HEY LSIP

HULL & EAST YORKSHIRE LOCAL SKILLS IMPROVEMENT PLAN

ANNEXES

JUNE 2023

Contents

Annex A

Local Strategic Context

Document	Overview	Date Published	Document Link
Hull & East Yorkshire Local Skills Report 2022 Published by the Hull & East Yorkshire LEP.	The Local Skills Report sought to establish the current skills priorities for the Hull & East Yorkshire region. It highlighted the importance of partnership working not only for the Hull & East Yorkshire geography but also with neighbouring LEP areas. Key sector priorities identified: • Health & Social Care; • Construction; • Digital Technology; • Haulage, Ports & Logistics; • Manufacturing; • Tourism and the Visitor Economy; • Medicare; • Agri-tech & Food.	January 2022	https://heylep.com/wp-content/uploads/2022/02/Hull-East-Yorkshire-Local-Skills-Report.pdf

Document	Overview	Date Published	Document Link
Hull & East Yorkshire Local Skills Report Annexes – Core Indicators and Additional Data Published by the Hull & East Yorkshire LEP.	An update to the original annexes associated with the Hull & East Yorkshire Local Skills report 2022. This document details for Annex A: • the Local Landscape; • Skills Supply; • Skills Demand; • Mapping Skills Supply and demand. This document details for Annex B: • Supporting charts for Annex A • Local Context • Skills Supply • Skills Demand • Mapping Skills Supply and demand.	December 2022	https://heylep.com/wp-content/uploads/2023/03/Annex-A-Annex-B-December-2022-Final.pdf
HEY LEP Skills Dashboard Published by the Hull & East Yorkshire LEP.	Hull & East Yorkshire Skills Advisory Panel Toolkit providing: • Analysis & Definition of the Local Landscape • Analysis of Skills Demand • Analysis of Skills Supply • Mapping of Demand & Supply	Reviewed December 2022	https://shorturl.at/byNTY

Document	Overview	Date Published	Document Link
Hull & East Yorkshire Local Enterprise Partnership – State of the Economy Report Published by the Hull & East Yorkshire LEP.	ekosgen were appointed by HEY LEP to undertake an assessment of the current state of the economy in the Hull & East Yorkshire region. The report provides an update of all available data as of February 2023. ***Economic Growth*** • GVA • Productivity • Competitiveness ***Business Activity*** • Business mix • Business incorporations • Business demography • Temporary closures • Cash reserves • Turnover • Energy Prices ***People activity and take up of Government support*** • Population trends • Qualifications • Employment • Claimant Count • Jobseeker's Allowance Claimants by occupation sought • Economic Inactivity • Reasons for economic activity • Job postings	Update March 2023	https://heylep.com/wp-content/uploads/2023/05/HEYLEP-State-of-the-Economy-Update-March-2023-Final.pdf

Document	Overview	Date Published	Document Link
Cont. **Hull & East Yorkshire Local Enterprise Partnership – State of the Economy Report**	***People activity and take up of Government support cont.*** • Job postings by occupation • Job postings by sector • Apprenticeships • Recruitment difficulties ***Places*** • Mobility • Commercial properties • Residential property	Update March 2023	https://heylep.com/wp-content/uploads/2023/05/HEYLEP-State-of-the-Economy-Update-March-2023-Final.pdf
HEY LEP Economic Growth & Workforce Wellbeing Strategy 2021-2026 Published by the Hull & East Yorkshire LEP.	The strategy clearly and distinctly sets out the collective vision for the area, founded on our unrivalled assets, trading opportunities, sector specialisms and strengths, the area's strong maritime history and our future potential. The strategy recognises the dynamic context of climate change and the opportunities that our leadership in the decarbonisation agenda presents in terms of innovation, employment, business development and growth. The strategy focuses on the importance of delivering a productive, inclusive, and resilient economy which achieves growth that is not to the detriment of longer-term sustainability.	2021	https://heylep.com/wp-content/uploads/2022/02/FINAL-HEY-LEP-Economic-Growth-Workforce-Wellbeing-Strategy-2021-2026.pdf

Document	Overview	Date Published	Document Link
Humber Estuary Plan Final Draft January 2021 Published by the Hull & East Yorkshire LEP.	This plan sets out a framework for the next phase of collaboration across the Humber Estuary economy, based on shared strategic opportunities. The strategically Important assets and sectors that set the Humber Estuary apart – our ports, energy, chemicals and process industries, and the unique natural resource of the Estuary – are what bind us together. Industries on the Humber make products like steel, pharmaceuticals, paint, plastics and petrol that society depends on, while the energy generated here and off our coast keeps Britain's lights on and homes warm. The success of the Humber Estuary economy is vital for the communities that live around it and is integral to the UK's prosperity. Like the Estuary itself, the industries that surround it continually evolve. Recent years have brought major investments in offshore wind manufacturing, operations and maintenance, drawing on the region's maritime and light engineering heritage; healthcare technology and pharmaceuticals, building on their long history in Hull; and energy generation, including energy from waste.	January 2021	https://heylep.com/wp-content/uploads/2021/05/Humber-Estuary-Plan-final-draft-Jan-2021.pdf

Document	Overview	Date Published	Document Link
Cont. **Humber Estuary Plan Final Draft January 2021**	New manufacturers have been attracted to the region by its connectivity, skills and availability of land, while new and existing SME suppliers have grown and diversified. In the last decade we have also seen some difficult times, with steel under threat from global competition but now on a sounder footing, and other plants closed or mothballed due to policy changes, economic conditions or restructuring of international businesses. In 2020, as the world was gripped by the coronavirus pandemic, the Humber ports and industries continued to play their vital role, but they are not immune from the wider downturn in the economy. Looking ahead, the Humber Estuary economy faces three significant challenges: the need to transition from being the highest carbon emitting industrial cluster in the UK to net zero emissions, whilst protecting employment and ensuring the sustainability of industries; as an outward facing region, adjusting to the UK's new trading relationship with the EU; and living with a growing flood risk from rising sea levels. In each of these lies opportunity to attract new investment and strengthen the existing Estuary economy – opportunities where the Humber is at its strongest when it works together, public and private sectors on both banks of the Estuary.	January 2021	https://heylep.com/wp-content/uploads/2021/05/Humber-Estuary-Plan-final-draft-Jan-2021.pdf

Document	Overview	Date Published	Document Link
Humber Industrial Cluster Plan: Skills Analysis & Engineering Construction Opportunities	Produced by KMPG, this report identifies the importance of skills provision in the Engineering Construction Industry to meet industrial cluster net zero deployment ambitions. The analysis focused on skills demand for the engineering construction sector. To ensure that these mega projects are built on time and on budget it is vital to have a strong pipeline of engineering construction labour available, which will maximise employment opportunities and meet the demands of planned Net Zero projects. Key findings showed: • Limited training provision capacity in engineering construction (staff and facilities). • Imperfect information, lack of awareness and project uncertainty. • Potential misalignment between existing training capacity and evolving industry needs. • Lack of incentives for training. • Workforce mobility. • Competition between organisations for existing skilled labour.	April 2023	https://shorturl.at/cgklx

Document	Overview	Date Published	Document Link
Green Jobs & Skills Analysis	This report was commissioned by the Hull and East Yorkshire LEP (HEY LEP), and carried out by Energy & Utility Skills, is an analysis of the "green" jobs and skills requirements likely to emerge across the HEY LEP region and surrounding area over the coming years. It is based on a review of a wide range of existing literature and published data as well as a small number of stakeholder interviews and a stakeholder workshop.	December 2021	https://heylep.com/wp-content/uploads/2022/01/HEY-LEP-Green-Jobs-and-Skills-Analysis.pdf
Unit for Future Skills Dashboard	The Unit for Future Skills (UFS) is an analytical and research unit within the Department for Education. It has been set up to improve the quality of jobs and skills data, working across government to make this available and more accessible to policy makers, stakeholders and the general public.	-	https://department-for-education.shinyapps.io/local-skills-dashboard/
LMI Data	Supplied by Hull & East Yorkshire LEP relating to Industry overview, Job Postings and Occupation Overview.		Available upon request.
HEY LEP Apprenticeships & Technical Education Project	Funded via Skills Advisory Panel Funding, this work looked to take a 'deeper dive' into apprenticeships and T-Levels. The final report is not yet available, but the initial conclusions & recommendations can be shown.	May 2023	Initial conclusions & recommendations available from page 22. Please note the final report had not yet been completed at the time of writing the LSIP Report so is not included.

Annex B

Hull & East Yorkshire LSIP Board

HEY LSIP Board Membership for Stage 1 of the LSIP Programme:

Ascough Associates (Chair)
Hull & Humber Chamber of Commerce
Independent Consultant (Chamber LSIP Manager)
Hull City Council
East Riding of Yorkshire Council
Hull College (Humber Principals Group representative)
HETA (Independent Training Providers' Representative)
KD Recruitment
Federation of Small Businesses
Zertus UK
Phillips 66
University of Hull

HEY LSIP Terms of Reference

Purpose

The purpose of the LSIP Board is to oversee and support successful development and delivery of the Hull & East Yorkshire LSIP by March 2025, working with the Project Team, other employer representative bodies and other stakeholders.

The intention is for the LSIP to developed and implemented in a way which takes stakeholders with us, working in genuine collaboration and cooperation in the best interests of Hull & East Yorkshire, and ensuring that it is genuinely employer led, while working constructively with the range of stakeholders.

Membership

Membership of the Group is as follows:

- Private Sector Chair (determined initially by the Hull & Humber Chamber senior management team/Board)
- Chamber Chief Executive
- Nominated Chamber Board member
- Chamber LSIP Project Manager
- Humber Principals Nominated Representative
- Independent Training Providers Nominated Representative
- Hull City Council Representative
- East Riding of Yorkshire Council Representative

- Hull & East Yorkshire LEP Representative
- University of Hull Representative
- Further Private Sector Representative x 2

Where applicable, members are expected to represent the views of the group they represent, while ensuring that any potential conflict of interest is effectively managed. During the meetings and in their LSIP Board role all members are expected to operate in the best interests of the Hull & East Yorkshire LSIP.

Role and Responsibilities

- Provide direction and support delivery.
- Review and comment on implementation and delivery plans and progress.
- Ensure activity covers the requirements of the LSIP Statutory Guidance.
- Represent the interests of the range of stakeholders and, in particular (where this applies) the Group(s) they represent, and to feed back to those groups.
- Support the LSIP Project Team in identifying and mitigating key relevant delivery risks.
- To agree any sub-groups to support the delivery of the LSIP.
- To note and consider any recommendations put forward by the LSIP Advisory group, established to support the LSIP Manager in engaging with multiple employer representative bodies throughout the project.
- The Hull & Humber Chamber of Commerce is the contract holder and has full financial responsibility for the LSIP contract. As such, this is an advisory group and, while the Chamber will take full cognisance of the views of the LSIP Board, final decisions will always lie with the Chamber.

Schedule of Meetings

The intention is that meetings will take place every four to six weeks. The Chair will determine, in consultation with the Board and Project Team, whether these need to occur more of less frequently as business determines.

Secretariat support will be provided by the LSIP Project Team. We will aim to circulate papers at least five working days in advance of meetings.

A note of each meeting (recording key points of discussion, decisions made, and actions agreed) and an action log will be produced and maintained by the LSIP Project Team.

Conflict of Interest

We recognise that, by the very nature of the activity and the Group, there will be conflicts of interest.

Although the Group does not have any direct financial decision-making responsibilities, it does have a significant influence on the LSIP report, project activities and recommendations. It is therefore essential that any member who may have a pecuniary or non-pecuniary benefit from any discussions or decisions declares those at the outset (through a Conflict-of-Interest form) and again prior to any relevant discussion to enable potential conflicts to be recognised and managed appropriately.

Please also refer to the Conflicts of Interest Policy.

Publicity and Speaking on Behalf of the LSIP Project

All publicity and comment relating to the LSIP must be agreed by the LSIP Project Manager or Chamber Chief Executive in advance in order to ensure that we meet Department for Education requirements and reflect the best interests of the LSIP project.

Confidentiality

Feedback and comments provided by individual groups, organisations or businesses in developing the LSIP should be treated as confidential unless clearly stated otherwise. While this is intended to be an open and inclusive activity, we need to be aware of potential sensitivities and so only drafts provided for sharing should be shared.

HEY LSIP Board Meetings

Ahead of the LSIP Report submission on 31st May 2023, the HEY LSIP Board has convened on:

- Monday 14th November 2022
- Wednesday 11th January 2023
- Monday 6th February 2023
- Monday 13th March 2023
- Monday 17th April 2023
- Monday 15th May 2023

Minutes are available upon request.

Methods of Engagement

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Employer Skills Survey (in partnership with the Hull & East Yorkshire LEP)	Employer and Sector Representative Bodies who circulated the survey to their membership: • Hull & Humber Chamber of Commerce • FSB • CITB • CATCH • CBI • ECITB • ECA • Marketing Humber • Hull City Centre Business Improvement District Also circulated to the employer databases held by: • Hull College • East Riding College • Wilberforce College • Wyke College • Bishop Burton College • Independent Training Providers Network • Institute of Technology • University of Hull • Skills for Care Survey was opened by 662 employers. 278 contained usable data (including 100 telephone surveys conducted by IBM).	Surveys completed December 2022 – February 2023. Report finalised May 2023.	Employer Skills Survey Employer Skills Survey report (available from page 55)

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Update communications and PR	Email update, event invitations and opportunities to engage circulated via the Hull & Humber Chamber of Commerce email distribution list of approximately 2000 emails. PR featured in: • Business Link magazine • Business Intelligence Magazine • Marketing Humber • Hull Is This • HU17.net • Bdaily News • Hull BID • Business Works magazine • Just Beverley • Holderness Gazette • Hull whatson • Commerce & Industry • Yorkshire Post	December 2022 – May 2023	Press releases
1-2-1 engagements	A minimum of 91 one-to-one meetings have taken place with employers.	November 2022 – May 2023	Dialogue recorded on the LSIP Database or meetings recorded.

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Update meetings	A minimum of 111 update meetings have taken place with: • Key stakeholders (including Jobcentre Plus/DWP, Education Development Trust, NCS, Careers Hub, Hull City Council, East Riding of Yorkshire Council and HEY LEP) • FE & HE Providers • Institute of Technology • Sector representative bodies • Employer Representative Bodies • Employers • British Chamber of Commerce • Institute of Physics	November 2022 – May 2023	Meetings recorded.
Sector specific Focus groups	6 focus groups were held in total covering the following sectors: • Construction • Manufacturing • Health & Social Care • Ports & Logistics • Agri-skills • Rural Economy • Warehousing • Engineering • Professional Services 41 employers attended.	January – March 2023	Initial blank questionnaire. Questionnaires completed.

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Drop-in events held to cover the Hull & East Yorkshire geography	Events held in Hull, Bridlington, Goole, Bishop Burton and Withernsea. Attendance was unfortunately low (10) so reverted to 1-2-1 discussions.	February 2023	Questionnaires completed and information incorporated into the LSIP Database.
HEY LEP Skills Network	Presented on 17th October 2022 and 23rd May 2023. Attended on 7th February 2023. Between 20 and 50 employer and provider representatives attending at each event.	October 2022 – May 2023	Communicated in weekly team update meetings and discussions logged. Interactive activity information logged
HEY LEP Employment & Skills Board	Chamber LSIP Manager is a co-opted member and presents LSIP updates at each meeting. This also provide an opportunity for additional employers to engage in the development process, and feedback on findings so far. Meetings held on 12th September 2022, 31st October 2022, 5th December 2022, 27th February 2023 and 24th April 2023.	September 2022 – May 2023	https://heylep.com/board-page/employment-and-skills-board/
Hull & Humber Chamber of Commerce Board and Policy Groups	The LSIP team has engaged with 165 employers that sit across the Chamber's Board and Policy groups (that cover Shipping, Transport & Renewables; Hull area, Goole area and Chamber Council).	October 2022 – May 2023	Minutes of meetings.

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Engagement with FE & HE Providers	The Chamber LSIP Manager has held meetings or had email exchanges with Hull, East Riding, Bishop Burton, Wyke and Wilberforce Colleges on at least a four-weekly basis to keep them updated with the LSIP progress. The Principal of Hull College sits on the LSIP Board as the Humber Principals' representative, and through this position feeds back to the Humber Principals Group at each of their meetings. The Chamber LSIP Manager has attended two meetings of the Humber Principals group. Chamber LSIP Manager has met with the Association of Colleges, who has also been updated via the Humber Principals Group. Chamber LSIP Manager regularly has communication with the Institute of Technology and University of Hull. Project & Engagement Officer has met and provided updates to the UTC. Priorities document was submitted ahead of 31st March 2023 deadline & Colleges provided support in fact-checking provision for the LSIP report.	October 2022 – May 2023	Meetings recorded. Notes taken. LSIP Emerging Priorities Draft Report (available from page 29).

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Humber Training Group (CITB)	Presented to ~40 construction employer representatives.	6th December 2022	Questionnaires completed. Follow-up calls have also taken place where necessary.
Engagement regarding the Digital Skills agenda	Attendance at: • HEY LEP Digital Strategy Stakeholder consultation workshop 13 December 2022 • Humber Digital Skills Partnership 20th February 2023 • Digital Framework Industry 4.0 Ideation Workshop 16th May 2023.	December 2022 – May 2023	Information held with the HEY LEP. Notes taken.
Neighbouring LSIPs	To provide updates on progress, and understand shared priorities: • Chamber LSIP Manager sits on the Greater Lincolnshire & Rutland LSIP Steering Group. • 1-2-1 meetings with the FSB lead for Greater Lincolnshire & Rutland LSIP. • Regular communication maintained with West & North Yorkshire Chamber of Commerce as lead for York & North Yorkshire and West Yorkshire LSIPs. • Bi-monthly meetings with the Lincolnshire Chamber of Commerce. • Attended GL&R LSIP Launch reception on 28th November. • Attended GL&R LSIP Employer Body Session on 24th February 2023. • LSIP represented on Northern Lincolnshire Skills Transformation Board.	September 2022 – May 2023	Minutes of Greater Lincolnshire & Rutland LSIP. Other information noted.

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
SDF2	LSIP updates presented or a written version provided at SDF2 Project Board meetings on: 13th September 2022, 12th October 2022, 13th December 2022, 18th January 2023, 28th March 2023 and 27th April 2023. Presented the findings of the LSIP at the SDF2 Showcase event on 17th May 2023 (~60 in attendance).	September 2022 – April 2023	Minutes of meeting. Presentation from SDF2 Showcase event.
HEY LEP Apprenticeship & Technical Education group	Presentations provided 13th October 2022 and 11th May 2023.	October 2022 – May 2023	Minutes of meetings.
Curriculum Development & Transformation Events	Attended Hull College on 11th November 2022. Attended East Riding College on 19th April 2023. Attended Hull College 'From Employability to 21st Century Skills' on 2nd May 2023. Attended a meeting at Hull College on 9th November 2022 to discuss the curriculum planning process.	November 2022 – April 2023	Presentations / Notes taken.
Learner engagement	Wilberforce College 18th January 2023. Wyke College 24th April 2023.	January – April 2023	Notes taken.

Activity	Who was engaged / Additional Comments	Date	Relevant Documents/Information stored
Engagement regarding those considered to be at a disadvantage for inclusion within the LSIP report	Meetings held with Hull City Council, East Riding of Yorkshire Council and The Warren. HEY LSIP is represented on Hull & East Riding Special Educational Needs & Disabilities Forum and the Humber Prison Employment & Skills Board.	January – May 2023	Meetings recorded. Minutes.
LSIP Emerging Priorities Event	To provide an update on the development on the LSIP's emerging priorities, and to 'check and challenge' our findings. ~70 delegates in attendance representing private, public, education and voluntary & community sector.	13^{th} March 2023	Notes taken. Questionnaires completed.
CITB Construction Business Summit	Collaborated with the York & North Yorkshire LSIP to provide an update on our respective LSIPs and to gain feedback on priority skills concerns via roundtable discussions. Reached ~150 employers within the construction industry.	14^{th} March 2023	Questionnaires completed. Notes taken.
Yorkshire & Humber Apprentice Ambassador Network	Collaborated with York & North Yorkshire LSIP, who delivered a presentation on behalf of all LSIPs in Yorkshire on 16^{th} May 2023.	May 2023	Follow up communication received
Hull & East Riding Registered Care Managers' Network	To update on the LSIP progress and gain further feedback on the priority skills for the sector.	15^{th} March 2023	Meeting notes.
Agri-skills specific discussions	Taken place with Bishop Burton College and Collison Associates.	January – May 2023.	Meeting notes.

HEY LEP Apprenticeships & T Level Research Initial Findings

Produced by Little Lion Research Ltd on behalf of Hull & East Yorkshire LEP in April 2023.

Please note at the time of writing the LSIP Report, the final report for these findings was not yet available and hence has not been included in these annexes.

HEY LEP – Apprenticeships and Technical Education project: Initial conclusions and recommendations

The issue	The evidence for this	Our recommendations

Female participation in apprenticeships and technical education lags both regional and national levels	• 41% of apprenticeship starts in HEY in 2021/22 were by female learners
	• This compares to 47% in Yorkshire & Humber and 51% in England
	• There is a clear course choice divide between female and male learners, with female starts concentrated in Healthcare & Public Services, Business & Administration and Retail whilst male starts are concentrated in Engineering & Manufacturing and Construction
	• Female apprenticeship achievements match starts so the issue is about increasing the numbers of female apprenticeship starts to widen participation and ensure equality of access to FE
		• Provide guidance to employers and training providers on how to write apprenticeship course and job descriptions in non-gendered language to widen appeal
		  ○ Particularly important for roles in Construction, Engineering & Manufacturing which make up 31% of all starts in the region
		  ○ *"The language used in some adverts can be too masculine – this puts-off potential female learners."*
		  ○ Work with training providers and employers to highlight the wide range of career paths within these sectors
		• Run events / social media campaigns with schools and colleges that highlight success stories of female apprentices in the region
		• Partner with the Women into Manufacturing and Engineering (WiME) programme to encourage learners, training providers and STEM employers to create a more balanced local population of apprentices across STEM courses
		• Hold discussions with local employers in sectors that struggle to recruit and retain staff (i.e. Retail and Health & Social Care) to demonstrate how apprenticeships and technical education can support their businesses

The issue	The evidence for this	Our recommendations

There is a lack of learner and employer knowledge about T-Levels and limited current provision	• 56% of employers reported having no knowledge of T-Levels and 85% do not currently intend to employ T-Level students in the future
	• 44% of training providers said employers they work with have no understanding of T-Levels
	• Only 2.5% of Year 11 students in Hull in 2021 have started a traineeship, less than half the numbers who have started an apprenticeship
	• Only 1 college in the (Wilberforce) currently offers T-Levels and in only two subjects (Health; Design & Development for Engineering & Manufacturing)
	• T-Levels are *"not currently on the agenda"* and have had *"a flawed implementation"*
	• Feedback that T-Level courses may struggle to recruit enough students
		• Provide clear guidance for learners, their parents and employers about what T-Levels are, how they differ from other post-16 qualifications and the benefits and career opportunities they can offer
		  ○ Government provides checklists of actions – consider implementation approach similar to roll-out of Gatsby careers benchmarks?
		• Work with Y&H Institute of Technology (and constituent colleges) to proactively promote T-Levels at events, roadshows and via social media
		  ○ Potential for case studies / presentations by HEY T-Level alumni from 2021 cohort who have now entered University or employment
		  ○ Use run-up to September 2023 new intake (8 T-Levels will be available at 6 local colleges) as an opportunity to raise awareness amongst all stakeholders
		• Speak with major local public sector employers (i.e. NHS Trusts and local Councils) about how the LEP can support co-organised T-Levels and roll-out best practice from these schemes
		• *"With the removal of Traineeships, choices are now limited in that if a young person can't get an apprenticeship, they are unlikely to want to follow an unpaid FE course including T-Levels."* – Training provider survey feedback
		  ○ Consider targeted funding/bursaries for learners to enrol on T-Level courses

The issue	The evidence for this	Our recommendations
Disadvantaged learners are less well supported by the current learning environment	• 2021 figures show that learners classed as SEND or Looked After Children (LAC) in Hull were more likely to be NEET and less likely to be in apprenticeships or technical education than their peers (n.b. figures for East Riding still to be checked) • Supporting LAC learners into employment opportunities was highlighted as a key priority by the local Council • *"[Employers lack] understanding of the financial support available to take on a young person with SEND."* – Training provider survey feedback • Feedback that employers are encouraging schools, colleges, and training providers to introduce them to disadvantaged learners but there is a breakdown at this point • Feedback from training providers at Bishop Burton College session flagged broadening participation as a key theme • The loss of national government funding for Traineeships from August 2023 may be a big barrier to disadvantaged learners in HEY as these courses were often the stepping stones to basic skills needed to progress to an apprenticeship	• Promote pre-employment support, particularly for those from disadvantaged backgrounds, to improve soft-skills and employability skills ○ *"Most employers aren't too worried about the technical side, they think that can come afterwards, but soft skills are important."* – Hull Chamber of Commerce • Consult with local colleges and ITPs to understand the level of local traineeship provision to be delivered post-August 2023 • Work to build mentoring/pastoral care capacity in training providers and other organisations as they often do not have these skills – this should help reduce drop-out rates amongst disadvantaged learners • Raise awareness of additional learner support funding with local employers • Consider extra funding support for disadvantaged learners as current additional learner support (£150 per week) is often seen as inadequate

The issue	The evidence for this	Our recommendations
Apprenticeships and technical education in HEY are focussed on Intermediate level courses	• 41% of apprenticeship starts in HEY in 2021/22 were at the Intermediate level, with 19% of starts at the Higher level. Previous increases in starts at Advanced and Higher levels have stalled in last 2 years • In Yorkshire & Humber 25% of starts were at the Higher level and in England it rises to 30.5% • To reach the same percentages the region would need an extra 335 – 630 Higher level starts per year. • Training providers surveyed reported the highest level of interest amongst employers for learners with Higher and Degree level apprenticeships - government data supports this trend • **However** – there was some consultation feedback that said the removal of Intermediate level qualifications was a damaging long-term trend as it reduces the opportunity for learners with lower levels of qualification to access apprenticeships which increasingly become the preserve of already higher qualified and employed learners.	• Promote Higher level apprenticeships to local employers and their workforce (in particular, SMEs and larger employers who have a limited workforce skills development programme), potentially using the example of large local organisations such as the Councils and NHS who have increased the number of apprenticeships offered at Higher levels • Maintain region-wide tracking of learners and apprentices who have completed Intermediate courses to identify times and opportunities for them to re-enter technical education at advanced and higher levels • Consider financial support for learning providers to enable them to hire trainers for Higher level courses who may otherwise remain in industry

The issue	The evidence for this	Our recommendations

An information (and role/responsibility) disconnect between learners, schools, training providers and employers	• HEY outperforms national averages on Compass data for student careers advice, including on benchmark 7 which focus on technical education knowledge and provision
	• However, project feedback has highlighted information disconnects:
	  ○ *"With [manufacturing, agri-tech, health and social care] we haven't got specifics on occupational training requirements."*
	  ○ *"Colleges think employers need to teach it [employability skills], employers think it's down to colleges and schools."*
	• Student Voice panel feedback:
	  ○ Less than 25% felt they had all the information about all careers available to them and requested more careers advice input from employers and professionals in particular fields
	• A lack of guidance from parents / family on technical education options is seen as the biggest barrier (87% see this as a barrier overall, and 40% a 'big barrier')
	• *"Due to the examination situation with school leavers in previous years the first choice has been academic. In more recent discussions young people are starting to once again consider apprenticeships as a good viable option."*
		• Ensure that Careers Advice Services have more awareness and understanding of apprenticeships and technical education so that they are able to better advise students on the options available to them
		• Use new Provider Access Legislation (6 encounters in total between Year 8 – 13) to ensure that better links between schools and employers exist and strengthen the options that are put in front of students when they are considering their futures
		• Work with HEY priority sector employers and training providers to develop checklists of core occupational skills requirements to widen courses available and their relevance to employment
		• Regular events and roadshows with schools, FE colleges and employers to promote different career options and to explain the benefits of technical education
		• Social media engagement with learners to promote the benefits of apprenticeships and technical education (i.e., financial, career progression, life skills, balance of education and work experience) to learners
		  ○ *"Young people do not want to access government websites"*
		  ○ Feedback that some parents now see *"the bigger picture"* around technical education and its benefits but also that 80% of work experience is organised for learners by their parents/carers

The issue	The evidence for this	Our recommendations
The funding available for apprenticeships and technical education is not fully understood by all local employers	• There is good knowledge around the apprenticeship levy but less knowledge about how to access the levy transfer scheme or how to access extra funding re. learners with SEND (see point 3) • *"A lot of discussion about the apprenticeship levy transfer – employers could do with more information about when they've not spent all the levy."* • The guidance from ESFA can be difficult to understand • Current financial constraints make employers hesitant to take-on apprentices – will we be able to afford another full-time employer upon completion?	• Work with local employers with apprenticeship programmes to promote the benefits of the levy transfer scheme • Provide guidance on the costs of apprenticeships and technical education to inform local employers of the costs and benefits of engaging with a technical education scheme • Consider working with a Flexi-Job Apprenticeship Scheme (e.g. EN:Able Futures) on specific projects in the region to promote apprenticeships (and the low admin/costs) to SMEs and companies in sectors that may not want to commit to longer courses ○ Potential support could also be sourced from the Yorkshire Apprentice Service and The Apprenticeship Hub

LSIP Emerging Priorities – Draft Report

March 2023

Copy of document circulated to Colleges at the end of March 2023.

The Local Labour Market

In September 2022, around 267,000 people were employed in HEY; representing 74% of residents aged 16-64 in the area.

Over the past five years, Hull & East Yorkshire's employment rate has decreased and remained below the national rate. Although it showed a recovery in 2021, the current employment rate is also below the regional rate of Yorkshire & Humber.

Within the Hull & East Yorkshire region, there is a significant variance in the employment rate by local authority. East Riding of Yorkshire presents an employment rate of 77% (above national and regional levels), while Kingston upon Hull's rate is 70%.

The 16-24 age bracket in Hull experienced a lower rate of employment (44%) compared to East Riding of Yorkshire (55%) and the Yorkshire & Humber and England (53%), but the highest employment rate for the 50+ age (46%).

The working age population is shrinking and is expected to account for 58% of the current population by 2030.

The Hull & East Yorkshire region comprises 20,945 businesses, which 32.5% are within Hull, and the remaining 67.5% are within the East Riding. Hull & East Yorkshire has shown a 5% growth in the number of businesses from 2019 –higher than national levels (2%), namely in the sectors of transport & storage (35%) and construction (12%), and mainly in Hull.

Challenges for the region include:

- High income, employment and education deprivation in the city of Kingston upon Hull.
- An increasingly ageing population, which will reduce the pool of labour in the region.
- A higher proportion of lower skill occupations.
- Lower wages in the region.

Opportunities, however, include:

- A large manufacturing base, which is well positioned.
- High employment levels in priority sectors such as health & social care, which are important within the context of Covid-19 and an ageing population.
- Sector specialisms in engineering, manufacturing, logistics, construction, and professional services have high-value growth potential and will be critical to COVID-19 recovery in the region.

Key findings from the Employers Skills Survey 2023

Skills Demand

- Employers reported a short-term demand for labour with nearly 90% indicating their intention to recruit new employees in the next 12 months.
- Two out of three respondents reported that over the next three years employability skills such as team working, attendance, timekeeping and work ethic will be important for their business.
- Three in five respondents considered that access to funding for staff training would be beneficial for their business.
- Around half of respondents identified the importance of relationship building with training providers to provide tailored and flexible training courses.
- Employer demand for apprenticeships appears to be increasing with a larger share of respondents indicating their plans to recruit in the next 12 months (52%) compared to recruitment in the last 12 months (41%).
- Reflecting the nature of the survey sample, engineering and technical apprenticeship roles were reported as the most commonly sought after by businesses for both past and planned future recruitment.

Skills Supply

- Over 80% of respondents have experienced recruitment challenges within the last 12 months.
- Overwhelmingly, recruitment challenges within the last three years were attributed to there being fewer skilled young people entering the labour market (75% of respondents).
- Alongside having a larger pool of skilled and experienced labour to draw from locally, two in five employers cited the candidates' quality, attitude and employability as the single thing that would make the biggest difference to easing current recruitment difficulties.
- Alongside employability skills and IT and digital skills, technical, practical and occupation specific skills shortages are being felt most keenly by employers at present.
- Half of employers considered that the time available to enable their staff to undertake training is a barrier. Financial assistance to support the time / cost of training and developing their workforce was identified as the most important single aspect to overcome existing barriers.

- While three in five employers reported that they knew where to access training services to support their needs, a significant proportion of employers (35%) indicated that they do not have any relationship with training and education providers in the HEY area.

Key Sector Findings

- By a significant margin, the best represented sector in the survey sample was Manufacturing, Engineering and Construction. Low representation in some HEY LEP target sectors (e.g. Rural Economy & Tourism, Health, Social Care and Medicare and Ports, Logistics and Warehousing) means that the interpretation of findings should be treated with caution.
- Only one in ten workers within the Manufacturing, Engineering and Construction sector were aged 16-24 – the lowest proportion of all sectors.
- Employer demand for apprentices within the Manufacturing, Engineering and Construction sector and Services sector appears to be increasing with a larger share of respondents indicating their plans to recruit in the next 12 months compared to recruitment in the last 12 months.
- Key labour supply issues relating to Manufacturing, Engineering and Construction, Services and Public and Other Services can be summarised by finding sufficient employees from the local area with the right technical and employment skills.
- The best represented sectors reported far lower levels of satisfaction in relation to apprenticeships, with around three in five employers reporting either positive or very positive experiences.

Top three most important skills / attributes for businesses over the next three years identified were:

- *Manufacturing, Engineering and Construction:* employability skills (68% of respondents in the sector), technical, practical or occupation specific (66%) and leadership and managerial (50%)
- *Public and Other Services:* IT and digital (58%), customer service (56%) and employability skills (54%)
- *Services:* employability skills (70%), customer service (70%) and technical, practical or occupation specific (57%)
- *Wholesale / Retail:* customer service (83%), employability skills (67%) and sales and marketing (58%)
- *Rural Economy & Tourism:* employability skills, technical, practical or occupation specific, leadership and managerial and financial management (all 56%)
- *Health, Social Care and Medicare*: employability skills (85%), customer service (69%) and leadership and managerial, IT and digital and planning and organisational (all 62%)
- *Ports, Logistics and Warehousing:* employability skills and customer service (both 78%) and technical, practical or occupation specific, leadership and managerial, IT and digital and financial management (all 67%).

Strategic Priorities

Within the HEY LEP's Local Skills Report (January 2022), priority sectors were highlighted as being:

- Health & Social Care
- Construction
- Digital Technology
- Haulage, Ports & Logistics
- Manufacturing
- Low Carbon Technologies
- Tourism & the Visitor Economy
- Medicare
- Agri-tech and Food

Through different methods of engagement (including an Employer Skills Survey, 1-2-1 conversations, sector focus groups, virtual events, attendance at Hull & Humber Chamber of Commerce Policy meetings, discussions with sector representative bodies and presentations at local events and networks) and utilising data and skills reports already available, we have identified the following as key sectors to be covered within the Hull & East Yorkshire Local Skills Improvement Plans:

- Construction
- Engineering Construction
- Manufacturing
- Agri-tech
- Health & Social Care

Cross-cutting themes have been highlighted as:

- Digital (although there are elements which are standalone)
- Net Zero
- Employability & Transferable skills

Generic Overall Priorities for consideration

Following employer and stakeholder engagement, we have identified the following overall priorities for the local skills system, which we would like to explore potential actions for with Colleges, Providers, the Hull & East Yorkshire LEP, Hull City Council and East Riding of Yorkshire Council.

- Careers guidance needs to reflect local employment opportunities and it would be recommended for schools to be involved to assist in achieving this.
- There are difficulties in recruiting technical educational professionals due to salaries being higher in industry. Consideration should be given to a cross area initiative here including exploring secondment opportunities between employers and colleges/providers.
- Employers need support in assessing their skills and occupational needs and creating workforce development plans. Including their future need within their organisations, particularly SMEs.
- Details regarding employers' requirements linking to the Net Zero agenda needs to be provided in layman's terms. Employers need support to understand the implication of net zero and decarbonisation policies for their business through including diagnosis of their needs, and the implication arising for future skills development. A programme of workshops for managers and relevant staff could be explored here.
- NEET numbers are increasing in Hull & East Yorkshire and there are concerns there is insufficient entry level pathways available, that can enable those classed as NEETs to move on to higher level pathways linking with opportunities available locally. Higher numbers of 16 and 17-year-old entrants to Apprenticeships is one way to assist here.
- There are significant concerns that new workers are not equipped with the necessary employability skills and behaviours required within the workplace.
- Educational professionals are needed that understand different sectors and have the relevant skills to train future workforce.
- There is a lack of knowledge of T-levels amongst employers, which is contributing to low demand. Both employers and students need full information.
- Mechanisms for incentivising investment in training through subsidy and flexible course provision require further investigation. This includes raising awareness amongst employers about what already exists, as well as informing new provision.
- The creation of more bite size and modular provision aligned to key competencies is an important prerequisite to meeting employer needs.
- The barriers to apprenticeship provision include costs of releasing staff, a lack of suitable candidates, and a mismatch between apprenticeship standards and local employer needs. A local Apprenticeship Strategy would provide a tailored response to demand and supply, including more demand-led provision which seeks to mitigate the impact of time off the job and provides a more bespoke solution to employer needs.
- Embedding employability skills, digital skills and work experience further in the post 16 vocational curriculum may help to address issues/shortages associated with quality, attitude and practical skills.
- Embedding Microsoft applications and social media in the school curriculum would help acquisition of these basic digital skills.

- For existing workforce up-skilling, employers have suggested the need for flexibility in course delivery to minimise impact on day-to-day operations.

Engineering Construction including Offshore Wind and Carbon Capture

The Sector

When discussing Engineering and Construction for Hull & East Yorkshire, it is vital to discuss the Humber, as the UK's largest industrial cluster. Therefore, it is anticipated these priorities should also be indicated within the Greater Lincolnshire & Rutland LSIP, however we are awaiting a decision from the FSB as to whether this will be the case.

The Humber benefits from its:

- Proximity to planned CO_2 storage sites in southern North Sea
- Proximity to Hydrogen storage options (previously, natural gas)
- Proximity to renewable power – biomass, wind (negative emissions)
- Process operations and supply chain capabilities
- Proximity to major UK conurbations/clusters & export facilities

Current projects within Hull & East Yorkshire include (information provided by ECITB):

Projects in Hull & East Riding of Yorkshire

Project Name	Industry Sector	Project Type	Project Stage	Project Status	Operator	End date	Value (£Million)
Eggborough CCGT Power Plant	Conventional Power	Gas Fired	Feasibility	Authority Approved	Eggborough Power Limited (EPL)	2025	1200
East Yorkshire Solar Farm	Renewables	Solar	Feasibility	Planning	Boom Power	2025	320
Easington Hydrogen Hub	Hydrogen	Blue	Feasibility	Planning	Centrica	2028	280
Saltend Soarnol Plant Expansion	Chemicals	Soarnol	Feasibility	Authority Approved	Mitsubishi Chemicals	2025	160
Hull Vinyl Acetate Monomer (VAM) Plant (INEOS)	Chemicals	Acetate Monomer	FEED	Memorandum of understanding	INEOS	2024	160
Saltend Acetylation Plant	Chemicals	Acetylation	EPC	Commissioning	Tricoya Consortium	2023	86.4
Aldbrough Hydrogen Storage Facility	Hydrogen	Storage	Feasibility	Planning	Equinor	2028	56
Energy from Waste Melton Waste Park (Project 1)	Renewables	Energy from Waste	FEED	Contract Awarded	Solar 21	2024	40
West Newton Gas and Oil Discovery	Oil & Gas	Field Development	Feasibility	Planning	Rathlin Energy	2023	40
Solar Power Project Hull	Renewables	Solar	Feasibility	Planning	Gridserve	2023	39.2
Kenley Solar Farm	Renewables	Solar	FEED	Authority Approved	Boom Power	2024	32
Solar PV Driffield	Renewables	Solar	Feasibility	Authority Approved	BayWa r.e.	2023	24
Field House Solar Farm	Renewables	Solar	Pre-FEED	Planning Consent Applied	Albanwise Synergy	2025	24
Biomass Power Plant Hull (Biomass No1)	Renewables	Biomass	EPC	Hold	Biomass UK NO.1 LLP	2024	20
Onshore Wind Farm Melton Common	Renewables	Onshore Wind	Multi-Contract	Authority Approved	Seneca Global Energy	2024	12

A skills study has already been completed relating to the Humber Industrial Cluster Plan, which:

- Provides a high-level estimate of the likely demand for skilled labour to develop a Net Zero industrial cluster in the Humber region
- Assesses the capacity of the current skills pipeline to meet the upswing in demand
- Identifies the underlying issues and blockers that may affect the region’s ability to develop an adequate pipeline of skilled workers; and
- Develops recommendations to address key issues to feed into the overall plan and ensure that the region maximises the benefits from the investment that will flow into the cluster to meet Net Zero

Key findings shared with us during this process highlight:

- 5100 new direct jobs are supported in engineering construction per £1billion invested
- The current Engineering and Construction workforce in the Humber is estimated by ECITB to comprise of around 5300 current jobs
- Cluster stakeholders are already experiencing significant challenges staffing existing operations, retaining their current workforce, and recruiting experienced individuals
- There was unanimous agreement from all stakeholders that without action there will be a critical skills shortage that will make it hard to achieve Net Zero ambitions
- Contractors are already finding it hard to maintain a steady workforce, with many employed on short-term contracts and a significant proportion reaching retirement age
- Engineering construction contractors are finding it difficult to retain a permanent workforce
- Clear policy and certainty signals are required to deliver projects in time
- National government is needed to support local content growth
- There is a relatively low appetite for industrial career paths, particularly non-academic routes
- The apprenticeship levy has proven useful however is not being utilised by enough SMEs
- There lacks collaboration in the region to voice the skills shortage, and there is minimal robust quantitative information out there
- Local contractors are not guaranteed long term work, and are offered projects on very short notice

Consideration must also be made to the employment opportunities within the energy sector, which are forecast to grow significantly over the coming years. In the East Coast Cluster (renewable energy project) a recent report by Vivid Economics in 2020 suggests that this project alone could support 129,000 direct jobs and create £1.5bn in direct GVA annually on average during the construction phase.

Through our employer engagement work and Employer Skills Survey we have found that:

- Finding employees with the appropriate attitude towards working in the sector, a willingness to adapt to changes and basic requirements such as timekeeping, behaviour and communication were specifically identified within the focus group. Key competencies affecting firms' ability to recruit included an ability to learn, attitudes towards/willingness to do shift work, willingness to working long hours as well as attitudes towards PPE (a specific concern to the food industry).
- This sentiment was strongly reflected in the survey analysis, with employability skills ranking higher than technical, practical or occupation specific skills as the most sought-after attribute for businesses in the sector in the next three years. The impact of pandemic was highlighted as a potential cause of a lack of soft skills or good timekeeping and communication.

Specific to Offshore sector:

- Increased requirement for data science, coding and robotics skills in the sector, although competition for skilled labour in fields such as data science (where pay can be higher in other sectors e.g. finance) has made recruitment more challenging for these technical roles.
- Ensuring apprentices have background in STEM subjects.
- Although recruitment in highly skilled technical positions was identified as a challenge for respondents in the offshore sector, there was a general requirement for basic skills such as an ability to correctly complete paperwork, basic IT skills and observational skills.
- Literacy and numeracy skills were essential for their sector.
- Reported difficulties in developing the soft skills required to lead and manage teams at a senior level and a need to develop a leadership programme.
- Issues of workplace diversity were highlighted, citing a need for an improved gender balance.
- Challenges around misconceptions that all roles in the sector are technical were identified, with respondents highlighting a need for non-technical roles such as project management and business development. Allied to this was a need for a better understanding of job roles within the sector and how to access them.
- Recruitment and retention can be challenging due to geography of the Humber and East Yorkshire area which is comparatively less accessible and is affected by external perceptions, despite the significant opportunities that the area and its employers have to offer.

Skill Shortage Occupations and Green Economy Skills Gaps

Here, and in the tables which follow for other sectors, we have identified occupational skill shortages wherever possible. These are very much provisional priorities pending more work with employers and LMI. We have also considered the Green economy up-skilling requirements alongside this for some sectors. Generally, these green economy needs fall into three categories a) simple awareness of what is happening in the economy to achieve net zero b) Understanding of the subject in the context of practising the occupation and c) substantial up-skilling for those occupations which need it. We hope that a) would be a short cross area events programme funded by employers themselves possibly with an

LSIF input, b) a more substantial input specific to sector/occupation funded by employers and LSIF and c) a much more significant up-skilling programme publicly funded by LSIF and/or AEB innovation. Please note a number of the occupations below can also be found in the construction sector.

Employer Need	Employees currently in employment in Hull & East Yorkshire	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
Professional Level				
Offshore project managers L3/L6	Need to check	Apprenticeship upgrading from trades or professional	Understanding green economy (short course)	Employer/LSIF/ innovation
Construction project managers L3/L6	589	Apprenticeship upgrading from trades or professional	Understanding green economy (short course)	Employer/LSIF/ innovation
Construction supervisors L4	541	Apprenticeship upgrading from trades	Understanding green economy (short course)	Employer/LSIF/ innovation
Site managers (with trade experience) L4	Need to check	Apprenticeship upgrading from trades	Understanding green economy (short course)	Employer/LSIF/ innovation
Scientists	*Awaiting more specific detail.*		Understanding green economy (short course)	Employer/LSIF/ innovation
Quantity surveyors L6	300	Apprenticeship or FT HE	Understanding green economy +specifics re materials	Employer/LSIF/ innovation
Engineering technicians L3/4	720	Apprenticeship, 16 to 19 FE, T Levels	Understanding specifics re-engineering	Employer/LSIF/ innovation
Digital				
Data analysts, scientists and engineers L3/L4	652	Apprenticeships, FT 16 to 19, T Levels	Awareness	Employer/LSIF/ innovation
Cyber Security Specialist L7	Need to check	Apprenticeship or post grad HE	Awareness	Employer/LSIF/ innovation
Artificial Intelligence Specialist L7	Need to check	Apprenticeship or post grad HE	Awareness	Employer/LSIF/ innovation

Employer Need	Employees currently in employment in Hull & East Yorkshire	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
New occupations				
Ecologists L7	Need to check	Apprenticeships and full time HE	Full occupation	
EV charging point installers – domestic and public/contractors L3	Need to check	Up-skill electricians or create own training programme via LSIF	Specialists employed by specialist employers usually electricians up-skilled by employers	LSIF/AEB innovation
EV mechanics (L2?)	Need to check	Up-skill or create own training programme Funding possibly via AEB/Bootcamps	No standard yet so employers own training programme funded via AEB innovation/Bootcamp	
Low Carbon Heating Technician L3 and Plumbing and Heating Tech L3(Ground/Air Source Heat Pumps installers)	Need to check	Apprenticeships/Full time 16 to 19/up-skill plumbers	LCHTs employed by specialist firms but large numbers of plumbers will need up-skilling	Employer/LSIF
Craft Level				
Pipe Fitters L3	44	Apprenticeships	Awareness	Employer/LSIF/ innovation
Scaffolders, stagers and riggers L2	288	Apprenticeships	Awareness	Employer/LSIF/ innovation
Steel erectors L3	118	Apprenticeships	Awareness	Employer/LSIF/ innovation
Steel-fixers L2	Need to check	Apprenticeships	Awareness	Employer/LSIF/ innovation
Welders L2/3 (pipe welders L3, general welders L3)	844 (in welding trades)	Apprenticeships	Awareness	Employer/LSIF/ innovation

Construction

The Sector

The construction industry in Yorkshire & the Humber has 14,325 businesses with more than one employee, which is 13% of all employers in the region. In 2022 the industry is estimated to have total output of around £14.5bn which is structured as per the below chart. The profile of the construction industry in Yorkshire & the Humber has two obvious differences to the UK, with higher shares of infrastructure and non-housing R&M work. Infrastructure is the strongest sector in the region, accounting for 25% of total work, noticeably higher than the UK share of 15%, with non-housing R&M following at 24%. Combined, these two sectors account for nearly half of the total 2022 output
Over next five years the Yorkshire & Humber region is expected to;

- Have an average construction growth of 2.2% per year. Highest region/nation rate in the forecast
- The construction industry in the region recruits between 12,500 to 16,500 new workers each year
- To meet demand, we forecast that recruitment would have to increase by nearly 3,600 workers per year, roughly a 25% increase
- Occupations identified in the report are consistent with those highlighted on earlier charts

Further detail is available within CITB's 'The Skills Construction Needs for 2023 – 2027', which states that across Yorkshire & Humber the volume of construction work in Yorkshire & the Humber will grow, slightly ahead of the UK forecast of 1.5% by an annual average rate of 2.2%. The fastest sector of growth is expected for Infrastructure and Repair and Maintenance.

The average annual recruitment requirement in Yorkshire & the Humber is set to average 1.7% per year, based on 2022 workforce levels, which is the same as the UK figure. This means the construction industry would have to increase current recruitment by 3,560 new workers each year to deliver the expected work between the start of 2023 and end of 2027.

The occupations with the strongest additional recruitment requirement levels: have been highlighted as being: Other construction professionals and technical staff (1470 per year); Non-construction professional, technical, IT and other office-based staff (390 per year); and Plasterers (330 per year).

Significant projects that would pull on the construction workforce within Hull & East Yorkshire include Offshore Wind Farm: Dogger Bank A (£2bn) and Full Sutton Prison. However, these projects also link with the workforce within neighbouring LSIPs, and thus shared priorities need to be considered.

In terms of Job vacancy postings for the industry in Hull & East Riding, vacancies increased sharply in 2021 and have remained above pre-Covid levels during 2022. Currently there are more than double pre-Covid levels for Hull & East Riding areas. The majority of vacancies advertised were in Hull (60%) & Goole (20%). An outline of the top 5 job postings can be highlighted as follows:

Occupation	Unique postings Mar 2022 - Feb 23	Median Posting Duration (days)
Electrician	488	35
Civil Engineer	319	35
Construction Helper / Worker	284	34
Labourer / Material Handler	263	36
Construction Manager	258	39

Skill Shortage Occupations and Green Economy Skills Gaps

Employer Need	Number of employees in employment Y&H 2023 (estimate)	Number of employees in HEY	Forecast Y&H 2027	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
Senior, executive, and business process managers	10300	Need to check	10600			
Construction project managers	3200	589	3400	Project Manager Apprenticeships or short courses	Understanding – short course	Employer/LSIF
Other construction process managers	14600	Need to check	15000		Understanding	Employer/LSIF
Non-construction professional, technical, IT, and other office-based staff	33300	Need to check	33600		Awareness	Employer
Construction trades supervisors	3100	547	3300	Site supervisor up-skilling Apprenticeships or short courses	Understanding	Employer/LSIF

Employer Need	Number of employees in employment Y&H 2023 (estimate)	Number of employees in HEY	Forecast Y&H 2027	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
Wood trades and interior fit-out	20300	Need to check	19800		Awareness	Employer/LSIF
Bricklayers	6500	315	6300		Awareness	Employer/LSIF
Building envelope specialists	8100		8300		Awareness	Employer/LSIF
Plasterers	5600	115	5400	Apprenticeships/FT 16 to 19 FE	Awareness. Insulation retrofit/dry lining Up-skilling courses	LSIF/AEB innovation
Roofers	4500	180	4400	Apprenticeships	Awareness Solar power installation courses	LSIF/ AEB innovation
Floorers	2000	330	2000		Awareness	Employer/LSIF
Glaziers	3000	603	3000		Awareness	Employer/LSIF
Specialist building operatives	4400	Need to check	4300		Awareness	Employer/LSIF
Scaffolders	1800	288	2100	Apprenticeships	Awareness	Employer/LSIF
Plant Operatives	1100	Need to check	1300		Understanding	Employer/LSIF
Plant mechanics/fitters	3400	Need to check	3300		Up-skilling EV vehicles	LSIF/AEB
Labourers	6800	Need to check	6900			
Electrical trades and installation	14700	252	15600	Apprenticeships/ 16 to 19 FE	Up-skilling heat pumps/solar power	LSIF/AEB
Plumbing and HVAC Trades	13800	1068	13900	Apprenticeships/ 16 to 19 FE	Up-skilling heat pumps, under floor	LSIF/AEB

Employer Need	Number of employees in employment Y&H 2023 (estimate)	Number of employees in HEY	Forecast Y&H 2027	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
Logistics	1400	Need to check	1700		Awareness	Employer/LSIF
Non-construction operatives	4800	Need to check	5100			
Other construction professionals and technical staff	16300	Need to check	16500		Awareness	Employer/LSIF
Architects	600	145	600		Understanding	Employer/LSIF
Surveyors	6900	360	7700	Degree Apprenticeships/HE	Understanding	Employer/LSIF

Manufacturing

The Sector

Hull & East Yorkshire has a large manufacturing base which is well positioned to capitalise on high value opportunities and is one of the main sectors of employment (16% or 42,000 jobs). This sector also aligns with one of the main employment sectors seen in the Humber region

This sector is the single largest contributor to total GVA in Hull & East Yorkshire, having a worth of £2.97bn (or 23% of total GVA) in 2020.

In the 2023 update of the core indicators within the HEY LEP's Local Skills Report, it is noted that the share of FE achievements in the engineering and manufacturing technologies is relatively low compared to health and retail, achievements within this sector account for 4% of all FE achievements (the national rate is 3%). This is a slightly lower percentage than the previous Local Skills Report, and thus requires attention as priority sectors of manufacturing and low carbon technologies.

Some key facts on the sector can be highlighted as follows

- Hard-to-fill vacancies are highest in manufacturing (11%).

- Strong Employment growth
- Nationally, 186,000 engineers and 79,000 other skilled workers need to be recruited every year until 2024.
- There is a shortage of staff with higher level skills, both technical and managerial.
- Industry image of shift work and lower wages proves a challenge for recruitment.
- Even when qualifications were met, the skill set is not always suitable, which is mirrored on the views of the importance of employability skills received during focus groups and 1-2-1 discussions with the sector.
- Barrier to training is the price of such specialist courses.
- Employers were not yet aware of T Levels (post-GCSE qualification) being introduced in 2020 to develop technical knowledge.
- Around 133,000 new jobs will be needed in Food Manufacturing between 2014 and 2024 across the UK, more than any other manufacturing sector.
- Generally, do not struggle finding labour, however it is hard to find the right skill levels and capabilities.
- Key challenge, as well as having the right attitude and desire to work in the sector
- Key competencies for the jobs include ability to learn and attitudes/willingness to shift work, working long hours, and attitudes towards wearing PPE.
- Attitudes to working in the industry are key
- Formal skill requirements: Food hygiene certificate, FLT training
- Basic skill requirements: ability to correctly complete paperwork, basic IT skills, observational skills
- Typically, an older workforce 30's and above. Rarely attract school leavers.
- Issue is that people do not see manufacturing as somewhere to progress, gain a career – it is just a job. It is easier to see a career path and gain skills and qualifications in engineering and construction than it is in manufacturing.

From our Employer Skills Survey and further employer engagement work we have found that:

- Age profile in manufacturing (specifically) is a labour supply challenge, with a generally older workforce profile. This reflected difficulties in attracting school leavers who do not see manufacturing as a sector where they can progress and develop a career.
- Digitisation and automation (in manufacturing) has not radically altered the skills requirement but requires slightly higher-level IT skills (more of a challenge given age profile of workforce and a need to build confidence and aptitude in these areas).

Key Manufacturing Occupations (but not limited to)

Employer Need	Employees currently in employment in Hull & East Yorkshire	Provisional priority & possible funding sources	Green Economy Additional need	Possible funding source
Production Managers and Directors in Manufacturing (1121)	2990 (figure from lightcast but querying)		Awareness	Employer/LSIF
Electronics Engineers (2124)	121		Understanding	Employer/LSIF
Design and Development Engineers (2126)	415	Degree Apprenticeship / Full time HE	Understanding	Employer/LSIF
Research and Development Managers (2150)	257		Understanding	Employer/LSIF
Sheet Metal Workers (5213)	162		Awareness	Employer/LSIF
Metal Plate Workers, and Riveters (5214)	99		Awareness	Employer/LSIF
Tool Makers, Tool Fitters and Markers-out (5222)	82		Awareness	Employer/LSIF
Skilled Metal, Electrical and Electronic Trades Supervisors (5250)	419	Apprenticeship up-skilling / short courses	Understanding	Employer/LSIF
Mechanical engineers (2122)	441	Degree Apprenticeship / Full time HE	Understanding	Employer/LSIF
Quality Control and Planning Engineers (2461)	200		Awareness	Employer/LSIF
Draughtspersons (3122)	309		Understanding	Employer/LSIF
Production and Process Engineers (2127)	427	Degree Apprenticeship / Full time HE	Understanding	Employer/LSIF
Engineering Professionals n.e.c. (2129)	749		Understanding	Employer/LSIF
Quality control professionals (2481)	Need to check		Awareness	Employer/LSIF
Engineering Technicians (3113)	720	Apprenticeships/16 to 19 FE	Understanding	Employer/LSIF
Metal Making and Treating Process Operatives (8117)	63		Awareness	Employer/LSIF
Plant and Machine Operatives n.e.c. (8129)	291	Apprenticeships	Understanding/up-skilling	LSIF/AEB

Skills Gaps & Up-skilling

Employer Need	Priority for Existing Workforce (skills gaps and up-skilling)	Priority for the Future Workforce (add content into Apprenticeships, 16 to 19 and AEB as appropriate)
Food Hygiene Certification	For employers	
FLT Training	For employers	
Basic IT skills (Outlook, Word and other Office programmes)	Basic digital skills programme of short courses	Essential digital skills qualifications within education system
Health & Safety	For employers	

Agri-tech

The Sector

The Agri-Tech and Food sector accounts for a significantly higher level of employment in the HEY LEP region (11%) than at a national level (4%). Employment is high in this sector as Yorkshire & Humber is the country's largest food producing region. Innovation and automated technologies will be required to meet future challenges of climate change and the growing population.

As stated within the HEY LEP's Local Skills Report 2022, within the sector there is a need to:

- Up-skill the existing labour force to meet technological drivers of change including automation.
- Mitigate for the reduction in migrant labour through skills attraction and retention strategies.

In terms of skills supply and demand:

- Innovative and automated technologies to meet future challenges will drive demand for engineers, scientists and mathematicians.
- Around 133,000 new jobs will be needed in Food Manufacturing between 2014 and 2024 across the UK, more than any other manufacturing sector.
- Yorkshire and Humber is the country's largest food producing region.

- Automation in the sector is an opportunity to attract more young people into the agricultural industry as it engages those with technology and data skills in an industry that has not traditionally done so.
- The region has a proud fishing heritage and whilst in employment terms the fisheries sector is now relatively small, the area is home to one of the largest shell fishing fleets in the UK, which exports most of its catch.
- The food sector in the area adds significant value to the wider economy, with research by Defra indicating that for every £1 of GVA in agriculture, there is a further £4 in food processing and a further £5 in food retail and catering. This sector is highly contained within the Humber region, with over half of supply chain spend by the food sector captured within the sector itself. Opportunities to support supply chain diversification will drive resilience in the sector.

During our conversations with employers within the sector we have found that:

- There is a demand for roles from across the skills spectrum, ranging from professional roles (e.g. agronomy, specialist solicitors) to managerial roles and skilled labour (e.g. crop spraying) through to broader trades and manual occupations.
- The twin agendas of digitalisation and drive to net zero are aligned, with the former leading to emerging requirements around automation, robotics and AI in agriculture which in turn will deliver better cost-effectiveness that will assist with the delivering the latter. Both agendas will require up-skilling of staff, particularly in relation to digital skills and the wider use of technology.
- One of the key skills supply issues focused around the need for fundamental skills such as attitude and enthusiasm towards work and communication skills (employability).

Key Agri-tech Occupations (but not limited to)

Employer Need	Employees currently in employment in Hull & East Yorkshire	Provisional priority & possible funding sources	Green Economy Additional need
Managers and Proprietors in Agriculture and Horticulture (1211)	367		Awareness and understanding
Chemical Scientists (2111)	234	FT HE	Understanding
Biological Scientists and Biochemists (2112)	558	FT HE	Understanding
Physical Scientists (2113)	92	FT HE	Understanding
Environment Professionals (2142)	264	Apprenticeships and FT HE	Understanding
Laboratory Technicians (3111)	488	Apprenticeships and FT HE	Awareness
Quality Assurance Technicians (3115)	218		Awareness
Farmers (5111)	606		Understanding
Horticultural Trades (5112)	241	Apprenticeships and FT FE	Awareness and understanding & Up-skilling
Gardeners and Landscape Gardeners (5113)	430		Awareness and understanding & Up
Groundsmen and Greenkeepers (5114)	263		Awareness and understanding & Up
Agricultural and Fishing Trades n.e.c. (5119)	139	Apprenticeships	Awareness and understanding & Up
Smiths and Forge Workers (5211)	8		
Farm Workers (9111)	985	Apprenticeships and FT FE	Awareness and understanding & Up
Forestry Workers (9112)	19		Awareness and understanding & Up
Fishing and Other Elementary Agriculture Occupations n.e.c. (9119)	368		Awareness and understanding & Up
Specialist Solicitors	Unknown specific to the sector	Encouraging solicitors to enter this specialism	Awareness

Skills Gaps & Up-skilling

Employer Need	Priority for Existing Workforce (skills gaps and up-skilling)	Priority for the Future Workforce (add content into Apprenticeships, 16 to 19 and AEB as appropriate)
Up-skilling for automation	Up-skilling apprenticeship / short course	Add in to training
Up-skilling for robotics	Up-skilling apprenticeship / short course	Add in to training
Up-skilling for AI	Up-skilling apprenticeship / short course	Add in to training
Right professional disciplinary competencies	Short course	Should already be included in training.
Communication skills	Short course	Should already be included in training.

Other Key points to note:

- A lack of benchmarking in relation to net zero / sustainability targets or outcomes is a challenge for the sector and the shifting landscape of information on this topic can be difficult to navigate at present.
- Routes are stated as being available to up-skill staff within the current system but finding the right people in the first place is the key challenge. This issue is compounded by inherent labour supply challenges specific to the sector (lifestyle) and rural location (access) meaning that it is more difficult to recruit.
- Key areas to address when considering how to remove current skills gaps include improving education pathways for the sector (e.g. better links between employers, colleges and work experience providers).
- A need to improve the quality and variety of work experience / careers advice.

Health & Social Care

The Sector

Driven by Hull and East Yorkshire's ageing population (which is above the national average rate), the Health & Social Care sector is expanding. There is also a notable increase of pressures on mental health as a result of the Covid pandemic. The number of health & social care jobs in the Humber are expected to grow from 155,000 to 200,000 by 2030. A perception exists that these jobs are roles as opposed to careers. High staff turnover is also apparent with reasons given as being high demands within the roles and personal needs for greater salaries.

A rapidly growing sector in the UK, jobs in health and social care are projected to continue to grow as the nation grapples with an ageing population and shocks such as the COVID-19 pandemic. Health represents the second largest employment sector within the HEY LEP region and accounts for around 37,000 jobs in the area. High levels of achievement in health, public services and care reflect the high proportion of jobs within this sector in the HEY LEP region.

For the academic year 2020/21, apprenticeship achievements in health, public services and care were 11% compared to 23% nationally.

As stated within the HEY LEP's Local Skills Report 2022, there is a need to:

- Address barriers to up-skilling as 26% of the workforce are over 55 years old and there is expected depletion of the workforce.
- Alter job perceptions to reduce staff turnover which creates a barrier to training investment.
- Increase Dementia awareness, mental health, care for the vulnerable and the elderly and safeguarding knowledge

Through feedback received directly from employers within the sector, we note that:

- There is a generational gap with digital skills/capabilities, the need for which is becoming greater given trend towards digitalisation and digital health care service delivery.
- Skills requirements focus around temperaments and attitudes, such as emotional resilience and softer skills such as sensitivity and boundary skills (e.g. talking to family members) may not be sufficient.
- Customer service skills also a useful competency for the sector which presents an opportunity to look to the retail sector for workers seeking a career change.
- There are challenges with recruitment, citing factors such as the area's location and transport links and difficulties attracting apprentices due to the challenging nature of the work.
- There is a strong knowledge of where to access external training, with preference toward face-to-face learning.

Key Occupations

Please note additional occupations may be added as we have yet to successfully engage with the NHS.

Employer Need	**Employees currently in employment in Hull & East Yorkshire**	**Provisional priority & possible funding sources**
Nursing Auxiliaries and Assistants (6141)	2463	Healthcare support worker and senior L2/3 Apprenticeships Nursing Associate L5 / L5 Assistant Practitioner
Care Workers and Home Carers (6145)	6437	Apprenticeships/Care Certificate Possible recruitment and employability training via JC+/Bootcamp/AEB
Senior Care Workers (6146)	592	Apprenticeships

Skills Gaps & Up-skilling

Employer Need	**Priority for Existing Workforce (skills gaps and up-skilling)**	**Priority for the Future Workforce (add content into Apprenticeships, 16 to 19 and AEB as appropriate)**
Dementia Awareness	Up-skilling Short course	Add in to training
Consistent/Certificated induction process across all Health & Social Care settings	For development by Care employer's association	For all new staff
Mental Health Training	Short course	Add in to training
Mental Health First Aid Certification	Short course	Add in to training
Safeguarding	Short course	Should already be included in training.
Communication skills	Short course	Should already be included in training.
Leadership & Managerial	Up-skilling Apprenticeship/short courses	Add in to training
Basic IT skills (Outlook, Word and other Office programmes)	Digital short course programme	Add in to training
Planning & Organisational Skills	Management workshop	Add in to training
Behavioural attributes – for example: self-assessment & self-regulation in public and private domains and emotional resilience	Short course	Add in to training

Cross-cutting themes

As described earlier, Net Zero, Digital and Professional Disciplinary Competencies (often regarded as Employability Skills) are being considered as cross-cutting priorities across all sectors. Professional Disciplinary Competencies came out as a priority within all employer engagement activity that has taken place as part of the LSIP development.

Digital Skills

Key findings following our Employer Skills Survey show:

- Two out of five employers reported that digital and creative technology was essential for their business, with Microsoft applications and social media representing the most sought-after digital skills.
- Fewer large firms reported being adaptable to emerging digital technologies and opportunities compared to the survey sample as a whole.
- Only half of the respondents reported that they were able to access all the Digital skills training they needed, with SMEs reporting the lowest proportion of firms being able to access them.
- Despite the awareness of free SME support for building digital capabilities being relatively low, the availability of courses was cited as the most important factor limiting access to training.

The following table provides information on digital skills that employers feel they require with potential actions:

Employer Need	Potential Actions
Microsoft applications	Essential digital skills qualifications within education system
Social Media	Essential digital skills qualifications within education system
Management and business specific software	Bespoke training
Marketing	Bite size and modular provision
Cyber Security	Facilitation via Skills Bootcamps / Essential digital skills qualifications within education system
Online sales	Bite size and modular provision
Adaptation abilities to emerging digital technologies	Bespoke training / Bite size and modular provision

Net Zero

We have already covered the green economy within the engineering construction, construction, Agri-tech and manufacturing sectors. The cross-sector priorities below relate to other sectors.

Key findings following our Employer Skills Survey show:

- Only one in five employers reported a short-term demand for skills relating to low carbon and the transition to net zero, rising to two in five among larger employers.
- Over half of Manufacturing, Engineering and Construction firms reported a short-term demand for these skills, referencing a need to respond to the emerging green technology, clean energy and fuel markets, among others.
- Approximately four in five employers reported that they were experiencing skills shortages in relation to low carbon / net zero related skills to some extent or to a great extent.
- Employers highlighted a need to expand the specific technical skills base of their workforce by providing training courses and through employing apprentices.
- Employers that indicated they are planning to reduce their workforce size in the next 12 months cited the cost of net zero requirements was a major factor in this.
- Particularly in construction, there is a need for greater integration of construction and green / renewable technology courses and training made available in the local area.
- Supporting employers to understand the implication of net zero and decarbonisation policies for their business through diagnosis of need, and the implication arising for future skills development. This can be supported through drawing on current insights from the HEY Green Skills report and providing regular updates in response to the rapid technological drivers of change influencing skill demands.
- Horizon scanning and collaborative work with providers will help position local providers to respond to future skill requirements.

Therefore, to summarise overall key employer needs across sectors:

Employer Need	Potential Actions
Up-skilling for emerging green technology	Understanding green technology short course
Up-skilling for clean energy & fuel markets	Understanding clean energy and fuel markets short course
Net Zero / Low Carbon transition skills	Understanding green technology short course
Addressing language barriers for Net Zero requirements / understanding the implication of net zero and decarbonisation policies	Further work to be developed by the LSIP / LEP / Local Authorities – collaborative approach needed

Employability Skills

Through all engagement methods that have taken place to develop these priorities, the following table highlights the key Employability Skills that employers are citing as essential to their business:

Employer Need	Potential Actions
Prioritisation of tasks within settings to deliver solutions.	These skills are already covered in Apprenticeships/FT 16 to 19.We want to ensure they are incorporated into all occupational programmes and that a short course programme for existing employees is considered
Work Ethic	These skills are already covered in Apprenticeships/FT 16 to 19.We want to ensure they are incorporated into all occupational programmes and that a short course programme for existing employees is considered
Communication	These skills are already covered in Apprenticeships/FT 16 to 19.We want to ensure they are incorporated into all occupational programmes and that a short course programme for existing employees is considered
Literacy	These skills are already covered in Apprenticeships/FT 16 to 19.We want to ensure they are incorporated into all occupational programmes and that a short course programme for existing employees is considered
Numeracy	These skills are already covered in Apprenticeships/FT 16 to 19.We want to ensure they are incorporated into all occupational programmes and that a short course programme for existing employees is considered
Leadership & managerial	Management workshop / Bite size and modular provision/Up-skilling Apprenticeships
Organisation	Management workshop / Bite size and modular provision/Up-skilling Apprenticeships

Employer Skills Survey Report

May 2023

Produced by ekosgen on behalf of Hull & East Yorkshire LSIP and Hull & East Yorkshire LEP.

Employer Skills Survey Analysis and Findings
for
Hull and East Yorkshire LEP and
Hull and Humber Chamber of Commerce LSIP
Employer Skills Survey

March 2023

Report completed/submitted by:	Amarilis Herrera & Will Christiansen
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Date:	24.05.23
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Date:	23.05.23

Contents

1 Introduction

Background

ekosgen, in collaboration with IBP Strategy and Research, on behalf of the Hull and East Yorkshire Local Enterprise Partnership (HEY LEP) and Hull and Humber Chamber of Commerce have been commissioned to undertake an employer skills survey and analysis to better understand the skills needs of local businesses based in Kingston upon Hull and the East Riding of Yorkshire. The analysis seeks to identify the key priorities and changes needed to ensure education and training are more closely aligned to employer and local labour market needs.

Study aims

The purpose of the work is to inform the development of a Local Skills Improvement Plan (LSIP)[1] for Hull and East Yorkshire. The LSIP will:

- Engage and facilitate discussions with employers, providers and other stakeholders to identify employers' skills needs
- Provide an agreed set of actionable priorities that employers, providers and stakeholders in a local area can get behind to drive change
- Place employers at the heart of local skills systems and facilitate collaborative working between employers and providers

This analysis will inform the HEY LEP's Employment and Skills Board (ESB) which brings together providers and employers to help ensure local people are trained for jobs that are available and the Hull and Humber Chamber of Commerce who are the designated Employer Representative Body (ERB) for the Hull and East Yorkshire LSIP.

Study methods

The survey method comprised three elements:

- **Online survey**: businesses were invited to complete an online survey, featuring a combination of closed, structured questions and opportunities for more open ended responses. The survey link was shared via Chamber, LEP and stakeholder employer databases, as well as promoted via websites and social media
- **Telephone survey**: mirroring the content of the online survey to ensure full integration with a target of 100 respondents.
- **Focus groups**: five focus group / workshop sessions centred around HEY LEP target sectors.

Using these three survey techniques, intelligence was gathered relating to the nature of respondent businesses and the key issues they experience in relation to their recruitment, skills and training.

There were **278 respondents in total**, combining the online and telephone survey[2]. Surveys took place in late 2022 / early 2023.

[1] Local skills improvement plans (LSIPs) and strategic development funding (SDF) - GOV.UK (www.gov.uk)

[2] In the process of collating the responses it became clear that there were a small number of responses from multiple individuals within the same business (6) as well as multiple responses from the same individual (3) constituting only 3% of responses. Since this represents only a fraction of the total responses, this is considered unlikely to have any significant impact on the analysis findings and have therefore not been redacted or removed from the dataset.

Within the analysis of survey responses the number of respondents to the relevant survey question is clearly indicated using the base number of respondents.

Structure of report

The report is structured as follows:

- **Section 2** considers the characteristics of the respondent businesses, including their location, main sector alongside their size and workforce age profile.
- **Section 3** provides a summary of the key issues facing respondent businesses in relation to skills demand, including their short term recruitment and skills requirements, training approaches needed, including a focus on the demand for apprentices.
- **Section 4** summarises the key issues facing respondent businesses in relation to skills supply, including recruitment and training challenges faced and skills shortages / gaps.
- **Section 5** provides a more in-depth analysis of the key skills demand and supply issues within HEY LEP focus area sectors, including a triangulation of the survey findings with insight from the focus group / workshop sessions.
- **Sections 6 and 7** delve into cross-cutting themes relating to digital skills and skills linked to the transition to net zero / low carbon economy.
- **Section 8** summarises the key conclusions and recommendations emerging from the survey findings.

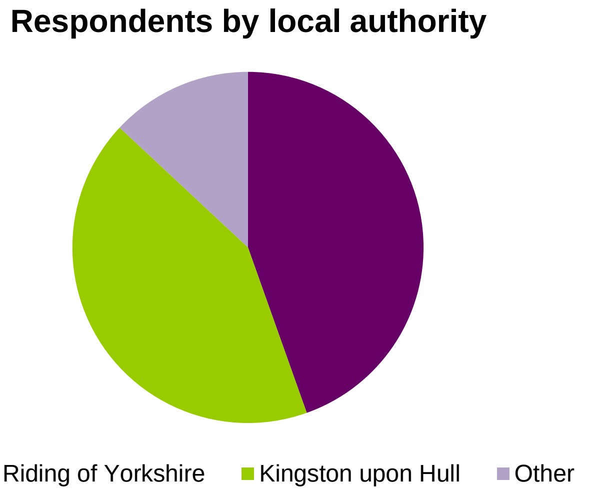
2 Employer Skills Survey Characteristics

Summary

- The survey approach sought equitable geographic coverage across the HEY area. Compared to the business base of the area, Kingston upon Hull businesses are more highly represented in the survey.
- Manufacturing and construction firms made up 36% of the respondents. Firms in the rural economy and tourism were both significantly under-represented compared to their HEY area profile.
- Respondents represented employers across the size spectrum, however, micro firms (fewer than 10 employees) were significantly under-represented compared to their HEY area profile.
- Employers reported the greatest level knowledge on training and qualifications to apprenticeships, whereas there was comparatively lower knowledge levels for T-levels and Skills Bootcamps.

Business location

Around 87% of the businesses surveyed are located in the HEY area: 45% in East Riding of Yorkshire and 42% in Kingston upon Hull, indicating a balanced response rate across these key authorities. However, compared to the business base of HEY (32% of all businesses are located in Kingston upon Hull)[3], Kingston upon Hull businesses are more highly represented in the survey. The 'other' category is mainly composed of businesses in the Yorkshire and the Humber region (11%) and with representation from businesses located south of the Humber in North East Lincolnshire (6%).



Q1.2 What local authority area is your business located in? (N=276)

Sectoral mix

Respondents were asked which main sector best represented the activities of their business, with a choice of 18 sectors, including an 'Another industry / sector' category. 59 respondents (21%) selected 'Another industry / sector' and were prompted to provide further details that were then used – alongside company name and associated Companies House records – to infer a best-fit to the broad sectors. To accommodate a small proportion of outlier responses, two additional categories were added: 'Other service activities' and 'Arts, entertainment & recreation'[4].

[3] ONS UK Business Counts (2022)

[4] Arts, entertainment & recreation is a recognised Broad Industrial Group but was omitted (erroneously) from the original survey.

The sectors best represented in the survey were the Manufacturing and Construction sectors (both 18% of responses). This response rate was double that of Education (9%) – the next best represented sector. Overall, the profile of responses indicated a wide range across broad sector groupings. All three of these sectors were over-represented in the survey in comparison to the business base of the HEY area, with Manufacturing and Education the most over-represented. Businesses within the Health and Financial & Insurance sectors were also overrepresented. Sectors that were the most under-represented in the survey included Agriculture, Forestry & Fishing and Accommodation & Food Services.

Respondents by broad sector

Broad Sector	% (survey)	% (HEY's business base)[5]
Manufacturing	18%	7%
Construction	18%	14%
Education	9%	1%
Professional, Scientific & Technical	8%	12%
Retail	6%	8%
Health	5%	4%
Finance & Insurance	5%	2%
Other Service Activities	5%	-
Business Administration and Support Services	4%	7%
Transport & Storage (including Postal)	4%	6%
Information & Communication	3%	3%
Accommodation & Food Services	3%	8%
Arts, Entertainment & Recreation	3%	6%
Mining, Quarrying & Utilities	3%	1%
Agriculture, Forestry & Fishing	2%	9%
Public Administration	2%	1%
Motor Trades	1%	4%
Property	1%	3%
Wholesale	1%	4%
Total	**100%**	**100%**

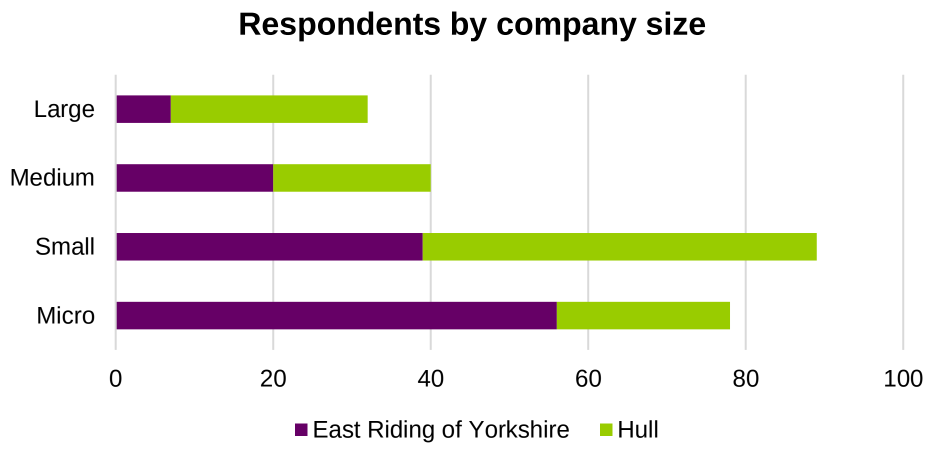
Q1.1b What is your main industry / sector? (N=278)[6] (Columns may not sum to 100% due to rounding)

Size of business

With respect to the size of the companies, the majority of respondents were small companies (10 to 49 employees at 36% of all respondents), followed by micro businesses (less than 10 employees at 30%) and medium size companies (50 to 249 employees at 18%). Compared to the HEY area's business base, small firms in the survey were over-represented (36% vs 10% of all businesses across the wider HEY area), as were medium firms (18% vs 2%) and large firms (16% vs 0.4%). Micro firms constitute 88% of the HEY area business base and were significantly under-represented in the survey.

[5] Source: ONS UK Business Counts (2022)

[6] Over-represented sectors in the survey (compared to the wider business base of the HEY area) are highlighted.

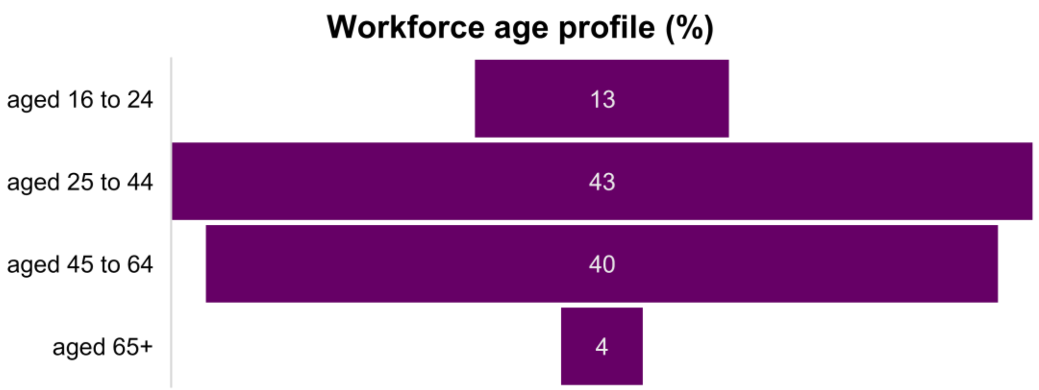


Q1.3 Which of the following best describes the size of your business? (N=276)

The main local authorities represented in the sample show a differing size distribution of their firms: in the East Riding of Yorkshire, almost one in two firms are classified as micro businesses, while in Kingston upon Hull large companies (>250 employees) have greater representation compared to the East Riding of Yorkshire (21% vs. 6%, respectively).

Age of workforce

On average, 43% of the respondents' workforce is between 25 and 40 years old, with 40% between 45 and 64 years old. Workers aged 65 and over represented the smallest proportion of the workforce (4%), with nearly 70% of companies surveyed without any worker at that age. Young people constituted 13% of the labour force, and approximately one in three businesses do not hire anyone in that age range.



Q1.4 If you are able, please indicate what percentage of your workforce are in the following age groups. (N=233)

Understanding of LSIPs

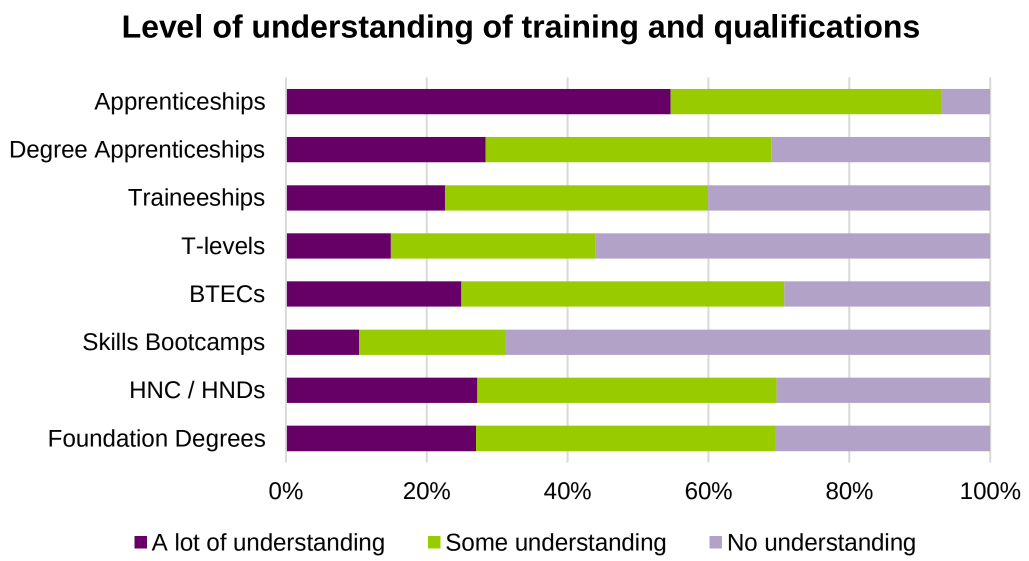
62% of respondents reported that they have not heard about Local Skills Improvement Plans (LSIPs), and only 10% indicated that they understood what these plans are. When the latter group was asked to provide a brief explanation, most defined the LSIP as a plan that identifies the key skills needed in a local area and that helps to address these gaps.

Q3.1a Have you heard of Local Skills Improvement Plans (LSIPs)? (N=263)

Understanding of types of training and qualifications

Respondents reported the greatest knowledge of apprenticeships above all qualification types with 55% of respondents reporting a lot of understanding and 38% some understanding. Degree apprenticeships, Traineeships, BTECs, Higher National Certificates (HNCs) / Higher National Diplomas (HNDs) and Foundation Degrees follow in respondents knowledge and share a similar distribution amongst them: around one in four respondents had a lot of understanding of these qualifications and around 40% have some understanding.

More recently launched schemes such as Skills Bootcamps and T-levels were least understood among respondents with 70% and 56% of respondents reporting no understanding of these, respectively.



Q3.6 How much understanding does your company have of the following types of training and qualifications? (N=261)

62% of respondents attributed their understanding of the vocational training options available, generally, to prior experience.[7] More specifically, 19% of respondents attributed their understanding to working directly with training providers, 14% attributed this to general knowledge / online research and 10% to having a dedicated in-house team dealing with these matters. Other attributable factors included collaboration with business networks / fora (6%), training course attendance (5%) and word of mouth or discussion with family members undergoing such routes themselves (4%).

[7] Q3.7 For those types of vocational training where you have some or a lot of understanding, how did you obtain this understanding? (N=206)

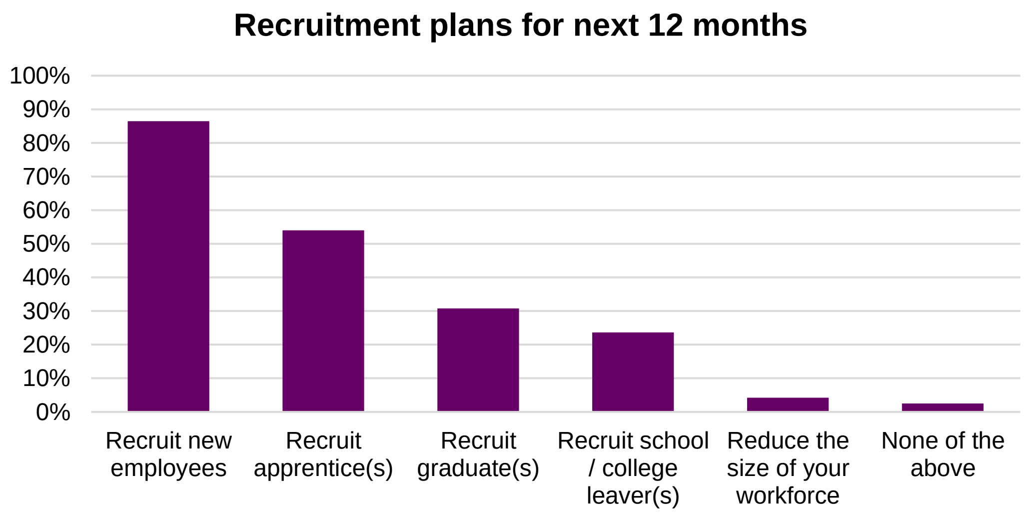
3 Skills Demand

Summary

- Employers reported a short term demand for labour with nearly 90% indicating their intention to recruit new employees in the next 12 months
- Two out of three respondents reported that over the next three years employability skills such as team working, attendance, time keeping and work ethic will be important for their business.
- Three in five respondents considered that access to funding for staff training would be beneficial for their business. Around half of respondents identified the importance of relationship building with training providers to provide tailored and flexible training courses.
- Employer demand for apprenticeships appears to be increasing with a larger share of respondents indicating their plans to recruit in the next 12 months (52%) compared to recruitment in the last 12 months (41%).
- Reflecting the nature of the survey sample, engineering and technical apprenticeship roles were reported as the most commonly sought after by businesses for both past and planned future recruitment.

Short term recruitment plans

Over the next 12 months, most respondents plan to recruit new employees (86%) and half intend to recruit apprenticeships. Around 4% plan to reduce the size of their workforce instead, with financial pressures, such as expected reductions in funding and revenues, cited as the main reasons for this.

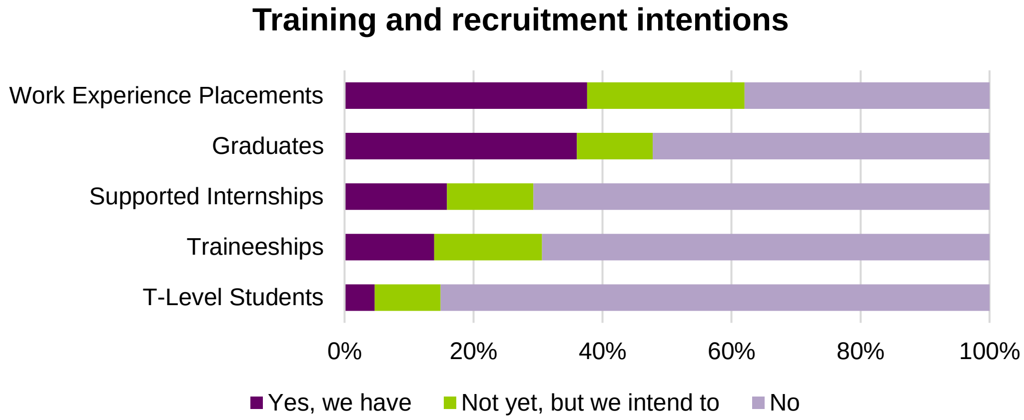


Q2.3a Which of the following do you plan to do over the next 12 months? (N=237)[8]

Regarding the current training programmes in the businesses surveyed, 38% have work experience placements, while 36% reported having graduates. Supported internships and traineeships were less common in local businesses (16% and 14%, respectively).

[8] 'None of the above' has been imputed based on companies responses about reasons for planning a reduction in their workforce such as 'retirement' and 'not to reduce but keep the same'.

Aligned with the level of knowledge about T-levels, only 5% of respondents in the sample reported having T-level students and 85% do not intend to enrol them in the future. Of training and qualification types that businesses were intending to take on (but don't accommodate already) were work experience placements (24% of respondents) and traineeships (17%). For T-level students and graduates the proportion of respondents was lower, at 10% and 12%, respectively.



Q3.8 Have you or are you planning to take on any of the following? (N=256)

Of the 66 respondents that indicated that they were not planning to take on any of the above, over three quarters of these cited either no explicit need at present (27%), the specific nature of work demanding more experienced staff (27%) or time, space or resourcing constraints (26%).[9]

Short term skills needs

Two out of three respondents reported that over the next three years employability skills such as team working, attendance, time keeping and work ethic will be important for their business. The other most important skills highlighted were customer service (59%) and specific technical, practical and occupation skills (56%). Skills that were expected to be less important are literacy (33%), financial management (29%) and skills related to low carbon and transition to net zero (21%).

These priorities change by size of the company. For example, customer service skills appear to be more relevant for microbusiness (75%), but for large companies specific technical, practical and occupation skills are identified as the most important skills needed (79%) followed by leadership and managerial (68%) and IT and digital skills (63%). Skills relating to the low carbon and net zero skills agenda appear to be most relevant to larger companies, with 42% of respondents in larger firms – double the rate for the survey average – considering these as important in the near future.

Relevant skills for the next three years, by company size

Skill / attribute	Total	Micro	SME	Large
Employability skills	66%	68%	68%	55%
Customer Service	59%	75%	56%	39%
Technical, practical or occupation specific	56%	45%	56%	79%
Leadership and managerial	49%	40%	49%	68%
IT and digital	48%	49%	43%	63%
Planning and organisational	44%	49%	42%	47%
Numeracy	35%	40%	33%	34%

[9] Q3.9 If you have not or are not planning to take on any of the above, can you give brief reasons for this below? (N=66)

Skill / attribute	Total	Micro	SME	Large
Sales and marketing	34%	45%	31%	24%
Creativity	34%	35%	33%	34%
Literacy	33%	38%	31%	34%
Financial management	29%	31%	24%	39%
Low carbon and transition to net zero skills	21%	21%	15%	42%
Other	2%	0%	3%	3%
Don't know	3%	5%	2%	3%

Q3.4 Which of the following types of skills and attributes will be important to your business over the next three years? (N=263)[10]

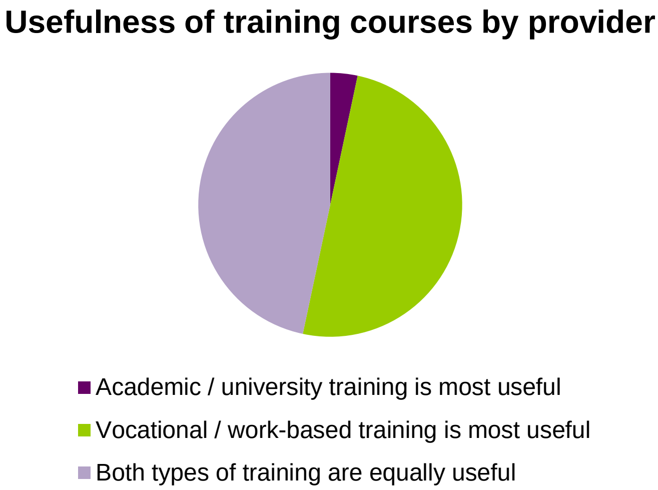
Skills and training approaches

59% of respondents considered that access to funding for staff training would be beneficial for their business. Training courses for specific occupations and those that lead to qualifications are the least demanded by respondents (20%), although those formally accredited are preferred (35%). Instead, companies find relationships with training providers who understand business sector needs and short flexible courses designed specifically for their sector and its needs (52% and 49%, respectively) most useful.

Q3.3 Which of the following skills and training approaches would be of benefit to your business? (N=261)

The survey also explored business preferences for academic or vocational courses to train their staff. Half of respondents considered that vocational or work-based training is more useful. Although only 3% of businesses reported that academic or university training would be more useful, almost 47% considered that both are equally valuable for them.

[10] Top three skills / attributes by company size are highlighted



Q3.10 Thinking about your staff training needs, do you feel that either academic or vocational courses are most useful to your business, or that these are equally useful? (N=240)

In providing reasons for their answers, the survey analysis indicated that the specific needs and skills requirements of respondents' business or sector was the principal driver of their response (89%).[11]

Apprenticeships

41% of respondents reported having recruited apprentices in the previous 12 months, while 52% plan to recruit them in the following 12 months. Among respondents that have hired apprenticeships in the past, 48% have not seen a change in their demand in the last three years. However, 47% reported to be more interested in this type of training, with only 5% respondents less interested.

Analysis of open text responses indicated that the primary reason(s) for not hiring or planning to hire apprentices was a lack of a specific need for apprentices at present (35%).[12] Other important factors included the cost to business to administer and support apprentices (17%), apprentice roles not deemed suitable for the specific business / sector (14%), past bad experience (11%) and a lack of supply locally (10%). Of respondents who cited past bad experiences, several highlighted the issue of their apprentices – whom they had invested in training and development – being poached by other firms who may not themselves have offered an apprenticeship pathway.

Only five respondents provided a reason for why their business was less interested in employing apprentices, with three citing past bad experiences.[13] Of the 38 respondents who provided a reason for why their business was more interested in employing apprentices, three in five of these cited a need to respond to their business development needs and emerging markets (30%) and a need to grow their own talent because of a lack of available skilled talent in the marketplace (also 30%).[14] 16% cited positive experiences with employing apprenticeships which has made them more interested in this route.

Reflecting the nature of the survey sample, engineering and technical apprenticeship roles were reported as the most commonly sought after by businesses for both past and planned future recruitment. This was followed by administrative roles, skilled trades and elementary occupations (encompassing factory or manufacturing jobs that may have technical skill requirements). There was a reported increase

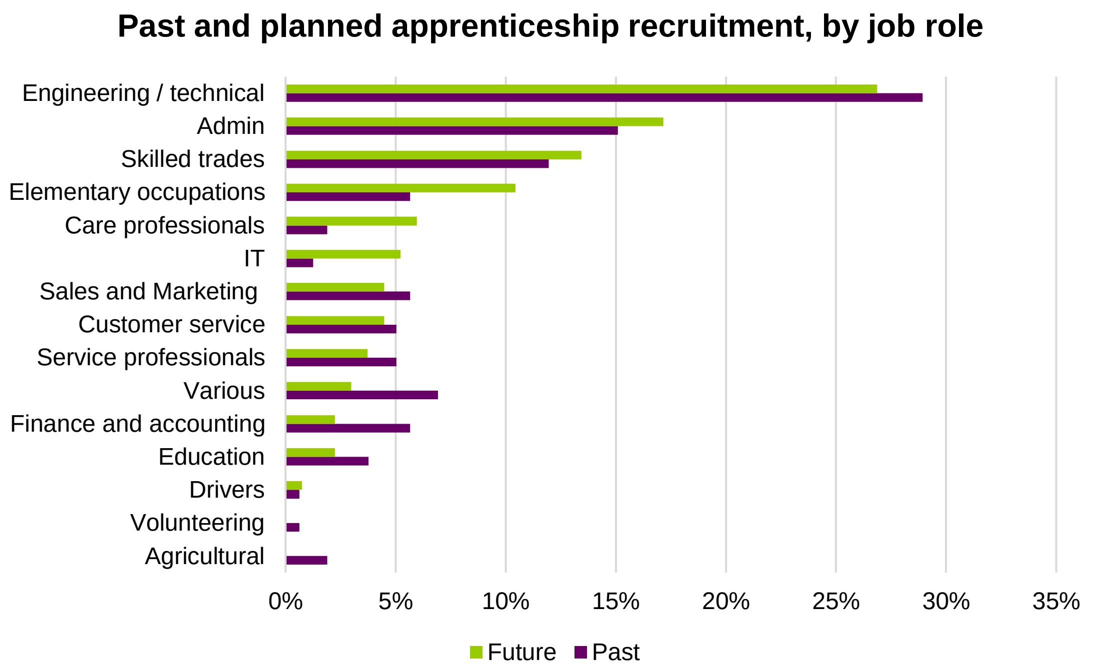
[11] Q3.11 Should you wish, please provide brief reasons for your answers. (N=144)

[12] Q4.3 If you have not or are not planning to recruit apprentices, can you give brief reasons for this below? (N=131)

[13] Q4.9a If your company is less interested in employing apprentices, why is this? (N=5)

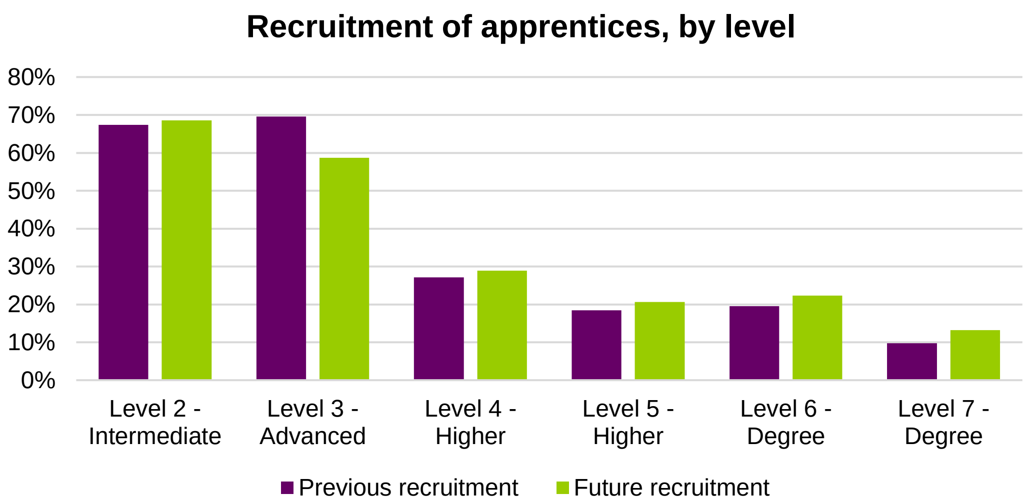
[14] Q4.9b If your company is more interested in employing apprentices, why is this? (N=38)

in demand (planned future vs past) for apprentices in the following job roles: elementary occupations, care professionals, IT, administration and skilled trades.



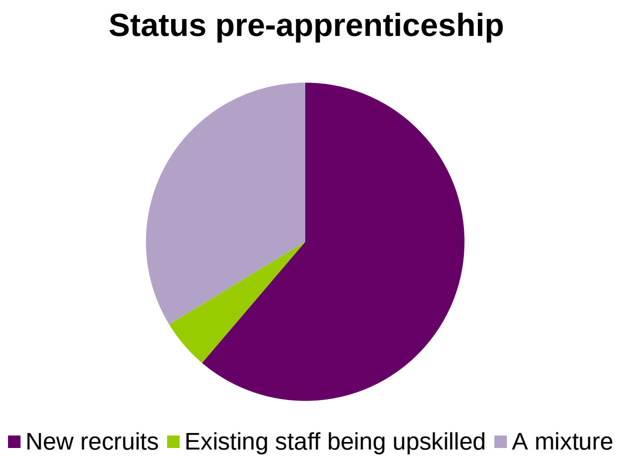
Q4.4a Which jobs have you recruited apprentices for? (N=93); Q4.4b Which jobs are you planning to recruit apprentices for? (N=115)

The survey indicated that Level 2 (Intermediate) and Level 3 (Advanced) were the most commonly hired levels of apprenticeships by local businesses in the past as well as expected to be recruited in the future.

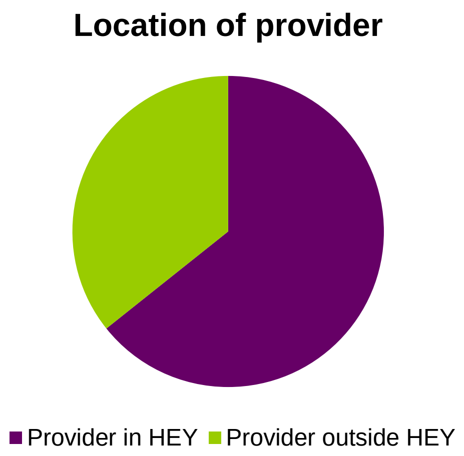


Q4.5a To what level have you recruited apprentices for in the past? (N=92) Q4.5b To what level are you planning to recruit apprentices for in the future? (N=121)

Current apprentices in local businesses were mainly new recruits (61%). Only 5% of companies reported that their apprentices are part of the existing staff being upskilled, while the remaining 34% reported a mixture of new recruits and existing staff. Just under two thirds of respondents indicated that the location of the apprenticeship provider was within the HEY area.



Q4.6 Are your apprentices...? New recruits to the company; Existing staff who are being upskilled; or A mixture (N=98)



Q4.7 Is your apprenticeship provider located within Kingston upon Hull City Council or East Riding of Yorkshire Local Authority areas? (N=98)

Apprenticeship Levy

The survey findings indicate that two thirds of businesses pay the apprenticeship levy[15], but only 52% of them use all of their funds.[16] When asked about why respondents do not use all of their levy, the most frequent answers were that the cost of releasing staff for training would be too high (44%) and the lack of suitable candidates (32%). Other reasons include that the apprenticeship standard does not meet their needs (16%) and that since the levy amount is too high it would be impossible to manage a higher number of apprentices (16%).

The scheme also allows levy paying employers to transfer part of their funds to other employers, particularly to help smaller businesses to invest in training for their apprentices. However, despite the fact that 48% of levy payers do not use all of their funds, only 19% of them transfer the unspent levy to another employer[17], and among those that do not currently transfer, 63% indicated a willingness to transfer it.[18] This is equivalent to 16% of the total sample.

Among businesses that do not pay the apprenticeship levy, 48% considered that they would benefit from receiving a transfer payment since it would enable them to take on an apprentice.[19] This is also equivalent to 16% of the total sample.

[15] Q4.10 Do you pay the apprenticeship levy? (N=91)

[16] Q4.11 Do you use all of your apprenticeship levy? (N=54)

[17] Q4.13 Do you transfer your unspent levy to another employer? (N=26)

[18] Q4.14 If no, would you be willing, in principle, to transfer your unspent levy to another employer? (N=19)

[19] Q4.15 Would you benefit from receiving a levy transfer payment from another employer to enable you to take on an apprentice? (N=27)

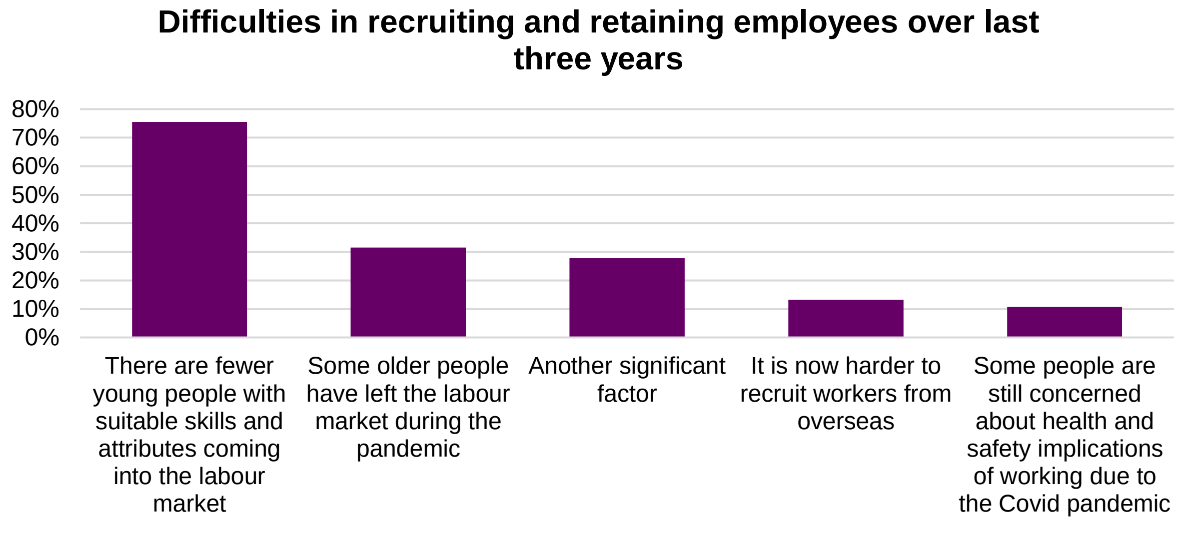
4 Skills Supply

Summary

- Over 80% of respondents have experienced recruitment challenges within the last 12 months.
- Overwhelmingly, recruitment challenges within the last three years were attributed to there being fewer skilled young people entering the labour market (75% of respondents).
- Alongside having a larger pool of skilled and experienced labour to draw from locally, two in five employers cited the candidates' quality, attitude and employability as the single thing that would make the biggest difference to easing current recruitment difficulties.
- Alongside employability skills and IT and digital skills, technical, practical and occupation specific skills shortages are being felt most keenly by employers at present.
- Half of employers considered that the time available to enable their staff to undertake training is a barrier. Financial assistance to support the time / cost of training and developing their workforce was identified as the most important single aspect to overcome existing barriers.
- While three in five employers reported that they knew where to access training services to support their needs, a significant proportion of employers (35%) indicated that they do not have any relationship with training and education providers in the HEY area.

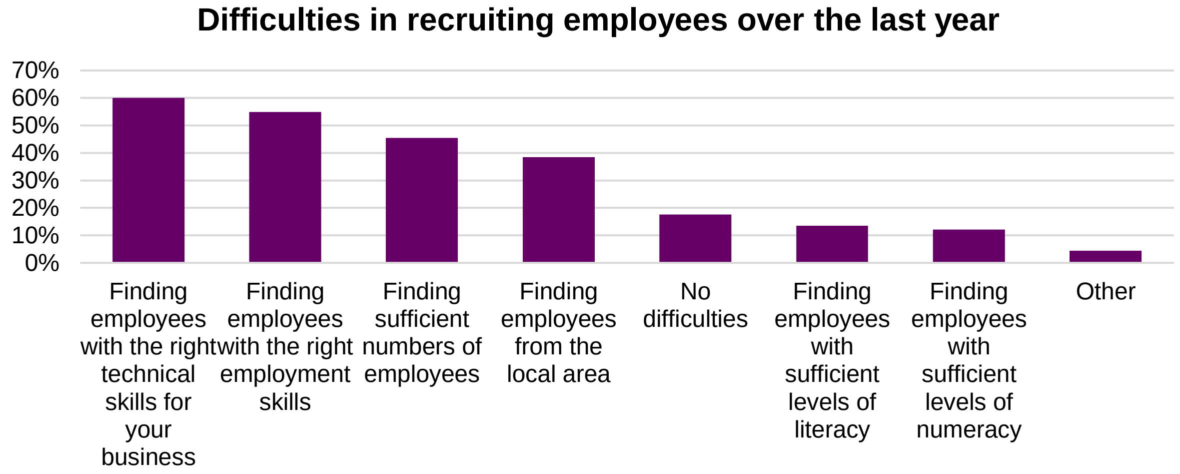
Recruitment difficulties

When asked about the difficulties that local businesses have been facing over the past three years to recruit and retain employees, three out of four respondents considered that there are fewer skilled young people coming into the labour market. Alongside this, 32% attributed recent recruitment difficulties to older people who have left the labour market during the pandemic. Within the 'Another significant factor' category, most businesses reported a shortage of qualified workers – particularly with engineering and digital skills (10%), as well as difficulties to compete with higher salary expectations (7%).



Q2.1 Which of the following factors have you found to be an issue in recruiting and retaining employees over the past three years? (N=241)

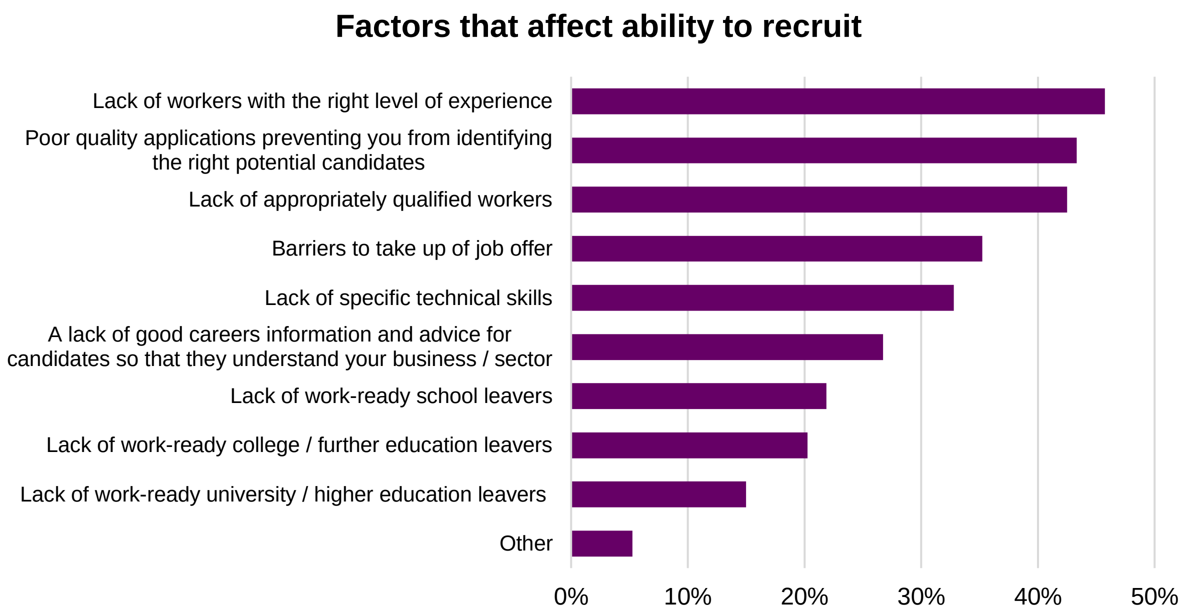
The recruitment of employees has been particularly challenging within the last 12 months, with 82% of respondents reporting a difficulty in the recruitment process. Finding employees with the right technical skills and employment skills represented an issue for 60% and 55% of respondent businesses, respectively. Finding sufficient numbers of employees was the third most frequent answer (45%), followed by difficulties finding employees from the local area (38%).



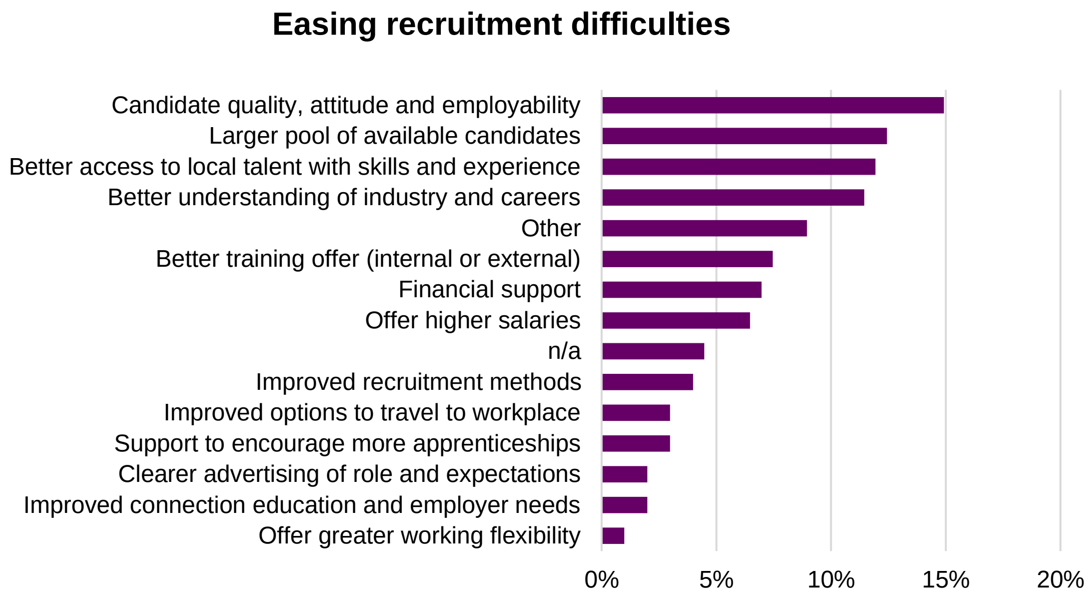
Q2.2 During the last 12 months have you experienced any of the following difficulties in recruiting? (N=273)

Generally speaking, finding employees with sufficient numeracy and literacy skills was not seen as a major recruitment challenge for respondents.

Survey responses indicated that the lack of experience, qualifications and specific technical skills of workers explained the difficulties in recruitment (46%, 43% and 33%, respectively), but also the poor quality of applications which makes it difficult to identify the right potential candidates (43%). Barriers to take up of job offers (e.g. pay, shift patterns, transport and caring responsibilities) also affected the ability to recruit for 35% of respondents. The ‘other’ category (N=9) generally represented respondents who were dissatisfied with the quality of applicants.



Q2.4 Do any of the following affect your ability to recruit? (N=247)

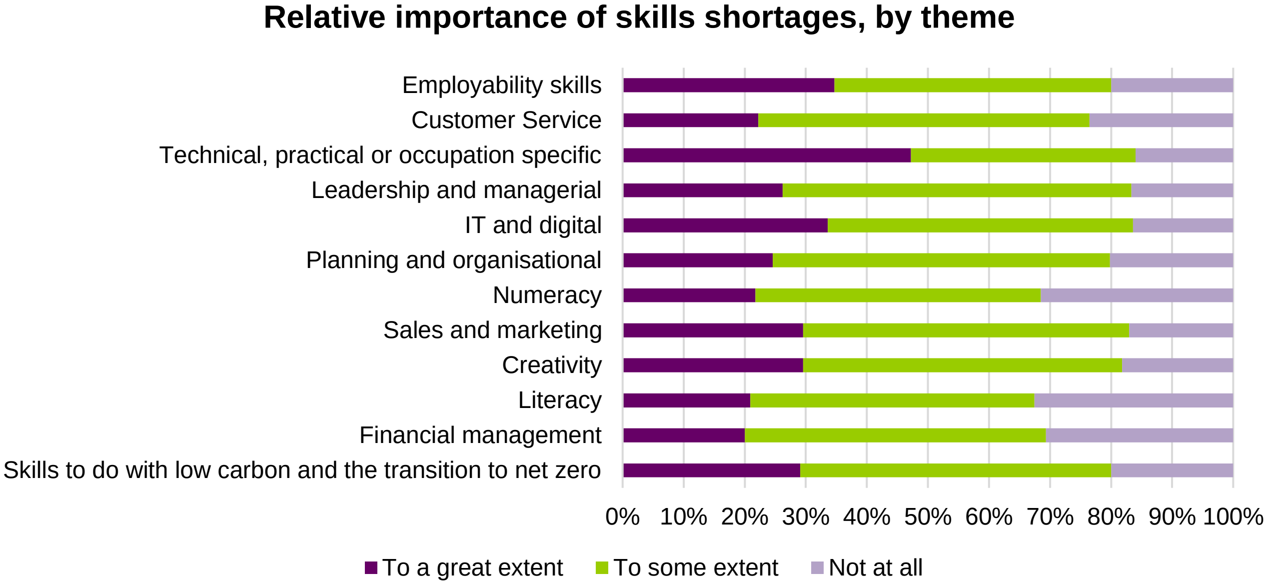


Q2.5 What single thing would make the biggest difference to easing any recruitment difficulties that you may have? (N=201)

The most commonly identified single factor in helping to ease current recruitment difficulties was candidate quality, attitude and their employability skills (15% of respondents). Having a larger labour pool also featured highly (12%) as did access to local skilled and experienced workers (12%) and helping to develop a better understanding among candidates, educators and wider society about the career paths and opportunities within different industries (11%).

Skills gaps

As mentioned in Section 3 (Skills Demand), the majority of respondents indicated that employability skills, customer service and specific technical, practical and occupation skills will be important for them over the next three years. In terms of how this is translated into skills shortages or gaps, nearly half of respondents indicated technical, practical and occupation-specific skills shortages were being felt to a great extent. The next most important skills shortages reported were employability skills (35%) and IT and digital skills (34%). In contrast, literacy, numeracy and financial management skills were reported as being the least important in terms of current skills shortages (33%, 32% and 31%, respectively).



Q3.5 To what extent are there currently skills shortages or gaps in those areas that you have said are important? (N=256) [20]

According to 40% of respondents, these skills gaps could be met through flexible, short training courses.[21] In particular, it was noted that IT and digital skills (20%) and technical, practical and occupation-specific skills (13%) were the skills shortages more likely to benefit from this kind of training.[22]

Training difficulties

With respect to staff training, almost half of the respondents considered that the time available to enable their staff to undertake training is a barrier, with other significant barriers including the relevance and cost of training courses (38% and 36%, respectively).

Q3.2 Which of the following are barriers to your business undertaking staff training? (N=262)

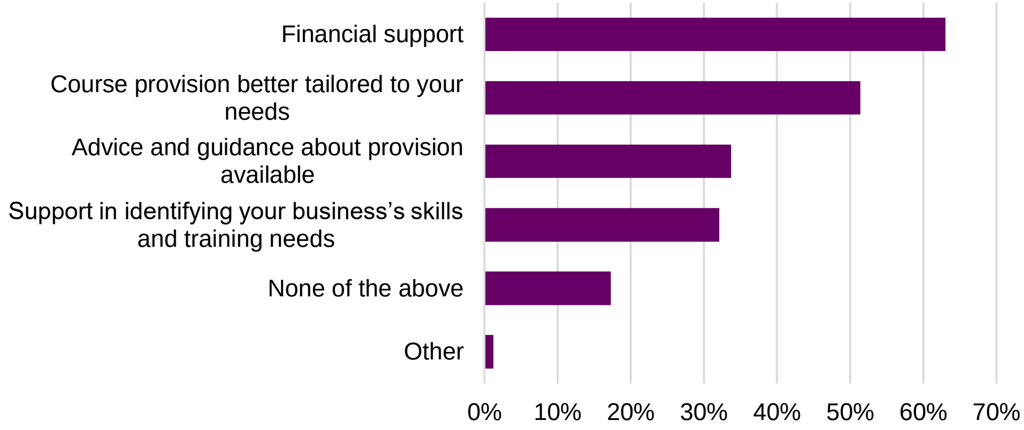
[20] Option 'Other' has been omitted in the chart because of the small number of observations (N=4).

[21] Q6.1 Do you have any specific skills gaps that could be met through flexible, short training courses? (N=240)

[22] Q6.2 Which skills gaps do you think could be met through flexible, short training courses? (N=96)

The survey responses indicated that financial support (63%) and provision of tailored courses (51%) are most needed by businesses to allow them to invest more in skills development and address training difficulties. A lower proportion of respondents suggested that they needed advice and guidance about available provision (34%) or needed support in identifying their business and training needs (32%).

Support needed to invest more in skills development



Q3.12 Which of the following would encourage your organisation to invest more in skills development? (N=249)

When asked about the single thing would make the biggest difference to being able to successfully train and develop their workforce, the majority of respondents indicated that greater funding to support this was the most important factor (27%).[23] Other significant factors included improved access to (and availability of) local training providers and courses tailored to their business needs (23%) and the time to invest in training and developing their workforce (16%). To a lesser extent, respondents suggested that staff or candidate attitude and greater willingness to take part in training was important (5%), as were developing a business plan or better processes for training and development and greater flexibility of training to fit around business needs (both 4%).

Training providers

Around 58% of respondents reported that they had an understanding of where to access the training they needed for their workforce.[24] This displayed variation by business size, with only 46% of respondents from micro businesses showing an understanding of where to access training, compared to 69% and 68% for large and medium sized firms, respectively.

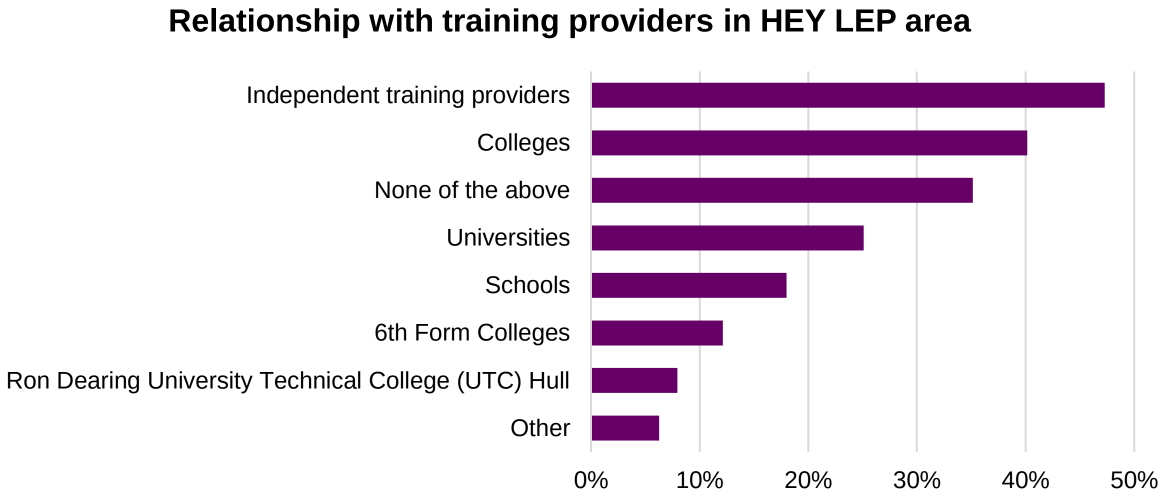
The majority of respondents reported that they access the training and development support needed for their workforce from local or regional training providers (29%).[25] In-house training or internal networking was the second most common form of accessing their needs (17%), followed by national organisations or providers such as sector professional bodies or national training boards (16%).

[23] Q3.13 What single thing would make the biggest difference to you being able to successfully train and develop your workforce? (N=180)

[24] Q6.3 In general, do you know where to go to access the training and development support you need for your workforce? (N=240)

[25] Q6.4 Where would you go to access the training and development support you need for your workforce? (N=129)

When asked about the existence of relationships with training and education providers within the HEY area, 35% of respondents indicated that they do not have one. Independent training providers emerged as the most engaged with local businesses (47%), followed by colleges (40%) and universities (25%).



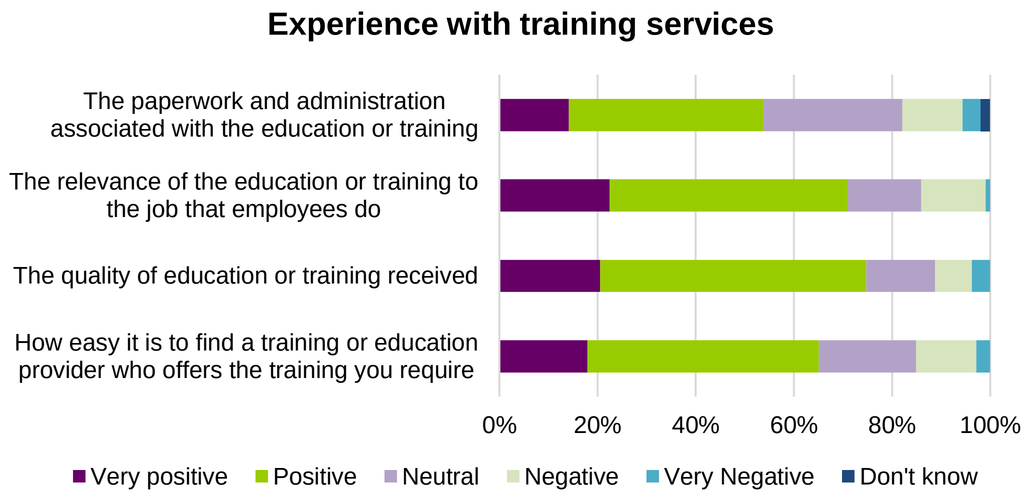
Q6.5 Do you have any relationships with any of the following training and education providers within Hull and East Yorkshire? (N=239)

Despite the existence of these relationships, only 47% of respondents reported that they have used training services from local providers in the last three years.[26] Businesses in Kingston upon Hull appeared to have accessed these services more compared to the East Riding of Yorkshire (61% vs. 38%). Similarly, large firms reported better access compared to micro businesses (69% vs. 22%).

Overall, 75% of respondents were satisfied with the quality of the training provided ('positive' or 'very positive'). Similarly, 71% were satisfied with the relevance of the training. Generally, a very low proportion of respondents reported being dissatisfied with the training service experience ('negative' or very negative'). Of the reasons cited as to why they were dissatisfied, 48% attributed this to the quality and consistency of the service provided and 19% indicated that the training did not meet their specific business needs.[27] Other key factors cited were local availability of training and the paperwork to administer (both 11%).

[26] Q6.6a Has your business / organisation used the services of any of the training and education providers within Hull and East Yorkshire that are listed above within the past 3 years? (N=239)

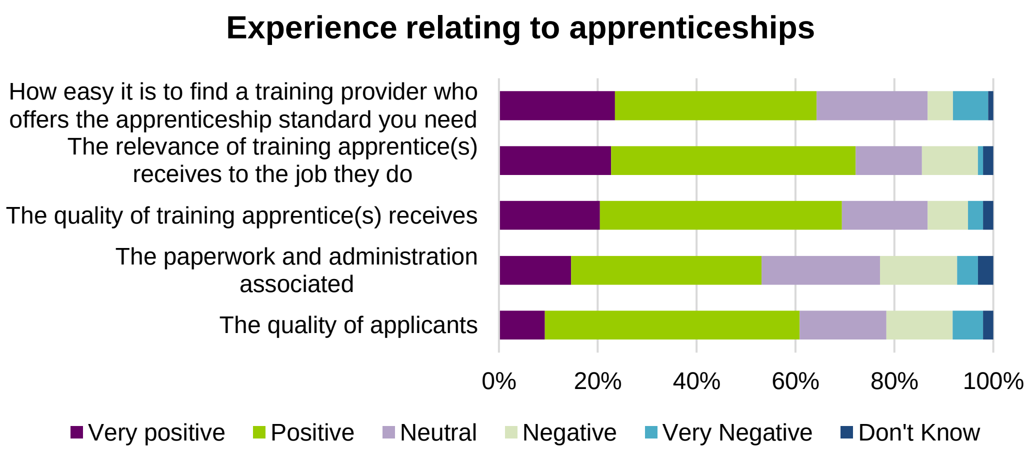
[27] Q6.6c You have said that you were dissatisfied with some aspect of these services. Should you wish, please give brief reasons for this in the space below. (N=24)



Q6.6b How would you rate your business's experience of these training and education services? (N=107)

Apprenticeships

When asked about their experiences relating to apprenticeships, a large proportion of respondents reported either a 'positive' or 'very positive' experience with respect to: how easy is to find a training provider (64%); the relevance of training to the job (72%) and quality of the training received by the apprentices (69%). There were fewer reported 'positive' or 'very positive' experiences in relation to associated paperwork and administration (54%) and applicant quality (61%). In respect of both applicant quality and paperwork/administration, around 1 in 5 respondents reported a 'negative' or 'very negative' experience.



Q4.8 How would you rate your experience of the following, relating specifically to apprenticeships? (N=99)

5 Key Sector Findings

Summary

- By a significant margin, the best represented sector in the survey sample was Manufacturing, Engineering and Construction. Low representation in some HEY LEP target sectors (e.g. Rural Economy & Tourism, Health, Social Care and Medicare and Ports, Logistics and Warehousing) means that the interpretation of findings should be treated with caution.
- Only one in ten workers within the Manufacturing, Engineering and Construction sector were aged 16-24 – the lowest proportion of all sectors.
- Employer demand for apprentices within the Manufacturing, Engineering and Construction sector and Services sector appears to be increasing with a larger share of respondents indicating their plans to recruit in the next 12 months compared to recruitment in the last 12 months.
- Key labour supply issues relating to Manufacturing, Engineering and Construction, Services and Public and Other Services can be summarised by finding sufficient employees from the local area with the right technical and employment skills.
- The best represented sectors reported far lower levels of satisfaction in relation to apprenticeships, with around three in five employers reporting either positive and very positive experiences.

The sectoral breakdown of survey respondents is shown in Section 2 (Employer Skills Survey Characteristics). As explained above, this analysis is based upon the respondents' selection of the relevant broad sector category. This section expands on this to group sectors by targeted categories based upon HEY LEP areas of focus. An explanation of the best-fit definition used for the purposes of this report is provided at **Appendix 1**.

Overall, 40% of respondents were from businesses within the 'Manufacturing, Engineering and Construction' sector – constituting a significant majority of survey respondents. The next best represented sectors were 'Public & Other Services' (19%) and 'Services' (17%). There was low representation from 'Ports, Logistics and Warehousing' (4%) and 'Health, Social Care and Medicare' (5%). The low representation of these sectors means that any sector insight needs to be appropriately caveated to ensure that a distorted analysis is not presented.

Respondents by broad sector and HEY LEP target sector

Broad Sector (see Section 2)	%	HEY LEP target sector best fit	%
Manufacturing	18%	Manufacturing, Engineering and Construction	40%
Construction	18%	Services	17%
Education	9%	Rural Economy & Tourism	8%
Professional, Scientific & Technical	8%	Health, Social Care and Medicare	5%
Retail	6%	Ports, Logistics and Warehousing	4%
Health	5%		
Finance & Insurance	5%	***Additional classifications***	
Other Service Activities	5%	Public and Other Services	19%
Business Administration and Support Services	4%	Wholesale / Retail	9%
Transport & Storage (including Postal)	4%		
Information & Communication	3%		
Accommodation & Food Services	3%		
Arts, Entertainment & Recreation	3%		

Broad Sector (see Section 2)	%	HEY LEP target sector best fit	%
Mining, Quarrying & Utilities	3%		
Agriculture, Forestry & Fishing	2%		
Public Administration	2%		
Motor Trades	1%		
Property	1%		
Wholesale	1%		

Q1.1b What is your main industry / sector? (N=278)

In total, 3% of respondents were classified under the ‘Mining, quarrying and utilities’ broad sector (N=7). Primarily, these respondents represented business activities relating to the oil and gas sector, renewables, energy and electricity generation and water utilities. Given the nature of these activities, these are captured under the Manufacturing, Engineering and Construction HEY LEP target sector.

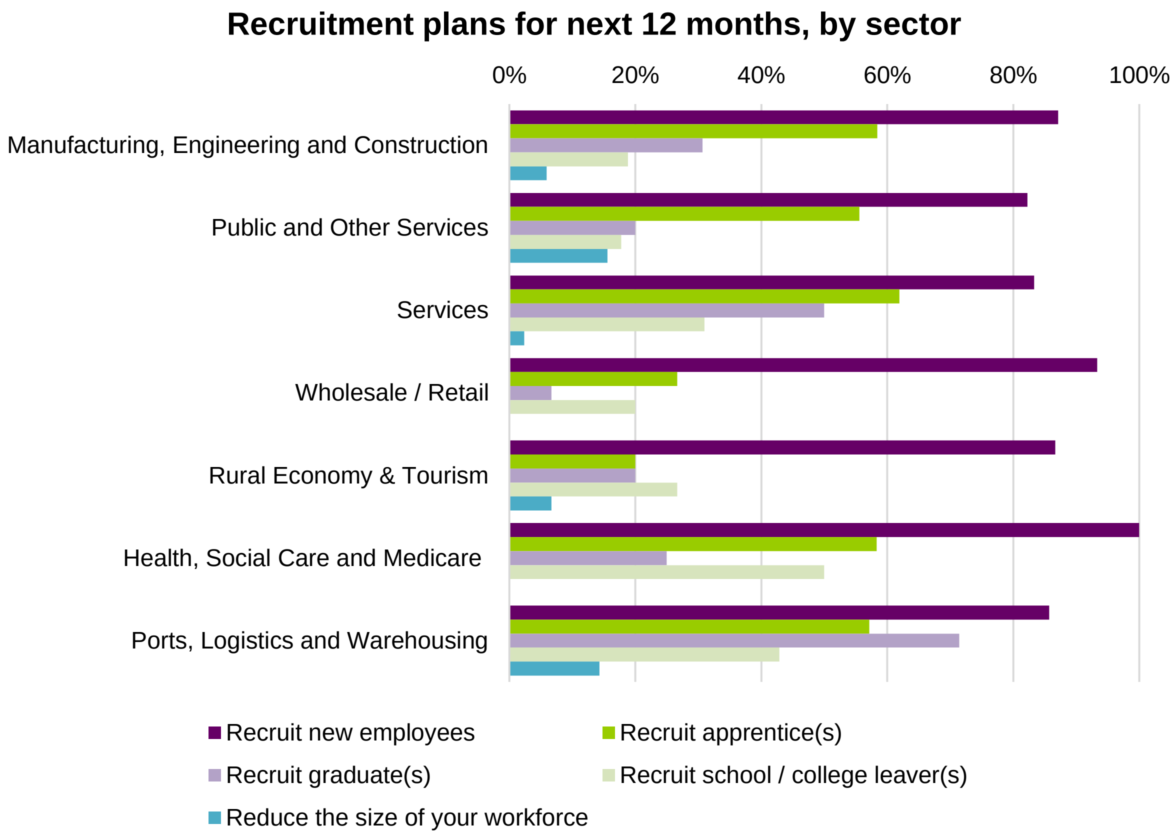
Employer Characteristics

Compared to the business size profile for the survey as a whole, the Manufacturing, Engineering and Construction sector was well represented for large firms (>250 employees) and small firms (10 to 49 employees). A similar picture was provided in the Public and Other Services sector whereas Services was best represented by small and micro firms. Wholesale / Retail was dominated by micro firms and Rural Economy & Tourism was well represented by micro and medium firms (see **Appendix 2** for further detail).

The sector with the youngest age profile was Rural Economy & Tourism with 17% aged 16-24 and 52% aged 25-44. The sector with the oldest age profile was Ports, Logistics & Warehousing with 48% aged 45-64 and 11% aged 65 and above. Both sectors had a low sample size. Of the best represented sectors, Manufacturing, Engineering and Construction displayed the lowest proportion of aged 16-24 (11%) although a relatively large proportion within the 25-44 age bracket (46%). Both Services and Public and Other Services displayed a similar workforce age profile with a relatively equal split between workers aged 25-44 and those aged 45-64 (See **Appendix 2** for further detail).

Skills demand

Amongst the strongest represented sectors in the survey, respondents from the Manufacturing, Engineering and Construction sector reported the highest level of demand for new employees in the next 12 months, constituting 87% of respondents in the sector. Respondents from the Services sector reflected a higher level of demand for apprentices (62%), graduates (50%) and school leavers (31%). The survey indicated that respondents within Public and Other Services were the most likely to reduce the size of their workforce in the next 12 months (16%).



Q2.3a Which of the following do you plan to do over the next 12 months? (N=237)

The top three most important skills / attributes for businesses over the next three years identified were:

- **Manufacturing, Engineering and Construction**: employability skills (68% of respondents in the sector), technical, practical or occupation specific (66%) and leadership and managerial (50%)
- **Public and Other Services**: IT and digital (58%), customer service (56%) and employability skills (54%)
- **Services**: employability skills (70%), customer service (70%) and technical, practical or occupation specific (57%)
- **Wholesale / Retail**: customer service (83%), employability skills (67%) and sales and marketing (58%)
- **Rural Economy & Tourism**: employability skills, technical, practical or occupation specific, leadership and managerial and financial management (all 56%)
- **Health, Social Care and Medicare**: employability skills (85%), customer service (69%) and leadership and managerial, IT and digital and planning and organisational (all 62%)

  Ports, Logistics and Warehousing: employability skills and customer service (both 78%) and technical, practical or occupation specific, leadership and managerial, IT and digital and financial management (all 67%).

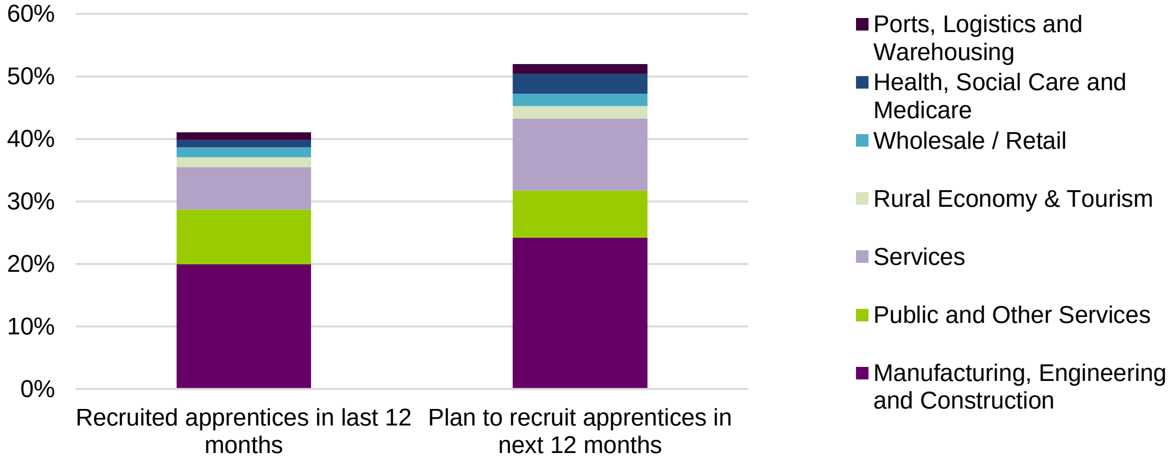
Relevant skills for the next three years, by sector

Skill / attribute	Manuf., Eng. and Const.	Public and Other Services	Services	Wholesale / Retail	Rural Economy & Tourism	Health, Social Care and Medicare	Ports, Logistics and W'sing	Total
Employability skills	68%	54%	70%	67%	56%	85%	78%	66%
Customer Service	50%	56%	70%	83%	50%	69%	78%	59%
Technical, practical or occupation specific	66%	50%	57%	29%	56%	31%	67%	56%
Leadership and managerial	50%	52%	46%	25%	56%	62%	67%	49%
IT and digital	39%	58%	52%	46%	39%	62%	67%	48%
Planning and organisational	44%	46%	50%	33%	33%	62%	44%	44%
Numeracy	27%	46%	30%	50%	28%	46%	56%	35%
Creativity	30%	44%	30%	38%	22%	46%	44%	34%
Sales and marketing	30%	19%	48%	58%	28%	23%	56%	34%
Literacy	22%	46%	33%	50%	22%	46%	56%	33%
Financial management	21%	23%	37%	21%	56%	31%	67%	29%
Skills to do with low carbon and the transition to net zero	27%	23%	9%	13%	22%	0%	56%	21%
Don't know	3%	4%	0%	8%	6%	0%	0%	3%
Other	3%	0%	2%	0%	6%	0%	0%	2%
Total respondents (N)	***105***	***48***	***46***	***24***	***18***	***13***	***9***	***263***

Q3.4 Which of the following types of skills and attributes will be important to your business over the next three years? (N=263)[28]

Respondents from the Manufacturing, Engineering and Construction sector indicated that they plan to recruit more apprentices over the next 12 months compared to the previous 12 months. A similar picture was highlighted by respondents in the Services sector whereas the demand for apprentices in the Public and Other Services sector was the only sector to report a decrease in short term demand.

Past vs planned apprentice recruitment, by sector



Q4.1 Have you recruited apprentices in the past 12 months? (N=251) Q4.2 Are you planning to recruit apprentices in the next 12 months? (N=252)

[28] Top three skills / attributes by sector are highlighted. For sectors with low sample size, equal percentages occur for frequently meaning that more than three 'top' attributes are highlighted.

Skills supply

In terms of recent recruitment, finding employees with the right technical skills and right employment skills represented an issue for 72% and 56% of businesses within the Manufacturing, Engineering and Construction sector, respectively. Finding sufficient numbers of employees (47%) and finding employees from the local area (43%) were also particular challenges within this sector. The same recruitment issues were also preferentially identified by other well-represented sectors in the survey such as Services and Public and Other Services, however, the sample size was too low for other sectors to provide meaningful insight.

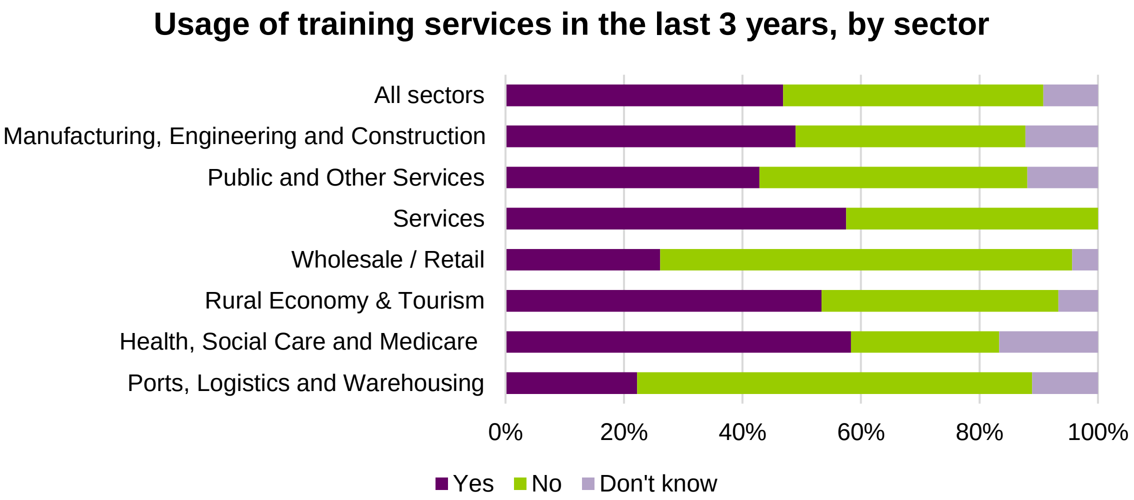
Difficulties in recruiting employees over the last year, by sector

	Manuf., Eng. and Const.	Public and Other Services	Services	Wholesale / Retail	Rural Economy & Tourism	Health, Social Care and Medi-care	Ports, Logistics and Ware-housing	All sectors
Finding employees with the right technical skills for your business	72%	67%	61%	26%	24%	43%	60%	60%
Finding employees with the right employment skills	56%	60%	50%	48%	57%	57%	50%	55%
Finding sufficient numbers of employees	47%	46%	36%	48%	38%	64%	50%	45%
Finding employees from the local area	43%	37%	41%	35%	14%	57%	20%	38%
Finding employees with sufficient levels of literacy	12%	23%	7%	13%	10%	7%	30%	14%
Finding employees with sufficient levels of numeracy	12%	23%	2%	13%	10%	0%	20%	12%
No difficulties	12%	17%	20%	39%	19%	7%	30%	18%
Other	5%	4%	2%	9%	5%	0%	10%	4%
Total respondents (N)	***109***	***52***	***44***	***23***	***21***	***14***	***10***	***273***

Q2.2 During the last 12 months have you experienced any of the following? (N=273) [29]

Notwithstanding caveats around sample size, the sectors with the lowest proportion of respondents reporting that their business/organisation has accessed training and education services in the last three years were Ports, Logistics and Warehousing and Wholesale / Retail. The two sectors reporting the highest levels of access were Health, Social and Medicare and Services.

[29] Top three difficulties by sector are highlighted.



Q6.6a Has your business / organisation used the services of any of the training and education providers within Hull and East Yorkshire that are listed above within the past 3 years? (N=239)

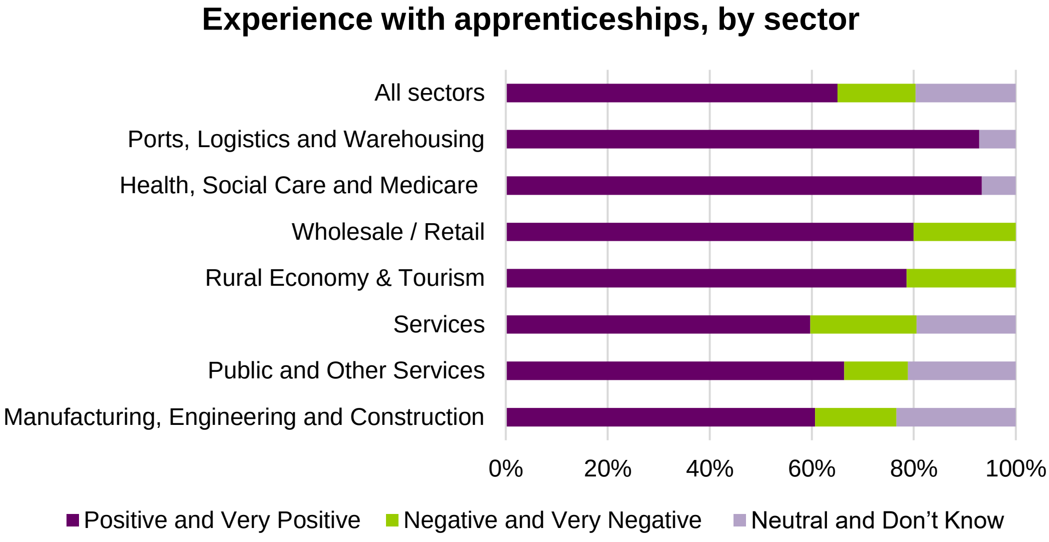
The time available within businesses was identified as the principal barrier to undertaking staff training across nearly all sectors. The relevance of local training courses and the cost of training were also important barriers for all sectors with the exception of Health, Social Care and Medicare and Ports, Logistics and Warehousing.

Barriers to undertaking staff training, by sector

	Manuf., Eng. and Const.	Public and Other Services	Services	Wholesale / Retail	Rural Economy & Tourism	Health, Social Care and Medicare	Ports, Logistics and W'sing	All sectors
Time available	53.3%	47.9%	39.1%	33.3%	41.2%	46.2%	44.4%	46.6%
Relevance of local training courses	44.8%	35.4%	34.8%	25.0%	41.2%	15.4%	44.4%	37.8%
Cost of training	35.2%	54.2%	26.1%	25.0%	35.3%	38.5%	22.2%	35.9%
Location of training	15.2%	29.2%	23.9%	54.2%	35.3%	38.5%	33.3%	26.0%
Knowing where to find the right training	34.3%	20.8%	4.3%	25.0%	0.0%	30.8%	11.1%	22.5%
None of the above	24.8%	16.7%	21.7%	20.8%	17.6%	23.1%	22.2%	21.8%
Other	2.9%	6.3%	2.2%	0.0%	0.0%	0.0%	0.0%	2.7%
Total respondents (N)	***105***	***48***	***46***	***24***	***17***	***13***	***9***	***262***

Q3.2 Which of the following are barriers to your business undertaking staff training? (N=262)

Considered across a range of factors relating to apprenticeships (including quality of applicant and training, training provider access, training relevance and paperwork) the sectors reporting the highest levels of positive and very positive experiences were Health, Social Care and Medicare and Ports, Logistics and Warehousing (notwithstanding sample size issues). However, the sectors that were best represented in the survey reported far lower levels of positive and very positive experiences were Manufacturing, Engineering and Construction, Public and Other Services and Services (all around 60%).



Q4.8 How would you rate your experience of the following, relating specifically to apprenticeships? (N=99)

Focus Groups

Manufacturing, Engineering and Construction

Despite being well represented in the survey, the focus group for this sector had low attendance with the views reflecting only one medium sized employer in food manufacturing. However, the sample was supplemented by subsequent one-to-one discussions with businesses in the offshore sector and through findings emerging from other focus groups sessions from construction and manufacturing sector respondents.

Key findings included:

- Finding employees with the appropriate attitude towards working in the sector, a willingness to adapt to changes and basic requirements such as time-keeping, behaviour and communication were specifically identified within the focus group. Key competencies affecting firms' ability to recruit included an ability to learn, attitudes towards/willingness to do shift work, willingness to working long hours as well as attitudes towards PPE (a specific concern to the food industry). This sentiment was strongly reflected in the survey analysis, with **employability skills** ranking higher than technical, practical or occupation specific skills as the most sought after attribute for businesses in the sector in the next three years. The impact of pandemic was highlighted as a potential cause of a lack of soft skills or good time-keeping and communication, particularly among younger age cohorts participating in internships.

- Age profile in manufacturing (specifically) is a labour supply challenge, with a generally older workforce profile. This reflected difficulties in attracting school leavers who do not see manufacturing as a sector where they can progress and develop a career. This point was echoed to some extent by survey findings which indicated that, on average, the Manufacturing, Engineering and Construction sector had the lowest percentage of workforce within the aged 16-24 cohort (11%).

- A respondent from the defence sector reported a need to get defence products cheaper and quicker (in response to recent events such as the war in Ukraine) which has driven a need to build in digitalisation in the process from testing, manufacturing through to evaluation. This digitalisation has increased the need for blended skills, and people to work with the technology and become systems operators.

- Digitisation and automation (in manufacturing) has not radically altered the skills requirement but requires slightly higher level IT skills (more of a challenge given age profile of workforce and a need to build confidence and aptitude in these areas).

Specific to Offshore sector:

- Increased requirement for data science, coding and robotics skills in the sector, although competition for skilled labour in fields such as data science (where pay can be higher in other sectors e.g. finance) has made recruitment more challenging for these technical roles. One respondent cited the fact that only a low proportion of its apprentice intake had previously been studying STEM subjects.

- Although recruitment in highly-skilled technical positions was identified as a challenge for respondents in the offshore sector, there was a general requirement for basic skills such as an ability to correctly complete paperwork, basic IT skills and observational skills. Respondents from the offshore sector re-iterated the point that literacy and numeracy skills were essential for their sector.

- Reported difficulties in developing the soft skills required to lead and manage teams at a senior level and a need to develop a leadership programme.

- Issues of workplace diversity were highlighted, citing a need for an improved gender balance.

- Challenges around misconceptions that all roles in the sector are technical were identified, with respondents highlighting a need for non-technical roles such as project management and business development. Allied to this was a need for a better understanding of job roles within the sector and how to access them.

- Recruitment and retention can be challenging due to geography of the Humber and East Yorkshire area which is comparatively less accessible and is affected by external perceptions, despite the significant opportunities that the area and its employers have to offer.

Specific to Construction sector:

- One attendee reported significant skills deficits in specific areas such as welding and fork lift drivers.

- A gap was reported between the education system and the construction industry. Attendees also highlighted there was a perception that construction is not viewed as a worthwhile career. Linked to this point was the identification of expectation management for those entering the labour market.

Ports, Logistics and Warehousing

Only one business engaged on this sectoral theme, therefore findings reported should be treated with caution.

Key findings included:

- Need to develop softer skills (management) among technical specialists and to ensure that these skills are developed among younger cohorts of workers to ensure long term sustainability. This is particularly important given a recent reduction in the workforce among older cohorts where these skills are most prevalent.

- Recruitment challenges reported due to a range of factors, citing the quality (lack of) of applicants, applicant requirements regarding work flexibility and lack of desire to work nights or non-traditional shift patterns. This was highlighted as most pertinent to younger generations.

- The impact of COVID-19 has affected the haulage sector, specifically, where it takes a long time to train people and there has been a long backlog as a result of the pandemic. The pandemic has also impacted younger cohorts through reduced levels of confidence, literacy and social skills which are affecting employment prospects in the sector.

- The sector is heavily male-dominated and there is a need to promote diversity particularly relating to gender.

- In relation to training, the length of time to build credibility and experience with training providers is an issue. Courses are currently not affordable and there is a lack of knowledge around funding routes for training and apprenticeships.

Services Sector

The focus group for this sector was well attended, however, there was a spread of participating businesses with some providing insight into the manufacturing and construction sectors (as highlighted above) as well as the voluntary sector and from local FE colleges. Notwithstanding this, attendees represented service businesses from applied technology activities, IT and communications and recruitment.

Key findings included:

- Attendees highlighted trends towards digitalisation and a need for the aligning new technologies with education / curricula which at present is too slow to meet current employer needs.

- Some attendees reported recruitment challenges at all levels, even at basic entry level. For some lower paying sectors which are less able to compete on wages, the recruitment challenge can be more acute given the cost of living crisis. Staff retention and the loss of skilled labour to the private sector – particularly among higher level technical skills – was noted as a significant challenge by attendees from FE colleges.

- Others highlighted the lack of clear skills pathway that allows easier access – for both the talent pool and employers – to knowledge of skills and training requirements for certain jobs. This point was made with reference to the current labour market and a need to differentiate between a job in ‘tech’ and the use of technology in other sectors that might not necessarily be perceived as ‘high tech’. It was noted that this could be communicated more clearly and to broaden opportunity to people from areas of higher socio-economic deprivation where knowledge of people who work in ‘tech’ might be lower.

- Employability skills (such as time and communication skills) were highlighted as a recruitment challenge – particularly among younger people. One attendee indicated that young peoples’ expectations of work can be unrealistic and that there is a generational divide in this respect.

Health, Social Care and Medicare

The focus group for this sector included representation from the social care and charity sectors, with three attendees in total.

Key findings included:

- There is a generational gap with digital skills/capabilities in the sector the need for which is becoming greater given trend towards digitalisation and digital health care service delivery. One attendee reported that there is a general dislike of computers and IT systems as well as basic user interface requirements such as passwords.

- Skills requirements for the sector focus around temperaments and attitudes, such as emotional resilience and softer skills such as sensitivity and boundary skills (e.g. talking to family members) which can be lacking among younger people entering the sector. Customer service skills also a useful competency for the sector which presents an opportunity to look to the retail sector for workers seeking a career change.

- Attendees reported that access to the skills and competencies they require was mixed, with some reporting that pressures in this respect had eased somewhat post-pandemic and others reporting challenges with recruitment, citing factors such as the area's location and transport links and difficulties attracting apprentices due to the challenging nature of the work.

- Attendees reported that they all knew where and how to access external training if they needed it. One attendee reported that its staff expressed a preference for classroom learning over online/virtual learning.

Rural Economy & Tourism

The focus group for this sector included representation from farming and agricultural businesses, a solicitor from the farming sector, visitor economy businesses and a local college representative. There were twelve attendees in total.

Key findings included:

- Attendees reported demand for roles from across the skills spectrum, ranging from professional roles (e.g. agronomy, specialist solicitors) to managerial roles and skilled labour (e.g. crop spraying) through to broader trades and manual occupations.

- The twin agendas of digitalisation and drive to net zero are aligned, with the former leading to emerging requirements around automation, robotics and AI in agriculture which in turn will deliver better cost-effectiveness that will assist with the delivering the latter. Both agendas will require upskilling of staff, particularly in relation to digital skills and the wider use of technology.

- A lack of benchmarking in relation to net zero / sustainability targets or outcomes is a challenge for the sector and the shifting landscape of information on this topic can be difficult to navigate at present.

- One of the key skills supply issues focused around the need for fundamental skills such as attitude and enthusiasm towards work and communication skills (employability). Attendees suggested that routes are available to upskill staff within the current system but finding the right people in the first place is the key challenge. This issue is compounded by inherent labour supply challenges specific to the sector (lifestyle) and rural location (access) meaning that it is more difficult to recruit.

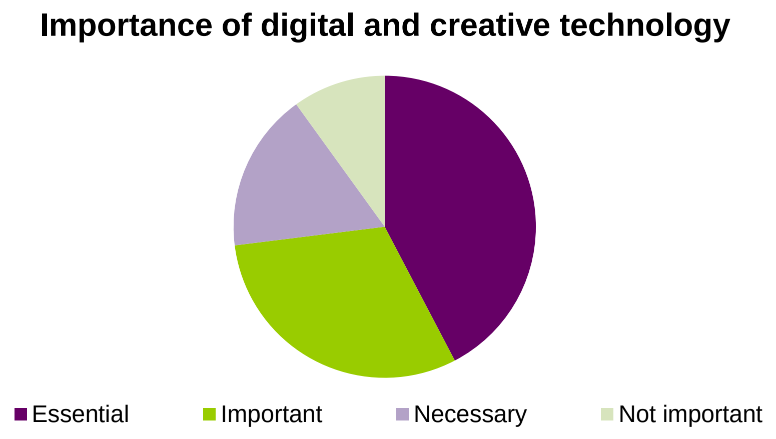
- Key areas to address when considering how to remove current skills gaps include improving education pathways for the sector (e.g. better links between employers, colleges and work experience providers) and improving the quality and variety of work experience / careers advice.

6 Digital Skills

Summary

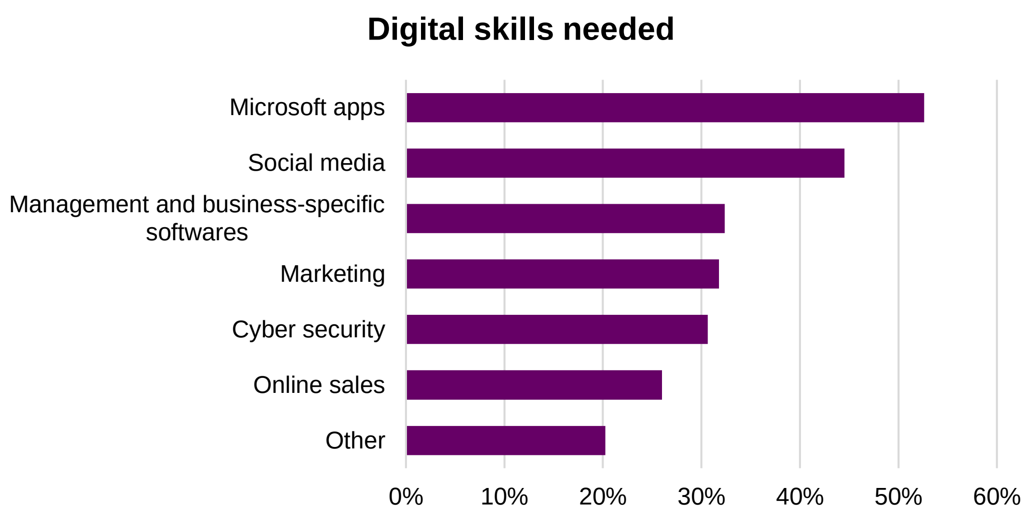
- Two out of five employers reported that digital and creative technology was essential for their business, with Microsoft applications and social media representing the most sought after digital skills.
- Fewer large firms reported being adaptable to emerging digital technologies and opportunities compared to the survey sample as a whole.
- Only half of the respondents reported that they were able to access all the digital skills training they needed, with SMEs reporting the lowest proportion of firms being able to access them.
- Despite the awareness of free SME support for building digital capabilities being relatively low, the availability of courses was cited as the most important factor limiting access to training.

42% of respondents reported that digital and creative technology is essential for their business, while 10% did not consider it important. The sectors with the highest proportion of firms considering this theme essential for their businesses were: Information & communication (100%), Professional, scientific & technical (67%) and Business administration and support services (60%). In contrast, the sectors with least importance attributed to digital and creative technology skills are Motor trades (50%), Agriculture, forestry & fishing (20%) and Other services activities (18%).



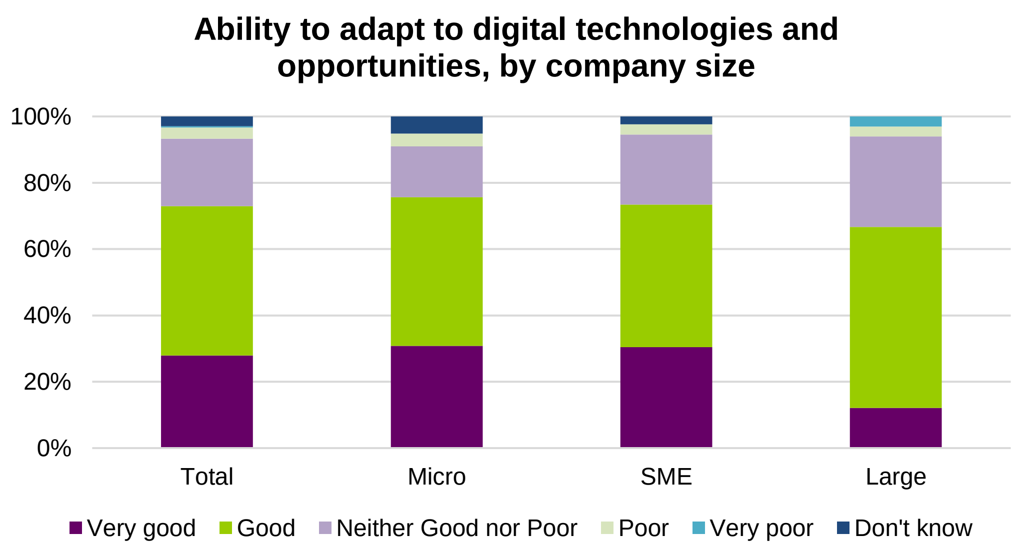
Q5.1 How would you describe the extent to which Digital and Creative Technology is important to your business? (N=241)

In terms of the specific digital skills needed, 53% of respondents reported that Microsoft applications were essential for them, while 45% highlighted the relevance of social media skills.



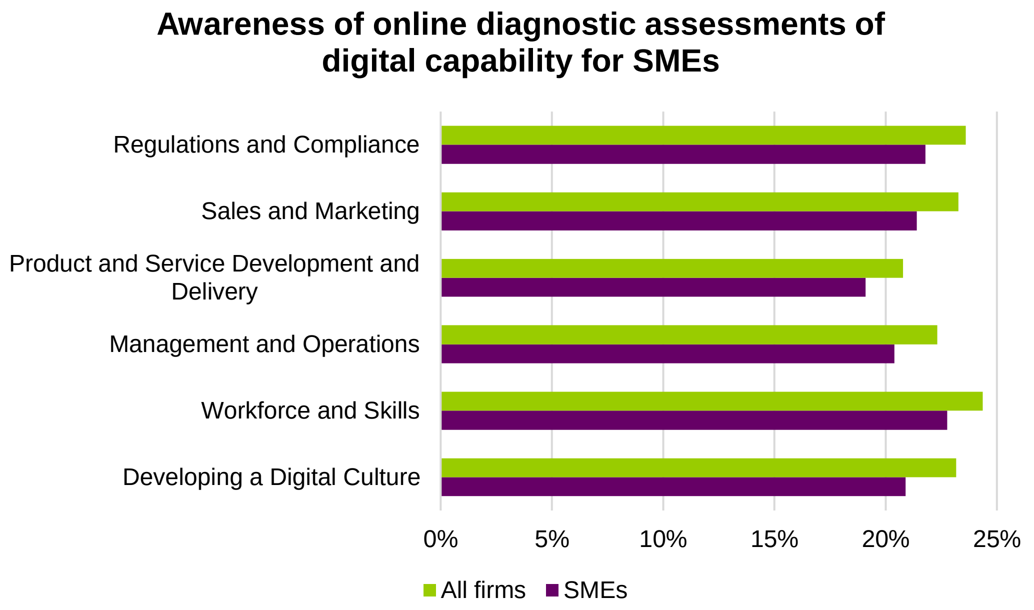
Q5.4 What type of digital skills are needed within your business (e.g. Microsoft applications, online sales and marketing, social media, cyber security)? (N=173)

When asked to rate themselves with respect to their ability to adapt to digital technologies and opportunities, 28% of respondents considered themselves 'very good' and 45% 'good'. Only 4% of the respondents rated their ability as 'poor' or 'very poor' and 20% remained neutral. This distribution varies with company size: there are fewer large companies optimistic about their adaptation abilities, with only 12% describing their adaptation capabilities as 'very good' and 6% describing the same as 'poor' or 'very poor'.



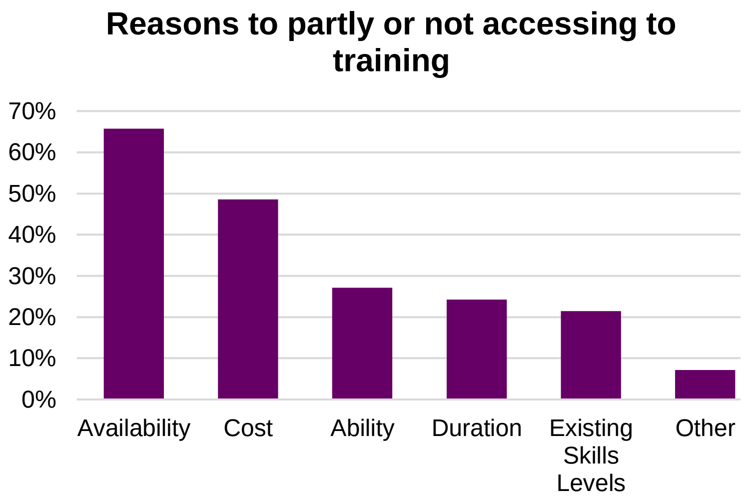
Q5.2 How would you describe the extent to which Digital, Technology and Creative Technology is important to your business? (N=240)

There is a relatively low awareness of the existence of free online diagnostic assessments of digital capabilities for SMEs: only one of four respondents reported knowledge about these assessments, and in the case of SMEs, only one of five reported awareness of them. There was a higher reported awareness of assessments related to workforce and skills and regulations and compliance (24% in both cases).



Q5.3 Are you aware that Small and Medium Sized Enterprises (SMEs) can access free online diagnostic assessments which can assess your organisation's digital capability in the following areas? (N=235)

Only half of the respondents reported that they were able to access all the digital skills training they needed. Respondents from SME businesses reported the lowest proportion fully accessing their digital skills training requirements (41%), compared to micro (57%) and large (50%) firms. Among businesses that reported only partial (43%) or no access (9%), 66% considered that their restriction was attributable to the availability of training, while 49% reported that the cost of training was the main reason.



Q5.5 To what extent are you currently able to access the required digital and technical skills training for your business? (N=148) Q5.6 Which of the following have been reasons why you have not been able to access digital skills training? (N=70)

7 Net Zero / Low Carbon Skills

Summary

- Only one in five employers reported a short-term demand for skills relating to low carbon and the transition to net zero, rising to two in five among larger employers.
- Over half of Manufacturing, Engineering and Construction firms reported a short term demand for these skills, referencing a need to respond to the emerging green technology, clean energy and fuel markets, among others.
- Approximately four in five employers reported that they were experiencing skills shortages in relation to low carbon / net zero related skills to some extent or to a great extent.
- Employers highlighted a need to expand the specific technical skills base of their workforce by providing training courses and through employing apprentices.

As indicated in Section 3 (Skills Demand), 21% of respondents reported that skills relating to low carbon and the transition to net zero were needed to fulfil their short term requirements, with this proportion rising to 42% among large firms. Despite this, these specific skills were relatively low ranked in comparison with other relevant skills requirements such as employability, customer service and technical, practical or occupation specific skills.

When analysing by sector, over half of respondents in manufacturing, engineering and construction firms indicated that net zero / low carbon transition skills will be important in the short term. This percentage rose to 69% for larger firms in this sector. The sector that placed the next greatest importance on these skills was Public and Other Services (20%). The importance placed on these skills in other sectors was comparatively low.

Short term importance of net zero / low carbon transition skills, by sector and company size

	Total	Micro	SME	Large
All sectors	21%	21%	15%	42%
Health, Social Care and Medicare	0%	0%	0%	0%
Manufacturing, Engineering and Construction	51%	53%	36%	69%
Ports, Logistics and Warehousing	9%	18%	5%	6%
Public and Other Services	20%	6%	27%	25%
Rural Economy & Tourism	7%	6%	14%	0%
Services	7%	12%	9%	0%
Wholesale / Retail	5%	6%	9%	0%

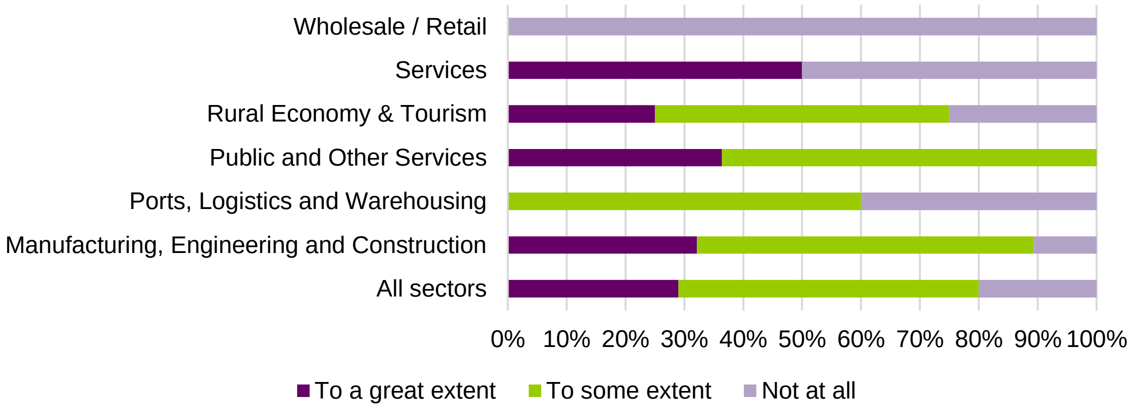
Q3.4 Which of the following types of skills and attributes will be important to your business over the next three years? (N=55)

Where detail was specified, respondents from within the manufacturing firms indicated a need to respond to the emerging green technology markets of clean energy and clean automotive fuels which are likely to increase their demand for specific technical skills in the future. They highlighted a need to expand the specific technical skills base of their workforce by providing training courses and through employing apprentices.

Of the respondents that indicated they were planning to reduce their workforce size in the next 12 months, the cost of net zero requirements was cited as a major factor in this.

Approximately 80% of respondents across all sectors reported that they were experiencing skills shortages in relation to low carbon / net zero related skills to some extent or to a great extent. The equivalent proportion for the Manufacturing, Engineering and Construction sector was 89%. The only sector that displayed a higher proportion was ‘Public and Other Services’ (100%). Respondents from the ‘Wholesale and Retail’ sector highlighted these particular skills were not an important driver of current skills shortages (100% ‘not at all’). Respondents from the ‘Services’ sector indicated a mixed picture, with 50% reporting that these skills were not at all important in driving skills shortages, whereas the other 50% placed great importance of them.

Relative importance of low carbon /net zero related skills shortages, by sector



Q3.5 To what extent are there currently skills shortages or gaps in those areas that you have said are important? Please select one option in each row. Not at all, To some Extent, To a Great Extent. (N=55)

Where detail was specified, a small number of responses from construction firms indicated that a lack of appropriately qualified workers was affected their ability to recruit, citing a need for greater integration of construction and green / renewable technology courses and training made available in the local area.

8 Conclusions and Implications

This section draws out conclusions from the survey research and the implications arising to inform the development of the LSIP and other stakeholders involved with strategic skills planning.

There is a need to raise awareness of LSIPs and qualification types amongst employers…

A high proportion of respondents (62%) have not heard of LSIPs and there is a relatively low level of understanding of different qualification types, with apprenticeships being the greatest understood qualification.

Implications for Strategic Skills Planning:

- Greater awareness raising of LSIPs and their intent is required to support understanding of skill requirements, the case for intervention and secure buy-in to support delivery
- The greatest levels of understanding is gleaned from personal experience, followed by collaboration with providers and online research. This highlights the importance of employer provider networks as a mechanism for sharing knowledge and experience; the provision of online content; and mechanisms for showcasing experience and success stories.

Work experience placements and graduates are a well utilised mechanism for recruitment and training…

Over a third of respondents host work experience and graduate placements. Less utilised routes include supported internships and traineeships but the demand for this is growing amongst employers. Those not considering investing in these routes attribute a lack of need (27%), the requirement for more experienced staff (27%), and space or resourcing constraints (26%).

Implications for Strategic Skills Planning:

- Raising awareness amongst employers of the value of different types of recruitment and training strategies in meeting identified need and providing support to employers to help them establish these recruitment routes and training pathways

There is a lack of knowledge about T-levels which is contributing to low demand…

Only 5% of respondents currently have T-Level students and 85% of respondents do not intend to enrol them in the future.

Implications for Strategic Skills Planning:

- T Levels are being gradually rolled out including provision in HEY such as Bishop Burton College. Employers can support the roll out through working with providers to develop T Levels and ensure course content meets sector needs, and through the provision of work placements. Targeting T Levels aligned to HEY key sectors will support productivity growth and ensure that important sectors can access the practical and technical skills they need.

There is a positive appetite for recruitment in the next 12 months but specific skill requirements need to be met…

Over the next 12 months, most respondents plan to recruit new employees (86%) and half intend to recruit apprenticeships.

Key attributes sought by two thirds of respondents include employability skills such as team working, attendance, time keeping and work ethic; customer service skills (59%) and specific technical, practical and occupation skills (56%).

Large companies are more likely to require technical, practical and occupation skills (79%); leadership and managerial skills (68%); IT and digital skills (63%). There is a growing demand for skills related to the low carbon and net zero agenda (42%).

Implications for Strategic Skills Planning:

- Consideration should be given to Local Training Boards to ensure that the skills system reflects the needs of key sectors. An opportunity to pilot activity to allow flexibility around existing resources will strengthen the alignment between supply and demand of skills.

Addressing barriers to investing in skills and training…

Respondents highlighted that access to funding for staff training would be beneficial (59%) and that relationships with training providers who understand business sector needs (52%) and can provide short flexible courses designed specifically for their sector (49%) are most useful.

Implications for Strategic Skills Planning:

- Mechanisms for incentivising investment in training through subsidy and flexible course provision require further investigation. This includes raising awareness amongst employers about what already exists, as well as informing new provision.

There are barriers to apprenticeship take-up which need to be addressed…

41% of respondents reported having recruited apprentices in the past 12 months, and 52% plan to recruit apprentices in the next 12 months. Engineering and technical apprenticeship roles are the most sought after, followed by administrative roles, skilled trades and elementary occupations. Level 2 (Intermediate) and Level 3 (Advanced) apprenticeships are the most commonly hired however there is increasing demand for higher level and degree apprenticeships.

Those not hiring or planning to hire apprentices point to a lack of need at present (35%) however other barriers include the cost to the business to administer and support apprentices, a lack of suitability of apprenticeship roles for the business or sector, past bad experience or a lack of supply locally.

The survey found that 48% of levy paying respondents do not use all of their funds. Of this figure, less than 20% transfer the unspent levy to another employer, despite a high level of willingness to do so (63%).

Implications for Strategic Skills Planning:

- The barriers to apprenticeship provision include costs of releasing staff, a lack of suitable candidates, and a mismatch between apprenticeship standards and employer needs. An Apprenticeship Strategy would provide a tailored response to demand and supply, including more demand-led provision which seeks to mitigate the impact of time off the job and provides a more bespoke solution to employer needs. The creation of more bite size and modular provision aligned to key competencies is an important prerequisite to meeting employer needs.
- Employers require greater awareness of the ability to transfer levy money to another employer and the benefits to them in doing so. More flexibility is required through the Apprenticeship Levy to enable spend to be better matched to what employers need and the system needs to reflect sector specific requirements at a local level.

A substantial proportion of employers face recruitment challenges…

Finding employees with the right technical and employment skills is a key challenge for employers in the HEY area. The survey found a lack of fewer skilled young people entering the labour market as a key recruitment challenge. Furthermore, 32% attributed recent recruitment difficulties to older people who left the labour market during the pandemic. Other significant factors include shortages of qualified workers, particularly holding engineering and digital skills, and difficulties competing with higher salary expectations.

Key skill gaps found amongst candidates include quality, attitude and employability, in addition to IT and digital skills, and technical, practical and occupation specific shortages. Poor quality applications makes it difficult to identify potential candidates.

Implications for Strategic Skills Planning:

- Career inspiration activity and progression pathways that inspire and support young people to progress into local employment opportunities to meet identified demand can help to build a future talent pipeline. This requires enhanced understanding by learners, educators and CEIAG about the career paths and opportunities within key sectors.
- Embedding employability skills, digital skills and work experience further in the curriculum can help to address issues/shortages associated with quality, attitude and practical skills.
- Supporting those looking for work, or those in work looking to progress, with the skills they need to write good quality applications could help recruitment. Labour market brokerage, advice and guidance can play a role here.

There are a number of barriers stopping employers from investing in training…

Almost half of the respondents identified time to undertake training as a significant barrier, followed by the relevance of training (38%) and the cost of training (36%).

The survey identified that 35% of respondents do not have any relationship with training and education providers in the HEY area.

Implications for Strategic Skills Planning:

- Opportunities to provide financial support to employers and provide more tailored course provision will facilitate investment in skills development and address training difficulties. Mechanisms for encouraging interaction between providers and employers can help to align skills needs. Furthermore, business support which helps employers to diagnose current and future skill needs and provides advice and guidance about available provision.
- Future reforms to the Apprenticeship Levy may provide more flexibility in how these funds are spent to provide financial support to employers to invest in training. Meanwhile, encouraging the transfer of levy funds and raising awareness of the benefits of doing so can help supply chains to meet their skill needs.
- Raising awareness of all types of local training provision in the HEY area through mapping supply by qualifications and competencies can help to connect local employers to providers.

Important local sectors face key labour challenges presenting a barrier to productivity and growth…

Reflecting its strong representation in the survey, respondents from the Manufacturing, Engineering and Construction sector report a high level of demand for new employees in the next 12 months with 43% of respondents seeking to recruit. Key skills/attributes sought from this sector include employability skills, technical, practical or occupation specific skills, and leadership and management skills. This sector reports a growing demand for apprentices. Key challenges include an ageing workforce, difficulties in attracting school leavers, and increased demand for digital skills.

Implications for Strategic Skills Planning:

- Retaining an older workforce through upskilling, reskilling and flexible working patterns can support recruitment challenges. Building confidence is key.
- Career inspiration activity which shines a spotlight on the breadth of opportunity in key sectors and dispels misconceptions through positive case studies and employer interaction with schools, including the provision of work placements, can encourage young people to pursue careers

Digital and creative technology is increasingly essential for local businesses…

42% of respondents identified that creative and digital technology is essential for their business, with Microsoft applications and social media skills the most sought after. Only half of respondents reported that they were able to access all of the digital skills training that they needed, and this proportion was lowest amongst SME businesses. The survey found relatively low awareness of digital diagnostic tools which could support businesses to understand how digital skills can help them to grow.

Implications for Strategic Skills Planning:

- Embedding Microsoft applications and social media in the school curriculum will help acquisition of these basic digital skills.
- Provision of business support advice and guidance to diagnose digital skill needs and signpost to digital training provision.
- Identifying gaps in digital skills provision and addressing through targeted intervention. This can be facilitated through the Digital Skills Partnership (DSP).

There is a growing understanding of the importance of green skills…

Only one in five employers reported a short term demand for skills relating to low carbon and the transition to net zero, rising to two in five among larger employers. This demand was highest amongst the Manufacturing, Engineering and Construction sector.

Implications for Strategic Skills Planning:

- Supporting employers to understand the implication of net zero and decarbonisation policies for their business through diagnosis of need, and the implication arising for future skills development. This can be supported through drawing on current insights from the HEY Green Skills report and providing regular updates in response to the rapid technological drivers of change influencing skill demands.
- Horizon scanning and collaborative work with providers will help position local providers to respond to future skill requirements.

Appendix 1 – Best-fit sector definitions

- The survey responses relating to the respondents' main sector have been mapped across to the HEY LEP targeted sectors and sectors within which individual focus groups – or one to one discussions – were held.
- In order to encourage participation in the survey it was advised that sector / industry category choices were kept to minimum. This meant that respondents were asked to indicate their best fit with broad industrial classifications rather than down to a more granular two digit SIC (Standard Industrial Classification) level.
- The table below therefore provides a **best-fit** of respondent sectors with HEY LEP target sectors and as a result of this broad sector approach there will inevitably be some areas of potential overlap.
- Where respondents did not indicate their main sector or indicated 'other' an appropriate main sector has been allocated on the basis of other respondent information, notably its name (to allow cross-refencing with Companies House classifications) and its business or organisation description.
- Not all main sector classifications allowed an obvious fit with the five focus sectors. Further broad categories have therefore been added that encompass wholesale and retail activities as well as a 'Public & Other Services' category to capture education, public administration, activities of voluntary or charitable organisations as well as services that do not necessarily align with a professional services remit (e.g. Business administration & support services). These additional sectors are highlighted below.
- Respondents operating within the energy, utilities and offshore sector do not readily fit within the five focus sectors outlined below. However, given the proclivity of these activities to use engineering skills it was decided that the 'Manufacturing, engineering and construction' represented the best fit.

HEYLEP target / focus group sector	Best-fit based on broad sector classification
Manufacturing, Engineering and Construction	• Manufacturing • Construction • Energy, offshore and utilities
Ports, Logistics and Warehousing	• Transport & storage
Services Sector	• Professional, scientific & technical • Finance & insurance • Information & communication • Property
Health, Social Care and Medicare	• Health
Rural Economy & Tourism	• Agriculture, forestry & fishing • Accommodation & food services
Public & Other Services	• Education • Public administration • Business administration & support services • Other service activities • Activities of voluntary or charitable organisations
Wholesale & Retail	• Wholesale • Retail

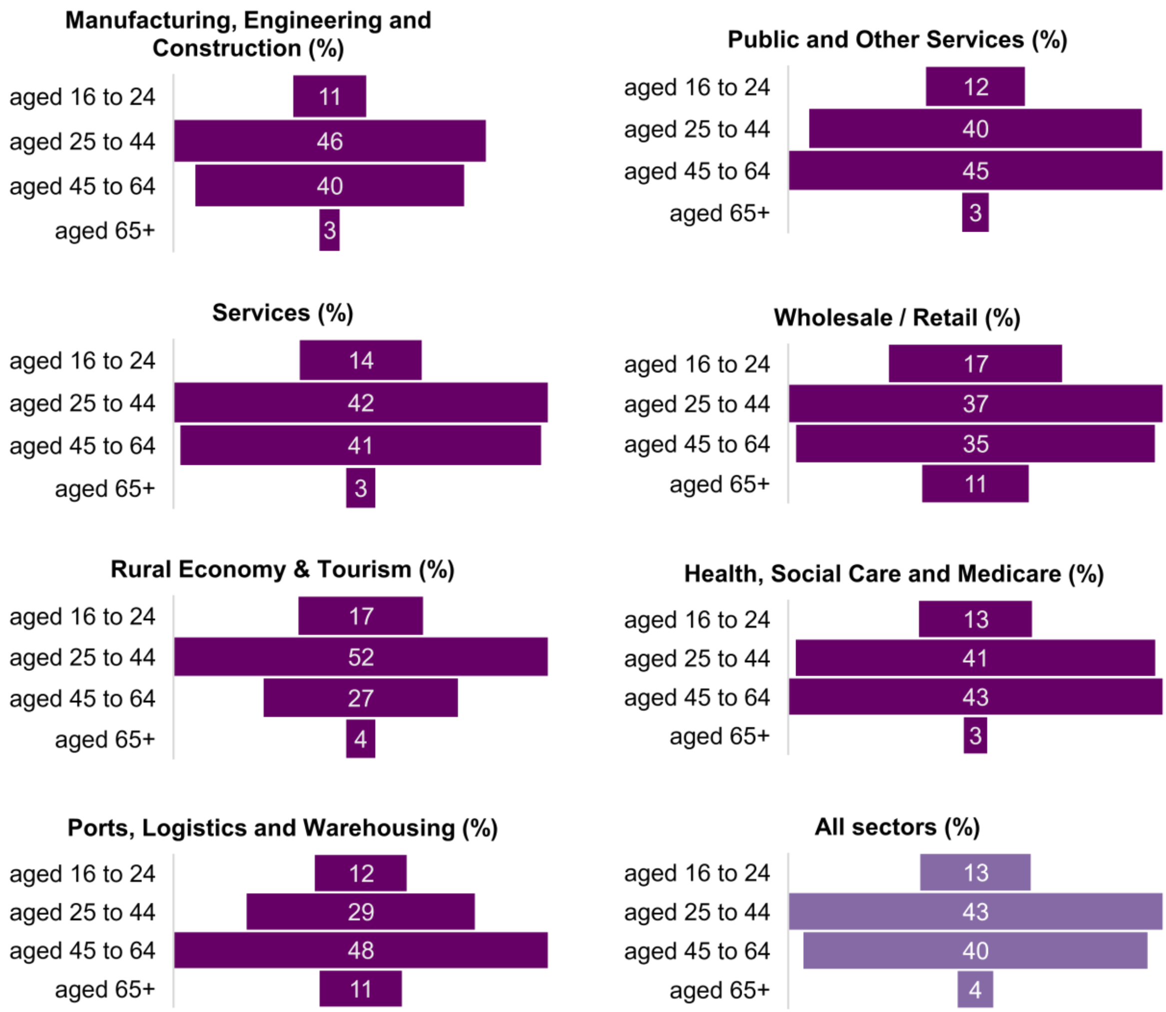
Appendix 2 – Additional Sector Analysis

Percentage of firms by size, by sector

Sector	Large	Medium	Small	Micro	*Sample size (N)*
Manufacturing, Engineering and Construction	23%	18%	38%	21%	*111*
Public and Other Services	18%	14%	39%	29%	*51*
Services	4%	15%	43%	37%	*46*
Wholesale / Retail	4%	4%	22%	70%	*23*
Rural Economy & Tourism	5%	29%	33%	33%	*21*
Health, Social Care and Medicare	21%	43%	36%	0%	*14*
Ports, Logistics and Warehousing	20%	30%	10%	40%	*10*
All sectors	**16%**	**18%**	**36%**	**30%**	***276***

Q1.3 Which of the following best describes the size of your business? (N=276)[30]

Workforce age profile, by sector (%)



Q1.4 If you are able, please indicate what percentage of your workforce are in the following age groups. (N=233)

[30] Highlighted if the value exceeds the all sector average.