



Hull and
East Yorkshire
Local Enterprise
Partnership

HEY LEP

Skills Network Meeting

23rd May 2023



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Local Enterprise
Partnership

Driving growth of the Hull and East Yorkshire economy for the benefit of our communities

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Welcome

Chris Howell



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HEY LEP Skills Network Chair: David Gent



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Hull & East Yorkshire Local Enterprise Partnership

Digital Strategy Framework, Consultation Feedback Update

Recap – Round Table Discussion

‘To seek views and feedback on proposals to develop a Digital Strategy Framework for the Hull and East Yorkshire LEP region’.

Q 1 – Economic Impact

“How can digital & tech opportunities be maximised for HEY regional growth between now and 2030?”

1. Place, infrastructure & assets. Existing digital & tech eco systems, clusters and trends
2. Investment & finance
3. Ideas, innovation R&D, IR 4.0 “Industry 2030 and beyond” inc AI, VR, AR, ML etc
4. Digital transformation
5. Business support, diagnostics including Cyber Security
6. People, Skills & Inclusion
7. Maximising Health Tech, Green Tech and future Humber Freeport opportunities

Question 1: Economic Impact – SWOT Analysis

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> • Green Skills Industry - Sustainability / Opportunity to be a regional leader • Good for tech – Connectivity / KCOM and Connexin • Digital centre (C4Di / Hub) • BBC Centre Media/Digital • Good for tech – Connectivity / KCOM and Connexin 	<ul style="list-style-type: none"> • What is our identity? (USP) • Access to investment (presence of VC companies in region) • Infrastructure in rural East Riding • Low level of skills of populace in the region Government instability (Central)
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> • Greater collaboration between talent providers e.g. Colleges, Universities and Businesses to develop training relevant to work opportunities. • Accessibility and inclusion (Inspiring talent from all backgrounds) • Greater collaboration between talent providers e.g. Colleges, Universities and Businesses to develop training relevant to work opportunities. • Accessibility and inclusion (Inspiring talent from all backgrounds) • Web 3 / meta-verse • University of Hull, data science • Affordable premises, leasing, land etc 	<ul style="list-style-type: none"> • ESF going / SPF not enough to replace funding 'like for like' • Automation of low level roles • Digital exclusion • Role replacements, re training needs

Q 2 – Digital & Tech Sector Skills and Inclusion

“What training and skills are required to meet the digital & tech needs of business and the community for the HEY region, between now and 2030?”

1. Place, infrastructure & assets. Existing digital & tech eco systems, clusters and trends
2. Investment & finance
3. Ideas, innovation R&D, and change “Industry 2030 and beyond” inc AI, VR, etc
4. Digital transformation
5. Business support, diagnostics including Cyber Security
6. People, Skills & Inclusion
7. Maximising Health Tech, Green Tech and future Humber Freeport opportunities

Question 2: SWOT Analysis

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> • Good range of provision • Specialist provision • More funding for digital Bootcamps 	<ul style="list-style-type: none"> • Apprenticeship levy not utilised correctly – A redevelopment required • Schools Curriculum needs to mirror employer requirements • Business, lack of knowledge of range of provision • Business confusion about what training offers are free
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> • Linking tech skills to support WFH and hybrid working – for all age groups • Design a digital skills passport for young people • Better access for assistance to design and implement automation to help manufactures • Build / create a skills for life curriculum in schools to include digital skills • Digital enablers for people with disabilities and/or difficulties • Co design curriculum with employers to match skills needs • Agile / Lean skills required to be delivered in a more development way – not just the digital skills itself • What can be offered to keep graduates local – e.i. keep them in the region 	<ul style="list-style-type: none"> • Not compulsory as a subject for KS4 • Awareness of phishing and safeguarding (Cyber Security) • No clear pathways for high end digital careers • Failure to understand length of talent pipeline timeline for new skills development • Digital leadership - innovation -- not just technical skills - need the leaders at the places – Those who can collaborate

Skills Network Meeting QR Codes



HEY LEP Skills Network Virtual Meeting Agenda



HEY LEP Skills Network Combined Delegate Survey and Feedback Form



HEY LEP State of the Economy Report



HEY LEP Local Skills Report Annexes – Core Indicators and Additional Data



HEY LEP Skill Dashboard



HEY LEP Talent Forum



HEY LEP Career Aspirations Group

Skills Network Combined Delegate Survey and Feedback Form

Skills Network

Combined Delegate Survey and Feedback Form

Using the adjacent QR Code

Help us to shape the future Skills Network meetings based around the topics and interests that members would like to hear more about.

Let us know your views on how we can work more collaboratively to deliver on meaningful issues and topics.



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HEY LEP Skills Network

Combined Delegate Survey and Feedback Form

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HEY LEP Core Indicators and Dashboard

Gill Dillon

Hull & East Yorkshire Skills Advisory Panel Toolkit

Analysis and Definition of Local Landscape

Analysis of Skills Demand

Analysis of Skills Supply

Mapping of Demand and Supply



Hull & East Yorkshire Employer Skills Survey Findings

Gill Dillon



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Research Approach – Survey

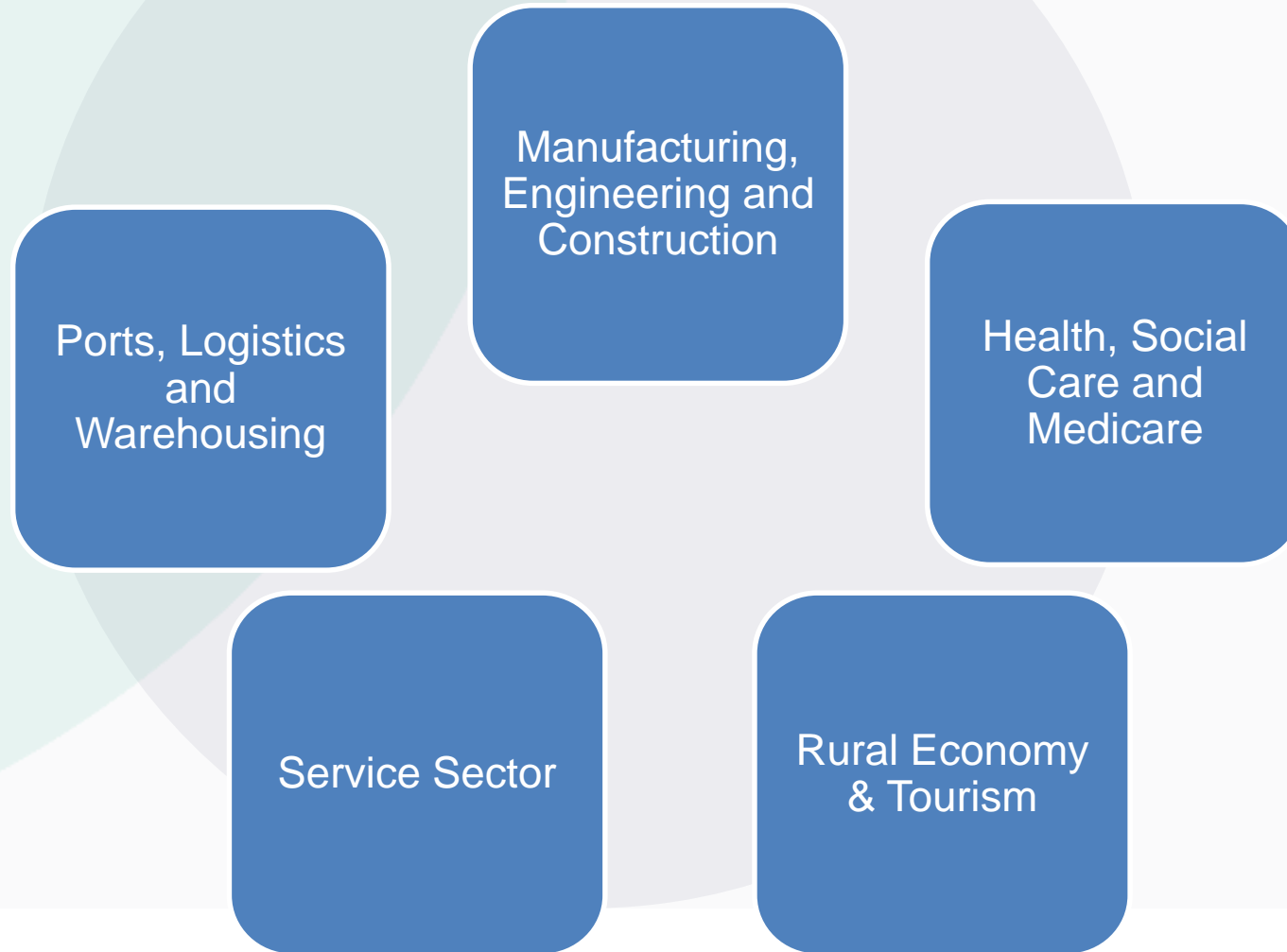
- ▶ ekosgen and IBP Strategy and Research undertook an Employer Skills Survey on behalf of HEY LEP and the Hull & Humber Chamber of Commerce aimed at better understanding the skills needs of local businesses and how they can be met.

Online Survey
178 responses



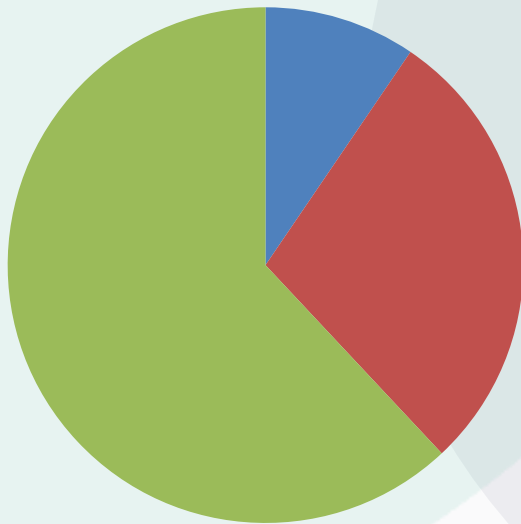
Telephone Survey
100 responses

Research Approach – Focus Groups



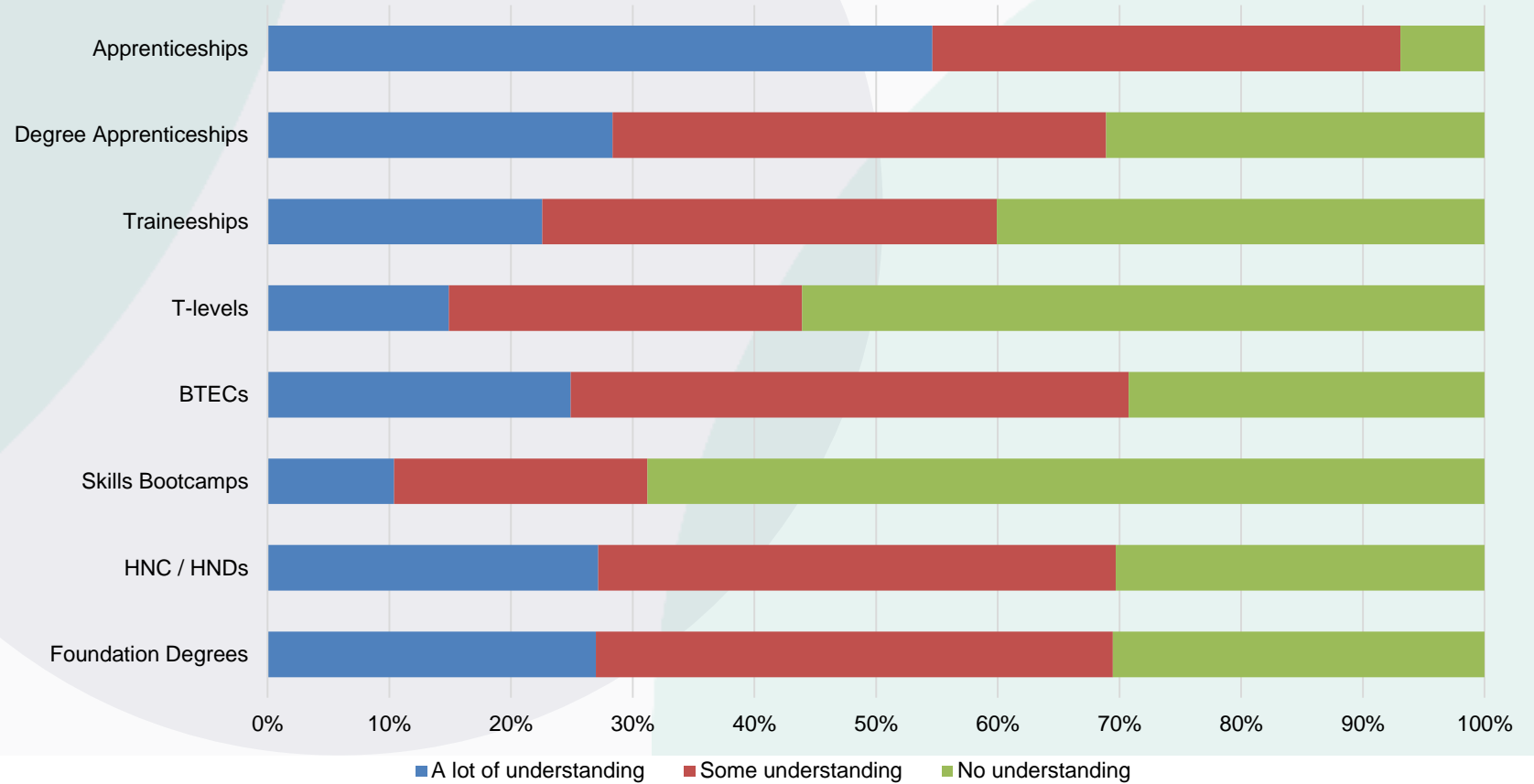
Understanding of LSIPs and Qualifications

Understanding of LSIPs



- Yes, and I understand what they are
- Yes, but I'm not sure what they are
- No

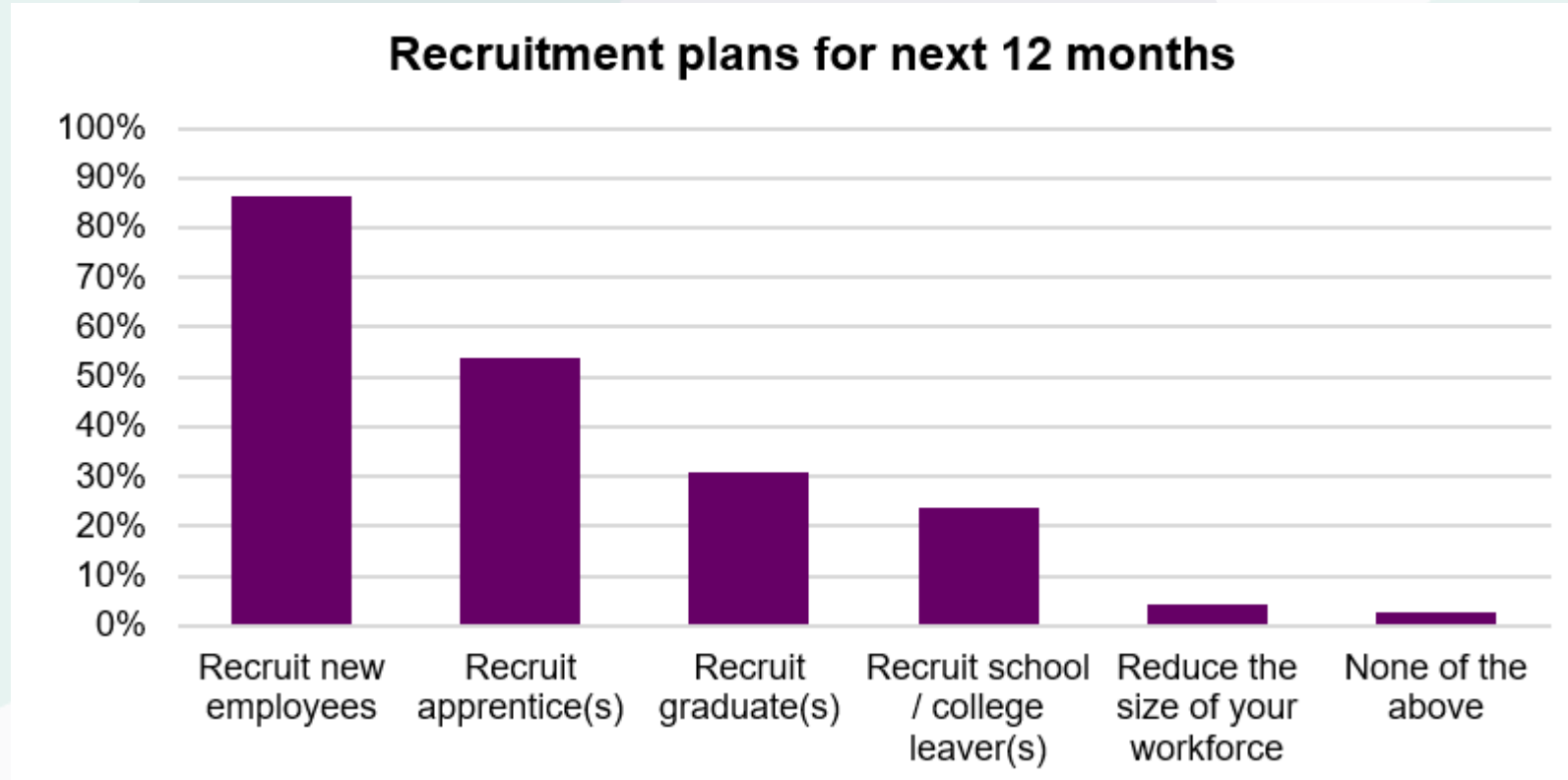
Level of understanding of training and qualifications



- A lot of understanding
- Some understanding
- No understanding

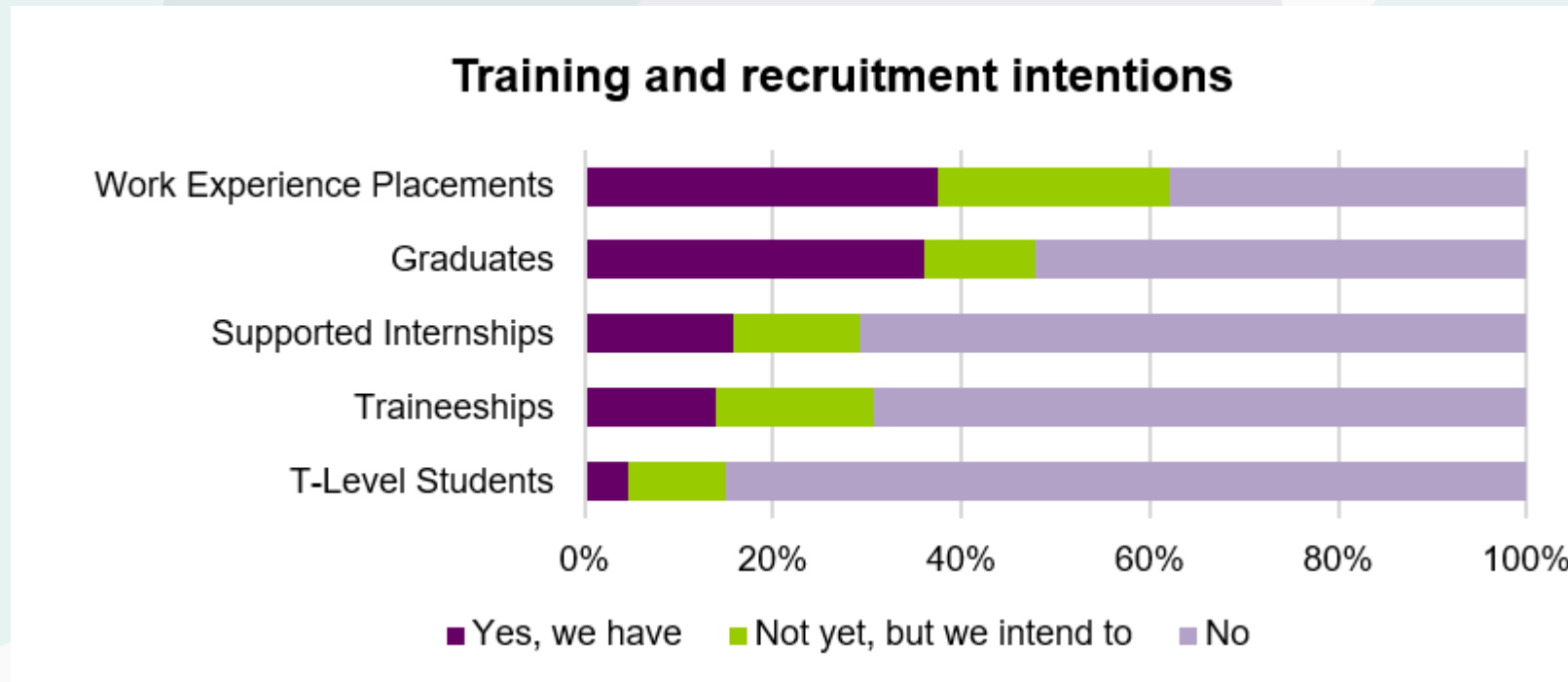
Skills Demand – Recruitment Intentions

Over the next 12 months, most respondents plan to recruit new employees and over half intend to recruit apprentices...



Skills Demand – Current and Future Training Programmes

Work experience and graduate placements are the most common current training programmes used...



Skills Demand – Sought After Skills

Employability skills are the most sought after by respondents...

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%
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%

Skills Demand – Training Approaches

Access to funding, closer relationships with training providers and access to tailored provision are the training approaches most sought after by employers...

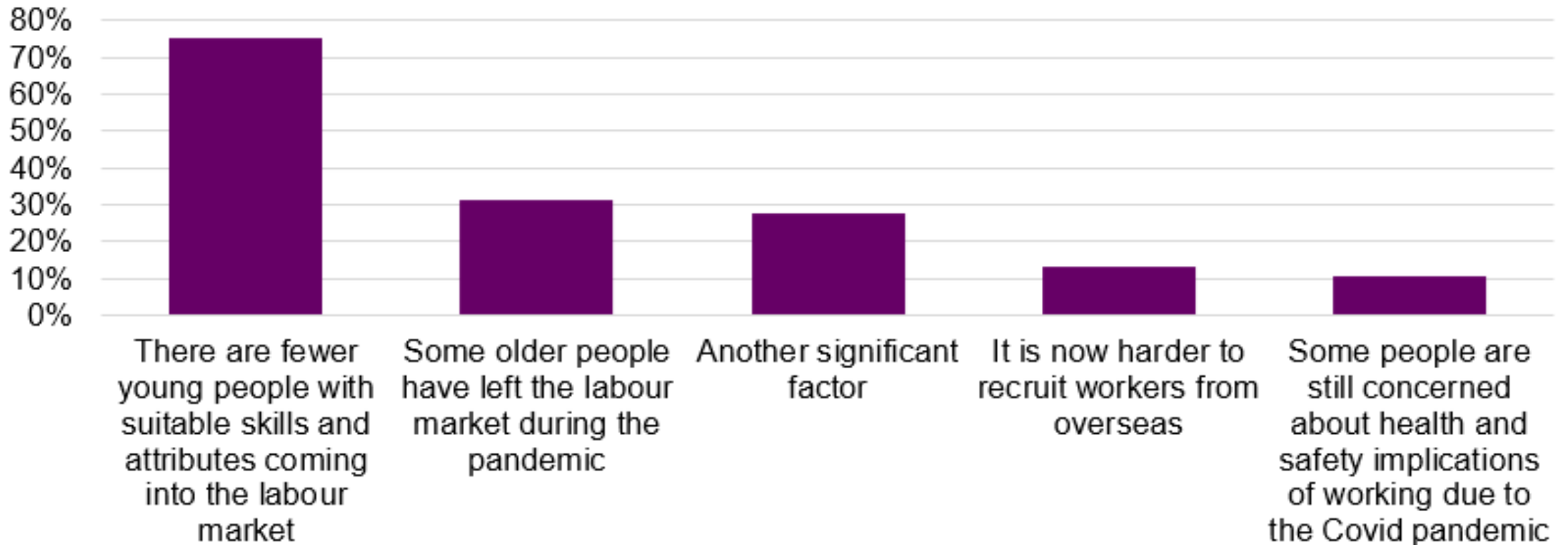


Apprenticeships

- Employer demand for apprenticeships is increasing with 52% of respondents planning to recruit in the next 12 months
- Those not planning to hire apprentices cite a lack of need, the cost to administer and support apprentices, not considered suitable, past bad experience and a lack of local supply
- Engineering and technical apprenticeship roles were reported as the most commonly sought after
- Increased demand was reported for elementary occupations, care professionals, IT, administration and skilled trades
- 48% of levy paying respondents do not use all of their funds

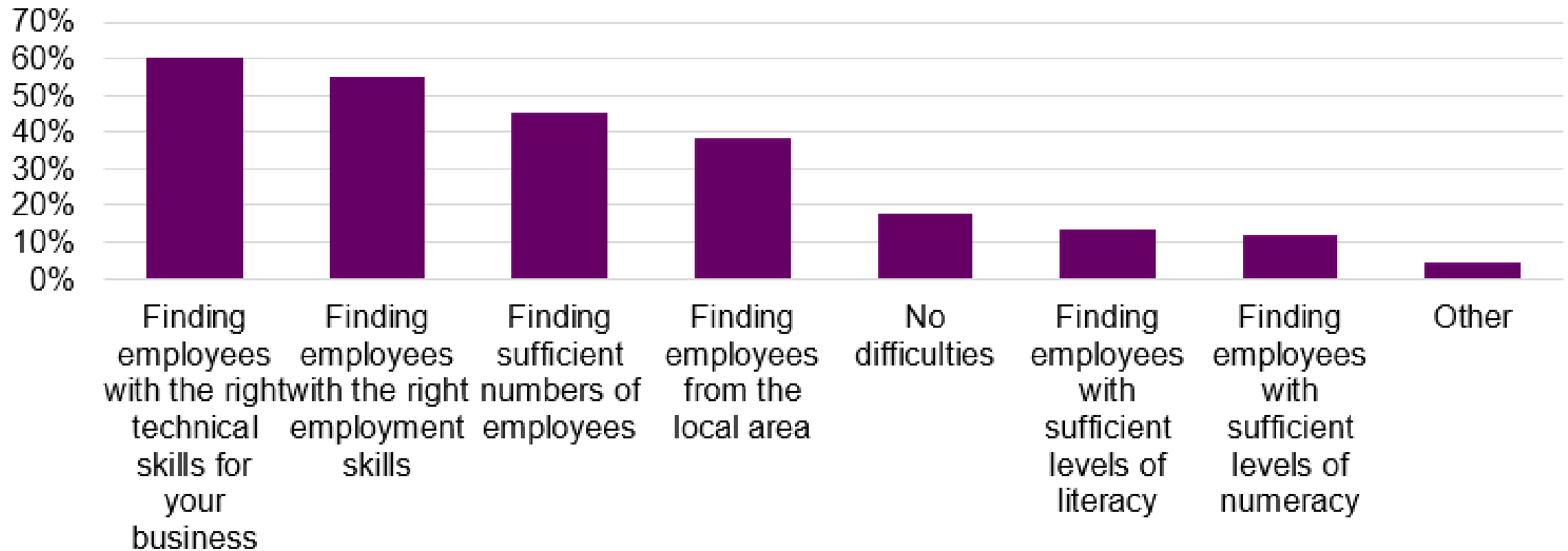
Skills Supply – Recruitment Challenges

Over 80% of respondents have experienced recruitment challenges within the last 12 months...



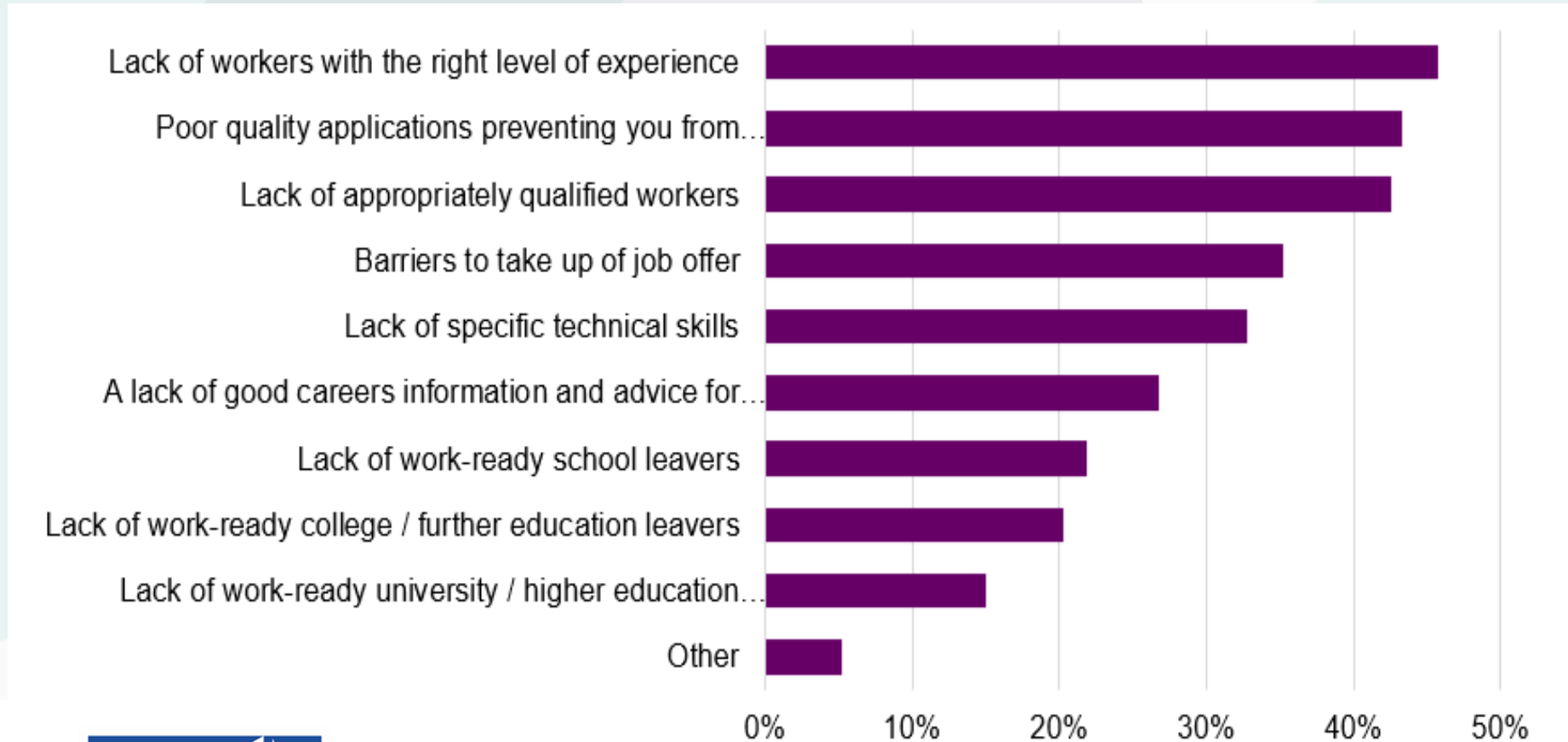
Skills Supply – Recruitment Challenges

Difficulties in recruiting include problems finding employees with the right technical skills and employment skills.....



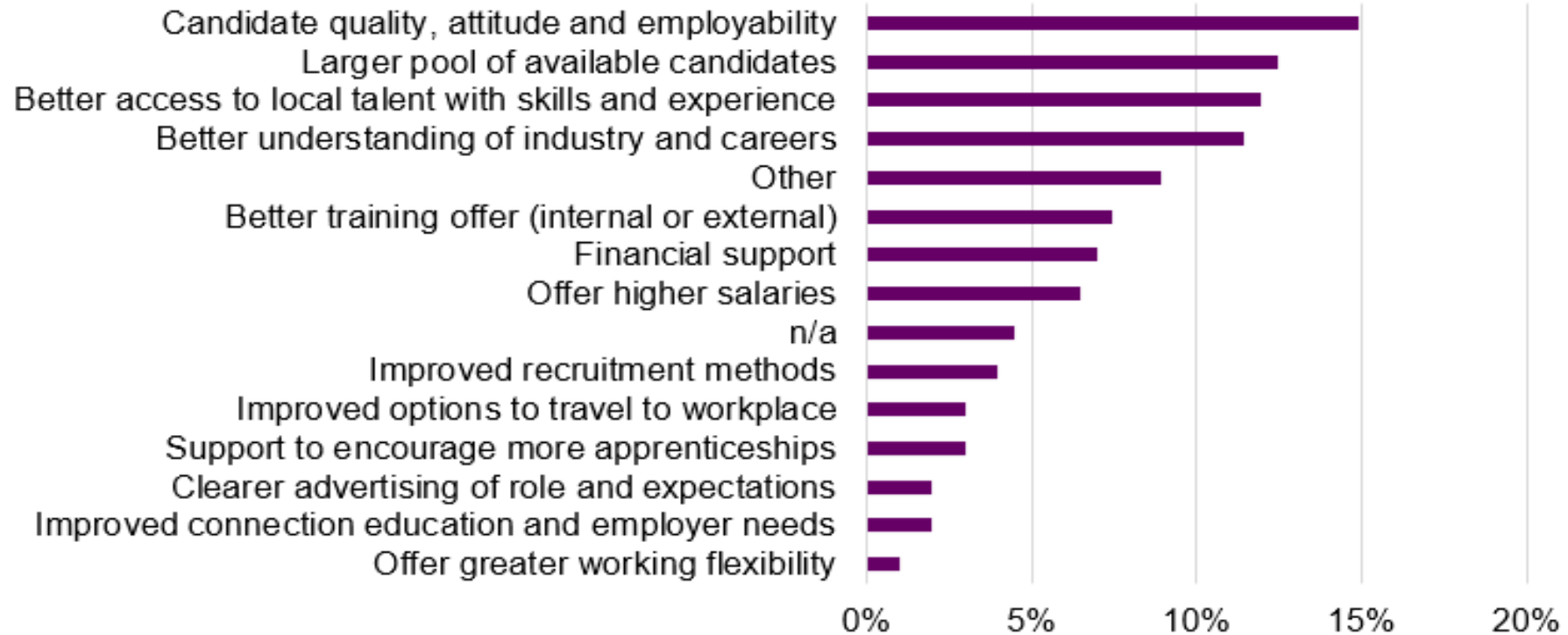
Skills Supply – Recruitment Challenges

A lack of experience, qualifications and specific technical skills featured highly amongst the difficulties in recruitment.....



Skills Supply – Easing Recruitment Challenges

Candidate quality, attitude and their employability skills was the most commonly identified single factor which could ease recruitment difficulties.....



Skills Supply – Barriers to Training

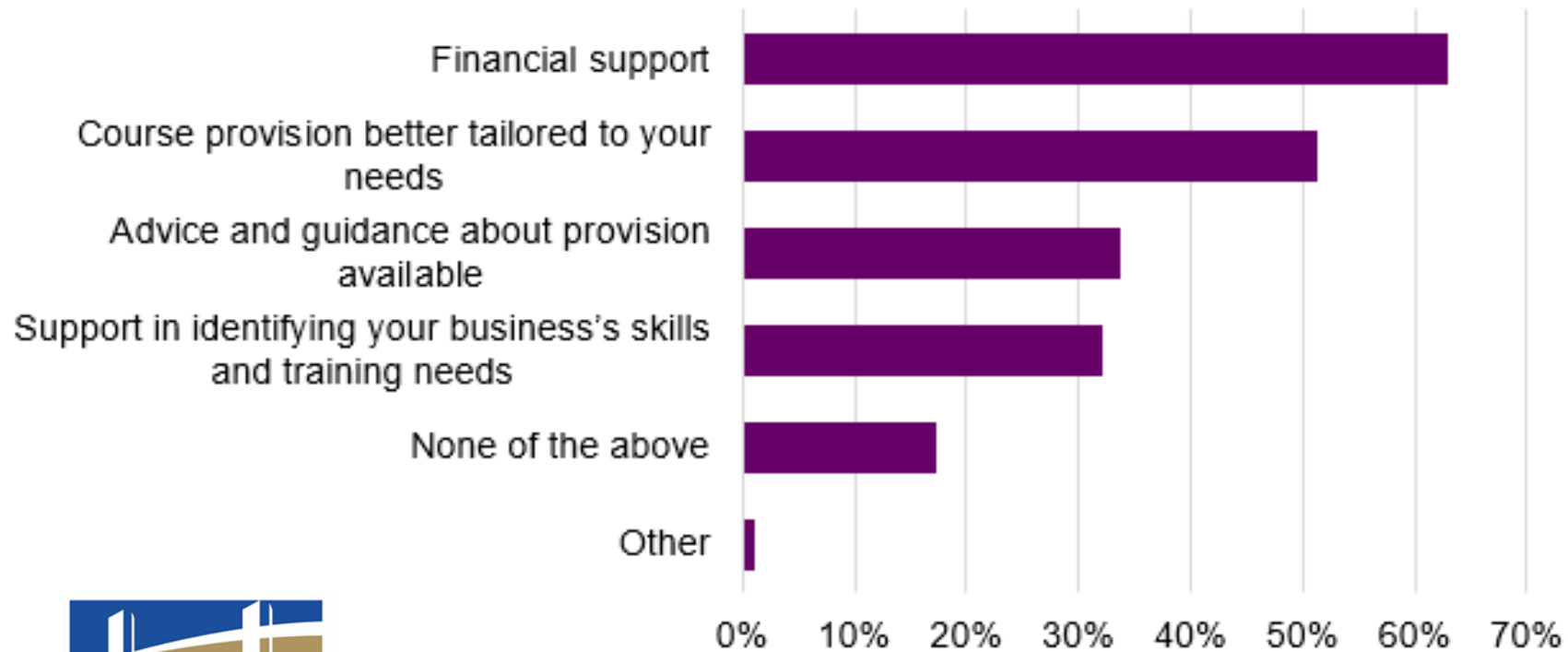
The time available to enable staff to undertake training is a commonly cited barrier.....



Skills Supply – Support to Invest in Skills Development

Financial support and the provision of tailored courses would encourage employers to invest more in skills development.....

Support needed to invest more in skills development

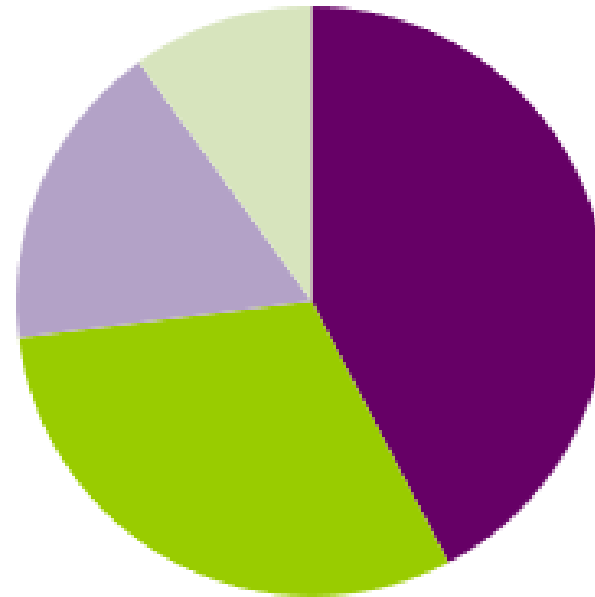


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Digital Skills Needs

Digital and creative technology is recognised as important to the majority of businesses surveyed.....

Importance of digital and creative technology



■ Essential

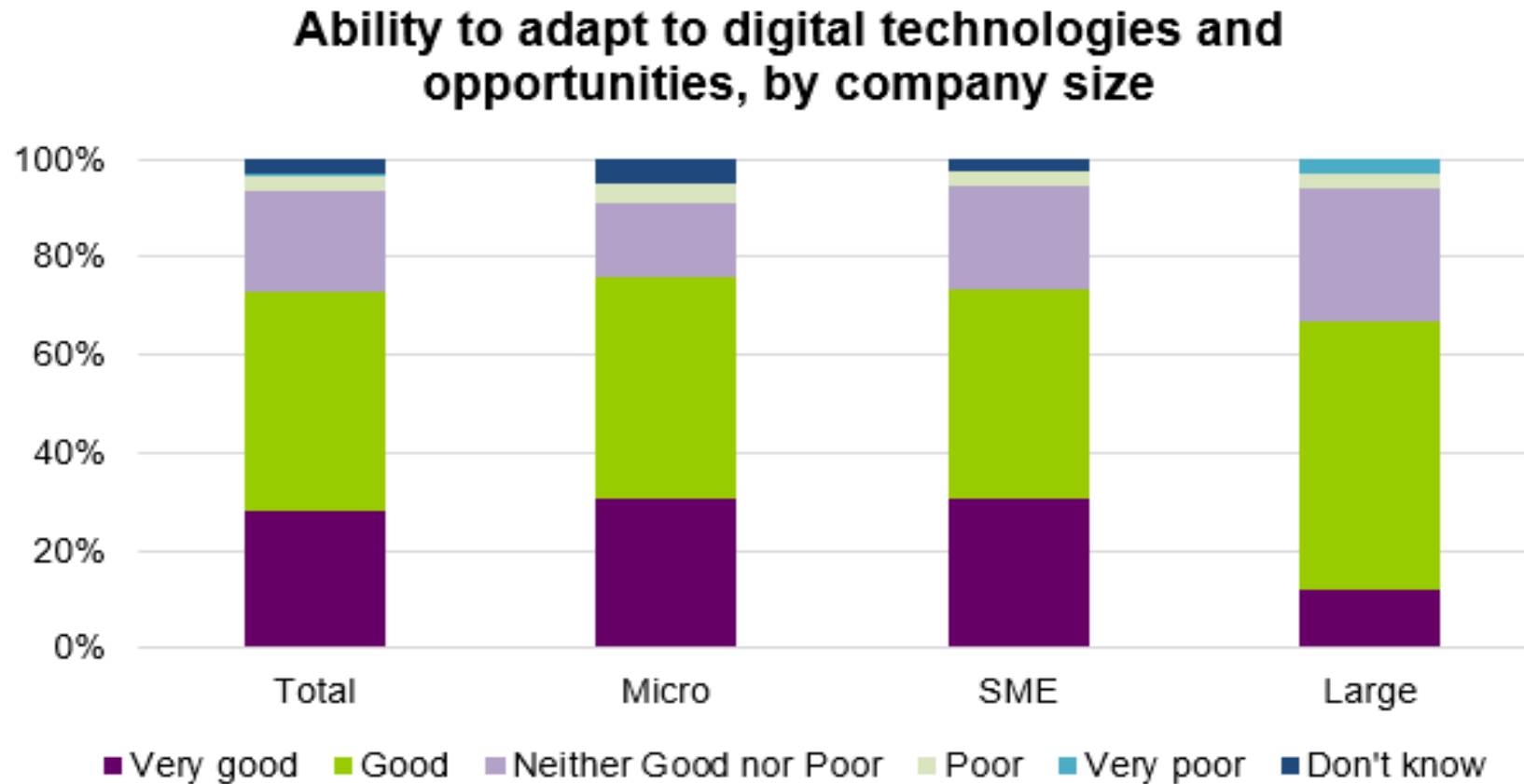
■ Important

■ Necessary

■ Not important

Digital Skills Needs

Micro businesses were more likely to identify barriers in their ability to adapt to digital technologies and opportunities.....



Digital Skills Needs

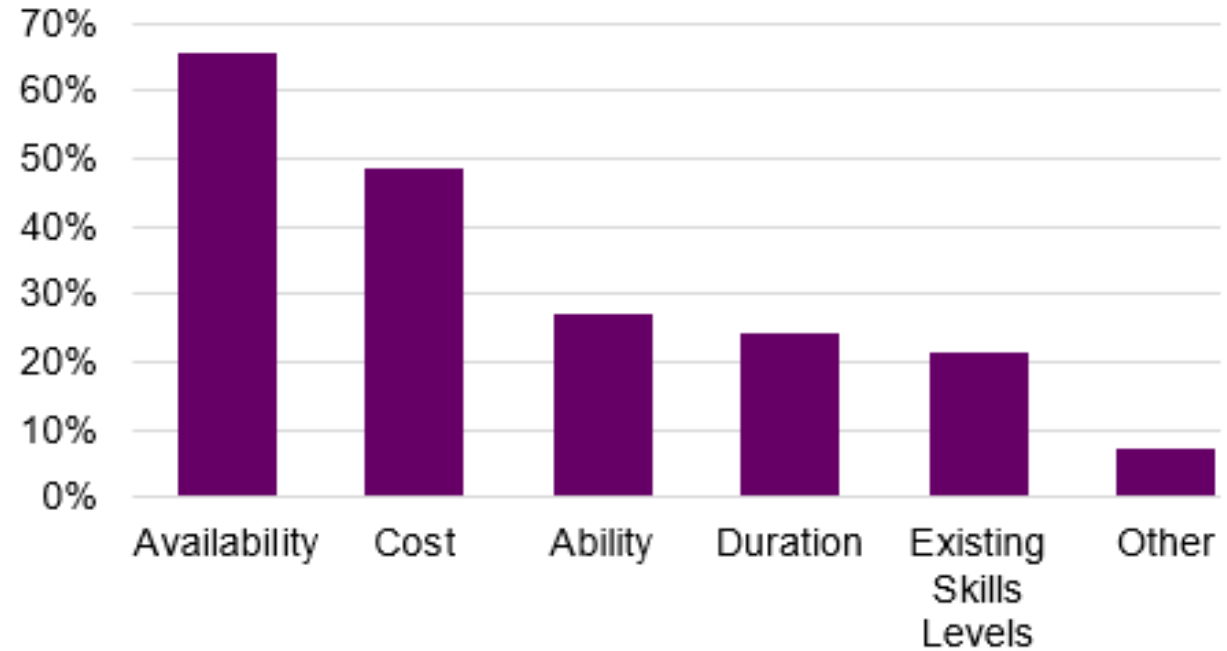
Only half of the respondents reported that they were able to access all the digital skills training they needed.....

Access to digital and technical skills training



■ Fully ■ Partly ■ Not at all

Reasons to partly or not accessing to training



Net Zero Skills Demand

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.....

	Total
All sectors	21%
Health, Social Care and Medicare	0%
Manufacturing, Engineering and Construction	51%
Ports, Logistics and Warehousing	9%
Public and Other Services	20%
Rural Economy & Tourism	7%
Services	7%
Wholesale / Retail	5%

Net Zero Skills Shortages

Four fifths of respondents reported that they were experiencing skill shortages in relation to low carbon/net zero related skills to some extent...

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



State of the Economy

Hull & East Yorkshire Local Enterprise Partnership

Final Report – March 2023



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Important Notice

This document has been prepared by ekosgen for HEY LEP and solely for the purpose on the terms agreed with HEY LEP. We accept no liability (including for negligence) to anyone else in connection with this document.

The information used in preparing this document has been provided from third party sources. ekosgen has not sought to establish the reliability of those sources nor verified such information. Accordingly, no representation or warranty of any kind (whether express or implied) is given by ekosgen as to the accuracy contained in this document.

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- 5) Places: 27 - 32
- 6) Recommendations: 33 - 35

Note about data sources and approach:

ekosgen was appointed by HEY LEP to undertake an assessment of the current state of the economy in Hull and East Yorkshire region. This report provides an update of all available data as of February 2023.

Data used in the report include ONS, Centre for International Competitiveness, HM Revenue & Customs, Lightcast, Google Mobility, HM Land Registry, and openLocal. Where local authority data is unavailable, national datasets and surveys have been applied to the regional level to provide estimates.

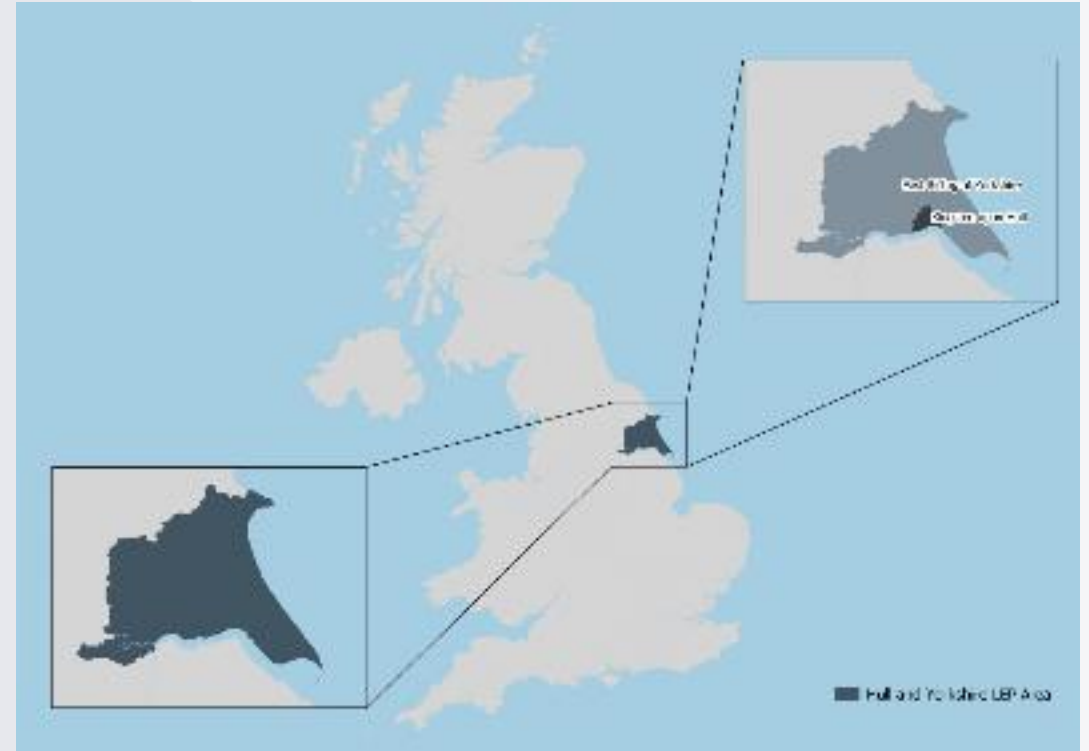
Context

The Hull and East Yorkshire (HEY) LEP area consists of two local authorities north of the Humber estuary – Kingston upon Hull and East Riding of Yorkshire.

HEY LEP appointed ekosgen to undertake a stocktake of the Hull and East Yorkshire economy, focused on:

- Economic growth
- Business activity
- People activity and take up of government support
- Places

This report summarises the findings of the analysis undertaken in February 2023.



609,600
population
(2021)



249,000
employee jobs
(2022)



£13.1bn
total GVA
(2020)



20,945
businesses
(2022)

Economy

GVA

Total GVA in Hull and East Yorkshire (HEY) was £13.1bn in 2020, down from £13.5bn in 2019, representing a 2.9% loss in output – slightly below the national and Yorkshire and Humber (Y&H) region figure of 3.1%.

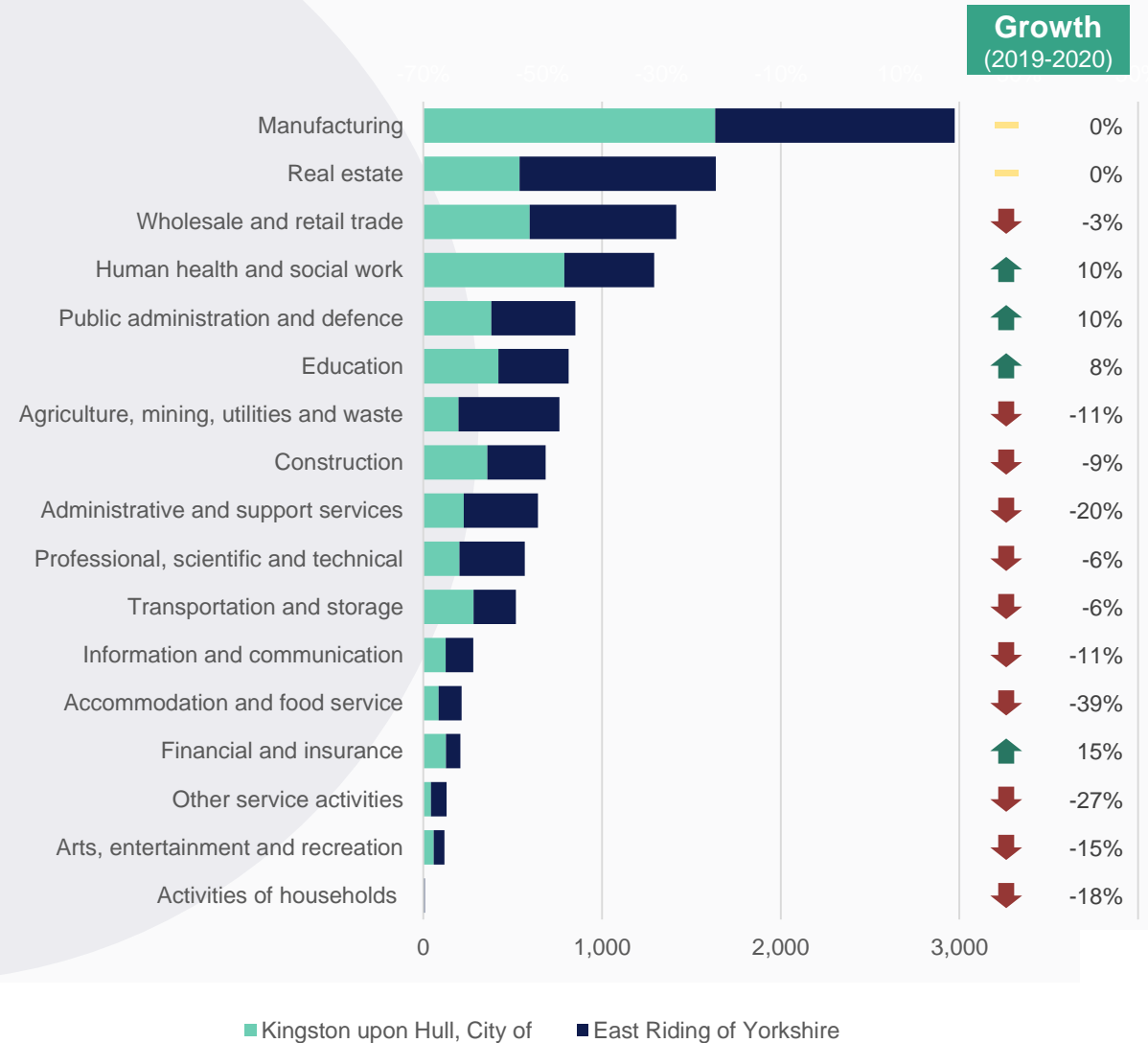
In the five years prior to the Covid-19 pandemic, HEY's economy grew at an average rate of 4.2% per annum between 2014-2019. This rate was above national and regional rates (3.9% and 3.7% respectively).

Between 2019 and 2020, the accommodation and food sector experienced the largest loss in HEY (-39%) on par with national trends (-40%).

However, sectors that generate most of HEY's GVA such as manufacturing (23%) maintained their level of output in 2020 identifying a level of resilience in the sector. In contrast, Y&H and England showed a contraction in manufacturing activity (-5% and -7%, respectively).

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GVA by Sector (£m), 2020



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Source: ONS, 2019-2020

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Productivity

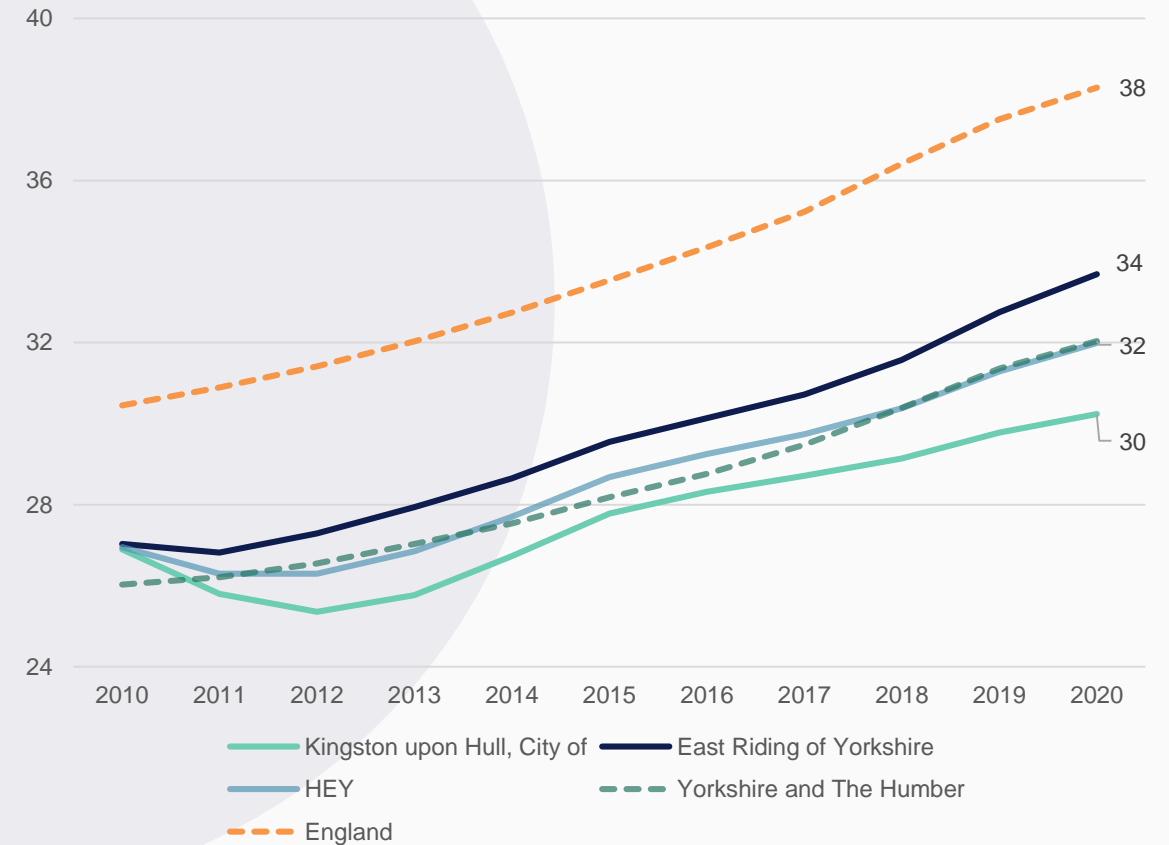
One key measure of productivity is GVA per hour worked - the value of the output that is produced in one hour. In 2020, the GVA per hour worked in HEY was £32, the same as the Y&H region but £6 below the England average of £38 per hour.

The evolution of labour productivity shows that the gap between England and East Riding of Yorkshire has maintained a gap of around £4, while the gap between England and Kingston upon Hull has widened from £4 to £8 in the last ten years.

Kingston upon Hull presents one of the lowest levels of productivity in the Y&H region – just above Bradford (£30) and Barnsley, Doncaster and Rotherham (£28) – and is within the bottom 20% of all local authorities in England on this metric.

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GVA per hour worked (£), 2010-2020



Competitiveness

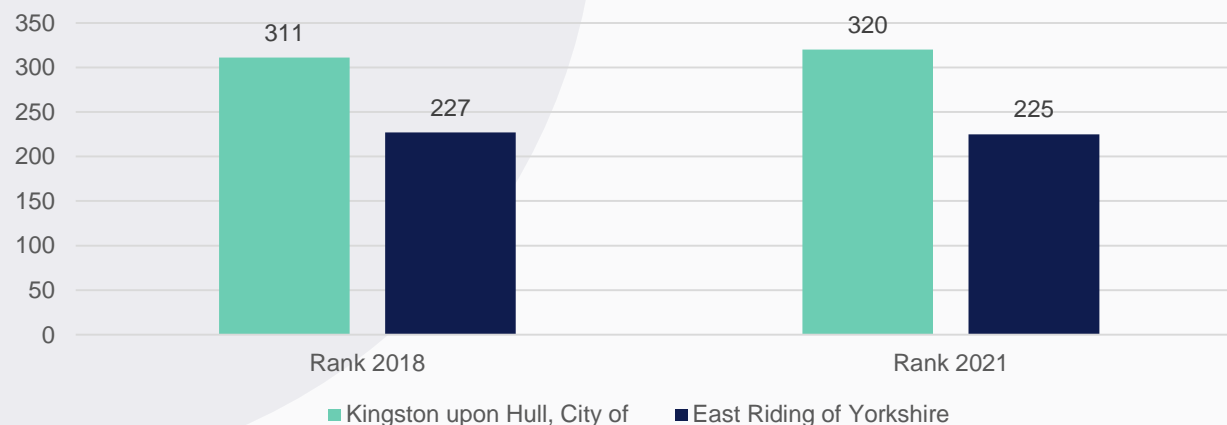
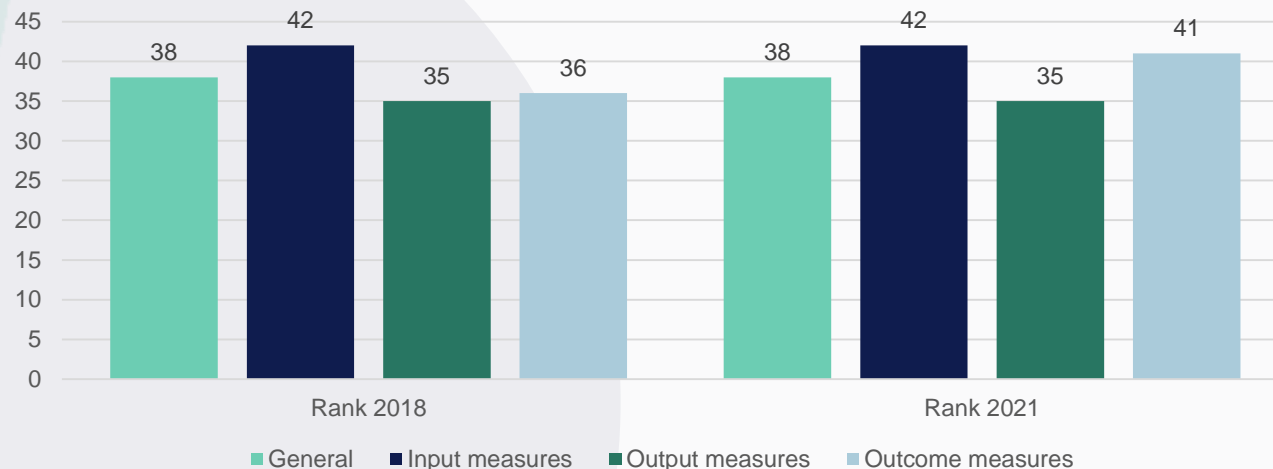
The UK Competitiveness Index provides a benchmarking of the competitiveness of the UK's regions and localities and analyses both the development and sustainability of their businesses as well as the economic welfare of its residents.

In 2021 HEY LEP is ranked 38th of 47 local enterprise partnerships, showing no improvement with respect to pre-pandemic levels. The disaggregation of the ranking by measure shows that HEY's performance is particularly weak in input measures – such as presence of knowledge based businesses, skilled labour, businesses registrations, and economy activity rates.

Kingston upon Hull is the least competitive city in UK. Although low competitiveness is common amongst local authority districts in Y&H – ranks range from 100th to 344th of 362 local authorities – Kingston upon Hull is amongst the bottom five in the region.

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HEY Position in Competitiveness Ranking, 2018-2021



The UK Competitiveness Ranking is based on three measures and ten indicators: (1) input factors: economy activity rates, business start-up rates per 1,000 habitants, number of businesses per 1,000 habitants, % of working age population with NVQ4+, and % of knowledge-based businesses; (2) output factors: GVA per head at current prices, output per hour worked, and employment rates; and (3) outcome factors: gross weekly pay, and unemployment rates. For each measure, an index is calculated with a UK average base of 100. The ranking assess 47 LEP, 47 cities, and 362 localities.

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Source: UK Competitiveness Index, Centre for International Competitiveness, 2018-2021

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Business

Business Mix

HEY comprises 20,945 businesses*, of which 32.5% are within Kingston upon Hull, and the remaining 67.5% are within the East Riding. HEY 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 Kingston upon Hull.

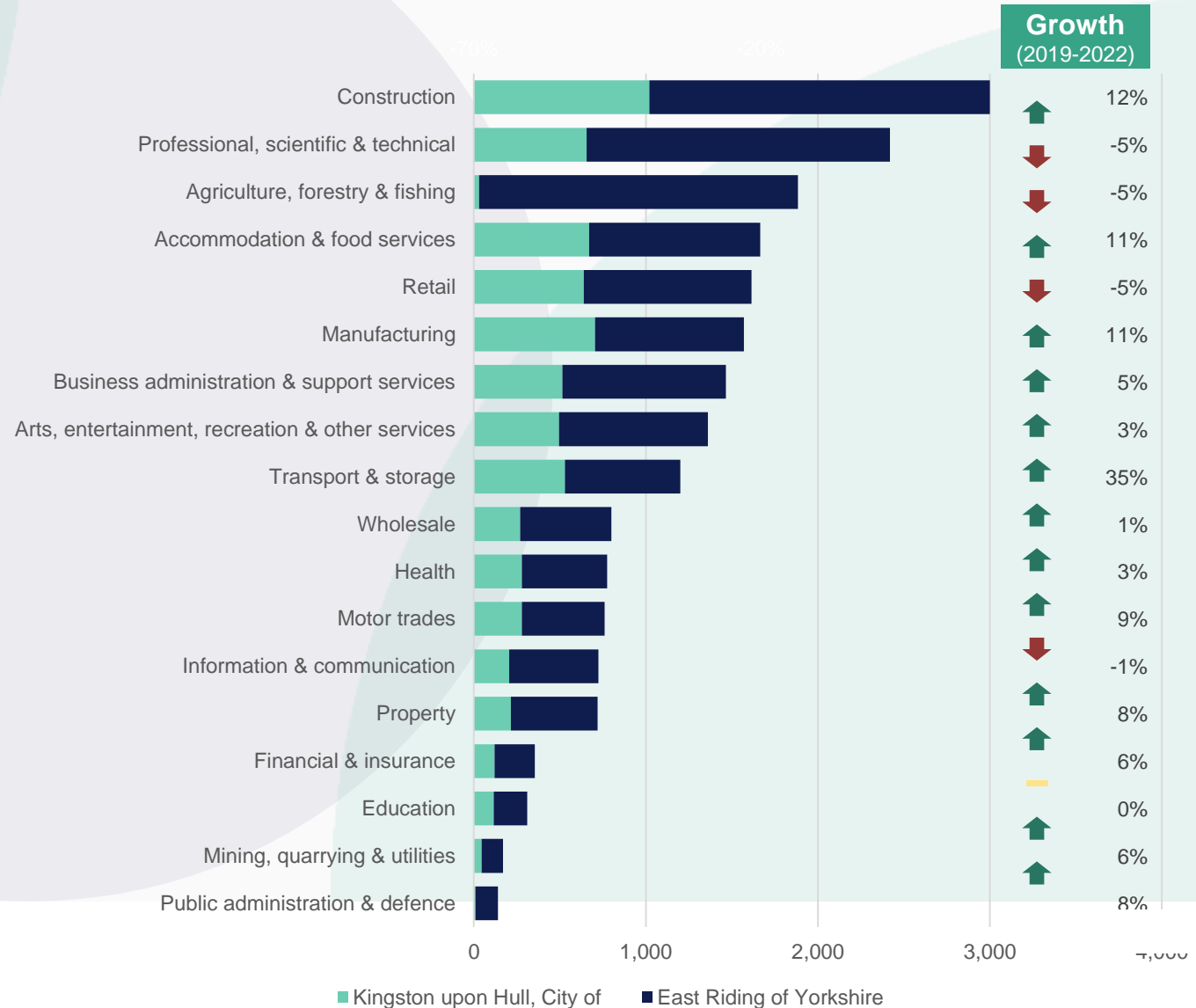
Significant sectors by total business count in HEY include construction (14%) and professional, scientific and technical (12%). The agriculture, forestry and fishing sector is also prominent, accounting for 9% of the business base, with the majority located in the East Riding of Yorkshire.

One strength of HEY is its micro business base which provides a level of resilience: approximately 75% of businesses employ 0-4 staff compared with 78% of firms across England, and 13% employ 5-9 staff in HEY compared to just 11% in the rest of the country.



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Sectoral distribution of firms (total counts), 2022



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Source: Business Activity Counts, ONS, 2022
 * Considers VAT and/or PAYE registered enterprises that were live at the reference date in March

Business Incorporations

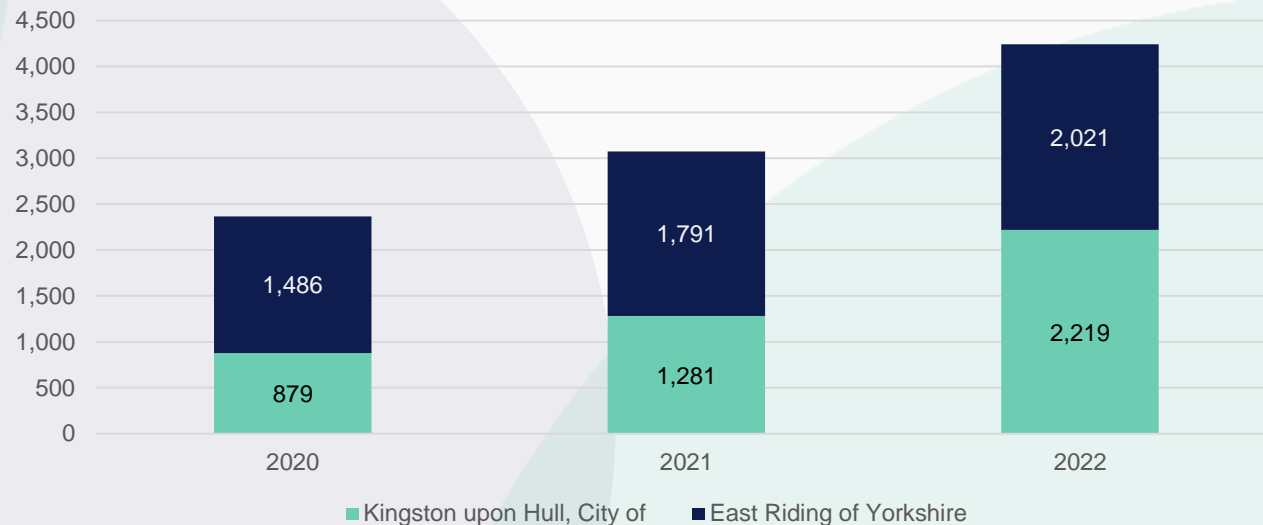
Between 2020 and 2022, the number of new businesses incorporated in HEY increased from 2,365 to 4,240 (a 79% increase). Whilst the rate of growth differs by year, the performance of HEY has been remarkable in 2022, particularly in Kingston upon Hull (73%).

The highest number of incorporations were found within construction (16.5% of total incorporations), retail (10.7%), accommodation and food services (9.2%).

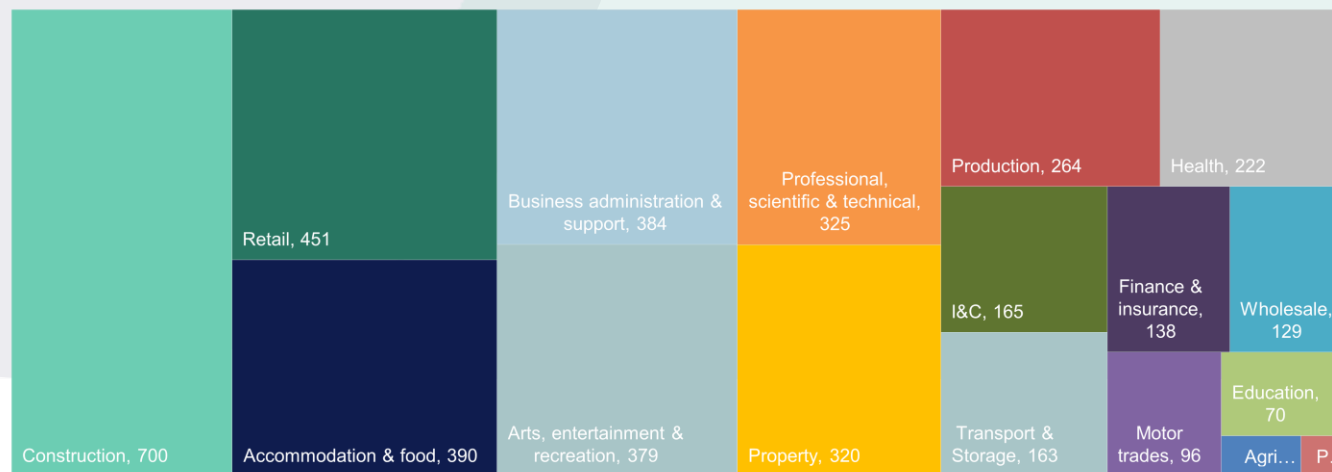
Important sectors which lost economic output during the pandemic – such as accommodation and food, arts and entertainment, and administrative services – showed a strong performance in the registration of new businesses in 2022.

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Business incorporations, 2019 - 2022



Business incorporations by sector, 2022



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Business Demography

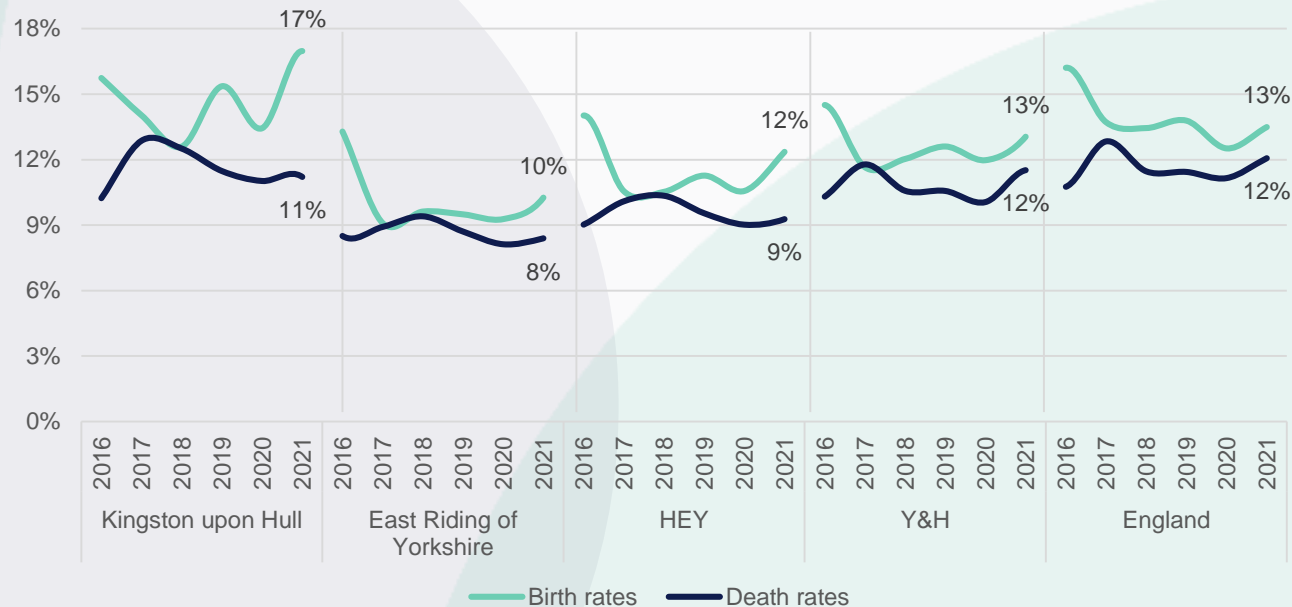
In 2021, business births in HEY stood at 12%, slightly below Y&H and England (13%). As per the national trend, business birth rates in HEY decreased considerably in 2017 and showed a recovery in 2021.

Business death rates in HEY remained relatively flat between 2016 and 2021 (9% in both years) and below regional and national rates (12%). Net business births – difference between births and death rates – in HEY were positive in 2021 (3%) and higher than in England (1%).

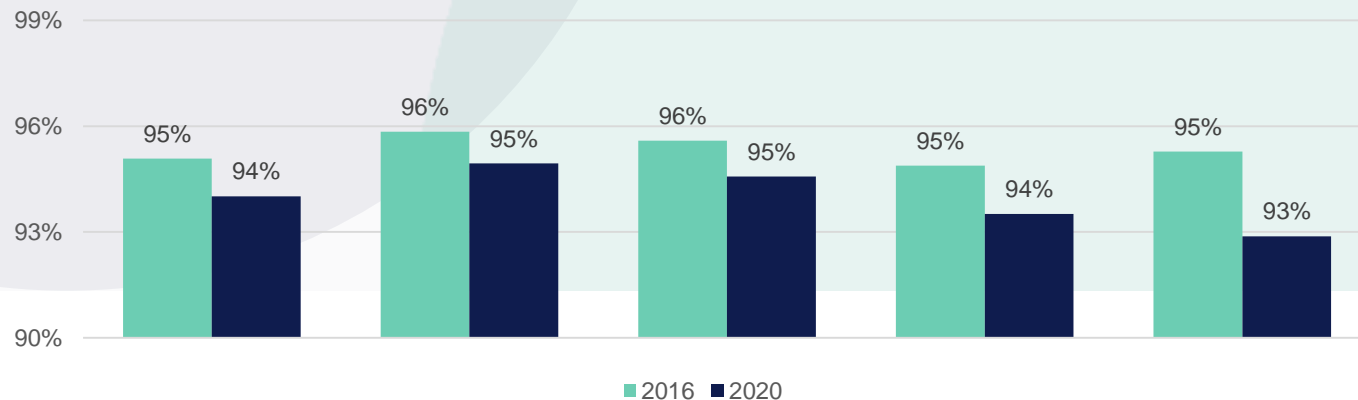
Within HEY, Kingston upon Hull has the largest net business births (6%). However, businesses in this area also experience a lower probability of survival after one year (94%).

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Business birth and death rates (% business base), 2016 - 2021



Survival rate of enterprises born in 2016 and 2020 after 1 year



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Source: Business Demography, ONS, 2016-2021

Temporary Closures

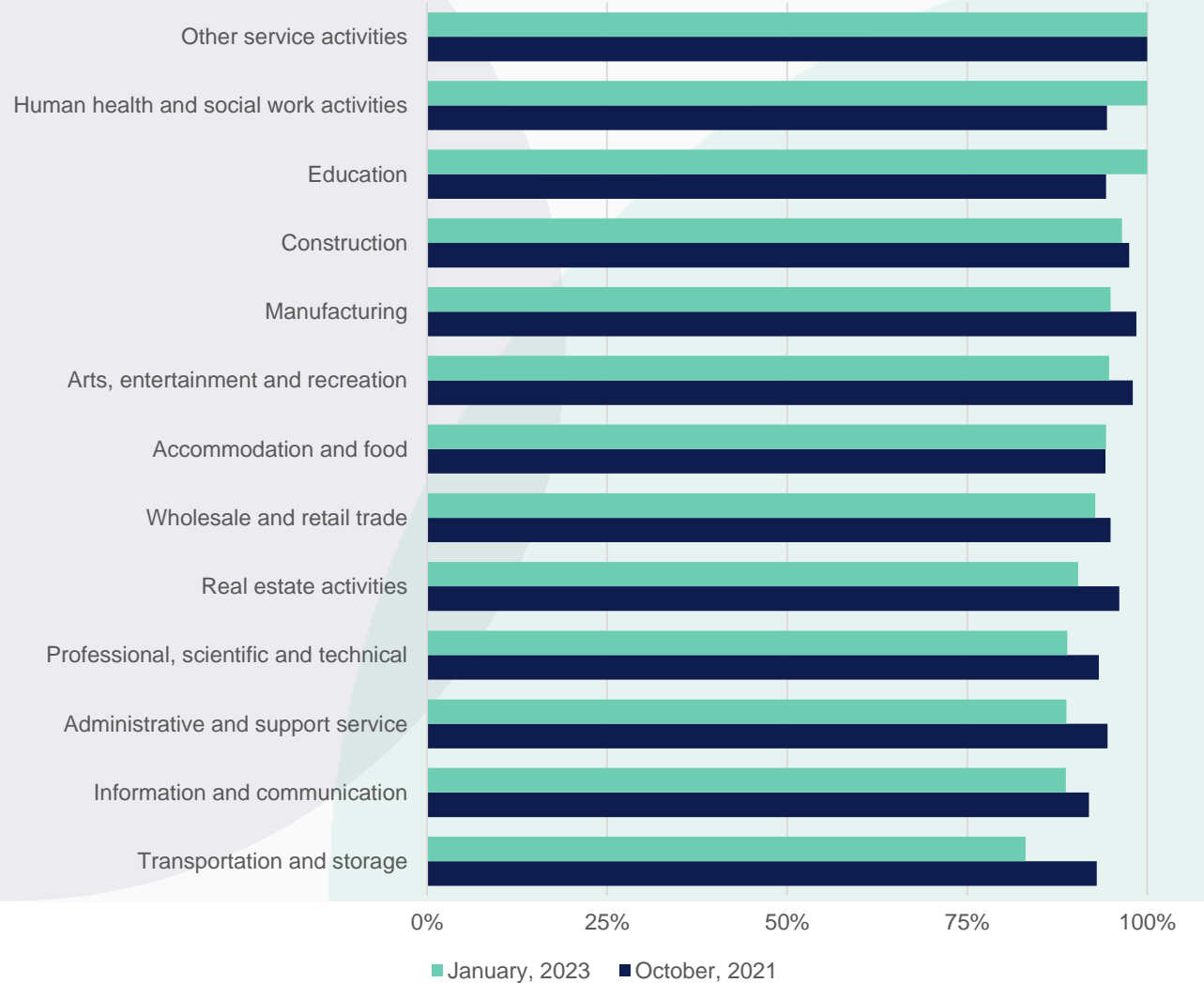
In January 2023, 95% of businesses across the UK are currently trading*. This leaves 5% of businesses who ceased trading, a lower rate of closure compared to the first survey that collected this variable (8% in October 2021).

Applying these assumptions to the HEY business base, of the approximately 20,945 businesses based in HEY in 2022, around 1,000 are likely to have ceased trading since 2021.

Some of the sectors with the consistently greatest difficulty in resuming trade include professional, scientific and technical activities and transportation and storage, two relevant sectors in HEY's economy in terms of the business base (12%) and business base growth (35% in the last three years), respectively.

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Proportion of businesses currently trading in UK, 2021 - 2023



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Source: Business Insights and Conditions Survey, ONS, 2021-2023

OFFICIAL Which of the following statements best describes your business's trading status?"

Cash Reserves

Despite the improvement in the proportion of businesses trading in the UK, not all of these expect their cash reserves to last longer*.

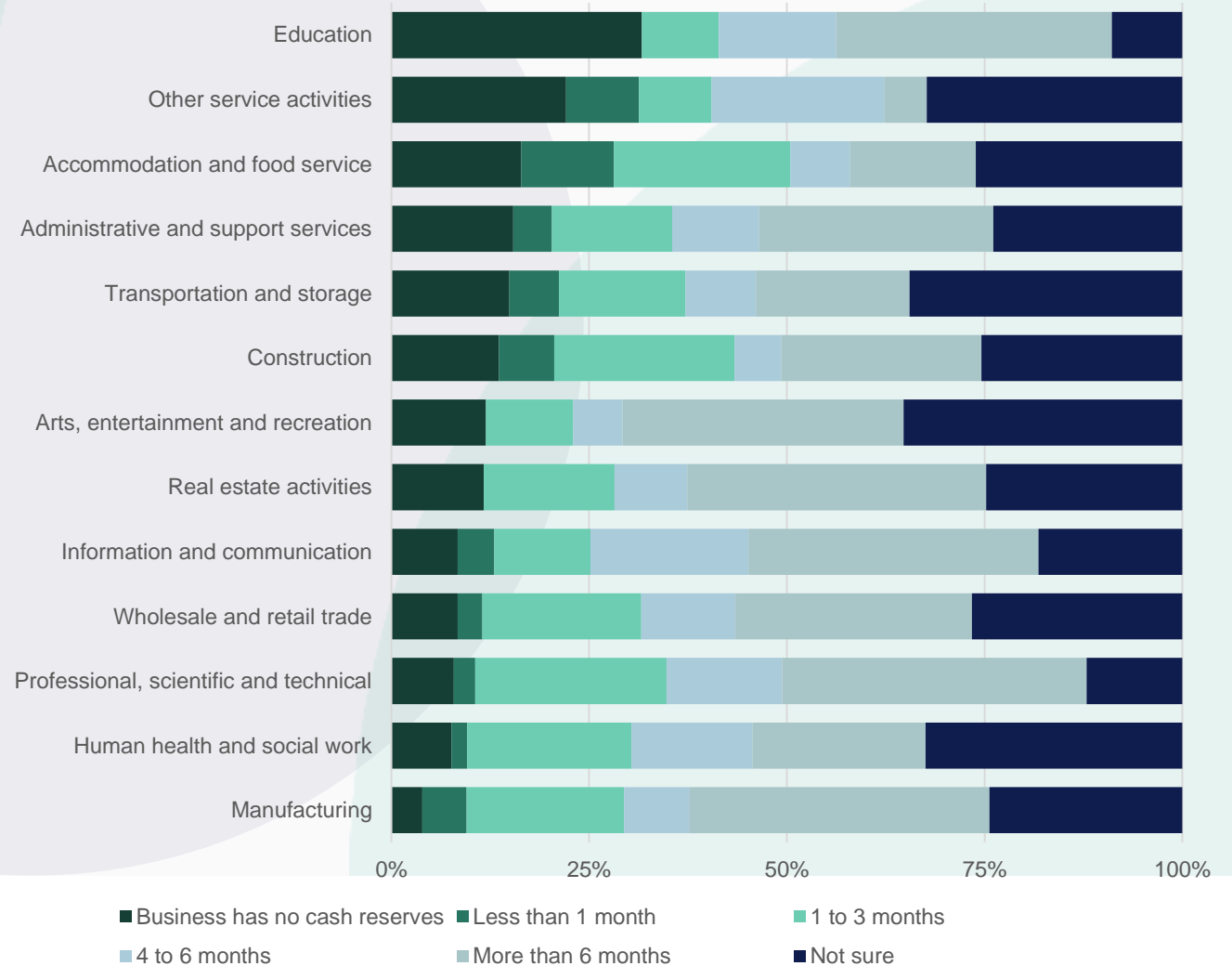
Among the business currently trading in UK as of January 2023, 11.4% did not have cash reserves. This situation has slightly deteriorated since October 2021, when the proportion of businesses reporting no cash reserves was 11.0%.

Applying these proportions to the HEY's business base currently trading, around 2,300 business have no cash reserves, and 7,100 have less than six months of cash, placing them in a high-risk position.

Those businesses with limited cash reserves are concentrated within accommodation and food service and other services activities – sectors with the lowest economic growth in 2020 in both HEY and UK – with around 60% of firms reporting less than six months of cash reserves.

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Estimated Levels of Business Cash Reserves in UK, January 2023



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Source: Business Insights and Conditions Survey, ONS, 2021-2023

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*How long do you think your business's cash reserves will last?"

Turnover

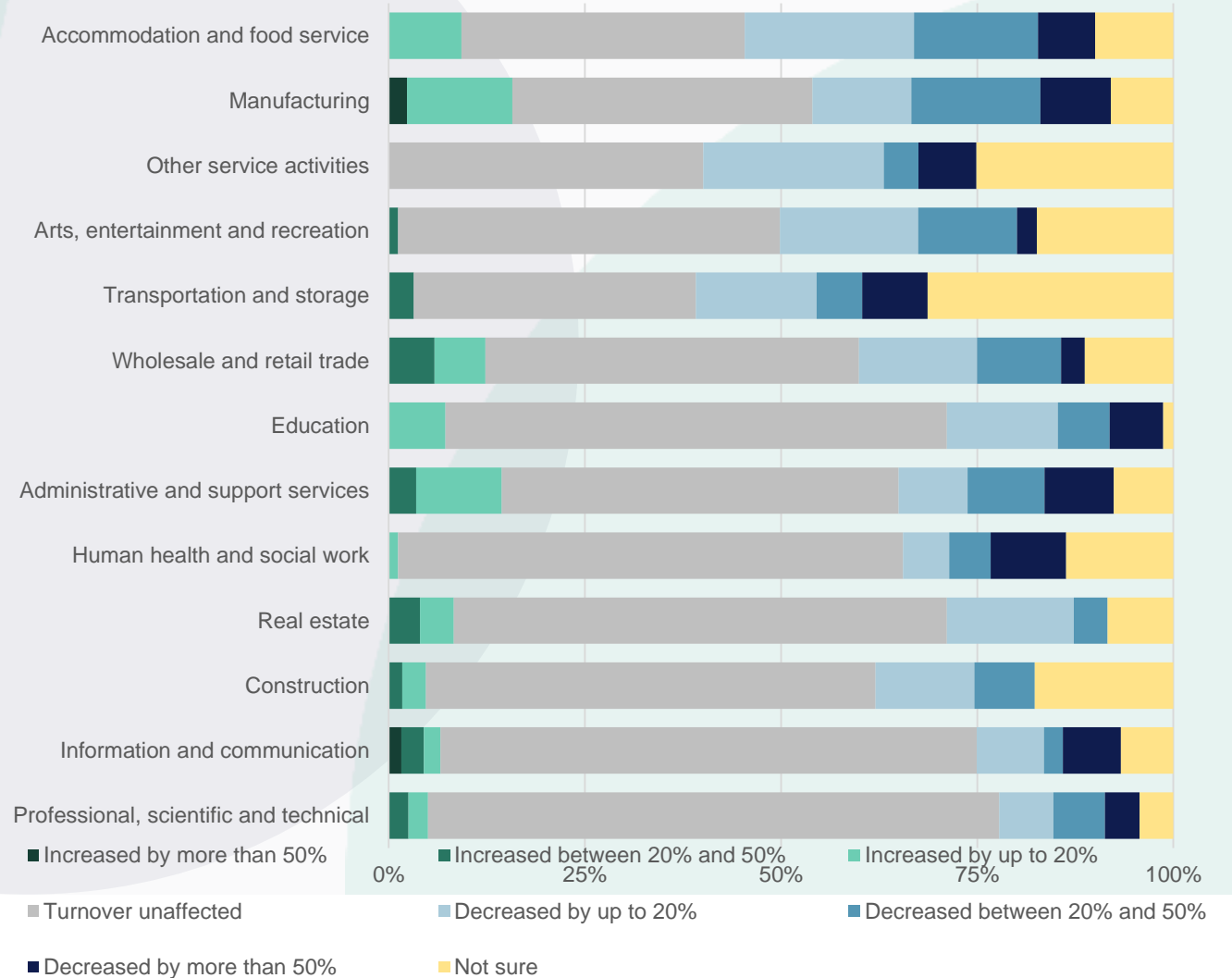
In March 2022, 26% of UK businesses' reported a decrease in their turnover compared to their normal expectations*. This is a significant improvement compared to June 2020, where 59% of firms across UK experienced a reduction in their turnover, and 25% faced a decrease by more than 50%.

Assuming an equivalent distribution for the HEY's businesses currently trading, around 5,200 business would be facing a lower than expected turnover, while 1,500 would be experiencing a higher turnover.

However, there is a variation in the performance of the businesses by sector. In the accommodation and food services and manufacturing sectors – two large sectors in HEY in terms of the business base accounting for 8% and 7% of businesses respectively – reported a decrease in their turnover in March 2022.

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Estimated Change in Business Turnover Compared to Expectations for Given Time of Year Normally in UK, March 2022



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Source: Business Insights and Conditions Survey, ONS, 2020-2022

OFFICIAL How does your business's staff turnover for the last month compare to normal expectations for this time of year?"

Energy Prices

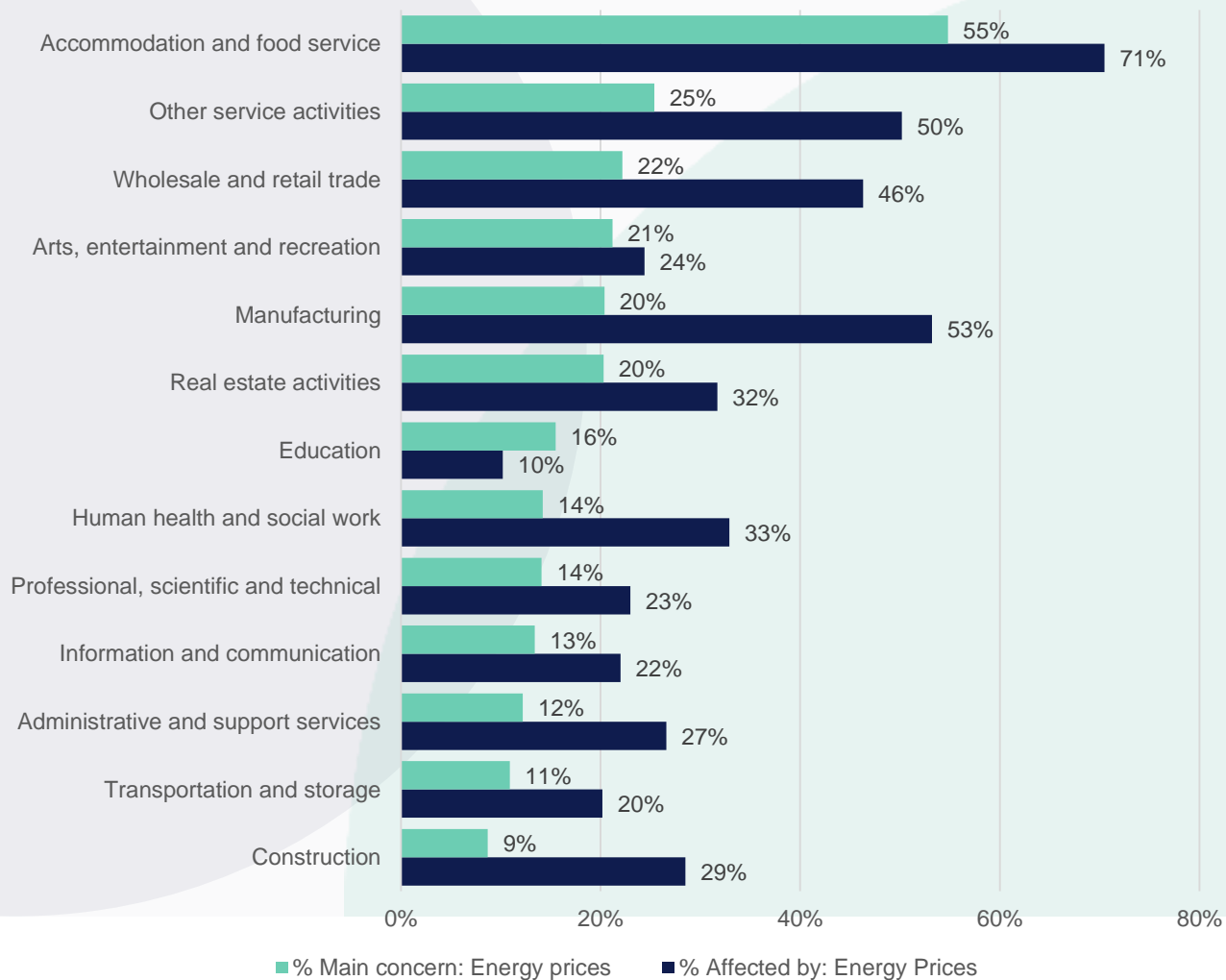
In February 2022, 21% of businesses in UK reported that the main concern for them was the inflation of goods and services prices, while 15% were worried about energy prices. One year later, more businesses are concerned about energy prices (19%)*.

The same survey shows that in January 2023, 35% of businesses have been affected by the recent increases in energy prices, specifically 16% reporting that both their production and suppliers were affected**. This would imply that around 6,900 businesses in HEY are been affected by higher energy bills.

Accommodation and food service sector businesses presents the highest proportion of businesses worried about this issue (55%) and affected by it (71%).

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Proportion of UK Businesses Mainly Concerned about Energy Prices, February 2023



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Source: Business Insights and Conditions Survey, ONS, 2022-2023

Which of the following, if any, will be the main concern for your business in February 2023?

**Has your business been affected by recent increases in energy prices?*

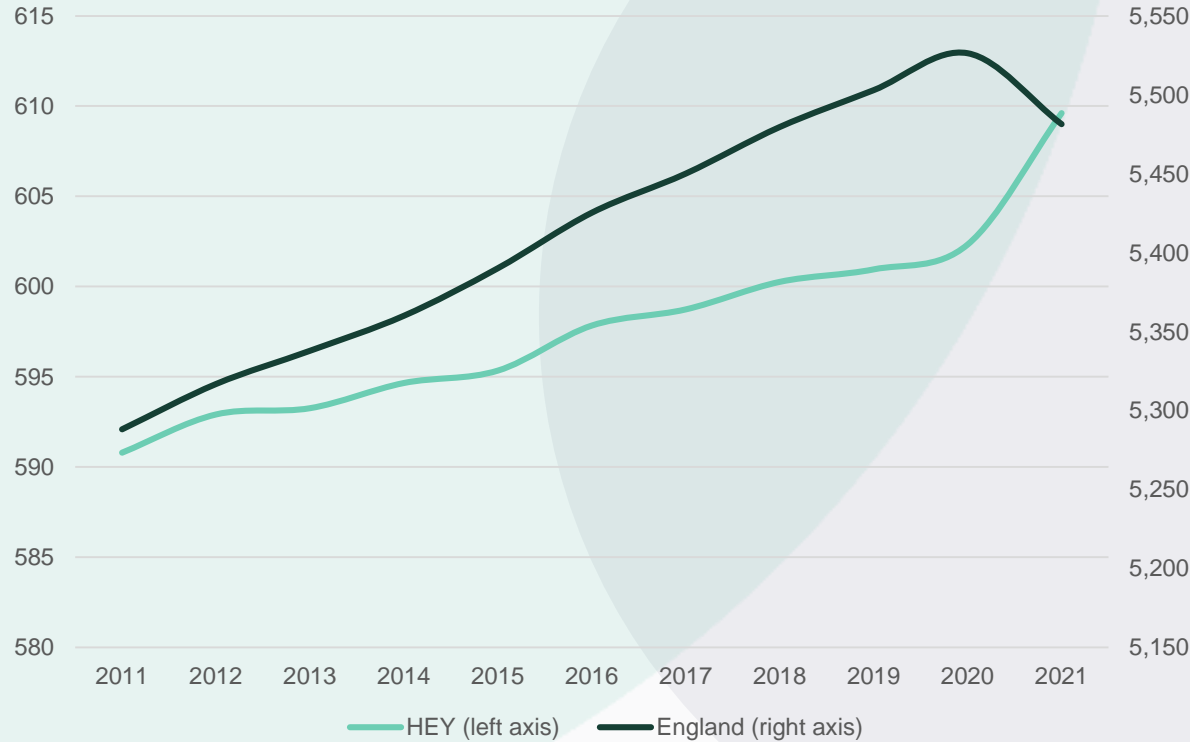
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People

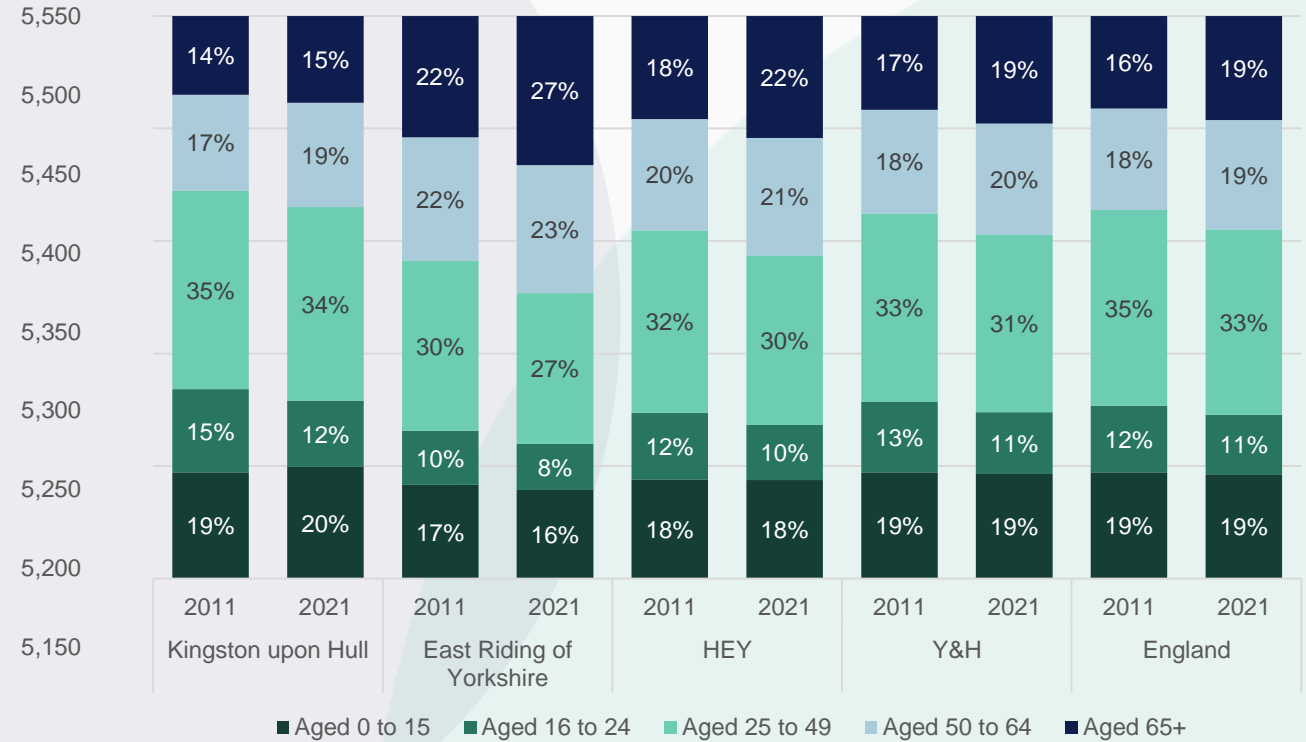
Population Trends

Population (thousands), 2011-2021



By 2021, the total population of HEY was 609,600 people. This population has been growing at an average annual rate of 0.3%, slower than in England and Y&H (0.4% and 0.6%, respectively).

Population by age group, 2011-2021



The working age population (aged 16-64) represents 61% of the total HEY population, similar to the proportion in Y&H and England. The older population in HEY concentrates 22% of the population and is above the regional and national rates. Within HEY, East Riding of Yorkshire presents the higher proportion of older population as well as experiencing a significant increase over time.

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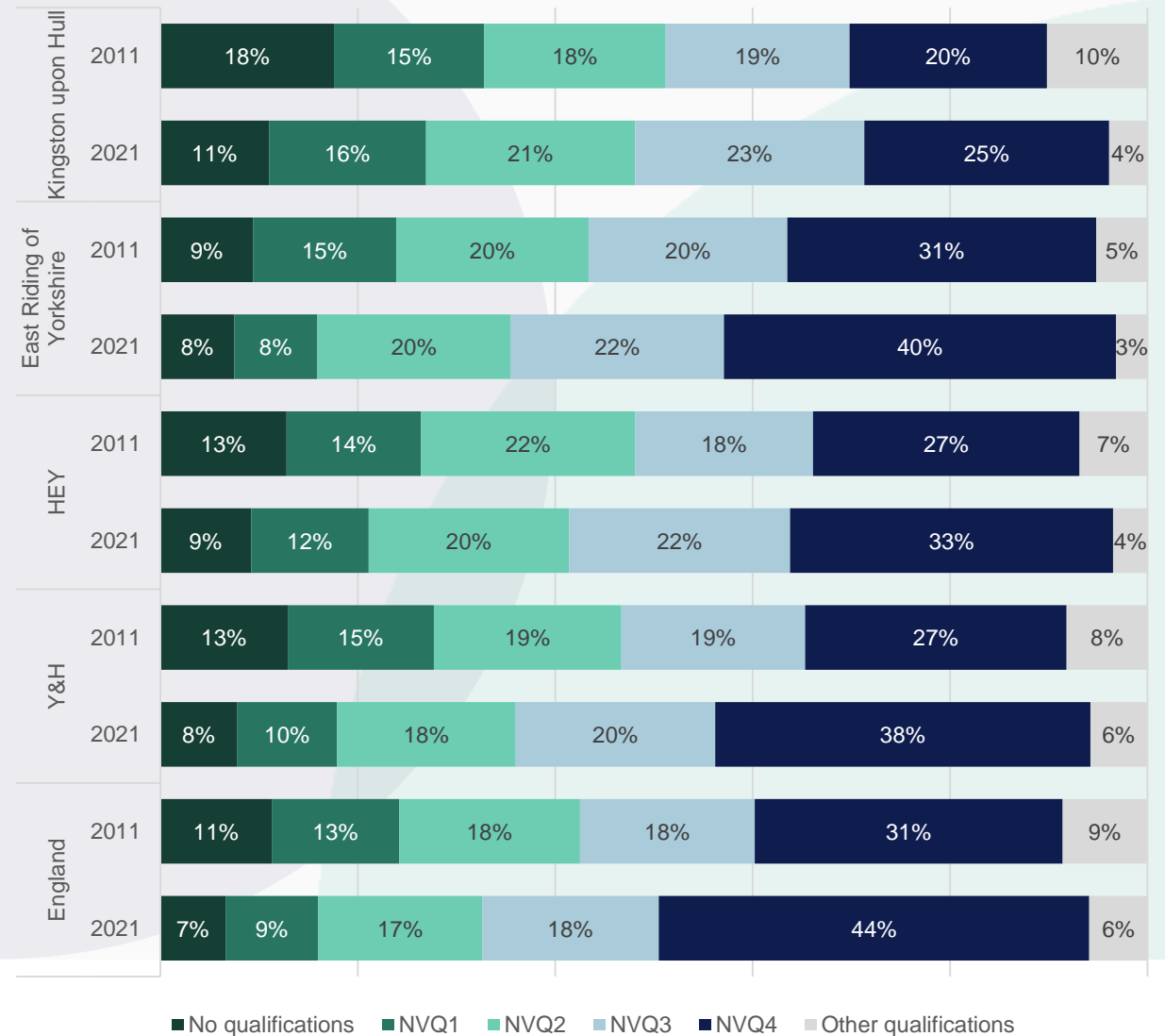
Qualifications

One in three people in HEY have a NVQ4 or higher, which exhibits a lower proportion compared with Y&H and England and a slower rate of growth. In comparison, NVQ levels 2 and 3 are particularly higher in HEY than in Y&H and England. The proportion of people with no qualifications in HEY (9%) is also above Y&H and England levels.

There is a significant variation in skills levels by local authority, with East Riding of Yorkshire coming closest to reaching national levels. In Kingston upon Hull, only 25% of residents have a degree, compared with 40% in the East Riding of Yorkshire. The proportion of people with no qualifications has improved in both areas in the last ten years, but in Kingston upon Hull it remains significantly above national levels (by 4 percentage points).



16-64 aged population by qualification, 2011-2021



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Employment

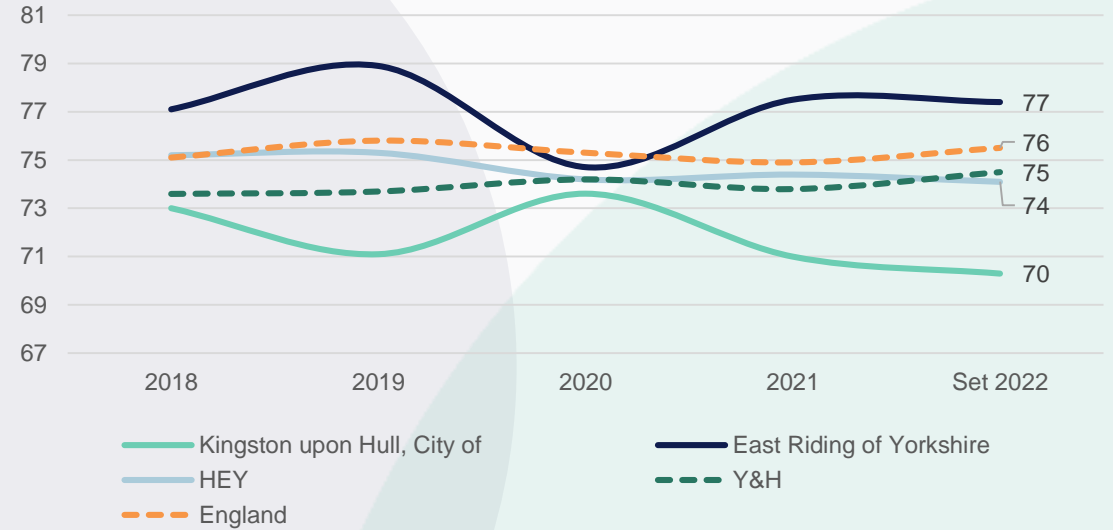
In September 2022, around 267,000 people were employed in HEY, representing 74% of residents aged 16-64 in the area. Over the past five years, HEY's employment rate has decreased and remained below the national rate. Although it showed a recovery in 2021, the current employment rate is also below the regional rate of Y&H.

Within HEY, 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%.

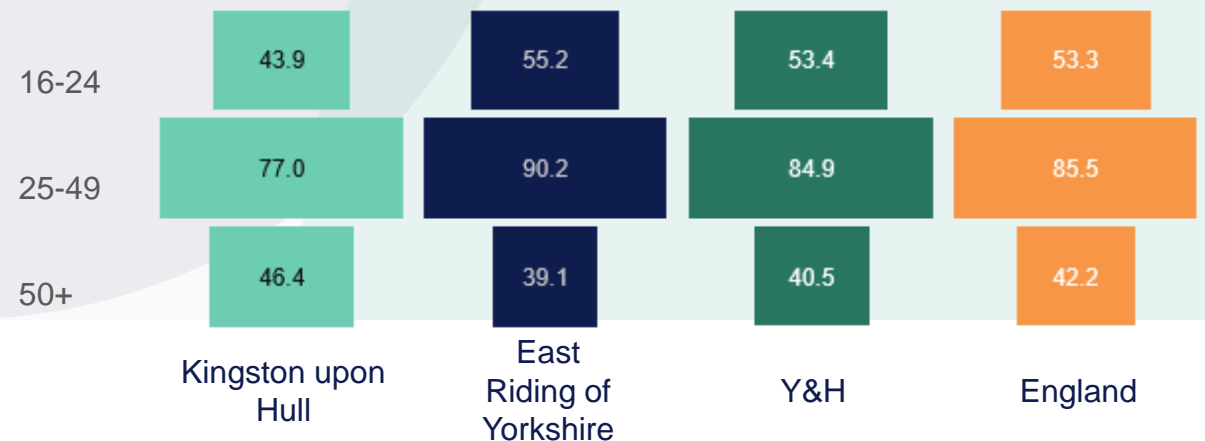
The 16-24 age bracket in Kingston upon Hull experienced a lower rate of employment (44%) compared to East Riding of Yorkshire (55%) and the Y&H and England (53%), but the highest employment rate for the 50+ age (46%).

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Employment rate (% of residents aged 16-64), 2018 to September 2022



Employment rate by age group, September 2022



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Source: Annual Population Survey, ONS, 2018-2022

Claimant Count

The Claimant Count measures the number of people claiming unemployment related benefits, including Universal Credit and Job Seekers Allowance claimants who are required to seek work.

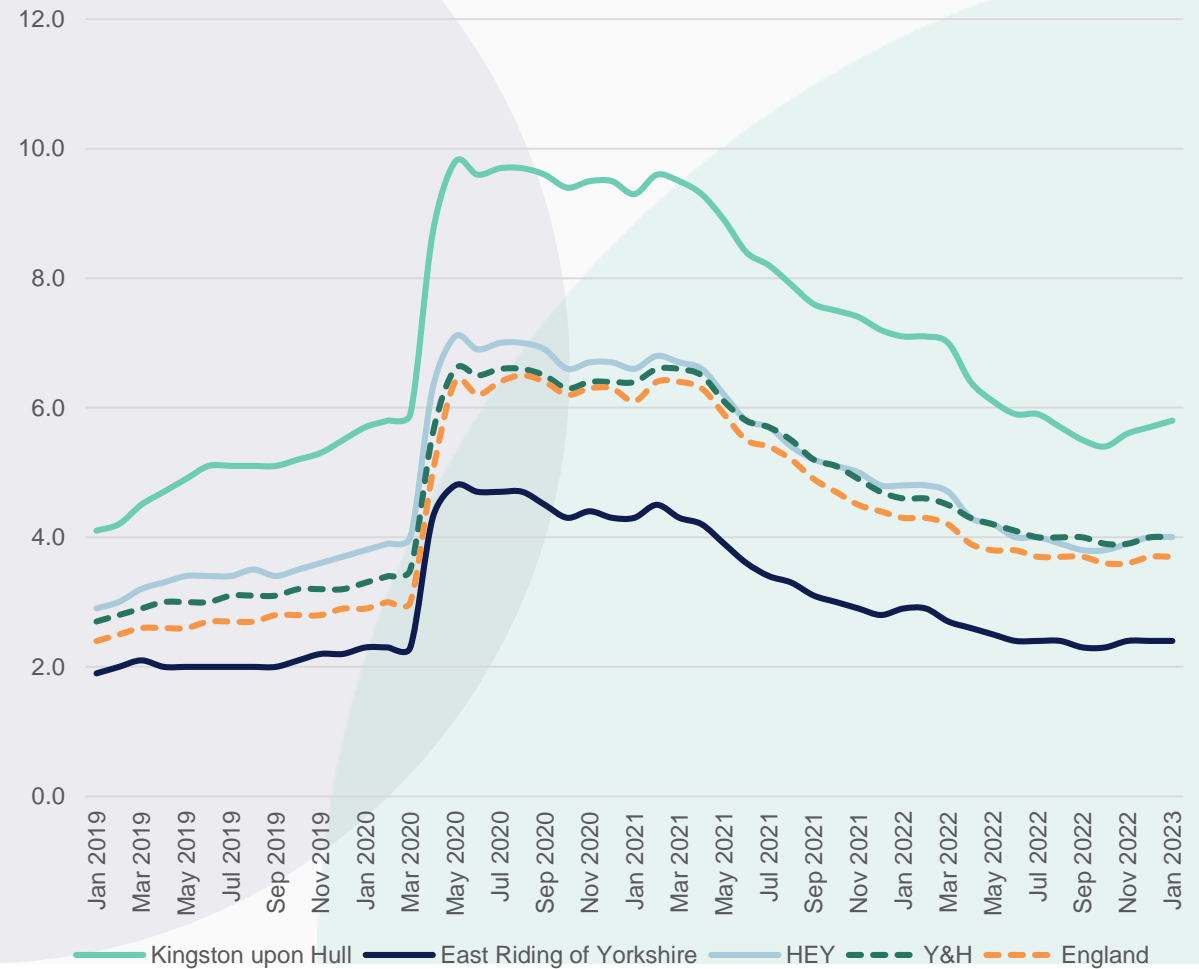
In 2020, the claimant count in HEY increased from 14,455 in March to 23,105 in April. This was equivalent to 6.3% of the 16-64 population in the area. Since 2021, the claimant count has been decreasing nationally.

In January 2023, the claimant count rate in HEY was 4.0% and significantly higher in Kingston upon Hull (5.8%) than in the East Riding of Yorkshire (2.4%). Amongst the 374 local authorities in UK, Kingston upon Hull presents the 13th highest claimant count rate, and the 2nd highest rate in Y&H.

Although HEY's claimant count rate has almost returned to pre-pandemic levels, it is still above the regional rate for Y&H (4.0%) and England (3.7%).

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Claimant Count rate (% of residents aged 16-64), January 2019 to January 2023



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Source: UK Claimant Count, ONS, 2019-2023

Job Seekers Allowance Claimants by Occupation Sought

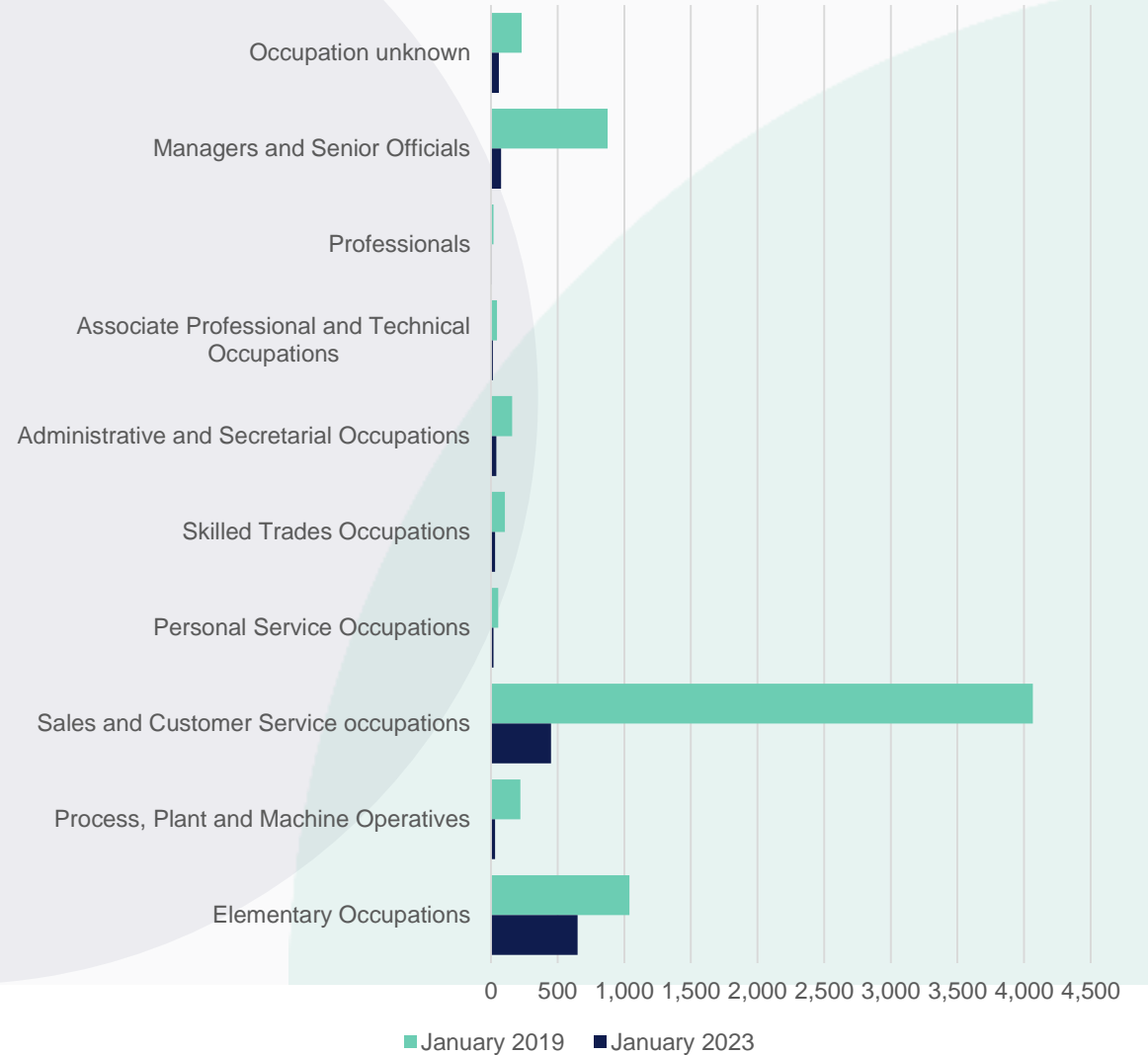
In January 2019, there were 6,815 JSA claimants in HEY, while in January 2023, this number decreased to 1,375 because of the introduction of Universal Credit. This variation is above the national decrease in JSA claimants (-80% vs. -68%) and was significantly higher in Kingston upon Hull (-83%).

Comparing the distribution of JSA claimants by specific occupations, the highest decreases are observed in managers and senior officials (-91%), followed by sales and customer service occupations (-89%)

In contrast, there are more people seeking elementary occupations in HEY (from representing 15% of total JSA claimants to 47%), particularly in East Riding of Yorkshire, where the number of JSA claimants of elementary occupations has increased 21% in the last four years.

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Job Seeker's Allowance Claimants in HEY by Sought Occupation, January 2019 and January 2023



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Source: JSA Statistics, ONS, 2019 – 2023
 JSA dataset only covers a subset of people claiming unemployment related benefits

Economic inactivity

In HEY, 23% of residents aged 16-64 are not in work and have not been seeking or not been available for work. This is equivalent to the rate in Y&H but higher than the national rate (21%).

Since 2019, the rate of economic inactivity in HEY has increased by two percentage points. In comparison, this rate has remained flat in Y&H and increased in England by one percentage point.

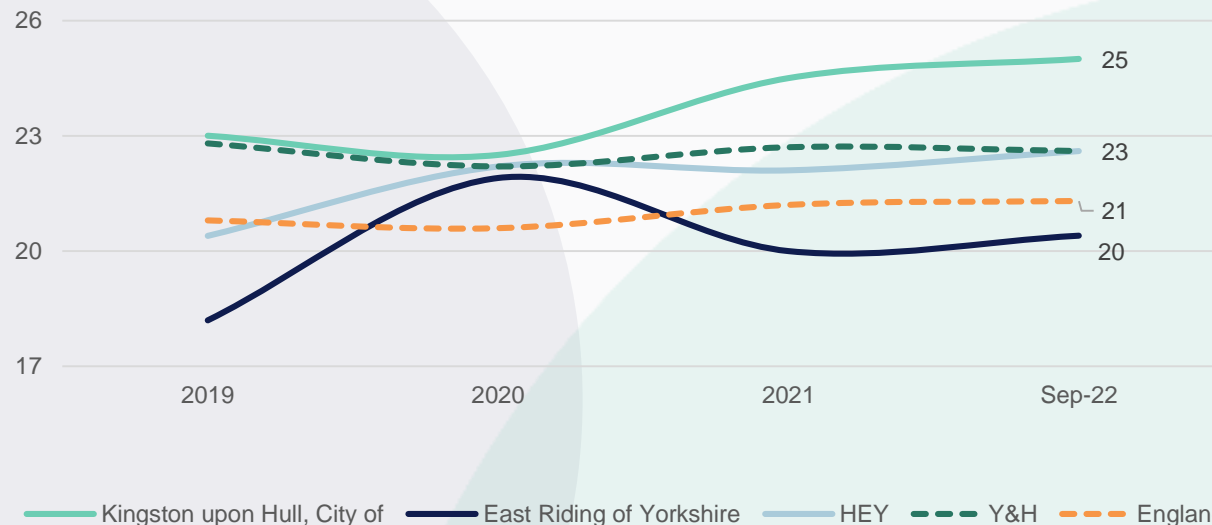
Within HEY, Kingston upon Hull presents the highest inactivity rate compared to East Riding of Yorkshire (25% vs. 20%) and inactivity rate amongst young people (46% vs. 38%).

East Riding of Yorkshire, in contrast, has the highest rate of residents age 65+ economically inactive (92%) compared to Kingston upon Hull (88%) as well as experiencing the biggest increase since 2019 (by two percentage points). In contrast, the inactivity rate for those aged 65+ in England and Y&H hasn't changed over this time period.

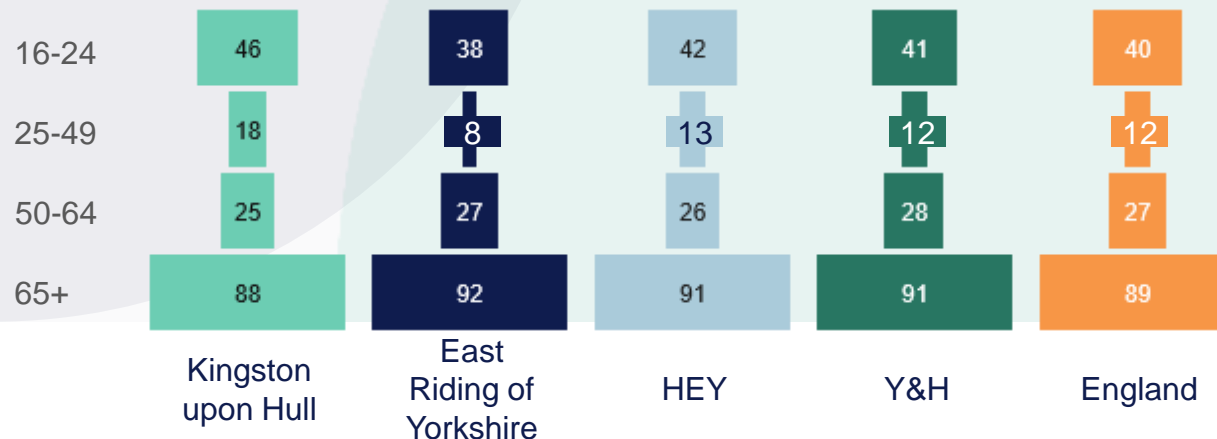


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Economically inactive (% aged 16-64), 2019 to September 2022



Inactivity rate by age group, September 2022



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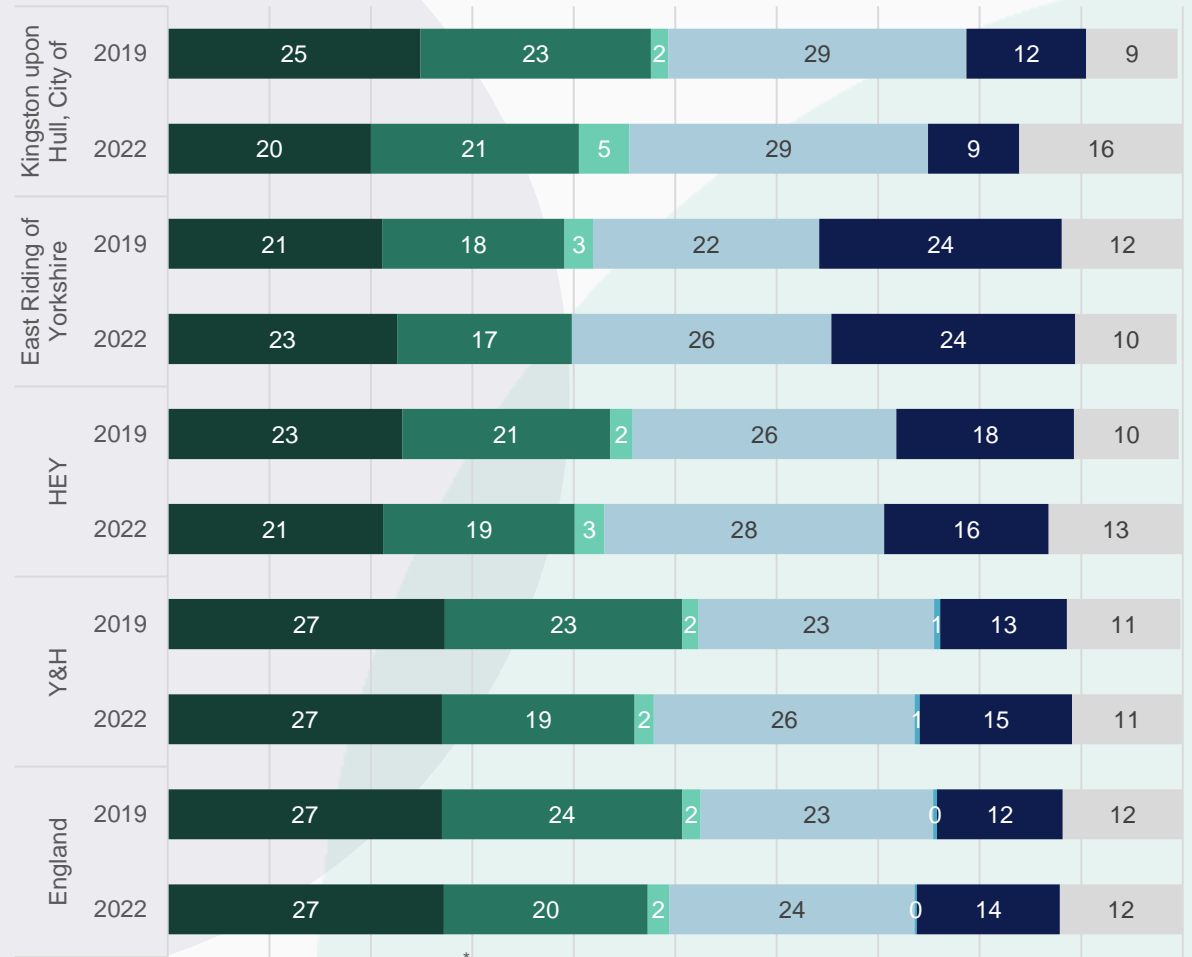
Source: Annual Population Survey, ONS, 2019-2022

Reasons for economic inactivity

28% of inactive people in HEY are out of the labour force because of long-term sickness, a rate significantly above England (24%) and the Y&H region (26%). This is the main reason for inactivity in both localities within HEY, although East Riding of Yorkshire presents the highest increase over time (from 22% to 26%).

Voluntary inactivity such as retirement is particularly high in East Riding of Yorkshire, explained by its ageing population. In contrast, Kingston upon Hull shows a higher proportion of inactivity attributed to looking after family / home, as well as a higher proportion of inactive residents who want a job (31%) compared with East Riding of Yorkshire (23%).

Reasons of inactivity (% of economically inactive), 2019 - 2022



■ Student
 ■ Looking after family/home
 ■ Temporary sick
 ■ Long-term sick
 ■ Discouraged
 ■ Retired
 ■ Other



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Source: Annual Population Survey, ONS, 2019-2022

* Estimates for Kingston upon Hull, East Riding of Yorkshire and HEY for the category "Discouraged" and for East Riding of Yorkshire in 2022 for "Temporary sick" are not reported by ONS since their sample size is zero or disclosive

Job postings

HEY has shown a rapid growth in the posting of jobs during the last two years, reaching a peak in January 2023 at 11,780 job postings. The advertised salaries in contrast have remained relatively steady and ranged between £24k and £28k.

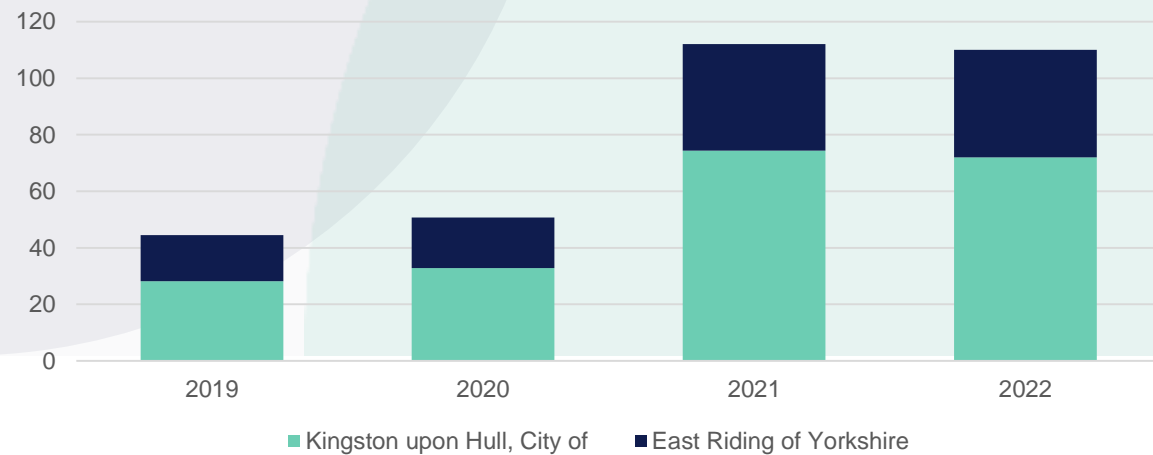
On average, 65% of the jobs are posted in Kingston upon Hull. Both local authorities experienced a remarkable increase in job postings in 2021, particularly in Kingston upon Hull (126% increase relative to the number posted in 2020).

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Jobs postings and advertised wage in HEY, January 2019 to January 2023



Jobs postings by local authority (thousands), 2019 - 2022



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Job postings by occupations

Health occupations such as nurses, care workers and home carers, and nursing auxiliaries and assistants have been the most advertised in the last years, accounting for 41% of job postings in HEY in 2022.

Higher skill occupations such as medical practitioners are now the 7th most advertised compared to 4th during 2019, whilst elementary storage and cleaners and domestics occupations now appear in the top 10.

The proportion of sales related and customer services occupations in job postings has also decreased in this period (5% in 2022 vs. 7% in 2019), in accordance with the lower number of people seeking jobs in these occupations.

Top 20 vacancies in HEY by occupation, 2019 - 2022

Occupation	2022	% 2022	2019	% 2019
Nurses	19,597	25%	4,038	15%
Care workers and home carers	8,204	10%	2,070	8%
Nursing auxiliaries and assistants	4,437	6%	677	2%
Other administrative	3,631	5%	1,563	6%
Kitchen and catering assistants	1,930	2%	619	2%
Customer service	1,921	2%	814	3%
Sales related	1,920	2%	1,004	4%
Elementary storage	1,864	2%	348	1%
Medical practitioners	1,794	2%	1,076	4%
Cleaners and domestics	1,624	2%	346	1%
Sales and retail assistants	1,542	2%	515	2%
Teaching assistants	1,521	2%	560	2%
Science, engineering and production technicians	1,348	2%	863	3%
Teaching and other educational professionals	1,292	2%	692	3%
Personal assistants and other secretaries	1,288	2%	474	2%
Programmers and software development professionals	1,255	2%	455	2%
Van drivers	1,213	2%	392	1%
Engineering technicians	1,180	2%	726	3%
Managers and proprietors in other services	1,179	2%	578	2%
Health associate professionals	1,152	1%	262	1%

Top 5 occupations highlighted

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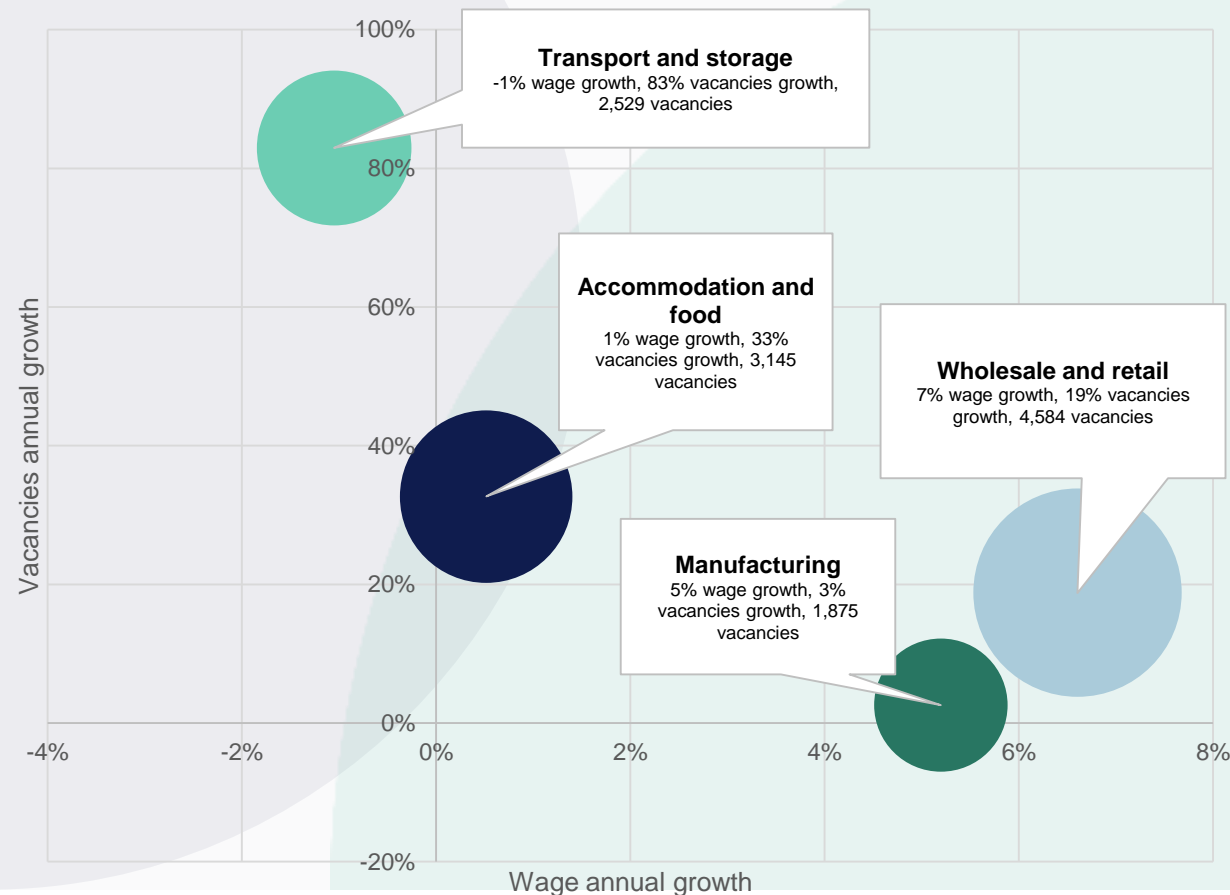
Job postings by sector

The HEY LEP COVID-19 Impact Assessment (2021) identified four main sectors affected by COVID and associated lockdowns and social distancing measures: accommodation & food, manufacturing, transport & storage, and wholesale & retail.

Job vacancies in these sectors are posted mainly in Kingston upon Hull. All of these sectors experienced an increase in job vacancies between 2019 and 2022.

Transport and storage presented the strongest annual variation of vacancies (+83%), with companies like Amazon and First Group concentrating almost 60% of the job postings in 2022. Wholesale and retail not only posted the largest number of vacancies in 2022 compared to the other sectors, but also saw the highest increase in wages, from £18k in 2019 to £22k in 2022.

HEY Job postings in the most impacted sectors by Covid-19, 2019 – 2022



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Apprenticeships

HEY has maintained a steady level of apprenticeships starts, with 5,341 starts in 2021/22 compared to 5,397 in 2019/20, whilst the regional figure in Y&H showed a downward trajectory in the same period (-39%).

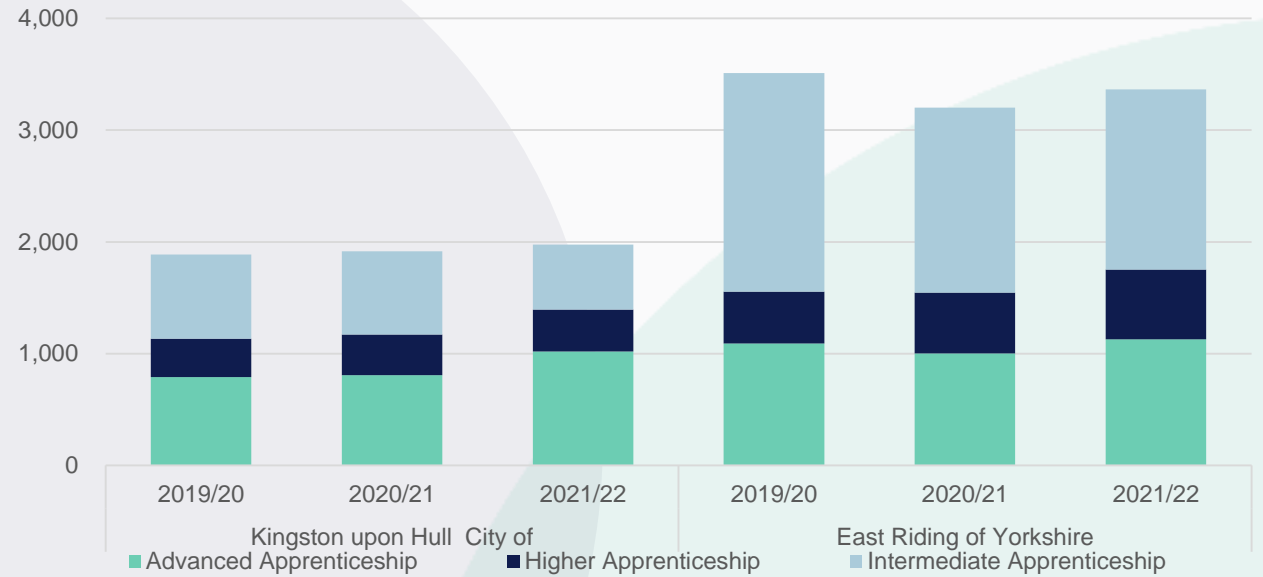
The stronger performance in HEY is explained by the 5% increase in apprenticeships starts in Kingston upon Hull, particularly in advanced and higher apprenticeships.

Of the 5,341 apprenticeship starts in 2021/22, 90% were in five subject areas: engineering & manufacturing; health, public services and care; business admin and law; retail and commerce; and construction. Engineering and manufacturing presents the higher rise in apprenticeships starts and counteracts the fall in retail and commerce starts.

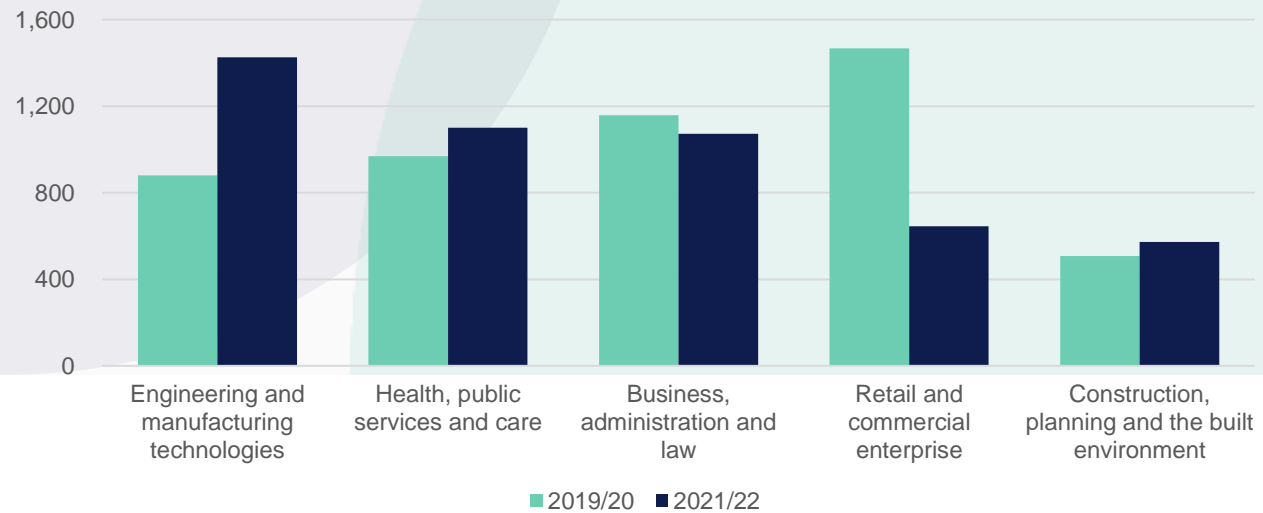


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Apprenticeships starts in HEY, 2019 – 2022



Apprenticeships starts, top 5 subject areas, 2019 – 2022



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Source: HEY LEP DataCube

Recruitment difficulties

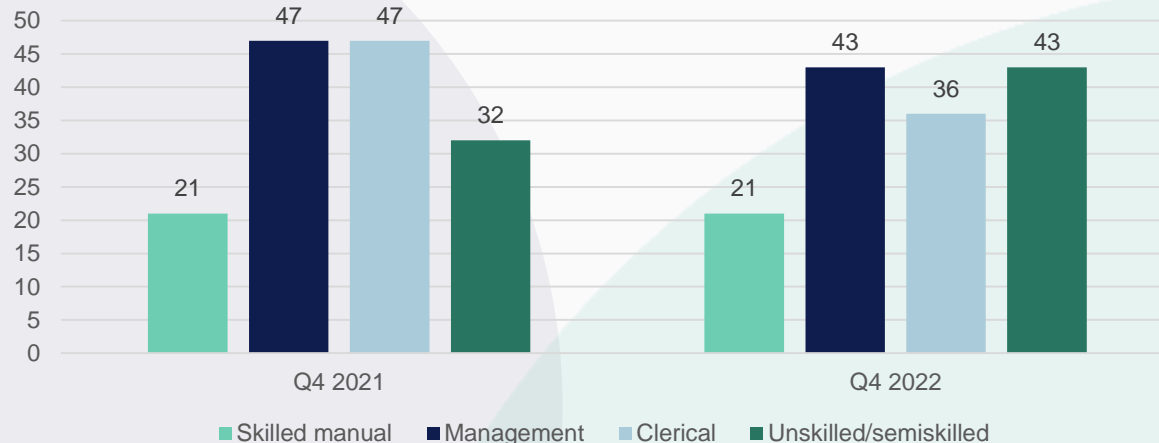
The rise in inactivity rates as well as the reduction in job seekers in recent years will generate recruitment pressures in HEY businesses.

According to the last Quarterly Economic Survey in Hull and Humber, **all** of the surveyed businesses experienced recruitment difficulties in the last three months, whilst in the same period one year before only 86% reported difficulties. Management, unskilled and semi-skilled roles were the most difficult positions to fill during the last quarter of 2022.

Given these difficulties, no firm reported increasing its workforce in the past three months, while only 13% expect to increase it in the following three months – 28 percentage points less compare to one year before. Applying the same distribution to HEY would imply that 2,724 businesses expect to increase their workforce and the same number contemplates plans to decrease it.

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Recruitment difficulties in Hull & Humber, Q4/2021 - Q4/2022



Workforce expectations for next three months, in Hull & Humber, Q4/2021 - Q4/2022



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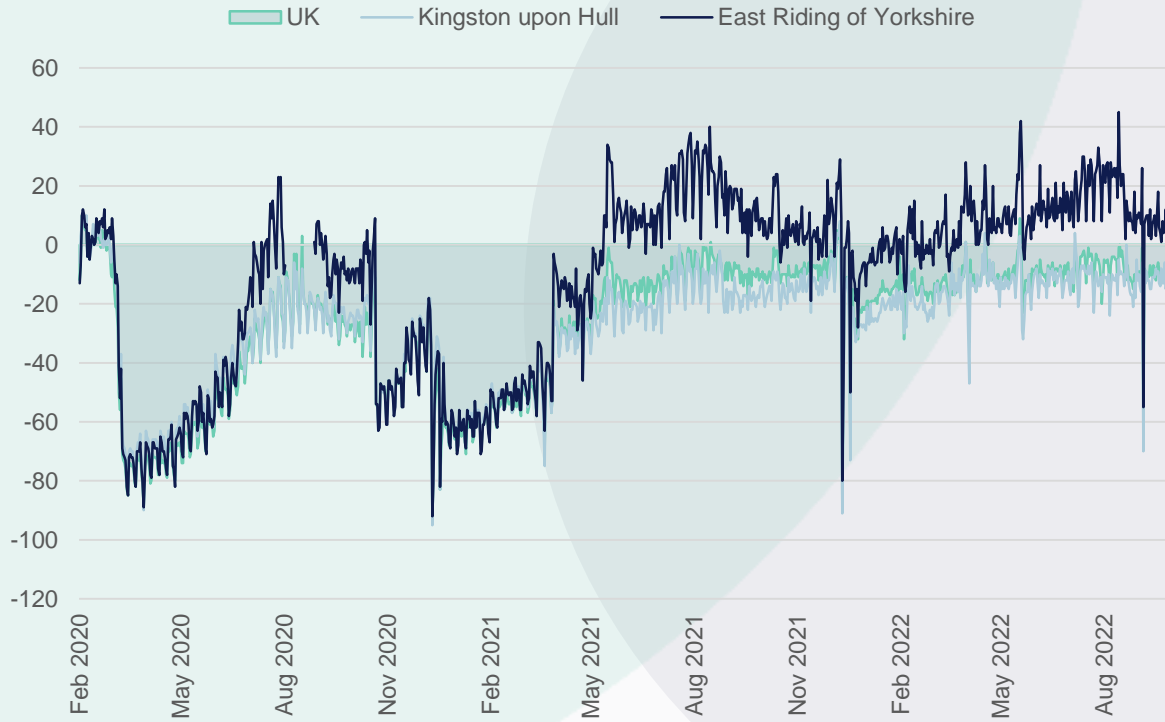
Source: Quarterly Economic Survey, Hull & Humber Chamber of Commerce, January 2023

Places

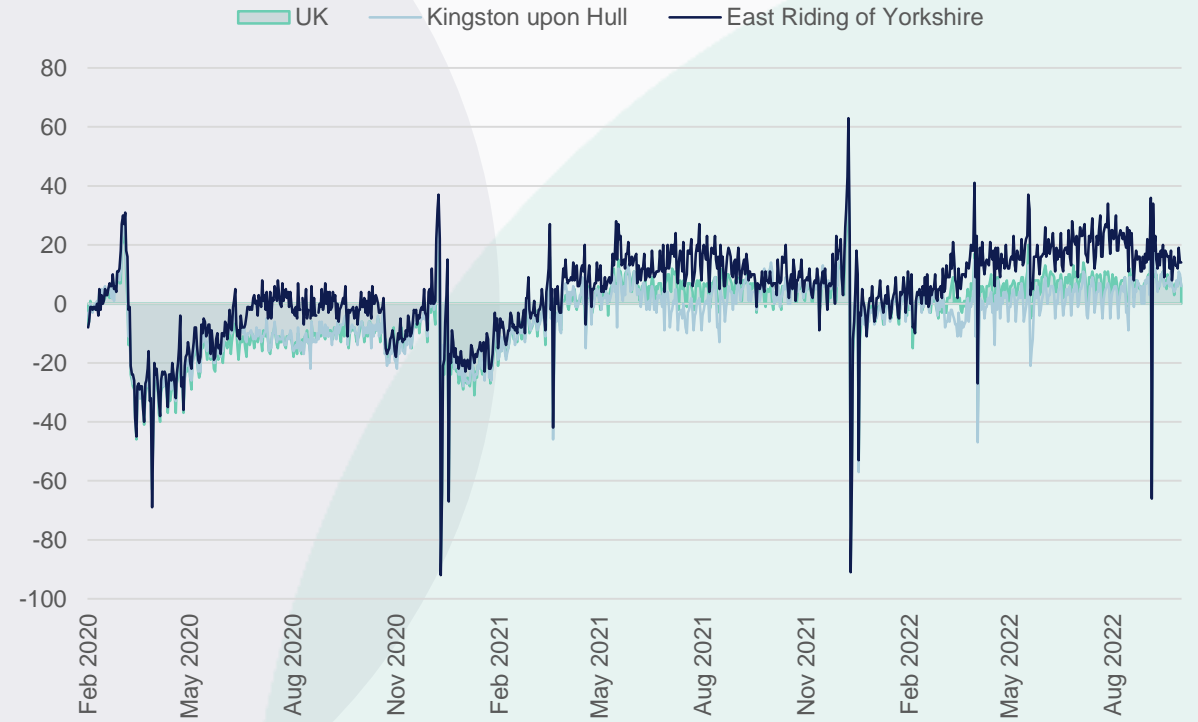
Mobility

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Retail and recreation



Grocery and pharmacy



By August 2022, the number of visitors to non-essential retail, grocery stores and pharmacies has returned to pre-pandemic levels in UK. In HEY, Kingston upon Hull has been aligned with the national trend, while the East Riding of Yorkshire has presented a higher recovery in visitors.

Since February 2020, Google have released mobility data that records numbers of using location proxies including workplaces, transit stations, non-essential retailers and essential retailers. The mobility statistics are measured against a baseline of 0, which is the median mobility value from the five-week period before COVID (3 January – 6 February). Google’s methodology uses data from Google users who have opted into Location History for their Google Account, so that the data represents a sample of its users. This may or may not represent the exact behavior of a wider population.

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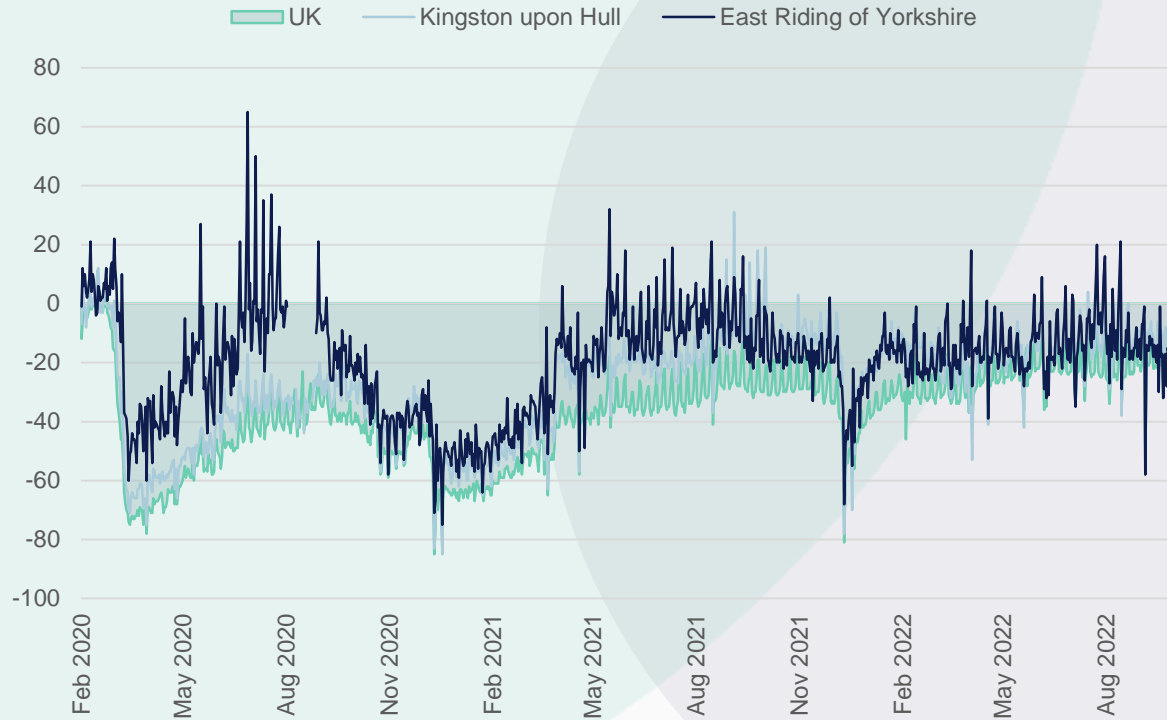
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Source: Google Mobility data, 2020 - 2022

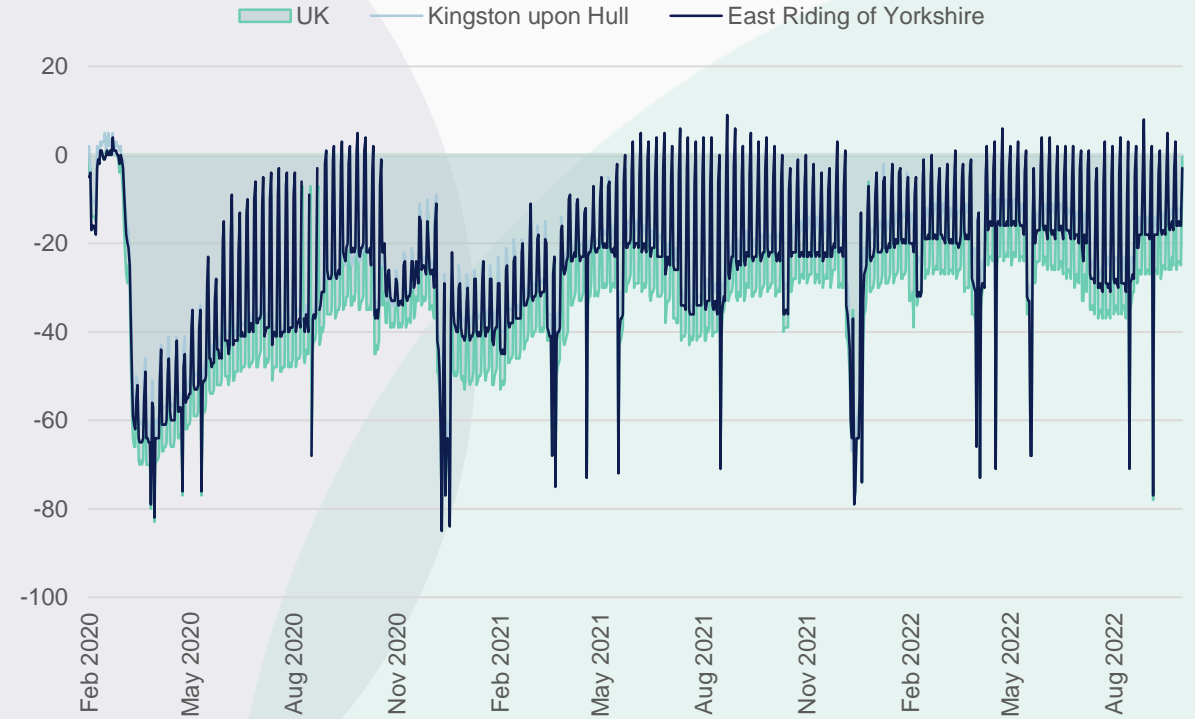
Mobility

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Transit stations



Workplaces



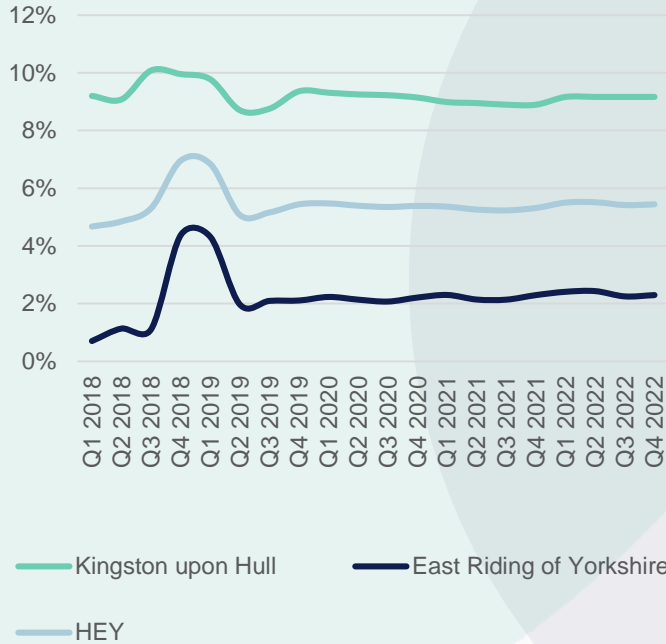
The decline of usage of transit stations and workplaces has been slightly less in HEY than in UK. This shows that more people in HEY have been travelling to transit stations and workplaces compared to the national level, and indicates a lower trend of remote working. According with the Census 2021, 13% of residents 16+ in employment in Kingston upon Hull worked mainly at or from home, while in East Riding of Yorkshire this rate raised to 25%. Both localities are still below the regional level of Y&H (26%) and England (35%).

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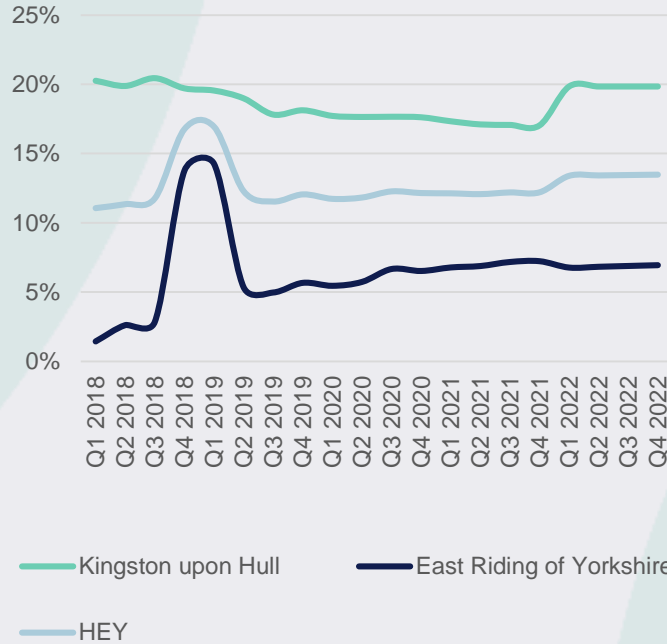
Commercial Properties

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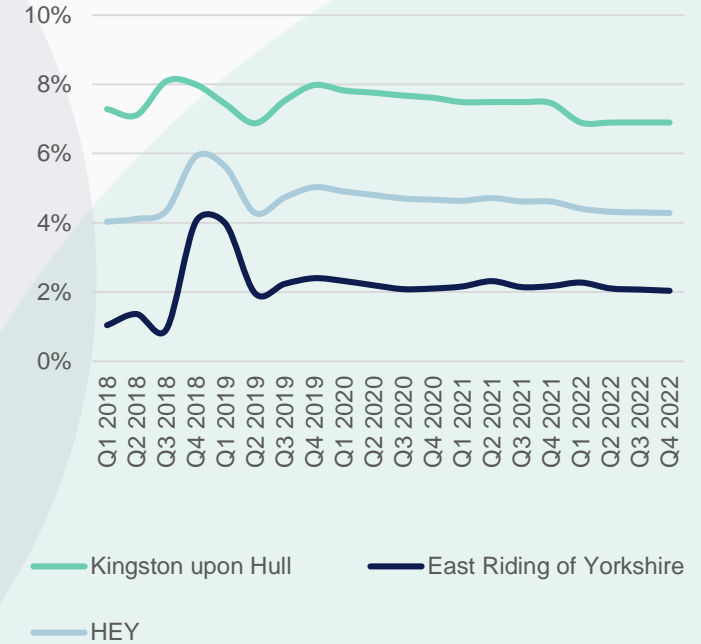
Retail Vacancy Rate



Office Vacancy Rate



Industrial Vacancy Rate



Retail, office and industrial vacancy rates in HEY reached a peak by the end of 2018, but have maintained relatively constant since 2019 and showed a downward trend in the case of industrial units (from 5.0% in the last quarter of 2019 to 4.3% in 2022).

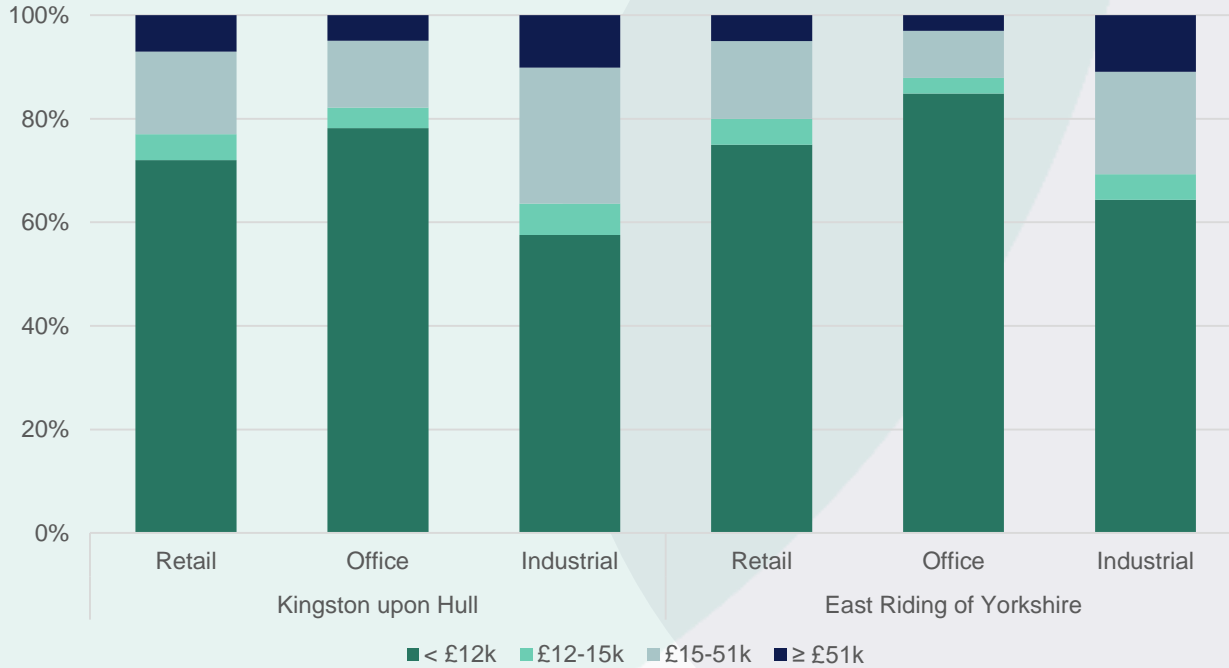
East Riding consistently presents lower vacancy rates than Kingston upon Hull, which in turns presented a more pronounced increase in office vacancies rates at the start of 2022.



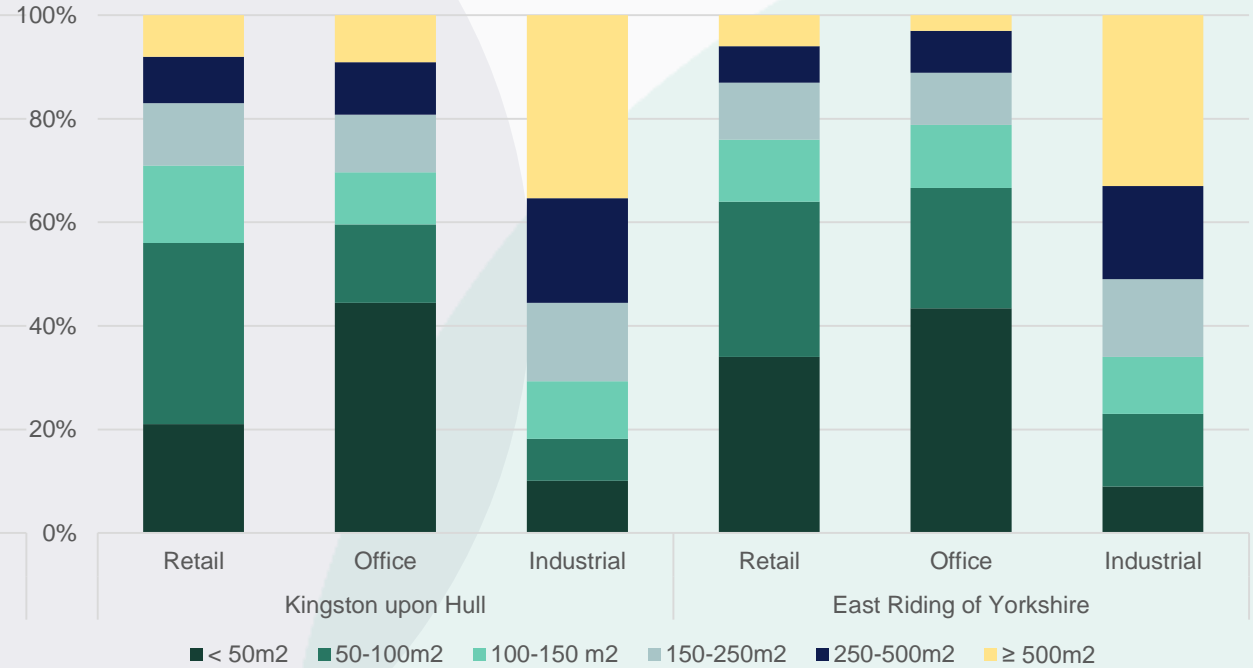
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Commercial Properties

Occupied units by rental valuation, December 2022



Occupied units by floor area, December 2022



East Riding of Yorkshire does not only show lower vacancy rates but also more affordable spaces compared to Kingston upon Hull. The biggest differences are in industrial spaces, of which 65% are valued at less than £12k in East Riding of Yorkshire, whilst in Kingston upon Hull this proportion is 57%. With respect to floor area, the main differences within HEY are in retail spaces: one of five properties in Kingston upon Hull are smaller than 50 m2, whilst in East Riding of Yorkshire this ratio is significantly higher (one of three).



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Residential Property

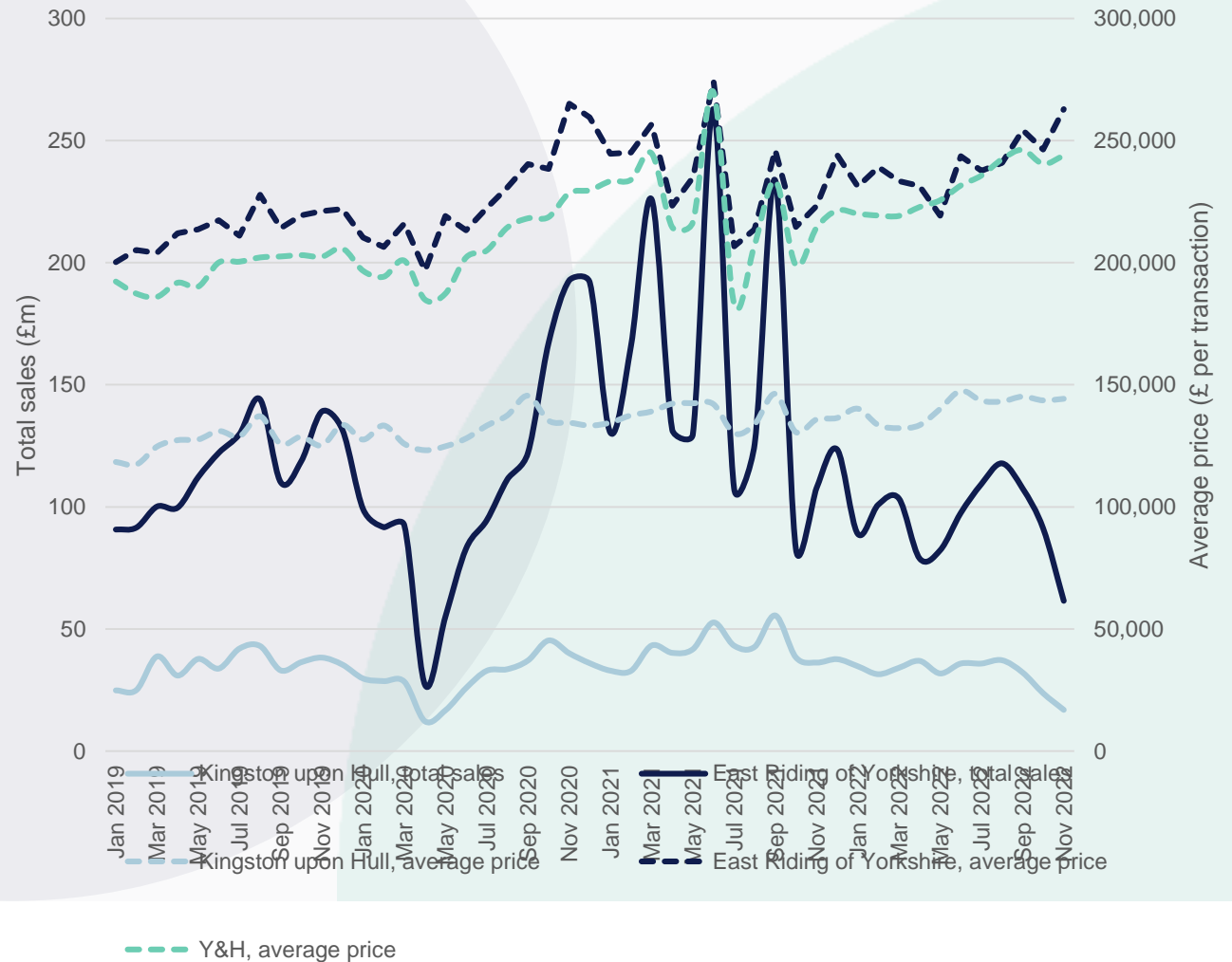
The value of residential property transactions in Kingston upon Hull has oscillated between £12m and £56m in the last four years, showing a decrease in the last months of 2022 despite its relatively stable prices.

In contrast, East Riding of Yorkshire shows a higher variability on its residential market, with a more pronounced downward trend in the last quarter of 2022 accompanied with an increase on its prices.

Similarly to East Riding of Yorkshire, the total value of transactions are down in the Y&H region and England, while average prices has been increasing in recent years.

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Residential property transactions (total sales), 2019-2022



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Source: HM Land Registry, 2019-2022

Hull & East Yorkshire Local Enterprise Partnership

Skills Products Under Development



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Skills Products Under Development

**Digital Framework
Industry 4.0 Project**

Digital Prospectus

Digital Skills Analysis

**Employment and
Skills Strategy**

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Summary and Close

David Gent

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