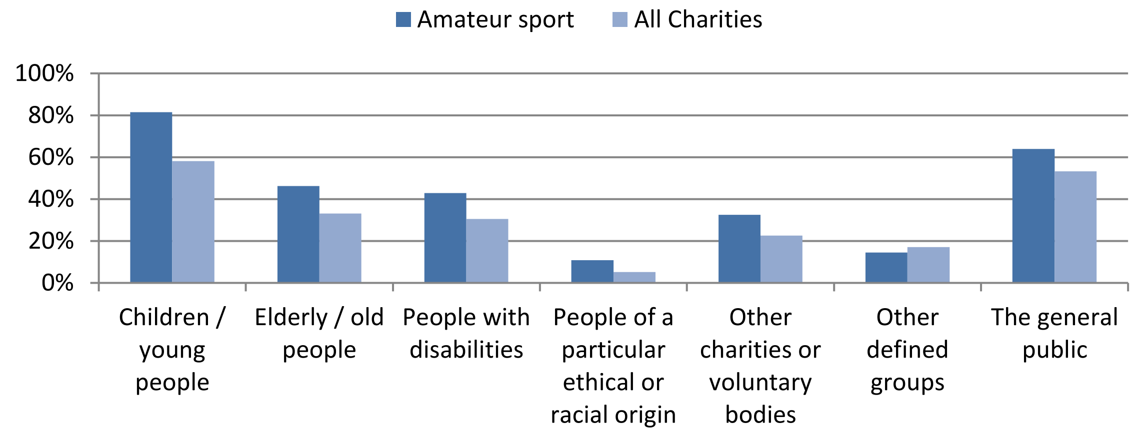
Formed in 1976, Hessle Sporting Club, has evolved into the largest club in the whole of East Yorkshire. It has 25 teams playing in the Hull Boys Sunday Football League, along with a successful Academy for 4 to 6-year olds.

- East Riding of Yorkshire Disabled Sports Association

This charity provides the opportunity for people with any disability to enjoy sport, principally swimming, for leisure, therapy or competition in a safe and friendly environment.

The majority (81%) of charities offering amateur sports help children and/or young people (Figure 39). This is much greater proportion when compared to all charities where around three in five (58%) help children and/or young people.

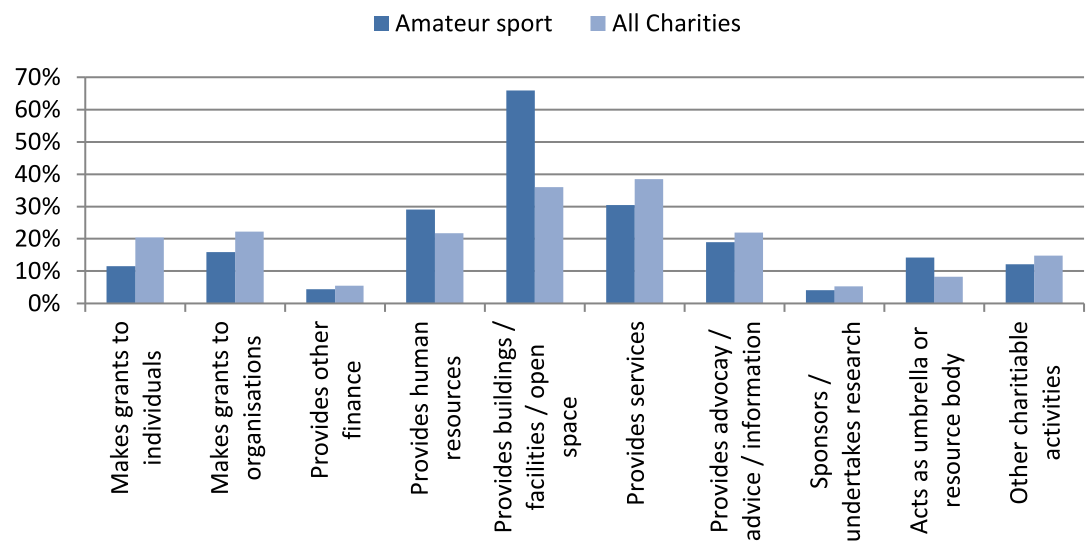
Figure 39 The focus of charities in the East Riding



Source (Charity Commission, 2017)

The way in which amateur sports charities operate is fairly similar to that reported by all charities (Figure 40). The main difference being that more charities in the subsector report providing facilitates or spaces for the activities.

Figure 40 How charities in East Riding operate

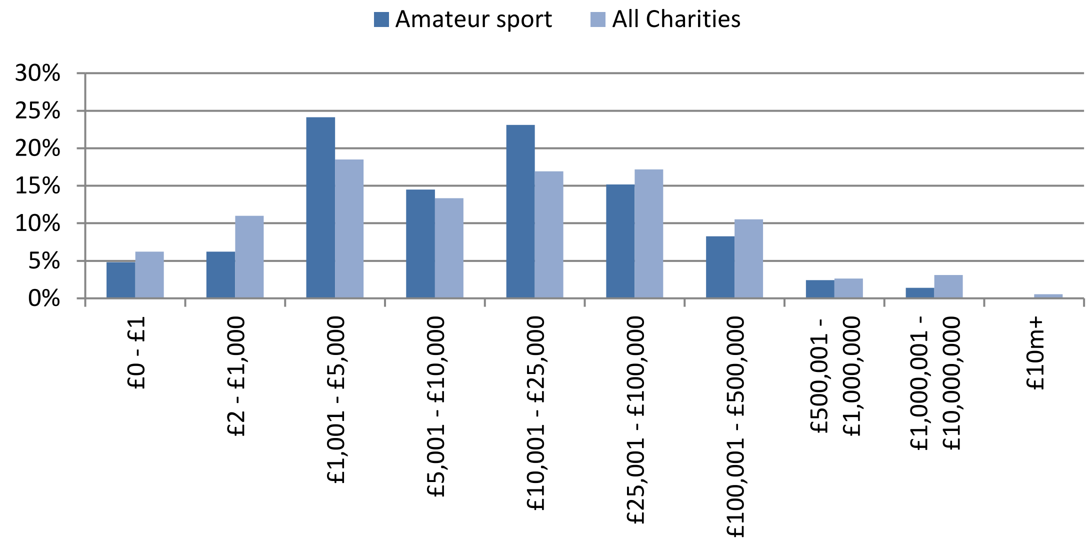


Source (Charity Commission, 2017)

Half (50%) of the charities offering amateur sports in East Riding have an income of less than £10k, with just 12% reporting an income greater than £100k.

This indicates that a large proportion of the charities in this subsector are small.

Figure 41 Income range of charities operating in East Riding



Source (Charity Commission, 2017)

11.1 Skills needs – Primary research testing the data

11.1.1 Planning for the future

Data tells us that across the LEP economy 58% of firms have a Business Plan which specifies objectives for the coming year, which is slightly lower than national findings of 62% (UKCES, 2016). 39% of firms had a training plan, again less than national average of 42%.

Our primary research suggests that many of the organisations operating in this space are well run and are particularly forward thinking in terms of business plans and strategic thinking. Given that many of these organisations are particularly small this may be surprising as this is clearly a difference with the private sector where small companies often do not have codified future plans. However, it is apparent that there is an amount of legislation affecting the VCSE sector which expects them to have certain policies and processes in place. Likewise, given the reliance on bidding for public or charity funding, there are often certain requirements to show that the funding is going to a well-run organisation. These two factors may explain why the VCSE sector is seemingly very different from the private sector in terms of Business Plans.

11.1.2 Recruitment and retention

In terms of recruitment, it is the recruitment and managing of volunteers that is most pressing.

Volunteering in sport has been seen as something people do for the benefit of others. Whether it's marshalling a fun run, managing money, driving people from A to B (and back) or even washing the muddy kit. Nationally there are 5.6 million people volunteers in sport and they are typically white, male and relatively comfortable financially (Sport England, 2016), but proportionally fewer disabled people, women and black, Asian and minority ethnic people volunteer in sport. This is something that needs to be considered.

The Institute for Volunteering Research found that most common fields of interest supported by volunteers was education, with sports and exercise and health and disability also in the top four (Low, et al., 2017).

Most volunteers joined organisations by 'word-of-mouth'. Because of this reliance on 'word-of-mouth' it can be hard for organisations to get greater diversity among volunteers.

Like the findings in the Third Sector Trends Study for Yorkshire and Humber (Chapman, 2017), we found that many organisations do make an effort to recruit volunteers, either by advertising or holding events. But we have routinely heard that recruiting new volunteers is something that many organisations within the whole sector struggle. In this part of the sector there is a high use of volunteers, but it is also one of the sub-sectors where there is a good pool of volunteers on which to draw, including parents, people looking to get into the sector as a career, and retired people.

Unfortunately, there have been a number of stories in the news of criminal activity which has affected the subsector. Instances of abuse has led to significant changes in background checks and safety processes. Likewise, there have been several measures taken by the Football Association and other governing bodies to more fully support people who become involved in officiating. Trained and qualified officials has been raised as a worrying gap across a range of sports.

Key roles performed by volunteers in the sport subsector include:

- Sport coaches
- Cooks/Chefs - sports teams have food at end of games
- Event makers / volunteers
- Youth mentors
- Photographers / video
- Match day referees / linesman / officials
- Groundsman

Examples of voluntary positions being sought in the subsector are highlighted below:

Hutton Cranswick Sports & Recreation Association

Hutton Cranswick Cricket Club are looking for range of volunteers who would like to help the cricket team. They are looking for:

- Coachers, Leaders and Instructors.
- Fundraiser.
- Match day support.
- Team managers.

https://do-it.org/organisations/hutton-cranswick-cricket-club

Driffield Skatepark

Driffield Skatepark is a registered charity and company. They have a manager to deal with day to day running of the park but need committee members to assist with decision making, help with the park in all sorts of ways and help at our fundraising events. They generally meet once a month.

HERIB (Hull & East Riding Institute for the Blind)

HEIRB are looking for volunteers who are interested in Sport and Leisure activities. At HERIB they run social events which involve taking visually impaired people walking, playing walking football, acoustic shooting and many other activities and they need sighted volunteers to help guide them.

Events are programmed so you will know when and where they are taking place, some run fortnightly and some monthly.

They are also looking for a mini bus driver to help transport people to these events. You will however need to be over 25 years old and have a clean driving licence for this.

https://www.charityjob.co.uk/volunteer-jobs/volunteer/523925?tsId=1

In a study such as this one where we consider the skills needed by the sector, high quality and committed volunteers has been much discussed. It is clear that organisations are investing in paid staff to attract, develop and retain this essential part of the workforce. Volunteers are needed across the skills level, right from Director/Trustee to someone who can lend a pair of hands for a few hours.

Whilst larger organisations may have formal development plans for the roles they actually want to fill with volunteers, the majority of smaller organisations have expressed a willingness to use whoever is willing to help.

Other solutions that exist to attract volunteers include:

Do-it is a database of UK volunteering opportunities. Individuals can search more than a million volunteering opportunities by interest, activity or location and then apply online.

Charity Job is a further job board site specifically for the charity, not for profit and voluntary sector jobs. Alongside jobs, the site also advertises voluntary positions.

11.1.3 What are the current skills needs and skills gaps?

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016). Overall is has been calculated that approximately 21,200 individuals in the LEP are not proficient in their job.

The nature of the sector explains where skills are regarded as being key.

We routinely heard throughout our research of the need for coaches and match day officials.

Most people who become match officials have played the game themselves and are now looking to give something back to the game they love. To be a qualified/accredited match official, individuals will need to undertake training, being able to demonstrate knowledge of the rules of the game.

Specific requirements for coaching will depend on which sport you're coaching. The best place to seek advice on coaching standards is the national governing body for your sport. For example, the Football Association (FA) is the governing body for football, the Lawn Tennis Association (LTA) for tennis and so on.

Sports Coach UK recommended the following standards (UK Coaching, 2017):

- A Level 1 sport specific qualification if you're assisting a coach or helping out a club/group. (You may also need a DBS check and/or knowledge of first aid and safeguarding children.)
- A Level 2 sport specific coaching qualification if you're coaching independently.
- A Level 3 qualification if you want to deepen your coaching skills.

Active Humber are an organisation that can help individuals on their journey as a coach.

From our primary work, we can suggest that the following skills are particularly needed and valued by amateur sports VCSE organisations:

- Coaching qualifications.
- Referees / Officials.
- Volunteers with:
    - Safeguarding and Protecting Children
    - DBS clearance
    - First Aid

* Management skills in the sense of non-executive directors/trustees.
* Securing funding and fundraising.
* IT skills.

11.1.4 Training

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months (UKCES, 2016). The vast majority of training and development is targeted at initial induction training and development and perceived statutory areas such safeguarding.

Organisations in the subsector have also highlighted that whilst they are eager to train their staff they have neither the time nor can they access sufficient funding. This is interesting for the LEP and others, as there now seems to be general demand for skills and recognition that they are an important part of a successful future, but particularly small VCSE organisations are unable to receive the training they want – albeit for a variety of reasons.

11.2 Apprenticeships

However, as seen from our report on the national picture of the VCSE there were three sector specific frameworks but these are no longer 'live'. The sector therefore does not have specific apprenticeship frameworks or standards. Generally, they make use of generic ones such as Business and Administration. In our primary work, we found that there is support for the principle of Apprenticeships but it was felt that they were often too large an intervention for this subsector. 50% of firms in this subsector have an income of less than £10k, with many run by a voluntary committee and not employing any staff. They are, therefore, entirely dependent upon freely given time to manage organisations and deliver the work needed.

11.3 Drivers of change

11.3.1 Political

National Governing Bodies (NGBs)

A number of voluntary clubs are affiliated to NGBs, such as Rugby Football Union, England and Wales Cricket Board, the Amateur Rowing Association. The NGB structure facilitates sports competitions and provides support for clubs.

But each NGB will have their own policy for developing the sport. This can cause a challenge to the organisations at grass-root level. Clubs will need to be aware of and response the NGB policies, which may add additional pressure to those involved in running the club.

Public Services

Government is looking to put small charities at the heart of public services (DCMS, 2016). It is recognised that the knowledge and expertise of these should be used to help shape and deliver public services across the county.

Therefore, three measures have been announced as part of a programme to help tackle the challenges of getting small charities into the public service supply chain. These are:

- Developing a placed based Public Service Incubator that helps small charities get commissioned.
- Exploring the development of a commissioning kitemark that will set out a best practice standard. As we have illustrated elsewhere, this sort of metric is a real gap in the VCSE sector, where we have been unable to find a recognised and widely used definition of excellence or best practice.
- Recruiting a voluntary, community and social enterprise crown representative.

Further information can be found on https://www.gov.uk/government/news/putting-small-charities-at-the-heart-of-public-services

Social Value Act - demonstrating impact

The Public Service (Social Value Act) requires commissioners who procure services to consider social, economic and environmental benefits.

Many VCSEs are well practiced at providing added social value through service delivery across many sectors including health, education, housing and transport. The Social Value Act creates an opportunity for bidders to demonstrate this to public service commissioners, who asses which potential providers would deliver maximum public benefit to the local community.

Legislation / Regulations

As with other industries which provide a service, this is a subsector which is heavily regulated.

Employers are not expecting there to be significant new legislation in the next few years, rather they are anticipating many current standards to simply move from EU legislation into UK law. But this is conjecture and nobody really knows!

11.3.2 Social

Governance

Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. But now, more than ever before (perhaps because of the recent high-profile closures of charities), trustees of charities and community groups need to ensure that their organisations are being run efficiently and effectively.

This may mean looking at how services are delivered: can use of new technologies be made? Should organisations look outwards to other organisations in the same field seeking to work in partnership or at potential mergers? Is the organisation investing the time and resources to develop the skills of the volunteers and staff who deliver the services? But as important, are the right skills within trustee boards available to ensure that challenges of the future are met.

In the wake of the high-profile closure of Kids Company, we have heard concerns around attracting high quality non-executives (NEDs). There is a concern that a seemingly charitable act of becoming a non-executive director is something that can have important implications for a career. Moving forward therefore, we wonder if some of these concerns could be allayed by having comprehensive training on obligations and best practice for potential NEDs. This may be an effective way to improve the performance of the local VCSE sector as potential NEDs become completely familiar with expectations and legal obligations.

Volunteers

Encouraging volunteers is an ongoing issue in the subsector. Word of mouth was by far the most common route individuals took into volunteering. However, volunteers also get involved because they had previously used the organisation’s services and/or seen a leaflet or poster.

But it is not just recruiting volunteers, it is also having the ability to manage them and keep individuals engaged. Crucially the VCSE sector needs volunteers, but this means that the organisations need skilled volunteer managers. These are often paid roles in larger organisations but in smaller organisations they are often volunteers themselves.

Members

The amateur sports market is highly competitive - individuals nowadays a have range of leisure activities and facilities to select from. This means that voluntary sports clubs must compete more fiercely for the time, money and commitment from members and volunteers.

Marketing and Communication

In today's marketplace, being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for many charities.

Social media, in its various forms, presents the subsector with a direct way of reaching customers and volunteers as well as communicating key information about and any offers. But this presents a challenge, especially for the smaller businesses: expertise and time is required.

11.4 Future requirements

Employers in the VCSE sector clearly face a number of challenges in the near-term future. The crash of 2007 led to a significant change in the role and perception of the VCSE sector, with a number of initiatives leading to a view that the VCSE sector could and should be replacing significant parts of the public sector. As the public sector has been diminished, and as services have been cut, there has been an increased role for the VCSE sector. A clear example of this has been the growth of food banks. As state support has declined, there has been a growth of VCSE interventions. Worth noting is that we are not suggesting that these interventions have been perfect substitutes either in terms of magnitude or quality. As we have identified above, many VCSE organisations are very small and so the impacts they deliver are necessarily different from national initiatives.

The impact of the policy decisions made in the aftermath of the 2007 crash continue to be with us. Austerity policies continue to result in reduced social interventions and so there is this drive behind the VCSE sector to fill the gaps. However, it is not always the case that the state has pulled out and left behind lots of funding opportunities. Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.

Austerity policies now have a sibling in the potential aftermath of Brexit in terms of the changes facing the VCSE sector. European funding through various 'pots', ESF, ERDF etc. has been a key way to finance the VCSE sector in the UK. Frankly, no one seems to know what will happen to these funding sources in March 2019. It seems unlikely that the UK will be able to access them, but the substitutes for them from the UK government have yet to be discussed. Indeed, we are not sure that there will be an attempt to replicate the funding. Consequently, the VCSE sector is at the edge of a new era. Demand is high for their interventions, but the sources of funding for the future are unclear.

Consequently, at least some of the thoughts of the future are speculative based on the above uncertainty.

In this way, many of the skills identified as being needed for the future are actually skills gaps which already exist.

The clear main issue facing the VCSE sector moving forward relates to accessing funding. The previous structures which have become understood (how to source European funding) will change and there will be new opportunities and challenges. In particular, any change of this nature has a greater impact on smaller organisations. Without dedicated resource aimed at identifying and sourcing funding, these smaller organisations face the very real prospect of running out of money. This of course has implications for the people with whom they engage.

In this issue, there is the possibility that larger organisations will have an advantage and so will effectively have a first mover advantage when it comes to accessing new funding routes. We wonder therefore if the LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

11.5 So what does this mean for the future?

The importance of the VCSE sector has become more obvious in the wake of austerity and the cuts which have followed. Local authorities have been particularly hard hit and we have seen instances where under pressure councils have retreated to ensuring that they provide statutory mandated services. In this sense, it is clear that the VCSE sector is already, and will increasingly yet, be a key partner in delivering services and support seen as essential in the lives of many.

However, it is important to recognise that this increased role is not going to result in lots of funding becoming available. This is not a zero-sum game where the publicly funded sector loses out and the VCSE sector gains revenue. For the most part, the significance of the VCSE sector is increasing largely as a consequence of the decline in funded provision delivered in-house by relevant authorities.

There may indeed be some increases in funding, but the call to do 'more with less' is perhaps more relevant than ever to the VCSE sector.

We have highlighted a number of statistics and trends which may reasonably underpin policy responses to the new challenges.

- There are approximately 1,300 charities registered with the Charities Commission as active across East Riding.
- Nearly half (49%) of all charities report providing educational and training opportunities, 23% report involvement with amateur sport and 19% within arts, cultural and heritage.
- The East Riding area has around 300 registered charities reporting to operate in the field of amateur sport.
- The majority (81%) of charities offering amateur sports help children and/or young people. This is much greater proportion when compared to all charities where 58% help children and/or young people.
- More charities in the subsector report providing facilitates or spaces for the activities than on average (66% compared to 36%).
- Half (50%) of the charities offering amateur sports in East Riding have an income of less than £10k, with just 12% reporting an income greater than £100k.

- In terms of recruitment, it is the recruitment and managing of volunteers that is most pressing.
- The sector makes a strong attempt to recruit volunteers in this area.
- Skills are particularly needed and valued by amateur sports VCSE organisations include; Coaching qualifications, referees / officials, volunteers with safeguarding and protecting children knowledge and DBS clearance, First Aid, management skills in the sense of non-executive directors/trustees and securing funding and fundraising.
- Organisations in the subsector have also highlighted that whilst they are eager to train their staff they have neither the time nor can they access sufficient funding.
- Government is looking to put small charities at the heart of public services, but the charities need have the skills to be able to bid for and win the funding.
- Social value impact measuring is important both to funders and to providers.
- Crucially the VCSE sector needs volunteers, but this means that the organisations need skilled volunteer managers.
- The right skills within trustee boards available to ensure that challenges of the future are met are essential.
- The amateur sports market is highly competitive - individuals nowadays a have range of leisure activities and facilities to select from. This means that voluntary sports clubs must compete more fiercely for the time, money and commitment from members and volunteers.
- Being noticed is a constant goal for most companies. Converting that awareness into patronage is a challenge for many charities. Expertise and time is required to make use of social media channels.
- Organisations in the sector tell us that funding is scarce and securing it is the number one risk and issue they face.
- Austerity policies and Brexit mean that sources of funding moving forwards are unclear. Any change in funding has a greater impact on smaller organisations
- The LEP may wish to support the VCSE sector by providing this intelligence function in respect of identifying, and sourcing new funding.

As well as those organisations which are formally registered with the Charities Commission, we know that there are many others who work in this space. Consequently, we are able to show that as well as being an important sector, it is also a large one, albeit it is a difficult sector to accurately quantify. In the sector, many people work in voluntary roles. This is a key difference with other sectors. The voluntary workforce is absolutely crucial and without it, many organisations would not be able to function. Therefore, we note how important it is to renew and bring in a new set of volunteers to add to the current capacity. In just the same way that other sectors will have replacement demand, so too will the VCES sector need replacement volunteers.

Certainly, this is an opportunity associated with the ageing population. Modern lifestyles and medicines mean that retired people are willing and able to work for far longer than in previous generations. They may bring professional skills and expertise with them which can be of huge benefit to the sector, particularly in a voluntary setting. But this is a challenge in and of itself, and may be something that the LEP could become a key player in, namely increasing participation in the VCSE sector across a range of roles on a voluntary basis.

We have highlighted that the increase in minimum wage is likely to have an impact on the sector. The private sector will expect to pass on the wage increase in price rises, but the VCSE sector has no similar avenue. Instead they are faced with funders who are looking for more impact for less investment, so the wage constraint is really important and has potentially serious implications. It also further drives the need for more volunteers, potentially to replace roles which may have previously been paid for roles.

We see three strands to the skills needs in the VCSE sector. These strands are common cross the whole sector; where there are differences it relates to the specifics of the parts of the sector in which the organisation operate.

11.5.1 The Three Strands

There is clearly a need for senior support in terms of governance. Across the entire VCSE sector, organisations have highlighted a determination to maintain challenging and high-quality Boards. As we understand it, securing high quality and committed trustees has always been a challenge for the sector. However, recent events such as the Kids Company closure have seemingly had an impact on the willingness of appropriately skilled people to enter governance roles. It is also noting that professionals feel under time pressure regarding their own work or business and so are less able or willing to make an additional time commitment. Where non-executive experience was routinely taken as a good thing, there is now more of a need to defend and explain other commitments which take the person out of the business.

In this sense, we have an interesting position where the same economic climate that increases the demand for the VCSE sector is also the climate which may make it difficult to attract high quality individuals to assist with governance.

Then there are clearly operational skills both in terms of on-going delivery, but also as a result of changes and expected future changes. We have presented these in more depth previously, but there are a number of skills which have clearly become important to the running of a successful VCSE organisation. These skills may have always been needed, but the changed environment in which the VCSE sector exists has also brought them to the fore. As well as the skills necessary to manage volunteers, which we've concluded may increase because of external pressures, there is an increased need for bid writers and business development type skills.

This is an important conclusion. All the way through this series of reports we have been careful to avoid the mistake of suggesting that there is a public-sector hole into which the VCSE sector must fit. It is of course accurate that there are opportunities and challenges associated with austerity for the VCSE sector. However, the third sector world has changed and organisations in the VCSE are having to work differently to face those challenges. These new skills and indeed new roles, reflect the competitive environment in which these organisations now operate. In this sense, the VCSE sector has, or will need to become more attuned to winning funding and seeing itself as the deliverer of a project, which will to some extent impact on future funding allocations. The days of receiving ongoing grant funding seem largely to have disappeared forever. Instead, funders want impact and more value for less money. This is a really important driver in organisational behaviour and one that is having an impact on the skills of the workforce.

Moving on from governance and operational skills we have identified the third group, namely front-line skills. The previous skills and needs may reasonably be seen as the back-office skills. Without them the organisations in the VCSE sector may struggle to exist or grow. Without the necessary functional skills however, these organisations will not fulfil their goals and ambitions.

As the VCSE sector grows and takes on new responsibilities, the necessary skills required will be affected. Here there is a direct causal relationship. This too is crucial. The VCSE sector in some senses is a reactive sector in that it exists to fix problems, address gaps etc. So as and when these gaps exist, the VCSE sector will need new additional skills to work with the affected cohorts. For instance, in recent years, certainly post 2007, there was an increased demand for providing support on financial and debt issues. The demographics of the population, whilst potentially an opportunity in the sense of attracting skilled governance level individuals, is also one of the main drivers for VCSE sector provision. Increasingly organisations in the space, work with lonely or isolated elderly people. Likewise, the change in education policy, particularly in relation to academies and free schools has undoubtedly increased the numbers of, and function of the VCSE sector working with young people.

We have heard alternative views on the detail of these functional skills. It is clear that organisations working in different parts of the sector, are different by definition. However, we have also considered the similarities between the parts of the sector. A front-line worker supporting a young person does a different job than does someone supporting a person with disabilities. But in many ways their aims are the same and so are their skills. There are practical differences and different legal frameworks associated with varying client groups. But many of the skills are very similar across the breadth of the VCSE sector.

Using these three areas, we are able to highlight the following as areas where the LEP and others may seek to support this part of the VCSE sector.

Governance	**Operational**	**Functional**
High quality boards	Management skills - particularly in relation to working with volunteers	English language skills
Committed trustees	Securing funding and fundraising	Necessary safeguarding qualifications and DBS checks
Financial support	IT skills	Coaching qualifications
	Understanding local communities and awareness of pre-existing solutions and partner organisations	Match officials
	Presentation skills relevant to working with external funders and stakeholder	First aid skills

Broad Skills Issues

12 Broad Issues Affecting the Demand for and take up of skills within the LEP

When considering the current and emerging skills and training challenges facing the LEP area, it is important to consider the external influences and factors which have an impact. Some of these may actually be beyond the sphere of influence of the LEP, but to fail to identify them in a report of this kind would be to present a partial analysis.

What follows is a presentation of some of the main policy and external issues which have come out during the research, both in our primary and secondary research.

12.1 Unaware of the value of skills

In conducting a study such as this, one of the biggest errors researchers can make is to work only with employers who are already convinced of the importance of skills and training. By using databases of employers who work with colleges or other partners you effectively hear back only from employers who are already converted! It is true that they might not be acting on their conversion, but they are warmed up, they have an understanding of the options that face them and they have already been worked on by (often) several different organisations.

Consequently, we have deliberately attempted to work with employers who we looked at completely at random. Whilst we focussed on the primary sectors identified by the LEP, and whilst we engaged with employers who are indeed already in the system in the sense of having previously worked with colleges, funders, trade associations etc., we deliberately also contacted employers who did not appear on any of these lists.

In research terms, this gives us an excellent source to work with.

Oftentimes it is possible to look at pre-existing research and conclude that the picture is a little more progressive than we found it.

For us it is clear that a significant body of employers across the LEP economy are not concerned about or actively addressing skills issues. In the majority of cases when we said what we were doing, the conversation immediately stopped, or we were able at best to elicit one or two more responses to initial questions.

For those of us working in the skills world, the issue is at the top of our list, but for employers it is simply one of the things on their to-do list, and actually, many employers do not even consider it.

Of course, all research is dependent on the willingness of respondents to give feedback. But we clearly and categorically gained a perception that skills and training was a turn off for large numbers of employers. When speaking with employers explaining that we were conducting research on behalf of the LEP who were keen to support employers as a result of our findings, there was a palpable disappointment when our researchers went on to discuss training. Most noticeable, in this group, employers wanted to talk to us about business support such as business rates, access to finance and reduced legislation.

Noticeable was that trade associations and similar organisations varied in their responsiveness too. We are unable to find any definitive trends other than to conclude that despite being priority sectors to the LEP, some trade organisations did not see skills in their sector as a priority for their employers.

Consequently, we conclude that there continues to be a significant challenge to the LEP (as well as nationally) around convincing employers of the importance of investing in training and skills. It is easy to think that this research should be for the supply side in the sense of how best to respond to the demand which already exists. The real situation is more nuanced than this.

Whilst there are clearly employers and sector organisations who are convinced of the value of skills, both now and in the future, there is clearly work yet to be done further to convince the market that training and skills are things which they should be demanding.

The following is a summary of much of the relevant literature, which was particularly apparent prior to the 2007 crash when countries and employers were looking for new and innovative ways to engender economic growth. We believe that some of these messages could usefully be communicated to employers, individuals and stakeholders ten years later.

The Value of Skills

The UK Commission for Employment and Skills (UKCES) demonstrates that there is an "unambiguous link of skills to the national competitiveness and the significant economic gains to be achieved by raising skill levels of a nation's labour force" (Garrett, et al., 2010).

There is a wealth of research on the relationship between skills and economic growth. The Leitch Report explored the relationship between skills and economic growth and estimated that the increase in skills in the UK workforce over the last 10 years, increased GDP by between £30 and £50 billion (Leitch, 2006). Other research supports the Leitch Report's findings, for example Sianesi and Van Reensen (2003) argue that evidence *"supports* the *positive effects of skills on economic performance at country level"* (Garrett, et al., 2010). Barro (1991, 1997) undertook an important study of 14 OECD countries finding that a 1% point increase in the school enrolment rate tends to generate economic growth of up to 3%.

Skills are a factor driving the UK's productivity. Skills also interplay with other factors driving productivity performance, for example innovation and knowledge transfer. The relationship between innovation and skills is, Griffith et al (2004) argues, the ability of people to make the best or most effective use of the information they are presented with or 'absorptive capacity'. It is also about the stock of skills that the workforce holds -*"The stock of skill inevitably sets limits on how much firms can develop this capacity and also how much they will need to invest in skills relative to similar firms in other countries in order to achieve similar levels of skills"* (Garrett, et al., 2010).

Price Waterhouse Cooper (2005) estimated that the rate of return up to 13% for the state of educating an individual to degree level. Further research by Hunt and McIntosh (2007) suggests that raising the school leaving age to 18 would raise around £2.4billion for each cohort of young people who remain in education and training to the age of 18. Further, Bell et al (2005) show that one fifth of the annual growth in the UK economy, over the 1975-2002 period, was attributable to improvements in workforce skills.

Tether et al (2005) argues the connection between skills and increased innovation is dynamic and they react to each other.

Skills

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Innovation

Hanushek and Woessmann (2009) "find evidence that both providing broad basic education – education for all and pushing significant number to very high achievement levels have economic payoffs" (Garrett, et al., 2010).

Health

The Marmot Review published in 2010, demonstrates the huge amount of evidence linking skills and employment to health. The Marmot Review highlighted health inequalities by skill level of parents, job status, unemployment and attainment in education. Groot and Maassen van den Bink's (2007) research found a strong relationship between education and health: a year of education was said to increase the health of men by 0.6% and of women by 0.3%.

Feinstein et al's (2008) research shows that if 10% of women in the UK, who currently have no qualifications, were to gain a level 1 qualification the reduction in rates of depression associated with this could give potential savings of up to £34 million a year. Earlier research by Chevalier and Feinstein (2006) estimated that given the costs of depression in Britain is £9 billion each year, educating women with no qualifications to level 2 could lead to £200 million of savings per year (at 2002 prices). Research by Feinstein and Hammond (2004) suggests that learning increases life satisfaction and the amount of exercise taken as well as decreasing the likelihood of smoking.

Crime

Much research has suggested the link between skills and crime. Feinstein et al (2008) demonstrate that the more highly educated a man is, the less likely he is to commit a crime. Feinstein et al, (2008) suggests that £1 billion pounds per year could be saved in reduced crime costs through a 16% increase in those educated to degree level and argues that, a 1% point increase, in the working age population with qualifications equivalent to level 2, could reduce the bill for crime by up to £320 million per year (Garrett, et al., 2010).

Poverty

Dickerson and Lindley, 2008, argue that higher skills could contribute to a reduction in child poverty, such that the impact of meeting the targets of Leitch 2020 World Class Skills Ambition, could reduce child poverty by between 2% and 5%. It has been shown that parents' education has a positive association with how their children perform at school (Sabates, 2008).

Bynner et al (2001) estimated that government revenues could rise by just under £7 billion per year at 2000 prices if poor basic skills were removed completely.

The Value of Skills to Businesses

The impact of skills and training are wide reaching for UK businesses, and bring multiple benefits.

Training has been linked to the relative chance of business survival. It has been argued that, all other things being equal, those organisations providing training are less than half as likely to fail as those that do not provide training (Collier, et al., 2007). Collier et al's research shows that the failure rate of companies that did not provide training for their staff was, over a six year period, 27% compared to 11% for companies that did train their staff.

There are strong links between skill level and productivity. Barrett and O'Connell (2001) found that increasing the number of training days per employee by 1% was found to increase productivity by 3%. Further Carriou and Jeger, (1997) found that a 1% increase in training spending delivered a return of 2% in additional value. Konings and Vanormelingen (2010) found, in their study, that the trained worker is, on average 23% higher in productivity, than an untrained worker, but that wages for those receiving training increased by 12% - thus organisations are benefiting at twice the rate of employees.

Dearden et al, explored the relationship between the mean proportion of workers trained in an industry (10%) and the value added per worker. Their research suggests that increasing the proportion of workers receiving training in Britain by 5% (to 15%) results in a 4% increase in value added per worker compared to only 1.5% rise in the cost of wages for the firm.

Table 19 Productivity effects of training relative to wage effects

Study	Country	Productivity effects relative to wages
Barron et al (1999)	USA	2 times
Groot (1999)	Netherlands	4 - 5 times
Dearden et al (2000)	UK	2 times
Conti (2001)	Italy	3 - 4 times
Ballott et al (2004)	France	3.5 times
Ballott et al (2004)	Sweden	3 times
Konings and Vanormelingen (2010)	Belgium	2 times

Source: Hansson 2008, p. 51, with Konings and Vanormelingen 2010, added by Garrett, Campbell and Mason 2010.

Employers often raise concerns over offering training to employees as they perceive that it increases the risk of employees leaving. Green (1997) explored this issue, and looking at US and UK literature in the late 1990s argues that training did not exert a large influence on the likelihood of staff leaving the firm. In fact, Dex and Smith (2001) demonstrated that those employees who had five or more training days in the previous year were more committed to their employers than those employees who had less than five days of training, regardless of sector. Sloane et al. (2007) and Jones et al (2008) support these findings and conclude that overall, certain types of training can improve levels of job satisfaction.

The presence of employees who are highly skilled and the availability of training can raise the achievements of fellow colleagues and local organisations. Heuermann et al (2009) suggests that the productivity and performance effects of higher skills are not merely retained by the individual or firm to which they belong but that other individuals or firms that work or exist alongside them also benefit. Galinado-Rueda and Haskel (2005) make an even stronger case for the importance of skills. They found that a manufacturing firm located in an area where 40% of the population holds a level 4 qualification, output will be nearly 14% higher than one located where only 30% of the population is educated to the same level.

"it is important to recognise the benefits of training will vary according to the nature, level and quality of training and skills delivered and the means of delivery" (Garrett, et al., 2010).

Spicer and Sadler-Smith (2006) suggest that higher order learning when compared to lower order learning is more likely to result in an innovative response that may see the development of more productive production. Higher order learning focuses on a critical awareness of policy and practice compared with lower order training which concentrates on looking at current approach to production and business. Among the sample of firms they surveyed, firms that had a higher order orientation were more likely to exhibit higher performance shown by both financial and non-financial factors.

Sloane at al., suggest that is it important to allow workers the opportunity to apply the skills they had acquired through their training.

Apprenticeships, in line with other forms of training, bring a range of benefits to an employer. Bashford (2006), and Hogarth and Hasluck (2003) suggest that the use of apprenticeships improves business performance including organisational competitiveness, productivity, and quality of its services and products. 83% of employers would recommend apprenticeships to others. The average apprenticeship completer increases business productivity by £214 per week, with these gains including increased profits, lower prices and better products (ESFA, 2017).

Value of Skills to Individuals

Research demonstrates there is a relationship between having no or low skills and likelihood of low pay and unemployment. Descy and Tessaring's (2005) work highlights the link between greater levels of education and vocational training and the reduced likelihood of unemployment, low pay and increased labour market participation. Individuals without qualifications experience a rate of employment that is around 40% less than individuals with level 5 qualifications. Their average salary is around £450 less per week.

"The economic and social outcomes of learning are closely interconnected and it is important to acknowledge that they are by no means independent of each other" (Garrett, et al., 2010).

Research suggests that increasing skills can, and often does, lead to broad positive outcomes. Research is beginning to show that upskilling the workforce can bring significant benefits in the areas of health improvement, crime reduction and poverty reduction.

The Benefits of Upskilling

The benefits of upskilling can be summarised in Table 20

Table 20 The potential benefits of upskilling

	Benefits
Economy	Leitch (2006) estimated that increases in skills in the UK workforce in the past 10 years, increased GDP by between £30 and £50 billion Up to 20% of annual growth between 1975 and 2002 was attributable to workforce skills (Bell et al, 2005) Increased productivity (Garrett, Campbell and Mason, 2010) The rate of return for the state up to 13% of educating an individual to degree level (PriceWaterhouseCooper, 2005) Improved economic growth (Barro, 1991; 1997); (Sianesi and Van Reensen, 2003) Increased innovation (Tether et al, 2005) The link between health and education (Groot & Maassen van den Bink, 2007) Increased education has been linked with a reduction in depression (Feinstein et al, 2008), increased life satisfaction, increased level of exercise and decrease in the likelihood of smoking (Feinstein & Hammond, 2004) Parents' education is positively associated with how their children perform at school (Sabates, 2008)
Businesses	Increases productivity and profitability (Barrett & O'Connell, 2001) Businesses that train their staff are more likely to survive (Collier et al, 2005; 2007) Increased retention of staff (Dex & Smith, 2001) Presence of skills among other some staff can have a spillover effect (Heuermann et al, 2009) Carriou and Jeger, (1997) found that a 1% increase in training spending delivered a return of 2% in additional value Organisations are benefiting at twice the rate of employees (Konings and Vanormelingen, 2010) Apprenticeships improves business performance including organisational competitiveness, productivity, and quality of its services and products (Bashford, 2006; Hogarth & Hasluck, 2003) Over 80% of employers who employ apprentices agree that they help increase productivity in their workplace (Populus, 2009) 81% of consumers say they would favour a company that employs apprentices (Warwick, 2008) 80% of employers who take on apprentices rely on them to provide skilled workers for the future (Populus, 2009) Research has found that those businesses that use a greater range of Human Resource Management (HRM) practices can double their profit per employee compared to those businesses implementing relatively few (Guest et al, 2003)
Individual	Helps avoid low wages (Descy & Tessaring, 2005) Decreased chance of unemployment (Descy & Tessaring, 2005).

12.2 Access to Finance in support of upskilling

In the aftermath of the financial crash of 2007, the availability of finance has been an issue often discussed. As banks recapitalised their balance sheets there was a period when gaining finance was very difficult for any business let alone micro or SMEs. Banks became extremely risk averse and so fewer loans were made on the basis of projections. This of course had an impact on numerous businesses, but the effects were felt particularly keenly by smaller firms without financial reserves or capital assets against which to borrow.

With time, because of the economic recovery and continuing historically low interest rates, finance has become more available both to consumers and to businesses. This ability to access borrowed cash is arguably a significant factor explaining the economic recovery – as consumer credit begins again to grow there is demand for products and services. But firms are also able to look to the future in terms of investments.

Of note to this study is the status of skills in relation to borrowing. For many years government has tried to change the terms of the debates on skills acquisition. They have spoken about skills acquisition being an investment rather than a cost (UKCES, 2009) and have looked at ways to treat it as such in accounting terms.

However, these efforts have not had an impact on the way that lenders regard training. Firms who wish to borrow to fund staff training do not get a favourable response from the High Street.

Which takes us back to the challenge. Studies such as this one routinely identify the need for skills development both in response to current skills gaps and shortages, but also in response to identified future issues.

However, accessing the funding to support those interventions is a real challenge.

The policy drive is clearly to move the financial burden for training away from the state and onto the employer (see the Apprenticeship Levy as the prime example of this). However, what we can end up with is a demand which is not fulfilled because of an inability to fund the desired procurement. With government believing that skills are important but being determined to have employers and/or learners foot the bill, it is clear that we could potentially have a block in the system.

Given that the private banking sector seems a long way away from supporting skills investment as it might do with other business investments, this might be an area where public policy has to get involved.

Learner loans have existed in the HE sector for some time and the principle is now being tested in FE. But there are also some interesting developments where sectors or regions effectively engage with the finance issue. Unable to offer grants for training, partners can look at ways to put liquidity into the system to support skills investment decisions. This may involve sector based solutions or geographically based ones. For instance, we know of a Credit Union established by a Sector Skills Council to address exactly this issue and some LEPs have sought to support local employers as they engage with finance providers.

12.3 Apprenticeships and the way ahead

Apprenticeships have in many ways become the key part of the government's approach to adult skills. Adult Skills Budgets have been significantly reduced since 2005, and the various solutions previously open to providers and employers have been increasingly reduced. There has been a successful rehabilitation of Apprenticeships, with the once forgotten approach to work based learning, now becoming a central plank of government policy. Indeed, in the 2015 General Election, the number of Apprenticeships that the government would deliver became a political issue similar to hospital waiting times or class sizes in primary schools. The Conservative Party introduced the target of 3 million more Apprenticeships as a manifesto commitment and in remained in 2017.

With rising university tuition fees, Apprenticeships are increasingly seen as an economically rational pathway for learners. Businesses report support for the solution and providers routinely compete with each other to deliver Apprenticeships.

The above does not mean that Apprenticeships are universally supported and that there are no issues with the policy. Far from it – as this section will show, whilst the government policy of driving up the number of completions is clear, there remain challenges in key areas where the LEP may wish to intervene, and some where they may be able to work with partners to resolve some challenges.

The Levy

The drive to increase the number, allied with the cross government determination to reduce public sector spending led to a significant policy announcement introducing the levy. The levy having been a policy option that previous governments had long considered but had often shrunk from for fear of seeming too harsh on business. We know from personal experience that the previous Labour Government examined every possible measure to raise employer investment in skills but was clear that the levy was not an option to be explored.

From April 2017, larger employers in the UK have been required to pay an apprenticeship levy based on their payroll bill. For employers with a wage bill over £3M per annum, the bill was 0.5% of their payroll.

The clear aim was to produce more apprenticeships as the output, such that the impact would be a more productive, higher skilled workforce, better equipped to close the productivity gap between the UK and other developed nations.

At this stage, of course we are too soon to evaluate the impact of the policy. However, it is clear that there are already emerging challenges which may be of interest to the LEP.

In some sectors, particularly those involved in delivery of high cost apprenticeships (such as Engineering), the levy will likely have minimal impact. Various studies and conversations with key stakeholders suggest that a significant number of employers will fall into this group. Consequently, the levy will have a neutral effect. It will not result in more spend, nor will it produce more starts.

For some business, there will clearly be a catalyst to move training spend into apprenticeships and away from other potential solutions. This is likely to be the case in low cost apprenticeship sectors such as business services, where employers may have favoured shorter courses with more flexibility and less regulation. Given that the levy is mandatory, it makes sense to procure apprenticeships rather than substitute packages of training. Again, early evidence suggests that this will be the case in a substantial number of large employers.

For large employers, who consequently have larger payrolls and thus large levy contributions, but who are engaged in low cost sectors (note that not all apprenticeships cost the same – technical apprenticeships tend to cost much more than ones relating to broader skilled occupations) there is a clear challenge as to whether the business has the appetite or need for a large number of apprenticeships. For instance, in sectors such as hospitality, health and social care, there is a concern that employers simply have neither the appetite nor supporting infrastructure needed to deal with all the apprentices they could conceivably afford given the significant spending power the now have. In this way, the policy may not achieve its aims.

Some employers may simply absorb the cost of the levy into their bottom line. Either for reasons in the above paragraph, or simply because they have never been able to put in place the procedures needed to help them overcome the main reason which has put employers off engaging with them in the past, namely the so-called hassle factor, some employers will simply write off some or all of their levy contribution. Even when Apprenticeships are seen as a good solution, many employers have never engaged with them because they have had the perception that they are bureaucratic and far from what the business actually needs.

We continue to hear the call for bite sized, job specific training which ensures legal compliance, with larger solutions such as Apprenticeships being the right solution, but actually for the wrong problem. In the current economic and political situation, employers are looking to guarantee the short-term existence of their business, with longer term investment taking a back seat.

SMEs and Apprenticeships

Whilst not making any formal levy payment, SME and micro business will continue to receive government support in relation to Apprenticeships. Smaller firms will pay 10% of the cost of training an Apprentice with government paying the rest. Apprentices under 19 will be completely funded with extra payments being made to employers and providers. The new digital service will help employers select the right framework, provider, and will facilitate vacancy advertising.

A recent FSB report highlights that nearly a quarter of small employers already employ an Apprentice with a further 24% considering it for the future (Peate & Impey, 2016).

Is it now plain sailing for Apprenticeships?

It is clear that there is much work yet to be done to smooth and finalise how apprenticeships are going to be delivered under the new system. The political uncertainty is certainly a key reason explaining this, but recent events in the funding of apprenticeships may well be of interest to the LEP.

The Association of Employment and Learning Providers recently suggested that, 'Areas of the country face becoming close to apprenticeships deserts for young people over the next 7 months where there are few or no large levy paying employers to make up the shortfall. Current apprentices could also be cut adrift from their programmes as a consequence (AELP, 2017).

Without any prior warning, funding allocations to training providers have been reduced by up to 89% by the Education and Skills Funding Agency (ESFA) for non-levy apprenticeships, with many good quality apprenticeship providers, including much needed specialist ones, now fearing that they will go out of business (AELP, 2017).'

Consequently, whilst it is clear to anyone in the adult skills world that apprenticeships are seen as the main plank of government policy and funding, what we have in place thus far at least is certainly not a silver bullet.

What we have is an opportunity which yet needs some help to ensure that local employers and local people benefit to the maximum levels. In particular the LEP may wish to consider the following:

- Promoting the levy and educating local large employers on the mechanics of it.
- Working with local providers facing the new world and pressures associated with initial uptake. In particular the threat of losing provision in small, niche provision is very serious.
- Converting the interest from small employers into actually using the apprenticeship solution.

Recent research published by the IPPR suggests that the levy is set to have a patchy impact across the country. Their evidence suggests that a disproportionate amount of investment will be stimulated in London and the south-east where a relatively high number of big employers are based. Those areas have 38% of the large businesses targeted by the levy but only 27% of the population (IPPR, 2017).

Clare McNeil, IPPR associate director said, 'it is extraordinary that the government has not analysed the regional impact of its new apprenticeships policy, which is likely to boost investment in training precisely in those areas where employment is higher, such as in London and the south-east, leaving unemployment hotspots in the north-east or Yorkshire with proportionately less funding'.

The IPPR is urging the government to change the apprenticeship levy system to redistribute some of the money collected to areas with the biggest training needs.

'Unless it changes the policy to ensure that investment is distributed more fairly between north and south, it will exacerbate existing regional disparities in opportunity for young people'. McNeil said.

The sub-committee on education, skills and the economy finds that the Government's Apprenticeship Levy, risk being unduly focussed on simply raising participation levels. Instead there should be greater focus on outcomes, particularly around job destinations and closing the skills gaps – in this regard there is support for reforming the levy so that it has a sector and/or regional focus.

There continues to be concern that the three million target will drive quantity at the cost of quality.

Apprenticeship Levels

Name	Level	Equivalent Educational Level
Intermediate	**2**	**GCSE**
Advanced	**3**	**A level**
Higher	**4, 5, 6 and 7**	**Foundation degree and above**
Degree	**6 and 7**	**Bachelor's or Master's degree**

Our research suggests that there is still ongoing confusion around the various parts of the Apprenticeship offer. Because of the history of apprenticeships there is an ongoing perception that they are qualifications aimed at young people without any level of skill. They are regarded, presumably because of their history, as the way by which to take someone into the labour market from school.

In this way, there is widespread acknowledgement of the value of apprenticeships in that particular space. However, the product/brand of Apprenticeships has also been moved up the qualification levels.

Government is expecting high level of volumes to come through the Intermediate levels, with higher skills coming through the other apprenticeship offers.

However, it should be noted that employers' awareness of the whole range of apprenticeships is not uniform. Despite some significant recent press campaigns, there is significant work yet to do on making employers aware of who can be an Apprentice, as well as the levels (and equivalents) of apprenticeships.

Also of note, and unsurprising for anyone with experience in the area, is that few employers were aware of or had engaged with Traineeships. Interestingly, by comparison, even the employers who had not used Traineeships saw the attractiveness of having a sector focused pre-apprenticeship offer. They were particularly interested in any training which delivered work ready individuals who had background awareness of the industry and job they were coming in to do. They believed that it would improve retention – thus reducing churn, and whilst they would expect to train people to get them job ready, some industry background knowledge would be useful. They also report that during recruitment, when an applicant is able to demonstrate some sector knowledge they are far more likely to recruit them compared to someone with comprehensive and generic employability skills who have no awareness of the industry.

If the high volumes of apprenticeships starts are expected to come through the Intermediate levels, then the advanced level skills needed in various sectors are likely to come in the higher levels.

12.4 Skills Shortages and hard-to-fill vacancies

At the macro level, recruitment can signify a healthy labour market and can be an indicator of growth and an expanding economy. In recent years, against a backdrop of economic uncertainty and difficulty the UK has generally reported depressed levels of recruitment activity (UKCES, 2014a).

At an individual business level, there can be a number of reasons for having vacancies. These can either be a positive indicator of growth or more negative if they signify a loss of key personnel or high staff turnover levels. But the key question is whether the labour market is able to respond to employer requirements. If employers struggle to fill vacancies as a consequence of a lack of skills, qualifications or experience amongst applicants this is known as 'skills shortages vacancies'. Vacancies can also prove to be 'hard to fill' for other non-skills related reasons, such as a lack of applicants to the role, an issue with applicants' attitude, personality or motivation or issues relating to the job role, like poor terms and conditions.

When companies experience skills shortages or hard to fill to vacancies, it's been reported that they have a significant effect on business performance (Vivian, et al., 2016). This includes an increased workload for other staff, difficulties in meeting customer service objectives, delays developing new products or services, or even the loss of business or orders to competitors. They can hamper the productivity and growth of a business.

This research investigated employer's views on recent recruitment activities which are reported below, along with wider secondary evidence.

Over the past year, the UK economy has shown signs of economic recovery despite the various economic and political pressures faced across the UK. In line with the economic recovery and the continued strong recovery, there has been a rapid upturn in employment numbers. Today over 31 million people are employed across Great Britain compared to 28 million in 2010.

However, employers are experiencing difficulties in filling positions. There has been an increase in the incidence of hard-to-fill vacancies and skills shortages since 2013 and 2011 (Vivian, et al., 2016). The main causes of theses recruitment difficulties are most frequently attributed to fact that applicants lack the skills, qualifications or experience required.

Across the UK the top 10 jobs employers are having difficulties filling are (ManpowerGroup, 2017):

- Skilled trades
- Drivers
- Engineers
- Sales representatives
- Management / Executive
- Doctors and other non-nursing professionals
- Secretaries, PAs, Receptionists, Administrative assistants & Office support staff
- Technicians
- Restaurants & Hotel staff
- Nurses

Most employers involved in this research, report that some new recruits have not been work or job ready. A number of firms will recruit personnel based upon individual's attitude rather than technical skills. As a consequence, employers undertake a number of training and support activities for these individuals, including work shadowing, induction training, technical and generic skills training and personal development.

12.5 Sector v Supply Chain

In all of our primary work the issue of the appropriateness of the sector or even subsector as the unit of analysis has come up.

In previous years the UK government, national governments and locally based administrations have all reflected on how best to support key priority sectors. These sectors are usually the same sorts of sectors, albeit there have been local differences usually explained by particular environmental or traditional/heritage based characteristics. For example, Scotland has been interested in wood and paper manufacturing in a way that the city of London has not.

In 2002 The New Labour Government formalised this approach by establishing the Sector Skills Development Agency (which would become the UKCES) and 25 Sector Skills Councils. These bodies were arms- length government funded but employer led organisations seen as key parts of the government's determination to establish an employer led adult skills system.

Working with employers and stakeholders, the Skills for Business Network would do three things:

- Produce robust Labour Market Intelligence which captured the needs and challenges of the relevant sector and which informed policy making and funding allocation
- Develop National Occupational Standards for all key occupations within the sector, thus driving up quality and reforming the delivery of skills provision. Develop appropriate Apprenticeship frameworks to raise the uptake and quality of skills provision.
- Convince employers of the value of investing in skills and thus increase the amount employers invested in workforce planning.

Sector Skills Councils were a key part of the system which prioritised Sectors as this so-called unit of analysis. Likewise, the SFA invested in creating National Skills Academies which were usually supported by the SSCs as a way by which to raise the quality of sector specific training. The assumption was that the training sector had historically been supply led – in the sense that courses were sometimes delivered because a college had a good lecturer, or had always delivered the course, rather than that there was a genuine need or demand. The training sector was seen as part of the so-called 'Bureaucratic Blob' (Sewell, 2010) and the NSA network was a way to drive employer demand and rigour into the delivery process.

Of course, other organisations support the idea that the sector is the prism by which to consider UK industry. Other standard setting bodies exist such as Habia, WAMITAB, etc. Chartered Institutes tend to be organised by sector or industry, as do many unions and research organisations.

However, there is an increasing body of literature and opinion which regards sectors as synonymous with silos. They suggest that to consider a sector is to consider it in isolation from the occupations and industries which underpin it and which are necessary to a more complete understanding of the potential of a particular sector. In particular whilst conducting this work we have had strong representation from the facilities management and logistics industries who have put it to us that the really useful way to consider skills development for the future is to look at supply chains rather than through the narrow parameters of sector. Stakeholders in the visitor economy have made similar representations to us, namely that having the finest hotels and world class attractions will be nothing without night time security on the streets or with a perceived lack of taxi drivers in certain areas.

Supply Chain

A supply chain is a system of organizations, people, activities, information, and resources involved in moving a product or service from supplier to customer. Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer. In sophisticated supply chain systems, used products may re-enter the supply chain at any point where residual value is recyclable.

Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies. Supply Chain Management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model. It includes all of the logistics management activities noted above, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance and information technology.

12.6 Training Provision – Supply side

When conducting this research, we have primarily concentrated on the demand side – in the sense of working with partners and employers to determine the skills needs of the present and the future. However, it is clear that understanding the demand side is only possible with a fuller picture of the supply side.

The LEP area is well covered by several high quality FE Colleges including Selby College, Askham Bryan College, Craven College, East Riding College, Harrogate College. The colleges do well in national league tables, have high quality facilities and are well regarded by employers, stakeholders and learners. Likewise, there is a well performing private training provider sector who work directly with employers and also with contract holding colleges. Combined, it seems that there is high quality provision in the LEP area, albeit we will identify potential pinch points for the sector moving forward.

However, it should be noted that the training sector is facing a number of challenges which may come to the fore in the next few years.

- Apprenticeships – as we discuss elsewhere, Apprenticeships are now essentially the only show in town in regard of adult skills. As the IPPR suggest, the funding associated with policy changes may not make it to colleges and providers outside of the south east or London, so providers may actually be looking at less demand in their patch. The determination to drive learning through Apprenticeships is also reducing take up of other solutions which are traditionally more responsive to employer learning (bite sized etc.) and potentially more profitable.
- Capital investment is unlikely to come back on stream for several years. Consequently, where new facilities or upgrades are required colleges are unlikely to be able to source funding to build or create the necessary environments.
- Wage rates for lecturers in some sectors are significantly lower than the market rate for their expertise. By their very nature, lecturers have practical skills which can easily be transferred to the private sector, e.g. a plumbing lecturer can expect to earn significantly more as a plumber than as a lecturer. With budgets continuing to be tight, colleges are expecting to have increasing recruitment and retention issues. We may conceivable get to a point where, irrespective of demand, supply cannot keep up and acts as a brake on growth.
- The 14-19 agenda continues to be difficult to navigate. UTCs, Academies etc., all have an impact on Colleges offering GCSE and A-Level options.
- Immigration makes it difficult to plan capacity and allocate resources in advance. When a community is relatively settled, colleges, schools, local authorities can plan based on birth rates/census figures etc. However, moving populations make it much more difficult to plan in advance. Current funding formulae for instance for Borough Councils are based on existing census figures, which may mean that funding is available for x amount of people, when in actual fact there are now 1.5x people living in the area.
- The Degree Apprenticeship is both an opportunity and a threat. Whilst it offers colleges the opportunity to become involved in HE, with many colleges becoming University Centres already, it also offers universities the chance to move down into traditional areas of FE provision. With less funding and a more competitive marketplace, the blurred lines between HE and FE become even more apparent.
- Austerity seems likely to have an effect on infrastructure and support systems necessary for learning. For example, we understand that bus services are being reduced which are often crucial in getting learners to college. The much-discussed elimination on the EMA has also had an impact. For example, it was found that nearly a third (29%) of young people not in education, employment or training (NEETs), would have continued education after Year 11 if they have received more money to cover the cost of transport (Education Committee, 2011). There may yet be other moves which impact on training, albeit indirectly.

12.7 Core/Soft Skills

Here we set out the skills that employers tell us are needed now (but are often missing from candidates and employees) and which will be even more needed in the future as they expect increased flexibility and problem solving to be a key part of work.

At the most basic, and hence the most commonly agreed level, employability relates to the ability to be in employment, and in particular relates directly to the set of characteristics or behaviours that increase the chances of an individual being in work. It is not unusual for definitions to go further and to consider behaviours necessary to sustain or progress within work.

McQuaid et al 2006 argue that we need to reflect on the full suite of factors which make a person employable, grouped under three headings: individual factors, personal circumstances and demand factors.

Individual Factors: Skills and attributes, personal competencies, qualifications and educational attainment, work knowledge base, labour market attachment or work history, demographic characteristics, health and well-being, job seeking approach, adaptability and mobility

Personal Circumstances: Caring responsibilities, ability to access appropriate and secure housing, existence of work culture and support within the family, access to transport, financial and social capital.

Demand Factors: Local labour market demand/character, macro-economic factors, vacancy characteristics (e.g. terms and conditions of work), recruitment processes, employment policy factors (e.g. accessibility of employment services, availability of training), accessibility and affordability of other public services such as transport, childcare and other support).

McQuaid et al. argue that all of the above factors need to be considered when assessing the potential of an individual to move into work – hence they are effectively a cocktail of factors, all of which are needed to make the journey from worklessness into employment.

Moving on a stage was the contribution made by the UK Sector Skills Councils (SSCs). Whilst for some, employability was about simply getting into work, the SSCs considered the factors necessary to gain, maintain and then progress in employment. They conceptualised employability as a continual process (Belt, et al., 2010).

The generic skills of literacy, language, numeracy and basic IT skills are understood as being fundamental skills necessary for employability. Likewise, there is a core set of behaviours without which gaining a position is unlikely. The SSCs also identified and highlighted knowledge, skills, attitudes and behaviours as crucial.

In 1998 the Department for Education and Employment suggested that being employable is not simply about possessing a set of skills, but rather being able to present or deploy them when necessary. Crucially this gets us to think about skills in self-marketing and presenting effectively through CVs, job interviews and appraisals.

Having reviewed the broad literature, the UK Commission for Employment and Skills (UKCES, 2009) usefully defined employability in the following way:

Whilst the underpinning skills of numeracy, language and IT skills are fundamental, additional skills associated with attitudes and behaviours are often just as important and are perhaps of particular interest in a study such as this.

Research has added a new element of 'aesthetic skills' which are regarded as being crucially important in modern workplaces (Nickson, et al., 2003). These skills relate to the ways in which individuals present themselves at interview or at work and relate to the need to look or sound a particular way. The increasing demand for these skills is linked to the growing need for customer service skills and that many employers now engage directly with their end user in a way that is new (logistics firms in particular now deliver to the customer rather than to the store with the rise of online shopping). Consequently, employers are placing new importance on aesthetic skills, meaning that they judge new potential new recruits on mood, appearance, general demeanour and personality (see Nicolson et al. 2004).

Flexibility is perhaps the other new employability skill associated with changes in economic behaviour and market transactions. Certainly, looking to the future, employers are telling us that employees will need to be able to think and behave flexibly, both in the sense of work patterns, but also in relation to the roles they are performing – even in the short and medium term it is expected that the barriers between occupations will diminish - an already witnessed example can be seen in home delivery. Previously this would have been seen as a logistics role, but actually it is often the only interaction that a customer has with a retailer and hence new skills are being expected. The role continues much as it always has been, but new skills are expected. In the longer term, new roles will of course emerge, but in the shorter term, up until 2023 for example, we should perhaps concentrate on being able to add components to already existing roles. Much of this will come from the base or core that is employability skills.

Felstead, et al., (2007) identified the increasing need for employees to be flexible and adaptable. Those agreeing strongly with the statement '*my job requires that I keep learning new things*' consistently increased during the 1992-2006 period, rising from 26% in 1992, to 30% in 2001 and then to 35% in 2006. In addition, there was a clear increase in employees believing that they necessarily had to support colleagues in their learning.

Adaptability and flexibility of course are important characteristics given the move away from 'a job for life'. As organisations change, people may have to move into new roles within the same organisation. Alternatively, it seems likely that most people will, at some point, be in a job search situation and it seems likely these skills will be useful not just in securing a new role, but actually in searching for one in the first place.

Summary of Employability Skills

A review of the literature and our engagement with employers, learners and providers identifies the following skills that make up the suite of employability skills:

- Positive Approach
- Underpinning skills:
    - Using numbers effectively
    - Using language effectively
    - Using IT effectively

- Attitudes and behaviours
    - Aesthetic skills
    - Adaptability & flexibility
    - Self-management
    - Thinking and solving problems
    - Working together and communicating
    - Understand the business

Why are Employability Skills important?

As suggested previously, employability skills have long since been a key area of debate and discussion in UK skills policy. The UKCES suggest four key ways in which they have become particularly significant as well as the impact that they will have moving forward (Belt, et al., 2010):

1. Raising employability skills has emerged as an area for attention to improve the transition from full-time education into employment, including school leavers as well as those leaving college and university.

2. They have been identified as a key element in ensuring that the skills system is demand led.

3. Whilst integrating employment and skills policy there has been recognition of a need for broader employability skills far beyond vocational and technical skills alone.

4. Employability skills are now regarded as being crucial to career advancement when in employment.

Disadvantaged groups and employability – added challenges?

Whilst we have outlined the necessary skills above for employability, it is important to understand that being out of work in the first place brings its own set of barriers. A loss of confidence, people skills, motivation etc. is not unusual for unemployed people. What we see is that unemployment actually reduces employability.

In an area such as YNYER, where traditional industries have been and may yet be replaced with new and emerging industries, moving people back into the labour market will be important. Likewise, changes to benefit entitlements will mean that more people who were previously classed as being inactive will be engaging once again with the labour market.

So, whilst there is a base level at which people become employable, it is clear that not all people start from the same position. This is, of course, not surprising, but it is something that must be remembered when discussing interventions. Some sections of society have reduced employability for a variety of reasons. Unemployment and other disadvantage affect employability in specific ways which require solutions.

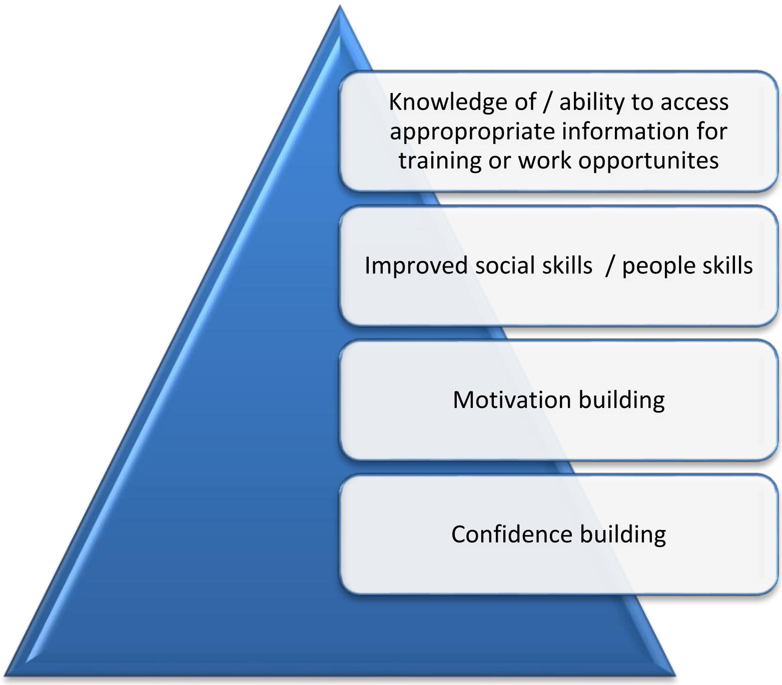
There is clear evidence that unemployment leads to job seekers effectively losing touch with employment related information. Disadvantaged people often have difficulties in accessing advice on learning or employment opportunities (Cabinet Office, 2008). This can mean that unemployed people can look for opportunities in roles or sectors which are actually reducing or declining, inevitably reducing their chances of getting back into work (Nickson, et al., 2003). Consequently, the LEP and partners may wish to consider improved LMI tools and services so that people do not end up in the situation where they move around in an ever-diminishing market, potentially reducing chances of employment in other sectors or supply chains.

Working with disadvantaged groups also requires a holistic approach and action to address a wide range of barriers which may be a root cause of worklessness (Lindsay, et al., 2007, Newton, et al., 2005).

Nickson, et al., (2003) reviewed a training programme delivered to disadvantaged people, which aimed to build the confidence of participants, improve their social skills, motivation and widen their perceptions of the job opportunities available in the local economy. They were also trained in skills that would make the employment long term and help with progression. Evaluation of the pilot showed that of particular value was the increase in confidence levels and building awareness of the soft skills and self presentation necessary to secure and maintain a job. Newton, et al. (2005) carried out similar research for the DWP and indeed our own delivery experience over the last 3 years provides similar conclusions.

Therefore, in the context of this study, we must remember that new entrants to the labour market may need a distinct set of skills on top of general employability skills. These may include:

Figure 42 Training intervention for people who are far from the labour market



What we see here is that disadvantaged people clearly benefit from enhanced interventions. Why is this the case? It does rather seem that we can think of some skills as being natural and socialised into us (obviously different things - but socialised into us as part of everyday normal life is the point we make here). But this seems to be the crux of the matter. Technical skills, to which we will turn later could be taught and often are independent of environment, but employability skills may be regarded as being largely social skills, which are centred on context. This is why during unemployment, effectively a period away from that socialising process, employability skills can be reduced. Not only do people forget what to do, or fail to learn a new set of technical skills, they also can also simply not know how to behave in a social situation. In essence, out of work people may forget a set of norms or behaviours and thus become less likely to find work or then to progress in it (Nichols, et al., 2013).

Migrant and immigrant labour

When considering how the economy works now, as well as how it will operate in the future, any analysis must consider the role of foreign born labour.

The LEP area, like many across the UK, has a migrant population, which contributes to the economy.

Data shows that greatest proportions of non-UK born residents is within York – where 98 per 1,000 resident population are non-UK born. East Riding has a much lower proportion with just 39.2 per 1,000 born outside of the UK.

Table 21 Estimates of Non-UK Born per 1,000 resident population

Area	2011	2012	2013	2014	2015
York	82.1	66.0	75.4	79.6	98.0
North Yorkshire	49.5	51.1	42.4	60.9	61.3
East Riding	36.5	45.5	36.3	42.2	39.2
Yorkshire and Humber	82.7	87.2	87.8	90.0	89.4
England	134.6	135.7	137.0	141.8	145.6

(ONS, 2016)

Furthermore, data shows that the area continues to experience long term immigration[1] into the area. In 2015, 6,400 immigrants came to the area, while emigration out of the area was 4,200, meaning that net migration stood at just over 2,200 (ONS, 2016). Work is the most common reason for long term immigration.

Table 22 Long Term International migration in Yorkshire and Humber and LEP (mid year population)

Area		2011	2012	2013	2014	2015
North Yorkshire	Inflow	2,428	2,254	2,069	2,384	2,548
	Outflow	1,806	3,071	2,727	3,099	2,338
	Balance	622	-817	-658	-715	210
York	Inflow	2,817	2,330	2,571	2,784	2,889
	Outflow	1,158	1,128	1,493	1,507	1,246
	Balance	1,659	1,202	1,078	1,277	1,643
East Riding	Inflow	1,055	794	810	971	975
	Outflow	394	499	596	714	580
	Balance	661	295	214	257	395
YNYER LEP	Inflow	6,300	5,378	5,450	6,139	6,412
	Outflow	3,358	4,698	4,816	5,320	4,164
	Balance	2,942	680	634	819	2,248
Yorkshire and Humber	Inflow	38,664	32,093	32,298	36,407	39,790
	Outflow	16,106	21,053	19,607	24,722	18,904
	Balance	22,558	11,040	12,691	11,685	20,886

(ONS, 2016)

[1] The UN recommendation for defining a long-term international migrant is used. That is, a migrant is someone who changes his or her country of usual residence for a period of at least a year, so that the country of destination effectively becomes the country of usual residence.

Looking closely at the districts in the LEP area, long term international migration does vary. York has the greatest net migration at 1,643.

Harrogate, buck the general trend, with more internationals migrants leaving then entering in 2015.

Table 23 Long Term International migration by districts, mid-year population 2014 to mid-2015

Area	Inflow	Outflow	Balance
Craven	195	116	79
Hambleton	281	171	110
Harrogate	828	1,133	-305
Richmondshire	293	237	56
Ryedale	209	209	0
Scarborough	417	299	118
Selby	325	173	152
North Yorkshire	2,548	2,338	210
York	2,889	1,246	1,643
East Riding	975	580	395
LEP area	6,412	4,164	2,248
Yorkshire and Humber	39,790	18,904	20,886
England	568,685	261,367	307,318

(ONS, 2016)

Certainly, in our primary research, the twin issues of Brexit and immigration have cast a long shadow in considerations of the future, with employers and stakeholders being thus far unaware of how Brexit will affect their ability to recruit people from abroad, both from within and external to the European Union.

Of course, many sectors currently lean heavily on skilled staff from foreign countries. The usual sector identified to make this point is the health care sector, with the NHS recruiting 12% of its staff in England from outside the UK (Baker, 2017). Of course, closer to home, we know that the Agritech industries have benefitted from scientific expertise largely coming in from Eastern Europe.

However, in this section on employability skills, we largely consider those immigrants who may be characterised as being unskilled. Of course, as we have suggested previously, all employees irrespective of level of occupation would benefit from enhanced employability skills, but here we consider those skills which, even without relevant technical skills, will make you employable.

In our background reading we came across this quotation from the Migration Advisory Committee (MAC) which illustrates the atmosphere surrounding discussions of migration:

In a number of cases, key partners whom we approached were very reluctant to engage fully or even at all. This was true of public and private sector organisations alike. Among such organisations there was a palpable unease about speaking – and of being identified – publically on these issues (MAC, 2014).

This led them to conclude, '*barriers to accessing and presenting the actual evidence merely serve to perpetuate this misunderstanding and possibly lead to poor policy choices in the longer term*' (MAC, 2014).

Why a migrant community?

Our interest in migration is not at the level of principle or politics. Instead we are interested in migration because, migration is happening, at far greater levels than the UK government wants or expected (The Migration Observatory, 2015). Likewise, as the MAC has said *'Migrants are concentrated in a relatively small number of areas across the country. Therefore, the impacts of migration will be felt locally more than nationally'* (MAC, 2014).

With the likely move to devolved and regionalised government, working with migrant communities is likely to be a crucial policy area for affected parts of the country. It is clear that the North Yorkshire region is one such area where migration has occurred both to a large extent and over a small time period (Rienzo & Vargas-Silva, 2014); consequently we were keen to explore possible effects and responses.

As we have conducted a review of the literature to do with migrants and skills we have been struck by the observation that much of the subject area that we seek to analyse seems to be largely untouched. When migrant skills are written about it is largely in relation to high skilled migrants of the sort of who are filling demonstrated skills shortages (The Migration Observatory, 2014, Hopkins & Levy, 2012, George, et al., 2012).

There has actually been surprisingly little consideration of how to support unemployed, low skilled migrants into work. We can speculate as to the reasons for this, but what we know is that migration is happening and they are not always highly skilled or qualified (MAC, 2014, Salt, 2014). In some cases migrants do not enter the UK ready to cure technical skills gaps. Instead, in some instances we have migrants entering the UK who face the barriers outlined above which may prevent them from entering the labour market. But it seems reasonable to assume that they also face challenges associated with being a migrant. Some migrants enter the UK with few if any formal qualifications and some have few skills which benefit them in the labour market. With these barriers come consequences for the individual and the communities they enter.

Literature on Migrants

In this section, we briefly review two parts of the broader literature which may help understand why migration happens and consequently the interventions that might usefully improve the position of migrants. We believe that there is both a social and economic link here. Of course, there are challenges to poor social cohesion and so we make a contribution to those debates, but centrally to this study, improving the skills of these new communities will have a clear positive effect on local and regional economies.

Why Migration happens

A conceptual review of theories of migration is useful because it helps us to understand why people become migrants (not refugees). Consequently, having understood motivations, we may be able to better understand what solutions will be most effective.

Perhaps the best known and the 'orthodox' view of considering migration is the so-called neo-classical approach to migration. This approach concentrates on wage differentials as the driving force behind people movement. Countries with high wages, therefore, should necessarily expect an influx of individuals who are seeking improved financial opportunities. At the centre of this analysis is a rational economic actor who has few, if any social ties and instead chooses where best to sell his labour. Unsurprisingly, this model has been criticised for lacking real life application and so the following amendments have been offered.

Crucially, Massey, et al. (1998) found that wage differential was by no means the strongest predictor of migration flows. Instead their work was helped in the emergence of new theoretical perspectives which sought to analyse the 'interplay of individuals, motivations and contexts' better to understand and explain migration.

Consequently, other notable contributions have been made which have gone further than the traditional neo-classical model of economic man in helping us to understand recent migration.

Stark (1991) moved focus away from individual choices and had us consider families and households as centres of decision-making. This allowed us to consider all the other factors which are part of making the decision to migrate. Wages are a significant part of this decision, but so too are other factors such as rule of law, health, life chances for children etc.

Dual Labour Theory (Piore, 1979) explains why there can be both a coexistence of demand for foreign nationals, as well as structural unemployment in receiving countries (Arango, 2000), with domestic workers unwilling to take the jobs on offer. This is an interesting explanation which is of particular value whenever political debates against migration suggest that immigrants are responsible for unemployment. In actual fact, sometimes there can effectively be two different labour markets, meaning that immigration might not cause unemployment, given that the jobs they take would likely go unfilled anyway.

The *Network Theory of Migration* seeks to explain why migration perpetuates, as opposed to why it happens in the first place. The existence of a diaspora is likely to influence the decisions of migrants when they choose their destinations (Vertovec, 2002, Dustmann & Glitz, 2005). This can help to explain why migration does not happen universally across a country, but rather into specific areas or pockets as is the case with the Roma community (Faist, 2006). This literature clearly shows that migration, and importantly successful migration (see above - where a migrant community becomes stable, integrated and long lasting) needs its own networks. Solutions and interventions which are exogenous to the group can be effective and have impact, but networks and figures which are owned by the community themselves are important in ensuring successful migration (Arango, 2000). These networks can be key in ensuring that new arrivals receive high quality advice on legal matters (licences, taxes, visa advice etc.) as much as informal issues (how to register for health care, travel, training etc.).

However, this literature highlights a number of important issues that should be considered when reflecting on how to improve the employability of the migrant community.

It is clear that a significant factor in any migration is the economic consideration. However, the financial element is only one of the factors which influence either the decision to migrate, or the destination of that migration.

There is often a perception that migration occurs when working age males effectively embark on work tourism, travelling to a country to work, sending money home and then leaving at an appropriate time. Certainly there are instances of this occurring in the LEP where work is seasonal. The pressures that have been working on Sterling also has an impact, as does the improvement in Eastern European economies, with Poland noticeably thriving).

Importantly, the existence of networks is a key factor in leading to further migration. When a community is already established in an area it can lead to more migration. However, the nature of these networks is extremely important to consider when considering 'successful' migration.

In mature immigrant communities, there are often clear community leaders and help groups who can offer advice to new migrants. Importantly, in mature migrant communities there are obvious employers who conventionally can be the first employer for new entrants. As with all employment, the first position is often the most difficult to secure. But when in employment, individuals receive experience which is clearly beneficial for progression. Likewise, this first job can be an opportunity to improve language skills as well as become familiar with UK cultural norms.

Of course, new migrant communities often do not have many of these informal and formal networks, and hence do not derive the concomitant benefits.

Migrant employability literature

As previously suggested, an area of the employability literature which is relatively small is the work that has been conducted exclusively on migrant communities, particularly given the political interest in the issues. We briefly review some of it here. For us it is clear that migrant communities can be reviewed separately when considering their employability, the so-called ethnic penalty (Heath & Ridge, 1983), clearly exists and should be considered in the manner in which we outline in this report.

What is important to remember is that migrant communities are, of course, not homogenous. What we are studying here is the challenges faced by migrants who are seeking employment. Again, there will be differences by individual case, but we are looking to draw out main themes.

Language skills are identified as an important barrier in much of the literature and expect this is unsurprising. However, training interventions must remember that there is likely to be a mixed learning profile with migrant learners. Highly skilled individuals are likely to have similar language barriers as unskilled individuals. However, their ability to learn and the pace at which they will be competent will be different. This must be remembered when designing suitable interventions. Importantly, language is a means by which to communicate competence as well as meaning. There are sector specific vocabularies which need to be learned. Without 'key-words' interviews will not be successfully navigated.

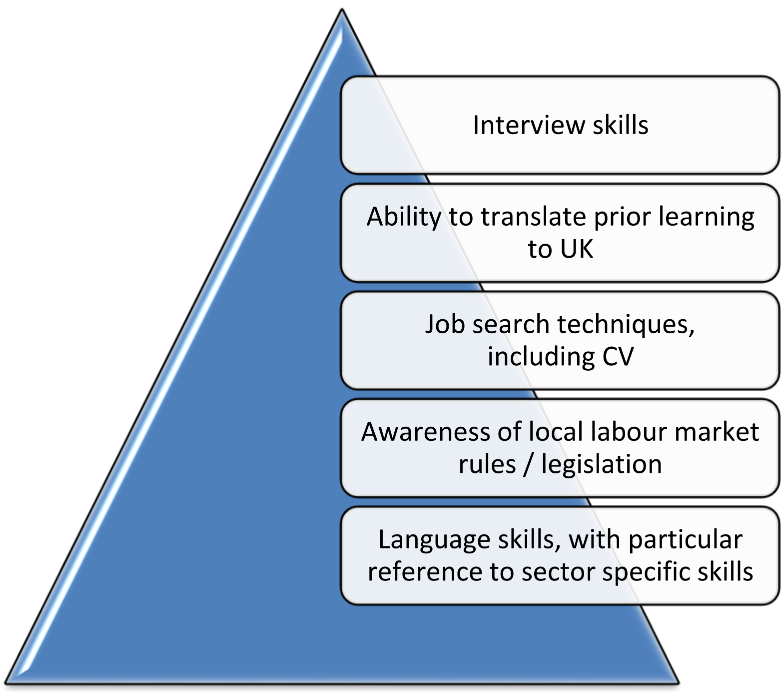
Whilst generic skills are transferrable by their nature, the country specific employability skills such as information and media literacy may be missing. Likewise, migrants will be unaware of local labour market processes and/or working culture. Migrants are unlikely to get high quality advice on job search, interview counselling or credential recognition. The lack of effective LMI/IAG is a recurring theme in the literature (Benton, 2013, Bimrose & McNair, 2011).

Consequently, even if a migrant gets a job, they may not keep it or progress upwards because of different cultural norms (Benton, 2013).

Where migrants have professional or technical qualifications, they are likely to have been gained under different professional or regulatory systems. Transferability may therefore be a significant issue. We may have skilled people unable to work in their home industry because of different modules/unrecognised validations etc. (Benton, 2013). This issue was also mentioned in Andersson & Fejes, (2010) who reflected on the importance of validating prior learning. Interestingly, they also identified the possibility of the validation process as a diagnostic tool. Reflecting on previous achievements may be a way by which we chart out future learning.

In 2014 the MAC raised the possibility of migrant communities being exploited by unscrupulous employers a concern echoed by the TUC. Unaware of legal rights, migrant workers can be forced into exploited roles in terms of hours worked, working conditions, pay rates, holiday entitlements etc.

Figure 43 Skills identified as particularly needed by migrant communities which may differ to other suites of training



12.8 English Language Skills

We have heard that many employers in the LEP area are heavily reliant on people not born in the UK for their workforce, particularly in entry level occupations. Many of these people bring high levels of 'employability skills', and are employed despite having poor English skills. It is not unusual for premises to have operating and safety information displayed in languages other than English. This solution is probably not optimal and we understand the call for further support for English language training to be made available.

Who should pay for these solutions has resulted in basically the whole spectrum of responses, with some seeing the burden belonging to the state, the employer or the individual. The best way to provide the solution is beyond the remit of this study, but work necessary English language skills is a demand that we have heard frequently.

12.9 The difference between being Work Ready and Job Ready

This distinction is really important and is one that has come out of our primary research.

Work ready means that people are ready to go to work and flourish. It does not mean that they will instantly be amazing at their job. Work ready is about having the skills and abilities to gain employment and then to progress in it.

The overwhelming majority of employers in our primary research and in the literature suggest that what they want is someone who they can train and who they can mould to the company way.

There is often a misconception, in our view, that employers expect the system to churn our fabulously technically qualified people who they will simply set to work. To the contrary, few employers exist by simply offering what the market does. Most employers offer an innovative or different product. They will inevitably train and educate employees of the 'company way'. This includes the cultures and ethos, but it also extends to the specific technical skills required in many roles.

Of course, employers would love to have technically skilled, and our argument is not that there is no need for technical training, but rather that providers, funders and policy makers can be guilty of boiling down the argument too much.

By their nature, most technical qualifications are to some extent general. Doctors qualify at a broad level before specialising in particular roles. Solicitors too take on specialisms. When technical skills learned in the FE sector are seen as a way into employment rather than as definitive evidence that the person is job ready, they are probably delivered and learned in a more useful way.

12.10 Emerging Trends in Recruitment for Entry Level Jobs

Historically higher level jobs have used online methods to filter at the initial stage of application. Graduates are experienced in completing various online stages as part of the process. This has traditionally included psychometric and other online and digital stages of assessment.

However, increasingly, similar methods are being used to recruit by large employers who receive high volumes of applications for entry level jobs. The online processes allow employers to handle large amounts of data but they can also set clear parameters around what skills and competencies they expect from new recruits.

Recruiters who are already using similar processes include:

- Argos
- Asda
- B&Q
- M&S
- Sainsbury
- Tesco
- NHS

These new systems offer new advantages to recruiters, but they create a different set of challenges to job seekers. Consequently, employability programmes may need to respond to these challenges. As we move forward, providers may need to support individuals as they engage with these types of recruitment platforms. This means that more training may need to be completed on user IT skills, but also that candidates should be supported differently in what to expect in the recruitment process in the sense of what employers are looking for and how the selection process happens. With human interaction largely removed from the initial sift, partners may wish to think about how to proactively skill job seekers so that they can navigate these new processes.

Of course, there is something here that may seem distasteful, it may be argued that employability programmes which are in this way deliberately targeted at overcoming the barriers may simply help people to circumnavigate the process rather than genuinely upskill. However, we see that this new development in recruitment has much in common with the current process – it is just a different manifestation of the same challenge. Recruitment is in some regards about giving off the 'right' signals and speaking the 'right' language. All we have identified is a different way by which recruitment happens now and increasingly in the future. We see no reason why partners would feel inclined to train people according to the current barriers they face (the need for a CV, Covering Letter, Aesthetic Skills), but feel disinclined to support job seekers as they engage with online assessment centres.

Of note is that we know that partners elsewhere in the North of England are exploring ways by which they can support individuals to better engage with the new recruitment products being introduced onto the market. In this way, there is the potential for something approaching an employability arms struggle. Should the YNYERLEP decide against supporting job seekers in the light of the next generation of recruitment solutions, then the data available to these large companies may show that the skills they want are accessible in neighbouring areas more so than in NY/ER. Consequently, it does not seem too much of a leap to believe that this will have an impact on decisions around where to locate sites for capital investment.

13 Annex

Table 24 Employment by Industry in the LEP and Local Authorities

Industry	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire	East Riding of Yorkshire	YNYER LEP
2 : Mining, quarrying & utilities	125	500	350	225	200	200	2,000	400	4,000	1,250	5,000
3 : Manufacturing	3,000	6,000	5,000	1,000	5,000	5,000	7,000	4,500	36,000	17,000	53,000
4 : Construction	1,500	2,250	3,000	1,000	1,500	1,500	1,750	4,000	17,000	6,000	23,000
5 : Motor trades	450	900	1,750	350	700	600	500	1,500	7,000	3,000	10,000
6 : Wholesale	1,500	2,250	4,500	700	1,000	1,000	2,000	2,500	15,000	5,000	20,000
7 : Retail	3,000	3,500	8,000	2,000	1,750	5,000	2,250	14,000	39,000	12,000	51,000
8 : Transport & storage (inc postal)	1,000	1,750	3,000	600	600	1,250	3,500	4,500	17,000	6,000	23,000
9 : Accommodation & food services	3,000	3,500	8,000	3,000	3,000	7,000	2,000	11,000	42,000	9,000	51,000
10 : Information & communication	350	600	2,000	150	150	300	800	2,500	7,000	2,250	9,000
11 : Financial & insurance	2,500	450	2,500	150	350	600	300	4,500	12,000	1,250	13,000
12 : Property	450	800	1,500	400	800	1,000	300	2,000	7,000	1,750	9,000
13 : Professional, scientific & technical	1,750	2,250	8,000	1,000	1,500	1,250	3,000	8,000	27,000	7,000	34,000
14 : Business administration & support services	6,000	3,000	6,000	1,000	1,250	2,000	3,500	8,000	30,000	7,000	37,000
15 : Public administration & defence	450	3,500	2,000	800	700	1,250	700	5,000	15,000	10,000	24,000
16 : Education	3,000	3,000	7,000	1,500	2,250	3,500	3,500	12,000	36,000	12,000	48,000
17 : Health	2,250	5,000	12,000	1,500	1,750	8,000	3,000	16,000	50,000	17,000	67,000
18 : Arts, entertainment, recreation & other services	1,000	1,750	3,500	1,250	2,000	2,500	700	5,000	19,000	4,500	23,000
Column Total	31,000	41,000	80,000	17,000	25,000	43,000	36,000	105,000	379,000	122,000	500,000

(ONS, 2015)

Table 25 What charities operating in the MDA do

	North Yorkshire	City of York
General charitable purposes	950	170
Education and training	1761	387
Advancement of health or saving lives	435	129
Disability	422	111
The prevent or relief of poverty	396	132
Overseas aid/famine relief	90	22
Accommodation/Housing	166	47
Religious activities	423	124
Arts/cultural/heritage/science	707	127
Amateur sport	784	82
Animals	109	15
Environment / conservation / heritage	437	77
Economic / community development / employment	361	70
Armed forces / emergency service efficiency	18	6
Human rights / religious or racial harmony / equality	38	22
Recreation	339	57
Other	205	33
Total number of charities operating in the area	**3340**	**677**

Source (Charity Commission, 2017) as of 2/08/2017

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