

**NATIONAL EMPLOYERS SKILLS SURVEY 2003
KEY FINDINGS IN HARROGATE LOCAL
AUTHORITY DISTRICT**

November 2004

**Report prepared for
The Learning and Skills Council North Yorkshire by:**

**NOP Social and Political
Ludgate House
245 Blackfriars Road
London SE1 9UL**

**Contact: Julie Talbot
Tel 020 7890 9075
E-mail: Ju.talbot@nopworld.com**

Table of Contents

1	EXECUTIVE SUMMARY	4
1.1	Introduction	4
1.2	Main findings.....	4
2	INTRODUCTION.....	6
2.1	Background.....	6
2.2	Context.....	6
2.3	Aims and objectives	7
2.4	Definitions	7
2.5	Employee and Employer based findings	8
3	THE HARROGATE WORKFORCE	9
3.1	Introduction	9
3.2	Workforce structure	9
3.3	Anticipated employment growth.....	10
4	REGIONAL AND NATIONAL COMPARISONS	11
5	RECRUITMENT PROBLEMS	13
5.1	Introduction	13
5.2	Summary of the incidence and number of vacancies	13
5.3	Overall numbers of vacancies by size of establishment	15
6	SKILLS GAPS	16
6.1	Introduction	16
6.2	Incidence and number of Skills Gaps	16
6.3	Main causes of skills gaps	17
6.4	Skills lacking	18
6.5	Impacts of skill gaps	20
6.6	Actions taken to combat skill gaps.....	21
6.7	Barriers to a fully skilled workforce	23
7	TRAINING	25
7.1	Introduction	25
7.2	Formal planning of training.....	25
7.3	Incidence of training	27
7.4	Training volume and expenditure	27
7.5	Types of training	27
7.6	Training leading to a formal qualification	29
7.7	Investors in People	29
7.8	Employer engagement with local colleges	29
8	CONCLUSIONS.....	30

Index of Tables and Figures

Table 1	Occupational profile of employment nationally, sub regionally and by LAD	10
Table 2	Expected change in employment nationally, sub regionally and by LAD.....	10
Table 3	Comparisons across the sub region, region and nationally	11
Table 4	Comparisons across York and North Yorkshire and local authority districts	12
Table 5	Overall incidence and number of vacancies in Harrogate	13
Table 6	Summary of reported vacancies nationally, sub regionally and by LAD	14
Figure 1	Vacancies as a percent of employment across LADs	14
Figure 2	Incidence of vacancies by establishment size in Harrogate	15
Figure 3	Overall distribution of vacancies and employment in Harrogate by size.....	15
Table 7	Incidence and number of skills gaps nationally, sub regionally and by LAD.....	16
Figure 4	Main causes of skill gaps in Harrogate	17
Table 8	Main causes of Skills Gaps nationally, sub regionally and by LAD	18
Figure 5	Skills lacking in Harrogate	19
Table 9	Skills lacking nationally, sub regionally and by LAD	19
Figure 6	The impacts of skill gaps in Harrogate	20
Table 10	Impact of skills gaps nationally, sub regionally and by LAD	21
Figure 7	Actions taken to combat skill gaps in Harrogate	22
Table 11	Actions taken to combat skill gaps nationally, sub regionally and by LAD.....	22
Figure 8	Barriers to a fully skilled workforce – an overall picture in Harrogate.....	23
Table 12	Barriers to a fully-skilled workforce nationally, sub regionally and by LAD	24
Figure 9	Barriers to a fully skilled workforce by skill gaps status in Harrogate	24
Figure 10	Business planning and training plans in Harrogate, sub regionally and nationally	25
Table 13	Business and training plans nationally, sub regionally and by LAD	26
Table 14	Percentage of employees in receipt of training nationally, sub regionally and by LAD.....	27
Figure 11	Types of training provided in Harrogate, York & North Yorkshire and England.....	28
Table 15	Types of training provided by employers over last 12 months nationally, sub regionally and by LAD.....	28
Figure 12	Investors in people by LAD	29

1 EXECUTIVE SUMMARY

1.1 Introduction

This report is based on 288 telephone interviews carried out with employers in the Harrogate Local Authority District (hereafter referred to as Harrogate). These interviews are a combination of those which took place between March and July 2003 as part of the National Employers' Skills Survey and additional boost interviews carried out during September 2003. These additional interviews were conducted to allow analysis within Local Authority Districts, with all interviews then being combined to produce a single set of findings.

The survey provides information on the skill needs of employers specifically looking at:

- How many employers face difficulties recruiting, and to what extent are these difficulties caused by skill deficiencies among applicants?
- Skill deficiencies among the workforce, what is the nature and impact of these deficiencies and what steps are employers taking to meet these skill deficiencies?
- To what extent do employers assess the skill needs of their workforce and plan their training activity, and more generally what is the extent and nature of training funded or arranged by employers?
- To what extent are learning and training providers engaging with employers?

1.2 Main findings

In line with the national picture, over a third of employers in Harrogate expect their workforce to grow over the next 12 months and only 4% expect to see a decrease.

Almost a quarter (20%) of employers have vacancies in Harrogate. This is higher than the national average of 17% but lower than the York and North Yorkshire average of 22%. Vacancies account for 4% of employment in Harrogate.

Clearly job vacancies are a reflection of both staff turnover and sometimes of growth and are a normal part of business life. They become a problem, however, when they are difficult to fill within the available timescale or to fill with the desired quality of employee. It is therefore significant that 12% of Harrogate employers have vacancies that are proving difficult to fill and 7% have vacancies that are due to skill-shortages. These figures are similar to the York and North Yorkshire averages of 13% and 7% respectively, but higher than the national figures.

Small employers, not only in Harrogate, but also nationally, in York and North Yorkshire and across the LADs, account for a disproportionate share of vacancies and, in particular, of hard to fill and skill shortage vacancies. Establishments with 5-24 employees in Harrogate, for example, account for 29% of employment but 45% of vacancies.

Internal skills gaps

Almost a third (29%) of employers are experiencing internal skill gaps in Harrogate. This figure is 7 percentage points higher than the national average and 2 percentage points higher than that of York and North Yorkshire. In terms of the number of employees, this translates into over 6,666 (people with) skill gaps in Harrogate, representing 10% of total employment in Harrogate. Although there is no additional information on the extent of their lack of proficiency¹ the result indicates that the volume of internal skill gaps far exceeds that of external recruitment problems (around 2,628 vacancies in Harrogate in total, of which some 1,487 (c. 57%) are hard to fill).

The skill gaps are mainly attributed to lack of experience (mentioned by 67% of employers in Harrogate) but the quality of the labour pool is also a factor given that 37% of Harrogate employers mention recruitment problems as the cause. This compares to 25% of the national sample and 40% in York and North Yorkshire. Employee attitudes in Harrogate are also a factor, with lack of motivation a particular problem.

Training activity

The vast majority of Harrogate employers with skill gaps (93%) say that they are undertaking training to combat these but employers also recognise the barriers they face in maintaining a fully skilled workforce. Where barriers do exist in Harrogate, they mostly revolve around the opportunity cost of training, with 62% stating that lack of time for training and 57% lack of cover for training. A further 38% believe that a lack of funds for training will impair their chances of having a fully proficient workforce in the future.

These are effectively internal constraints over which the establishment, or the organisation it forms part of (if not necessarily the respondent him or herself) has at least partial control.

A secondary level of barriers incorporates key external constraints (lack of suitable courses and lack of available courses in the local area per se – 18% and 21% respectively in Harrogate) and constraints which straddle the internal and the external. The latter category of response includes unwillingness of staff to train (23% in Harrogate). It also incorporates high staff turnover (24% in Harrogate), which may be a function of internal issues but also a function of (external) competition for labour.

There is evidence of a reasonable amount of training activity taking place across Harrogate: 67% of employers have provided training in the last 12 months and 42% have training plans in place. Looking at this in terms of number of employees receiving training, 56% of employees in Harrogate received training in the last 12 months.

19% of establishments in Harrogate had liP accreditation.

Clearly where employers rely upon the external labour market to provide fully trained people rather than training their own employees, the likely consequence is that they will encounter difficulties recruiting, especially in relation to intermediate level skills.

¹ Employers were asked about the number of staff not fully proficient but not for details on how close these staff were to full proficiency.

2 INTRODUCTION

2.1 Background

This report is based on 289 telephone interviews carried out with employers in the Harrogate Local Authority District (hereafter referred to as Harrogate). These interviews are a combination of those which took place between March and July 2003 as part of the National Employers' Skills Survey and additional boost interviews carried out during September 2003. These additional interviews were conducted to allow analysis within Local Authority Districts, with all interviews then being combined to produce a single set of findings.

2.2 Context

The district of Harrogate accounts for 16% of the geography of the sub region, with a population density of 1.3 people per hectare. The main centres of population within the district are Harrogate, Knaresborough and Ripon. In 2001 the total population stood at 151,336, comprising of 73,183 males (48.4%) and 78,153 females (51.6%). 5% of the population falls into the 16-19 age band and 43% of the population being 45+. Since 1991 the population had increased by 11,100 (7.9%). 4.6% of all households are lone parent households and 98.4% of the population is White. 15.6% of all residents rate themselves as having some limiting long-term illness that affected the type of work they could do, with the exception of Scarborough (21.6%) this figure does not vary greatly from the other districts. A total of 14,524 people provided unpaid care for others in the district (9.6%).

In 2002 there were 66,300 people employed in the district (excluding self-employed). Males filled some 46% of employed jobs in the district and 61% of employed jobs were full time. Distribution, hotels and restaurants accounted for 32% of employed jobs, while public administration, education and health accounted for a further 25%. Only 9% of jobs were in manufacturing. The most significant changes to these proportions over the last five years can be seen in the decline in those employed in the agriculture and fishing, energy and water sectors and a significant increase in the sectors of distribution, hotels and restaurants; public administration, education and health and banking and also finance and insurance.

The Census of Population 2001 found that 11.9% of employed residents aged between 16 and 74 are in self-employment, with Harrogate having the fifth highest self-employment rate throughout the York and North Yorkshire area.

64.3% of workers resident in Harrogate travel to work by car, while a further 5.5% use public transport. 12.6% of adult residents who were working stated that they worked fully or mainly from home. This is the fifth highest proportion for any district in the sub region.

At the time of the Census of Population 2001, unemployment stood at 1.9% ⁽²⁾.

² Using the ILO definition of those out of work who have actively sought work in the last four weeks and are available to start work in the next fortnight or out of work but waiting to start a job in the next fortnight.

2.3 Aims and objectives

The survey provides information on the skill needs of employers specifically looking at:

- How many employers face difficulties recruiting, and to what extent are these difficulties caused by skill deficiencies among applicants?
- Skill deficiencies among the workforce, what is the nature and impact of these deficiencies and what steps are employers taking to meet these skill deficiencies?
- To what extent do employers assess the skill needs of their workforce and plan their training activity, and more generally what is the extent and nature of training funded or arranged by employers?
- To what extent are learning and training providers engaging with employers?

2.4 Definitions

This report uses a number of terms throughout. These are defined as follows:

- **Recruitment problems** refer to vacancies that the employer describes as either hard to fill or skill-shortage related
- **Hard to fill vacancies (HtFVs)** are those vacancies self classified by the respondent as hard to fill
- **Skill-shortage vacancies (SSVs)** are defined as hard to fill vacancies where applicants do not have the required skills, experience, or qualifications required
- **Skill gaps**, or internal skill gaps, refer to the extent to which employers perceive employees are less than fully proficient for their current job
- **Skill deficiencies** refer to the sum of skill gaps and skill shortage vacancies.

2.5 Employee and Employer based findings

Within the National Employer Survey there are essentially two weightings and also ways in which to report the information, either reflect findings for either all employers / establishments or alternatively all employment (employees).

It is important that the findings from the survey are representative / reflect all employers and employees in the workplace. This is often achieved by “weighting” the data. As an example interviews were conducted with 70 establishments that are classified as personal household goods businesses. The first weighting was to ensure the 70 interviews reflect the overall number of businesses of that type in Harrogate LAD, in this case 1,724 personal household goods businesses. With the report, such findings are referred to as all employers / establishments findings.

The second weight allows the survey to reflect the number of employees, in this case within a particular business type in Harrogate LAD. For example the 1,724 personal household goods businesses in Harrogate LAD is weighted to reflect all employees in this type, thus resulting in grand total of 14,395 employees. Within the report such findings are referred to as all employees.

Below are the overall unweighted base sizes for the LADs that are used within this report. Other base sizes used in the report are all vacancies, all skills gaps, all skills gaps followed up and all employers who train. All of these unweighted base sizes are above 50, and therefore deemed statistically sound.

Base: All employers or establishments

LAD

➤ Craven	228	➤ Ryedale	223
➤ Hambleton	257	➤ Scarborough	248
➤ Harrogate	288	➤ Selby	273
➤ Richmondshire	215	➤ York	309

It should be noted that it was intended for the data for the separate LADs to be analysed separately from the national data, as the sampling and weighting methodologies were different, and the datasets are not directly comparable. However, the Learning and Skills Council North Yorkshire has asked NOP to include the data for England, the region and the sub region alongside the data from the boosts. Therefore, the comparisons must be used with caution, as the sampling and weighting methodologies used significantly differ.

3 THE HARROGATE WORKFORCE

3.1 Introduction

This section outlines the profile of employment in Harrogate by occupation and considers the growth employers anticipate in the next 12 months.

3.2 Workforce structure

The workforce in Harrogate described by employers who took part in the survey is broadly similar in profile to both the national and York and North Yorkshire workforces. This is based on using five percentage points or more as a guide for significant differences. Table 1 below shows that no occupations in Harrogate differ more than five percentage points from those in all of England or York and North Yorkshire.

Comparisons across the LADs show stronger differences. Using the table mentioned above, the main differences between LADs are:

- Ryedale has a significantly higher proportion of professionals than any other LAD (17%)
- The Unitary authority of York (hereafter referred to as York) has a much higher proportion of associate professionals (10%) than other LADs
- Harrogate and Craven have a higher proportion of administrative staff (15% and 14% respectively). Scarborough has fewer administrative staff than any of the other LADs (9%)
- York has fewer skilled trades occupations than other LADs (8%)
- York (11%) and Scarborough (10%) have more personal service staff occupations than any of the other LADs
- Regarding machine operatives, Selby has the most with 17%, whilst this group makes up only 4% of the workforce in Richmondshire
- Richmondshire has significantly more elementary occupations than any other LAD (26%).

Table 1 Occupational profile of employment nationally, sub regionally and by LAD

%	Managers	Professionals	Associate prof.	Administrative	Skilled trades	Personal services	Sales	Operatives	Elementary
<i>Overall</i>									
England	13	14	8	13	9	6	16	8	14
York & North Yorkshire	12	12	7	13	9	8	15	7	18
<i>LAD</i>									
Craven	11	12	3	14	14	7	14	7	17
Hambleton	12	10	7	13	10	9	14	8	17
Harrogate	12	13	5	15	11	5	17	6	15
Richmondshire	10	14	4	10	10	8	13	4	26
Ryedale	10	17	6	11	11	7	10	14	14
Scarborough	10	11	5	9	12	10	14	11	18
Selby	10	9	6	13	9	4	12	17	19
York	12	11	10	11	8	11	16	4	17

Base: All employees

3.3 Anticipated employment growth

Just over a third (36%) of employers in Harrogate expect their workforce to grow over the next 12 months. This mirrors the national average (35%) and that of the sub region where 34% expect an increase. Regarding those anticipating a decrease, 4% of employers in Harrogate anticipated a decrease, compared to 4% nationally and 3% in the sub region.

Looking across all eight LADs, Selby is the most optimistic LAD where 45% of employers are expecting to increase staff in the next 12 months, closely followed by 42% in York. Employers in Ryedale do however have a higher propensity to say they will be decreasing staff than the other LADs (7%), as can be seen in Table 2 below.

Table 2 Expected change in employment nationally, sub regionally and by LAD

%	Increase	Stay the same	Decrease
<i>Overall</i>			
England	35	60	4
York & North Yorkshire	34	62	3
<i>LAD</i>			
Craven	35	63	3
Hambleton	33	62	3
Harrogate	36	57	4
Richmondshire	30	65	4
Ryedale	29	63	7
Scarborough	28	69	2
Selby	45	49	4
York	42	53	4

Base: All establishments

NB: Don't Know responses have been excluded from all tables.

Whilst these predictions of growth are very positive there are already signs of pressure on the labour and skills supply. Looking first at the scale of the problem, the overall picture is outlined in the next section.

4 REGIONAL AND NATIONAL COMPARISONS

The table below compares the key findings in York and North Yorkshire with the figures for Yorkshire and Humberside and all of England. These findings are discussed in more detail within the relevant chapters. Table 4 shows comparisons across the eight local authority districts.

As can be seen in Table 3 below, a similar percentage of establishments in Harrogate have vacancies as in York and North Yorkshire, Yorkshire and Humberside and nationally.

Regarding skills shortage vacancies, Harrogate mirrors York and North Yorkshire and is roughly in line with the national average and with Yorkshire and Humberside. Harrogate also mirrors the picture seen in the sub region with regard to hard to fill vacancies.

The percentage of establishments with skills gaps in Harrogate is again similar to the region and sub regional averages, but higher than the national average.

Similar numbers of establishments in Harrogate have a training plan, provide training or have Investors in People accreditation as is the case at the other levels, e.g. at a sub regional level.

Table 3 Comparisons across the sub region, region and nationally

Vacancies and recruitment problems	Harrogate	York & North Yorkshire	Yorkshire and Humberside	England
% of establishments with vacancies	20%	22%	19%	17%
% of establishments with hard to fill vacancies	12%	13%	9%	8%
% of establishments with skill shortage vacancies	7%	7%	5%	4%
Vacancies as % of employment	4%	4%	3%	3%
Skill gaps				
% of establishments with skill gaps	29%	27%	29%	22%
Skill gaps as a % of employment	10%	12%	8%	11%
Training				
% of establishments with a training plan	42%	40%	42%	39%
% of establishments providing training	67%	59%	60%	59%
% of establishments with Investors in People (IiP)	19%	18%	19%	16%

National Employer Skills Survey for Harrogate Local Authority District

As can be seen in Table 4, the key findings differ significantly across the LADs, including:

- Establishments with vacancies vary between 19% in Selby and 29% in York
- Craven has a significantly higher proportion of hard to fill vacancies (15%) than Scarborough and Selby (8% each)
- Only 2% of establishments in Richmondshire have skills shortage vacancies, while 8% of establishments in York suffer from this problem
- Looking at hard to fill vacancies as a percentage of vacancies, the figure is 63% for both Craven and Richmondshire; however, only 22% in York
- Only 13% of establishments in Selby have skills gaps; however, nearly a third (29%) in Harrogate have this problem
- Looking at skills gaps as a percentage of employment (i.e. considering employees) shows a different story: in Ryedale skills gaps are only 7% of employment, whilst this figure is 17% in York
- Only 29% of establishments in Ryedale have a training plan, whilst 45% in York do
- York is also most likely to provide training (62% of establishments) and Craven least likely (56% of establishments)
- Finally only 13% of establishments in both Craven and Ryedale are Investors in People; however, 23% in Richmondshire do.

Table 4 Comparisons across York and North Yorkshire and local authority districts

Vacancies and recruitment problems	York & North Yorkshire	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York
Establishments with vacancies	22%	24%	21%	20%	23%	16%	16%	19%	29%
Establishments with hard to fill vacancies	13%	15%	10%	12%	13%	11%	8%	8%	12%
Establishments with skill shortage vacancies	7%	7%	3%	7%	2%	6%	4%	4%	8%
Hard to fill vacancies as a % of employment	1.7%	2.9%	1.3%	2.3%	3.0%	1.8%	1.5%	2.0%	1.2%
Hard to fill vacancies as a % of vacancies	47%	63%	38%	57%	63%	56%	47%	60%	22%
Skill gaps									
Establishments with skill gaps	27%	18%	18%	29%	22%	21%	22%	13%	31%
Skill gaps as a % of employment	12%	9%	11%	10%	11%	7%	9%	9%	17%
Training									
Establishments with a training plan	40%	31%	39%	42%	35%	29%	37%	41%	45%
Establishments providing training	59%	56%	58%	67%	58%	52%	50%	61%	62%
Establishments with Investors in People (IiP)	18%	13%	16%	19%	23%	13%	15%	14%	20%

5 RECRUITMENT PROBLEMS

5.1 Introduction

This chapter examines the scale and nature of recruitment problems in Harrogate. The base sizes for hard to fill (htf) vacancies and skills shortage vacancies (ssv) are small (42 and 18 respondents respectively), and vacancy data is not therefore reported on at LAD level. Also, due to small base sizes, the size bands are reported on are 1-4, 5-24 and 25+ employees.

5.2 Summary of the incidence and number of vacancies

It is estimated from the survey that there are 2,628 vacancies in Harrogate, accounting for 4% of total employment. The national average is 3%, and in York and North Yorkshire vacancies account for 4% of employment.

Clearly job vacancies are a reflection of both staff turnover and sometimes of growth and can therefore be a normal part of business life. They become a problem, however, when they are difficult to fill within the available timescale or to fill with the desired quality of employee. In York and North Yorkshire, 13% of employers have vacancies that are proving difficult to fill and 7% have vacancies that are due to skill-shortages. These figures are higher than the national figures of 8% and 4% respectively. It is to some degree positive to note, therefore, that the figures for Harrogate are not significantly different from York and North Yorkshire, where 12% of employers report hard to fill vacancies and 7% skills shortage vacancies.

Table 5 Overall incidence and number of vacancies in Harrogate

%	% of all establishments reporting	Number of vacancies	Vacancies as a % of employment
All vacancies	20	2,628	4
Hard to fill vacancies	12	1,487	2
Skill-shortage vacancies	7	609	1

Base: All establishments

Table 6 looks at vacancies as a percent of employment. As can be seen, none of the numbers differ significantly.

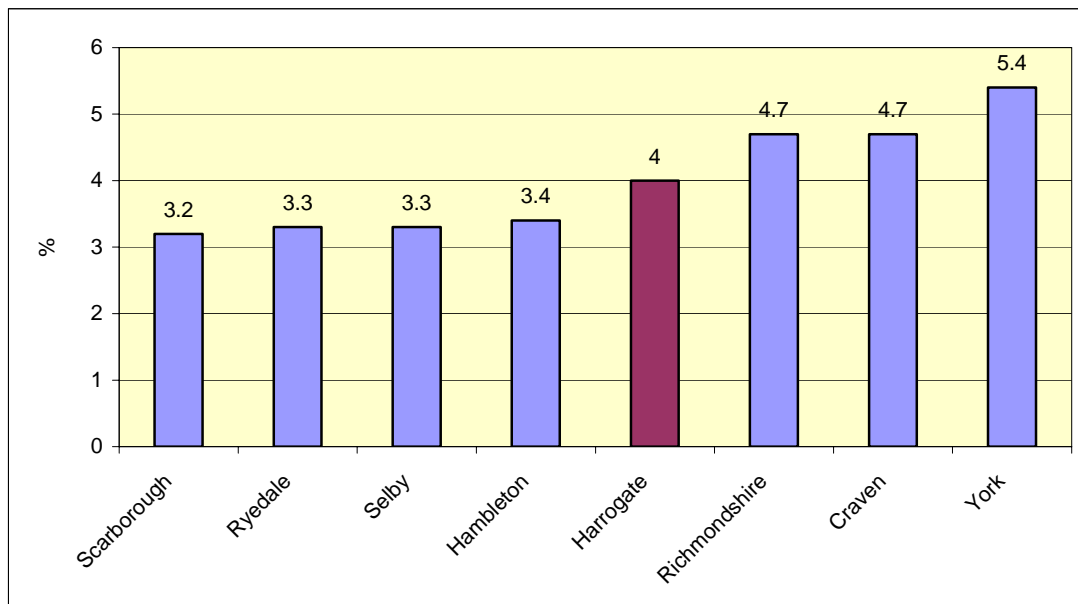
Table 6 Summary of reported vacancies nationally, sub regionally and by LAD

%	Total unfilled vacancies as a % of employment	Total hard-to-fill vacancies as a % of employment	Total skill-shortage vacancies as a % of employment
	%	%	%
<i>Overall</i>			
England	3	1	1
York & North Yorkshire	4	2	1
<i>LAD</i>			
Craven	5	3	1
Hambleton	3	1	0
Harrogate	4	2	1
Richmondshire	5	3	0
Ryedale	3	2	1
Scarborough	3	2	1
Selby	3	2	1
York	5	1	1

Base: All employment

Figure 1 Looks at vacancies as a percent of employment across all eight LADs. As can be seen in the incidence of vacancies, Harrogate is above a number of the other LADs in York and North Yorkshire. York does however have the highest, with 5.4% with vacancies.

Figure 1 Vacancies as a percent of employment across LADs

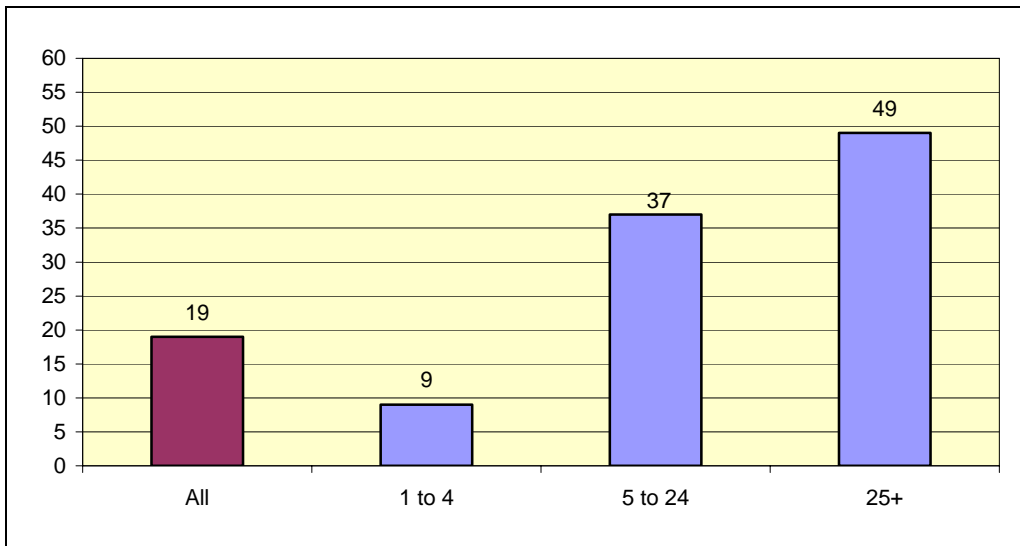


Base: Total employment and total unfilled vacancies

5.3 Overall numbers of vacancies by size of establishment

Figure 2 shows the incidence of vacancies by establishment size in Harrogate. As it is only possible to group employer size in the broadest of bands, only general findings can be derived at LAD level.

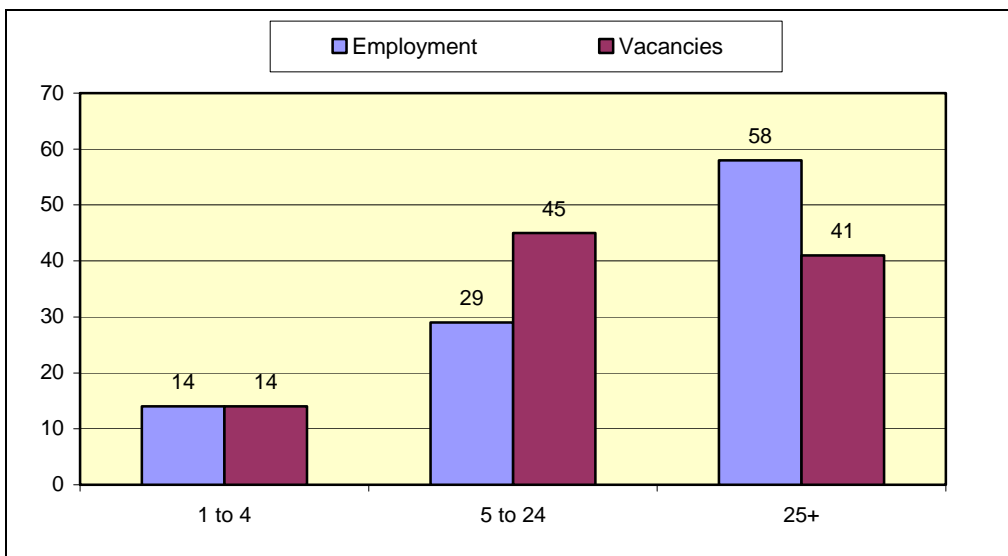
Figure 2 Incidence of vacancies by establishment size in Harrogate



Base: All employers

Figure 3, however, shows a clearer picture in that it shows what proportion of employment is accounted for by employers in different size bands and then compares this to the proportion of vacancies they account for. It is clear from this that small employers account for a disproportionate number of vacancies, as for example, establishments with 5 to 24 employees account for 29% of employment, but 45% of vacancies.

Figure 3 Overall distribution of vacancies and employment in Harrogate by size



Base: All employment, all vacancies

6 SKILLS GAPS

6.1 Introduction

The previous chapter has established the extent of recruitment difficulties. This chapter focuses upon the internal skills deficiencies (also known as skills gaps) facing employers in Harrogate. A skills gap is defined as existing where, in the opinion of their employer, an employee is not fully proficient at their job.

6.2 Incidence and number of Skills Gaps

29% of employers in Harrogate report skill gaps within their workforce. This figure is 7 percentage points higher than the national average, and 2% percentage points higher than in York and North Yorkshire.

In terms of the number of employees, this translates into over 6,666 (people with) skill gaps in Harrogate, representing 10% of total employment in Harrogate. This figure is 12% for all of York and North Yorkshire.

Table 7 below shows the incidence and number of skills gaps across the eight LADs. York has the highest proportion of establishments with skills gaps (31%) and Selby the lowest (13%). However, when looking at skills gaps as a proportion of employment (i.e. all employees), York has only 4%, whilst Hambleton, Harrogate and Richmondshire have the highest with 11%.

Table 7 Incidence and number of skills gaps nationally, sub regionally and by LAD

%	% of estabs. with skills gaps	No. of skills gaps as % of employment
<i>Overall</i>		
England	22	11
York & North Yorkshire	27	12
<i>LAD</i>		
Craven	18	9
Hambleton	18	11
Harrogate	29	11
Richmondshire	22	11
Ryedale	21	10
Scarborough	22	10
Selby	13	10
York	31	4

Base: All employment

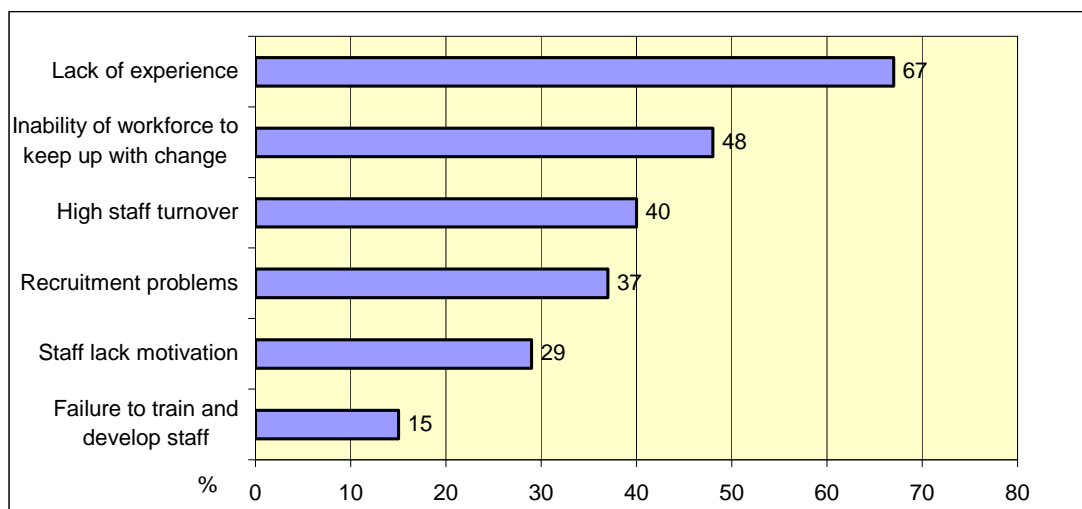
Although there is no additional information on the extent of their lack of proficiency³ the result indicates that the volume of internal skill gaps far exceeds that of external recruitment problems (around 2,628 vacancies in Harrogate in total, of which some 1,487 (c. 57%) were hard to fill).

6.3 Main causes of skills gaps

The majority (67%) of all skill gaps in Harrogate are, at least in part, a result of staff lacking experience. In some cases therefore, the skill gap will be temporary, other employers however may find that they are constantly having a number of employees who are in the “training up” stage. The second most important factor is the inability of the workforce to change.

Some employers in Harrogate are aware that they may be responsible for skill gaps: 15% recognised skills gaps as being, at least in part, the result of the failure of the establishment to train or develop their staff. In addition, two fifths (40%) of skills gaps in Harrogate are a result of high staff turnover, a factor which is also potentially within an employer’s power to influence.

Figure 4 Main causes of skill gaps in Harrogate



Base: All skill gaps followed up

³ Employers were asked about the number of staff not fully proficient but not details on how close these staff were to full proficiency.

As can be seen in Table 8 below, the failure to train and develop staff are mentioned less frequently in Harrogate than mentioned nationally or in York and North Yorkshire.

The main causes of skills gaps vary across LADs, as can be seen in Table 8. However, the most common cause for all is lack of experience. Key differences between the LADs include:

- All LADs named recruitment problems as their second most common cause except Harrogate (4th most common) and Scarborough (5th most common)
- High staff turnover was the least common cause for most LADs, the exceptions being Hambleton and Harrogate (both had this as their 3rd most common cause) and Selby (5th most common cause).

Table 8 Main causes of Skills Gaps nationally, sub regionally and by LAD

%	Lack of experience	Recruitment problems	Inability of workforce to keep up with change	Staff lack motivation	High staff turnover	Failure to train and develop staff
<i>Overall</i>						
England	72	27	29	33	23	29
York & North Yorkshire	79	40	36	33	32	31
<i>LAD</i>						
Craven	79	28	26	28	13	17
Hambleton	83	66	35	23	52	49
Harrogate	67	37	48	29	40	15
Richmondshire	85	60	30	47	10	47
Ryedale	81	38	31	29	17	27
Scarborough	75	31	33	37	22	37
Selby	88	41	17	40	23	26
York	96	57	45	49	34	48

Base: All with skill gaps followed up

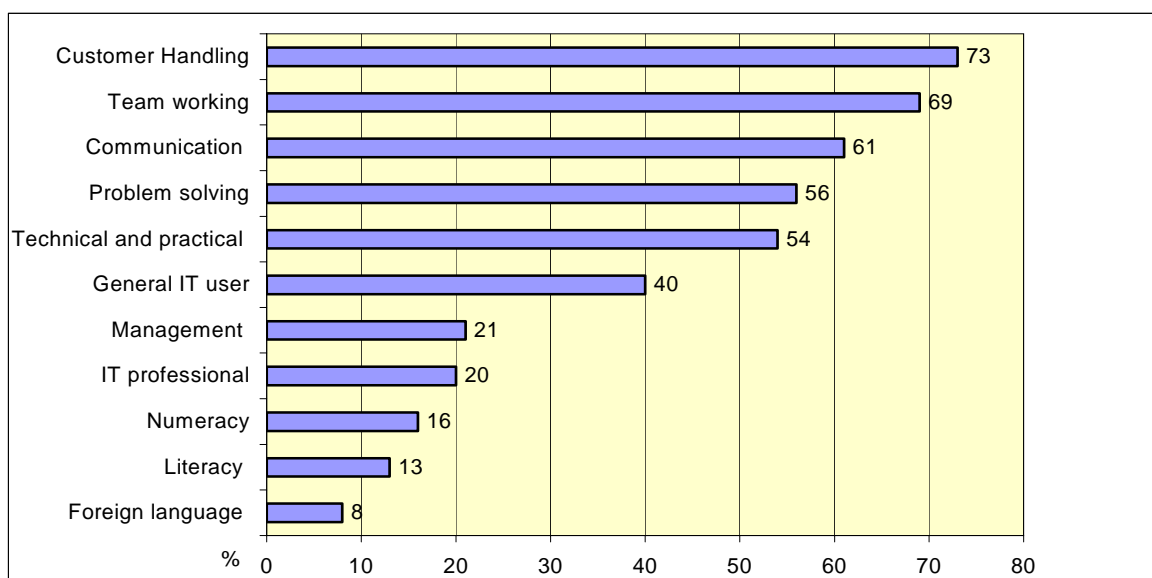
6.4 Skills lacking

Employers experiencing skill gaps were also asked to define what skills they felt needed improving for an occupation where staff was considered not fully proficient.⁴

Figure 5 shows the skills that employers experiencing skills gaps in Harrogate think are lacking. The lack of core skills, such communication skills reflect the picture at other levels, e.g. nationally and in the sub region.

⁴ Results are based on skill gaps followed up in detail. If an establishment had at least two occupations with skill gaps then one occupation was chosen at random.

Figure 5 Skills lacking in Harrogate



Base: All skill gaps followed up

Table 9 below shows the responses nationally, across York and North Yorkshire as well as the eight LADs. Harrogate's results are mostly in line with the national and York and North Yorkshire figures, except for management, literacy and numeracy skills seen as less of an issue. But the skills lacking in Harrogate still do reflect a greater incidence of multiple skills gaps spanning the five 'core' skills of customer handling, communication, problem solving, team working and technical and practical skills.

Table 9 Skills lacking nationally, sub regionally and by LAD

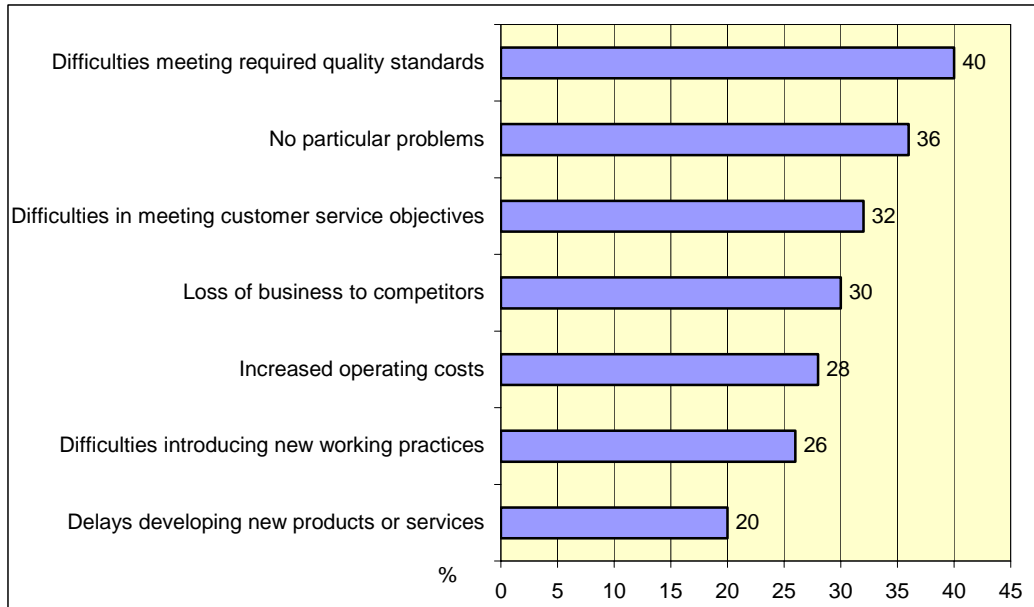
%	Communication skills	Customer handling skills	Team working skills	Technical and practical skills	Problem solving skills	General IT user skills	Management skills	Literacy skills	Numeracy skills	IT professional skills	Foreign language skills
<i>Overall</i>											
England	61	55	52	43	47	29	32	24	21	13	7
York & North Yorkshire	72	70	63	59	57	35	31	28	23	18	7
<i>LAD</i>											
Craven	62	64	61	58	62	38	29	22	11	20	2
Hambleton	66	79	72	62	74	43	49	25	31	12	2
Harrogate	61	73	69	54	56	40	21	13	16	20	8
Richmondshire	63	68	36	50	34	17	58	22	28	7	8
Ryedale	68	50	43	67	57	32	38	27	23	4	1
Scarborough	76	72	65	58	61	21	42	28	35	8	6
Selby	63	57	76	60	62	55	33	28	26	22	17
York	86	70	80	43	68	17	45	34	16	7	31

Base: All skills gaps followed up

6.5 Impacts of skill gaps

It is evident from the survey that employers have themselves identified serious impacts (to the business) as a result of skills gaps. These gaps are seen to result in “under-delivery” in service and a general slowing up of developmental activity.

Figure 6 The impacts of skill gaps in Harrogate



Base: All with skill gaps

Table 10 below shows the impacts of skills gaps nationally, for York & North Yorkshire and across the eight LADs. There are some differences between Harrogate and the national averages. These reflect the fact that more Harrogate employers are experiencing impacts than the national average, including:

- Difficulties in meeting required quality standards (Harrogate 40%, national 35%, York and North Yorkshire 45%)
- Difficulties in meeting customer service objectives (Harrogate 32%, national 36%, York and North Yorkshire 41%)
- Difficulties in introducing new working practices (Harrogate 26%, national 29%, York and North Yorkshire 28%)
- Loss of business to competitors (Harrogate 30%, national 21%, York and North Yorkshire 23%).

There are some variations across the LADs, notably:

- Craven is most likely to be impacted with difficulties in meeting required quality standards than the others
- Difficulties in meeting customer service objectives has a bigger impact in Richmondshire than elsewhere
- Increased operating costs are a particular issue in Selby, as is difficulties introducing new working practices
- Richmondshire is most likely to experience delays in developing new products and services and
- Scarborough is most likely to have lost business to competitors.

Table 10 Impact of skills gaps nationally, sub regionally and by LAD

%	Difficulties meeting required quality standards	Difficulties meeting customer service objectives	Increased operating costs	Difficulties introducing new working practices	No particular problems	Delays developing new products or services	Loss of business to competitors
<i>Overall</i>							
England	35	36	34	29	31	22	21
York & North Yorkshire	45	41	37	28	27	24	23
<i>LAD</i>							
Craven	56	42	34	37	27	30	13
Hambleton	41	41	43	36	29	16	19
Harrogate	40	32	28	26	36	20	30
Richmondshire	44	53	40	35	22	36	17
Ryedale	44	33	39	21	30	25	14
Scarborough	37	43	34	44	20	17	33
Selby	45	33	56	48	17	19	23
York	45	34	32	31	31	25	21

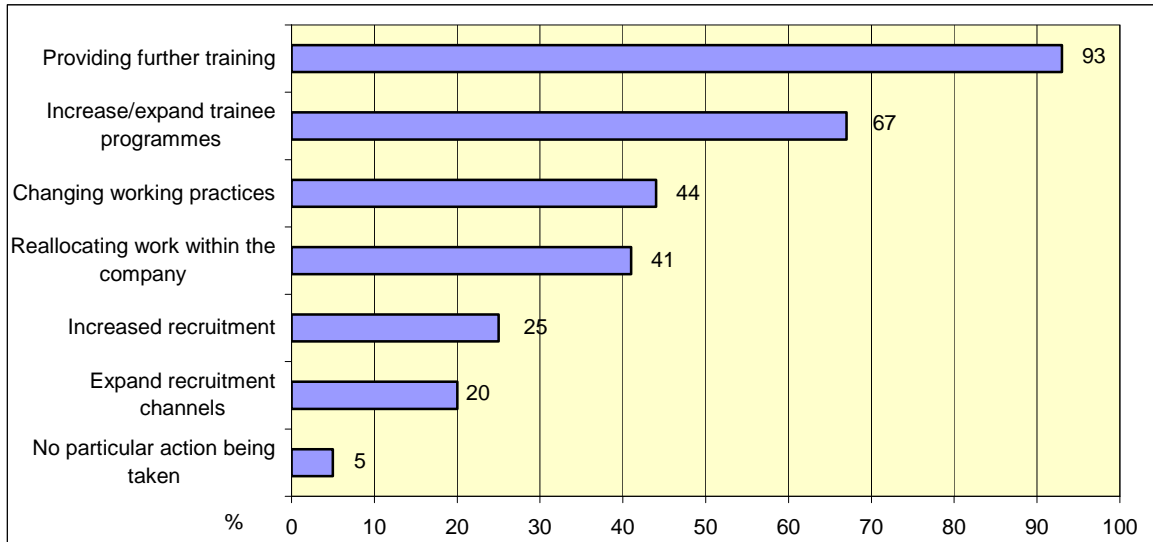
Base: All with skill gaps

6.6 Actions taken to combat skill gaps

Typically employers with internal skill gaps pursue a number of measures to help combat these problems. The vast majority (93%) of employers with skill gaps in Harrogate are providing further training, with 67% with skill gaps have increased trainee programmes.

25% of establishments with skill gaps in Harrogate increase recruitment activity as a response. It is possible, however, in such cases that the underlying problem will remain (particularly in the short term) as the main cause of skills gaps is inexperience.

Figure 7 Actions taken to combat skill gaps in Harrogate



Base: All with skill gaps

Nationally, in York and North Yorkshire and across the eight LADs, the actions taken are similar, as can be seen in Table 11 below.

Table 11 Actions taken to combat skill gaps nationally, sub regionally and by LAD

%	Provide further training	Increase/expand trainee programmes	Change working practices	Reallocate work within the company	Increased recruitment	Expand recruitment channels	No action
<i>Overall</i>							
England	81	50	43	38	20	18	7
York & North Yorkshire	90	61	48	39	26	23	5
<i>LAD</i>							
Craven	86	59	43	42	40	18	7
Hambleton	88	72	51	43	23	24	2
Harrogate	93	67	44	41	25	20	5
Richmondshire	85	65	60	26	23	14	1
Ryedale	91	51	43	38	28	21	1
Scarborough	81	62	48	52	20	23	6
Selby	90	68	46	44	30	27	1
York	88	61	47	38	23	25	7

Base: All establishments with skill gaps

6.7 Barriers to a fully skilled workforce

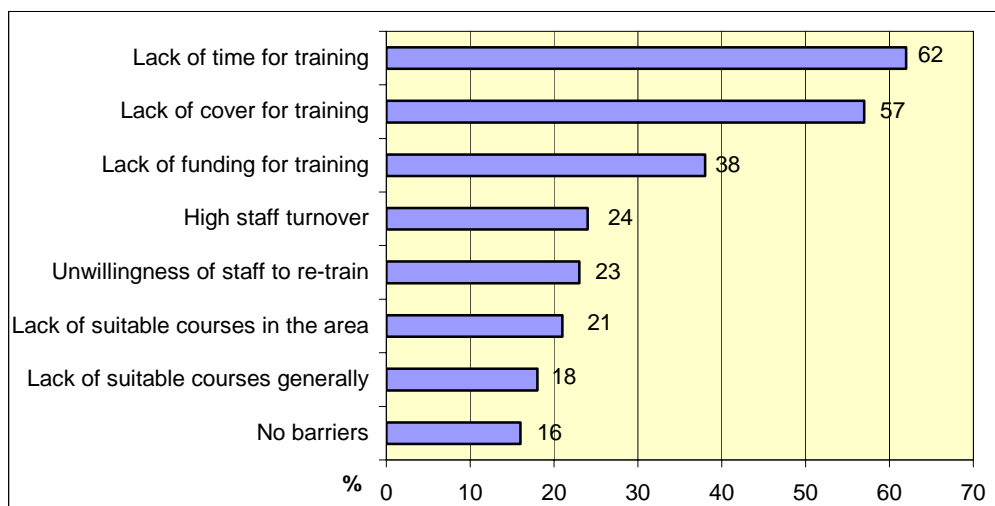
Looking at the barriers that employers anticipate may prevent them from having a fully skilled workforce in the future, over a tenth of employers in Harrogate foresee no skills problems with their (internal) workforce in the future (16%). This is lower than the national average (28%) and in York and North Yorkshire (19%).

Where barriers do exist in Harrogate, they mostly revolve around the opportunity cost of training, with 62% stating lack of time for training and 57% lack of cover for training. A further 38% believe that a lack of funds for training will impair their chances of having a fully proficient workforce in the future. These figures are generally higher than national, York and North Yorkshire and LAD levels.

These are effectively internal constraints over which the establishment, or the organisation it forms part of (if not necessarily the respondent him or herself) has at least partial control.

A secondary level of barriers in Harrogate incorporates key external constraints (lack of suitable courses and lack of available courses in the local area *per se* – 18% and 21% respectively) and constraints which straddle the internal and the external. For the unwillingness of staff to train (23%) this can be seen at least in part as a function of social attitudes to learning as much as in terms of employees' valuation of the benefit to themselves (either within or beyond their current workplace) of developing their skills. It also incorporates high staff turnover (24%), which may be a function of internal issues but also a function of (external) competition for labour.

Figure 8 Barriers to a fully skilled workforce – an overall picture in Harrogate



Base: All establishments

As seen in Table 12, similar barriers to a fully skilled workforce were found in establishments in Harrogate as were reported nationally and within York and North Yorkshire. An example of this is that a similar number of Harrogate establishments were likely to report incidents of staff unwillingness to retrain as a barrier (23%) as sub regionally (18%) and nationally (17%).

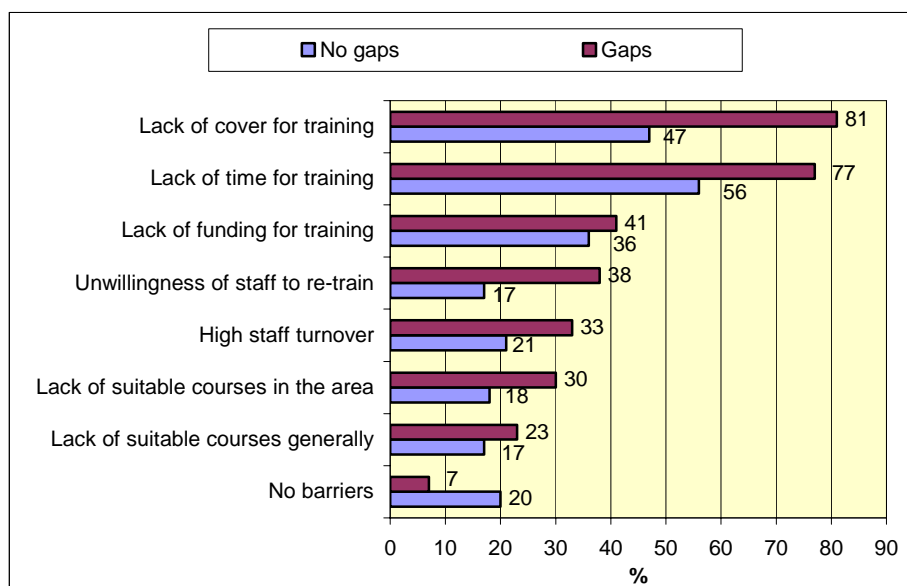
Table 12 Barriers to a fully-skilled workforce nationally, sub regionally and by LAD

%	Lack of time for training	Lack of cover for training	Lack of funding for training	Lack of suitable courses in area	Unwillingness of staff to undertake training	Lack of suitable courses generally	High staff turnover	No barriers
<i>Overall</i>								
England	41	35	33	18	17	16	12	28
York & North Yorkshire	48	49	36	22	18	19	15	19
<i>LAD</i>								
Craven	46	39	34	21	17	13	12	27
Hambleton	41	41	36	29	16	22	14	24
Harrogate	62	57	38	21	23	18	24	16
Richmondshire	51	51	46	36	21	26	15	17
Ryedale	40	34	35	24	21	16	8	28
Scarborough	43	43	38	25	31	22	15	23
Selby	42	42	37	30	22	26	12	21
York	48	47	29	20	22	17	15	18

Base: All establishments

Overall, employers with skill gaps were more likely to report barriers to developing a fully proficient workforce than those who claimed to have no skill gaps. In terms of specific barriers mentioned, both internal and external constraints are mentioned with a lack of time, funding or cover for training the most common barriers mentioned. It is the lack of cover seen for those with skills gaps which is of most significant when compared to those who have no skills gaps.

Figure 9 Barriers to a fully skilled workforce by skill gaps status in Harrogate



Base: All with skill gaps and all without skills gaps

7 TRAINING

7.1 Introduction

This section provides a detailed account of the investment in training that employers are making in practice.

7.2 Formal planning of training

If employers are going to minimise the impact of skill shortages and skill gaps, they will need to adopt a systematic approach to skills assessment and to training delivery.

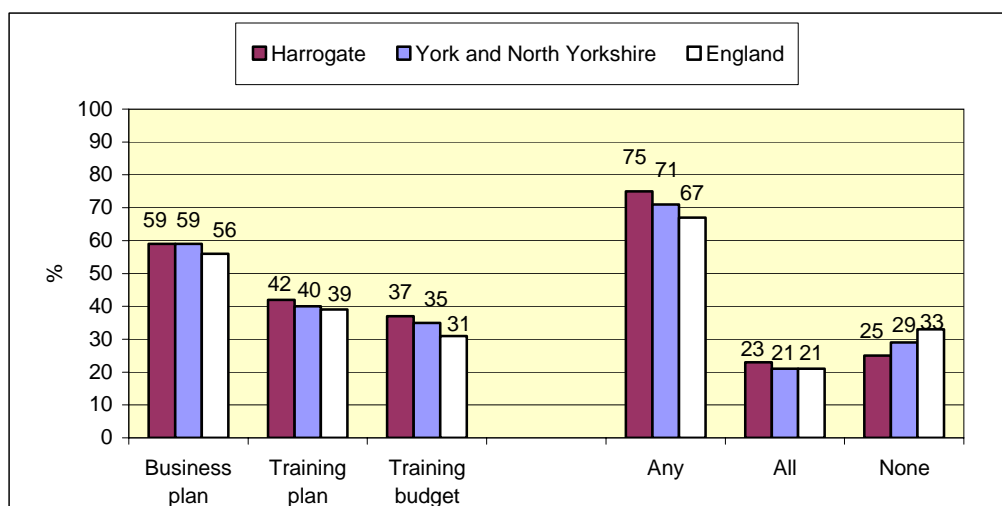
The existence of business and training plans indicates a level of formality in the business and human resource process. In Harrogate, over half (59%) of establishments have a formal business plan that specifies the objectives for the coming year. In addition to this:

- 42% of establishments have a training plan that specifies in advance the level and type of training employees need over the coming year
- 37% have a budget for training expenditure.

As can be seen from the figure below, the numbers for business and training plans in Harrogate are similar to the figures for York and North Yorkshire and nationally.

The model presented of bigger businesses being more likely to have a higher level of formality when it comes to planning and budgeting for training is true across the whole of England. Logically, larger businesses have more employees to manage, which may necessitate a budget and a plan for training. It may also be true that these larger organisations are more likely to have human resource departments to identify training needs.

Figure 10 Business planning and training plans in Harrogate, sub regionally and nationally



Base: All establishments

Harrogate falls into the middle “ground” when compared to the other LADs in York and North Yorkshire. As can be seen in the table below, it does have a fairly high incidence of businesses that claim to have both a business and a training plan. The main highlights amongst the LADs are:

- Establishments in York are most likely to have both business plans and training plans, and those in Craven the least likely to have either
- Establishments in Hambleton are most likely to have a training budget and those in Ryedale the least likely
- Again Craven is the LAD least likely to have any business plans, training plans or a training budget and those in Harrogate the most likely, closely followed by York.

Table 13 Business and training plans nationally, sub regionally and by LAD

%	Training budget	Training plan	Business plan		None	All	Any
<i>Overall</i>							
England	31	39	56		33	21	67
York & North Yorkshire	35	40	59		29	21	71
<i>LAD</i>							
Craven	27	31	46		46	17	54
Hambleton	38	39	58		32	23	68
Harrogate	37	42	59		25	23	75
Richmondshire	36	35	57		34	22	66
Ryedale	25	29	55		36	14	64
Scarborough	35	37	49		38	22	62
Selby	32	41	57		34	23	66
York	37	45	63		26	23	74

Base: All establishments

A further measure of the extent to which employers engage in a planning process is whether (a) employees have a performance review and (b) the extent to which current employees’ skill gaps are assessed. Activity here is rather more widespread than it is for training plans. In Harrogate, 79% of employees had an annual performance review. In addition:

- Half of establishments in Harrogate (48%) reported that they formally assessed whether individuals had gaps in their skills: 39% of those with between one and four employees rising to 56% amongst establishments with 5-24 employees and 87% with 25 or more employees
- 40% of establishments in Harrogate reported that none of their employees had an annual performance review, and 52% reported that all their employees had one.

Compared to York and North Yorkshire and national figures, Harrogate has a higher incidence of employees with an annual performance review (79% compared to 73% and 75%, respectively).

About half of all establishments in Harrogate, York and North Yorkshire and nationally report that their employees are formally assessed for skills gaps.

7.3 Incidence of training

66% of establishments had provided training over the past 12 months. The likelihood of training being provided increases with size of establishment: 63% of establishments with between one and four employees provided training, whereas 71% of those with 5-24 employees provided training and 93% of those with 25 or more employees.

7.4 Training volume and expenditure

Overall, 56% of employees in Harrogate had received training over the past 12 months, which is comparable to 52% in York and North Yorkshire and 53% nationally.

The table below shows the percentage of employees in receipt of training across LADs. The data should be regarded as indicative rather than definitive estimates since they are based on respondents averaging across employees. In comparing Harrogate to other LADs, it has the highest percentage of employees trained. The lowest is Hambleton with 46% of employees trained. When Harrogate is compared to England, 3% more employees are in receipt of training.

Table 14 Percentage of employees in receipt of training nationally, sub regionally and by LAD

	%
<i>Overall</i>	
England	53
York & North Yorkshire	52
<i>LAD</i>	
Craven	51
Hambleton	46
Harrogate	56
Richmondshire	52
Ryedale	47
Scarborough	48
Selby	47
York	48

Base: All employees

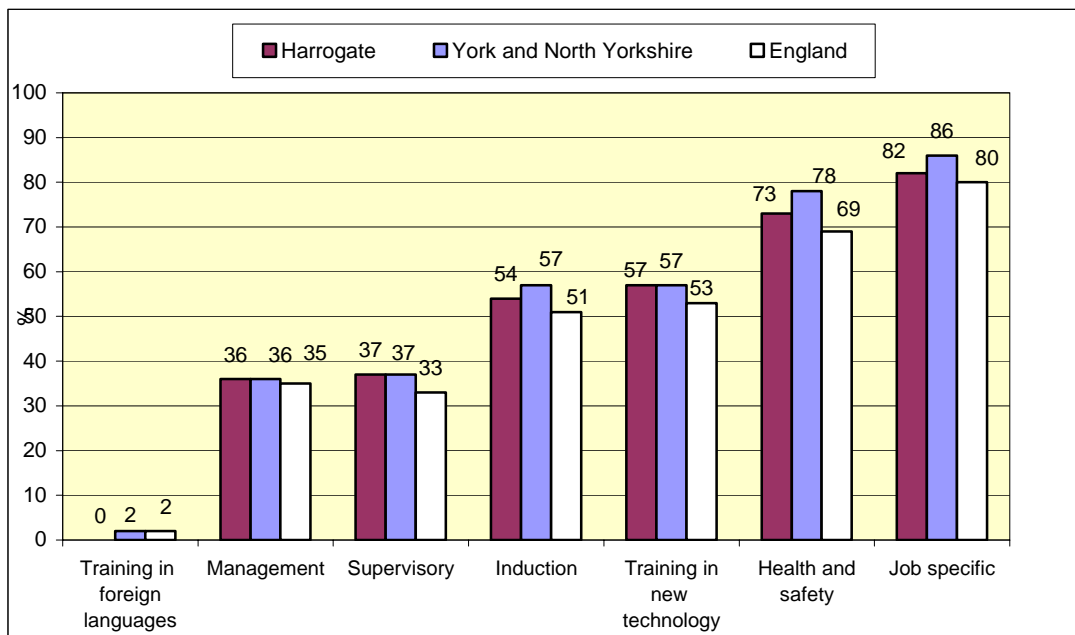
7.5 Types of training

Job specific is the most commonly mentioned form of training in Harrogate, followed by health and safety training, as can be seen from the figure below.

Looking at Figure 11, Harrogate is in line with the national and sub region in providing training in the following areas:

- Training in new technology (57%) compared to nationally (53%) and sub regionally (57%)
- Induction training, 54% compared to 51% nationally and 57% in the sub region
- However, Harrogate trails both the sub region and national picture in the provision of training in foreign languages (less than 1% compared to 2% for the others).

Figure 11 Types of training provided in Harrogate, York & North Yorkshire and England



Base: All establishments providing training

Job specific training and health and safety training are the two types of training most mentioned in all LADs. However, there are some areas of training where Harrogate stands out, namely:

- It has the one of the highest incidence of training in new technology, with 57% of employers providing, compared to 50% in Richmondshire or Scarborough.
- Harrogate has a higher incidence of management training compared to the lowest provider, Ryedale (36% and 23%, respectively).

Table 15 Types of training provided by employers over last 12 months nationally, sub regionally and by LAD

%	Job specific	Health & safety	Training in new technology	Induction	Management	Supervisory	Training in foreign languages
<i>Overall</i>							
England	80	69	53	51	35	33	2
York & North Yorkshire	86	78	57	57	36	37	2
<i>LAD</i>							
Craven	76	72	62	50	40	31	3
Hambleton	84	83	51	51	35	31	2
Harrogate	82	73	57	54	36	37	*
Richmondshire	75	83	50	61	43	39	2
Ryedale	81	67	59	48	23	29	4
Scarborough	76	81	50	66	42	48	1
Selby	79	74	59	51	31	31	4
York	83	80	64	63	44	45	3

Base: All establishments providing training

7.6 Training leading to a formal qualification

Formal qualifications serve two functions: first, progress towards qualification is judged against a national standard and provides a guarantee of quality, and second it provides employees with a certificate of their achievement that they can carry with them across jobs.

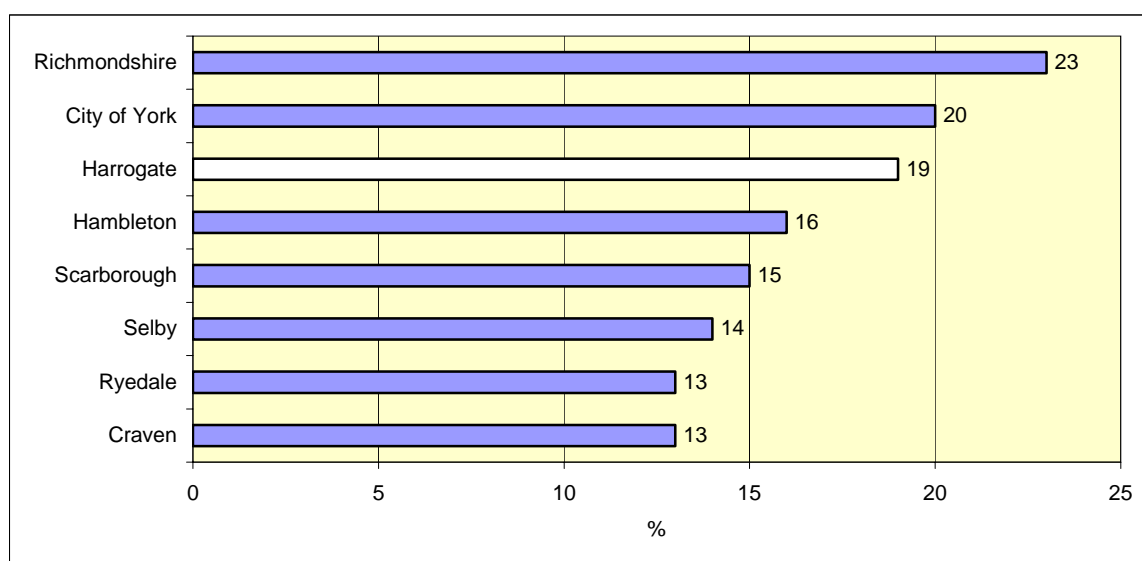
Where training is provided, 51% of establishments in Harrogate reported that it led to a formal qualification. This is equal to the 53% of establishments in York and North Yorkshire and 51% nationally.

7.7 Investors in People

Approximately 19% of employers in Harrogate reported that they have attained the Investors in People standard. In keeping with other available evidence of IiP accreditation larger establishments are more likely to report its attainment. Harrogate is slightly higher than the national and sub region averages in IiP accreditation (19% to 16% and 18%, respectively).

As can be seen from Figure 12, below, Harrogate is 4% below Richmondshire, the LAD leader in IiP accreditation. Because bigger businesses are more likely to be IiP accredited, the differences between LADs in terms of IiP accreditation is also heavily influenced where a higher incidence of larger establishments occurs.

Figure 12 Investors in people by LAD



Base: all establishments

7.8 Employer engagement with local colleges

Just under a quarter (21%) of all establishments in Harrogate had been contacted by a local Further Education (FE) college for their views on courses they provide, and 26% had been contacted by other local training providers in this respect. This shows that 33% of establishments in Harrogate had been contacted by either FE colleges or other local training providers, 14% had been contacted by both, and 67% not having been contacted.

8 CONCLUSIONS

Recruitment problems in Harrogate are in line with the national average. Vacancies account for 4% of total employment in Harrogate, compared to 4% in York and North Yorkshire and 3% nationally.

Harrogate also reflects the York and North Yorkshire average when it comes to hard to fill and skill shortage vacancies.

Faced with recruitment difficulties, the vast majority of employers in Harrogate take action either by re-doubling their recruitment activity or attempting to fill the gap via training up internal staff. Over a quarter of employers however, are already experiencing internal skills gaps.

The skill gaps in Harrogate are mainly attributed to lack of experience but the quality of the labour pool is also a factor given that 37% of employers in Harrogate mention recruitment problems as the cause. This compares to 27% of the national sample. Employee attitudes are also a factor, with lack of motivation a particular problem.

The main skills that are lacking relate to soft skills, for example communication skills, customer handling skills and team working skills.

The vast majority of employers in Harrogate with skill gaps say that they are undertaking training to combat these (93%) but employers also acknowledge that lack of time, cover and funds for training are amongst the main barriers to maintaining a fully skilled workforce.

If employers fail to engage in the training of their employees and rely upon the external labour market to provide fully trained people, then the likely consequence is that they will encounter difficulties recruiting, especially in relation to intermediate level skills.