

# S O R C E S I S S U E S

impact  
challenges  
issues  
recommendations

**11**

- Employment - July 07



**YORKSHIRE  
AND  
HUMBER  
ASSEMBLY**

The **Regional** Strategic Partnership



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# Foreword

Organisations across the region are in agreement that Employment is one of the most important issues and challenges facing Yorkshire and Humber's economy. Being able to make sure we have the right mix of employers and employees in the future is essential to the region being able to compete successfully in a global market.

I'm delighted this review has brought such a positive response from employers and their representative organisations across the region. Their input, along with that of Yorkshire Forward, the Learning and Skills Council and Jobcentre Plus in particular, has meant the Scrutiny Board was able to draw on up-to-date, expert and relevant information when considering its recommendations.

We believe those recommendations, along with the Action Plan produced by Yorkshire Forward, will help positively develop employment policies in the region by building on the good practice we already have, and also learning from experience beyond the boundaries of Yorkshire and Humber.

This review is the first time we've introduced some new ideas into Scrutiny - including face-to-face focus group meetings with the Yorkshire and Humber Chambers of Commerce and the Federation of Small Businesses. These ideas, along with the commitment of the Scrutiny Board members themselves, have helped make this review one of the most detailed we have carried out. We now look forward to seeing its work support activity on the ground to bring real benefits to our region's businesses and economy.



**Paul Jagger**

*Deputy Chair of Yorkshire and Humber Assembly*

# The Assembly's Scrutiny Role

The Assembly has a statutory responsibility to scrutinise how Yorkshire Forward spends its money. Each year we undertake detailed scrutiny reviews on a specific part of the Regional Economic Strategy. The purpose of these reviews is to ensure that Yorkshire Forward is accountable to the region, and that it is achieving the best possible results for the region's economy.

We have completed ten scrutiny reviews on behalf of the region to date. Since July 2006, the scrutiny reviews have been undertaken by our standing Scrutiny Board. The Scrutiny Board consists of up to eight Assembly members, who are nominated by the Assembly at the Annual General Meetings. Each member of the Scrutiny Board agrees to undertake a minimum of two scrutiny reviews.

We have used a number of methods to obtain the views and comments of partners, business representatives and employers across Yorkshire and Humber on the subject of employment. These methods have included a Public Discussion with Yorkshire Forward, a series of consultative interviews with partners and businesses, and written requests for questions and comments. However, in order to obtain the perspectives and views of business we also held two focus groups with the Yorkshire and Humber Chambers of Commerce across the region and members of the Federation of Small Businesses.

If you would like to know more about any aspect of the process used in this review, or would like to see the information and data gathered, further detail can be found in the 'Scrutiny' section of our website <http://www.yhassembly.gov.uk>.



# The Assembly's Scrutiny Board

## **Paul Jagger MBE**

### **Deputy Chair of Yorkshire and Humber Assembly & Chair of the Scrutiny Board**

Paul is the Deputy Chair of the Yorkshire and Humber Assembly, and Chair of the South Yorkshire Learning and Skills Council. Paul was the Regional Secretary for TUC, Yorkshire and the Humber until November 2005. He is Pro Chancellor and Chair of Council at Bradford University, President of the Sheffield Chamber of Commerce, Chair of Knowledgebaseuk, and a representative on the Sheffield Local Strategic Partnership. Paul is the Chair of the Yorkshire and Humber Assembly Scrutiny Board.

## **Frank Carter MCIT AMIRTE**

### **Yorkshire and Humber Chambers of Commerce**

Frank was the president of Yorkshire & Humber Chambers of Commerce and a past president of Barnsley Chamber. Frank has held a number of middle and senior management roles in engineering. In 1987 he became Chairman and Managing Director of the Yorkshire Traction Company, and went on to form the Traction Group of bus companies, which he sold in December 2005.

## **Cllr John Harris**

### **Richmondshire District Council**

John is a Liberal Democrat elected member for Richmond Town, and a former Chair of one of the Council's two scrutiny committees. He is a Board Member of the Richmond Swale Valley Community Initiative (RSVCI), which is a local economic partnership. As an appointed General Commissioner, John is a member of an arbitration panel relating to Income Tax.

## **Bill Adams**

### **TUC Regional Secretary Yorkshire and the Humber**

Bill is the Regional Secretary of the TUC for Yorkshire and the Humber. He has worked for the TUC since 2000. Bill graduated in 1993 from the University of Central Lancashire after reading Law. He is a Governor at the Northern College, a Director at the Open College Yorkshire and Humber, and a member of the Regional Skills Partnership Board and Energy Review Committee.

## **Cllr Shelagh Marshall**

### **Public Health**

Shelagh is County Councillor for Mid-Craven. She is a member of the Regional Health Executive Forum and is the nominated representative for Public Health on the Assembly. Shelagh is Chair of the Care and Independence Overview and Scrutiny Committee and Chair of Future Years, the Regional Forum on Ageing. She is also Vice-Chair of the Yorkshire and Humber Rural Affairs Forum and a member of the Age Concern National Council Rural Sub-group.

## **Naheed Arshad-Mather MBE**

### **BME Regional Panel**

Naheed is Chair of the Black and Minority Ethnic (BME) Regional Panel. Naheed is a self-employed consultant with 18 years lecturing experience in Higher Education. She is Chair of the Unity Housing Association in Leeds, Magistrate Chair on the Huddersfield bench, and Independent Chair of Kirklees Social Services Complaints Panel. Naheed is on the parliamentary BME Task Force on Representation. She is also a former National Executive Council Member of the University and College Lecturers union NATFHE (now CUC).

# Executive Summary

This scrutiny review has considered how employment in Yorkshire and Humber is developed, and has assessed how well businesses and individuals are supported in their employment needs. The three Public Sector organisations that are responsible for developing and supporting employment in the region are Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council (LSC). The Scrutiny Board chose to look at four areas in the review: Structures and Processes for Developing Employment, Impact on People, Impact on the Region's Economy and Future Labour Force Requirements.

## Structures and Processes for Developing Employment

The Scrutiny Board looked at the national and regional policies, strategies and initiatives on employment, in order to identify how they are helping to tackle employment issues in the Yorkshire and Humber region.

In December 2006, Sandy Leitch published the final findings and recommendations from his review on the UK's long-term ambition for developing the skills of individuals to boost the UK economy. Leitch has made eight recommendations to Government on skills development and skills delivery. These recommendations include increasing the funding for higher education, increasing employer engagement and employer investment in skills development, and strengthening the voice of the employer through a new Commission for Education and Skills. Although partners believe that it is too early to comment on how Leitch will change national policy on skills development, Yorkshire Forward and the Learning and Skills Council are already considering the possible implications for the region, in a series of meetings with key partners. Whilst there was some concern that the relative infancy of the Regional Skills Partnership could impact on how successfully the key agencies are able to work together to deliver Leitch's recommendations in the region, the partnership is currently developing a Regional Skills Plan to link employment and skills policy and strategy. The Scrutiny Board would like the findings from this scrutiny review to inform the ongoing development of the Regional Skills Plan.

David Freud was asked by the Secretary of State for Work and Pensions to review the progress made on the Welfare to Work programme since 1997. The review identified how the number of socially disadvantaged individuals in

the UK could be reduced, by helping and encouraging them back into work. Freud has outlined five key recommendations for the Government, including a requirement for lone parents to actively seek employment in return for benefit payments once children reach school age, and a feasibility study into the cost benefits and practicalities of administering all benefits for unemployed individuals through a single benefits system. Partners are confident in Yorkshire Forward's ability to respond to the changes in Welfare Reform that may take place. Yorkshire Forward is commended for their strong focus on 'Worklessness' in the Regional Economic Strategy.

The New Deal programme is considered to have been highly successful in reducing levels of unemployment. There is a series of New Deal programmes which target 18 to 24 year olds, long-term unemployed individuals aged 25 years and above, individuals aged 50 years and above, lone parents and disabled individuals.

The Northern Way Growth Strategy highlighted the fact that the number of working age individuals on incapacity benefit in the North was significantly higher than the UK average. The Pathways to Work programme is being piloted in several Jobcentre Plus districts across the UK, and the Northern Way is piloting the programme in areas across the North, including Barnsley and Rotherham. The Pathways to Work programme assists new and repeat Incapacity Benefit claimants from the most disadvantaged areas to move into employment. Individuals receive financial, employment and health support for an 8-month period. Although the Northern Way pilots aim to move 100,000 incapacity benefit claimants into work by 2014, the Scrutiny Board is concerned over whether the programme will be successful in achieving this.

In August 2006, the Learning and Skills Council began to rollout their national Train to Gain initiative. Train to Gain advises businesses on skills development and matches the businesses' training needs to available learning programmes from Further Education Colleges and private training providers. Specially trained Skills Brokers work with employers to identify their skills issues and to identify potential solutions. The Learning and Skills Council in the region has set a target of 60% of the region's employers to be routed through Train to Gain for support on workforce development. Whilst it is still too early to determine how successful Train to Gain has been, the Scrutiny Board is confident that Skills Brokerage is progressing, and that the initiative will enable the Learning

and Skills Council and their partners to provide training that meets the needs of the region's employers.

Jobcentre Plus and the Learning and Skills Council fund the majority of projects that assist individuals into employment. However, Yorkshire Forward has invested significant sums of money in some key employment related projects in the sub-regions. In South Yorkshire, Yorkshire Forward has invested £8.7 million in the Transitional Labour Market project which will assist 3,711 unemployed individuals into work. In the Humber, Yorkshire Forward is currently investing £5.6 million to assist 8,263 individuals into work. Yorkshire Forward has recently invested £8.05 million in the 'Access to Employment' project in West Yorkshire, which aims to assist 3,410 individuals into jobs,

The Local Enterprise Growth Initiative (LEGI) is a national initiative that aims to develop the economies of disadvantaged areas by increasing the levels of enterprise and entrepreneurialism, and by attracting financial investment into the area. In February 2006, Bradford was awarded £21.4 million, and in just one year the project has supported 14 new businesses and attracted significant sums of money from the private sector. In December 2006, additional LEGI projects for Doncaster (£16 million), Leeds (£15 million), North East Lincolnshire (£18.7 million) and Sheffield (£17 million) were approved, which between them will create 4,550 jobs by 2010.

It is clear that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council have a shared view of the key employment issues affecting the Yorkshire and Humber region, with a good understanding of the barriers to employment. Partners and businesses recognise that the three key agencies work well together, however further collaborative working to encourage employers to diversify their workforce would be welcome. All three organisations have their own approach when engaging with employers, and there is a lack of understanding amongst employers over which responsibilities rest with which agency. The Scrutiny Board recommends that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council develop a statement to clearly describe their role in relation to employment and to clearly explain how they will work together.

## Impact on People

The Scrutiny Board looked at the employment projects and programmes that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council fund to identify the impact that they were having on the region's people.

During this review, some employers blamed failures in the school education system for the skills gaps that exist in the current workforce, particularly in relation to basic literacy and numeracy skills. There is a degree of frustration amongst employers that young people have been allowed to leave school without these basic skills. The Learning and Skills Council is responsible for the 14 to 19 agenda and it is clear that they need to work more closely with the Local Authorities to improve GCSE attainment levels in English and Maths. Employers also expect school leavers and graduates to have core skills in communication, teamwork, customer care and punctuality when they enter the workplace. Yorkshire Forward funds the well regarded Young People's Enterprise Forum, which is seen by partners as having a positive impact on embedding enterprise in education. The Scrutiny Board believes that there is a potential influencing role for Yorkshire Forward and the Regional Skills Partnership, with the Department for Children Schools and Families (DCSF), the Department for Innovation Universities and Skills (DIUS) and Department for Communities and Local Government (CLG), to change national policy. The Scrutiny Board therefore recommends that Yorkshire Forward, the Regional Skills Partnership and the Assembly should influence the Government to put greater emphasis on the formal teaching of enterprise and core employability skills in the school and further education curriculum.

The Learning and Skills Council is responsible for dealing with individuals who are not in Education, Employment or Training (NEET). Several initiatives have been developed at a national and local level to reduce the NEET number and to prevent 14 to 16 year olds disengaging from education. In Yorkshire and Humber, the NEET rate ranges from 4.2% of all 16 to 18 year olds in North Yorkshire to 11.2% in South Yorkshire. Research by the Learning and Skills Development Agency (LSDA) identifies that NEET numbers are highest in economically deprived areas, where there are lower levels of job opportunities, low aspirations, and where poor transport infrastructure hinders young people from accessing learning and jobs. Several partners have highlighted the importance of tackling low aspirations and under achievement in education, as they can lead to worklessness in adulthood, making it more difficult to move them into employment. The Scrutiny Board recognises this as a problematic area that will require focussed attention by the Learning and Skills Council.

Although the region has seen an increase in the rate of employment since 1999, Bradford, Barnsley, Doncaster and Hull have the lowest rates of employment in the region, and amongst the highest rates of long-term unemployed.

The level of registered unemployment in the region has fallen since 1999, however in 2005, Yorkshire and Humber had the third highest rate of Incapacity Benefit claimants in the UK (7% of the working age population). Individuals who can claim Incapacity Benefit include those with physical and mental disabilities, who would find it difficult to work. Partners feel that Yorkshire Forward, the Learning and Skills Council and Jobcentre Plus have a good understanding of the issues and barriers to employment faced by benefit claimants, and the work undertaken by the Fair Cities project in Bradford has been widely praised, as have the Northern Way Employment Stream Pilot projects. The Scrutiny Board recognise that there is more work to do in the region and also by national Government. It is therefore recommended that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council should identify the next steps in tackling the barriers to employment faced by individuals on Incapacity Benefit.

The National Offender Management Service (NOMS) and several agencies across the region have developed a Regional Reducing Re-offending Action Plan. The Plan identifies nine pathways for the delivery of services to offenders to reduce re-offending in the region, including access to education and employment opportunities, assistance with accommodation, advice on finances, and access to mental and physical health services. Yorkshire Forward has worked with Lindholme prison on the rehabilitation of ex-offenders into the community and into employment. HMP Doncaster has established the Bridge Project and Community Re-Entry Team to rehabilitate offenders back into the community once their sentence has been served. The prison aims to ensure that ex-offenders have a home to go to when they leave prison as homelessness often results in re-offending, and to provide access to education, training and jobs. A total of 2,588 ex-offenders have been successfully housed on their release and a survey in November 2005 identified that 75% of offenders who had received this support, were working or studying up to a year after release. The Scrutiny Board recommends that Yorkshire Forward evaluate the achievements of the work undertaken with prisons and identify how the programmes could be rolled-out to other prisons in the region, and nationally promoted as Best Practice.

In November 2006, Yorkshire Forward commissioned a report on migrant workers. The study revealed that migrant workers often undertake jobs that are at a lower qualification level than the jobs they left behind. Partners believe that there is an urgent need for a mechanism to match overseas qualifications to equivalent UK qualifications, so that the skills and qualifications of

migrant workers can be fully recognised and utilised by employers. Employers view the volume of migrant workers as being positive for the Yorkshire and Humber region, particularly as some industrial sectors have failed to attract local people into jobs. Employers have also commented that migrant workers have a strong work ethic, and are flexible and highly productive. Partners and businesses have expressed concerns about the nature and level of support available for migrant workers, particularly in regards to language and cultural barriers, health and safety of migrant workers at work and at home and protection from exploitation by unscrupulous employers. The Scrutiny Board acknowledges that there are very few initiatives in place at present to support the integration of migrant workers into local communities. The previous scrutiny review on 'Innovation' recommended that Yorkshire Forward develop a strategy to identify how the skills and talents of migrant workers can be harnessed. The Scrutiny Board is expanding on this earlier suggestion and recommends that the Regional Migrant Workers Strategy specifically considers skills, qualifications and language issues, and that a set of actions for delivering the strategy should also be developed in collaboration with partners.

Between October 2005 and September 2006 a total of 10,266 jobs were lost to the region due to redundancies. The biggest impact has been seen in Hull (a loss of 2,140 jobs), York (a loss of 1,578 jobs) and Selby (a loss of 1,020 jobs), where large employers including Birds Eye, Terrys and Nestle either moved production elsewhere or went into administration. Jobcentre Plus is responsible for dealing with redundancies, however, partners and employers are very positive about the way in which Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council have worked so effectively in supporting redundant workers in large companies to find alternative and suitable employment. The Scrutiny Board considers it vital for the region's economy that where redundant workers are highly skilled and specialised, they are successfully redeployed into appropriate jobs that will fully utilise their expertise. The Scrutiny Board also believes that entrepreneurship and self-employment should be promoted and supported. However, Yorkshire Forward has a key role to play in supporting businesses within the supply chain. The best practice of Advantage West Midlands could be applied in Yorkshire and Humber, by paying more attention to the impact of large company closures on the small businesses that supply them with goods and services. Whilst the Scrutiny Board acknowledges that Yorkshire Forward should focus its efforts on supporting new and growing businesses, Yorkshire Forward has a responsibility to support the region's businesses when economic shocks are predicted

and ensure that they remain competitive. It is therefore imperative that supply chain companies are provided with assistance and guidance, and are encouraged to diversify their business and expand into supplying new markets, to safeguard them against losing major customers. It is also essential that the Regional Development Agencies work collaboratively to identify the supply chains of large companies across regional boundaries so that the impact of large company closures on smaller supply companies is minimised. The Scrutiny Board therefore recommends that Yorkshire Forward works collaboratively with other Regional Development Agencies, and considers how businesses who supply substantial goods and services to companies facing closure, can be best advised and supported in diversifying their business.

### Impact on the Region's Economy

The Scrutiny Board looked at how successful the strategies, projects and programmes of Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council had been in improving the Yorkshire and Humber economy, and the impact that they had made on the region's businesses and communities.

Yorkshire Forward's cluster policy has created 28,439 jobs in the region's businesses over the last seven years. Despite these achievements however, partners and businesses are concerned about the narrow focus of the policy and support Yorkshire Forward's move from a clusters approach to a sector approach. Partners and

businesses feel that Yorkshire Forward and other key agencies do not adequately engage with businesses to understand their skills needs, and the need for training to be delivered in a flexible manner. Smaller employers have also voiced concerns about the costs associated with employing permanent workers, and they have indicated to the Scrutiny Board that this affects the type and duration of employment on offer in the region. The Scrutiny Board acknowledges that when employers seek advice and support on workforce development they tend to use representative bodies such as the Chambers of Commerce and the Federation of Small Businesses (FSB) first, and these two organisations are well placed to assist Yorkshire Forward in building effective relationships with employers. The Scrutiny Board recommends that Yorkshire Forward challenge the Yorkshire and Humber Chambers of Commerce and the FSB to work as intermediaries for them in facilitating and improving communication with businesses. The Scrutiny Board also recommends that the Chambers and the FSB support Yorkshire Forward in influencing Government departments on barriers to business growth.

Partners from the public and voluntary and community sectors have praised Yorkshire Forward's work in tackling employment issues in disadvantaged areas, and their focus on disadvantaged communities and social inclusion in the Regional Economic Strategy. Examples of projects supported by Yorkshire Forward include the Fair Cities project in Bradford, the Intermediate Labour Market programme in South Yorkshire, and the National Health



Service (NHS) Regional Employability Programme which all develop local employment opportunities in disadvantaged communities for disadvantaged groups. Although significant progress has been made through these projects, partners are sceptical about the impact that these projects have had on reducing levels of deprivation, as there remain substantial gaps in the employment rates between the region's wealthiest and poorest communities. The Scrutiny Board welcomes Yorkshire Forward's increased focus on diversity, and the attention that Yorkshire Forward is giving to increasing the employment rate of individuals from ethnic minorities, women, and individuals with disabilities. Yorkshire Forward is also commended by the Scrutiny Board for their leadership in acting as an exemplar employer to influence partners, businesses and suppliers to implement equality and diversity policies and practices.

Approximately 20% of the region's population live in the region's rural areas, with many commuting to work in urban areas. There has been a recognised reduction in the number of employment opportunities available in rural areas. This is partly due to the re-location of some businesses to more populated areas, and also because of the attractive employment on offer in the region's major towns and cities. There are fewer businesses in rural areas, and despite high employment and high income levels, productivity levels are lower in rural areas than they are in urban areas. Partners support the need to safeguard and increase the jobs on offer in the rural parts of the region, as local job opportunities will support rural towns to survive and prosper, and reduce travel-to-work distances. The Scrutiny Board will consider economic development in rural areas in the next scrutiny review.

## Future Labour Force Requirements

The employment needs of certain types of businesses in Yorkshire and Humber are expected to change over the next ten years, with some industrial sectors predicted to grow and create vast numbers of jobs, whilst others are predicted to decline resulting in job losses. The Scrutiny Board looked at how prepared the region was for meeting the changing needs of the region's employers over the next decade.

By 2017, 30% of public sector employees in the region, and one third of the Leeds workforce will retire. The age profile of the region is rising, and the number of young people moving from education into the workforce will be less than the number of individuals moving into retirement, resulting in skills and labour gaps. Yorkshire Forward acknowledges that it needs to target and support older workers. The Older Workers Employment Network

(OWEN) and the Grey Panthers project in Bradford, are examples of how mature workers are being encouraged and supported in remaining in employment for longer. However, partners and businesses have reported a lack of projects and programmes in the region that encourage and support the training and development of older workers. The Scrutiny Board is concerned that the region is not sufficiently prepared for an ageing workforce, and feel that action needs to be taken now to avoid potential labour and skills shortages in the future. The Scrutiny Board therefore recommends that Yorkshire Forward, the Learning and Skills Council, the Regional Skills Partnership and the Sector Skills Development Agency consider ways in which older workers can be used to train and mentor new recruits, and how older workers could be trained and employed as on-site assessors for work based learning.

The Regional Skills Partnership has commissioned a review of data and intelligence held by regional partners, on future skills and labour force needs, to develop a shared evidence base. Several partners have commented during this review that future employment and productivity growth in the region will depend on the development of higher-level skills, and management and leadership skills in particular. Progress is being made through work with the Northern Leadership Academy on coaching and mentoring, however, some employers have highlighted a lack of support for companies with existing or anticipated higher level skills gaps, largely due to funding gaps at NVQ level 3 and above. Yorkshire Forward has agreed to help fill this funding gap by focussing their activities on higher level skills programmes, however, the Scrutiny Board is concerned whether enough is being done to ensure that the future workforce has sufficient basic and core skills such as communication and teamwork.

The construction industry is forecast to create the most jobs over the next ten years in the Yorkshire and Humber region, with an increase of 38,380 Full Time Equivalent (FTE) jobs. The financial and business services sector will create an additional 29,670 jobs, and public service sectors jobs will increase by 26,350. It is essential that these three industries have adequate supplies of skilled people entering the sectors to take up new jobs. The construction sector in particular has reported skills and labour shortages for the last five years and unless more individuals are encouraged to enter the industry, the skills and labour gap will continue to expand. The Sector Skills Councils are responsible for identifying the skills and labour needs, and Sector Skills Agreements have been developed with the Learning and Skills Council to ensure that training provision will match the skills needed. It is not clear whether Yorkshire Forward, Jobcentre Plus and



the Learning and Skills Council are fully utilising the intelligence of the Sector Skills Councils to support the development and expansion of these sectors. However, the Scrutiny Board has been advised that the Regional Skills Partnership will help to bring this intelligence together as part of their work on the Regional Skills Plan.

The manufacturing sector is expected to see further decline with the loss of 32,430 FTE posts to the region by 2017. The engineering sector is expected to shed 8,020 jobs over the same period, and the number of FTE jobs in the metals, minerals and chemicals industry will decrease by 6,740. Partners are unclear why Yorkshire Forward and the Manufacturing Advisory Service (MAS) are supporting the Advanced Engineering, and the Metals and Chemicals clusters, when they are both predicted to experience future job losses, although it is important to note that these two clusters are have high levels of productivity. The Scrutiny Board believes that it is essential to support and retain the high-level and technically skilled employees of these sectors, despite the industry's reduction in employment numbers to minimise any negative impacts on the region's GDP and GVA rates.

Yorkshire Forward is able to predict where new jobs and job losses will take place through the Regional Econometric Model. The model produces detailed forecasts on industry growth and decline for 30 industrial sectors in the Yorkshire and Humber region up to 2016. The model can identify trends on a Local Authority

district, sub-regional area or regional basis, and can provide valuable information on projected employment and Gross Value Added (GVA) rates. It is also capable of building detailed scenarios for the future, such as how the local economy will change as a result of a large company closing in 2010. The Scrutiny Board recognises the value that the Regional Econometric Model offers in terms of an early-warning system, and believe that it should be shared widely to allow regional partners to plan how they will meet the anticipated demand for jobs and job losses. It is unclear as to whether the model has been used enough in developing employment strategy in the region. The Scrutiny Board recommends that Yorkshire Forward undertake a review of the Regional Econometric Model to ensure that the data produced is robust and is used to formulate employment strategy in the region. It is also recommended that Yorkshire Forward, the Learning and Skills Council and the Sector Skills Development Agency collaborate on activities to support the findings of the model, in terms of job creation and job losses.

The Scrutiny Board has made a total of nine recommendations on how employment strategy and employment support in Yorkshire and Humber can be improved.

# Background on Employment

The three Public Sector organisations that are responsible for developing and supporting employment in the region are Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council. The scrutiny review on 'Employment' has therefore considered the roles of Jobcentre Plus and the Learning and Skills Council in delivering the Regional Economic Strategy.

Most references to 'Employment' in the Regional Economic Strategy appear under Objective 4: Connecting People to Good Jobs. This objective looks at social inclusion, initiatives to tackle worklessness, routes into employment, redundancy, job creation, removing barriers to work, and equality of opportunity for all. Employment is also featured under Objective 3: Skilled People Benefiting Business. This objective includes improving careers information, improving the skills of the workforce to improve business productivity and addressing the training needs of employers to plug skills gaps.

The Regional Economic Strategy lists a number of outcomes that Yorkshire Forward and its partners will deliver in relation to 'Employment' development. These are:

- Devise and deliver a Regional Inclusion Framework
- Develop programmes and projects to tackle worklessness and get more people into good jobs
- Use Local Area Agreements to target resources to improve performance in the most deprived areas
- Utilise the voluntary sector to reach local people and improve service delivery
- Improve childcare and remove barriers that prevent people accessing work
- Improve basic skills and skills for employability and everyday work
- Improve skills for technicians, crafts people and managers to ensure appropriate skills for employability and suitable career progression routes
- Improve the skills of people already in work and the potential workforce

Yorkshire Forward is the agency responsible for ensuring that the Public Service Agreement (PSA) targets for jobs created, jobs safeguarded and individuals assisted into employment are delivered. Yorkshire Forward's role on employment is to stimulate and grow the economy so that the region's businesses are able to provide employment opportunities, with an emphasis on creating more high quality jobs with higher salaries.

Jobcentre Plus is required by Government to deliver the PSA targets for increasing the employment rates of disadvantaged groups (such as lone parents, ethnic minorities, individuals aged over 50 years and individuals with low qualifications) and increasing the employment rate of disabled people. The role of Jobcentre Plus is to tackle barriers to employment, and to support individuals in accessing jobs.

The Learning and Skills Council has a supporting role on employment, and is responsible for developing and funding learning and training programmes that will equip individuals with the skills and qualifications that they need for the workplace. The Learning and Skills Council predominantly funds learning programmes for individuals aged 16 years and above. However, the agency is also partly responsible for activities with 14 to 16 year olds, in collaboration with Local Authorities.

In Yorkshire and Humber, 73.8% of the working age population are in employment. Whilst this is below the national average of 74.4% the level of employment in the region has increased by 1.2% since 1999, whilst the national average rate has remained constant. The regional rates for male and female employment have remained constant over the last few years, however almost 10% more males in the region are in employment than women.

In terms of ethnicity, 87.6% of Indian males in the region are in employment as opposed to 78.8% of white males, which is above the national average. The employment rate for Black males, which is 69.7%, is also higher than the national average. However, the employment rate of Pakistani and Bangladeshi males is only 59.7%. At 68.1%, Yorkshire and Humber has above the national rate of employment for Black females, with the white female employment rate being marginally above the national average at 71.9%. The employment rate for Indian females is 61.2% which is 0.7% below the national average, however the rate of employment for Pakistani and Bangladeshi females is significantly lower at just 22.5%.

At the time of writing this report, there are 2,143,199 Full Time Equivalent (FTE) jobs across the region. 2.8% of the region's working age population are unemployed and claiming Jobseekers Allowance. This rate is 0.2% above the national average. The region has less long-term unemployed individuals (13%) than the UK as a whole, and the rate has dropped markedly from the 18% long-term unemployment rate of 2001.

# Introduction

This scrutiny review has considered how employment in Yorkshire and Humber is developed, and has assessed how well businesses and individuals are supported in their employment needs.

The Scrutiny Board chose to look at the following four themes of employment in the review:

- **Structures and Processes for Developing Employment** - the current strategies and political structures in place to tackle employment issues, and the perspectives and roles of Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council
- **Impact on People** - the impact of the current employment strategies and initiatives on the employability of the region's people
- **Impact on the Regional Economy** - how successful the region's employment strategies and initiatives have been in improving the Yorkshire and Humber economy, and the impact on businesses and communities
- **Future Labour Force Requirements** - how prepared the region is for meeting the labour supply needs that employers will have over the next ten years and dealing with changing employment structures

The Scrutiny Board acknowledges that Yorkshire Forward is one of three key agencies responsible for employment and workforce development in the region. In addition to reviewing the activities of Yorkshire Forward, the scrutiny enquiry has also considered the work that Jobcentre Plus and the Learning and Skills Council undertake.

The next four sections of the report look at the impact of current strategies and political structures on people and the regional economy, and the requirements of the future labour force. The emerging findings and recommendations are discussed in each section.



# Structures and Processes for Developing Employment

The three Public Sector organisations that are responsible for developing and supporting employment in the region are Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council. The Scrutiny Board wanted to understand the national and regional policies, strategies and initiatives on employment, and identify how they are helping to tackle employment issues in the Yorkshire and Humber region.

## Leitch Review

At the end of 2004, Sandy Leitch was asked by the Government to review the UK's long-term ambition for developing the skills of individuals to boost the UK economy. Leitch published the final findings and recommendations from his review in December 2006.

The Leitch review concluded that although the UK skills base has significantly improved over the last ten years, it is weak in comparison to other countries. Even if the current Government targets for skills improvement are met, by 2020 the UK will still be lagging behind unless attainment at most skills levels is doubled.

Leitch has called for a radical step-change and has made eight recommendations to Government on skills development and skills delivery. The recommendations include increased funding for higher education, funding vocational skills development through Train to Gain and Learner Accounts, increasing employer engagement and employer investment in skills development and strengthening the voice of the employer through a new Commission for Education and Skills and a number of Employment and Skills Boards across the UK.

Partners have stated that it is too early to comment on how Leitch will change national policy on skills development as the Government still needs to confirm which aspects of the review will be taken forward. The first Implementation Plan for the review was published in June 2007, and Yorkshire Forward and the Learning and Skills Council are considering possible implications for the region, in a series of meetings with key partners. Several partners have identified the Regional Skills Partnership as having an important role to play in linking employment and skills policy and strategy, and the Regional Skills Partnership has been developing a Regional Skills Plan to this effect. However, there is some concern that the

relative infancy of the partnership could impact on how successfully the key agencies are able to work together in delivering Leitch's recommendations in the region. The Scrutiny Board would like the findings from this scrutiny review to inform the ongoing development of the Regional Skills Plan.

## Freud Review

In December 2006, the Secretary of State for Work and Pensions asked David Freud to review the progress made on the Welfare to Work programme since 1997. The purpose of the review was to identify how the number of socially disadvantaged individuals across the UK could be reduced, by helping and encouraging these individuals into work.

The Government's ambition is to ensure that 80% of the UK population of working age are in employment over the next ten years, and in order to achieve this target, the number of individuals who have been on benefits for more than one year would need to be reduced from 3.1 million to 1.8 million. This means that the Government needs to target its welfare reform strategy at tackling the issues of all of those groups of individuals that are economically inactive. Freud states that 1 million older people would need to re-enter employment, alongside 1 million Incapacity Benefit claimants and 300,000 lone parents. Freud is clear that existing welfare reform initiatives will not achieve the Government's ambition, and that more innovative and more flexible initiatives will need to be delivered.

The Freud review outlines five key recommendations for the Government, including a requirement for lone parents to actively seek employment in return for benefit payments once children reach school age, a feasibility study into the cost benefits and practicalities of administering all benefits for unemployed individuals through a single benefits system and in a single payment, and strengthening the role of Jobcentre Plus as a one stop shop.

The implications of the Freud review will not be known until Autumn 2008. However, partners appear confident of Yorkshire Forward's ability to respond to changes in welfare reform. Partners have cited the strong focus on tackling the issue of worklessness in the Regional

Economic Strategy, with Yorkshire Forward providing a good strategic steer for the region. In addition, both Yorkshire Forward and Jobcentre Plus regard Yorkshire and Humber as being 'ahead of the game' on welfare reform in comparison to other regions. A Health and Work Group has been established, and a secondee from Public Health is now based in Yorkshire Forward to progress the welfare agenda.

## New Deal Programme

The national New Deal programme was established in 1998 to assist individuals on Jobseekers Allowance to access training and undertake work experience with employers to give them practical skills and experience to make them more attractive to employers. There are now a series of New Deal programmes which target specific groups of individuals:

- **18 to 24 year olds** who have been claiming Jobseekers Allowance for more than 6 months
- **Long-term unemployed individuals aged 25 years and above** who have claimed Jobseekers Allowance for 18 out of the last 21 months
- **Individuals aged 50 years and above** who have been unemployed for more than 6 months
- **Lone parents** whose youngest child is aged under 16 years who are working less than 16 hours per week
- **Disabled individuals** who are in receipt of a disability related benefit

Some of the above New Deal programmes are compulsory in order to receive benefit payments, whilst others, such as New Deal for Disabled People are entirely voluntary. The New Deal programme is considered to have been highly successful in reducing levels of unemployment in the country, and so far it has assisted 1.7 million people from across the UK into work.

## Pathways to Work

The pilot Pathways to Work Programme began in October 2003 in a number of Jobcentre Plus districts across the UK. Following its initial success, the Department for Work and Pensions (DWP) expanded the number of Jobcentre Plus districts that are able to offer the pilot programme in 2006, one of which was South Yorkshire.

The purpose of Pathways to Work is help new or repeat Incapacity Benefit claimants from the country's most disadvantaged areas to move closer to the labour market with the ultimate aim of moving the individual into employment. The programme provides a single gateway

where individuals can access financial, employment and health support on a monthly basis for the first 8 months of the claim for incapacity benefit. Everyone receives a Personal Capability Assessment which determines their level of incapacity and their entitlement to benefits. They also attend a mandatory work-focussed interview where skills and health needs can be discussed. NHS rehabilitation support is also provided to assist the individual in managing and coping with illness or disability. A financial incentive of a £40 per week Return to Work credit for a 12-month period is also awarded to those who enter employment but earn less than £15,000 per year.

The Northern Way Growth Strategy highlighted the fact that the number of working age individuals on incapacity benefit in the North was significantly higher than the UK average. Following discussions with the Department for Work and Pensions (DWP), a number of additional pilot areas across the North of England were identified where the Pathways to Work programme would be delivered. Barnsley and Rotherham were named as pilot areas, and further pilots are currently being planned for Hull and Leeds/Bradford.

The Northern Way pilots aim to move 100,000 incapacity benefit claimants into work by 2014. The Northwest Development Agency is leading this work for the Northern Way. However, Yorkshire Forward is working with Jobcentre Plus and the Learning and Skills Council on the pilots in this region. Yorkshire Forward views this cross agency working as critical to the success of the pilots as it requires a combination of health, skills and employer-led support. However, the Scrutiny Board is concerned over whether the Pathways to Work Programme will succeed in moving existing Incapacity Benefit claimants into employment.

## Train to Gain

Following the success of the Employer Training Pilots, in April 2006 the Learning and Skills Council (LSC) launched the first phase of the national Train to Gain initiative in 20 Learning and Skills Council areas, including West and South Yorkshire. Yorkshire Forward funded replica projects in North Yorkshire and the Humber to ensure full coverage of the Employer Training Pilots across the region. Following this, the Learning and Skills Council began a phased rollout of the initiative to the remaining 27 LSC areas in August 2006.

Train to Gain offers advice to businesses on skills development and matches the training needs of businesses to learning programmes and qualification based courses

available from Further Education Colleges and private training providers. The Learning and Skills Council uses specially trained Skills Brokers who work with employers to identify their skills issues, propose potential solutions and discuss how and when the employer needs the training to be delivered. The advice and support offered by the Skills Brokers is free of charge. Small businesses (those with less than 50 employees) are eligible for a wage replacement subsidy, where the employer is financially reimbursed for the amount of time that an employee spends training. Depending on the business' needs, some training packages will be free of charge (such as courses up to NVQ Level 2 or GCSE), some will be subsidised (including management and leadership courses and foundation degrees) and others will need to be wholly funded by the business (for example, specialist training).

The purpose of Train to Gain is to encourage businesses to invest in the training of their employees, by simplifying the processes involved in identifying the right training programmes for the business and its workforce. The Skills Brokers offer businesses a single contact point for training, allowing a relationship to be built between the business and the Training Providers, and ensuring that the Training Providers respond to the employer's needs. However, it appears that most employers enrolling on Train to Gain are going to Further Education institutions directly to seek the training that they require, and using the Skills Broker to access advice on Human Resources issues. As the intention is to route 60% of the region's employers through Train to Gain, the initiative will form part of Yorkshire Forward's new Single Gateway for Business Support. However, further and higher education institutions do not want to discourage employers from going to them directly for training.

It is still too early to say how successful Train to Gain has been. It is clear that Skills Brokerage is progressing, and that the Learning and Skills Council is gathering valuable information from the region's businesses. This will support the Learning and Skills Council and their partners in ensuring that training provision meets employers' needs.

### Sub-Regional Initiatives

Whilst Jobcentre Plus and the Learning and Skills Council fund the majority of activity to assist individuals into employment and to develop their skills once they are employed, Yorkshire Forward has invested significant sums of money in some key employment related projects in particular sub-regions.

Yorkshire Forward has invested £8.7 million in the South Yorkshire Transitional Labour Market to assist 3,711

unemployed and workless individuals into work and to develop their employability skills. The project has created 334 jobs, provided 2,468 learning opportunities, and delivered 1,742 qualifications. Yorkshire Forward has also supported the highly successful JIGSAW programme in South Yorkshire. JIGSAW provides highly skilled individuals who are either underemployed or unemployed, with job-specific training to match vacant job placements in the sub-region's high growth businesses. The programme was partly funded with European Social Fund (ESF) Objective I funding and 70% of the individuals who have undertaken a six-month job placement have been offered permanent employment.

In the Humber sub-region, Yorkshire Forward is currently investing £5.6 million in a project to assist 8,263 individuals into work. Another notable project in the Humber sub-region is the work of the Humber Employment Forum which received £270,000 of ESF funding in 2002 to undertake a 2-year research project on employment in the Humber. The Forum produced the Humber Employment Framework as a result of the project which is a job creation strategy for the Humber that provides a sound understanding of employment issues and practices in the sub region. Since the project concluded, the Humber Employment Forum has hosted several well-attended annual conferences to bring stakeholders, partners and businesses together to discuss employment issues, best practice and proposals for improving access to employment in the sub-region.

Yorkshire Forward has recently invested £8.05 million in the 'Access to Employment' project in West Yorkshire. This project aims to assist 3,410 individuals into jobs. Yorkshire Forward is now considering the possibility of developing a similar initiative in North Yorkshire to ensure that there is coverage across the region.

### Local Enterprise Growth Initiative (LEGI)

Another key initiative in the region is the Local Enterprise Growth Initiative (LEGI). This national initiative aims to develop the economic potential of disadvantaged areas by increasing levels of enterprise and entrepreneurialism in local communities, supporting the sustainable growth of local businesses and by attracting financial investment into the area that will provide local employment opportunities.

In 2005, 88 Local Authorities who were eligible for Neighbourhood Renewal Funding, submitted bids for LEGI funding. In February 2006, Bradford was awarded £21.4 million over three years for their Bradford Enterprise (BE) project. This was the only bid awarded to the Yorkshire

and Humber region in phase I of the initiative, and this was the largest award given to a single project. The Bradford LEGI project has attracted significant sums of money from the private sector, and the project created the 'Enterprise Island Challenge' to advise and financially support young entrepreneurs to start their own business. In just one year the LEGI project in Bradford has supported 14 new businesses.

In March 2006, the second phase of LEGI funding was announced and in December 2006, four additional LEGI projects were awarded funding: Doncaster (£16 million), Leeds (£15 million), North East Lincolnshire (£18.7 million) and Sheffield (£17 million). Between them, these projects are predicted to create 4,550 employment opportunities in the region by 2010.

## Working in Partnership

In comparison to the budgets of Jobcentre Plus and the Learning and Skills Council, it is acknowledged that Yorkshire Forward's budget is relatively small. To maximise the impact of this budget, Yorkshire Forward needs to play a strategic role, and inform key agencies of the types of programmes and initiatives that are most likely to be successful and which will improve the regional economy. Partners are supportive of Yorkshire Forward using their investment to fill funding gaps in training provision, such as higher-level skills, where the Learning and Skills Council is less well resourced.

It is clear from this scrutiny review that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council have a shared view of the key employment issues affecting the Yorkshire and Humber region, with a good understanding of the barriers to employment. This shared view is illustrated in the Regional Economic Strategy.

Despite some national restrictions on policy, funding and regulations affecting employment development in the region, the three key agencies work well together. These relationships have been seen to improve in recent years, particularly in regards to joint initiatives to support lone parents and older workers. Further collaborative working to encourage employers to diversify their workforce would be welcome. Activities could include promoting the benefits of employing more older workers, lone parents and disabled individuals, focussing more support on the retention and progression of individuals once they are in employment, and providing more accessible childcare to support lone parents in entering and staying in the labour market.

However, all three organisations have their own approach and strategies for engaging with employers. As a result there is a mixed response from partners on whether the different approaches have been as successful as they could have been. Yorkshire Forward is currently looking at ways of addressing this issue through the Employment and Skills Boards and the Regional Skills Partnership.

There is a lack of understanding amongst employers and other organisations over which responsibilities rest with which agency. It has been suggested that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council could better identify their respective roles on employment to avoid duplication and to 'work smarter'. The expectations of businesses and partners therefore need to be managed more effectively.



## Recommendation 1

Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council, should develop a clear statement describing the role of each agency in relation to employment and clearly stating how they will work together to maximise impact and avoid duplication of effort.



## Impact on People

Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council all fund projects and programmes that aim to develop the employability of unemployed and employed individuals. The Scrutiny Board wanted to assess what impact these projects and programmes were having on the region's people.

The information gathered during the scrutiny review has drawn attention to several specific groups of individuals that are key for developing the region's economy. The report does not therefore reference all groups of individuals.

### Young People

Information collected from some employers during this review blames failures in the school education system for the skills gaps in the current workforce, particularly in relation to basic literacy and numeracy skills. There is a degree of frustration amongst employers that young people have been allowed to leave school without these basic skills, and that they have to finance training to correct the skills gap. There also appears to be an expectation from employers that by the time young people start work they should already have core employability skills in communication, teamwork, customer care and punctuality. The Board did not think this was unrealistic.

All young people should leave school equipped with the basic skills of literacy and numeracy, and other core employability skills. The Learning and Skills Council and Yorkshire Forward can play a key role in ensuring this happens. It is clear that key agencies need to work more closely with the Local Authorities to ensure that GCSE attainment levels in English and Maths at Grades A to C are improved across the region. Yorkshire Forward, the Government Office for Yorkshire and the Humber, and the Learning and Skills Council have recently brought partners together on 'The Yorkshire Challenge' to look at improving education for 14 to 19 year olds. There is therefore, a potential influencing role for Yorkshire Forward and the Regional Skills Partnership, with the Department for Children Schools and Families (DCSF), the Department for Innovation, Universities and Skills (DIUS) and the Department for Communities and Local Government (CLG). Additionally, Yorkshire Forward funds the Young People's Enterprise Forum, an initiative which is well regarded, and which is seen as having a positive impact on embedding enterprise in education, and equipping young people with core employability skills, including communication and customer care. The Government recently announced that it will be compulsory for all young people to either be in school education or training until they are at least 18 years of age. As a result of this policy change, employers are likely to have higher expectations and may even be more unwilling to fund training for their younger employees to acquire skills which they feel should have been developed during their time in education.

Education about enterprise and the world of work does not begin and end in schools however. Employers have also reported that graduates are leaving Higher Education Institutions without core employability skills. It is vital that graduates are equipped with the core employability skills that businesses want and need. The Board was concerned to test these views to ascertain whether it

### Recommendation 2

Yorkshire Forward, the Regional Skills Partnership and the Assembly should influence the Government to put much greater emphasis on the formal teaching of enterprise and core employability skills through the school and further education curriculum.

is just a perception of businesses that young people are not job ready by the time they leave education. The National Employer Skills Survey supports the comments made by businesses during the scrutiny review. Almost one third of employers recruiting individuals aged 16 years, a quarter of employers recruiting 17 to 18 year olds, and one in eight employers recruiting graduates, have found these young people to be poorly prepared for the world of work. The survey highlights that these employers regard the young people as lacking in personal attributes and behavioural skills appropriate to the workplace. Yorkshire Forward has added an enterprise strand to their Graduates Yorkshire initiative to provide graduates with these skills, and advisors in the region's Higher Education Institutions are increasingly promoting the idea of self-employment to graduates. Yorkshire Forward also separately funds the Graduate Entrepreneurship programme with Yorkshire Universities. Key agencies in the region are preparing a draft strategy on enterprise for Further Education Colleges which may result in a greater emphasis on teaching enterprise skills, however the Scrutiny Board recognises that this needs to be supported by a change in national policy. It is also vital that regional approaches to enterprise for young people are properly aligned with local approaches such as the LEGI projects to avoid duplication of effort and to maximise financial resources for the development of enterprise skills.

### **Individuals Not in Education, Employment or Training (NEET)**

The Learning and Skills Council is responsible for dealing with individuals who are not in Education, Employment or Training (NEET). Since 1994 the percentage of individuals aged 16 to 18 years who are categorised as NEET, has remained constant at around a national average of 10%. The Learning and Skills Council has invested considerable sums of money in tackling this.

Several initiatives have been developed at a national and local level to reduce the NEET number and to prevent more young people aged 14 to 16 years from disengaging from the education system. In Yorkshire and Humber, the percentage of NEET ranges from 4.2% of all 16 to 18 year olds in North Yorkshire to 11.2% in South Yorkshire.

The Regional Learning and Skills Council recently commissioned the Learning and Skills Development Agency (LSDA) to identify why variations in NEET numbers occur between the sub-regions, and to highlight possible solutions. The research identified that NEET numbers were highest in economically deprived areas where financial incentives for individuals to take-up learning and training were ineffective, where there were

higher volumes of small and medium sized companies with low levels of job opportunities, where young people had low aspirations, and where poor transport infrastructure hindered young people from accessing learning and job opportunities. The research also provides a useful guide as to how relevant agencies can develop initiatives to reduce the proportion of NEET young people and to prevent it increasing. The LSDA's recommendations include increasing the amount of money awarded in the Education Maintenance Allowance (EMA) to encourage young people to progress onto further and higher education, providing employers with incentives to offer NEET individuals work based learning placements and raising the awareness of young people of the long-term benefits of progressing onto further and higher education, such as higher salary levels.

Several partners have highlighted through this review the importance of tackling low aspirations and under achievement in education, as these two factors can lead to a culture of worklessness. This was identified as a particular issue for some Black and Minority Ethnic (BME) groups. Unless issues of low aspiration and under achievement are addressed in young people, it is highly likely that these individuals will become workless adults, making it more difficult to move them into employment. The Scrutiny Board recognises that this is a problematic area that will require focussed attention by the Learning and Skills Council if it is to be tackled effectively.

### **Benefit Claimants**

Although the region has seen an increase in the rate of employment since 1999, the Local Authority districts of Bradford, Barnsley, Doncaster and Hull continue to report the lowest rates of employment in the region.

Whilst the level of registered unemployment in the region has fallen since 1999, the South Yorkshire sub-region has had significantly below the regional average rate of employment, and the Humber sub-region is only marginally better. Bradford, Hull and Doncaster have the highest number of unemployment benefit claimants, and have amongst the highest rates of long-term unemployed. In these areas there are also instances of second and third generation unemployment, where individuals have been raised in workless households.

Whilst the UK claimant count for Jobseekers Allowance dropped to 866,000 in 2005, the number of people claiming Incapacity Benefit was more than three times higher at 2.7 million. In 2005, Yorkshire and Humber had the third highest rate of Incapacity Benefit claimants in the UK (7% of the working age population). The North East



and North West had rates of 9.9% and 9.3% of the working age population respectively. Incapacity Benefit replaced Invalidity Benefit in 1995 and it is paid at a higher rate than Jobseekers Allowance. Individuals who can claim Incapacity Benefit include those with physical and mental disabilities, who would find it difficult to work. Incapacity Benefit claimants are also less likely to be undertaking any form of education or training, in comparison to those on Jobseekers Allowance.

There are significant obstacles in successfully tackling this issue, particularly for those on Incapacity Benefit who are far removed from the labour market. A recent study in the North East of England revealed that over 40% of Incapacity Benefit claimants fail to return to work. The barriers identified included a need for confidence building and emotional support, skills needs, a need for flexible working arrangements with employers to cope with periods of illness, access to transport, and financial disincentives of accepting a low paid job due to the resulting reduction in benefit payments.

Partners have commented that Yorkshire Forward, the Learning and Skills Council and Jobcentre Plus have a good understanding of the issues and barriers to employment faced by benefit claimants. Jobcentre Plus has 32 different offers for lone parents, including some financial incentives to encourage lone parents to return to work. This initiative will continue to be developed and reviewed to ensure that it is addressing the relevant barriers to employment. The work undertaken with Incapacity Benefit claimants in Bradford through the Fair Cities project has been widely praised, as have the Northern Way Employment Stream Pilot projects. However, it is clear that there is more work to do; not just within the region, but also by national Government. With low levels of unemployment in the region, and a growing demand for labour by employers in the construction and public sectors for example, it is imperative that this group of inactive individuals are encouraged and supported in accessing employment opportunities.

### Ex-Offenders

The National Offender Management Service (NOMS) has worked with several agencies across the region on the development of a Regional Reducing Re-offending Action Plan. These include Yorkshire Forward, Jobcentre Plus, the Government Office for Yorkshire and Humber and the Yorkshire and Humber Assembly. The Action Plan identifies nine pathways for the delivery of services to offenders to reduce re-offending in the region. These include access to education and employment opportunities, assistance with accommodation, advice on finances and debt management, access to mental and physical health services, and treatment for drug and alcohol misuse.

Yorkshire Forward is currently working with Lindholme prison on the rehabilitation of ex-offenders into the community and into employment. Lindholme Prison is a category C training prison which takes prisoners from across the UK. The first evaluation of the Lindholme project has been completed and the model is now being rolled-out to the prisons at New Hall and Everthorpe. The Learning and Skills Council is also now considering how they can enable prisoners to continue their studies on a skills programme that they began in one prison when they are transferred to another institution.

## Recommendation 3

Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council should maximise the impact of initiatives aimed at bringing Benefit Claimants into employment and identify the next steps in tackling the barriers to employment faced by individuals on Incapacity Benefit.

Similarly, HMP Doncaster has established the Bridge Project with £68,000 of funding from the Neighbourhood Renewal Fund to rehabilitate offenders back into the community once their sentence has been served. The project has been running since 2003, and one of its key aims is to ensure that ex-offenders have a home to go to when they leave prison as homelessness often results in re-offending.

All new prisoners are interviewed on arrival to determine their housing needs when they leave. Any prisoner who needs to be housed on their release is then referred to the Bridge Project Team who deals directly with Local Authorities, Housing Associations and private landlords. So far the project has resulted in 2,588 ex-offenders being housed on their release. The project provides ongoing support to the prisoner and their family once they have left, through a Family Centre located next to the prison. In addition, the Community Re-Entry Team at the prison provides those offenders due for release, with access to education, training and employment opportunities. A survey in November 2005 identified that 75% of offenders who had received this support, were working or studying up to a year after release.

## Migrant Workers

Since 2004 Yorkshire and Humber has seen significant numbers of skilled migrant workers moving into the region to undertake work. Although statistics show that over half of the migrants entering the UK in 2004 had a job before they came, UK jobs are attractive because they are generally better paid than those in the eight central and eastern European countries that joined the European Union in 2004.

Home Office data shows that almost 50% of migrant workers entering the UK between May 2004 and July 2006 came to undertake work in the administrative, business and managerial services. 10% came to work in each of the hospitality and manufacturing sectors, and just over 5% for work in the health and medical services industries. In November 2006, Yorkshire Forward commissioned a report on migrant workers that revealed that migrant workers often undertake jobs in the UK that are at a lower qualification level than the jobs that they left behind. Many migrants are working in the region's agricultural, food processing and construction sectors. The report was followed by an initial Regional Summit on Migrant Workers in December 2006. It is clear that there is a need to improve understanding of qualifications obtained overseas, and for a mechanism to match overseas qualifications to equivalent UK qualifications. Partners have highlighted this as an urgent need, so that the skills and qualifications of migrant workers can be fully utilised by the region's employers.

The influx of migrant workers is viewed as being positive for the Yorkshire and Humber region, particularly where specific industrial sectors have failed to attract sufficient numbers of local people into jobs. Employers have commented that migrant workers have a strong work ethic, and are flexible and highly productive. In some of the region's companies, up to 70% of the workforce are migrant workers.

Partners and businesses have expressed several concerns about the nature and level of support available for migrant workers. Language is a key issue, and the Government's decision to withdraw free English for Speakers of Other Languages (ESOL) courses from September 2007 would affect the ability of migrant



## Recommendation 4

Yorkshire Forward should evaluate the achievements of the work undertaken with the prisons at Lindholme and Doncaster and identify how the programmes could be rolled-out to other prisons in the Yorkshire and Humber region and nationally promoted as Best Practice.



workers to fully integrate with the local community. As a result of lobbying by several key agencies across the UK, the Government has since agreed to retain the ESOL courses, but reduce the number of those who are eligible for free tuition. A food company in West Yorkshire has been proactive in designing an NVQ for migrant workers with ESOL built in so that they can develop their language skills alongside technical skills. However, if the region is to harness the skills of migrant workers, ESOL training is essential so that they can easily communicate and integrate in the community. Other concerns that partners have are in relation to the health and safety of migrant workers at work and at home. There is a particular need to protect migrant workers from exploitation by unscrupulous employers. Since 2002, Yorkshire Forward has funded the Regional Languages Network to support translation services. However, businesses have highlighted a lack of financial support for translation, particularly in regards to translating the language used in job-specific training programmes.

Yorkshire Forward is funding the Churches Regional Commission and Interfaith Forum to provide direct support to migrant workers, and the role of the TUC is developing. Skillfast, the Sector Skills Council for Textiles, is currently delivering a pilot project involving language and cultural awareness training to help the integration of migrant workers. The Learning and Skills Council and Sector Skills Councils intend to roll the project out across other sectors if it proves successful. Despite this however, the Scrutiny Board has identified that there are very few initiatives to support migrant workers at present.

The Scrutiny Board recognises that the regional response from Yorkshire Forward and its partners to support migrant workers, is at an early stage of development. The previous scrutiny review on 'Innovation' recommended that Yorkshire Forward develop a strategy to identify how the skills and talents of migrant workers can be harnessed. However, it is essential that this work is progressed quickly.

## Redundant Workers

Between October 2005 and September 2006 a total of 10,266 jobs have been lost in the region. The biggest impact of redundancies has been seen in Hull, York and Selby. Hull lost a total of 2,140 jobs as a result of large employers such as Birds Eye moving production elsewhere. York lost 1,578 jobs, the most notable of which were the big confectionary companies such as Terry's and Nestle, and Selby lost 1,020 jobs. Just over a third of all jobs lost in the Yorkshire and Humber region, were from the manufacturing sector. The remainder of redundancies made have been on a much smaller scale, and quite often due to seasonal fluctuations in the employers' requirements for labour, rather than market failure.

Jobcentre Plus is the agency responsible for dealing with redundancy situations (or Rapid Response activities), as part of their account management work with businesses in the region. However, Yorkshire Forward has a key role to play in retaining and utilising the skills of redundant workers in the region, and supporting businesses within the supply chain. Yorkshire Forward recognises that they could do more in relation to rapid response activity, and they are currently considering employing a co-ordinator to support this work, as part of their inclusion agenda.

## Recommendation 5

Yorkshire Forward should ensure that the Regional Migrant Workers Strategy considers skills, qualifications and language issues. A set of actions should also be developed in collaboration with regional partners including Jobcentre Plus, the TUC, Local Authorities, Yorkshire Culture and the Regional Forum for Voluntary and Community Organisations, to accompany the strategy.

Examples of the involvement of Regional Development Agencies in Rapid Response activities include Advantage West Midlands, who are perhaps the most nationally recognised following their involvement in the high-profile redundancies at the MG Rover and Peugeot Car Plants in Birmingham in 2005. Advantage West Midlands established and led a Task Force of regional partners including the Learning and Skills Council, Jobcentre Plus and Birmingham City Council. They also provided much of the £20 million Transition Bridge Fund to support supply chain companies affected by the closures, in addition to the £22 million fund from the Learning and Skills Council to source skills and training for the redundant workers. A dedicated website was established to provide information and updates to employees, residents, vehicle retailers and supply chain companies on the range of help and support available. In 2001, ONE North East led a £160 million package for job losses in the Tees Valley steel industry, and the East Midlands Development Agency established and chaired a similar Task Force in the same year for large-scale redundancies at Rolls-Royce plc. The North West Development Agency also established and chaired a Task Force in 2003 to deal with redundancies at the Barrow-in-Furness Shipyard.

Yorkshire Forward has also used the Task Force approach in Yorkshire and Humber. Partners are very positive about the way in which Yorkshire Forward has worked so effectively with Jobcentre Plus and the Learning and Skills Council when large-scale redundancies have occurred. Several examples have been cited by partners, including the way in which the agencies collectively responded to the closure of the pits at Selby, and the more recent redundancies at Outokumpu in South Yorkshire. In the case of Selby, 90% of the employees were supported in finding alternative employment. At Outokumpu, 650 workers were re-trained and upskilled for jobs in the region's logistics sector.

The best practice of Advantage West Midlands could be applied in Yorkshire and Humber, by paying more attention to the impact of large company closures on the small businesses that supply them with goods and services. MG Rover was supplied by 500 companies from across the UK, yet only 150 of these supply companies were based in the West Midlands region. A total of 161 companies in the supply chain were reliant on MG Rover for more than 20% of their business, 104 of which were based outside the West Midlands. In March 2006, it was estimated that supply chain companies had made 2,500 employees





redundant with 11 actual company closures with a further 7 companies entering administration. The impact of large company closures on the automotive supply chain in this instance is clear. However, the redeployment activities of Advantage West Midlands and their partners safeguarded 1,300 jobs in the MG Rover supply chain, and the number of supply chain companies was minimised by earlier efforts of the agency to encourage supply chain companies to diversify.

In regards to the roles of the other two agencies, Jobcentre Plus provides direct support to the business and redundant workers by identifying potential vacancies that the employees may fill, and liaising with other employers who may be in a position to take redundant workers on. Businesses who have made redundancies are complimentary about the support and advice that they have been offered by Jobcentre Plus. The Learning and Skills Council plays a more central role with the affected workers, through their network of learning providers. Training providers, including Further Education Colleges and private sector providers, identify the skills and experience of each redundant worker and establish a suite of learning and training programmes for the individual to upskill or retrain them for alternative employment.

It is important to stress that redundant workers cover a broad range of jobs, including technicians and operatives through to supervisors and senior managers. Whilst it is essential that individuals are supported in finding another job, the Scrutiny Board believes that it is vital for the region's economy that where these individuals are highly skilled and specialised, they are successfully redeployed into an appropriate job that will fully utilise the expertise that they offer. The Scrutiny Board also feels that more consideration should also be given to promoting entrepreneurship to redundant workers and supporting them in moving into self-employment.

The Regional Development Agencies are required by Government to further economic development, promote business efficiency and competitiveness, and promote employment in the regions. Whilst the Scrutiny Board acknowledges that Yorkshire Forward should focus its efforts on supporting new and growing businesses, Yorkshire Forward has a responsibility to support the region's businesses when economic shocks are predicted and ensure that they remain competitive. The example of how the closure of MG Rover in the West Midlands impacted on supply chain companies in other regions illustrates how important it is for businesses to diversify. It is therefore imperative that supply chain companies are provided with assistance and guidance, and are encouraged to diversify their business and expand into supplying new markets, to safeguard them against losing major customers. It is also essential that the Regional Development Agencies work collaboratively to identify the supply chains of large companies across regional boundaries so that the impact of large company closures on smaller supply companies is minimised.

## Recommendation 6

Yorkshire Forward should work in collaboration with other Regional Development Agencies, and consider how advice and support on business diversification can be provided to businesses who supply substantial goods and services to companies facing closure, to minimise the adverse effects on businesses in the supply chain across regional boundaries.

# Impact on the Region's Economy

The Scrutiny Board wanted to understand how successful the strategies, projects and programmes of Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council had been in improving the Yorkshire and Humber economy. They especially wanted to know what impact these projects and programmes were having on the region's businesses and communities.

## Businesses

Partners believe that Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council are producing benefits for the regional economy. However, it is felt that the precise impact that the agencies are having is not clear, or well communicated.

There are some good examples of how Yorkshire Forward is helping to increase employment in the region, such as their success in attracting Guardian Industries and Saint Gobain to the region through their inward investment activities.

However, several partners have questioned whether Yorkshire Forward's cluster policy has created employment, and positively impacted on the region's economy. Yorkshire Forward credits the clusters approach with creating 28,439 jobs in businesses over the last seven years, so it is producing notable outputs. Despite these achievements, partners and businesses are concerned about the policy's narrow focus as other sectors are also in need of support. The cluster approach has also been identified as making joint working with the Learning and Skills Council and Sector Skills Councils more difficult, as they deal with sectors not clusters. Judging from the comments received through this review, there seems to be more support for Yorkshire Forward to move from a clusters approach to a sector approach that concentrates on significant employers in specific parts of the region, for example the logistics sector around Hull.

As identified in the previous scrutiny review on innovation, the Scrutiny Board recognises Yorkshire Forward's efforts to directly communicate with businesses, particularly through the simplified business support structures of the new Single Gateway. However, it is clear that communication is still an issue. Partners and businesses feel that Yorkshire Forward and other key agencies do not adequately engage with businesses to understand their skills and workforce development needs.

They also believe that communication on business support and available training provision is unclear. The view of Small and Medium sized Enterprises (SMEs) is that Yorkshire Forward concentrates on engaging with larger companies, whilst larger businesses believe that Yorkshire Forward focuses most of its attention on engaging with SMEs. It does appear that employers are unsure of Yorkshire Forward's role in relation to businesses, and it has been suggested that Yorkshire Forward could use business forums to present themselves and their role to employers, whilst at the same time gathering intelligence directly from them on their labour and skills needs.

The Scrutiny Board acknowledges that when employers seek advice and support on workforce development they tend to use representative bodies and trade federations first, rather than Business Link. The Yorkshire and Humber Chambers of Commerce have 12,000 members, equating to one in twelve companies across the region. The Federation of Small Businesses (FSB) has 15,000 members. Both organisations are willing to support Yorkshire Forward in improving their employer engagement activities by acting as intermediaries.

Despite efforts to ensure that training provision is demand-led by employers, the Scrutiny Board has been informed through this review that the needs of businesses are still not being met. Yorkshire Forward regard this a key responsibility of the Regional Skills Partnership, and the government departments, to rectify. In particular, training provision is regarded as being inflexible in terms of the duration of the course and how the training is delivered. Employers have suggested the delivery of shorter in-house courses that could be self-accredited, and for smaller businesses to adopt a 'train the trainer' approach, where a member of staff receives the training and then trains their colleagues in-house. This would have time and cost benefits for the employer, and would help to encourage companies to invest in the training of their staff. The DfES are considering more flexible forms of learning for employers but it is unclear as to whether these learning programmes would be free of charge or subsidised.

Not surprisingly, the Scrutiny Board was informed of employers' concerns about the costs associated with employing permanent workers. The employment of seasonal workers and sub-contractors is attractive to employers as it is easier and cheaper for businesses to use these workers when trading levels are high, but to not



## Recommendation 7

Yorkshire Forward should challenge the Yorkshire and Humber Chambers of Commerce and the Federation of Small Businesses (FSB) to work as intermediaries for them in facilitating and improving Yorkshire Forward's engagement with businesses, and enabling the Chambers and the FSB to provide signposting services to business through the Business Support Single Gateway. The Chambers and the FSB should support Yorkshire Forward in influencing Government departments on barriers to business growth.

have to employ them when trade levels drop. A specific concern for small businesses is the degree of bureaucracy and daunting legislation they face when they need to expand their workforce from four to five employees. Whilst Yorkshire Forward funds the Red Tape project to provide advice and guidance to businesses on legislation and regulation in plain English, business support delivery needs to align with it.

The Sector Skills Councils are responsible for engaging with employers and informing key agencies and training providers of the current and future labour and skills needs of certain sectors. There is however, both a challenge and an opportunity for Yorkshire Forward themselves to balance the needs of small and micro businesses and to engage more effectively with businesses of all sizes. The Scrutiny Board believes that the Chambers of Commerce in the region and the FSB are well placed to assist Yorkshire Forward in building relationships with employers.

## Disadvantaged Communities

The Scrutiny Board received positive comments from the public and voluntary and community sectors about the work of Yorkshire Forward to tackle employment issues in disadvantaged areas. Examples include the Fair Cities project in Bradford, the Intermediate Labour Market programme in South Yorkshire, and individual projects funded through the Single Regeneration Budget and Neighbourhood Renewal Fund.

Additionally, Yorkshire Forward highlights the National Health Service (NHS) Regional Employability Programme as a key project for developing employment opportunities in the region's Super Output Areas (SOAs) and encouraging local economic growth. The NHS is the single largest employer in the region, and the Regional Public Health Group wanted to connect individuals from disadvantaged communities to employment and training in the NHS. The programme is being piloted in Barnsley, Leeds and Hull. The Barnsley pilot is focussing on individuals with disabilities and the Leeds pilot targets lone parents, women returners to work, the unemployed and refugees. Through the programme, training is provided in generic skills such as teambuilding and communication as well as access to job specific training in administration, health care and nursing. The individuals are then matched to available jobs in the health service, and so far, 1,100 people have been assisted into work.

Although some significant progress has been made through these projects, there is some scepticism amongst partners about the robustness of the data available to accurately quantify the impact that these projects have had on reducing levels of deprivation. However, it is important to recognise that employment is just one of several factors in reducing deprivation, and that other factors such as health, housing and crime need to be addressed as well.

The region still has substantial gaps in the employment rates between the region's wealthiest and poorest communities. In South Yorkshire partners are concerned about the end of Objective 1 funding. This European funding stream has been credited with successfully developing the sub-regional economy and creating thousands of jobs. The new European Regional Development Fund (ERDF) programme will have fewer funds, and the Scrutiny Board has sought assurance from Yorkshire Forward that the strategy for delivering ERDF funds for innovation and enterprise activities will continue to benefit disadvantaged communities.

Partners are supportive of Yorkshire Forward's focus on disadvantaged communities and social inclusion in the Regional Economic Strategy. The Scrutiny Board also welcomes Yorkshire Forward's increased focus on diversity. Yorkshire Forward has reported that with a forecast 60,000 unfilled vacancies by 2016, greater attention needs to be given to increasing the employment rate of individuals from ethnic minorities, women, and individuals with disabilities, as these groups are currently under-represented in the workplace. One project that Yorkshire Forward is wholly funding in relation to this is the Mosaic project, which provides mentoring support for disabled individuals and seeks to increase the volume of work experience placements available.

Yorkshire Forward will also be promoting the business case for diversity in the workplace. They will act as an exemplar to influence partners, businesses and suppliers to implement equality and diversity policies and practices. A Framework for Policy and Action is being developed by Yorkshire Forward to address employment practice as part of the Business Support service, work with training providers and further and higher education institutions and change Yorkshire Forward's own procurement practices. The Scrutiny Board welcomes the leadership that Yorkshire Forward is taking in their approach to diversity. Yorkshire Forward will monitor the impact that this focussed approach has on the rates of employment for Black and Minority Ethnic (BME) individuals, women and individuals with disabilities.

## Rural Economy

Yorkshire Forward monitors the progress of the rural economy through the State of the Rural Economy (SRE) Report. The report is updated every three years, and the next one is due in 2008. The data in the report is used to inform both the Rural Market Towns Programme (RMT) and the European funded Rural Development Programme for England (RDPE). These programmes provide financial support for the development and performance of new and existing rurally based businesses, the creation of employment opportunities and skills development. In addition, Yorkshire Forward has made concerted efforts to expand the availability of broadband internet access to businesses based in rural areas.

There are many similar characteristics between urban and rural economies, and it is important to recognise the interdependencies between them. However, there are obvious differences in regards to the level of benefit claimants in rural areas, and the widening gaps between very prosperous areas and lagging rural areas.

The highest percentage of businesses in rural Yorkshire and Humber are in the agricultural sector (employing 23.3% of the working age population in rural areas), followed by engineering and metals. However, rural employment in the mineral and chemicals sector is declining year on year, whilst employment in the transport and communications sector has seen the largest increase.

Approximately 20% of the region's population live in the region's rural areas, with many commuting to work in urban areas. There has been a recognised reduction in the number of employment opportunities available in rural areas. Some businesses have re-located to more heavily populated areas, and the volume and variety of jobs on offer in the region's major towns and cities is attractive to rural residents. Also, jobs on offer in the region's rural areas, particularly those towns near the two National Parks, are often related to tourism and therefore tend to be seasonal. There are generally fewer businesses in rural areas, and despite high employment and high income levels, productivity is lower in rural areas to that in a similar sized urban area.

Partners support the need to safeguard and increase the jobs available in rural areas, not only because they will ensure that rural towns survive and prosper, but also because of an environmental need to reduce travel-to-work distances. Some partners have also suggested that the region's agricultural and land-based business could diversify to create additional jobs.

Yorkshire Forward provides a dedicated team and resource to improve the economic performance of rural areas in the region, and it is recognised that the rural areas provide a significant contribution to the region's economy. The Scrutiny Board will therefore consider economic development in rural areas, including rural industry and business diversification, in the next scrutiny review.





# Future Labour Force Requirements

The employment needs of certain types of businesses in Yorkshire and Humber are expected to change over the next ten years. Some industrial sectors are predicted to grow and create vast numbers of new jobs, whilst other industrial sectors are predicted to decline resulting in job losses.

By 2010 the total number of Full-Time Equivalent (FTE) jobs in the Yorkshire and Humber region is forecast to increase by 29,286 to 2,172,485. By 2015, the total number of FTE jobs is expected to reach 2,194,076. This equates to an extra 50,877 jobs in the region over the next eight years. The Scrutiny Board wanted to identify how prepared the region was for meeting the changing needs of the region's employers over the next decade.

## Ageing Workforce

A key future issue for the Yorkshire and Humber region is demographic change and the ageing workforce. To illustrate this, by 2017 30% of public sector employees in the region, and one third of the Leeds workforce will retire. The age profile of the region is rising, and the number of young people moving through the education system will be less than the number of individuals moving into retirement. With the school education and training leaving age increasing to 18 years, and with young people being encouraged to progress onto higher education, in ten years time young people will enter employment later than they do now.

This has significant implications for the regional economy. Whilst substantial numbers of employees will retire and leave vacant positions, thousands of new jobs will be created, but the number of young people available to fill those jobs will be less, resulting in skills and labour gaps.

Yorkshire Forward acknowledges that it needs to target and support older workers, and they are supporting the Older Workers Employment Network (OWEN). OWEN provides advice and training to older workers on CV and Application Form preparation and interview techniques. The network also liaises directly with employers to promote the benefits of employing mature workers, and to identify vacancies that older workers can fill.

The Grey Panthers project in Bradford is similar to OWEN, and a focus group of older workers on the project reported negative experiences of Jobcentre Plus, when they were sent for interview for inappropriate jobs that did not take account of their skills and experience. The Grey Panthers project has also revealed evidence of ageism by employers. Businesses and the voluntary and community sector have also commented that much of the effort around encouraging employers to invest in workforce development is concerned with younger workers. Partners have also reported a lack of projects and programmes in the region that encourage and support the training and development of older workers.

## Recommendation 8

Yorkshire Forward, the Learning and Skills Council, the Regional Skills Partnership and the Sector Skills Development Agency should consider ways in which the skills and experience of older workers can be utilised in training and mentoring new recruits, and how older workers could be trained and employed as on-site assessors for work based learning.

Older workers offer employers vast experience and well-developed skills and expertise. They are a valuable resource and could be usefully employed as trainers and mentors, to pass their knowledge and experience onto younger workers and to support young workers in their development. The Scrutiny Board is concerned that the region is not sufficiently prepared for an ageing workforce. Action needs to be taken now to avoid the labour and skills shortages that are predicted to occur in ten years time, from the low rate of school leavers in relation to the rates of retirement.

## Future Skills Needs

The Regional Skills Partnership has commissioned a review of data and intelligence held by regional partners, on future skills and labour force needs. The purpose of the review is to develop a shared evidence base which can be used to build an action plan for the partnership to deliver. The review will also assist Yorkshire Forward to set out a clear vision of the skills that people in Yorkshire and Humber will have in 2020.

Several partners have commented during this review that future employment and productivity growth in the region will depend on increased efforts to develop higher-level skills in the region's workforce, particularly management and leadership skills. Whilst progress is being made through increasing links with Higher Education Institutions, and through work with the Northern Leadership Academy on coaching, mentoring and management, some employers have highlighted a lack of support for companies with existing or anticipated higher level skills gaps. This is largely due to the constraints of Government policy directing the focus of the Learning and Skills Council on NVQ Levels 1 and 2, with little attention on NVQ Level 3 and above. In March 2007, the Yorkshire Forward Board agreed to fill the funding gap by focussing their activities on higher level skills programmes that are equivalent to NVQ Level 3 and above. Higher level skills are also a priority in the Regional Skills Plan.

Despite the focus of the Learning and Skills Council on lower level skills, the Scrutiny Board is concerned whether enough is being done to ensure that the future workforce has sufficient basic and generic skills to meet the needs of employers. Employers need to accept their responsibility for upskilling their existing workforce, and Yorkshire Forward will consider how best to promote the 'Employer Skills Pledge' recommended in the Leitch review to employers. However, the responsibility for ensuring that future employees have the essential basic skills and required core skills, such as communication and

teamwork, rests with several organisations. Schools in Yorkshire and Humber need to improve their attainment rates for GCSE passes grades A to C in English and Maths, and they need to work more with employers to teach young people about the skills and attitudes required for the world of work. Further Education Colleges and Universities also need to embed enterprise education into their courses and programmes. It is the role of the Learning and Skills Council and Yorkshire Forward to assist education and training providers in achieving these outcomes.

## Growth Employment Sectors

There are three key sectors where substantial numbers of jobs will be created over the next ten years in the Yorkshire and Humber region. The construction industry is forecast to create the most jobs, with an increase of 38,380 FTE jobs. This follows a national trend, as the construction industry has been consistently growing in size in recent years, and is expected to grow more than any other sector in the UK. The financial and business services sector will create an additional 29,670 jobs, and public service sectors jobs will increase by 26,350.

It is essential that these industries have adequate supplies of skilled people entering the sectors to take up new jobs. The construction sector in particular has been reporting skills and labour shortages in all levels of jobs for the last five years. Unless more individuals are encouraged to enter the construction industry, the skills and labour gap will continue to expand, as the demands for labour from the sector escalate. There are serious implications for Yorkshire and Humber in not addressing the skills and labour needs of the construction sector, as this is an industry on which much of the region's physical regeneration activity largely depends.

The Sector Skills Councils are responsible for identifying the skills and labour needs of their respective industries, and they have either already developed, or are developing, Sector Skills Agreements with the Learning and Skills Council and other partners, to match training provision to the skills needs identified. However, it is not clear whether Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council are working together effectively enough, or whether the three agencies are fully utilising the intelligence of the Sector Skills Councils, to support the development and expansion of these sectors. The Regional Skills Partnership will help to bring this intelligence together as part of their work on the Regional Skills Plan. There is also concern that not enough attention is being paid to assisting those industries which



are set to increase the number of jobs in concentrated local areas, such as the ports and logistics sectors in the Humber sub-region.

## Declining Employment Sectors

There are three key sectors where significant numbers of jobs will be lost in the Yorkshire and Humber region over the next ten years. The manufacturing sector is expected to see the greatest reduction in jobs across the region, with a loss of 32,430 FTE posts. This is not surprising as the UK's manufacturing sector as a whole has been in general decline over the last ten years. The engineering sector is expected to shed 8,020 jobs over the next decade and the number of FTE jobs in the metals, minerals and chemicals industry will decrease by 6,740.

Given these statistics, some partners are unclear why Yorkshire Forward and the Manufacturing Advisory Service (MAS) are supporting the Advanced Engineering, and the Metals and Chemicals clusters, when they are both predicted to experience future job losses. However, it is important to note that these two clusters are regarded as high-growth on the basis of their productivity and contribution to the region's Gross Domestic Product (GDP) and Gross Value Added (GVA) rates, not because they will increase the number of workers that they employ.

Despite the predicted decline in manufacturing and engineering employment, partners and businesses were keen to stress that support still needs to be given to these sectors, as they employ substantial numbers of employees in the region. It is also essential that the high-level and technically skilled employees of these sectors are supported and retained in the industry, to minimise any negative impacts on the region's GDP and GVA rates. It is also important to continually improve the high level and technical skills of the existing employees.

## Regional Econometric Model

One way in which Yorkshire Forward is able to predict where new jobs and job losses will take place, is through the Regional Econometric Model. The model was developed in 2001 by Yorkshire Forward's Research team and Experian Business Strategies Ltd, and it forecasts industry growth and decline for 30 industrial sectors in the Yorkshire and Humber region up to 2016.

The Regional Econometric Model uses both historic and current data from organisations such as the Office for National Statistics, the Confederation of British Industry (CBI), Chambers of Commerce and high street banks, as well as market research. Using this data, the model can produce detailed forecasts and identify trends on a Local Authority district, sub-regional area or regional basis.

The data used by the model is regularly updated by Experian Business Strategies Ltd. The model can provide valuable information on predicted rates of employment and GVA, which occupations will increase in number and qualification levels. It can produce forecasts of qualifications by occupation type for a given Local Authority. In addition, the model is also capable of building detailed scenarios for the future, for example, how the local economy will change as a result of a large company closing in 2010.

The Scrutiny Board recognises that whilst it is difficult to accurately predict where jobs will be created or lost in the region, the Regional Econometric Model

## Recommendation 9

Yorkshire Forward should undertake a review of the Regional Econometric Model to identify whether any improvements need to be made to ensure that the data produced is robust and used to formulate employment and skills strategies in the region. Yorkshire Forward, the Learning and Skills Council and the Sector Skills Development Agency should also collaborate on activities that will support the findings of the Regional Econometric Model, in relation to job creation and job losses.

offers the most appropriate tool for planning for the future. Although it may not have been possible to predict the 700 job losses at Norwich Union in York and Sheffield in Autumn 2006, or the 1,000 jobs soon to be created by Tesco in Goole five years ago, the model does indicate which sectors will decline, and which will grow. The model should be used as an early-warning system and shared widely, to allow regional partners to plan how they will meet the demand for particular jobs in the future, and

to also prepare for dealing with job losses. It is also unclear as to whether the model has been used enough in developing employment and skills strategies in the region. Yorkshire Forward acknowledge that the model needs to be utilised more, and the Scrutiny Board agree that the model could be used most effectively when preparing for job creation and job losses at a local level, rather than just at a regional level.



## Conclusions

The Scrutiny Board has concluded that Yorkshire Forward's work on employment development is held in high regard by partners and businesses. Yorkshire Forward's increasing emphasis on diversity and social and economic inclusion is also welcomed. Likewise, the work of Jobcentre Plus on moving unemployed individuals into employment, and the supporting effort of the Learning and Skills Council in workforce development, are also valued.

It is clear that the three agencies already work in collaboration, however, the review has identified some key areas where further collaborative work is required to ensure that the needs of the region's employers are met, and that everyone has equal access to employment. The recent Leitch and Freud reviews will be instrumental in directing regional policy and strategy on the skills development of employees and welfare reform. It is essential that the key regional agencies, including the Assembly and Regional Skills Partnership, work together to influence Government thinking on how the recommendations from these two reviews should be implemented in Yorkshire and Humber.

The region's businesses are confused about the role and responsibilities of each of the three key agencies, and this needs to be tackled through simplified and regular communication. Business representatives including the Chambers of Commerce, CBI, and the FSB can support Yorkshire Forward and other key agencies in building effective relationships with businesses. These forums would also enable key agencies to meet employers and gain an improved understanding of the support and guidance that businesses need on employment issues and general business development.

There is a broad range of projects and programmes to support individuals in accessing employment opportunities, but thought needs to be given as to how the region can improve its employment offer. Whilst it may be cheaper and easier for businesses to employ seasonal workers or sub-contractors, this will not achieve the region's aim of creating sustainable employment. Key agencies need to consider how employers can be encouraged to create more permanent jobs which offer either full-time, part-time or job-share employment, that will attract a wider range of individuals, including lone parents, mature workers and individuals returning to work.

Finally, a key conclusion from this review is that regional and local partners need to fully utilise and exploit the intelligence of the Sector Skills Councils and Regional Econometric Model on where jobs will be created and lost in the next ten years. If the region fails to prepare strategies and develop activities to support growing and declining sectors now, the region will encounter significant labour and skills shortages in the years to come, and the region's GVA and GDP rates will suffer as a direct result.

## Key Messages for Partners

The scrutiny review on 'Employment' has identified three key messages for regional and local partners, in delivering the aims and objectives of the Regional Economic Strategy for Yorkshire and Humber:

1. The Northern Way must keep key agencies and Local Authorities informed of the progress made by the Pathways to Work pilots in Barnsley and Rotherham, and the impact that the pilots have had on reducing the level of worklessness in the Yorkshire and Humber region. This will enable Jobcentre Plus and Local Authorities to identify where similar initiatives could work in other areas.
2. The Regional Skills Partnership liaises directly with the Department for Children Schools and Families (DCSF), Department for Innovation Universities and Skills (DIUS) and the Department for Work and Pensions (DWP). It is essential that partners support and inform the Regional Skills Partnership of key issues for the region and lessons learnt to enable the Partnership to communicate effectively with Government. Private, public and voluntary and community sector partners must also consider how they can help to deliver the employment and skills priorities of the Regional Skills Plan.
3. The development of enterprise and core employability skills is essential in preparing young people for the world of work, and improving the aspirations of disadvantaged groups. There must be a regional approach to enterprise

development. Local Authorities should work in partnership with Yorkshire Forward, Business Link, Education Business Link Organisations, the Princes Trust and the Young Peoples Enterprise Forum to align LEGI projects with existing enterprise development initiatives. This collaborative approach to enterprise development will ensure that effort is not duplicated and that financial investment in enterprise is maximised.

## Key Messages for Government

The scrutiny review on 'Employment' has identified three key messages for Government. These messages are specifically intended for the Department for Children Schools and Families (DCSF), the Department for Innovation Universities and Skills (DIUS), the Department for Work and Pensions (DWP) and the Department for Communities and Local Government (CLG):

1. Employers need to be given simplified advice and guidance on the Skills Pledge that is recommended in the Leitch Review, if they are to effectively engage with it.
2. The regions need to be granted flexibilities in implementing the recommendations of the Freud Review. This will allow regional agencies to respond effectively to local needs.
3. There must be a new mechanism for matching qualifications obtained overseas to equivalent UK qualifications as a matter of urgency, as this is affecting the ability of migrant workers to undertake jobs in the region that they are skilled and qualified to do, when there are labour and skills shortages that migrant workers could appropriately fill.

## Next Steps

The Scrutiny Board has made nine recommendations on how employment strategy and employment support in Yorkshire and Humber can be improved. Yorkshire Forward has developed an Action Plan which outlines how it will work with partners to deliver against these recommendations. A copy of this Action Plan can be found in Appendix I.

The Scrutiny Board will monitor the delivery of the Action Plan through written progress reports and attendance by Yorkshire Forward at two Scrutiny Board meetings each year, to discuss the progress made against the Action Plan and to present future activities. The Scrutiny Board will update Assembly members on the delivery of the Action Plans by presenting six monthly reports at Assembly meetings. Members, partners and businesses will also be able to view the progress reports on the 'Scrutiny' pages of our website <http://www.yhassembly.gov.uk>.

During this review we held two focus group discussions with organisations who have a vested interest in the subject of employment. The Scrutiny Board found these focus groups informative, and a good mechanism for engaging a broader range of organisations in the scrutiny review. The Scrutiny Board has therefore agreed to hold similar focus group discussions in the next scrutiny review on 'Rural Development' which will commence in September 2007.

# Appendix 1: Action Plan in Response to Scrutiny Enquiry 11 - Employment July 2007

Recommendation		Current Progress/Activity	New Activity	Timescale
<b>STRUCTURES AND PROCESSES FOR DEVELOPING EMPLOYMENT</b>  <b>IMPACT ON PEOPLE</b>	<b>Recommendation 1</b> Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council, should develop a clear statement describing the role of each agency in relation to employment, clearly stating how they will work together to maximise impact and avoid duplication of effort.	As part of the Business Support Review, Yorkshire Forward, the Learning and Skills Council and Jobcentre Plus are starting to scope out the offer, including employment, and business support and the programmes that underpin the employment and skills offer, in relation to government policy.	Yorkshire Forward Board has announced the preferred bidder for the region's Business Link service. Following an extensive tendering process Y&H IDB was selected as the preferred bidder.	This will contribute to the Business Support contracts, which will commence in April 2008.
	<b>Recommendation 2</b> Yorkshire Forward, the Regional Skills Partnership and the Assembly should influence the Government to put much greater emphasis on the formal teaching of enterprise and core employability skills through the school and further education curriculum.	The enterprise budget has been devolved to schools and activity takes place at key stage 4. Yorkshire Forward works with partners, including the Education Business Link Organisations (EBLOs) and Young Enterprise to look at promoting the work they are doing. As part of the Northern Way YF is funding an Enterprise programme in FE and has developed an enterprise strategy for FE which is being implemented.	LEGI paper to Board on Yorkshire Forward working up FE.  YF are working more closely with the FE sector to encourage increased enterprise.  YF are working with Government Office, LSC and other partners to promote improvements in 14-19 as part of a Yorkshire Challenge.	Ongoing evaluation of impact.
	<b>Recommendation 3</b> Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council should maximise the impact of initiatives aimed at bringing Benefit Claimants into employment and identify the next steps in tackling the barriers to employment faced by individuals on Incapacity Benefit.	Yorkshire Forward, Jobcentre Plus and the LSC are working together through the Regional Skills Partnership and through bi-lateral meetings to map provision, identify gaps and continue to adapt investment to meet the barriers, and are working towards a Regional Skills Plan which has employability as a priority. Also, significant changes are occurring to Jobcentre Plus funding and their range of programmes, which should address these barriers.		Regional Skills Plan to be developed by August 2007.

Recommendation	Current Progress/Activity	New Activity	Timescale
<p><b>Recommendation 4</b></p> <p>Yorkshire Forward should evaluate the achievements of the work undertaken with the prison at Lindholme to identify how the programmes could be rolled-out to other prisons in the Yorkshire and Humber region and nationally promoted as Best Practice.</p>	<p>The Lindholme project has been evaluated by CRESR. A job developer is in post funded by the prison. The project has been rolled out to the rest of the region and other prisons are building upon the model eg. Everthorpe, Newlands, etc.</p>	<p>YF are continuing to promote the model trialed at Lindholme.</p>	<p>Evaluation completed. Yorkshire Forward is working to influence national policy through the LSC and the Ministry of Justice.</p>
<p><b>Recommendation 5</b></p> <p>Yorkshire Forward should ensure that the Regional Migrant Workers Strategy considers skills, qualifications and language issues. A set of actions should also be developed in collaboration with regional partners including Jobcentre Plus, the TUC, Local Authorities, Yorkshire Culture and the Regional Forum for Voluntary and Community Organisations, to accompany the strategy.</p>	<p>Yorkshire Forward supports the Regional Language Network to promote the uptake of languages. Current programmes include working in Burringreave in Sheffield to work on developing community based interpreting skills. Yorkshire Forward is party to the Migrant Workers and Refugee Strategies and is working and investing with partners to address all the points.</p>		<p>Ongoing assessment on Burringreave initiative.</p> <p>Work is ongoing</p>
<p><b>Recommendation 6</b></p> <p>Yorkshire Forward should work in collaboration with other Regional Development Agencies, and consider how advice and support on business diversification can be provided to businesses who supply substantial goods and services to companies facing closure, to minimise the adverse effects on businesses in the supply chain across regional boundaries.</p>	<p>The Business Directorate, on behalf of Yorkshire Forward and through the Business Support Review, is engaged in this work at a national, regional and local level.</p> <p>The six business support programmes of business start up, business improvement, innovation, international business, skills and access to finance, all of which will be marketed to businesses and will be in place to respond to changing needs of businesses at times of expansion, contraction and generally making their businesses more competitive.</p>	<p>Yorkshire Forward is actively looking to co-ordinate the appropriate response to individual businesses and the people affected by potential closure.</p>	<p>Ongoing</p>

Recommendation	Current Progress/Activity	New Activity	Timescale
<p><b>IMPACT ON THE REGION'S ECONOMY</b></p> <p><b>Recommendation 7</b></p> <p>Yorkshire Forward should challenge the Yorkshire and Humber Chambers of Commerce and Federation of Small Business (FSB) to work as intermediaries for them in facilitating and improving Yorkshire Forward's communication with businesses, and enabling the Chambers and FSB to provide signposting services to business through the Business Support Single Gateway. The Chambers and FSB should support Yorkshire Forward in influencing Government departments on barriers to business growth.</p>	<p>Contractual discussions are ongoing regarding Business Support.</p>	<p>This will be an integral part of taking the recommendations of the Business Support Report forward.</p> <p>Challenge to YF, FSB and Chambers on how to assess activity.</p> <p>Y&amp;H IDB was selected as the preferred bidder for Business Support by YF Board.</p>	<p>Business Support contracts commence in April 2008.</p>
<p><b>FUTURE LABOUR FORCE REQUIREMENTS</b></p> <p><b>Recommendation 8</b></p> <p>Yorkshire Forward, the Learning and Skills Council, the Regional Skills Partnership and the Sector Skills Development Agency should consider ways in which the skills and experience of older workers can be utilised in training and mentoring new recruits, and how older workers could be trained and employed as on-site assessors for work based learning.</p>	<p>Yorkshire Forward, with Jobcentre Plus and the LSC, is currently mapping public sector interventions in the labour market and this will influence Yorkshire Forward's policy product development.</p> <p>There are 2 committed projects within the West Yorkshire Skills Programme specifically undertaking training with older workers to establish them as trainers in sectors areas where there is a need for additional training capacity and issues of an ageing workforce. This includes the a construction project operating in Leeds and a Skills Transfer project in the Advanced Engineering sector operating across West Yorkshire.</p> <p>Our early evaluation results of the impact of this investment will inform future targeting of older workers.</p>	<p>The YF Board will be presented with a paper on diversity. This was approved at the June Board Meeting.</p>	<p>Interim view formed by October 2007.</p>

Recommendation	Current Progress/Activity	New Activity	Timescale
<p><b>Recommendation 9</b></p> <p>Yorkshire Forward should undertake a review of the Regional Econometric Model to identify whether any improvements need to be made to ensure that the data produced is robust and used to formulate employment strategy in the region. Yorkshire Forward, the Learning and Skills Council and the Sector Skills Development Agency should also collaborate on activities that will support the findings of the Regional Econometric Model, in relation to job creation and job losses.</p>	<p>Yorkshire Forward and Yorkshire Futures will work to ensure that the Regional Econometric Model is used more often and more widely by partners.</p> <p>Yorkshire Forward, the LSC and the SSDA are already collaborating in this way.</p>	<p>Yorkshire Forward is working with the Regional Skills Partnership, looking at a sectoral interrogation of data to inform planning and investment.</p>	<p>December 2007 - linked more closely to policy products.</p> <p>Ongoing</p>

## Appendix 2: Yorkshire Forward Panel

### **Cllr. Nic Dakin - Deputy Chair of Yorkshire Forward**

Nic has a support role for the Humber sub-region. He is currently Deputy Principal of John Leggott College in Scunthorpe and was the Leader of North Lincolnshire Council from 1997 to 2003. He cares passionately about the performance of the region and has a strong record of commitment to the regional agenda. He is a member of the Humberside Learning and Skills Council. He does not hold any other Ministerial appointments. Nic is the Chair of the Yorkshire Forward Scrutiny Panel.

### **Don Stewart - Executive Director of Strategy**

Don is one of the founder Directors of Yorkshire Forward. His remit covers the Regional Economic Strategy (RES), Investment Planning, Northern Way, Yorkshire Forward Development Fund (YFDF), Culture, Sport, Tourism, Major Events and key account management of sub-regional/city-regional partnerships and Treasury. Don has worked in the public sector for 30 years and has a background that is probably unique in its diversity. His career started in Transport before he moved to the British Overseas Trade Board. From there Don moved through all the major economic Departments of State, including Prices and Consumer Protection, Environment, Housing, Education, Training and Employment, as well as the Office of the Health Service Commissioner, Manpower Services Commission and Government Offices in Manchester and Leeds before joining the Regional Development Agency.

### **Stella Guy - Board Member, Yorkshire Forward**

Stella champions inclusion and skills issues on behalf of Yorkshire Forward. She is currently the Yorkshire and Humber Regional Secretary of the TGWU with membership responsibilities covering public services, private services and manufacturing. She is an Executive member of the Yorkshire and Humber Regional TUC where she is also on a Steering Group responsible for the development of industrial relations within the region and also a member of the Regional Labour Party Executive. Stella does not hold any other Ministerial appointments.

### **Thea Stein - Executive Director, Economic Inclusion, Yorkshire Forward**

Thea is the Executive Director of Economic Inclusion at Yorkshire Forward. The post is most specifically about connecting people to the opportunities available within the region and closing the gap between those doing well in our buoyant economy and those doing not so well. She was formerly Chief Executive of Leeds North East Primary Care Trust. Her earlier career history spans a wide variety of roles within the health and social care sector. This includes Deputy Chief Executive and Director of Health and Service Development with the Dumfries and Galloway Health Board and Council, time spent as Project Officer Lead on the health plan with the Scottish Parliament and research work with the Kings Fund and Royal College of General Practitioners in London. She started her career as a psychologist and family therapist, working with people with serious mental health problems.

### **Helen Thomson - Head of Communities, Yorkshire Forward**

Helen leads on the Economic Inclusion agenda for Yorkshire Forward, with responsibility for major investments in people and communities. Coming from a background in the third sector and experience of cross sector working, Helen's role is to link more people to employment opportunities and ensure that there is a stronger economic focus for communities that experience greater poverty.

### **Andy Wilson - MA Regional External Relation Manager, Jobcentre Plus**

Andy is the Jobcentre Plus External Relations Manager for Yorkshire and the Humber. Andy joined the Department in 1980 and has worked in a variety of posts both at local, regional and Head Office level. Prior to this she worked in the private sector and to renew her understanding, undertook a secondment as a consultant to PKF, working in London. She has represented the UK as an employment adviser in Germany, advising on helping young people enter the labour market, and was part of a transnational European Union project to improve the employment rates of older workers. She has had a great deal of operational experience, most recently as the District Manager in North Yorkshire. The empirical research for her Masters Degree involved investigating the barriers to work faced by Lone Parents in North Yorkshire. She chairs the Regional Disability Consulting Group. Her current role involves working with a wide range of stakeholders and employers to promote the employment of those most at disadvantage in the labour market.

## Appendix 3: Contributors

We would like to thank the following organisations for contributing their views and comments on how employment in Yorkshire and Humber is developed, and how well businesses and individuals are supported in their employment needs:

- A.A.T. Associates Ltd
- Age Concern Ltd
- AxR Ltd
- Barratt Developments plc
- Barnsley Chamber of Commerce and Industry
- Calderdale Council
- The Churches Regional Commission
- City of Bradford Metropolitan District Council
- Confederation of Passenger Transport UK
- Construction Skills
- Doncaster Chamber of Commerce
- East Riding of Yorkshire Council
- Engineering Employers Federation (EEF) Yorkshire and Humberside
- The Environment Agency
- Fabric - Forum for the Arts in Bradford
- Federation of Master Builders (FMB)
- Federation of Small Businesses (FSB)
- The Highways Agency
- HMP & YOI Doncaster
- HMYOI Wetherby
- Jobcentre Plus - Yorkshire and the Humber
- Learning and Skills Council Yorkshire and the Humber
- Leeds Chamber of Commerce
- Leeds City Council
- Mid Yorkshire Chamber of Commerce and Industry
- Path Yorkshire
- The Regional Skills Partnership for Yorkshire and the Humber
- Richmond Ice Cream Ltd
- Rotherham Chamber of Commerce
- Rotherham Investment and Development Office (RIDO)
- Ryedale District Council
- Scoop Aid
- Sector Skills Development Agency
- South Leeds Family Learning Centre
- Sulzer Pumps (UK) Ltd
- SummitSkills
- Technorth Family Learning Centre
- Trades Union Congress (TUC)
- West Yorkshire Employer Coalition
- Yorkshire and Humber Chambers of Commerce
- Yorkshire and the Humber Regional Forum
- Yorkshire Play
- Young's Seafood Ltd

In addition we would like to thank ECOTEC Research and Consulting and Yorkshire Futures for their assistance and support to the Scrutiny Board throughout this review.

# Glossary

<b>BME</b>	Black and Minority Ethnic
<b>CBI</b>	The Confederation of British Industry
<b>CLG</b>	The Department for Communities and Local Government
<b>DCSF</b>	The Department for Children Schools and Families
<b>DIUS</b>	The Department for Innovation and Universities and Skills
<b>DWP</b>	The Department for Work and Pensions
<b>EMA</b>	Education Maintenance Allowance
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESOL</b>	English for Speakers of Other Languages
<b>FSB</b>	Federation of Small Businesses
<b>FTE</b>	Full Time Equivalent
<b>GCSE</b>	General Certificate of Secondary Education
<b>GDP</b>	Gross Domestic Product
<b>GVA</b>	Gross Value Added
<b>HMP</b>	Her Majesty's Prison
<b>LEGI</b>	Local Enterprise Growth Initiative
<b>LSC</b>	Learning and Skills Council
<b>LSDA</b>	Learning and Skills Development Agency
<b>MAS</b>	Manufacturing Advisory Service
<b>NATFHE</b>	National Association of Teachers in Further and Higher Education
<b>NEET</b>	Not in Education Employment or Training
<b>NHS</b>	National Health Service
<b>NOMS</b>	National Offender Management Service
<b>NVQ</b>	National Vocational Qualifications
<b>OWEN</b>	Older Workers Employment Network
<b>PSA</b>	Public Service Agreement
<b>RDPE</b>	Rural Development Programme for England
<b>RES</b>	Regional Economic Strategy
<b>RMT</b>	Rural Market Towns Programme
<b>RSP</b>	Regional Skills Partnership
<b>RSVCI</b>	Richmond Swale Valley Community Initiative
<b>SME</b>	Small and Medium sized Enterprise
<b>SOA</b>	Super Output Area
<b>SRE</b>	State of the Rural Economy Report
<b>TGWU</b>	Transport and General Workers' Union
<b>TUC</b>	Trades Union Congress
<b>YFDF</b>	Yorkshire Forward Development Fund



**YORKSHIRE  
AND  
HUMBER  
ASSEMBLY**

The **Regional** Strategic Partnership

impact  
**issues**  
challenges  
recommendations

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