Overview of SSC-based Labour Market Information in Yorkshire and Humber

Matthew Williams
Peter Bates
Will Hunt

ies

Prepared by:

INSTITUTE FOR EMPLOYMENT STUDIES
Mantell Building
Falmer
Brighton BN1 9RF
UK

Tel. + 44 (0) 1273 686751
Fax + 44 (0) 1273 690430

http://www.employment-studies.co.uk

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Executive Summary

Employment overview

Size of the SSC sectors - employees

Data from the Annual Business Inquiry on employees in employment show that the SSC defined sectors in Yorkshire and Humber range in size from the Creative and Cultural SSC defined sector, employing fewer than ten thousand employees, up to the Skillsmart Retail SSC defined sector, employing just over 250 thousand employees in the region.

A number of SSC defined sectors are over-represented in the region, that is they account for a larger proportion of total employment in the region than they do nationally. These include the Improve, Skillfast-UK, Cogent, and Skills for Logistics defined sectors.

However, the following SSC defined sectors are under-represented in the region: Financial Services, Energy & Utility Skills, Lantra, Asset Skills, People 1st, Creative and Cultural SSC, Goskills, e-skills UK, and Skillset.

Trends in employees in employment

Thirteen SSC defined sectors in the region experienced increases in employment between 1998 and 2003. The largest increases were in the e-skills UK, Creative and Cultural, Skills for Logistics and Skills for Care and Development defined sectors, and the increases in employment in the region were larger than the national increases. Other sectors that grew faster in the region than in the country as a whole include the Skills for Justice, ConstructionSkills, Central Government and SummitSkills defined sectors.

However, Lifelong Learning UK and People 1st defined sectors experienced below average increases in employment. The Asset Skills and Skillset defined sectors recorded decreases in employment, compared to increases nationally, and the Energy & Utility defined sector experienced a much larger than average decrease in employment.

Size of establishments

The average number of employees per establishment ranges from over 80 employees in the Skills for Justice defined sector, to around five employees in the Creative and Cultural defined sector. Other SSC defined sectors with large average establishment sizes are Improve, Skills for Health, Lifelong Learning UK and Central Government, while the Automotive Skills, Construction, Asset Skills, e-skills UK, SummitSkills have small to average establishment sizes.

Comparing the establishment size of the sectors in the region with that nationally shows that the Skills for Justice, Improve, Skills for Health, Lifelong Learning UK, ConstructionSkills, e-skills UK and Creative and Cultural SSC defined sectors have larger than average establishments, while establishments in the Central Government and Energy & Utility defined sectors are smaller than average.

Employment status

We now examine characteristics of the entire workforce in the SSC defined sectors, using data from Labour Force Survey (LFS). However, these analyses exclude SummitSkills, which cannot be separated out from Construction in the LFS, and SkillsActive for which it is difficult to provide reliable estimates.

Half of the workforce in the Creative and Cultural defined sector are self-employed, and the Lantra, Goskills and ConstructionSkills defined sectors also have a high proportion of self-employment, while nearly all workers in the Central Government, Improve, Justice and Skills for Health sectors are employees.

With the exception of Goskills, all other sectors in the region have a below average proportion of self-employed workers.

Occupational profile

The occupational profile of the Creative and Cultural, Skills for Justice, Lifelong Learning UK, e-skills UK and Skills for Health defined sectors is dominated by high level occupations, that is managers, professionals, and associated professionals.

The majority of workers in the Skills for Care, Skillsmart Retail, Financial Services and Central Government defined sectors are lower-level non-manual occupations, that is administrative, personal service and sales occupations.

Manual workers, from skilled trades down to elementary occupations, make up the majority of the workforce in the Goskills, Improve, Skillfast-UK, ConstructionSkills, People 1st, Skills for Logistics, Lantra, Proskills, and SEMTA defined sectors.

Most SSC defined sectors in Yorkshire and Humber tend to have an occupational profile that is more skewed towards the lower end of the occupational scale than the sector nationally. The exception is Creative and Cultural, which has above average proportion of high level occupations.

Demographics of the sector

Gender

The Skills for Care, Skills for Health and Skillsmart Retail sectors have the highest proportions of female workers, and the SEMTA, Goskills and Construction sectors having the lowest.

The e-skills UK and Financial Services SSC defined sectors in the region have a much higher than average proportion of female workers, in comparison with the country as a whole; while the Goskills, Cogent, Skillset, Skills for Logistics, Skillfast-UK and Lantra sectors have much smaller than average female workforces.

Age

The People 1st and Skillsmart Retail defined sectors in Yorkshire and Humber have by far the youngest age profiles of the SSC sectors; while the oldest age profiles are in the Skills for Logistics, Skills for Health, Skills for Justice, Goskills and Lifelong Learning UK defined sectors.

The Improve, Skills for Logistics, Automotive Skills and Skills for Health defined sectors have older than average age profiles, in comparison with the profiles of the sectors nationally.

Ethnicity

The largest proportion of minority ethnic workers is in the Goskills defined sector, at 17 per cent, followed by the Skillfast-UK defined sector, at 13 per cent, and the People 1st defined sector, at nine per cent. By contrast, in the ConstructionSkills, Skills for Justice and Lantra defined sectors, minority ethnic workers comprise around one per cent of the workforce.

The Goskills, Skillfast-UK, Central Government and Energy & Utility defined sectors have a higher than average proportion of ethnic minority workers, while all other sectors have a lower than average proportion.

Working patterns

Shift working

The proportion of workers working shift patterns most of the time was highest in the Skills for Justice (46 per cent), Improve (38 per cent), Skills for Health (37 per cent) and Goskills (37 per cent) defined sectors. At the other end of the scale, very few workers in the Central Government, Lifelong Learning UK and ConstructionSkills sectors worked shift patterns most of the time.

Shift working was more common in the region than in the country as a whole in the Skillfast-UK, Skillset, Financial Services, Improve, Skills for Care, Skillsmart Retail and e-skills UK defined sectors; but was less common in the Goskills People 1st, Skills for Logistics, and Energy & Utility defined sectors.

Temporary working

The Lifelong Learning UK, Creative and Cultural, and Central Government defined sectors in the region have the largest temporary workforces, and an above average proportion of temporary workers in comparison with the sectors nationally.

Education and training

Educational profile of workforce

The Lifelong Learning UK, Creative & Cultural, Skills for Health, e-skills UK, and Central Government defined sectors in the region have the highest proportions of workers with degrees. The People 1st, Improve, Goskills, Skillsmart Retail, Automotive Skills, Skills for Logistics, Skillfast-UK and Lantra defined sectors have the lowest qualification levels.

Most SSC defined sectors in the region have a lower qualified workforce than the sectors nationally. The only sector in the region that has a higher than average qualification profile is the Central Government defined sector.

Training provision and policies

The SSCs in the public sector have the strongest tradition of training. Two indicators of training provision were examined, one based on workers' recent experience of training in the previous three months, and the other based on establishments arranging or funding training for their staff in the previous 12 months. On both of these measures the Central Government, Skills for Justice, Lifelong Learning UK, Skills for Health and Skills for Care and Development defined sectors have higher than average propensities to engage in work-based training. Financial services based establishments had the strongest tradition of training among those in the private sectors.

Goskills, Skills for Logistics, Skillfast-UK and Lantra defined sectors had the lowest proportions of workers receiving training, while People 1st, Proskills, Skillsmart Retail lowest proportion of establishments funding/arranging training.

The public sector (Skills for Health, Lifelong Learning UK and Skills for Care) defined establishments are also most likely to have a training plan and a training budget. ConstructionSkills and Automotive Skills were least likely to have a training plan, and Skillsmart Retail, Automotive Skills and Skillfast-UK least likely to have a training budget.

These differences between the sectors in the region in terms of training provision and planning generally followed national differences.

Vacancies and skills issues

Vacancies

The establishments with the highest degree of recruitment activity in Yorkshire and Humber were those covered by the Skills for Care, Skills for Health and Improve SSCs, with over a third of establishments reporting vacancies, while just over ten per cent of establishments in the e-skills and Automotive Skills sectors reported vacancies. In the case of the Improve defined sector in the region, the proportion of establishments with vacancies was double the national proportion for the sector, suggesting labour turnover difficulties and potential recruitment problems.

Information on hard to fill vacancies and skills shortage vacancies are limited, due to sample size restrictions at the regional and sectoral level, but the available data show that hard to fill vacancies were most commonly reported in the Skills for Health, Improve, Skills for Care and Development and People 1st defined sectors, at around 15 per cent. As was the case with vacancies overall the prevalence of hard to fill vacancies in the Improve defined sector was more than twice the national figure.

More than one in ten Improve defined establishments in the region reported skills shortage vacancies, compared to the national figure of three per cent. The construction sector also had a high proportion of establishments reporting skills shortage vacancies.

Skills gaps

Skills gaps exist where not all employees within the establishment have the necessary skills required by the employer. The sectors with the greatest skills gaps problems in Yorkshire and Humber are the Skills for Health and Improve defined sectors, with just under half of all establishments reporting skills gaps. As we saw above, these sectors also have a high proportion of establishments reporting problems with hard to fill vacancies, and so are facing difficulties with both their internal and external labour markets. At the other end of the scale, fewer than one in five establishments covered by the Skills for Logistics and Asset Skills sectors report skills gaps.

Skills gaps appear to be much more prevalent in the region than elsewhere in the country, and nearly all sectors in Yorkshire and Humber have a higher than average proportion of establishments reporting skills gaps, in comparison with England as a whole.

1. Introduction

The SSDA and Yorkshire Forward recognise that developing a clear regional picture of the labour market, in terms of the SSC defined sectors, is crucial to the successful interaction of the SSCs with other regional stakeholders. The report aims to provide an overview of labour market information in the Yorkshire and Humber region across 24 SSC-defined sectors, and to consider issues regarding the roles and responsibilities of sectoral and regional partners engaged in the collection of labour market information in the region[1].

The report is in three parts:

- The first section summarises national data on SSC-defined sectors in Yorkshire and Humber, covering issues related to employment levels and trends, the demographics of those working within those sectors, the conditions of work, skills and vacancies issues.
- The second section, examines the labour market information activities carried out by both regional partners within Yorkshire and Humber and the sector skills councils, highlights issues related to the development of regional SSC-based labour market information, and considers and makes recommendations for the future collection of such data.
- The third section (Appendix A) provides a more detailed technical account of the general role of the SSDA and SSCs, and their labour market information responsibilities. It also reviews in greater detail the labour market information sources used in this report.

[1] It should be noted that SSCs vary greatly in the extent to which their footprint corresponds with the sectors as defined within SIC. In most instances, the SIC definition matches that of the SSC footprint, in others elements of the workforce are excluded and the SSCs are doing additional work to fill the gap. Due to sampling issues in Yorkshire and Humber, estimates for SkillsActive have been withheld. However, more detailed estimates for their sector are available in the 25 sectors' report and through SkillsActive.

2. Characteristics of the SSC Sectors in Yorkshire and Humber

In this chapter we summarise the key labour market characteristics of the SSC sectors in the region. In particular, we focus on the number and characteristics of employees, recent trends in employees, employment by size of establishment, employment status, occupational profile of the workforce, demographic characteristics, working patterns, education and training characteristics, and vacancies and skills issues.

Within the chapter we make comparisons between the SSC sectors in Yorkshire and Humber, and also compare the profile of the sector in the region with that of the sector in the country as a whole.

More detailed information and commentary on each of the sectors is presented in the labour market report.

2.1 Employment overview

2.1.1 Size of the SSC sectors — employees

We begin our analysis of the SSC sectors in Yorkshire and Humber by looking at their size, in terms of the numbers of employees. It should be noted however that these data do not include the self-employed and voluntary workers, who make up a substantial minority of the total workforce in some SSC sectors, particularly Skillset, Creative and Cultural, Lantra, Goskills, and ConstructionSkills. Furthermore, with Central Government there is a problem with the available SIC codes, which include local government. This is currently being resolved with the SSC and the SSDA.

Skillsmart Retail is by far the largest SSC defined sector, employing just over 250 thousand employees in the region, and the smallest is Creative and Cultural industries, employing fewer than ten thousand employees (Table 2.1).

Table 2.1: Employees in SSC sectors in Yorkshire and Humber, 2003

SSC	No.	%	GB %	LQ
Improve	60,300	2.76	1.69	1.64
Skillfast-UK	32,000	1.50	1.00	1.50
Proskills	59,400	2.72	1.99	1.37
Cogent	49,500	2.26	2.03	1.12
Skills for logistics	80,100	3.67	3.31	1.11
Skills for Care And Development	92,100	4.22	3.90	1.08
Lifelong Learning UK	81,200	3.72	3.45	1.08
Skills for Health	171,900	7.86	7.36	1.07
Automotive Skills	46,700	2.14	2.03	1.05
ConstructionSkills	107,400	4.91	4.70	1.05
Skillsmart Retail	255,500	11.69	11.38	1.03
SummitSkills	26,000	1.19	1.18	1.01
Skills for Justice	28,400	1.30	1.29	1.01
SEMTA	112,700	5.16	5.13	1.01
Central Government	83,500	3.82	4.15	0.92
Financial Services	82,100	3.75	4.20	0.89
Energy & Utility Skills	22,700	1.04	1.17	0.89
Lantra	21,100	0.96	1.09	0.88
Asset Skills	59,900	2.74	3.13	0.88
People 1st	146,900	6.72	7.69	0.87
Creative and Cultural	8,600	0.39	0.54	0.73
Goskills	31,200	1.40	1.70	0.82
e-skills UK	41,300	1.89	2.83	0.67
Skillset	11,000	0.50	0.85	0.59

Source: Annual Business Inquiry, 2003

A convenient way to look at the size of the sectors in the region in relation to their size nationally is to calculate location quotients. These represent the ratio of the proportion of total employment in the region that each SSC accounts for to the proportion nationally. Thus a location quotient of greater than one, indicates that the sector accounts for a higher proportion of employment in Yorkshire and Humber than it does in the country as a whole, and so the region has a relative concentration of employment in that sector. Similarly a location quotient of less than one indicates that the region has an under-representation of employment in that sector.

The final column of Table 2.1 presents the location quotients for all SSC defined sectors in Yorkshire and Humber. It can be seen that the region has a strong over-representation in the following SSC defined sectors:

- Improve SSC (food and drink) — accounts for 2.8 per cent of Yorkshire and Humber employment, compared to 1.7 per cent nationally.
- Skillfast-UK SSC (clothing and textiles) — accounts for 1.5 per cent of all employees in the region, compared to 1.0 per cent nationally.
- Proskills (extractives, coatings, refractories, building products, paper and print) — employs 2.7 per cent of all employees in the region, compared to 2.0 per cent nationally.
- Cogent (fuel, chemicals, rubber) — accounts for 2.3 per cent of the region's employees, compared to 2.0 per cent nationally.
- Skills for Logistics (freight, cargo handling, post) — employs 3.7 per cent of the region's employees, compared to the national figure of 3.3 per cent.

At the other end of the scale, the region has an under-representation in the following SSC defined sectors:

- Financial Services
- Energy & Utility Skills
- Lantra (land-based industries)
- Asset Skills (property management and industrial cleaning)
- People 1st (hospitality and tourism)
- Creative and Cultural
- Goskills (passenger transport industry)
- e-skills UK (information technology and contact centres)
- Skillset (media industries).

2.1.2 Employment patterns by sub-region

Having looked at the overall density of employment in the SSC defined sectors in Yorkshire and Humber, we now go on to look at the patterns in the four sub-regions. There are varied patterns across the SSC sectors. Some sectors that are over-represented in the region are spread across all of the sub-regions, while other over-represented sectors at a regional level have a strong presence in some sub-regions, and a weak presence in others. Furthermore, some sectors that are under-represented across the region as a whole are nevertheless over-represented in one or more of the sub-regions. The data are presented in Table 2.2.

Looking first at sectors that are over-represented in the region, the Improve defined sector is concentrated in North Yorkshire and Humberside, although is slightly over-represented in the other two sub-regions, and similarly the Proskills defined sector is over-represented across the region, but particularly so in Humber and West Yorkshire. By contrast, the Skillfast-UK defined sector has a

Table 2.2: Employees in SSC sectors in sub-regions of Yorkshire and Humber, 2003

	North Yorkshire		Humber		South Yorkshire		West Yorkshire	
	%	LQ	%	LQ	%	LQ	%	LQ
Improve	4.5	2.6	4.5	2.6	2.1	1.2	1.9	1.1
Skillfast-UK	0.4	0.4	0.8	0.8	0.7	0.7	2.5	2.6
Proskills	2.1	1.1	3.2	1.6	2.4	1.2	2.9	1.5
Cogent	1.4	0.7	4.1	2.1	1.8	0.9	2.1	1.1
Skills for Logistics	2.6	0.8	4.2	1.3	3.3	1.0	4.0	1.2
Skills for Care And Development	4.5	1.2	4.6	1.2	4.1	1.1	4.1	1.1
Lifelong Learning UK	3.0	0.9	3.3	1.0	4.2	1.2	3.9	1.1
Skills for Health	6.8	0.9	7.2	1.0	9.6	1.3	7.5	1.0
Automotive Skills	2.3	1.2	2.4	1.2	2.0	1.0	2.0	1.0
ConstructionSkills	5.2	1.1	4.8	1.0	5.8	1.2	4.4	0.9
Skillsmart Retail	12.0	1.1	11.7	1.0	11.8	1.0	11.5	1.0
SummitSkills	1.1	0.9	1.1	0.9	1.3	1.1	1.2	1.0
Justice	1.0	0.8	1.6	1.2	1.2	0.9	1.3	1.0
SEMTA	3.0	0.6	5.4	1.1	6.5	1.3	5.1	1.0
Central Government	3.5	0.9	4.6	1.1	3.4	0.8	3.8	0.9
Financial Services	3.0	0.7	1.5	0.4	3.6	0.9	5.0	1.2
Energy & Utility Skills	1.2	1.0	0.9	0.8	0.9	0.8	1.1	0.9
Lantra	2.6	2.4	1.7	1.6	0.4	0.4	0.4	0.4
Asset Skills	2.9	0.9	1.8	0.6	2.8	0.9	3.1	1.0
People 1st	10.6	1.4	6.8	0.9	6.4	0.8	5.5	0.7
Creative and Cultural	0.7	1.4	0.2	0.4	0.3	0.6	0.4	0.8
Goskills	3.2	1.8	1.3	0.8	1.2	0.7	0.7	0.5
e-skills UK	1.6	0.6	1.3	0.5	2.1	0.8	2.1	0.8
Skillset	0.4	0.5	0.4	0.5	0.5	0.6	0.6	0.8

Source: Annual Business Inquiry, 2003

very strong presence in West Yorkshire, but a relatively weak one in the other sub-regions, and the Cogent defined sector is concentrated in Humber, and is under-represented in North and South Yorkshire.

A number of SSC defined sectors have a fairly even distribution across the four sub-regions. These include the Skills for Care, Skillsmart Retail, Summitskills, and Energy & Utility Skills, and to a lesser extent the Lifelong Learning UK, Automotive Skills, ConstructionSkills and Central Government SSC defined sectors.

Among those sectors that are under-represented in Yorkshire and Humber, the Financial Services defined sector has a strong presence in West Yorkshire, but a very weak presence in Humber, while the Asset Skills sector also has a weak presence in Humber. The land-based industries covered by Lantra are very over-

Table 2.3: Priority sectors in the sub-regions within Yorkshire and Humber

North Yorkshire	Humber	South Yorkshire	West Yorkshire
Land-based sector	Manufacturing (including engineering)	Engineering and Manufacturing	Manufacturing
Food and drink	Construction	Construction	Construction
Engineering	Retail	Retail	Transport and distribution
Bioscience	Hospitality	Hospitality, Catering, Leisure, Tourism	Travel and tourism
Construction	Tourism	Road Transport	Childcare
Distribution and retail	Ports and Logistics	Air transport	Social care
Rail	Early Years	ICT	Voluntary and community
Care	Health	Healthcare	
Local government	Social Care	Early Years Childcare	
Arts and entertainment			
Sport and recreation			
Voluntary sector			

Source: IES interviews with Local LSC contacts

represented in North Yorkshire, but also over-represented in Humber, and while the People 1st and Creative and Cultural defined sectors are over-represented in North Yorkshire. The e-skills UK and Skillset defined sectors are under-represented in all of the sub-regions within Yorkshire and Humber.

Priority sectors in the sub-regions

Table 2.3 shows the priority sectors within the Yorkshire and Humber sub-regions. In many instances these align with SSC defined sectors that have over-representations of employees in the particular sub-regions, such as land-based industries and food and drink in North Yorkshire, ports and logistics in Humber, and engineering manufacturing in South Yorkshire.

2.1.3 Employees by gender and working hours

Having looked at the size of the employed workforce in the SSC defined sectors in Yorkshire and Humber, we now go on to look at their characteristics in terms of gender, and full-time and part-time working.

Table 2.4 shows the proportion of female employees and part-time employees in each SSC defined sector in Yorkshire and Humber, and the comparative figures for Great Britain. It can be seen that ten SSC defined sectors in Yorkshire and Humber have a majority of female employees, from Skills for Care and Development (86 per cent) down to Central Government (54 per cent). At the other end of the scale, five SSC defined sectors have fewer than one in five females workers: Proskills, Summitskills, ConstructionSkills, SEMTA and Goskills.

Table 2.4: Employees by gender and working hours, 2003, Yorkshire and Humber and GB

	Female employees		Part-time employees	
	YH %	GB %	YH %	GB %
Skills for Care And Development	85.6	85.1	55.5	53.3
Skills for Health	80.8	80.1	45.3	45.7
Skillsmart Retail	64.6	63.7	60.4	59.6
Financial Services	59.5	54.3	21.4	17.5
Lifelong Learning UK	59.2	59.1	46.0	41.2
Asset Skills	59.0	54.4	50.2	44.0
People 1st	58.9	57.3	61.6	53.7
Creative and Cultural	55.0	53.0	48.7	39.2
Central Government	54.3	54.2	29.1	23.6
Skills for Justice	37.0	38.3	10.9	8.7
Skillset	36.6	39.5	23.0	20.1
e-skills UK	34.8	35.7	15.1	13.8
Improve	34.7	34.0	11.6	10.7
Skillfast-UK	35.9	42.6	13.4	16.8
Lantra	34.2	36.5	20.8	23.0
Cogent	24.0	26.4	8.7	8.6
Automotive Skills	23.0	23.4	14.5	15.4
Skills for Logistics	22.1	25.3	16.1	15.6
Energy & Utility Skills	21.0	23.8	7.4	7.9
Proskills	19.0	22.3	6.5	7.1
SummitSkills	17.4	17.7	8.3	8.0
ConstructionSkills	17.3	19.7	8.5	9.6
Goskills	17.0	22.7	9.5	12.9
SEMTA	16.3	18.8	5.6	5.2

Source: Annual Business Inquiry, 2003

In comparison with the gender balance of employment in their sector nationally, two SSC defined sectors in the region have a much higher proportion of female employment, Financial Services and Asset Skills. In both of these sectors in Yorkshire and Humber, women make up 59 per cent of employees, compared to the national figure of 54 per cent. By contrast, eight SSC defined sectors have much smaller female workforces in comparison with the country as a whole: Skillfast-UK, Cogent, Skills for Logistics, Energy & Utility, Proskills, ConstructionSkills, SEMTA, and Goskills.

Looking at the proportions of part-time employees in the different SSC defined sectors in Yorkshire and Humber, three sectors have a majority of part-time employees, both in the region and in Great Britain — Skills for Care, Skillsmart Retail and People 1st — while in the Asset Skills sector half of all employees work part-time.

In a number of SSC defined sectors there is a much higher proportion of part-time employees in Yorkshire and Humber than in the country as a whole. These include Financial Services, Lifelong Learning UK, Asset Skills, People 1st, Creative and Cultural, Central Government, Skills for Justice and Skillset. By contrast, two SSC defined sectors in Yorkshire and Humber have a much lower than average proportion of part-time employees, Skillfast-UK and Goskills.

2.1.4 Recent trends in employment

Table 2.5 shows the recent trends in employees in the SSC defined sectors in Yorkshire and Humber, in comparison with the changes in the sectors nationally.

The e-skills UK defined sector recorded the largest increase in employment in the region between 1998 and 2003, of just under

Table 2.5: Changes in employees by sector, 1998-2003, Yorkshire and Humber and GB

	1998	2003	Change	% change	GB % change
e-skills UK	25,100	41,300	16,200	64.5	27.9
Creative and Cultural	6,800	8,600	1,700	25.3	13.6
Skills for Logistics	66,700	80,100	13,500	20.2	4.3
Skills for Care and Development	76,900	92,100	15,300	19.9	12.4
Skills for Health	145,300	171,900	26,600	18.3	18.1
Skills for Justice	24,400	28,400	4,000	16.4	9.4
ConstructionSkills	94,800	107,400	12,600	13.3	1.4
Skillsmart Retail	225,900	255,500	29,600	13.1	12.2
Central Government	75,100	83,500	8,400	11.2	0.4
Summitskills	23,800	26,000	2,200	9.4	3.7
Financial Services	76,500	82,100	5,500	7.2	4.7
Lifelong Learning UK	76,500	81,200	4,700	6.1	16.0
People 1st	145,400	146,900	1,500	1.0	12.9
Asset Skills	61,200	59,900	-1,200	-2.0	5.1
Goskills	32,400	31,200	-1,200	-3.6	11.0
Automotive Skills	48,600	46,700	-1,900	-3.8	-2.4
Skillset	11,700	11,000	-800	-6.5	0.2
Improve	66,200	60,300	-5,900	-8.8	-9.5
ProSkills	65,100	59,400	-5,700	-8.8	-15.7
Cogent	56,700	49,500	-7,200	-12.8	-15.7
SEMTA	132,600	112,700	-19,900	-15.0	-22.2
Lantra	26,000	21,100	-5,000	-19.1	-15.6
Energy & Utility Skills	29,200	22,700	-6,500	-22.2	-3.2
Skillfast-UK	54,100	32,400	-21,700	-40.1	-41.1

Source: Annual Business Inquiry, 2003

two-thirds, and eight other sectors experienced increases in employment of ten per cent or more. At the other end of the scale, five SSC defined sectors experienced decreases of employment of ten per cent or more, with Skillfast-UK recording the largest fall, of around 40 per cent.

Comparing the recent employment performance of the sector in the region with that in Great Britain, eleven sectors have seen higher growth in Yorkshire and Humber than they have in the country as a whole. The e-skills UK, Creative and Cultural, Skills for Logistics, Skills for Care, Skills for Health, Skills for Justice, ConstructionSkills, Skillsmart Retail, Financial Services SSC, Central Government and Summitskills defined sectors all experienced above average increases in employment in the region between 1998 and 2003, while the Proskills and SEMTA sectors experienced below average decreases in employment over this period.

By contrast, Lifelong Learning UK and People 1st defined sectors experienced below average increases in employment, compared with the national increases, and the Asset Skills, Goskills and Skillset defined sectors in the region experienced decreases in employment, whereas nationally employment rose in the case of Asset Skills and Goskills, or remained stable in the case of Skillset. Finally, the Energy & Utility sector in Yorkshire and Humber experienced a much larger than average decrease in employment between 1998 and 2003.

2.1.5 Size of establishment

Finally in this section on employee data we look at information on employment by size of establishment. Table 2.6 shows three indicators of establishment size for SSC defined sectors in Yorkshire and Humber, and comparison figures for Great Britain:

- Average number of employees per establishment
- Percentage of establishments with 50 or more employees
- Percentage of employees working in establishments with 50 or more employees.

Looking first at the average number of employees per establishment, five SSC defined sectors in Yorkshire and Humber have 40 or more employees per establishment on average: Skills for Justice, Improve, Skills for Health, Lifelong Learning UK and Central Government. With the exception of Central Government, establishments in these SSC defined sectors in the region are on average larger than they are in the country as a whole; Central Government establishments in the region are smaller than they are nationally.

At the other end of the scale, seven sectors have an average establishment size of fewer than ten employees: Lantra,

Table 2.6: Measures of size of establishment in SSC sectors, Yorkshire and Humber and GB, 2003

	Average establishment size (no. of employees)		% of establishments with 50 or more employees		% of employees in establishments with 50 or more employees	
	YH	GB	YH	GB	YH	GB
Skills for Justice	86.1	70.0	32.4	23.2	87.8	87.6
Improve	55.6	45.3	19.1	15.8	85.7	82.8
Skills for Health	47.3	42.0	11.2	10.6	76.4	75.1
Lifelong learning UK	42.2	36.1	9.1	10.2	81.9	79.2
Central Government	40.5	46.2	16.3	18.2	73.6	77.4
Cogent	26.7	25.9	11.1	10.1	69.0	69.7
Financial Services	25.9	23.8	6.9	6.8	68.5	67.4
Proskills	22.4	18.2	9.7	8.0	69.2	62.6
Skills for Care and Development	19.7	17.5	7.1	6.2	35.4	34.2
SEMTA	18.2	19.8	7.5	7.1	61.4	65.8
Goskills	18.1	21.1	11.1	10.5	76.4	75.1
Skillfast-UK	15.8	10.3	7.1	4.0	56.8	47.3
Energy & Utility Skills	15.8	19.0	6.6	7.6	56.3	61.8
Skills for Logistics	12.0	13.4	4.3	5.2	62.1	64.8
Skillsmart Retail	10.3	10.5	2.8	3.0	48.5	47.9
People 1st	10.0	10.7	2.6	3.1	22.7	30.2
Skillset	10.0	8.6	4.1	3.0	55.1	61.4
Lantra*	8.3	8.0	-	-	-	-
Automotive Skills	7.0	6.8	2.2	2.0	28.3	27.5
ConstructionSkills	6.9	5.7	2.0	1.6	42.4	39.6
Asset skills	6.7	6.6	1.5	1.5	44.4	46.2
e-skills UK	6.3	5.4	1.9	1.6	56.5	55.1
SummitSkills	6.2	6.0	1.7	1.7	38.1	40.3
Creative and Cultural	5.5	3.6	1.9	1.0	34.3	33.6

Note: data for Lantra exclude much of the agriculture sub-sector, and data on large establishments are restricted due to confidentiality under the 1947 Statistics of Trade Act

Source: Annual Business Inquiry, 2003

Automotive Skills, ConstructionSkills, Asset Skills, e-skills UK, SummitSkills, and Creative and Cultural. These SSC defined sectors are also the smallest sectors nationally. Establishments in the ConstructionSkills, e-skills UK and Creative and Cultural SSC defined sectors in the region are considerably larger than they are in the country as a whole.

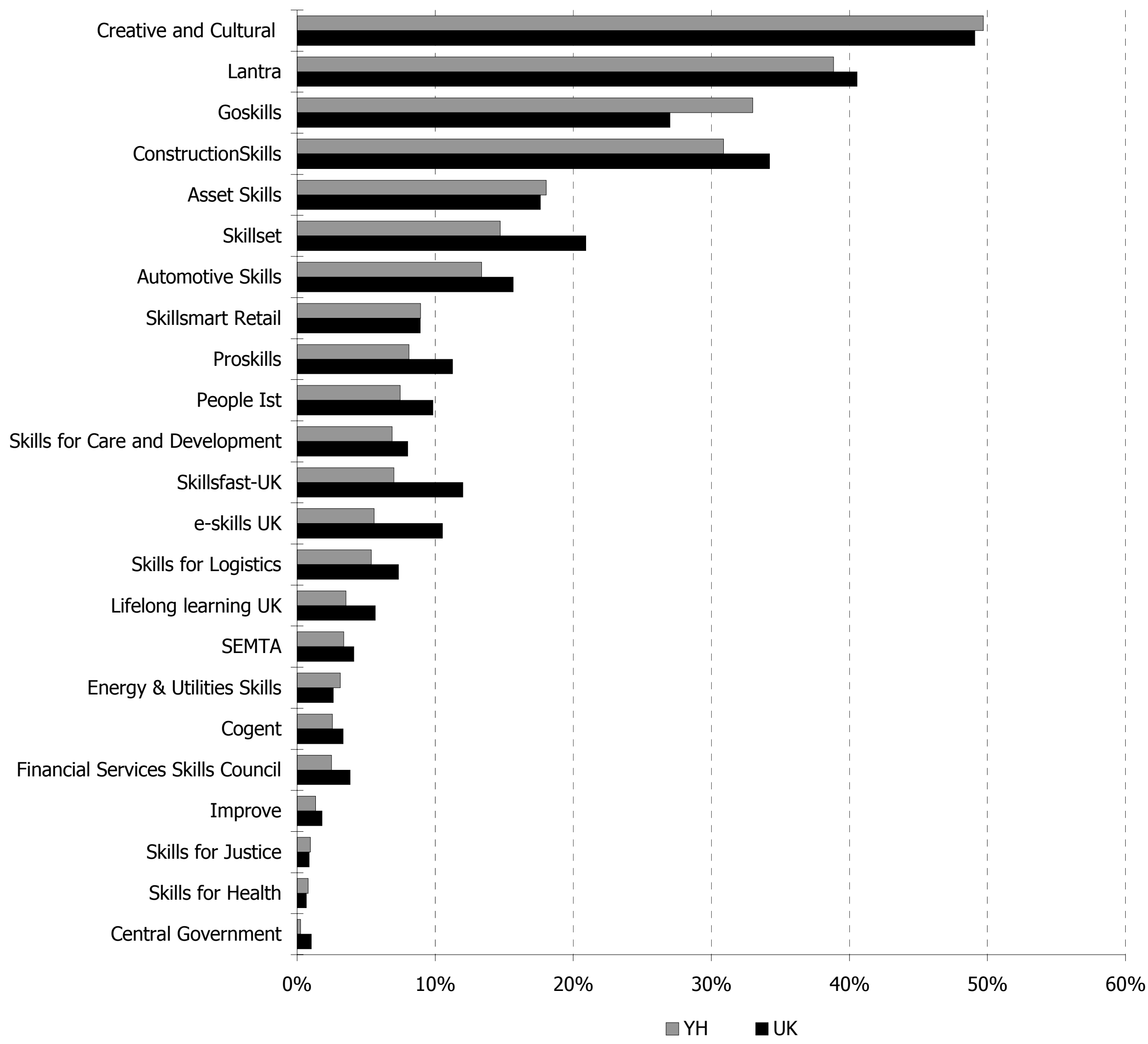
Among the other SSC defined sectors in the region, establishments in the Proskills and Skills for Care and Development sectors are larger than average, while establishments in the Energy & Utility, and Skills for Logistics sectors are smaller than average.

Sectors with the largest average establishment sizes tend also to have the highest proportions of large establishments, and also the highest proportions of employees working in large establishments. However, there are some exceptions. The Skills for Care and Development and People 1st defined sectors have relatively fewer employees working in large establishments, compared to sectors of similar average sizes. By contrast, more than half of employees in the Skillset and e-skills UK defined sectors work in large establishments, despite the small average size of establishments in these sectors.

2.1.6 Employment status

The proportion of workers in the different SSC defined sectors in Yorkshire and Humber who are self-employed varies from 50 per cent in the Creative and Cultural defined sector, to less than one

Figure 2.1: Proportion of self-employment in SSC sectors, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

per cent in the Central Government defined sector (Figure 2.1). The Lantra (39 per cent), Goskills (33 per cent) and ConstructionSkills (31 per cent) defined sectors have high proportions of self-employed workers, while at the other end of the scale only one per cent of workers in the Improve, Skills for Justice and Skills for Health SSC defined sectors are self-employed.

The Goskills sector is the only sector in the region with a significantly higher than average proportion of self-employed workers, while most other sectors have a much lower than average proportion of self-employment, particularly the Skillset, Proskills, People 1st, Skillfast-UK and e-skills UK sectors.

2.1.7 Occupational profile

Table 2.7 shows the proportion of workers (that is employees plus self-employed) by occupation for each of the SSC defined sectors in Yorkshire and Humber, and in the UK. The occupations are grouped as follows:

- High-level occupations — managerial, professional, and associate professional.
- Non-manual occupations — administrative and secretarial, personal service, and sales
- Manual occupations — skilled trades, process, plant and machine operatives, and elementary occupations.

The Creative and Cultural defined sector has the highest proportion of workers in high-level occupations of the SSC defined sectors in Yorkshire and Humber, at over three-quarters of all workers. Four other sectors in the region have a majority of workers in high level occupations — Skills for Justice (68 per cent), Lifelong Learning UK (65 per cent), e-skills UK (61 per cent) and Skills for Health (53 per cent). These SSC defined sectors have slightly different profiles within the higher level occupations. The Creative and Cultural, Skills for Justice and Skills for Health defined sectors have high proportions of associate professional workers, while nearly half of all workers in the Lifelong Learning sector are professionals, and the e-skills UK defined sector has high proportions of both managers and professionals.

The Skills for Care, Skillsmart Retail, Financial Services and Central Government defined sectors have the highest proportions of lower level non-manual staff, ranging from 63 per cent in the Skills for Care and Development sector to 51 per cent in Central Government. Over half of workers in the Skills for Care and Development sector are in personal service occupations, and over half of workers in the Skillsmart Retail sector are in sales occupations. The other two sectors have high proportions of administrative and secretarial staff.

Table 2.7: Occupational profile of SSC sectors, Yorkshire and Humber and UK, 2001-2003 (row percentages)

	YH			UK		
	High-level	Non-manual	Manual	High level	Non manual	Manual
Creative and Cultural	78	13	8	70	14	16
Skills for Justice	68	23	9	70	21	9
Lifelong learning UK	65	24	10	68	23	9
e-skills UK	61	27	12	72	17	10
Skills for Health	53	36	12	54	35	11
Skillset	49	12	39	61	13	26
Financial Services Skills Council	45	52	3	53	45	1
Cogent	43	8	49	45	11	44
Central Government	43	51	6	45	48	8
Energy & Utilities Skills	36	13	50	34	23	43
SEMTA	30	9	61	37	9	54
Asset Skills	29	24	48	37	24	39
Skills for Care and Development	27	63	10	32	59	9
Skillsfast-UK	23	8	69	20	10	69
ConstructionSkills	25	8	67	29	9	62
Automotive Skills	25	26	49	24	26	50
Proskills	24	10	66	27	12	61
Skillsmart Retail	22	59	19	25	58	18
Improve	19	7	74	22	11	68
People Ist	19	18	63	24	17	58
Lantra	17	14	69	17	14	69
Skills for Logistics	15	11	74	19	18	62
Goskills	15	15	70	20	20	60

Source: Labour Force Survey, 2001-2003

The Goskills, Improve and Skillfast-UK defined sectors have high proportions of machine operative workers (including transport operatives in Goskills), while the ConstructionSkills defined sector has a high proportion of skilled trades workers, and the People 1st defined sector has a high proportion of workers in elementary occupations. The Skills for Logistics SSC defined sector has high proportions of both operatives and elementary workers, while the Lantra sector has high proportions of skilled trades and elementary workers, and the Proskills and SEMTA sectors have high proportions of skills trades and operatives.

Comparing the occupations profile of the SSC defined sectors in Yorkshire and Humber with those of the sectors nationally shows that most sectors in the region have a profile which is more skewed towards the lower end of the occupational scale than the national profile. For example, the proportion of elementary workers in the

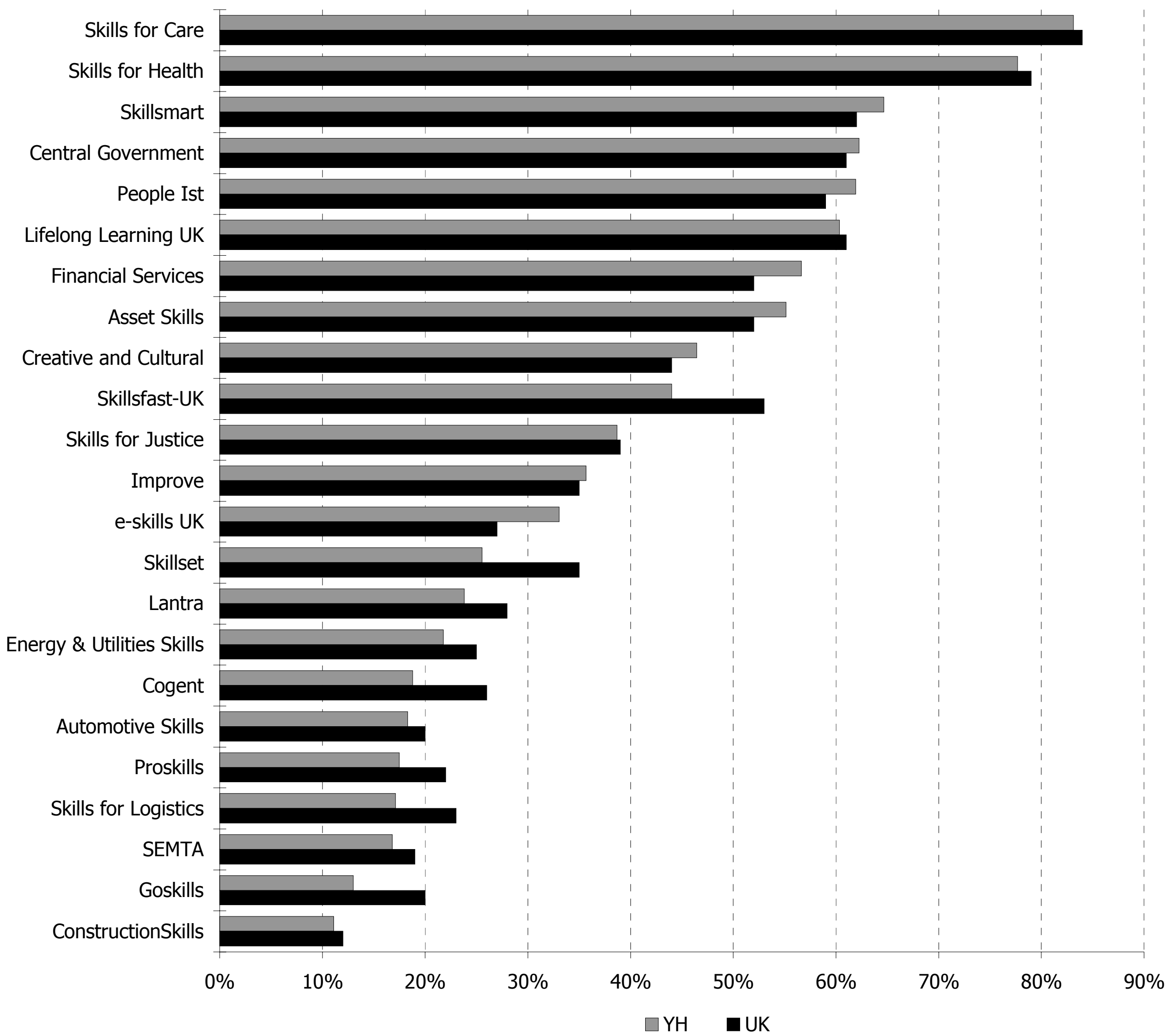
Skillset defined sector in the region is 13 percentage points higher than in the sectors nationally, and the proportion of elementary workers in the Skills for Logistics sector is 12 percentage points higher. The main exception is the region's Creative and Cultural sector, where workers in high-level occupations comprise 78 per cent of the workforce, compared to 70 per cent nationally.

2.2 Demographics of the sector

2.2.1 Gender

We looked above at the gender breakdown of employees in the SSC defined sectors in Yorkshire and Humber, in Section 2.1.3. We now go on to consider the gender breakdown of the entire workforce, that is employees plus the self-employed, using data from the Labour Force Survey.

Figure 2.2: Proportion of female workers in SSC sectors, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

Figure 2.2 shows the proportion of female workers in each SSC defined sector in Yorkshire and Humber, along with the UK figure. It shows a similar picture to the employees data, with the Skills for Care, Skills for Health and Skillsmart Retail defined sectors having the highest proportions of female workers, and the SEMTA, Goskills and ConstructionSkills defined sectors having the lowest.

The e-skills UK and Financial Services defined sectors in the region have a much higher than average proportion of female workers, in comparison with the country as a whole, while the Goskills, Cogent, Skillset, Skills for Logistics, Skillfast-UK and Lantra sectors have a much smaller than average female workforces.

Table 2.8: Age profile of SSC sectors, Yorkshire and Humber and UK, 2001-2003 (row percentages)

	YH			UK		
	Under 25	**25 to 49**	**50 and over**	**Under 25**	**25 to 49**	**50 and over**
People Ist	41	44	15	37	49	15
Skillsmart Retail	29	52	19	31	50	19
Financial Services Skills Council	19	67	14	16	70	13
Creative and Cultural	16	62	22	13	63	25
Automotive Skills	15	58	27	19	59	22
Lantra	14	61	25	14	58	28
e-skills UK	14	75	12	11	76	13
Skillset	13	69	18	14	67	19
ConstructionSkills	13	60	27	13	61	26
Improve	13	62	25	13	64	23
Proskills	11	67	21	11	62	27
Energy & Utilities Skills	11	65	23	11	65	24
Cogent	11	66	23	10	66	23
SEMTA	10	64	26	11	63	26
Skills for Care and Development	10	63	27	11	61	28
Central Government	10	64	26	9	65	27
Asset skills	10	63	27	11	60	29
Skillsfast-UK	9	63	28	11	61	30
Skills for Logistics	9	62	28	10	64	26
Skills for Health	9	63	28	8	68	25
Skills for Justice	7	76	18	6	74	19
Goskills	6	63	33	6	64	32
Lifelong Learning UK	6	64	30	7	60	33

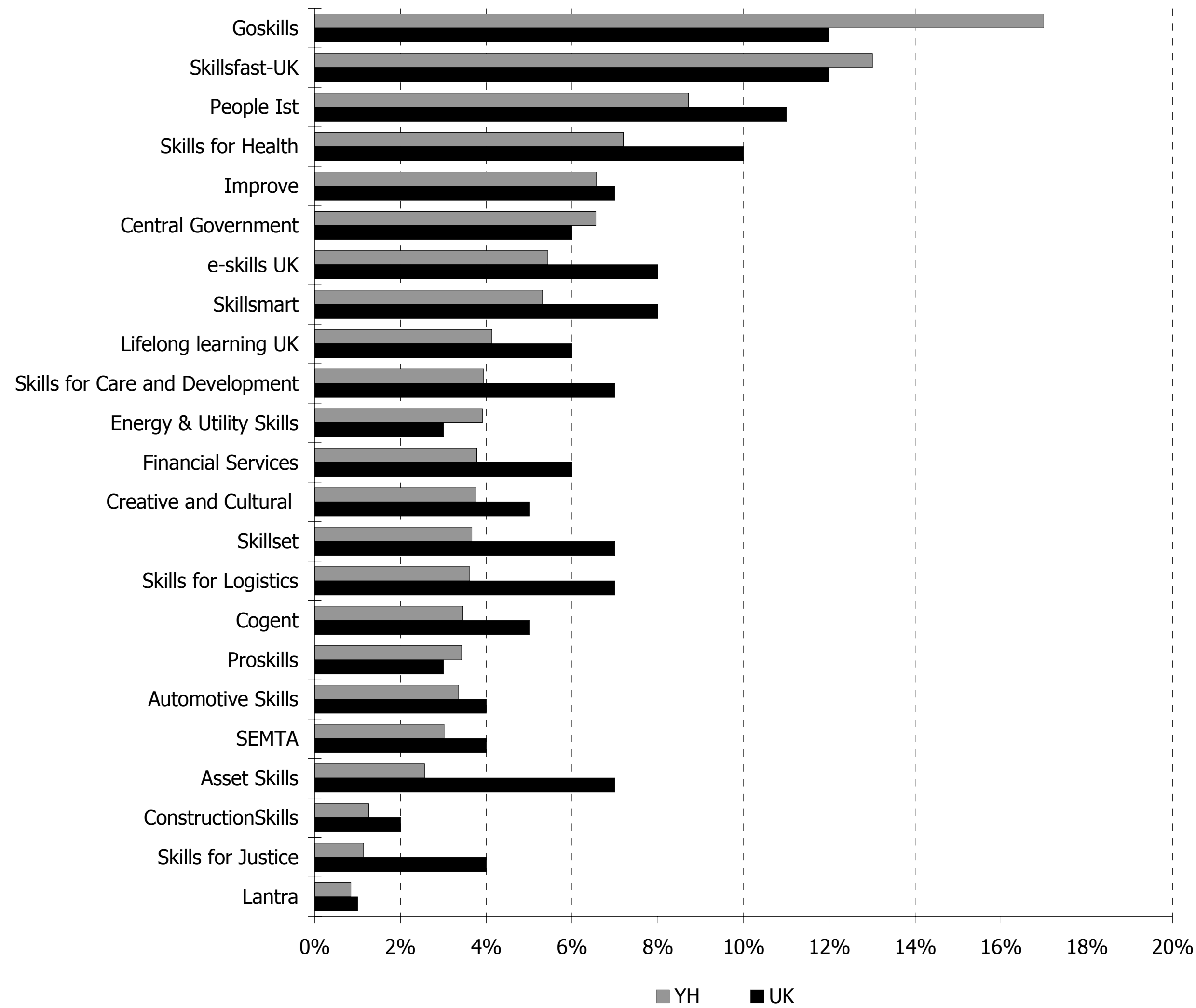
Source: Labour Force Survey, 2001-2003

2.2.2 Age

The People 1st and Skillsmart Retail defined sectors in Yorkshire and Humber have by far the youngest age profiles of the SSC defined sectors in the region, with young workers aged under 25 making up 41 per cent and 29 per cent of the workforce respectively (Table 2.8). In all other sectors, the proportion of young workers is below 20 per cent, and in the Skills for Logistics, Skills for Health, Skills for Justice, Goskills and Lifelong Learning UK defined sectors it is below ten per cent. Looking at the proportion of older workers, aged 50 and over, the highest proportions, of 30 per cent or more, are in the Goskills and Lifelong Learning UK defined sectors, while the lowest proportions, 15 per cent or less, are in the People 1st, Financial Services and e-skills UK defined sectors.

Comparing the age profile of the sectors in Yorkshire and Humber with the national age profile shows that the People 1st, Financial

Figure 2.3: Proportion of minority ethnic workers in SSC sectors, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

Services, Creative and Cultural, and e-skills UK defined sectors have younger than average age profiles, while the Improve, Skills for Logistics, Automotive Skills and Skills for Health sectors have older than average age profiles.

2.2.3 Ethnicity

The proportion of workers from minority ethnic groups in Yorkshire and Humber is highest in the Goskills defined sector, at 17 per cent, followed by the Skillfast-UK sector, at 13 per cent, and the People 1st sector, at nine per cent. In the Skills for Health, Improve and Central Government defined sectors in the region, ethnic minority workers make up seven per cent of the total workforce. All other sectors have a minority ethnic workforce of five per cent or less, and in the ConstructionSkills, Justice and Lantra sectors, ethnic minorities comprise just one per cent of the workforce (Figure 2.3).

Most sectors in Yorkshire and Humber have a proportionately smaller minority ethnic workforce than have their sectors nationally. Only four SSC defined sectors in the region have a higher than average proportion of ethnic minority workers – Goskills, Skillfast-UK, Central Government, and Energy & Utility. All other SSC defined sectors have a smaller than average minority ethnic workforce, and the differences are greatest in the Skillset, Skills for Logistics, Asset Skills and Skills for Justice sectors.

2.3 Working patterns

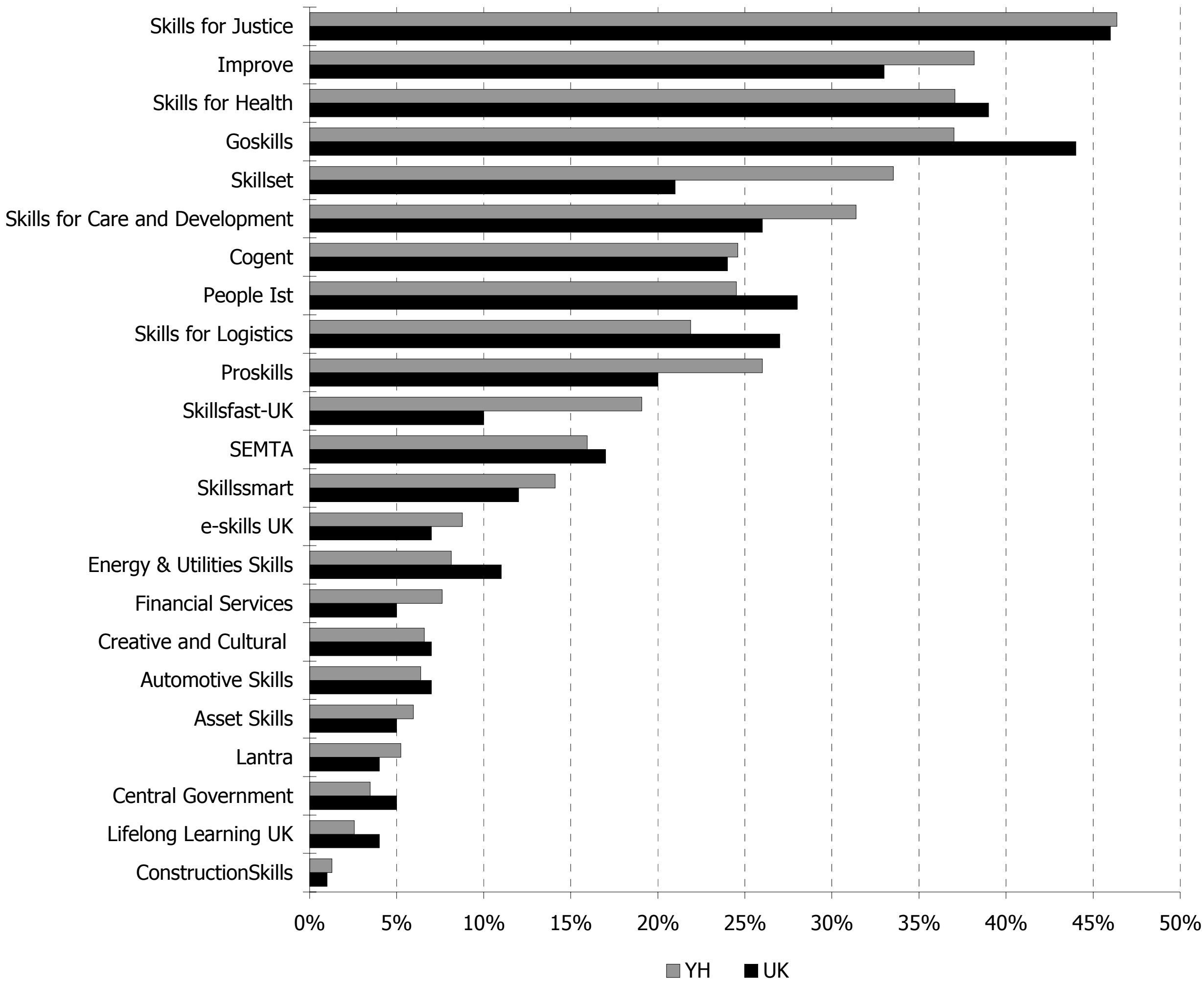
This section looks at some working patterns characteristics of the workforce (employees plus self-employed) in each of the SSC defined sectors in Yorkshire and Humber, in terms of shift-work and temporary work.

2.3.1 Shift work

Figure 2.4 shows the proportion of workers in each sector in Yorkshire and Humber who worked shifts most of the time, and shows that the proportions were highest in the Skills for Justice (46 per cent), Improve (38 per cent), Skills for Health (37 per cent) and Goskills (37 per cent) defined sectors. At the other end of the scale, very few workers in the Central Government, Lifelong Learning UK and ConstructionSkills defined sectors worked shift patterns most of the time.

Comparing the proportions of shift workers in the region with the national proportions shows that in a number of sectors in Yorkshire and Humber there is a greater than average tradition of shift working. Nearly twice as many workers in the Skillfast-UK defined sector in the region, compared to the UK, work shifts most of the time, while in the Skillset and Financial Services defined sector in

Figure 2.4: Proportion of workers normally working shifts in SSC sectors, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

the region, the proportion of shift workers is more than 50 per cent higher than the corresponding national figure. In the case of Financial Services, this may be due to the strong presence of call centre activity in West Yorkshire. Other SSC defined sectors with a higher than average proportion of shift workers include Improve, Skills for Care, Skillsmart Retail and e-skills.

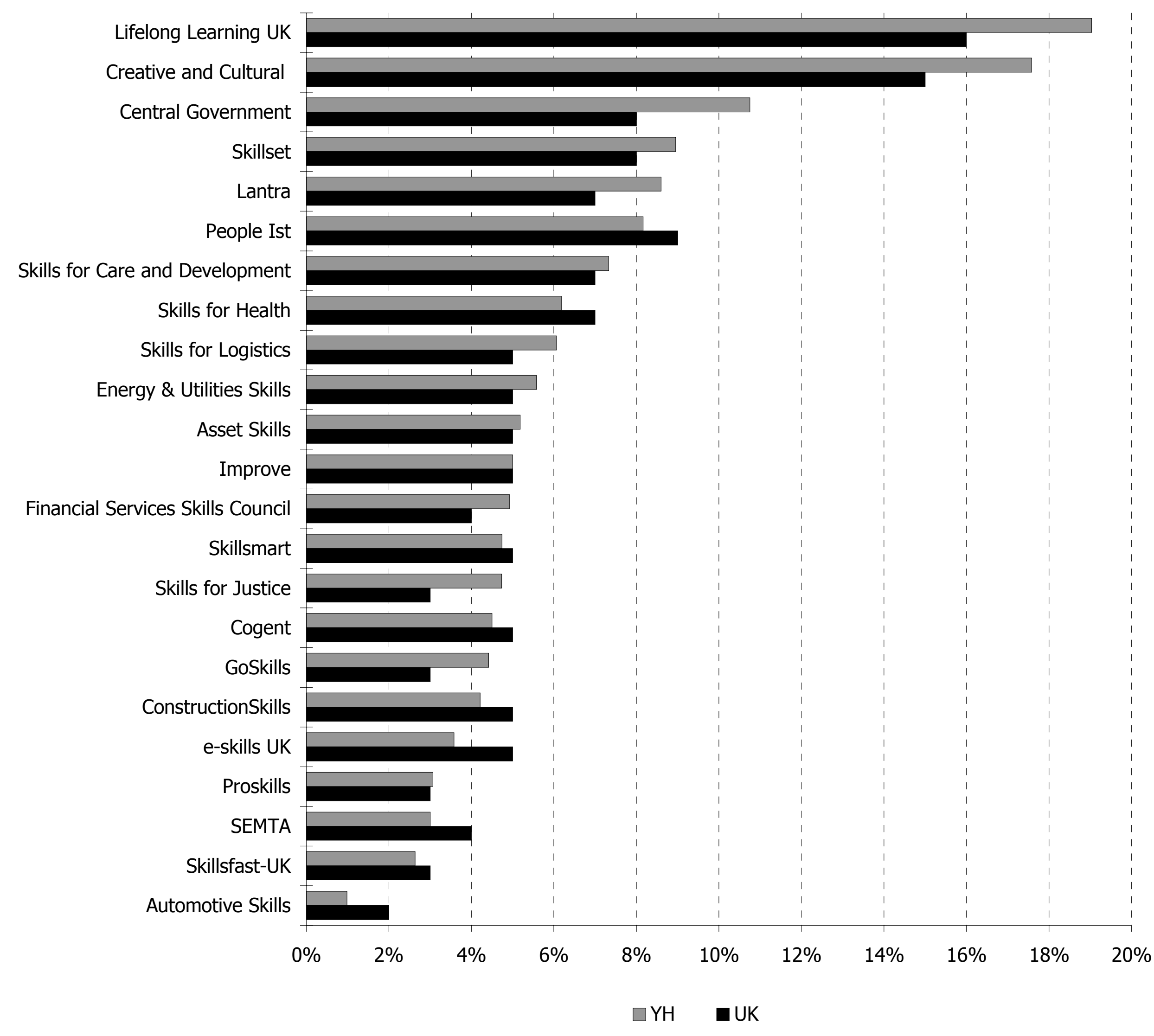
Four sectors in Yorkshire and Humber have much lower than average proportions of shift workers, compared to the national figures. Nationally, the Goskills defined sector has the second highest proportion of shift workers, but in the region it comes fourth, behind the Improve and Skills for Health defined sectors. The People 1st, Logistics, and Energy & Utility sectors also have below average proportions of shift workers.

2.3.2 Temporary work

The proportion of temporary workers in Yorkshire and Humber varies from 19 per cent in the Lifelong Learning UK defined sector, to one per cent in the Automotive Skills defined sector, as Figure 2.5 shows. The Creative and Cultural, and Central Government defined sectors are the other sectors in the region with a high proportion of temporary workers, at over ten per cent.

Figure 2.5 also shows the proportion of temporary workers in each SSC defined sector nationally. Generally, the sectors in the region with large temporary workforces have higher than average proportions of temporary workers, and vice versa. The exceptions are the People 1st and Skills for Health defined sectors, which have below average proportions of temporary workers although they have relatively large temporary workforces, and the Financial Services and Skills for Justice defined sectors, which have above average proportions of temporary workers despite having relatively small temporary workforces.

Figure 2.5: Proportion of temporary workers in SSC sectors, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

2.3.3 Educational profile of workforce

Table 2.9 shows the highest qualifications of workers in the different SSC defined sectors in Yorkshire and Humber, with the UK figures for comparison. The Lifelong Learning UK defined sector in the region has the highest proportion of workers with degrees or other higher education qualifications, at 61 per cent, while half the workers in the Creative and Cultural and Skills for Health defined sectors have degrees or HE qualifications. At the other end of the scale, only ten per cent or less of the workforce in the People 1st, Improve, Goskills, Skillsmart Retail, Automotive Skills and Logistics sectors have degrees or higher education qualifications.

2.4 Education and training

The Skillfast-UK and Lantra defined sectors in Yorkshire and Humber have the highest proportion of workers with no formal qualifications, at 31 per cent and 25 per cent respectively, while the e-skills and Financial Services sectors have the lowest, at just three per cent. The ConstructionSkills and Automotive Skills defined sectors have the highest proportion of workers qualified at ‘A’ level or equivalent/NVQ level 3, at around 45 per cent, while the Skills for Logistics, Improve, Goskills and Skillsmart Retail have the highest proportions of workers qualified below NVQ level 3 or equivalent.

Comparing the qualifications profile of the sectors in Yorkshire and Humber with that in the country as a whole shows that most SSC defined sectors in the region have a lower qualified workforce than the sectors nationally. The only SSC defined sector in the region that has a higher than average qualifications profile is the Central Government sector, while the following sectors all have lower than average qualifications profiles:

- e-skills UK
- Skillset
- Skills for Care
- Cogent
- Financial Services
- SEMTA
- Lantra

Table 2.9: Highest qualification of workforce, Yorkshire and Humber and UK, 2001-2003 (row percentages)

	YH				UK			
	Degree/HE	**'A' level or equiv**	**Other quals**	**No quals**	**Degree/HE**	**'A' level or equiv**	**Other quals**	**No quals**
Lifelong Learning UK	61	15	19	5	61	15	19	4
Creative and Cultural	50	20	25	5	49	21	24	5
Skills for Health	49	15	29	7	51	13	28	8
e-skills UK	44	27	26	3	48	25	24	2
Central Government	41	23	32	4	40	23	30	6
Skillset	29	28	32	11	38	24	30	7
Justice	28	31	36	4	28	30	37	5
Skills for Care	25	17	46	11	28	19	42	10
Cogent	25	25	35	14	31	24	33	12
Energy & Utility Skills	25	32	30	12	27	30	32	11
Financial Services	24	34	39	3	31	28	37	3
Asset Skills	22	19	39	19	22	20	39	18
SEMTA	18	39	29	13	23	34	30	11
ConstructionSkills	17	46	27	9	20	40	28	11
Lantra	16	24	34	25	17	23	39	20
Skillsfast-UK	14	17	38	31	10	18	39	31
Proskills	16	29	39	16	15	27	41	18
People Ist	10	28	45	16	13	26	47	14
Improve	10	20	50	19	14	23	45	18
Goskills	10	26	49	14	15	27	45	13
Skillsmart Retail	10	23	48	18	13	24	47	16
Automotive Skills	9	44	34	14	8	42	36	13
Skills for Logistics	7	23	55	15	11	24	50	14

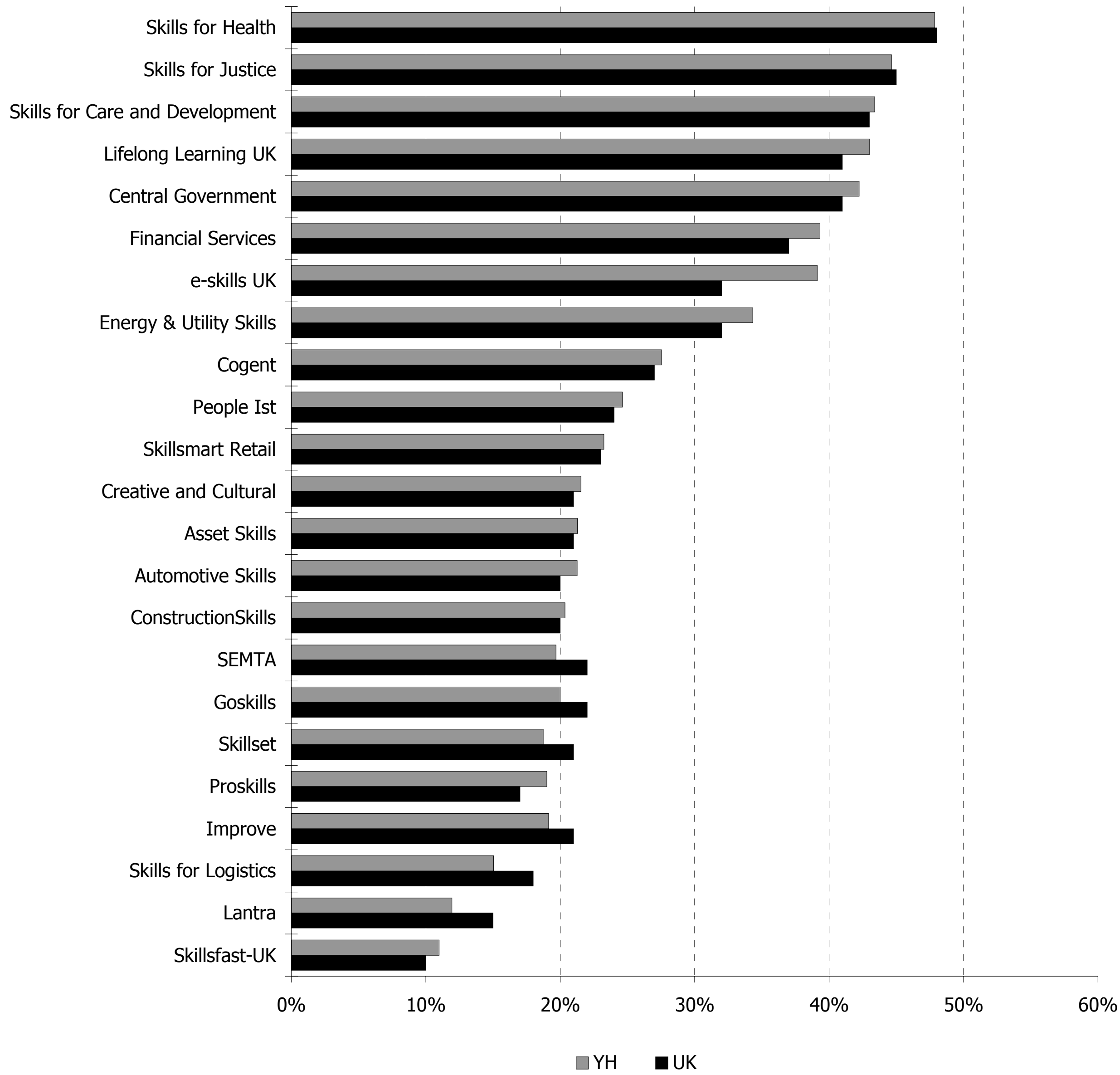
Source: Labour Force Survey, 2001-2003

- People 1st
- Improve
- GoSkill
- Skillsmart Retail
- Skills for Logistics.

2.4.1 Education and training in last 13 weeks

Figure 2.6 shows the proportion of workers receiving training in the previous 13 weeks for each of the SSC defined sectors in Yorkshire and Humber, and in the UK. The public sector related SSCs — Skills for Health, Skills for Justice, Skills for Care, Lifelong

Figure 2.6: Proportion of workers receiving training in previous 3 months, Yorkshire and Humber and UK, 2001-2003



Source: Labour Force Survey, 2001-2003

Learning UK and Central Government – were associated with the strongest tradition of training, with more than 40 per cent of workers in each of these sectors receiving training in the previous three months. The private sector defined SSCs associated with the highest level of training were Financial Services, e-skills UK and Energy & Utility Skills, with over one-third of workers receiving training, while Skills for Logistics, Skillfast-UK and Lantra defined sectors had the lowest proportions of workers receiving training.

Comparing training activity in the SSC defined sectors in Yorkshire and Humber with that in the country as a whole, the Lifelong Learning UK, Financial Service, e-skills UK, Energy & Utility, Automotive Skills and Proskills defined sectors had a higher than average proportion of workers receiving training, while the SEMTA, Improve, Skillset, Goskills, Skills for Logistics and Lantra defined sectors had lower than average proportions receiving training.

2.4.2 Establishments' perspective of training

Having looked at the proportion of workers receiving training in the different SSC defined sectors, we now go on to look at establishment-based indicators of training activity. Firstly, we look at the prevalence of training policies and budgets, before looking at training activity.

Training policies

Table 2.10 shows the proportion of establishments that have a training plan that specifies in advance the level and type of training employees will need in the coming year, and the proportion of establishments that have a budget for training expenditure. The SSC defined sectors with the highest prevalence of training plans in Yorkshire and Humber are all, to a large degree, public-sector related — Skills for Health, Lifelong Learning, and Skills for Care. Eighty-five per cent of Skills for Health defined sector establishments, 77 per cent of those in the Lifelong Learning sector, and 63 per cent of Skills for Care and Development defined establishments have training plans. These sectors also have the highest proportion of establishments with a training budget, with just over two-thirds of Skills for Health and Skills for Care and Development establishments, and just over three-quarters of Lifelong Learning establishments, having a training budget.

At the other end of the scale, the Skillsmart Retail, Automotive Skills and Skillfast-UK defined sectors have the lowest proportions of establishments with training budgets.

Comparing the sectors in the region with those in England, most sectors in Yorkshire and Humber have higher than average proportions of establishments with training plans, especially the

Table 2.10: Prevalence of training plans and training budgets, Yorkshire and Humber, and England, 2003

	% of establishments with a training plan that specifies in advance the level and type of training		% of establishments with a budget for training expenditure	
	YH	England	YH	England
Skills for Health	85	66	68	55
Lifelong Learning UK	77	74	78	66
Skills for Care	63	69	69	68
Financial Services	56	59	49	45
Improve	43	35	37	27
People 1st	43	44	29	28
SummitSkills	41	34	29	23
Skills for Logistics	39	31	40	27
SEMTA	39	34	33	29
Asset skills	39	34	33	29
Skillsmart Retail	38	40	22	23
e-skills UK	38	33	29	32
Automotive Skills	36	32	28	24
ConstructionSkills	35	28	32	23

Source: National Employer Skills Survey, 2003

Skills for Health, Improve, SummitSkills, Skills for Logistics, ConstructionSkills and Skillfast-UK sectors. Only the Skills for Care, Financial Services, People 1st and Skillsmart Retail defined sectors in the region have below average proportions of establishments with training plans. Similarly, nearly all sectors in the region have above average proportions of establishments with a training budget, the exceptions being the Skillsmart Retail and e-skills UK sectors.

Training provision

The sectors with the highest prevalence of training plans and training budgets were also the sectors with the greatest amount of training activity. Just over four-fifths of establishments in the Lifelong Learning UK, Skills for Health and Skills for Care and Development defined sectors in Yorkshire and Humber had funded or arranged training for staff in the previous 12 months (Table 2.11). The Financial Services, e-skills UK and SummitSkills sectors also had a high proportion of establishments arranging training, at just over two-thirds. The Skillsmart Retail sector had the lowest proportion of establishments arranging training, 48 per cent, and this was the only sector in Yorkshire and Humber in which fewer than half of all establishments had arranged training.

The differences between the sectors in terms of training activity in Yorkshire and Humber is broadly in line with the differences

Table 2.11: Provision of training, and type of training provider, Yorkshire and Humber, and England, 2003

	% of establishments that have funded or arranged any training for staff		% of establishments that have used FE colleges to train and develop staff	
	YH	England	YH	England
Lifelong Learning UK	83	88	60	46
Skills for Care	82	84	43	41
Skills for Health	82	88	46	44
Financial Services	69	75	*	13
e-skills UK	69	63	15	14
SummitSkills	68	66	47	36
SEMTA	65	65	25	23
Improve	65	53	23	14
Skills for Logistics	59	51	11	10
Asset skills	58	56	25	21
Automotive Skills	56	55	16	16
ConstructionSkills	55	53	33	33
People 1st	52	58	16	15
Skillsmart Retail	48	50	10	8

Note: * indicates that cell size is below threshold of statistical reliability, and therefore no estimate is given

Source: National Employer Skills Survey, 2003

nationally. However, a much higher than average proportion of establishments in the Improve and Skills for Logistics defined sectors in the region have arranged training for staff in the previous 12 months, while a much lower than average proportion of People 1st defined establishments have arranged training.

Limited information on the type of training providers used is available from the NESS, in terms of establishments using Further Education colleges to train and develop staff. The Lifelong Learning UK, SummitSkills, Skills for Health and Skills for Care and Development defined sectors in Yorkshire and Humber made the greatest use of FE colleges in providing training, with 60 per cent of all Lifelong Learning UK defined establishments, and over 40 per cent of all establishments covered by the other three sectors using FE colleges to train staff. In these sectors, the majority of establishments that had arranged training, had used FE colleges. The Skillsmart Retail and Skills for Logistics defined sectors had the lowest proportion of establishments using FE colleges, at only one-tenth of all establishments, or one-fifth of establishments that had arranged training.

Comparing the picture in Yorkshire and Humber with that in England, across all sectors in the region the proportion of all establishments using FE colleges was higher than the national proportion for that sector. These differences are most stark in the Improve, SummitSkills and Lifelong Learning UK defined sectors.

Contact with training providers

Finally in this sector on establishments' perspectives on training, we look at the extent to which establishments in the different sectors in Yorkshire and Humber have been contacted by local training providers about views on the courses they provide.

The Skills for Health defined sector in Yorkshire and Humber is the only one in which a majority of establishments have been contacted by both local FE colleges and other local training providers (Table 2.12). The Improve, SEMTA and Skills for Care and Development defined sectors were also likely to have received contact from FE colleges, and along with establishments covered by SummitSkills to have received training from other local training providers, while the Skills for Logistics defined sector received the least contact from FE colleges.

Comparing the picture in Yorkshire and Humber with that in England reveals that the Improve defined sector in the region has much stronger links with training providers than it does elsewhere in the country. Just over 40 per cent of Improve defined establishments in the region have been contacted by FE colleges, and by other providers, compared to the figures for England of just over a quarter. Other sectors in the region that appear to have stronger links with colleges than those elsewhere in England include these defined by Skills for Health, Automotive Skills and

Table 2.12: Contact with training providers, Yorkshire and Humber, and England, 2003

	% of establishments contacted by local colleges to ask for views on courses they provide		% of establishment contacted by other local training providers to ask for views on courses they provide	
	YH	England	YH	England
Skills for Health	51	42	52	45
Improve	41	27	41	26
SEMTA	41	37	44	36
Skills for Care	40	44	52	47
Automotive Skills	38	32	28	28
SummitSkills	36	32	47	35
ConstructionSkills	27	26	39	27
People 1st	27	26	28	26
e-skills UK	26	22	35	27
Skillsmart Retail	21	19	28	22
Asset skills	20	20	27	23
Skills for Logistics	11	19	32	25
Lifelong Learning UK	*	27	*	30
Financial Services	*	18	34	24

Note: * indicates that cell size is below threshold of statistical reliability, and therefore no estimate is given

Source: National Employer Skills Survey, 2003 e-skills UK, while sectors that have stronger than average links with other training providers include those covered by People 1st, e-skills UK, Skillsmart Retail, Skills for Logistics, SummitSkills and Financial Services SSC.

2.5 Vacancies and skills issues

2.5.1 Vacancies

The sectors with the highest degree of recruitment activity in Yorkshire and Humber were those covered by Skills for Care, Skills for Health and Improve, with more than one-third of establishments in these sectors reporting vacancies in the previous 12 months (Table 2.13). At the other end of the scale, only 13 per cent of e-skills UK establishments and Automotive Skills establishments reported any vacancies.

Looking at the national picture, the Skills for Care and Development and Skills for Health defined sectors had the highest proportion of establishments reporting vacancies, as was the case in the region, although the proportion of Skills for Care and Development establishments in Yorkshire and Humber reporting vacancies was considerably higher than the national proportion. In the Improve defined sector, twice as many establishments in Yorkshire and Humber as in the whole of England reported vacancies. A high degree of recruitment activity may indicate a buoyant sector recruiting for expansion, but as we saw above, employment levels have been falling in the Improve defined sector in recent years, both regionally and nationally. Therefore this high level of recruitment activity in the region is more likely to indicate labour turnover difficulties and potential recruitment problems.

Other sectors with a higher than average proportion of establishments reporting vacancies included those in the SummitSkills, SEMTA, ConstructionSkills and Asset Skills defined sectors. By contrast, the Skillsmart Retail and Automotive Skills defined sectors had below average proportions of establishments reporting vacancies.

Table 2.13 also shows the proportion of establishments reporting hard to fill vacancies and skills shortage vacancies. Looking first at hard to fill vacancies, the SSC defined sectors with the highest proportions of all establishments reporting hard to fill vacancies were those with the highest proportions reporting vacancies, that is Skills for Care, Improve, Skills for Health, and People 1st. However, considering establishments reporting hard to fill vacancies as a proportion of those with vacancies, rather than as a proportion of all establishments, reveals a slightly different picture. Around half of establishments with vacancies in the People 1st and Skillsmart Retail sectors, and two-thirds of those in

Table 2.13: Recruitment activity, hard to fill vacancies and skills shortages, Yorkshire and Humber and England, 2003

	% of establishments with vacancies		% of establishments with hard to fill vacancies		% of establishments with skills shortage vacancies*	
	YH	England	YH	England	YH	England
Skills for Care	37	32	14	15	*	7
Improve	36	18	15	6	11	3
Skills for Health	34	33	15	16	*	7
Lifelong Learning UK	27	29	*	9	*	6
People 1st	25	24	13	11	6	5
SEMTA	21	16	9	7	7	5
Financial Services	18	19	*	6	*	4
SummitSkills	17	14	*	9	*	7
ConstructionSkills	16	14	10	8	7	5
Asset skills	17	11	7	4	3	2
Skills for Logistics	15	16	*	8	*	4
Skillsmart Retail	14	16	7	7	4	3
Automotive Skills	13	15	*	9	*	6
e-skills	13	12	*	4	*	3

Note: * indicates that cell size is below threshold of statistical reliability, and therefore no estimate is given

Source: National Employer Skills Survey, 2003

the Construction sector, report having some vacancies which are hard to fill.

Comparing the hard to fill vacancies picture in the region with that in England as a whole, it can be seen that establishments in the Improve defined sector in Yorkshire and Humber are much more likely than those elsewhere to report hard to fill vacancies. Fifteen per cent of Improve defined establishments in the region report hard to fill vacancies, compared to the national figure of six per cent. Establishments in the SEMTA, ConstructionSkills and Asset Skills defined sectors in the region are also more likely than average to report hard to fill vacancies.

Looking now at skills shortage vacancies, reliable data are only available for a handful of sectors in Yorkshire and Humber, but they show that skills shortages are most acute in the Improve and ConstructionSkills defined sectors. Establishments reporting skills shortage vacancies as a proportion of all establishments is highest in the Improve defined sector, at 11 per cent, while establishments reporting skills shortage vacancies as a proportion of those establishments reporting any vacancies is highest in the ConstructionSkills defined sector, at around 50 per cent. The SEMTA and Skillsmart Retail defined sectors also have relatively high proportions of establishments reporting skills shortages among those reporting any vacancies, at around one-third.

Establishments in the Improve defined sector in Yorkshire and Humber are nearly four times more likely than those elsewhere in England to report skills shortages. Other SSC defined sectors in the region with higher than average proportions of establishments with skills shortages include SEMTA and Skillsmart Retail.

2.5.2 Skills gaps

Having looked at skills shortages, where establishments are unable to obtain the skills they need from the external labour market, we now go on to look at skills gaps, that is where not all employees within the establishment have the necessary skills.

Table 2.14 shows that the SSC defined sectors with the greatest skills gaps problems in Yorkshire and Humber are the Skills for Health and Improve sectors, with just under half of all establishments reporting skills gaps. As we saw above these sectors also have a high proportion of establishments reporting problems with hard to fill vacancies, and so are facing difficulties with both their internal and external labour markets. At the other end of the scale, fewer than one in five establishments in the Skills for Logistics and Asset Skills defined sectors report skills gaps.

Skills gaps appear to be much more prevalent in the region than elsewhere in the country. Nearly all sectors in Yorkshire and Humber have a higher than average proportion of establishments reporting skills gaps, in comparison with the whole of England. The proportions of establishments reporting skills gaps in the

Table 2.14: Skills gaps and skills assessments, 2003, Yorkshire and Humber and England

	% of establishments with skills gaps		% of establishments that formally assess whether employees have gaps in skills	
	YH	England	YH	England
Skills for Health	49	32	82	71
Improve	45	29	52	46
SEMTA	38	28	40	34
People 1st	36	29	44	52
Lifelong Learning	33	29	81	79
Financial Services	33	27	72	67
Skillsmart Retail	30	26	49	49
Skills for Care	29	26	76	75
Automotive	29	23	44	49
SummitSkills	28	21	42	48
Construction	24	17	56	45
e-skills	20	15	49	48
Skills for Logistics	19	18	47	45
Asset	17	17	58	47

Source: National Employer Skills Survey, 2003

Skills for Health and Improve defined sectors in the region are over 50 per cent higher than the corresponding national figures, while the proportion in the ConstructionSkills defined sector is 40 per cent higher than the national proportions.

Finally, we look at the extent to which establishments formally assess the skills of their employees in the different SSC defined sectors in Yorkshire and Humber. The SSC defined sectors with the highest proportions of establishments that formally assess whether individual employees have gaps in their skills are related to the public sector — Skills for Health (82 per cent), Lifelong Learning UK (81 per cent), and Skills for Care and Development (76 per cent). The SSC defined sectors with the lowest proportions are SummitSkills and SEMTA.

The Asset Skills, ConstructionSkills, SEMTA and Skills for Health defined sectors in the region have a much higher than average proportion of establishments formally assessing their employees skills. The People 1st, SummitSkills and Automotive skills defined sectors have a lower than average proportion of establishments assessing the skills of their workforce.

3. Developing Regional Labour Market Information

This section provides a summary overview of the regional labour market information gathering activities, and considers the issues related to the production of regional labour market information at an SSC sector defined level. It considers:

- The activities of Yorkshire Forward, its regional and sub-regional partners and the local LSCs, including the activities surrounding the region's priority clusters.
- The views of regional partners concerning the regional co-ordination of labour market information and the responsibilities for collecting information based on SSC defined sectors.
- The views of SSCs regarding the regional co-ordination of labour market information activities; the concerns of SSCs surrounding the current use and suitability of secondary data sources; the views of SSCs on the subject of appropriate regional geographies for labour market information collection.
- An outline of responsibilities and recommendations related to the future production and distribution of labour market information in the region by the SSDA, the SSCs, Yorkshire Forward, sub-regional partners and the Local LSCs.

The study consulted key regional and sectoral labour market information stakeholders (including Yorkshire Forward, South Yorkshire LSC, North Yorkshire LSC, Humberside LSC, West Yorkshire LSC, Chamber of Commerce, West Yorkshire Business Link, The Humber Forum and North Yorkshire Partnership Unit). From a sectoral perspectives, 22 of the 25 SSCs were also consulted. A full list of organisations consulted is reported in Appendix B.

3.1 Yorkshire Forward and the sub-regional partners

3.1.1 Labour market information supported by Yorkshire Forward

Yorkshire Forward's labour market information collection strategy is supported by a range of primary and secondary research activities, including the use of omnibus surveys, management information, the development of regional forecasts and analysis secondary data sources.

Omnibus surveys

Omnibus surveys are surveys conducted to collect general employer or individual level information. The producers of these surveys may allow third party organisations (such as Yorkshire Forward) to place additional questions. Two surveys used by Yorkshire Forward are the National Lifestyle Survey and Survey of Regional Economic Trends.

- Conducted annually, the National Lifestyle Survey is the largest regular household survey in the country, producing results that are valid at postcode sector level. Yorkshire Forward licenses data from the National Lifestyle Survey, and also sponsors its own questions on the survey each year, to help fill gaps in its labour market information.
- The Survey of Regional Economic Trends is a joint survey between Yorkshire Forward and the CBI, sent out to 15,000 businesses across the region every six months. The findings are statistically valid at both sub-region and local authority district levels, and are also robust for the nine broad industry sectors and the five Yorkshire Forward supported cluster groups across the region.

These surveys enable Yorkshire Forward to build a more detailed picture of the supply and demand sides of the Yorkshire and Humber labour market and a local and broad industrial level. They are relatively cost effective and minimise the burden placed on employers.

Use of management information

Management information, such as the Companies House database and Business Link data, have been used by both Yorkshire Forward and the North Yorkshire Partnership Unit for *ad hoc* and sub-regionally specific sub-industrial level research (*eg* to map sub-regional industrial clusters or identify foreign owned companies).

Forecasting

Yorkshire Forwards have a regional forecasting model (Regional Econometric Model) covering 11 industrial sectors and four priority clusters. The model produced by Yorkshire Forward and Experian Business Strategies Ltd uses Annual Business Inquiry data to forecast and develop impact assessment model for employment, output, productivity, occupations and qualifications. It has been distributed among partners in the Yorkshire Futures network.

3.2 Priority clusters

Primarily, the labour market information activities in the Yorkshire and Humber region and sub-regions are directed by the regionally agreed clusters and the sub-regionally identified priority sectors. Clusters consist of a collection of firms in all parts of an industry, which benefit by being grouped together geographically.

As part of its Regional Economic Strategy (2003), Yorkshire Forward originally identified five key industrial clusters with the aim of developing the region's existing strengths that exist in these areas. The current clusters are:

- food and drink
- chemicals
- bioscience
- digital and creative industries
- advanced engineering and metals.

In 2004 Yorkshire Forward added two new clusters: Environmental Technologies and Healthcare Technologies. South Yorkshire, meanwhile, have identified their own clusters, in addition to the ones outlined above. The South Yorkshire clusters are AEM, Bioscience, Digital and Creative industries, Business Professional and Financial Services, and Food.

The clusters are not defined exclusively by SIC, although with the exception of Environmental Technologies, they can be approximated. Rather, the clusters have been developed to be as inclusive as possible, so as not to exclude companies/activities on the fringes.

Sub-clusters

The clusters were identified regionally, but sub-clusters are concentrated geographically.

For example, within advanced engineering, the aerospace and automobile sectors are concentrated in Sheffield and Rotherham; and within food, Bradford has a concentration of 'ethnic' food, whereas in Grimsby and Hull a greater focus is on seafood.

The main regional and sub-regional labour market information activity has revolved around the production of 'Progress in the Region'. This document, jointly produced by the Yorkshire Futures' Steering Group partners, represents the annual monitoring document for Advancing Together, the regional strategic framework.

3.3 Local LSC activities

3.3.1 South Yorkshire

At a sub-sectoral level the priority sectors in South Yorkshire include: air transport (key sector), manufacturing, healthcare and construction.

Research activities

As part of their Strategic Area Review (StAR), South Yorkshire LSC have produced 11 sector reports which were tied in to learning areas. Reports mainly focused on forecasting and replacement demands, and tying into the supply side and qualifications found that a fair proportion of FE provision is not related to industry needs.

In terms of primary research, the LSC has also conducted employer surveys in the past but now rely on the National Employers Skills Survey. It has also done skills survey and community audits on the supply side, and would continue to do them as long as it gets funding.

The LSC is currently trying to work out how to work better with sectors, and using the reports to engage the sectors. There is uncertainty, however, about the extent to which the SSCs are getting involved, and the extent of their relevance in terms of the sub-regional focus on priority sectors.

3.3.2 Humberside

Before National Employers Skills Survey, Humberside LSC has mainly relied on secondary data, in particular the Annual Business Inquiry. When NESS (2003) was taking place, Humber LSC commissioned extra interviews so they could get it down to LAD level, and also to cluster/sector level. Their priority sectors include ports and logistics, and public services, defined by SIC. The LSC notes that from 2004 onwards the National Employers Skills Survey the data will be provided by SSC sector. However, there is still a desire to break down analysis down by SIC.

The LSC uses employment projection for Humber, based on the Yorkshire Forward model purchased from Experian BSL. This allows breakdown to sub-region and even LAD level.

3.3.3 North Yorkshire

North Yorkshire LSC has used NESS to produce reports for clusters/sectors, including: advanced engineering, construction, hospitality, care, digital, agriculture/food, voluntary sector, bio-science, retail and logistics.

The LSC has produced several individual NESS based reports on these sectors. It has also been engaged in a process of qualifications mapping to SSC sectors, on order to identify qualifications that relate to each SSC.

3.3.4 West Yorkshire

West Yorkshire has adopted Yorkshire Forward clusters and has identified some of its own priority sectors: construction, childcare, social care, manufacturing, transport and distribution, travel and tourism, and voluntary.

West Yorkshire LSC had conducted an employer survey of around 2,000 establishments in late 2003, but will look to NESS to provide information in the future. In terms of commissioned research at a sector level, brokers are required to do assessment on their own sector. They are also conducting work related to how FE colleges plan their provision, and the extent to which they have any involvement with employers/sectors.

3.4 Views of the regional labour market information stakeholders

3.4.1 Labour market information co-ordination

Many of the regional partners raised issues related to the co-ordination of labour market information activities.

Working groups

There is an impression among stakeholders from the LLSCs that the region has a large number of groups and committees (labour market information working group, Regional Economic Modelling steering group, Yorkshire Futures group) and there is a belief that these groups may not always be attended by people working at the right level; in some instances, it may be more useful for a more senior person to attend.

Need for regional steering

It has been suggested that there is a need for greater steering of labour market information within the region. There may be a role for Yorkshire Futures to develop a co-ordinating function for each sub-region.

3.4.2 Responsibility for producing SSC based labour market information

Regional labour market information stakeholders (including the local LSCs and sub-regional partners) have indicated that the individual SSCs will need to take the lead in developing regional level SSC specific labour market information. If regions and sub-regions were to produce their own reports for each of the SSCs this may lead to a large degree of duplication and mixed methodological approaches.

Ideally, regional stakeholders would like to see a national/ regional report being produced for each of the SSCs but recognise that, as not all the proposed SSCs have been licensed, it may not happen in the immediate future across all SSC defined sectors.

In response to the need for standardised regional information across the SSC defined sectors, the SfBN has developed core labour market information products using the ABI, NESS and LFS (*eg* the Skills Matrix and regional factsheets).

Need for SSC information at a sub-regional and local level

The need for detailed SSC based data at a sub-regional and local level was questioned. Regional labour market information stakeholders recognised that labour market information collection often involves a trade-off between geographic detail and informational detail. There was a lack of enthusiasm for developing any new large scale employer surveys in order to obtained detailed local and sectoral overviews of the region.

Instead of commissioning dedicated employer surveys, the approach favoured was to mix census level information (*eg* from the ABI or other management information sources) with national level data, the purchase of questions within omnibus surveys, and the development of local-level qualitative knowledge.

3.5 Views of Sector Skills Councils

3.5.1 Regional labour market information co-ordination

All the SSCs consulted for this study, recognised the need to develop a regional profile through a network of regional managers, working closely with the RDA, employers and employer organisations. In some cases, such as financial services, this may take the form of separate employer and educational and training forums within each region, while in other cases the SSCs have operated through pan-regional sector managers, covering several RDA areas.

3.5.2 Responsibilities

The view of the SfBN in this review was compatible with those of the regional partners. At a broad level, the SfBN believes that there is a need to develop a three-tier approach to regional labour market information.

Strategic sector level labour market information

The SSDA is responsible for producing SSC defined sectoral overviews using core labour market information sources, such as the Skill Matrix and regional factsheets. Some SSCs, however, may wish to produce regional labour market information analysis that extends beyond the baseline level regional analysis supplied by the SSDA. In these circumstances, the SSCs are in a strong position to develop strategic labour market research into sectoral issues, but need to work in partnerships at the regional level in order to develop their regional presence. The resources of the SSCs would not, in general, allow them to develop primary sub-regional and local labour market information, but many are in the position to work with sub-regional and local partners on specific localised projects, if funding were available from the regions.

Regional and economic perspective

The RDAs are seen as being the most capable of producing an overview of business, economic and labour market information related their region. This would inform the demand-side element of their analysis.

Supply-side perspective

Issues of local participation in education or training activities related to the financial services are best monitored by the national and local LSC level.

3.5.3 Data issues related to sectoral labour market analysis

The use of national labour market information sources (LFS, ABI and NESS) has been met with a number of issues raised by individual SSCs. Some of the common themes are reported below.

Need for additional sub-sectoral analysis

A few SSCs noted that SIC defined footprints provide a headline account of their sectors. However, employers, learning providers or any other consumer of labour market information are often interested in further sub-sectoral level analysis. Several SSCs (*eg* SEMTA, Improve and Energy & Utilities Skills) have, therefore, focused on developing additional labour market information that is more sub-sector specific.

Need to develop analysis based on alternative/extended footprints

In a few cases, SSCs felt that the SIC defined footprints did not cover the full range of their responsibilities. Often, this was either because the activities of the SSC are consumed within peripheral SIC codes (not recognised by the SIC footprint) or because their activities were not defined in terms of the SIC codes available. In these instances, the SSCs have developed additional estimates for their sectors based on more detailed footprint estimates (*eg* using five digit SIC codes).

Estimates from national sources under sample individuals or establishments covered by some SSCs

A number of SSCs also noted that national labour market information data may under-sample individuals or establishments covered by their sector footprints. In particular:

- The ABI may produce misleading accounts of the size of sectors that have a high proportion of self-employed workers.
- The LFS may under estimate voluntary unpaid workers within a sector.

Limitations in the scope of national data sources

Several SSCs noted that limitations to the analysis that can be undertaken using the national data have encouraged them to generate more sector-specific data. The main issues were:

- **Sample size** — the sample size for some SSCs is below that which would allow for robust sub-sector, regional and sub-regional analysis of national data sources.
- **Sector specific questions** — in other instances, the level of detail available from national data sources may be limited, it may offer an overview but not go into the depth that the SSC believes is needed to gain a detailed understanding of the sector.

In consequence, even where sectors are easily defined by SIC codes, the SSC may consider it necessary to conduct additional primary research.

3.5.4 Issues surrounding regional labour market information

Issues of geography raised two concerns among SSCs.

Lack of regional bias

Some industries show little regional variation, but may display wide local variations. Industries such as this would include those covered by the Automotive SSC and Skillsmart Retail (retailing). In such cases, there may be little observable or interpretable differences in regional labour market information by wide variations in needs at a local level. This is partly because the industry is spread across a wide area with few differences in structure between regions. However, the potential workforce for employers is a local one, and the willingness of individuals to travel for the purposes of work-related training or development may also be limited. Consequently, regional labour market information may not necessarily pick up localised issues on recruitment or skills needs.

Several SSCs have noted that a lack of regional bias can prevent their sector from being viewed as a priority at a regional level. Consequently, these sectors are less likely to emerge as priority sectors for the RDAs.

Adopting the right geography

The labour market information needs of the different sectors represented by the 25 SSCs vary considerably, and so too do the geographic regions for which it may be appropriate to collect and interpret such information. Major factors in determining the appropriate regional geography in which to conduct labour market research include:

- **Market geography** — the extent to which organisations consider their market to be local, regional, national or international.
- **Recruitment geography** — the distance recruits are prepared to travel/relocate.
- **Relocation geography** — the extent to which establishments are able to relocate the business or business services to other regions.
- **Urban and rural** — the extent to which business concerns vary according to the urban and rural mix.
- **Geographic concentration —** the extent to which their sector, or parts of their sector, are concentrated in some regions/sub-regions over others.

In the case of SSCs that deal with the needs of organisations that are global in market and location outlook, it may be necessary to develop national and sub-regionally compatible information. Examples of such industries would include financial services, where the ability to globally relocate business functions (*eg* processing or customer services operations) means that RDAs will have to work in co-operation with one another in order to build their competitiveness.

In other instances, the main geographic division in the sector relates to differences between urban and rural areas, rather than between regions. In the case of the Automotive SSC, for example, the level of urbanisation is likely to be linked, on the demand-side, to travel patterns and, on the supply-side, to the availability of education and training provisions. In this instance, a very localised understanding of labour market needs and supply-side support (*eg* education and training provisions) would be beneficial.

3.6 Recommendations

In this final section, we consider the responsibilities of regional and sectoral labour market information producers, and provide recommendations for future actions.

3.6.1 SSDA

The SSDA's Research Strategy sets out its research remit:

> *'…to co-ordinate network-wide research activity and to build a sound and authoritative skills research and evaluation evidence base, that can inform and improve policy development, share best practice, establish what works and influence the achievement of the SfB network's strategic goals. Additionally, the SSDA research function must work with SSCs to develop the analytical capacity of the network, support on-going professional development and provide a minimum cover for those sectors not covered by an SSC.'*

Although each individual SSC is responsible for developing its own research and labour market information programmes and priorities, the SSDA has a series of overarching labour market information responsibilities, including:

- Ensuring high standards, development, and sustaining the *quality and authority* of such assessments of skills needs across the SfB network.
- Securing the availability of comparable and consistent data across the sectors, as well as connectivity to the wider UK economy and external partners.
- Providing an assessment of the UK economy's 'Skills for Business' skills needs as a whole. This involves ensuring the production of robust, systematic and comparable sector based information on skills that can be related to the SfB sectors where appropriate.

Projects developing regional labour market information

The SSDA has supported a number of projects that aim to develop cross-sectoral comparable labour market information. These include:

- **Sector Skills Matrix** — an online database that draws together the most key sources of skills and labour market information by sector into one common database (www.ssdamatrix.org.uk). It includes a minimum baseline of information on productivity, skill deficiencies, qualification levels and workforce composition by sector.
- **SSC Regional Factsheets —** a series of regional factseets, drawing together data from ABI, LFS and NESS, to provide overviews within each RDA region, and across the 25 SSCs (www.ssdamatrix.org.uk).
- **Working Futures Forecasts** — forecasts of occupational employment by sector and region (2002-2012). Future reports will produce employment projects that more closely match the SSC sector footprints (www.ssdamatrix.org.uk).

Co-ordinating definitions

Although SSC sector footprints are based on detailed consultation between the SSDA and individual SSCs, there may be instances in which it is not possible to develop precise employment counts of sector sizes. In these instances, the SSDA policy is to present an employment size range, showing the counts produced by national data and the counts using the SSC sources, and highlight why these counts differ.

Developing the Sector Skills Matrix

There may also be an advantage in developing the Sector Skills Matrix to allow analysis across all SSCs from the regional or possibly sub-regional (rather than SSC) perspective. This would enable regional labour market information users to collect information for their area simply and effectively.

3.6.2 Sector Skills Councils

As noted above, the SSC is in a strong position to develop strategic labour market research into sectoral issues but needs to work in partnerships at the regional level in order develop their regional presence. In general, however, SSCs should be responsible for:

- The production of sector/sub-sector specific 'strategic level' research at a national level, which should when possible consider regional dimensions. Sector strategic research is currently produced by each SSC as part of their market assessments when they are first licensed, and is taken up as part of the sector needs assessment of the SSA. The level of further regional analysis undertaken by each SSC should be determined by:

  - the regional labour market information needs of their sector, *ie* based at a minimum on the geographies the SSCs believe help define their sectors (see above)
  - the overall research capacity and wider research priorities of each SSC.
- Synthesising any additional sector research that has been conducted by the SSC into regular regional overviews, fact sheets or reports, and promoting those reports through the regional labour market observatory, Yorkshire Futures.
- Working with regional partners (*eg* RDAs, LLSC and employer/employee organisations) to develop labour market research and initiatives that meet the needs of employers at a regional and local level.

Finally, in order to ensure that regional stakeholders are able to use the labour market information produced by each SSCs, and make comparisons between published labour market information on the SSCs, there is a need for clarity in the definitions of the sector that have been adopted.

3.6.3 Yorkshire Forward and sub-regional partners

Yorkshire Forward is viewed as being the organisation most suited to producing an overview of business, economic and labour market information related to its region. Regional and sub-regional information related to the general business environment is used by SSCs as background analysis in their regional level research (*eg* production of regional reports and fact sheets).

SIC versus SSC defined labour market information

Progress in the Region, reports general labour market information overviews at a one digit SIC level, and their priority clusters according to their lower level SIC compositions.

The limitations surrounding SIC codes used in national data sources and the current SSC footprints (outlined above) mean that it would be difficult to suggest the regional organisations such as Yorkshire Forward proceed in adopting the detailed 25 SSC footprints as the basic unit for primary data analysis. There may, however, be scope to develop a better mapping of broad SSC sectors against SIC codes than currently exists.

Balancing clusters and SSC defined sectors

In terms of developing the priority clusters, there may be an advantage in working closely with the relevant SSCs (*eg* e-skills, Creative and Cultural Industries and Improve) to ensure full use of their resources and research. Ideally, the region should consider, through a mapping process, common cluster and sector compatible definitions in order to develop synergies between sectoral and regional research. It is recognised, however, that the regional may have a different focus to that of the SSCs and this convergence may not be achievable.

It is also necessary to recognise that a large proportion of the region's workforce is not employed within these clusters, and there may, therefore be an advantage in examining the needs of other sectors that account for a high proportion of employment in the sector (*eg* retailing and hospitality) or that have a high level of regional/sub-regional presence (*eg* textiles and logistics).

Sub-regional labour market information

At a sub-regional level, it is unlikely that most SSCs will develop a substantial amount of labour market information, while the resources of sub-regional partners (*eg* North Yorkshire Partnership Unit or The Humber Forum) would not allow for such data to be collected and analysed independently.

Activities such as the geographic mapping of priority clusters, conducted by North Yorkshire Partnership Unit, are clear examples of where a sub-regional analysis can offer very specific insights, useful to both sub-regional employers and learning providers. However, these activities are very resource intensive and can only be carried out for selected industries or sectors. Analysis of other sectors/sub-sectors may require a balance between desk-based secondary sources (*eg* those produced by the SSDA and SSCs) and localised qualitative knowledge (*eg* from sectoral brokers).

Forecasting

Sectoral *Working Futures* forecasts are currently available through the SSDA, and have been developed in partnership with the RDAs and LSC. This model provides a common baseline across regions and sectors. In addition, Yorkshire Forward supports the Experian forecasting model of Yorkshire and Humber and its sub-regions, while some individual SSCs have also developed their own models. In view of the different demands of each party, it may not be possible to develop a consolidated approach. The lack of co-ordination, however, could potentially create confusion when conflicting measures are promoted by each party. There is, therefore, a need for partners to recognise nationally compatible *Working Futures* estimates when making any cross sectoral or inter-regional comparisons.

3.6.4 Yorkshire Futures

In addition to acting as the gateway for labour market information in Yorkshire and Humber, there is a clear role for Yorkshire

Futures in co-ordinating the priorities and activities of the regional, sub-regional and local labour market information partners.

3.6.5 Learning and Skills Council

There is a role for the national and local LSCs in developing reliable supply-side data for the SSCs and other regional partners, including general and sector specific information on participation and completion of education and training[1].

It is questionable whether it should be the responsibility of local LSCs to develop independent quantitative surveys of employers, and there may be scope for adopting questions within existing surveys (*eg* those conducted by the CBI, Business Link or Chamber of Commerce) if necessary. This would have to be balanced, of course, with the fact that surveys based on membership organisations may not be completely representative of all employers.

Analysis of existing data (NESS)

In terms of the local level analysis of existing data sources, *eg* NESS, there may also be scope to achieve economies of scale by:

- co-ordinating activities across the four LSCs
- shared dialogue with the SfBN (who is itself engaged in regional analysis of these data, *eg* through the regional SSC factsheets).

3.7 Key points

We summarise below some of the key recommendations that came out of the research and consultation process:

- **There is a need to set clear priorities for the development of future labour market information.** Regional and sectoral partners should adopt a multi-tier approach to labour market information, in which:
  - the production of sector-wide comparable baseline labour market information is the responsibility of the SSDA
  - the production of more detailed (strategic level) sector specific labour market information (with regional specific elements) is the responsibility of each SSC
  - Yorkshire Forward (and sub-regional partners) is responsible for the production of overall regional and sub-

[1] This role also includes the development of the National Employer Skills Surveys by the national LSC.

regional labour market information, including analysis of economic performance, regional productivity and the region's priority clusters

- the local LSCs are responsible for taking the lead on supply-side (education and training) related labour market information for the region, sub-region and local areas.

- **Regional labour market information activities need to be co-ordinated through Yorkshire Futures.** There is a need to co-ordinate and promote the labour market information activities of the LSCs, sub-regional partners and Yorkshire Forward. There is a clear role for Yorkshire Futures in this regard.
- **Regional partners need to co-ordinate labour market information analysis of priority clusters with research undertaken by the SSCs.** Regional partners will need to map priority clusters against SIC codes and the SSC footprints. Where possible, regional partners should work with the relevant SSCs to ensure comparability of research findings, and to avoid duplication of research efforts.
- **Inter-regional research —** in the case of some sectors there may be a need for RDAs to work together on developing inter-regional labour market information. These instances may be dictated by the priority sectors of each RDA or the geographic interests of specific sectors (*eg* the financial services sector may have a regional strategy that covers the North of England).
- **There is a need for all partners to maximise the use of existing labour market information.** This includes the use of regional data that may have been collected at a national level (*eg* data from the Skills Matrix of SSDA regional factsheets). To ensure that data are fully utilised, SSCs should signpost research that they have undertaken at a regional level through Yorkshire Futures. There may be a role for regional SSC managers to work with Yorkshire Futures in this respect.

Appendix A

Sector Skills Development Agency (SSDA)

The Sector Skills Development Agency (SSDA) funds, supports and champions the new UK-wide network of influential employer-led Sector Skills Councils (SSCs). The Skills for Business network comprises the SSDA and SSCs. The role of the SSDA is to underpin and develop SSCs, including:

- Fund, support and monitor the performance of SSCs across the UK
- Ensure quality and consistent standards across the network
- Provide cover for essential functions in sectors without an SSC
- Ensure skills provision is designed to meet sector needs
- Ensure generic skills are effectively covered in the work of SSCs
- Promote best practice sharing and benchmarking between sectors
- Provide a website portal for public bodies and individuals to access high quality sectoral labour market intelligence across the UK.

Sector Skills Councils (SSCs)

Sector Skills Councils (SSCs) are independent, UK-wide organisations developed by groups of influential employers in industry or business sectors of economic or strategic significance. SSCs are employer-led and actively involve trade unions, professional bodies and other stakeholders in the sector. SSCs are licensed by the Secretary of State for Education and Skills, in consultation with Ministers in Scotland, Wales and Northern Ireland, to tackle the skills and productivity needs of their sector throughout the UK.

SSCs give responsibility to employers to provide leadership for strategic action to meet their sector's skills and business needs. In return they receive substantial public investment and greater dialogue with government departments across the UK. This will enable sector employers to have a far greater impact on policies affecting skills and productivity, and increased influence with education and training partners.

Each SSC agrees sector priorities and targets with its employers and partners to address four key goals:

- Reducing skills gaps and shortages
- Improving productivity, business and public service performance
- Increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, including action on equal opportunities
- Improving learning supply, including apprenticeships, higher education and national occupational standards.

Sector Skills Agreements (SSAs)

Sector Skills Agreements (SSAs) are compacts between employers, their SSCs and providers or funders of education and training. Their aim is to ensure that the sector skills needs are met through the SSCs' role in shaping and influencing educational training provision and in raising employer commitment to skills. Each of the SSAs will have five components:

- Assessment of current and future skill needs
- Assessment of current provision
- Analysis of the gaps and weaknesses in current workforce development activity
- Assessment of the scope for collaborative action by employers to tackle skill deficiencies
- Developing a costed action plan with key delivery partners.

At present SSAs have been developed by four SSCs: ConstructionSkills, Skillset, SEMTA and e-Skills UK. Another six SSAs are expected to be completed by 2006.

SSC sector defined footprints

Although the sectoral coverage of each SSC is defined in written form, analysis of labour market information is based upon sector approximations, derived from SIC codes. These approximations of the SSC's labour market coverage are known as the SSC defined sector 'footprint'.

National data sources reviewed

The baseline assessment of the SSC defined sectors in Yorkshire and Humber uses both national data sources and secondary regional and sectoral reports. The key national data sources that have been analysed are:

- Combined annualised Labour Force Survey (2001 to 2003)
- National Employer Skills Survey, 2003
- Annual Business Inquiry, 2003

These data sources were complemented by material gathered through desk-based research, including reports produced by Yorkshire Forward, the LLSCs, sub-regional organisations and individual SSCs.

The study notes that there are limitations to the extent to which the official definition provided through the national sources, using SIC codes, adequately captures the SSC sectors. In addition, analysis that is available at a national level may not prove possible at a regional level, due to survey size limitations. Readers are, therefore, advised to approach the SSC directly for richer, deeper sector level intelligence to supplement the regional information provided here.

Labour Force Survey, 2001-2003

The Labour Force Survey is a quarterly survey of 130,000 individuals living in the UK that focuses on the labour market, educational, and training experiences. Labour market information reported from the survey covers:

- Employment issues — self-employment working and occupational profiles
- Demographic profiles — gender, age and ethnicity
- Working patterns — incidence of temporary working and shift-working
- Education and training — educational levels, training and types of training offered/received.

Due to issues of low sample sizes, estimates of under 3,000 people are not reported in this review.

National Employer Skills Survey, 2003

The main source of current information on regional and sectoral skills needs in England is the National Employer Skills Survey, 2003. This survey of 70,000 employers across England is used to:

- provide a baseline assessment of the extent of skill deficiencies and skills priorities within SSC sectors in Yorkshire and Humber, including:
    - vacancies and hard to fill vacancies

- skill shortage vacancies, defined as hard to fill vacancies attributed to a shortage of available skills
- skill gaps, defined by reported lack of proficiency among existing employees.

- assess the employer perspectives on the extent and nature of workforce development that takes place within businesses.
- review the level of interaction with, and usage of, local colleges and other learning providers.

Regional estimates based on sample sizes of less than 30 cases have been omitted from the analysis.

Annual Business Inquiry, 1998 to 2003

The Annual Business Inquiry, covering Great Britain, contains information on employment at a very detailed (four digit SIC) industrial and local area level. These data are used to analyse trends in employment, and patterns of employment at a localised level. The data are also used to analyse employment by gender, working hours (full- or part-time) and size of establishment.

Appendix B: Consultations

Regional organisations

Yorkshire Forward

Yorkshire Futures

West Yorkshire Business Link

Yorkshire and Humber Chamber of Commerce

West Yorkshire LSC

North Yorkshire LSC

South Yorkshire LSC

Humber LSC

North Yorkshire Partnership Unit

Humber Forum

Sectoral organisations

The following SSCs were consulted as part of this review:

Automotive Skills SSC

Central Government SSC

ConstructionSkills SSC

Cogent SSC

Creative and Cultural Industries SSC

Energy & Utility Skills SSC

e-skills UK SSC

Financial Services SSC

Goskills SSC

Improve SSC

Skills for Justice SSC

Lantra SSC

Lifelong Learning UK SSC

People 1st SSC

SEMTA SSC

Skillfast-UK SSC

Skills for Care and Development SSC

Skills for Logistics SSC

SkillsActive SSC

Skillset SSC

Skillsmart Retail SSC

SummitSkills SSC