

# York and North Yorkshire Economic Assessment 2010

## Interim Summary (Yorkshire and Humber Strategy Evidence)

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York and North Yorkshire  
Partnership Unit



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## Preface

This Interim Summary has been prepared as a further iteration based on the initial York and North Yorkshire Economic Assessment Engagement Paper produced in January 2010. In addition to the circulation of the paper, the initial findings of the Economic Assessment have been presented to a variety of groups and Partnerships. This has included: -

- The York and North Yorkshire Economy and Skills Board;
- The York and North Yorkshire Partnership Executive;
- The Sub regional Business Support Partnership and a workshop event;
- The Sub Regional Work and Skills Partnership;
- The Sub Regional Cultural Partnership; and
- The York and North Yorkshire Stronger Communities/Rural Partnership.
- North Yorkshire Economic Development Group

In addition further analysis and data/research collation has been undertaken primarily providing more evidence and analysis for the Technical Assessment, Think Pieces and helping to provide a more robust short assessment.

### Next steps and timetable

Production of the sub regional economy and skills evidence response for the Yorkshire and Humber Strategy. <i>This document will provide that role.</i>	End of March 2010
Further engagement and consultation. <i>Circulation of this document to partners for further comment and engagement.</i>	Start mid March 2010
Further enhancement and verification.	March to June 2010
Final draft of Sub Regional Economic Assessment. <i>To include: -</i> <ul style="list-style-type: none"> <li>▪ <i>Short Assessment</i></li> <li>▪ <i>Full Assessment</i></li> <li>▪ <i>Technical Assessment</i></li> </ul>	June 2010
Converting to Statutory Assessment for North Yorkshire County and provision of supporting information for City of York.	June – September 2010
Further engagement with District Councils on North Yorkshire Economic Assessment including spatial report on key findings for each area.	June – September 2010
Draft of North Yorkshire Statutory Local Economic Assessment	October 2010

### March 2010

# Summary

## Overview of the Sub Region

GVA per head for York and North Yorkshire in 2006 was 15 per cent below that for England but similar to regionally. However the City of York performs much better with a GVA per head broadly equal to the national average and 20 per cent above the region.

The economy overall has experienced job growth over the past 20 years above the regional and national average. However manufacturing employment has experienced a decline, although not as severe compared to the downturn in this sector nationally.

Growth has been concentrated within services especially the finance and business sector, and in the hospitality and retail sectors.

Growth has been weak in the eastern part of the sub region and at its most strong in the western areas. The central part of the sub region including the City of York and its hinterland has seen significant growth which has outperformed the national trend but lies between the figures for the other two areas.

## Sectors and Businesses

### The Financial and Business Service Economy:

Largest growth of any sector in the last 10 years

**The Visitor Economy:** An increasingly critical part of the sub regional economy and a driver for the future

**The Food and Drink Economy:** A critical sector that has experienced significant decline in employment

**Agriculture and land based economy:** Experienced change but still remains one of the sub regions most important sectors

**Business stock:** A High level of businesses relative to population levels but growth now slowing

**The Culture and Creative Economy:** An array of creative and cultural assets providing an opportunity for potential future job and wealth creation

**The Local service economy:** The largest employment sector in the sub region with implications for future skill requirements

**The Low Carbon Economy:** Potential new driver for the York and North Yorkshire economy

**The Manufacturing Sector:** declining but not at the same rate as the region or nationally

**Science and knowledge based economy:** An expanding higher education and science base

**Self employment:** Significantly high levels of self employment, particularly within rural areas

## People

York & North Yorkshire covers 54 per cent of the spatial area of the region, yet only has 15 per cent of the population. Population has increased for many years, growing by 5.8 per cent between 2001 and 2008 a figure above both the regional and national rates.

The sub region has and will continue to see a significant increase in its older population. The area outside of York is seeing an increase at a rate of more than twice the national and regional rate. This will have a significant impact on future service provision but could also provide opportunities within the care services economy.

The sub region achieves a high level of educational attainment but still has areas (particularly towards the east area of the sub region) where there are also concentrations of low skills.

In terms of the proportion of the population with NVQ levels of attainment, both York and North Yorkshire are above the regional and national averages across all levels 2 to 4.

In total 8.4 per cent of adults in York and North Yorkshire are on work related benefit. Significantly lower than the regional (13.8 per cent) and national (12.8 per cent) rates. However the rate for Scarborough District is 14.8 per cent.

## Functional Economic Geographies Within The Sub-region

As well as the spatial linkages and interfaces with adjacent economies, the sub region also consists of a number of distinct local economies.

Two areas based on the characteristics of a **remote rural upland economy**. These are centred on the Yorkshire Dales and the North York Moors and suffer most from the effects of peripherality and have an economy dominated by the visitor economy and agriculture. The western area has a much stronger economy than the eastern.

This **coastal economy** of Scarborough town and its surrounding area. has experienced poor economic performance and needs a more diversified economy, and to address severe deprivation.

The **York economy** and its hinterland, part of which is in the Leeds City Region has seen a dramatic change within its industrial base over the past 20 years from one based on manufacturing to one now on financial and business services, science and innovation and a strong visitor economy

The area connecting both city regions is the **Vales and Tees economy**, has seen growth of manufacturing and the service economy, including important investments in defence.

The areas and towns that have **connections to the West Yorkshire economy** and are also part of the Leeds City Region. This includes Skipton, Harrogate, Tadcaster and south Selby. This is one of the most economically successful areas

# Introduction

## 1.1 What is the economic assessment?

The Economic assessment is about setting out: -

- Our understanding of the current position on the York and North Yorkshire economy;
- How the sub region will earn its living in twenty years time and what we will need to do to get there;
- How we will contribute to the economic recovery over the next few years and

identifying what the critical issues are that need to address;

- What this all means for our localities;
- What might be our opportunities, competitive advantages and how they might be taken forward as drivers for change;
- A set of outcomes which will guide and provide the basis for a future economic strategy; and
- What it will look like when we get there.

## 1.2 How will it be used?

The assessment fulfils two formal tasks.

1. It provides an initial local economic assessment of the sub region which forms part of the evidence for the drafting of the Yorkshire and Humber Strategy (formerly the Integrated Regional strategy).
2. It begins to fulfil the statutory requirement for an economic assessment for North Yorkshire and supports the preparation of the assessment for the City of York, both of which will be prepared by the end of 2010.

This Assessment also: -

- Draws together opinion and evidence about the local economy from partners in the public, private and voluntary sectors; and
- Creates a consensus on the key opportunities and concerns for the local economy and how they might be addressed.

It will also contribute to the review of local authority Sustainable Community Strategies and the Local Area Agreements during 2010.

## 1.3 How it has been prepared?

This Economic Assessment has been prepared through an iterative approach which has drawn together opinion and evidence and engaged as many partners as possible. This has enabled contributions to be made that have influenced the direction of travel and ensured the involvement of the widest research base and knowledge of practitioners.

The statutory guidance from Government for the preparation of assessments and detailed guidance work published by IDEA (the Improvement and Development Agency for Local Government) has provided the initial framework and scope for this Economic Assessment.

The preparation of the assessment is supported by resources made available by local partners through their support for the York and North Yorkshire Partnership Unit, Yorkshire Futures and the Regional Improvement and Efficiency Partnership, YoHr Space.

A scoping paper for the assessment was produced in September 2009 which set out the key components of the work. These included:

### **Labour Market Areas (LMAs)**

The sub region has been divided into 35 areas in agreement with District Councils. This will also facilitate the production of the North Yorkshire statutory Economic Assessment next year in understanding and engaging on local impact. York is treated as one area and the City will explore its sub areas in its own Economic Assessment. An initial iteration for the LMAs in North Yorkshire has been prepared and has been made available to District Councils.

### **Spatial areas**

The LMAs provide the statistical base to aggregate data to the spatial areas that in the first instance mirrored those in the approved Regional Spatial Strategy. i.e. Leeds City Region, Vales and Tees Link etc.

Initial drafts have been prepared and circulated to partners. Spatial areas rely on ward data and there are limitations in content but they provide the 'building from below' component.

### **Technical assessment**

This is the more traditional 'top down' presentation of data against topics such as enterprise, skills etc. It provides data for administrative areas and is the 'data bank' and evidence base for the Economic Assessment. Within this special papers or think pieces have been or are being prepared around key topics of concern to this sub region, some of which have already been circulated to partners. A first iteration of the technical assessment is available.

### **Economic Assessment**

This is the main Economic Assessment document that sets out all the elements of the Assessment. It picks up the key findings from the Spatial reports, think pieces and the technical assessment.

### **Interim Summary**

This paper provides the interim summary of the sub regional economic assessment, and forms the basis of the submission to the Yorkshire and Humber Strategy evidence gathering by the end of March 2010. It will be refreshed in June to form the basis of the Statutory Local Economic Assessment (LEA) for North Yorkshire County and will inform the work on the City of York LEA.

## 2. Overview and Strategic Context

### 2.1 Overview of the Sub Region

The York and North Yorkshire Sub-Region is made up of the local authority areas of the City of York and North Yorkshire County. It includes the North Yorkshire districts of Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, and Selby; and the National Park authority areas of the Yorkshire Dales and North York Moors.

The economy overall has experienced growth over the past 20 years above the regional and national average. However manufacturing employment has experienced a decline, although not as severe

compared to the downturn in this sector nationally. Growth has been concentrated within services especially the finance and business sector, and in the hospitality and retail sectors.

Growth has been weak in the eastern part of the sub region and at its most strong in the western areas. The City of York and its surrounding area have seen significant growth and growth in the central part of the sub region has outperformed the national trend but lies between the figures for the other two areas.

### 2.2 Strategic Context

The sub region adopted an Investment Plan in 2007 as a strategic response to the opportunities and issues highlighted within the 2006 York and North Yorkshire Strategic Economic Assessment, adopting the strapline *Aspire, Achieve, Enjoy*. The sub region adopted 5 transformational themes as part of its 2007 Investment Plan:

#### **Exploiting knowledge and innovation**

The sub region, especially York has a significant opportunity to build on its science and knowledge base, expanding research but also developing new enterprises. The sub region wants to be the best and easiest place to locate science in the UK.

#### **Stimulating and Supporting Enterprise and Enterprising Culture**

The sub region is characterised by a very large number of small firms and above average numbers of self-employed people. Business formation rates are high, especially in the rural areas, as are survival rates. This is a significant asset as demonstrated when in May 2009, Scarborough won the award of the most enterprising place in Europe.

#### **Developing a contemporary high quality cultural environmental offer**

Quality is critical to the success of the visitor economy, to create a place where people want to live and for businesses to prosper. This however requires constant investment as well as careful management and there is a need to ensure that the "Product" is relevant to the needs of a modern and global market.

#### **Attracting & Developing Knowledgeable and Creative People**

The sub region has excellent levels of education attainment in most areas and within the areas included in or connected to city regions there is a high level of skill and knowledge. This has been reinforced and supported by the growth of Higher Education, particularly in York.

#### **Ensuring a Connected Sub Region**

Activity and the flow of information are critical for a modern economy and is a particular challenge for such a wide spatial area. There has already been significant investment in broadband infrastructure.

### 3. Opportunities and Strengths: A Sub-regional overview

#### 3.1 Spatial linkages and Economic Performance:

This section will set out how the economy of York and North Yorkshire is performing against the rest of the region. It also begins to identify and highlight the importance of its economy on its linkages and connectivity with neighbouring economies and the diverse nature of the sub region and its differing

economies. An initial approach has been taken to identify functional spatial areas and to prepare statistics on that basis. This will be reviewed prior to entering into the statutory stage of the assessment. Some initial information is given below.

#### 3.1.1 Overall Economic Performance

It is generally considered that the best indicator of wealth, below national and regional levels is GVA per head. The GVA per head for York and North Yorkshire in 2006 was 15 per cent below that for England but similar to the regional average. However the City of York performs much better with a GVA per head broadly equal to the national average and 20 per cent above the region. The County of North Yorkshire has a much lower level of economic performance, around 20 per cent lower than that for England and 4 per cent lower than that for the region. Bearing in mind this includes areas of prosperity such as Harrogate, therefore those locations which are more peripheral to City Regions are clearly performing badly.

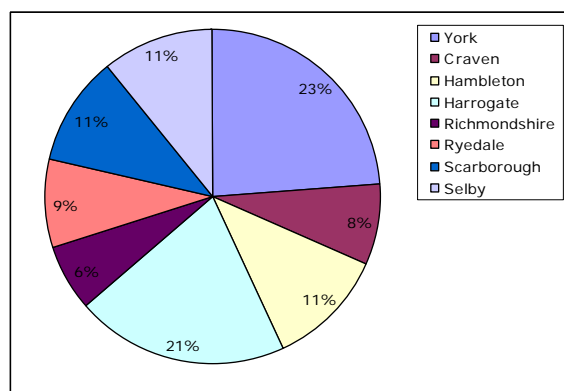
**Table 1:** GVA per Head (£) by NUTS3 Region, 1998-2006

	1998	2003	2004	2005	2006
England	13,482	17,153	17,967	18,551	19,413
Yorkshire and Humber	11,623	14,486	15,114	15,485	16,114
York and North Yorkshire	12,016	15,156	15,810	15,918	16,443
North Yorkshire	11,171	14,121	14,839	14,948	15,497
York	14,692	18,405	18,837	18,924	19,360

Source: ONS, Gross Value Added 2007

In trying to analyse the performance of the economy at a more local level it is not possible to use this data, however estimates are calculated through the use of the Experian Regional Econometric Model for each District within the sub region. At 2009 the York and North Yorkshire economy is estimated to be worth £13.9 billion, with the share across the local authority districts as follows.

**Figure 1:** Share of Total GVA in York and North Yorkshire by Local Authority, 2009



Source: Yorkshire Forward/Experian Business Strategies; Regional Econometric Model, January 2010

**Table 2:** Total GVA (£billion) forecasts by Local Authority, 2009-2025

	2009	2015	2020	2025
United Kingdom	1133.1	1267.6	1428.6	1617.7
Yorkshire and Humber	79.9	89.4	100.6	113.6
York and North Yorkshire	13.9	15.6	17.5	19.7
North Yorkshire	10.6	12.0	13.5	15.1
York	3.3	3.6	4.0	4.5
Craven	1.1	1.3	1.5	1.7
Hambleton	1.6	1.7	1.9	2.2
Harrogate	2.9	3.3	3.7	4.2
Richmondshire	0.9	1.0	1.1	1.3
Ryedale	1.2	1.4	1.5	1.7
Scarborough	1.5	1.6	1.8	2.1
Selby	1.5	1.7	1.9	2.0

Source: Yorkshire Forward/Experian Business Strategies; Regional Econometric Model, January 2010

#### 3.1.2 Spatial Linkages

The sub region has a series of complex interfaces with its adjacent economies and with managing the demands of different sectors within it.

It is a part of the Leeds City Region with important linkages to the West Yorkshire economy. The towns of Skipton, Harrogate, Selby and especially York, are also important independent economic centres as well reflecting the fact that the Leeds City Region is perhaps the most polycentric of all the English City Regions. York's influence spreads beyond the City Region boundary eastwards into the East Riding and Ryedale.

To the north, lies the Tees Valley but economic

linkages are less significant, in part because of the weakness of that local economy. However the locations that border the Tees Valley such as Stokesley are a closely connected to that economy.

Scarborough has important links also with the East Riding although perhaps more for retailing than employment flows. There are also connections to Lancashire for those areas in the west.

One of the issues is to distinguish between essentially local connections across boundaries say travelling to work for up to 10 miles and those which are more than locally significant.

### 3.1.3 Functional Economic Geographies Within The Sub-region

As well as the spatial linkages and interfaces with adjacent economies, the sub region also consists of a number of distinct local economies. These economic geographies do not follow administrative boundaries but do have distinctive characteristics both physically and economically making them a good spatial basis for this sub regional economic assessment. These have been initially based on the spatial areas set out within the Regional Spatial Strategy and through discussions with the local authorities. However there is still some debate about these areas, for example whether Whitby should be included within the Coastal area and also the nature of the areas connected to the west Yorkshire economy. Further analysis on these economic geographies will therefore be carried out and incorporated into further drafts of this Assessment. For the purposes of this interim summary these areas include:-

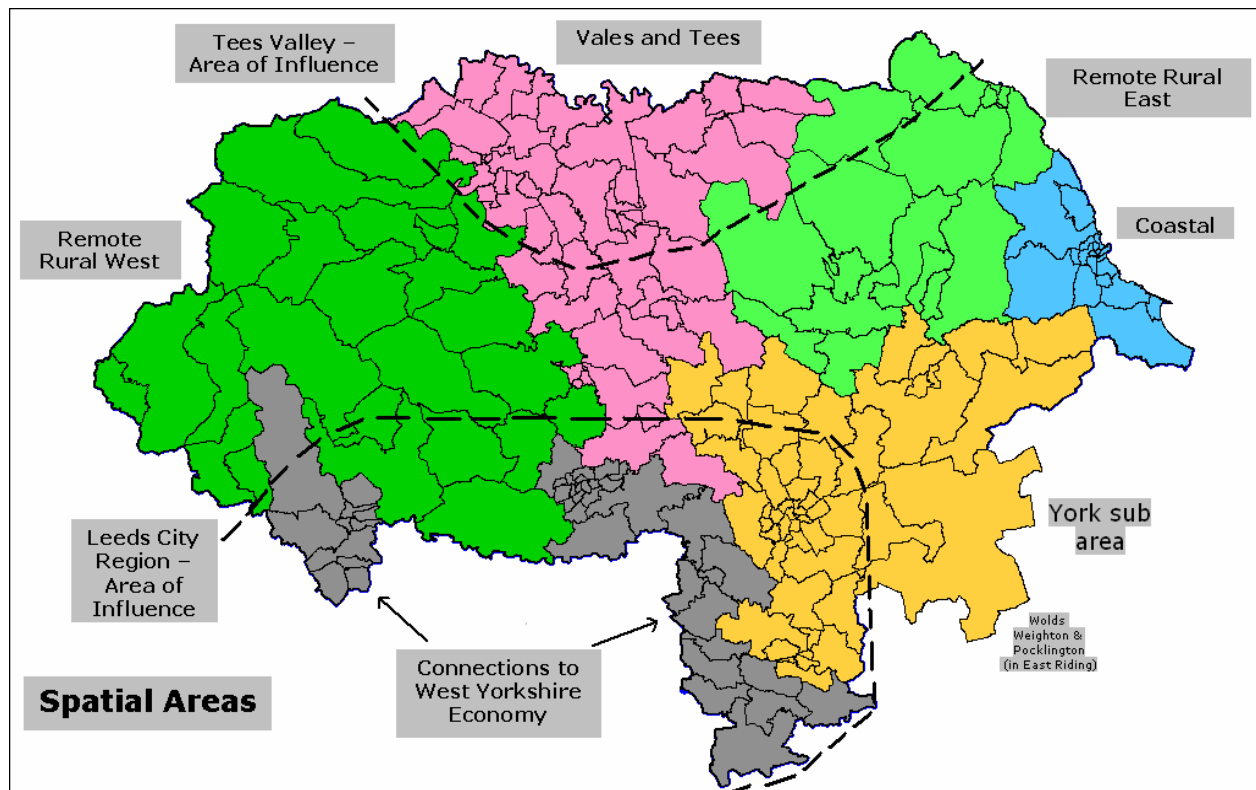
Two areas based on the characteristics of a **remote rural upland economy**. These are on either side of the Vale of York based on the National Parks of the Yorkshire Dales and the North Yorkshire Moors. They encapsulate the popular image of North Yorkshire, although represent only a small portion of its population and its economy. These upland areas suffer most from the effects of peripherality and have an economy dominated by the visitor economy and agriculture. This area also includes where the uplands meets the coast around and including Whitby.

The area of Scarborough town and its surrounding area. This **coastal economy**, particularly Scarborough Town, needs to move away from employment in traditional tourism to a more diversified economy, yet also has to address severe deprivation.

The City of York and the area that is an integral part of the **York economy**. This area includes the City of York, parts of Selby, Easingwold area, Malton area and parts of the East Riding of Yorkshire. Part of the York sub area is also part of the Leeds City Region. It has seen a dramatic change within its industrial base over the past 10 to 20 years from one based on manufacturing to one now on financial and business services, science and innovation and also with a strong visitor economy sector.

The area connecting both city regions is the **Vales and Tees economy**, a key part of the A1 and the East Coast mainline north / south route. This area has seen important changes to their economy particularly in the growth of manufacturing and the service economy, including important investments in defence.

The areas and towns that have **Connections to the West Yorkshire Economy** and are also part of the Leeds City Region. This includes Skipton, Harrogate, Tadcaster and south Selby.



## 3.2 Business and Enterprise

This section will highlight the key sectoral structure and the nature of business and enterprise of the York and North Yorkshire economy. It will look to identify how the York and North Yorkshire sub region makes its living. Some initial information is given below.

A longer time series from 1991 to 2008 shows that employment in the sub region increased by 35 per

cent but with an increase of 75 per cent in the remote rural west area, 45 per cent in the area connected to the west Yorkshire economy, and 37 per cent in the York sub area, but only 27 per cent in the remote rural east area and just 9 per cent in the coastal area. The equivalent national figure was 25 per cent.

### Key Points

- The key drivers of the YNY Economy are:
  - Food and Agriculture
  - Culture and the Visitor Economy
  - Higher Education and Science
  - Financial and Business Services
  - Manufacturing
- Future skills and employment issues within the local services sector, including: -
  - Health and Social Care
  - Public sector
  - Local services
  - Voluntary/Third Sector
- Proportion of knowledge intensive businesses low outside of the York sub area and areas connected to the West Yorkshire economy;
- New business creation slowing down;
- The Low Carbon Economy has the potential to be a new driver for the future;
- Significant levels of micro businesses and self employment with skills and business support needs;

### 3.2.1 The Structure of the York and North Yorkshire Economy

The key sectors of the York and North Yorkshire economy include:

- **Manufacturing** which employs just over 37,000 people of which 32 per cent are in the **food and drink sector**.
- **Visitor economy and cultural business sector** which not only dominates the business stock but also employs a large number of employees and self employed, estimated between 45,000 to 55,000 people.
- **Banking, finance and insurance sector** which has seen the largest growth of any sector, employing around 58,000 people.
- **The local service sector** which is estimated to account for nearly 150,000 jobs of which around half are in **the public sector** and just over 40,000 people **health and social care sector**.
- **Land based industries and Agriculture** still

forms a significant part of the sub Regional economy particularly in the remoter rural area and parts of the Vales and Tees area. Total employment is estimated at around 20,000 including self employed people.

- **Science and knowledge based sector** that is underpinned by the expansion of higher Education and a growing science base, particularly in York.
- **Low carbon economy sector** which provides a significant opportunity for the sub region through its strengths to facilitate the development of 'green' industries and innovative agricultural products and also as a major energy supplier.

Tables 3 and 4 show the breakdown in employment by the national sector classification. It shows an increase of 15 per cent in employment over the period 1998 to 2008. The number of business units rose in the same period by 24 per cent.

**Table 3: Number of Business Units by Broad Industrial Sector (SIC 2003), York and North Yorkshire, 1998-2008**

	1998		2008		Change 1998-2008
	Number	%	Number	%	
Agriculture and Fishing (SIC A,B)*	358	1.2	735	2.0	↑ 105.3%
Energy and Water (SIC C,E)	146	0.5	97	0.3	↓ -33.6%
Manufacturing (SIC D)	2,041	7.1	2,104	5.9	↔ 3.1%
Construction (SIC F)	2,667	9.2	3,851	10.7	↑ 44.4%
Distribution, Hotel and Restaurants (SIC G,H)	10,801	37.4	11,112	31.0	↔ 2.9%
Transport and Communications (SIC I)	1,384	4.8	1,420	4.0	↔ 2.6%
Banking, Finance and Insurance (SIC J,K)	5,901	20.4	10,293	28.7	↑ 74.4%
Public Administration, Education and Health (SIC L,M,N)	2,725	9.4	3,406	9.5	↑ 25.0%
Other Services (SIC O,P,O)	2,858	9.9	2,842	7.9	↔ -0.6%
Total	28,881	100	35,860	100.0	↑ 24.2%

Source: Office for National Statistics, Annual Business Inquiry (workplace analysis), 2009 \* Excludes farm based agriculture

**Table 4:** Number of **Employees** by Broad Industrial Sector (SIC 2003), York and North Yorkshire, 1998-2008

	1998		2008		Change 1998-2008
	Number	%	Number	%	
Agriculture and Fishing (SIC A,B)*	1,837	0.6	2,028	0.6	↑ 10.4%
Energy and Water (SIC C,E)	5,747	1.9	2,617	0.8	↓ -54.5%
Manufacturing (SIC D)	37,751	12.6	37,423	10.8	↔ -0.9%
Construction (SIC F)	18,753	6.3	18,232	5.3	↔ -2.8%
Distribution, Hotel and Restaurants (SIC G,H)	85,374	28.5	93,971	27.2	↑ 10.1%
Transport and Communications (SIC I)	17,005	5.7	19,936	5.8	↑ 17.2%
Banking, Finance and Insurance (J,K)	38,591	12.9	58,684	17.0	↑ 52.1%
Public Administration, Education and Health (SIC L,M,N)	79,249	26.5	94,438	27.3	↑ 19.2%
Other Services (SIC O,P,Q)	14,728	4.9	18,250	5.3	↑ 23.9%
Total	299,035	100	345,579	100.1	↑ 15.6%

Source: Office for National Statistics, Annual Business Inquiry (workplace analysis), 2009

\* Excludes farm based agriculture

### 3.2.2 Specific Sector Analysis

#### **The Financial and Business Service Economy:** *Largest growth of any sector in the last 10 years*

York and North Yorkshire has a higher growth rate compared to the English and regional averages. This growth has primarily been within the Leeds City region part of the Sub Region (i.e. York sub area and areas connected to the West Yorkshire economy). However the number of jobs in this sector in the Sub Region, at around 17 per cent, is still below the English figure of 23 per cent.

This sector is characterised by a mix of economic drivers (e.g. larger institutions), exporter services

(e.g. advertising) and local services (e.g. high street offices). These differences are not easily identifiable in the statistics so work will be done to try to differentiate between them. Consideration needs to be given to the future of the sector after two years of instability and to use work such as Deloitte's research for the Leeds City region (December 2008) and the Centre for Cities work on York (March 2009) to help ascertain the opportunities for the future.

#### **The Visitor Economy:** *An increasingly critical part of the sub regional economy and a driver for the future*

The visitor economy has grown successfully in the sub region for many years. Clearly it is critical to ascertain to what extent this growth will continue. Significant investments and promotions have broadened the product base. These include the development of outdoor adventure and specifically mountain biking, leading to the attraction of the Mountain Bike World Cup to the North Yorkshire Moors in 2010. Agreement has been given for the £13 million development to create two new exhibition halls and improve the facilities at the Harrogate International Centre. Tourism investment in York may total £50 million over the next three years aiming to raise employment by c.12.5 per cent to 12,000.

Visitors are becoming an increasingly more critical part of the local economy especially in the rural and coastal areas. The market is however subject to significant competition and the industry needs to maintain its product mix and secure active marketing.

An issue for the final assessment will be to try to differentiate between the differing components in the hospitality industry which relies on local markets, day visitors including retail and entertainment and longer distance trips including business tourism.

#### **The Culture and Creative Economy:** *An array of creative and cultural assets providing an opportunity for potential future job and wealth creation*

Consultants Burns Owens estimated that this sector may contain 10,000 to 12,000 jobs including the self employed. Again it is a sector difficult to measure but the assessment will seek to draw

differing approaches together. There is need for a critical understanding of what the opportunities for this sector in the future.

#### **The Local service economy:** *The largest employment sector in the sub region with implications for future skill requirements*

A special paper or think piece has been prepared that seeks to define this sector more clearly. The local service economy may employ nearly 150,000 people, 45 per cent of all employment. Around half are in the public sector. This is not an easy figure to estimate but takes from service employment all those services that seem to be economic drivers such as tourism, defence, Higher education and large financial institutions and the components of construction, retail, transport and finance and business services that may be 'exporters' i.e. not dependent on the local market.

Further analysis is currently being carried out to understand this sector and its future needs. It is a sector that has been undervalued as an employer relative to its scale.

Key issues to look at include how to raise aspirations and skills in respect of this sector which will be the major source of employment for many entering the labour market. The health and social care sector, which employs around 40,000 people, for instance will increase in size significantly but is already facing recruitment problems.

### **The Low Carbon Economy:** *Potential new driver for the York and North Yorkshire economy*

Part of the science base in York has particular research strengths to facilitate the development of "Green" industries and innovative agricultural products. Strong research connections have also been established with the University of Leeds and Sheffield.

Adjacent to this academic base is the area of Selby which is a major energy supplier through its power

stations of Drax and Eggborough as well as having the industrial base as a processor of agricultural products. It already has renewable energy plants under construction and can offer the appropriate infrastructure to accommodate demonstrator and full-size plants in the future.

The final assessment will rely on the development of regional thinking on these issues.

### **The Manufacturing Sector:** *declining but not at the same rate as the region or nationally*

Overall the sub region has experienced a slight fall (2 percentage points) in its manufacturing base since 1998 to just under 11 per cent of employment. During this period it has only seen a slight decline in the total employed within the sector, unlike England where manufacturing jobs have fallen by 29 per cent over the same period. In York and North Yorkshire, however, this picture in

manufacturing masks a significant fall in employment within the large firms particularly in the food and drink sector within the York sub area.

The final assessment will analyse the non food manufacturing sector further to provide a better understanding of its strengths and weaknesses within the sub region.

### **The Food and Drink Economy:** *A critical sector that has experienced significant decline in employment*

A special paper or think piece has been prepared on this sector. Food and drink manufacturing has been a significant sector within the York and North Yorkshire economy over many years. Employment in the early 1980's was in excess of 20,000. Since then it has seen a 21 per cent decline in numbers primarily within the larger food manufacturing companies. For instance in York employment in Food and Drink businesses in the late 1980's was in excess of 10,000 representing 13 per cent of all employment in the City, it now stands at just over 2,000 just 2.3 per cent of all employment.

smaller businesses seems to be much steadier, although this is a small percentage of the total.

As a proportion of all jobs, the food and drink sector in York and North Yorkshire is higher than that for the region as a whole. Ryedale, Selby, Hambleton and Scarborough are within the top five ranked LA areas within the region in terms of the proportion of total employment. The food and drink manufacturing sector is still an important part of the York and North Yorkshire economy particularly within York, Selby, Malton, Scarborough, and Leeming Bar.

There has however been an increase in the number of businesses in the sub region and employment in

### **Agriculture and land based economy:** *Experienced change but still remains one of the sub regions most important sectors.*

Agriculture still remains one of North Yorkshire's main industries. In 2008 (DEFRA Census) nearly 20,000 people were employed in agriculture across the sub region. This has remained relatively static over the past 10 years dropping slightly by just 2 per cent.

Further analysis into the future of the sector and a further breakdown of these figures is to be undertaken as part of the final economic assessment.

### **Science and knowledge based economy:** *An expanding higher education and science base*

The opportunities created by the recent and future expansion of Higher Education especially in York continue to underpin the potential to base the economic development of the York sub area and other parts of the sub region on a growing science base. Science City York runs networks in Bioscience, creative sector and IT and digital

engaging over 500 businesses with nearly 14,000 employees. The area also has a high numbers of well qualified residents.

The final assessment will develop the evidence that will seek to quantify the potential and scale of this opportunity.

### 3.2.3 What is the Nature of Enterprise within York and North Yorkshire?

**Business stock:** *A High level of businesses relative to population levels*

The sub region is characterised by a very large number of small businesses and disproportionately higher levels of self employment. In the more remote rural areas self employment can be equivalent of 30 per cent of all employment. This is almost three times the national average.

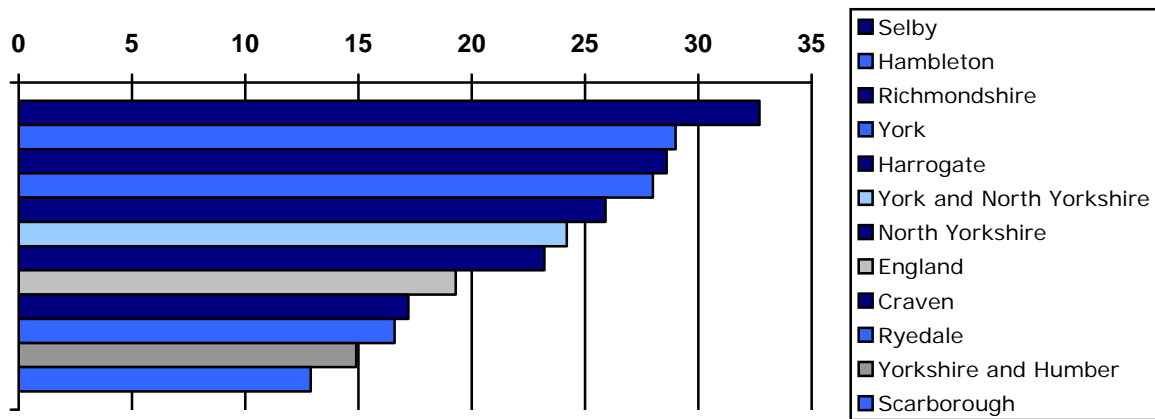
The sub region has a significantly higher level of businesses per population (508 per 10,000 population) than the region (345) and nationally (419). However there is a distinct difference between the high levels within the County of North Yorkshire (556) against that for the City of York (334).

**Business and Job Growth:** *More businesses and jobs over the past 10 years but now slowing*

Over the last ten years (1998-2008) the number of businesses in the sub-region has increased by 24 per cent, and the number of jobs has increased by 15.6 per cent.

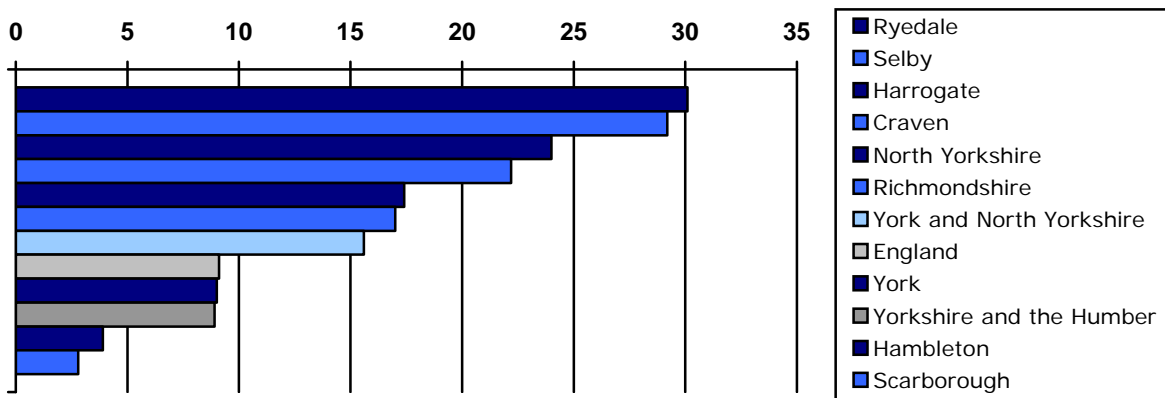
The sub region as a whole has been able to sustain levels of employment growth increasing jobs by 15 per cent in the decade leading up to the recession compared to 9 per cent growth for England and the region.

**Figure 2.** Percentage change in the number of business units by Local Authority, 1998-2008



Source: Office for National Statistics, Annual Business Inquiry (workplace analysis), 2009

**Figure 3:** Percentage change in the number of employees by Local Authority, 1998-2008



Source: Office for National Statistics, Annual Business Inquiry (workplace analysis), 2009  
 \* Excludes farm based agriculture

**Self employment:** *Significantly high levels of self employment, particularly within rural areas*

Self employment forms a significant part of the York and North Yorkshire economy, providing jobs for over 60,000 people, 15 per cent of all jobs. With a further 47,000 people employed within businesses employing less than 4 people, self employment and very small firms provide employment for 26 per cent of the jobs in the sub region.

These figures rise significantly to almost 50 per cent of jobs in the remote rural west area, and nearly 40 per cent in remote rural east. In contrast the areas connected to the West Yorkshire economy and the York sub area have a much higher proportion of jobs in larger firms (50+). In York this is 70,000 people (46 per cent of all jobs) and in the area



**Attitudes to enterprise** – *the culture of enterprise within the sub region*

The final assessment will explore this further.

**3.2.4 Innovation and links to R&D**

25 per cent of national full time employees work in knowledge intensive businesses. The figure for York is 32 per cent, Craven 31 per cent and Harrogate 22 per cent. Elsewhere in North Yorkshire the figures are much lower dropping to 5 per cent in Ryedale.

The final assessment will provide and set out a better understanding of what the nature of the business base in the sub region is and its potential to be innovative, which might measure possible growth.

### 3.3 People and Communities

This section will look at overall trends in population and in particular the working age population and the increase in the sub regions aging population. It will also look at the skills and educational levels of

our people and economic exclusion issues affecting pockets of the sub regions communities. In essence it will ask the following question, what does our Labour market look like?

#### Key Points

- An ageing and growing population with significant implications for health and social care provision in the future.
- Worklessness and economic exclusion apparent within Scarborough and parts of York.
- Levels of work related training still lower than baseline (2001 figures)
- Skill levels across the adult population are high compared to the region and nationally.

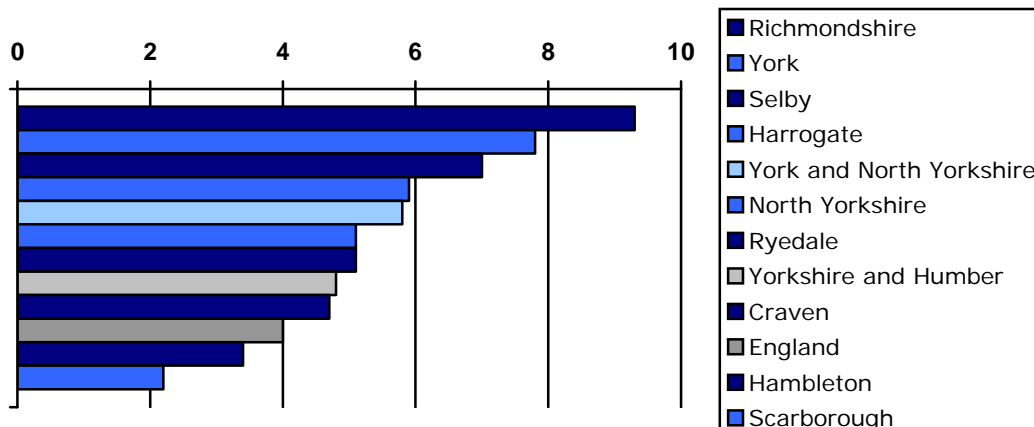
#### 3.3.1 Demography

##### Population continuing to grow

York & North Yorkshire covers 54 per cent of the spatial area of the region, yet only has 15 per cent of the population. Population has increased for many years, growing by 5.8 per cent between 2001 and 2008 a figure above both the regional and national rates. This would appear to be due to

migration rather than natural change. The eastern remote rural area and York sub area have experienced the highest growth with the lowest growth being in the western remote rural area and coastal area.

Figure 5: Population Change by Local Authority, 2001-2008



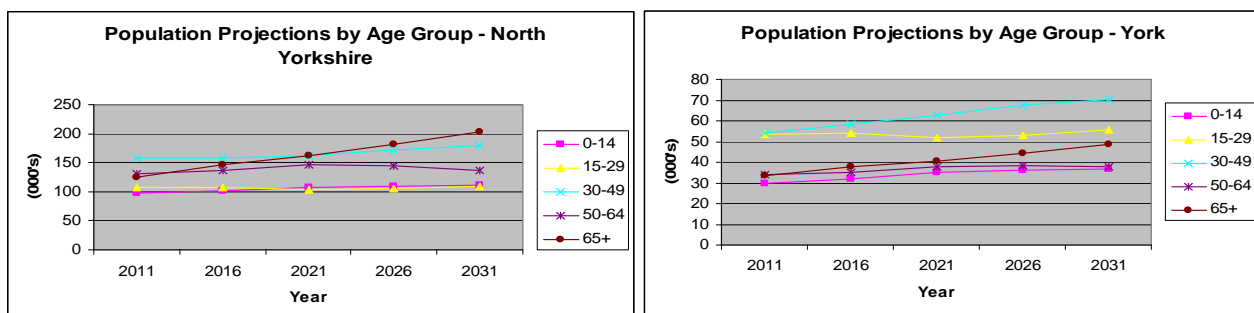
Source: Office for National Statistics, 2001 & 2008 Mid-Year Population Estimates

##### An ageing population

As well as the general growth in the population, the sub region has and will continue to see a significant increase in its aging population. In particular the area outside of York is seeing an increase at a rate

of more than twice the national and regional rate. This will have a significant impact on future service provision but could also provide opportunities within the care services economy.

Figure 6: Population Projections by age group – North Yorkshire and York



Source: ONS Sub-National Population Projections (2006)

### 3.3.2 Qualifications and skills

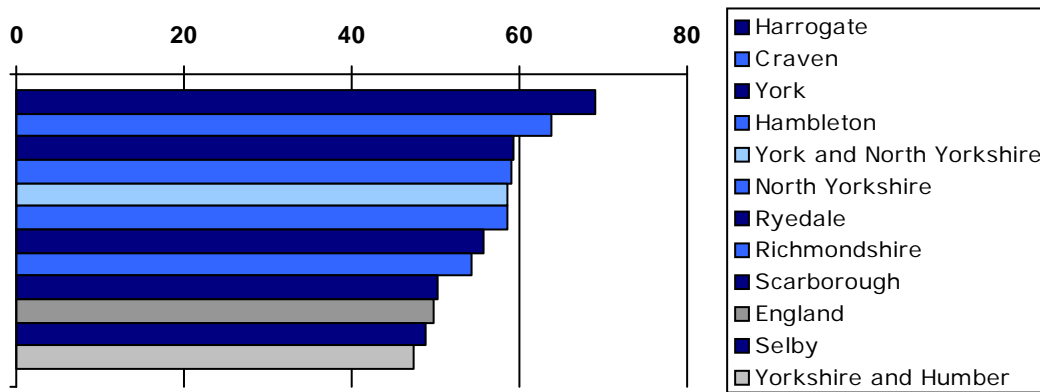
**Educational Attainment:** *High levels of educational attainment with adult qualification levels above the region*

The sub region achieves a high level of educational attainment but still has areas (particularly towards the east area of the sub region) where there are also concentrations of low skills. There is a reality of a two-tier economy in that the opportunities for graduates and those with high levels of knowledge have been quite buoyant, and yet for lower skilled people opportunities are more scarce and exacerbated by low aspirations. It is expected that the downturn in the economy whilst affecting all levels at the moment will have its greatest impact in areas of low skills. Connecting those who might

not go onto University to the job opportunities that will hopefully arise from investment is a clear challenge for the future.

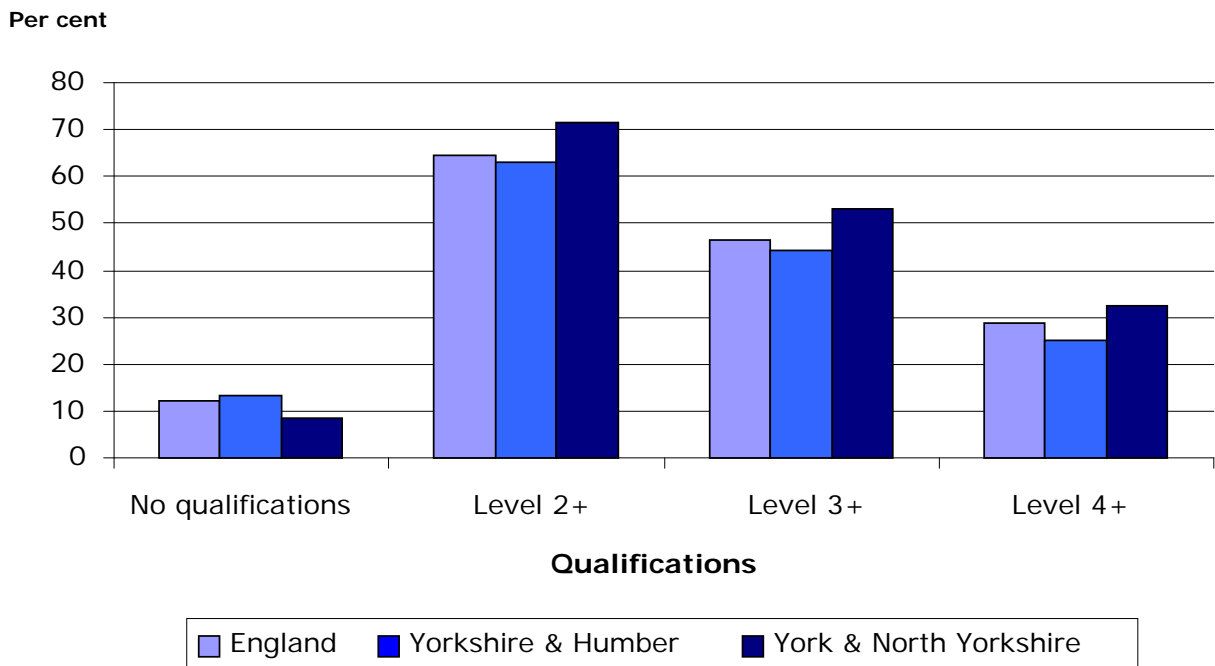
In terms of the proportion of the population with NVQ levels of attainment, both York and North Yorkshire are above the regional national averages across all levels 2 to 4. York is significantly higher than elsewhere at all levels with Harrogate and Craven performing well. The worse performance is with Scarborough and Richmondshire.

**Figure 7:** Pupils gaining 5 A\*-C GCSEs or equivalent Including English and Maths (per cent) by Local Authority, 2009



Source: DCSF, GCSE and Equivalent Results for Young People in England 2009.

**Figure 8:** Summary of Adults Qualification levels (per cent), 2008



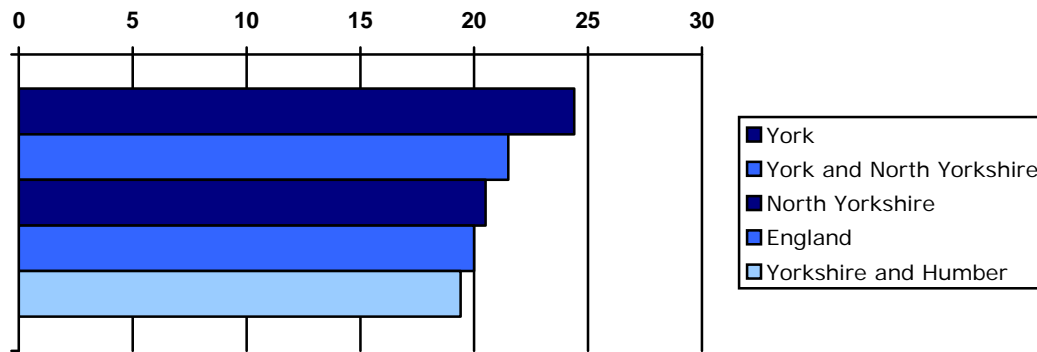
Source: ONS, Nomis, Annual Population Survey (2008) Jan-Dec figures.

**Work related training and skills gaps:** *Showing some recovery but still an area of concern*

Job related training has begun to recover in 2008 with 21.5 per cent of people receiving training (in the last 13 weeks) which is now above the region and national figures. However it has still not reached previous levels and is below the 2001 baseline of 25.3 per cent.

Reductions in skills gaps mirror the positive trends seen nationally and regionally (in 2007 12 per cent of employers had skills gaps, compared to 19 per cent in 2005). It is however the case that 5 per cent of employees (13,000+ people) 'aren't proficient' in their job.

**Figure 9:** Working Age Population Receiving Job Related Training within the Past 13 Weeks (per cent), 2008



Source: ONS, Annual Population Survey (2008). Jan-Dec figures

**3.3.3 Earnings and income levels**

Income per head in 2007 in North Yorkshire was £15,850 compared to £12,900 regionally and £14,560 nationally. York was £13,600, significantly lower but perhaps reflecting the student population. Median weekly pay for North Yorkshire is £466 and for York £479 compared to £496 nationally and £452 regionally.

The final assessment will explore some of the contradictions here where income and wages appear to tell a slightly different story. The contribution of students, pensions and self employed to income per head needs to be looked at further.

**3.3.4 Employment and Unemployment**

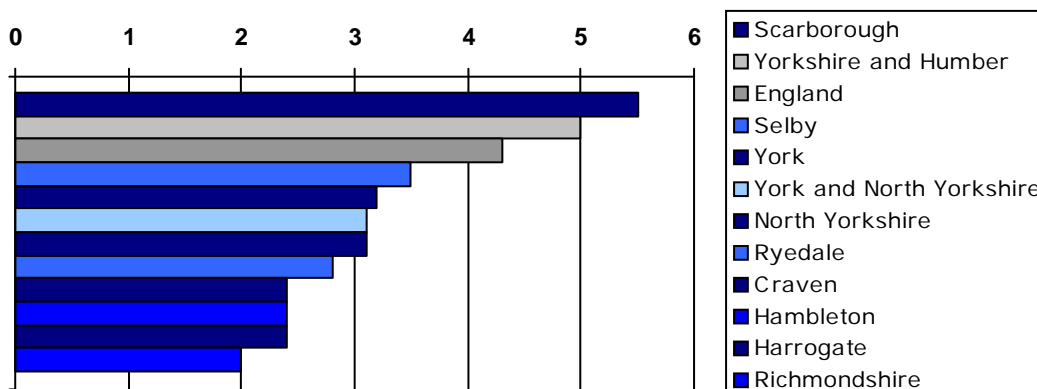
**High employment rates and low unemployment**

The proportion of people of working age in employment at 80 per cent sub regionally is higher than the regional (73 per cent) and national (74 per cent) average.

Unemployment is low relative to the regional and national rates with only Scarborough higher than both. The only other area where unemployment is above the sub regional rate is Selby but that is still below regional and national rates.

Harrogate and Selby have a figure of 82 per cent and Richmondshire 85 per cent. Scarborough has historically had a much lower rate.

**Figure 10:** Number and Rate of JSA Claimants by Local Authority, Jan 2010



Source: NOMIS – Claimant Count with rates and proportions

### 3.3.5 Worklessness and Economic Exclusion.

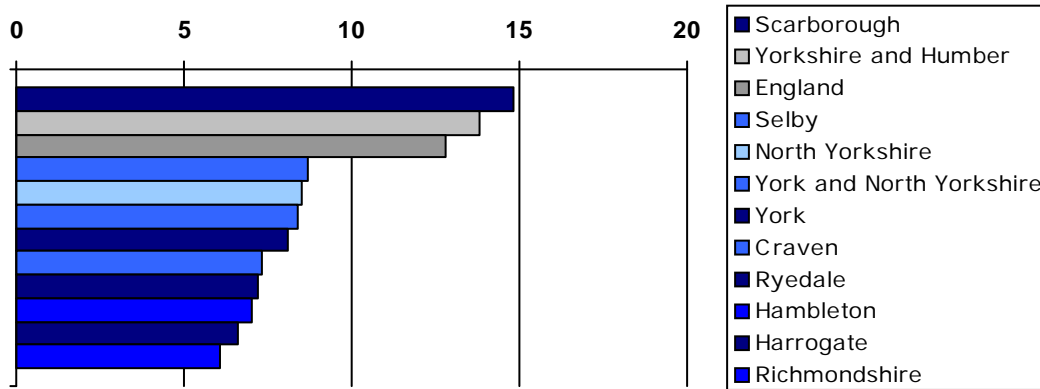
**Pockets of worklessness in Scarborough and York**

In total 8.4 per cent of adults in York and North Yorkshire are on work related benefit. Significantly lower than the regional (13.8 per cent) and national (12.8 per cent) rates.

The greatest concentration of deprivation is in key wards in Scarborough where in some instances, a

third of the working population are on benefits. Overall in Scarborough district people on out of work benefits (at 14.8 per cent of the working age population) are above the regional and national average, the only authority above these rates within the sub region. The rate for North Yorkshire is 8.2 per cent and for York 7.8 per cent.

**Figure 11:** Working Age People on Work Related Benefits (per cent) by Local Authority, 2009



Source: Nomis, DWP 2009.  
 \*Data is a rolled year average

### 3.4 Physical Infrastructure:

This section will assess and highlight the land and building issues affecting the sub region, and identifying future investment issues. It will also look

at other infrastructure and connectivity issues such as transport, ICT and Utilities.

#### 3.4.1 Property Investment

The sub region economy has long experienced significant amounts of housing investment. Currently this has reduced significantly although there is an expectation of revival during next year and of a longer term recovery.

However, the prognosis for commercial development, particularly for employment land and premises is far less optimistic. A combination of the credit crunch and the overhang of supply, may mean that it will be sometime before confidence in the development industry and the financing behind it recovers. The assessment will need to establish a more complete picture on this issue.

The following table shows percentage change in floor space of business premises. There has been a substantial reduction in retail space that is especially significant in the sub region compared to national and even regional figures. This will need investigation. However in terms of offices and

factories performance locally is much better than nationally.

**Table 6:** Total Floor space in 2008 (metres<sup>2</sup>) and Percentage Change since 2004

	Total floor space in 2008 (m <sup>2</sup> )(000's)	% change since 2004				
		All	Retail	Offices	Factories	Ware houses
England	561,777	1.1	-4.3	0.4	-7.8	5.0
Yorkshire and Humber	67,100	1.7	-15.1	6.6	-3.0	5.7
York and NY	8,333	1.7	-20.3	4.6	0.2	5.7
North Yorkshire	6,375	1.9	-21.9	6.4	1.6	0.3
York	1,958	1.1	-16.6	1.6	-5.2	39.1
Craven	641	-6.8	-28.4	-2.7	-12.6	8.9
Hambleton	1,067	5.6	-27.0	16.5	11.3	-1.9
Harrogate	1,614	0.7	-23.2	5.4	6.3	-6.9
Richm'shire	317	5.7	-15.5	33.3	-5.1	3.7
Ryedale	611	3.9	-27.3	3.8	-11.8	20.0
Scarborough	940	-0.5	-12.5	0.6	-0.3	-1.3
Selby	1,185	5.8	-24.8	6.4	7.2	0.9

Source: Neighbourhood Statistics

#### 3.4.2 Transport and Accessibility

Information from transport plans will be incorporated into the final assessment.

#### 3.4.3 Broadband and ICT infrastructure

The percentage of households who do not have an internet connection is 41 per cent for the sub region on a par with the national average and better than the regional figure of 45 per cent. However the figure for Scarborough is 48 per cent. Hambleton is the most connected area with only 35 per cent unconnected households.

Of those connected households in the sub region 92 per cent have Broadband compared to 95 per cent nationally and 94 per cent regionally. The lowest figures are 88 per cent in Ryedale and 90 per cent in Richmondshire.

Further information from NYNET on infrastructure developments will be incorporated into the final assessment.

## 3.5 Environment

### 3.5.1 Environmental Assets

The final assessment will include a statement on the environmental, cultural and heritage assets and their economic benefit.

### 3.5.2 Climate Change and Natural Resources

Climate change raises some critical issues for natural resource utilisation in the sub region with growing and competing demands for the land base.

A current debate is whether local agriculture is at the beginning of a trend of a long-term revival based on the possible loss of agricultural capacity elsewhere in the world. This would reinforce its importance to the York and North Yorkshire economy as an economic driver for a series of downstream industries.

As a consequence of climate change, there could also be competing demands for the utilisation of land. Besides growing food there is demand for bio-mass production, flood prevention measures, carbon storage (in trees and peat), biodiversity and recreation. These competing demands are likely to increase. The final assessment will look at what can be done in the sub region to promote integrated land management in the context of a strong national and European policy context.

## 4 Spatial Assessment: A Multi-faceted and Multi-layered Sub-Region

### 4.1 The York Sub Area Economy

#### Key Points

- Rapid job growth (37 per cent between 1991 and 2008) but now nearly static especially within financial, hospitality and retail;
- Higher Education and science base continuing to grow;
- Significant economic restructuring with a significant loss in manufacturing.

The York sub area has been defined as the area covering the whole of the City of Council area, Easingwold and its surrounding villages (Hambleton District); the A64 corridor including Malton, Norton, Rillington and Sherburn (Ryedale District); Selby town and the villages to the north (Selby District); and the Wolds Weighton and Pocklington area in East Riding.

Part of the York sub area, York and Selby, are also within the wider Leeds City Region area. It is characterised by its dependence on the City of York as the main employment centre. The area has a population of 305,000 people, nearly 40 per cent of the population of the sub region. Although it includes area outside of the administrative Leeds City region area, it represents around 10 per cent of the population.

#### Spatial Assessment

##### Rapid job growth that has stopped over the last five years.

Employment grew by 40,000 or 37 per cent (against a national figure of 25 per cent) from 1991 to 2008. There was a decline in manufacturing and a rise in the hospitality and retail sectors, finance and business services and public administration.

Nearly all growth was prior to 2003. Since 2003 it would appear that manufacturing has continued to decline and hospitality and retail sectors and finance and business services have remained static but public administration has continued to grow.

##### High proportion of jobs in the Public Sector

31 per cent of all jobs within the York sub area are in the public administration, education and health sector compared to 26 per cent sub regionally. The City of York is higher at 32 per cent.

##### An expanding Higher Education and the Science Base

The Centre for Cities report on York (March 2009) emphasised the importance of this sector for growth in context of flatter performance in the Finance and Business services and visitor economy and retail sectors. Those sectors will however remain as important employers.

Significant investment in the two Universities has already grown the research and teaching base. The University of York has ambitious plans to double its size and the initial phase for four new academic departments and a new hub building is now under construction. There are strong relationships with the Food and Environment Research Agency (FERA) based near York along with other private R & D facilities.

##### The changing nature of local economy of the York Sub area

The York sub area economy has experienced significant restructuring over the past 10 to 20 years, as exemplified by the above from one based

around manufacturing to one based on a growing financial, business, and insurance service sector, the visitor and retail economy and a science and knowledge base sector which is largely public sector based. Manufacturing accounted for 19 per cent of jobs in 1991 falling to 9 per cent in 2008. Finance and Business services grew in the same period from 11 per cent of the economy to 16 per cent although less than the national average of 23 per cent.

##### A Skilled workforce

39 per cent of residents in work are in higher level occupations compared to 37 per cent for the Leeds City Region and 35 per cent for the region as a whole. The figure for the sub area and the city are the same. Easingwold has a figure of 46 per cent and the rural areas adjacent to the City have rates of 41 per cent.

22 per cent of the population have higher level qualifications compared to 16 per cent regionally.

##### Critical importance of the City of York

72 per cent of the employment is in the city although it has 63 per cent of the population of the sub area. There is a high proportion of travel from areas outside of the city in the York sub area to York itself. This highlights the importance of York as a central employment centre in its own right within the sub region and the Leeds City Regions. The other main centres are Malton (8 per cent of jobs), Selby town (6 per cent) and Pocklington/Market Weighton (7 per cent).

##### A Self Contained Labour Market

82 per cent of all jobs within the spatial area are taken up by people living within the area. There is a balanced flow to Harrogate. 5 per cent of residents commute to Leeds. However there are compensating flows in meaning that there are only 1 per cent more residents in employment than jobs in the area. This shows a high level of 'self containment' within the York sub area.

## 4.2 The Vales and Tees Sub Area Economy

### Key Points

- A growing (36 per cent between 1991 and 2008) and diversifying economy but now marking time;
- High proportion of employment within the public sector but dependence dropping;
- Exceptional rise in hospitality and retail.

This area covers roughly the area along the A1 and A19 north of Harrogate through to the North Yorkshire boundary with the Tees Valley. It includes the towns of Northallerton, Thirsk, Bedale and Stokesley in Hambleton District, Boroughbridge and Ripon in Harrogate District and Richmond and Catterick Garrison in Richmondshire District. The largest centre being Northallerton but all the other

centres act as key employment centres for the surrounding villages.

It has a population of approximately 144,000 people, representing 18 per cent of the sub region's population. It has grown by 6 per cent from 2001 to 2007 slightly faster than the sub regional rate of growth of 5 per cent.

### Spatial Assessment

#### A growing and diversifying economic base now marking time.

Jobs have grown by 15,000 or 36 per cent since 1991 (nationally by 25 per cent), broadly comparable to the York sub area. Key sectors such as the public sector (28 per cent of employment in 2008) and manufacturing (10 per cent) have not experienced much change and as a consequence are less significant in the economy than they were. Growth has been in construction, hospitality and retail and finance and business services. That growth was before 2003 and employment has declined by 1.3 per cent since then against a national growth of 3.5 per cent. That decline is mainly due to falls in the public sector.

Average business size is 9 employees compared to 12 regionally.

#### A high proportion of jobs in the Public Sector.

Almost 28 per cent of all jobs in the Vales and Tees area are within the public sector. It is particularly high within the Richmond/Catterick garrison area (40 per cent) and Northallerton area (50 per cent). In 1991 the area had 36 per cent of employment in the public sector. Broadly speaking numbers have held steady whilst jobs have grown elsewhere.

#### Food Manufacturing

The food sector constitutes 42 per cent of the manufacturing employment in the spatial area and nearly half of food sector employment is in the Leeming Bar and Stokesley areas.

#### Changes in the economy

Growth in the hospitality and retail sector has been 64 per cent since 1991 and is now 29 per cent of the economy. This rate of growth is higher than for the York sub area where it was 46 per cent. Conversely finance and business services grew in York by 93 per cent in the same period compared to 46 per cent in this area. But Finance and business services are still only half as important to the local economy here as they are nationally.

#### A highly skilled workforce

45 per cent of residents in employment are in higher level occupations compared to 35 per cent for the region. Figures are high in military areas but it is a general characteristic. Stokesley it is 51 per cent and Boroughbridge 47 per cent with the lowest in Northallerton at 37 per cent.

21 per cent of the population have higher level qualifications compared to 16 per cent regionally.

16.2 per cent of the residents in employment are self employed comparable to the sub region and higher than the regional and national averages.

#### Connections to neighbouring spatial areas

76 per cent of all jobs within the spatial area are taken up by people living within the area. Their travel to work is however wide and varied across the area. There is a substantial flow out particularly to Tees Valley and Darlington. 18 per cent of residents travel to those locations but almost the same number travel in. There is also a net flow out to Harrogate. In total however there are only 3 per cent more residents in employment than jobs.

There may be a case for reviewing some of the boundaries of this spatial area in the south although this is unlikely to alter the conclusions.

### 4.3 Connections to the West Yorkshire Economy (Leeds City Region)

#### Key Points

- High growth (45 per cent between 1991 to 2008), diversified and continuing to grow;
- Very high growth and dependence on finance and business services;
- Growth and above average dependence on manufacturing.

This area is defined as that area of North Yorkshire that has direct connections to the West Yorkshire economy. In particular this includes the connections between Harrogate and Leeds, the Skipton area with Bradford, and the western and southern parts

of Selby District with Wakefield and Leeds.

As areas there may have limited connections between them but there are commonalities because of their geographical position.

#### Spatial Assessment

##### A high growth and diversified economy that continues to grow

Employment has grown by 27,600 or 45 per cent between 1991 and 2008, compared to the national figure of 25 per cent. There have been no particular sectors of decline and very substantial and exceptional increases in finance and business services and manufacturing. Growth in hospitality and retailing mirrors that achieved in the York sub area.

Unlike other locations this growth has continued at 8 per cent since 2003 compared to 3.5 per cent nationally and a static performance elsewhere in the region. This may now have stopped.

##### Dominance of Financial and Business Services

Nearly a quarter of all employment within this spatial area is within the financial and business service sector. This is slightly greater than the national average and above the figure for the Leeds City Regions of 20.5 per cent. The greatest concentrations are in Tadcaster, Skipton and Harrogate. It has grown by 144 per cent since 1991 including a growth of 28 per cent since 2003. This compares to a national change of 74 per cent and for the Leeds City Region 95 per cent since 1991. Since 2003 growth nationally has been 16 per cent and Leeds City region 19 per cent.

##### High levels of manufacturing employment

16.1 per cent of all jobs within this area are within the manufacturing sector, higher than the region and higher than other parts of the sub region and the City region. There is a substantial manufacturing presence across the spatial area in southern Selby, Sherburn and Tadcaster as well as Knaresborough and south Craven. It has grown in numbers by 47 per cent against the backdrop of very substantial declines nationally and regionally.

##### Conference and Business Tourism within Harrogate

There is a particular high concentration of hospitality and retail employment in Harrogate town

(42 per cent) and 35 per cent in Knaresborough. Outside of the southern part of Selby this sector broadly reflects the sub regional average.

##### A highly skilled workforce

45 per cent of residents are in higher level occupations with the highest levels in Harrogate town (54 per cent) and Knaresborough (48 per cent). Throughout the spatial area these levels are at or above the average of 37 per cent for the Leeds City Region.

23 per cent have higher level qualifications with high levels in Harrogate town (31 per cent). Lower levels of 17 per cent, the Leeds City Region average, apply to the Sherburn and Southern Selby.

##### Significant level of out migration to work

66 per cent of all jobs within the spatial area are taken up by people living within the area. There is a substantial flow net flow out particularly to West Yorkshire. Just over 28 per cent travel to Leeds and Bradford. Some of these movements are very local between South Craven and Keighley and Tadcaster and Wetherby but there is also an important flow to the city centres of Bradford and Leeds. 20 per cent of jobs are taken by West Yorkshire flows into the area. There is a balanced flow with the York sub area. This means that in total there is a net outflow as there are 8 per cent more residents in employment than jobs.

##### Connections to the Leeds City Region economy

There are critical connections with West Yorkshire, for both businesses and residents. Finance and business services in particular are important employers in York, Harrogate and Skipton and have strong connections with the sector in Leeds and Bradford. There are a significant number of residents particularly from Harrogate and Selby who are employed in Leeds, and Skipton connects with the Bradford area. Harrogate's business tourism offer is an integral contribution to the city region's offer.

## 4.4 Remote Rural West

### Key Points

- Exceptionally high growth (75 per cent between 1991 to 2008) in employment but now marking time;
- Self employment very important;
- Half of all jobs in micro enterprises, twice the sub regional rate.

This area can be defined the area covering approximately the Yorkshire Dales National Park area and the Nidderdale AONB area. It includes the towns and surrounding areas of Grassington, Settle, Bentham and Ingleton in Craven District, Pateley Bridge and Masham in Harrogate Borough, and

Leyburn, Middleham, Hawes and Reeth in Richmondshire District.

The spatial area has a population of approximately 55,000 people, representing 7 per cent of the sub region's population and has grown by 7 per cent in the period 2001 to 2007.

### Spatial Assessment

#### A rural area with significant job growth.

Employment has grown by 7,700 from 1991 to 2008 a rate of 75 per cent the highest in the sub region and three times the rate nationally. Virtually all of this growth was before 2003. Most of the growth has been across all broad employment groups.

There are also around 7,700 self employed against 17,900 in employment and this is an important part of the economic picture.

#### Most jobs are within very small firms or self employment

Nearly a third of the self employed are in agriculture, with self employment occurring across a range of other sectors such as manufacturing and construction and also retail/hotels/restaurants, reflecting the nature of the economy of this area.

As well as high levels of self employment, very small firms employing less than 4 people dominate the make up of the business stock, 78 per cent of all businesses. In terms of employment this represents 27 per cent of employment which is double that for the sub region.

When combined with figures for self employed around 49 per cent of jobs are in enterprises employing less than five compared to 26 per cent for the sub region as a whole.

#### Importance of Agriculture and the Landscape

Clearly the quality of the environment is critical for the economy. The assessment will include more information on the issues for upland farming.

#### The changes in the Economy

The growth since 1991 includes manufacturing (32 per cent), construction (136 per cent), finance and business services (199 per cent), hospitality and retail (51 per cent) and public administration (83 per cent). The business structure has become less dependent on hospitality and retail since 1991 moving from 35 per cent to 28 per cent, seen a reduction from 16 per cent in manufacturing to 12 per cent and a rise from 8 per cent in finance and business services to 14 per cent, which is still relatively low. More work needs to be done to understand these changes.

#### Importance of employment centres on periphery

As expected for such a large and sparse area travel to work patterns are varied. 72 per cent of all jobs within the spatial area are taken up by people living within the area. There are however 17 per cent more residents in employment than jobs and there is a net flow out particularly to across the border to Lancashire/Cumbria and a balanced flow with the other neighbouring areas.

#### Fewer young people of working age

Only 19 per cent of the population is within the 15-34 age group compared to the 27 per cent across the region.

#### Skills

42 per cent of residents in employment are in higher level occupations. In the southern area this rise to 46 per cent but in the northern area the average is 36 per cent, (the same as the regional figure average). This pattern is repeated for higher level skills which are high at 25 per cent of the population but the better figures are in the south.

## 4.5 The Coastal Area Economy

### Key Points

- A low growth in employment (9 per cent between 1991 to 2008) and an unchanging economy;
- High dependence on hospitality and retail but experienced very low growth;
- High levels of worklessness.

This area covers primarily the coastal areas in and around Scarborough town and Filey.

The spatial area has a population of approximately

83,000 people, representing 11 per cent of the sub region's population and has grown by 3 per cent in the period 2001 – 2007, below the regional and sub regional average.

### Spatial Assessment

#### A low growth and unchanging economy

Since 1991 employment has grown by 2,600 (9 per cent) to 2008 compared to 25 per cent nationally and 35 per cent regionally. There has been a reduction of employment of 2 per cent in the period 2003-2008.

There have been no dramatic movements in particular sectors and indeed manufacturing in losing 11 per cent of employment in that period, has done well relative to other areas. Most of these losses have been since 2003. Changes in service employment have not been as significant as elsewhere. There have been no big losses and no major gains.

Self employment is 16.5 per cent of all employment, the same figure as for the sub region but above the region at 12 per cent.

#### An Ageing population

The Scarborough coastal area has the highest proportion of residents over 65, at 22 per cent of all residents this is significantly higher than the region and sub regional figures. One factor that will be explored in the assessment is the scale of the local service economy and how that relates to the visitor economy.

#### Significant visitor economy sector

32 per cent of all employment within this spatial area is within the hospitality and retail sector a proportion that was the same in 1991. Numbers have grown by 9 per cent a very small figure relative to other areas. However it could be in danger of falling.

Investment through the Scarborough renaissance programme and in particular the development of the creative sector, and encouraging enterprise, are all initiatives to sustain this sector, which is vulnerable to long term changes in the visitor market.

#### Significant employment within the public sector

31 per cent of all employment is within the public sector, along with York sub Area is the highest level across all the spatial areas. This could be a product of high employment in health and social care and low levels of employment in other sectors, rather than a wider range of public sector opportunities.

#### High levels of worklessness/low skills

The numbers on work related benefits is 16 per cent of working population compared to 9 per cent in the sub region and 14 per cent regionally. There is a concentration of benefit claimants in certain wards.

33 per cent of residents are in higher occupations compared 35 per cent for the region as a whole. 16 per cent of the population have higher level qualifications compared to 22 per cent sub regionally. The regional figure is 16 per cent.

#### Low levels of out or inward commuting.

88 per cent of all jobs within the spatial area are taken up by people living within the area. There are only 2 per cent more residents in employment than jobs. There is a balance of flow to the East Riding of about 1,700 each way, equivalent to around 5 per cent of residents in employment.

## 4.6 Remote Rural East

### Key Points

- Job growth (27 per cent between 1991 to 2008) very similar to that seen nationally, with little change to employment structure;
- Very high and unchanging dependence on hospitality and retail;
- High levels of self employment but less than remote rural west.

This area is defined as that covering roughly the North York Moors National Park area and the northern area of Ryedale District and the Whitby area of Scarborough Borough. It includes the towns and surrounding areas of Whitby, Helmsley, Kirkbymoorside and Pickering.

The spatial area has a population of approximately 55,000 people, representing 7 per cent of the sub region's population and has grown by 2 per cent in the period 2001 - 2007.

### Spatial Assessment

#### Area of average job growth

Employment has grown in the period 1991 to 2008 by 27 per cent similar to the national figure of 25 per cent. This is below the rate for the sub region but better than the performance in the coastal spatial area. There has been no change in employment number since 2003.

#### Dominance of the Visitor economy

Cultural, heritage and environmental assets underpin an important visitor economy sector. 38 per cent of all businesses and 35 per cent (5,600 people) of all employment are within the hospitality and retailing sector, significantly higher than the rest of the sub region and over 10pp higher than the region. This proportion of employment has remained unchanged since 1991.

#### An unchanged employment structure

The structure of the economy has remained largely unchanged with manufacturing providing 11 per cent of jobs compared to 14 per cent in 1991 and most other services employing broadly the same proportions. This is in marked contrast to rural area west where employment changes have been the most dramatic in the sub region.

#### Agriculture and land management

Further analysis is required to understand further the nature of agriculture and upland land management issues. It is characterised by a high value landscape and biodiversity of an upland nature.

#### High proportion of jobs within very small firms and self employment

Self employment accounts for 26 per cent of all jobs within this spatial area. It is 10 per cent higher than the sub regional figure and 14 per cent higher than the region. This figure reaches 29 per cent in the

Helmsley and Kirkbymoorside area. Only the Remote Rural west area has a higher figure.

This self employment covers a range of industries including agriculture, manufacturing and construction and retail, hotels and restaurants.

37 per cent of jobs are in self employment or in firms employing less than five, the highest ratio after the Remote Rural West. 35 per cent of jobs are in business units employing more than 50 a much higher figure than the 17 per cent in Remote Rural West.

#### Fewer young people of working age

Only 15 per cent of the population is within the 15-29 age group compared to the 19 per cent across the region.

#### Self dependent on jobs and services

This area has a scattered population dependent on its key local services centres for both services and employment. Unlike the remote Rural West area this spatial area doesn't rely as much on neighbouring areas for jobs.

84 per cent of all jobs within the spatial area are taken up by people living within the area. There are however 15 per cent more residents in employment than jobs and there is a net flow out particularly to the Malton area and to the Tees Valley.

#### Indications of rural worklessness

Within the Remote Rural East spatial area the work related benefits rate is almost 9 per cent. This is significantly higher than the Remote Rural West area and is just above the Sub regional rate. This rate is not isolated to one area although the Whitby and its surrounding area reaches nearly 12 per cent.

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