

# Transitional Area: East Riding

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## Visitor Economy: Arts, Entertainment and Recreation subsector

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## 1 Introduction

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).

This report considers the Visitor Economy: Arts, Entertainment and Recreation subsector within the Transitional Area (TA) of East Riding.

### 1.1 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 1). 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 1 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 1 Productivity, skills and jobs:**

Measure	East Riding	North Yorkshire	York	YNYER LEP	England
Gross Weekly pay full time (£)	£526.30	£489.10	£509.60	£481.30	£544.20
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

As previously mentioned 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

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 were employed. Nearly three in five (57%) of workers are full time, 32% are part time and one in ten (11%) are casual workers (Table 2).

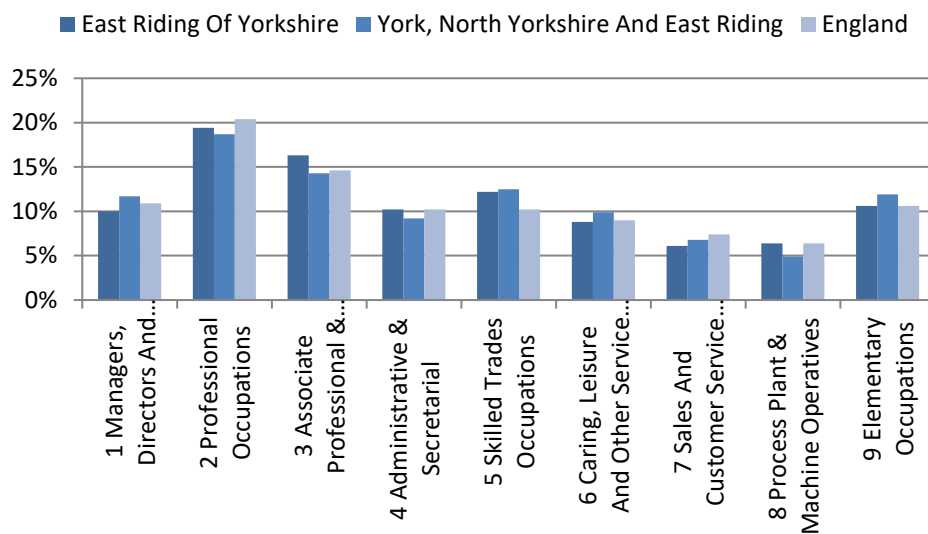
**Table 2 Agricultural labour force on commercial holdings in East Riding of Yorkshire & Kingston upon Hull, 2013**

	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 1).

**Figure 1 Employment by broad occupation (Jan 2016 - Dec 2016)**



Source (ONS, 2017)

## 1.1 Emerging developments in East Riding TA

Investment in transport, infrastructure, and housing continues to attract employers and business opportunities. In 2015, the area saw 1,405 new businesses open, up from 1,100 in 2010 (ONS, 2016).

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; transport equipment; digital and creative industries; finance and business services; construction; public administration, defence, health and education; and retail.

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 includes:

Outline planning application for the Yorkshire Energy Park, on a former aerodrome field in Preston 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.

## 2 Arts, Entertainment and Recreation in East Riding

### 2.1 Introduction

The arts, entertainment and recreation sector is a subsector of the wider visitor economy. It includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises:

- establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing;
- establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and
- establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Across East Riding there are a number of arts, entertainment and recreation facilities:

These include historic buildings such as Burnby Hall, Burton Agnes Manor House, Burton Agnes Hall, Sewerby Hall, Skipsea Castle and the gun battery of Fort Paull. The religious edifices of the Rudston Monolith, Beverley Minster and Beverley Friary, and Howden Minster can be visited in all seasons.

Natural sites of interest are at Spurn, Bampton Cliffs, Hornsea Mere, Humber Estuary, River Hull, Watton Beck, River Derwent, River Ouse, River Aire, River Trent, and River Don, some of which are owned or run by the Yorkshire Wildlife Trust. The Yorkshire Wolds Way is a long-distance footpath that takes a winding route through the Yorkshire Wolds to Filey.

The Humber Museums Partnership consists of the museums services of Hull, North Lincolnshire and the East Riding. It was formed in 2014 to develop collaborative working for the purpose of delivering better services to the public (Humber Museums Partnership, 2016). Specifically in East Riding, sites include:

- Beverley Art Gallery
- Beverley Guildhall
- Goole Museum
- Sewerby Hall and Gardens
- Skidby Windwill
- Treasure House

Beverley is home to East Riding Theatre, a not for profit organisation which provides theatre, music and entertainment to individuals in the area. In Howden, HowdenLive is a volunteer run charity providing a mixture of theatre and live music.

Local Authorities are one of the primary funders of art and cultural activities, along with the contribution from the Arts Council England. From public libraries to municipal galleries, from music education and arts festivals to public art, councils are active in our cultural life.

The Department for Communities and Local Government data shows how much is spent on cultural & heritage and recreation and sports by local authorities. Across East Riding, 4% of the total service expenditure was on cultural & heritage and recreation and sports compared to 3% across England in 2015/16 (DCLG, 2016).

In terms of sporting and recreation, East Riding is home to Beverley Racecourse as well as sports clubs like Aldbrough Recreation Ground, Beverley Athletic Club, Aramis Sub Aqua Club, Airmyn Bowls Association, Blackburn Leisure Sports And Social Club, AFC Tickton, AFC Preston, Beverley RFUC, Beverley and East Riding Lawn Tennis Club amongst others. East Riding Council has a directory of information listing accredited sports clubs in the area (East Riding Council, 2017).

## 2.2 Arts, Entertainment and Recreation economy and employment

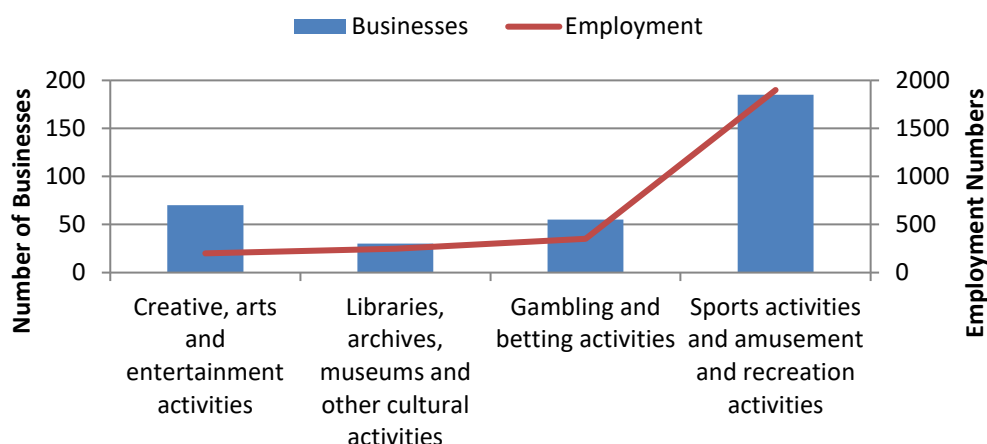
East Riding has a resident population of 336,700 (ONS, 2017) and is also a popular destination for domestic and overseas visitors (Visit Britain, 2015). For example on average 669,000 yearly trips are taken to East Riding by domestic visitors (VisitBritain, 2015). However this has fallen from an average of 848,000 visits year between in 2010-2012.

The East Riding area, therefore has a number of businesses in the arts, entertainment and recreation subsector.

In total the East Riding TA has 340 businesses operating in this subsector, employing nearly 2,700 individuals. Within the subsector there is further disaggregation of business and employment (Figure 2):

- Sports activities accounts for 54% of all subsector businesses and 70% of employment
- One in five (21%) of businesses are classified as Creative, arts and entertainment activities and these employs 8% of the workforce.
- Libraries, archives, museums and other cultural activities accounts for 9% of the subsector workplaces and 9% of employment.
- 16% of businesses operate within gambling and betting activities and these employ 13% of the workforce.

**Figure 2 Distribution of arts, entertainment and recreation businesses and employment in East Riding**



Source (ONS, 2015) & (ONS, 2016)

But of note in this subsector are the volunteers that assist in many of the workplaces, particularly in the cultural and sporting areas.

The Institute for Volunteering Research found that most common fields of interest supported by volunteers was education, with sports and exercise also in the top four. Arts and museums ranked 8<sup>th</sup> in the types of organisations helped (Low, et al., 2017).

Volunteers have always played a vital part in the sport and physical activity sector. Without them, most activity simply wouldn't happen. 5.6 million people volunteer every month in sport and physical activity in England (Sport England, 2017).

The job roles which have the greatest number employed in the arts, entertainment and recreation subsector across Yorkshire and Humber are:

- Financial administrative occupations
- Receptionists
- Sports and leisure assistants
- Kitchen and catering assistants
- Leisure and sports managers
- Leisure and theme park attendants
- Cleaners and domestics

## 2.1 Skills needs – Primary Research testing the data

### 2.1.1 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 employers in the subsector in the TA frequently do not have either of the above. Smaller establishments are clearly focussing on operational matters, and whilst there is some understanding of the need to plan this is clearly a gap.

### 2.1.2 Recruitment and retention

There is a high level of recruitment demand across the arts and other service sector and this is mirrored in the arts, entertainment and recreation subsector. Nationally we have seen that 22% of firms in the arts and other service sector report at least one vacancy; greater than UK findings (19%) (UKCES, 2016).

But it is not just recruitment; many firms also report retention issues and this appears to be increasing. In 2010 7% of firms reported difficulties retaining staff but by 2015 this had increased to 10% (UKCES, 2016).

### 2.1.3 What are your current skills needs and skills gaps?

#### Skills levels

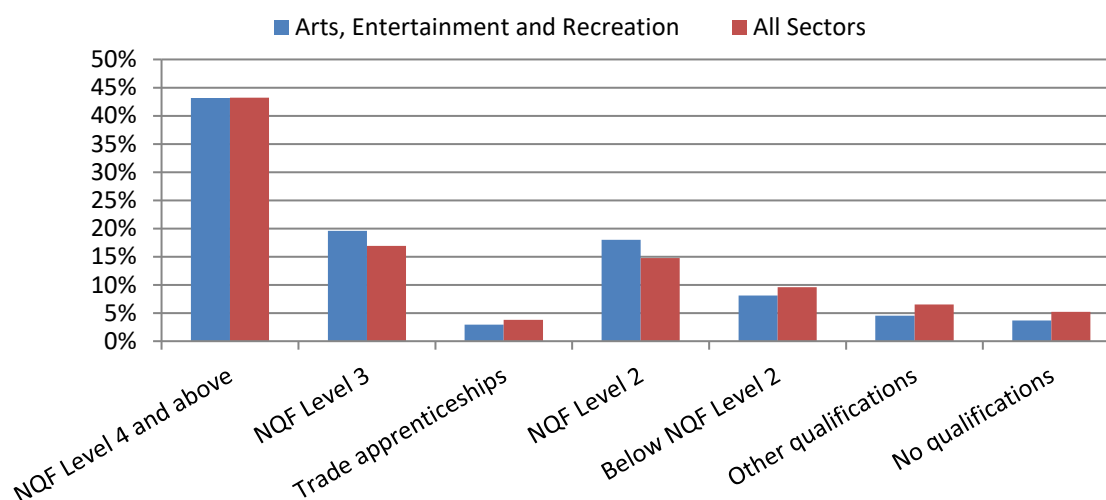
**At a national level the Arts, Entertainment and Recreation sector has a very similar profile that the all sector average (**

Figure 3). Two in five workers hold a level 4 qualification or above compared - the same as national data at 43%. 16% do not have a level 2 qualification, with 4% having no qualifications at all.

There is some variation within the sector. For example 73% working within libraries, archives and museums have a level 4 or above, while within gambling and betting activities only 22% do.

The largest occupational group in the subsector is Associate professional and technical occupations – accounting for 32% of the workforce - and these roles traditionally require higher levels of qualifications. These include roles such as sport coaches and instructors, artists, entertainers, dancers and choreographers. A further 12% of the workforce is in senior managerial positions.

**Figure 3 Qualifications levels of Arts, Entertainment and Recreation subsector**



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

### 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 it has been calculated that 21,200 individuals in the LEP are not proficient in their job.

Across the UK Arts and other service sectors 12% of firms report having a skills gap, with over 47,000 individuals not full proficient in their role. The main causes of skills gaps in the arts and other services sector are:

- Individual is new to the role, with 59% of employers reporting this factor
- Their training is currently only partially completed (59%)

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

From our primary work we can suggest that the following skills are particularly needed and valued by employers:

- Customer service was the main area raised, but obviously it is a less technical skills

- Health and safety training is a necessity for many roles working in the subsector
- Fundraising and commercialisation are seen as major issues in a number of cultural areas such as heritage. As public funding is diminished, organisations will need the skills to harness new business development and philanthropic investment.

### 2.1.4 Training

The arts and other services sector invests a significant amount of money in training and development. In 2015, 2.6bn was spent across UK sector, equating to an average spend of £3,410 for every worker trained (Vivian, et al., 2016).

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months, while across the UK arts and other service sector 70% of firms had done so (UKCES, 2016). The vast majority of training and development is targeted at initial training and development and perceived statutory areas such as health and safety.

Our primary research found similar findings in this area. Key areas of training for employers in sports activities, amusement and recreation activities are health and safety, insurance, minibuss driving and ensuring facilities are fit for purpose.. The cost of compliance is also an area of concern.

Cost and time were the main drag factors on engaging non mandatory training, but we also heard criticisms of course provision and that there was a lack of high quality providers.

Sports activities, amusement and recreation activities employ a high proportion of part-time workers (63 per cent) (ONS, 2015). Part-time working may suit both the nature of the business and certain groups of workers (such as housewives and students). But it does present a potential barrier to training in terms of time off work (when hours are shorter), affordability and time of delivery. These findings are common with the MDA. We found no significant areas of difference within the LEP. The TA has different challenges relating to its geography and development, which we report later in the report, but the skills needed by employers are not different.

### 2.1.5 Apprenticeships

Nationally there has been a large uptake of apprenticeships across the hospitality sector, however only 10% of businesses are offering them and the vast majority are large businesses (APPG, 2016).

Across East Riding three parliamentary constituencies there has been a decline in the number of individuals starting an apprenticeship (Table 3). In 2009/10, over 5,000 individuals began an apprenticeship but by 2013/14 this had declined to 4,370 going against the national trend of growth in take up. Most apprenticeship starts are at a level 2 (74%) and 40% are undertaken by 19-24year olds.

**Table 3 Apprenticeship Programme Starts by level and age, East Riding**

Year	Total	Level (%)			Age (%)		
		Intermediate	Advanced	Higher	Under 19	19-24	25+
2009/10	5,120	73%	27%	*	25%	51%	24%
2010/11	5,030	67%	32%	1%	22%	43%	35%

2011/12	5,460	65%	35%	1%	21%	36%	43%
2012/13	4,430	64%	35%	1%	25%	33%	42%
2013/14	4,370	74%	25%	1%	24%	40%	36%

Source (DfE, et al., 2017)

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

However, the table below highlights that relatively few (80) of the framework starts have been on Leisure, Travel and Tourism frameworks and there have been none on any arts, media or publishing frameworks. This is just 2% of all apprenticeship starts in the area. Considering the visitor economy employment equates to 10% of all employment across East Riding this can be considered low.

In our primary work we explored this and the reasons will be familiar to people working in the skills sector. Whilst there is a general support for the principle of Apprenticeship, it was felt that they were often too large an intervention for this subsector. It is clear that larger employers are more likely to use apprenticeships than the smaller employers.

From our primary work we can see that the challenge, particularly for SMEs, in hiring apprenticeships continues to be significant. There are issues around awareness, relevance and perceived bureaucracy.

**Table 4 Apprenticeship Programme Starts by Parliamentary Constituency and Sector Subject Area (2013/14)**

<b>Sector Area</b>	<b>Beverley and Holderness</b>	<b>East Yorkshire</b>	<b>Haltemprice and Howden</b>
Agriculture, Horticulture and Animal Care	10	20	10
Arts, Media and Publishing	0	0	0
Business, Administration and Law	230	140	210
Construction, Planning and the Built Environment	30	30	20
Education and Training	0	0	0
Engineering and Manufacturing Technologies	200	180	110
Health, Public Services and Care	180	240	120
Information and Communication Technology	240	10	20
Languages, Literature and Culture	0	0	0
Leisure, Travel and Tourism	30	30	20
Preparation for Life and Work	0	0	0
Retail and Commercial Enterprise	1,960	210	110
Science and Mathematics	0	0	0
Unknown	0	0	0
<b>Total</b>	<b>2,890</b>	<b>860</b>	<b>620</b>

Source (DfE, et al., 2017) Apprenticeships by parliamentary constituency 2011/12 to 2014/15

## 2.2 Future requirements

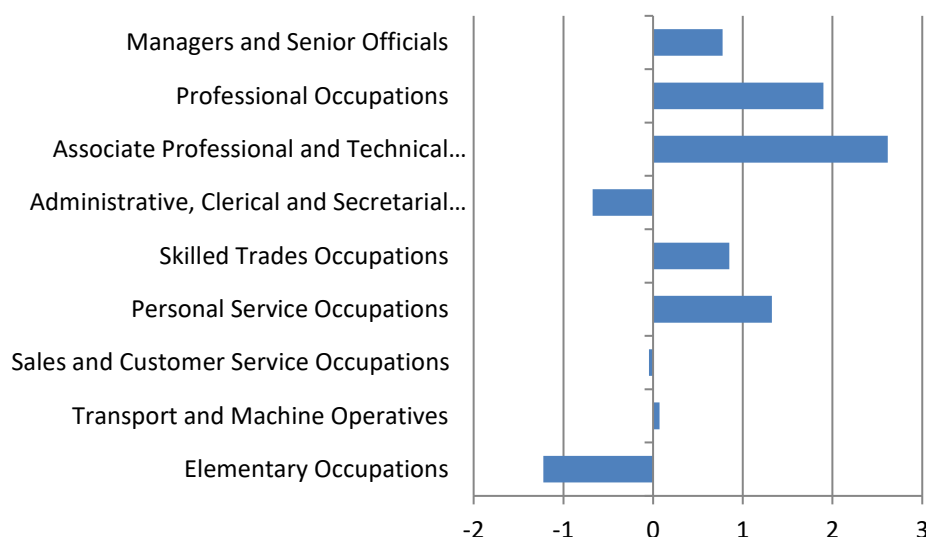
### 2.2.1 Sector growth

Future workforce projection for the subsector are available at the wider region of Yorkshire and Humber rather than the North Yorkshire area but this still provides a useful indication of changes in the workforce moving forward.

Employment in the Yorkshire and Humber arts and entertainment subsector is expected to grow 8% between 2014 and 2024 – or by nearly 6,000. This is a greater rate than whole economy where growth of 5.5% is anticipated in the region, but less than the UK subsector figure of 9% (UKCES, 2016).

We expect to see employment growth for higher level occupations, including managers, professional occupations and associate professionals and technical roles (Figure 4). Net job losses are projected for elementary roles and administrative roles.

**Figure 4 Arts, entertainment and recreation subsector occupation change, 2014 -2024 (000s)**



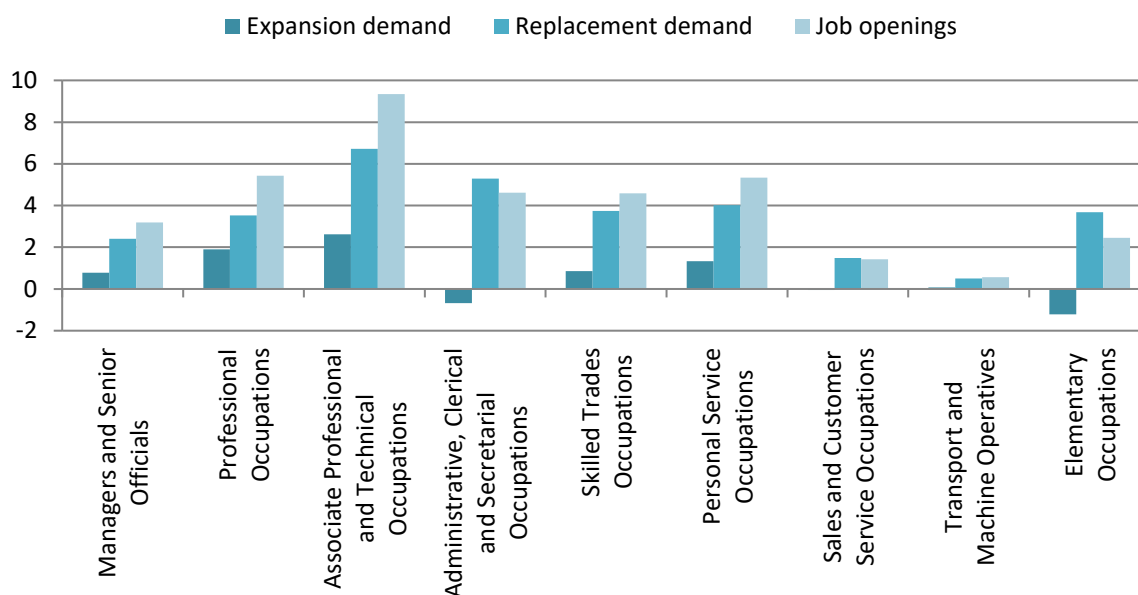
Source: UKCES Working Futures VI

### 2.2.2 Replacement need and total demand

Over the next decade, replacement demands are expected to generate nearly five times as many job openings in the subsector compared to net job growth.

Overall the Arts and entertainment subsector in Yorkshire and Humber is expected to have nearly 37,000 job openings between 2014 and 2024: 6,000 sector growth and 31,000 replacement demand. A quarter (25%) of all job openings will be within Associate professional and technical roles and a further 15% in professional positions (Figure 5).

**Figure 5 Job openings in the Arts, entertainment and recreation by occupation 2014 - 2024 (000s) in Y&H**



Source: UKCES Working Futures VI

The startling fact that 85% (31,000) of the new staff requirements are needed to replace existing employees indicates that the sector has a retention problem. So whilst the growth of the sector means we need to recruit more people, the high rates of labour turnover are largely driving recruitment needs.

### 2.2.3 Qualifications

**The change in qualification levels of the workforce shows that there will be a shift towards more people holding higher qualifications (**

**Table 5).**

By 2024, 53% of people employed the Arts and entertainment in subsector are expected to be qualified at level 4 and above (higher than YNYER all sector proportion 47%), whilst the proportion of people with no formal qualifications or level 1 is expected to fall to 9%.

**Table 5 Change in qualification profile arts, entertainment and recreational subsector, Yorkshire and Humber**

	No qualifications and level 1	Level 2	Level 3	Level 4 – 6	Level 7 – 8
<b>Qualification example</b>	GCSE (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)
<b>2014 level</b>	12,500	16,400	16,700	23,200	4,300
<b>2024 level</b>	7,300	14,900	14,500	36,000	6,200
<b>2014 – 2024 % change</b>	-42%	-10%	-13%	55%	43%
<b>2014 % share</b>	17%	22%	23%	32%	6%
<b>2024 % share</b>	9%	19%	18%	46%	8%

Source: UKCES Working Futures VI

#### 2.2.4 Future roles and skills

The above Working Future projections demonstrate that there will be growth across most occupational groups and a significant replacement need for positions. This will be for entry level, though skilled positions up to higher level roles.

Employers have not necessarily identified any new roles developing in the next 6 years, rather the challenges are about recruiting for existing positions.

A fundamental part of this sector is the actual performers who people want to come and see. It is clear that there are real financial pressures being placed on the performing arts sectors. This has led to significant concern around where the next generation of world class performers will come from. Likewise we know that there is concern about the impact of the current political discourse on migration on the sector.

Whilst we do not want to downplay this part of the sector, our research has heard the most concern around roles in support and back office functions. We wonder if our findings would be different if the primary work had been conducted in places with more companies dedicated to performing, such as London for example.

In this way our primary was completely in keeping with the wider data analysed.

## 2.3 Drivers of change

### 2.3.1 Political

#### Safety

British amusement parks have been placed into the media spotlight in recent years when an incident on the Smiler rollercoaster at Alton Towers left five people with serious injuries and more recently a young child passing away at Drayton Manor. This has brought health and safety into the spot light.

The record at theme parks and fairgrounds however is good. More than a billion “individual bums-on-seats rides” are taken every year and from those rides around 35 people are taken to hospital for treatment (Smith, 2016). This low accident rate is thanks to a range of safety precautions, which stretch from rollercoasters’ over-the-shoulder harnesses and electronic control systems to measures as simple as fences to keep park visitors away from moving parts.

Fairgrounds, which are taken apart and reassembled frequently, have the dangers of worn equipment, which must be inspected regularly, but workers also have the danger of working at height.

HSE is working with the British Association of Leisure Parks, Piers and Attractions to ensure the robustness of its members’ risk management systems, and with the Health and Safety Laboratory to check that physical and electronic protections are as strong as the parks and regulators believe them to be.

#### Leaving the European Union

Uncertainty post Brexit is a concern reported by employers in the subsector. In the run up to the 2017 General Election when a large Conservative victory seemed likely, it was assumed that the UK was about to begin some form of ‘hard’ Brexit. Despite being rarely defined, it was expected that this would be a Brexit based on leaving all EU institutions and associated agreements with the UK then negotiating our own agreements at a national level.

However, following the surprise result in June 2017, it now seems likely that whilst Brexit will happen, it may be at the ‘softer’ end, opening up the possibilities of effectively paying for access to various parts of the EU institutions/agreements – including access to the Single Market.

This uncertainty is a significant challenge. We simply do not know what will be the outcome of the Brexit negotiations, so employers have only best guesses on key issues such as free movement of labour, tariff free trade, legislative requirements etc. This lack of information is clearly unhelpful for making decisions over long term investments.

The effect on inward migration particularly from EU countries could affect the sector’s ability to recruit and retain skilled staff and is by far the biggest issue employers have raised with us.

## Legislation / Regulations

As with other industries which interface directly with the public, this is a sub sector which is heavily regulated. Employers are not expecting there to be significant new legislation in the next few years.

### 2.3.2 Economic

#### Austerity

Local government is one of the primary funders of art and cultural activities, along with the contribution from the Arts Council England. However, direct funding from local government to the arts, museums and libraries has been under enormous pressure in recent years.

In the arts and museums infrastructure we have seen significant improvement in bringing the arts to more people, wherever they live. But recipients of public funds have to show how that money benefits the public - and the nation. How can the value of arts and culture be measured?

The more we understand - and talk about - what art does for us, in terms of the economy, our education, health and wellbeing, the lives of our communities and of our nation, the more we can give government and the taxpayer the confidence to invest.

But not only that, as public funding is reduced, organisations will need the skills to harness new business development and philanthropic investment.

#### Rising Costs

The whole subsector is affected by rising operating costs. For example increasing energy prices impacts on the whole sector. We also heard that insurance costs, particularly in relation to the outdoors industry where activities are perceived to be of higher risk than usual are having an impact on the sub sector. Consequently, resource management and budgetary controls are important.

#### A slowdown in economic growth

Research by Deloitte reveals that the activities most likely to be foregone by people when they have less money were: betting and gaming; attending live sports events and short breaks. This obviously is relevant here.

## 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. Hoteliers undoubtedly face higher payroll costs and this is challenge they face. In a subsector such as this, maintaining the pay differentials is also likely to have a significant cost.

## 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 7.2% in 2012 to 3.8% 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's becoming harder to recruit.

Demographic changes mean that there are fewer younger people entering the job market, which has a adverse effect, particularly on sports, amusement and recreation part of the subsector as it employs a greater proportion of 16-24 (35%) than found across the economy as a whole (12%). So employers need to find ways to attract and then retain staff. Recruitment and retention are two important issues.

Creative, arts and entertainment, and libraries, archives, museums, require higher skills levels for entry and therefore have a lower proportion of young workers (7% and 5% compared to national average 12%). But consequently also means that they have a much older workforce – two in five workers are over 50 years of age. Hence the replacement demands in the subsector. Employers need to consider their succession plans.

## Diversification

Businesses in the subsector are also considering diversification. For example, arts and theatre venues providing food and drink, while farms have become petting attractions.

### Bridlington Golf Club

With falling membership, the Golf Club has been losing money and there were concerns that it could close. The club needs new ways of generating income to be sustainable. They therefore have submitted outline plans to build a 12-bed hotel and 22 new homes, which have been approved.

The scheme also envisages a major refurbishment of the existing clubhouse and changes to the lay-out of the 18-hole course.

### 2.3.3 Social

#### Attraction Security

Protecting the security and welfare of guests is paramount. If guests do not feel safe, then they will not attend. Operators of entertainment, arts and recreational facilities are increasingly ensuring that they have staff who are trained to be vigilant and responsive to any threat and execute procedures to alert the relevant authorities. Larger sites often maintain both active and passive security protocols across attractions in order to maintain the integrity of physical boundaries and operations/assets within.

#### Consumer needs

Research by Mintel reveals that 82% of consumers have visited attractions in the previous 12 months. (Deloitte, 2016).

The sector is not just for the young. While the Millennials, consumers aged 18-24, are the most likely to spend in categories such as gym and sports, short breaks or drinking in coffee shops; the age groups in the middle are more active spenders on betting and gaming, eating out and drinking in pubs and bars. Employers know this and are targeting their marketing appropriately.

#### 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.

#### **Beverley Folk Festival - Beverley Racecourse**

An annual weekend festival offering the opportunity to see new and established performers, it is made possible thanks to the support from hundreds of volunteers, either helping with specific jobs in the weeks leading up to the event or in a variety of vital roles over the weekend itself.

Roles people can help include:

- Information Desk
- Box Office
- Merchandise
- Traffic Team
- Campsite
- Task Force
- Stewarding
- Green Team
- Volunteer Check-in
- Artist Liaison
- Stage Managing and more.

### 2.3.4 Technological

Technology is expected to play an ever-increasing role in the subsector, meaning that digital skills are going to be important across all job roles.

#### **East Riding Leisure Francis Scaife, Pocklington**

Refurbishment of the cycle centre, see the introduction of Vismo X technology. This allows instructor-led classes as well as virtual classes, all tailored to individual ability. Participants can monitor their progress away from the centre by creating their own account which can be accessed by smartphone, tablet and desktop.

In addition, customers can now take advantage of a new way of booking their exercise classes and courts online. The mobile-friendly software – also designed for tablets and desktop computers - allows users to log in to East Riding Leisure Francis Scaife either as a member or non-member. Classes can be booked by type, date or activity, and users can see at a glance if particular classes have availability.

<http://www2.eastriding.gov.uk/say/news/?id=30068>

## 2.4 Key points

What follows is a presentation of the key findings from the above.

- In 2015, the area saw 1,405 new businesses open, up from 1,100 in 2010
- 4% of the total local authority service expenditure was on cultural & heritage and recreation and sports compared to 3% across England
- There has been a significant downturn in visits to the area. On average 669,000 yearly trips are taken to East Riding by domestic visitors but this has fallen from 848,000 visits year between in 2010-2012
- 340 businesses operating in this subsector, employing nearly 2,700. But further disaggregation reveals that Sports activities accounts for 54% of all subsector businesses and 70% of employment
- Skills are particularly needed and valued by employers: customer service, health and safety and fundraising and commercialisation
- There is an overall downturn in the number of apprenticeship starts in the area
- This is a subsector where higher level skills are going to be near essential in the future.
- There are no major differences in the skills required in the subsector between TA and MDA.

### 3 Annex

**Table 6 Employment by Industry in the LEP and Local Authorities**

Industry	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire	East Riding of Yorkshire	YN Yer 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)

