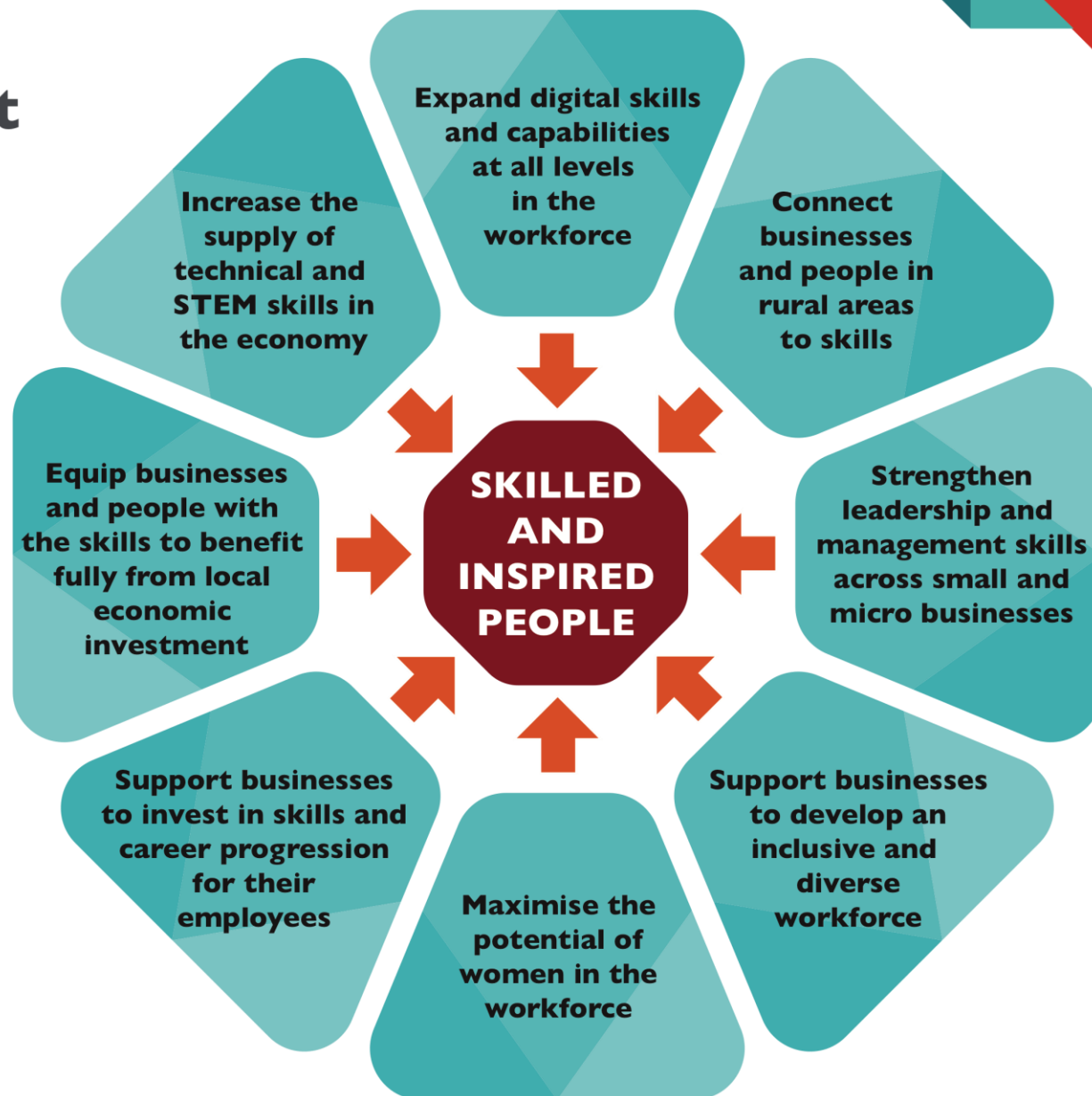


A workforce development strategy for York, North Yorkshire & East Riding.

Aim: A local workforce that is constantly developing new skills, helping to grow our area's businesses and to create fulfilling careers for those who work here.



A WORKFORCE DEVELOPMENT STRATEGY FOR YORK, NORTH YORKSHIRE AND EAST RIDING

Strategic Economic Plan Priority: **Skilled and Inspired People**

Page | 2

Aim:

“a local workforce that is constantly developing new skills, helping to not only grow our area’s businesses but also to create fulfilling careers for those who work here”

Vision:

Our vision is one where the workforce:

- Is diverse, with more women and disadvantaged people represented in employment, and more older people motivated to prolong their working lives, with improved work-life balance.
- Is appropriately skilled with the digital, enterprise, STEM, technical and higher-level skills needed to improve business sustainability, productivity and growth, regardless of business location, sector or size.
- Thrives in good quality jobs.
- Is encouraged and supported to progress into higher-skilled roles.
- Inspired by leaders and managers with the skills to deliver transformational change that will take full advantage of the opportunities provided by rapid technological and economic developments.
- Is supported by an education, skills and training infrastructure that works closely with employers, is responsive to their needs, provides career progression pathways, and delivers the skills that overcomes skills shortages and skills gaps - contributing to businesses’ inclusive and sustainable growth across the urban, rural, coastal and more remote areas of YNYER.

Outcomes:

In delivering our vision we will support:

- Young people, women and those on the margins of our communities to be inspired and ambitious
- Our residents to develop the skills they need to enter, sustain and progress in 'good' work
- Employers to recruit and retain appropriately qualified staff
- Measures to effectively tackle a reduction in skills shortages and gaps
- Efforts to retain highly skilled residents in the local workforce, including graduates and older workers
- Initiatives to reduce unemployment and social exclusion in the more deprived areas of YNYER
- Business to become more productive, inclusive and to grow
- An enhanced delivery infrastructure with clear skills progression pathways including apprenticeships
- A renewed emphasis on collaborative partnerships amongst key stakeholders to address workforce challenges.

How will we achieve our vision?

The following cross-cutting themes have been identified as key strategic intervention areas, that will enable the LEP and key stakeholders to achieve the vision:

Themes	What are our challenges and opportunities?	Why is this important/ Evidence of need
Digital skills	<p>Technology is a driver of skills and is essential to business development across all sectors. Digital skills are important across all job roles regardless of sectors. Digital skills are vital to increase:</p> <ul style="list-style-type: none"> • Businesses productivity • Sustainability and growth 	<p>Three categories of digital skills need (DCMS Digital Skills Report 2016):</p> <p>1. Basic digital literacy skills (empowering individuals): skills needed by every citizen to become 'digitally literate'. These are the skills needed to carry out basic functions such as using digital applications to communicate and carry out basic internet searches, including Cyber security.</p> <p>13% of the working population are without basic digital skills compared to 10% nationally. Residents without digital skills face significant issues in participating in a labour market where 'digital by default' means that jobs and applications</p>

		<p>are increasingly on-line. Digital skills are a key element of employability and normal working practices.</p> <p>2. Digital skills for the general workforce (upskilling for the digital economy): all of category 1, plus skills needed in a workplace and generally linked to the use of applications developed by IT specialists. Digital skills needed by the workforce differ across sectors, as evidenced by:</p> <ul style="list-style-type: none"> • <i>Digital Maturity Capacity Building</i> project, Simon Branston, 2018. Engineering sector cites issues such as lack of digitally skilled trainers, and time and resources to develop digital skills. • <i>A report by Beyond 2030 on future skills needs in the York, North Yorkshire and East Riding Local Enterprise Partnership Area; Transitional Area - Visitor Economy: Accommodation and Food Service subsector (combined)</i>, 2018 – identifying digital/IT skills gaps within this key sector, to handle for example orders and bookings. <p>3. Digital skills for ICT professions (digitally innovative and creative individuals, organisations and businesses): Both categories 1 and 2 plus skills needed to work across the diverse IT sector. They include digital skills linked to the development of new digital technologies, and new products and services.</p> <p>“The contribution of digital skills to the performance of the economy is substantial. The ‘tech sector’ alone represents 6% of the UK economy with an estimated GVA per person in the region of £91,800, well above the UK average.” (DCMS Digital Skills Report 2016).</p> <p>In YNYER these skills are critical to the continued development of several key</p>
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		sectors e.g. Agri-tech, Bio-renewables and Engineering, with increasing automation, robotics use and artificial intelligence.
Rurality	Rurality is seen as a barrier to accessing learning opportunities – including delivery of apprenticeships. Financial viability of delivery in some remote areas is a disincentive to providers responding to workforce needs.	<p>Dominance of agriculture, forestry and fishing, food and drink and tourism and hospitality in the rural areas of YNYER – all sectors where there is a tendency towards lower pay and productivity. These are all sectors that are important to the LEP economy and provide high levels of employment. However, skills issues that businesses in these sectors face include:</p> <ul style="list-style-type: none"> • A lack of entrants – costly to travel to remote areas for apprenticeships. • Ageing workforce – significant replacement demand, alongside need for succession planning for businesses when owners come to retirement age • Suitability of existing training provision/ availability in remote areas. • A need for continuing professional development and leadership and management training. • A need for STEM skills – e.g. coding, software, engineering, robotics and Artificial Intelligence (aligned with e.g. agri-tech). • Seasonal Labour – impacted by Brexit. <p>In farming there are issues with recruiting staff with skills to run the modern farm business. This goes beyond the need to recruit labour for seasonal harvesting work, which has been widely highlighted in Brexit discussions, and includes shortages in business management skills, technical knowledge and training in environmental management.</p> <p>For visitor economy businesses there is need to improve the skills of small business owners as well as employees to enhance their ability to market their</p>

		products and services in the digital age and provide high-quality customer experiences.
Leadership and management	<p>Leadership and management skills needs across sectors in small and micro businesses and sole traders including:</p> <ul style="list-style-type: none"> business and enterprise development (planning, HR, Marketing etc) scaling up and succession planning skills <p>Many do not have formal business skills but have technical expertise in their chosen field.</p>	<ul style="list-style-type: none"> The dominance of micro-businesses, self-employment, and family businesses in the YNYER LEP area. Owners /managers with an insufficient self-awareness of own skill needs, and lack of self-assessment as 'business people'. Lack of business experience and/or lack of relevant business training, with particular reference to skills such as cash flow/financial management, marketing/winning business, creating and managing business systems. Lack of strategic ability and transformational skills to ensure resilience of their business. Insufficient 'soft' skills, including interpersonal skills. Lack of staff management skills.
Women	<p>Gender inequality across the workforce – this means that employers are not maximising the potential of women, and this has a direct impact on business and economic growth.</p>	<p>McKinsey estimates that bridging the gender gap in work would add £150 billion to the UK economy by 2025.</p> <p>Research by the Women's business Council has shown that the UK economy is missing out on more than 1.2million new enterprises due to the untapped business potential of women. One in eight women have ambitions to start their own business and if they did, according to a Deloitte paper which looked at the impact of female entrepreneurs on the UK economy, the UK would benefit from an estimated £100bn over the next 10 years.</p> <p>74.6% of women are in employment in the LEP area, compared to 81.7% of men (September 2018).</p>

		<p>16.9% of males are self-employed, compared to only 9.1% of females. Women earn on average nearly 20% less than males in the LEP area, as evidenced by average earnings of men - £576.90 compared to £469 earned by women.</p> <p>Gender is an issue in rural areas too, with women more likely to be working part-time than those in urban areas.</p>
Inclusive workforce	<p>With a an increasingly tight labour market, across YNYER LEP area, and low unemployment rates, businesses need to be encouraged to develop a more diverse workforce, whilst also developing 'good' work to retain their existing staff.</p> <p>This will include:</p> <ul style="list-style-type: none"> • Ensuring those encountering barriers to work, are supported into good sustainable employment. • Supporting and encouraging older workers to consider vacancies in areas of skills shortage and, where older workers are employed, encouraging them to upskill to fill gaps. • Planning to address the impact of 	<p>Significant numbers of marginalised YNYER residents are not in good work – particularly in key sectors including care. They are:</p> <ul style="list-style-type: none"> • Not working but would like to (unemployed and economically inactive) • In and out of work (often in a low pay / no pay cycle) • In low paid work with few progression opportunities • Underemployed (employed in jobs below the level for which are skilled / qualified) • Working fewer hours than they desire • On temporary contracts but would prefer permanent work • Working long hours (more than 50 hours week) • Self-employed but would rather be an employee <p>This low-pay, and often low-skilled culture within some sectors/businesses impacts on their productivity and growth.</p> <p>Whilst the impact of exiting the EU is still unknown, national-level intelligence suggests that recruitment and skills in the following sectors are most likely to be affected in some way: Agriculture, Manufacturing, Construction, Logistics, Health and social care, Finance, Hospitality, Digital technology, Universities.</p>

	Brexit and an ageing workforce, which is resulting in replacement demand in many sectors.	
Career progression/ investing in workforce	<p>In a tight labour market, businesses need to be encouraged to develop their own workforce instead of looking to recruit to fill skills gaps i.e.</p> <ul style="list-style-type: none"> Supporting the government's agenda to increase the number of apprenticeships offered, and apprenticeship uptake, particularly within small/micro businesses. Retaining graduates in the area to meet the demand businesses have for higher level skills. Developing progression pathways and investing in developing the skills of those they promote. 	<ul style="list-style-type: none"> Progression pathways through the labour market are limited, and there is competition for jobs and labour for both those with low-level skills and high-level skills, but no clear progression routes between either. Many low or middle-skilled occupations (e.g. manufacturing production and administrative and secretarial roles) will decrease through automation. The skills system is evolving, and responsibility is changing, which means both individuals and employers will need to invest more in skills and think more innovatively about their future needs and their responsibility. At the same time state investment is reducing, driving providers towards increasing commercial income, and improving their offer and its relative attractiveness. Limited career pathways in small businesses (and VCSE sector), impacting on recruitment and retention of talent. Businesses generally wanting to recruit staff as they expand, and rarely consider upskilling existing staff to fit new roles; where they do, they may put staff into management roles, without the requisite people/project-management skills – creating a skills gap. The ageing workforce will need greater support to prolong their working lives, support their progression and to reskill, taking account of their wider social and health needs.
Sectors/technical	To ensure the skills gaps and shortages across all key sectors are addressed, through a labour supply with the right	<ul style="list-style-type: none"> Skills supply and demand issues are becoming starker with greater skills gaps and shortages which mean there are not always the right skills available or coming through the system to meet employer needs as and when they need

	skills, thus ensuring continued sustainability and growth of these sectors.	<p>them. i.e. for many key occupations there are long-lead times for qualifications e.g. electrical engineering to support the construction sector.</p> <ul style="list-style-type: none"> • There are increasing STEM skills needed across many sectors. • There is need to generally up-skill the workforce to respond to changing working environments, and increased need for technical and sector /occupation specific roles. • In addition to supporting sectors that are growing (and creating new jobs), there is significant replacement demand across many sectors, as older workers leave the workforce. • Staff retention is an issue for sectors such as Health and Social Care.
Local Economic Investment	We need a workforce and businesses that are equipped to take full advantage of the opportunities from current and future investments in local areas of particular significance to YNYER, including those in York and across coastal and rural areas.	<p>York presents opportunities for the workforce through its:</p> <ul style="list-style-type: none"> • Diverse and high value economic base. • Universities and high student numbers. • Globally important science base. • Strong cultural identity and visitor attractions. • Quality of life – Best Place to Live in the UK (Sunday Times, 2018). <p>Similarly, the rural areas present challenges and opportunities with:</p> <ul style="list-style-type: none"> • The market towns combining quality of life and service centres, attracting investment and development. Three of the top ten places to live in the North are North Yorkshire market towns (Malton, Pateley Bridge and Skipton) and Beverly in East Riding. • Globally important sectors – agri-tech, food production, visitor economy – and the importance of STEM to these. • Skills mis-match with a high-skilled population and a dominance of low

		<p>skilled/low paid employment, particularly in service sectors.</p> <p>The coastal area where emerging industries e.g. bio-renewables are facing significant skills shortages, and residents with low aspirations and attainment levels unable to access the opportunities. Whilst Sirius Minerals will create 3000 mainly engineering-based jobs through potash mining, local residents do not have the skills needed to benefit from the opportunities. Nearly 27% of Scarborough's working age population do not have qualifications, compared to 23% nationally. In the East Riding Coast's most deprived wards this rises to over 34% without any qualifications.</p> <p>This disadvantage needs to be addressed by better connecting residents to opportunities. This includes:</p> <ul style="list-style-type: none"> • Raising aspirations. • Upskilling the workforce. • Increasing enterprise skills.
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This strategy has been commissioned by York, North Yorkshire and East Riding Local Economic Partnership and written on its behalf by an associate of Calderdale College, Nada Tokos, of Tokos Solutions.

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