

Skills for Growth Action Plan

for the Harrogate district
2019-2024



An aerial photograph of a city street intersection, overlaid with a solid blue color. The image shows a large, modern building with a glass facade and a prominent entrance. To the left, there is a traditional building with a dome. In the background, a church spire is visible against the sky. The street is busy with cars and pedestrians. The text is overlaid on the left side of the image.

'Places that will be competitive
in the future will be those that
can develop, attract and retain a
skilled, creative, digitally enabled
workforce that is resilient and
adaptable to change.'

Skills Review to inform a Skills for Growth
Action Plan, Arup consultants, July 2019

FORWARD

We have has an overarching aim to ensure our district is a progressive and vibrant place to live, work and visit. This Skills for Growth Action Plan directly supports that aim.

The context for the Skills for Growth Action Plan is set by both the council's **Corporate Plan** 2018-2024 and its **Economic Growth Strategy** 2017-2035.

Our Economic Growth Strategy sets out the council's ambition to prioritise 'good growth'. This refers to a sustainable and resilient economy that features new, higher-value jobs and a boost in average workplace wages.

The Strategy identifies six strategic themes on which to build on our strengths, address economic challenges and create effective partnerships.

One of those themes is skills - retaining and developing the skills available in the labour market for business growth, by supporting investment in the skills that businesses require.

This inaugural Skills for Growth Action Plan identifies the focus of our activities for the next five years. These actions have been informed by an independent review and consultation with local employers and regional skills stakeholders.

The development of this Skills for Growth Action Plan would not have been possible without the commitment shown by consultees and stakeholders. We are grateful for this support and look forward to continuing our work together in delivering this action plan.

Councillor Graham Swift

Deputy Leader

Cabinet Member for Resources, Enterprise and Economic Development



I. INTRODUCTION

In March 2019 Harrogate Borough Council commissioned Arup to undertake a review of skills in the Harrogate District, to inform the development of a Skills for Growth Action Plan 2019-2024.

The sectoral scope of the review was clearly set to focus on the key sectors identified in the Economic Growth Strategy:

- Creative and digital;
- Logistics;
- Scientific research and development; and
- Financial and professional services.

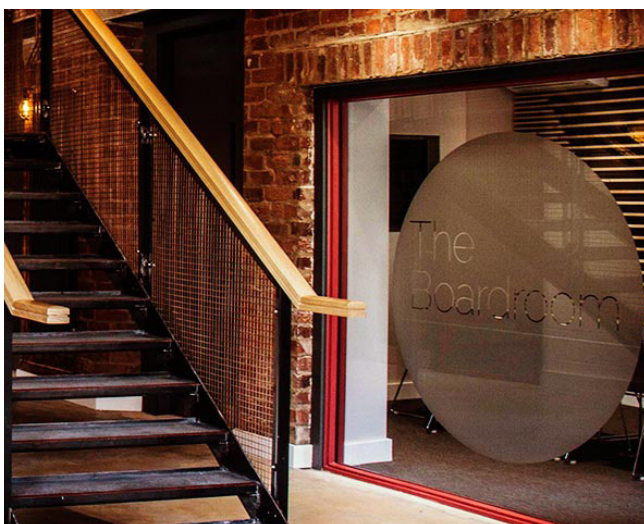
The review also considered the construction sector, reflecting the enabling role that construction plays across the key sectors and the council's own ambitious housing targets, as identified in the emerging Harrogate district **Local Plan**.

This Skills for Growth Action Plan provides a summary of the commissioned skills review, together with its main findings and proposals, which have now been adopted by the council as actions.

RESEARCH UNDERTAKEN

To inform the review of skills and proposed actions Arup consultants:

- Reviewed a range of economic and labour market data relating to the district and the Leeds City and York, North Yorkshire and East Riding Local Enterprise Partnership areas (LEPs);
- Reviewed literature relating to economic and labour market trends that could affect the Harrogate District in the future;
- Consulted with employers to understand their skills needs, challenges to recruitment and retention of staff, and their engagement with skills providers, the council, and other stakeholders such as the LEPs, to address these issues.
- Consulted with stakeholders including the two Local Enterprise Partnerships (LEPs).
- Consulted with skills providers including: Harrogate College, Leeds City College, York St John University, Leeds Beckett University, and the North Yorkshire Business Education Partnership (NYBEP) to understand their activity in the district, the level of engagement with employers and other stakeholders, and their ambitions for the future.
- Held a workshop in June 2019 where Arup's findings and emerging proposals for action were shared and discussed with a group of employers, skills providers and stakeholders.





2. EXECUTIVE SUMMARY

MAIN FINDINGS

Extract from Skills Review, July 2019 by Arup

“ The Harrogate district is an economic area characterised by:

- Low unemployment 1.5% (below the national 2.8% and regional 3.2% average); October 2019
- High rates of the workforce qualified to degree level and above 44% (in excess of both national 39% and regional averages 33%);
- Relatively strong future jobs growth, much of which is forecast to be higher skilled jobs; and
- Median workplace weekly earnings (£526) that are below the national average (£570) but higher than the regional average (£520), reflecting high levels of local employment within lower value sectors such as retail, hospitality, tourism and care.

The district sits between two large economic centres, Leeds and York, which is both an opportunity and a threat. While the proximity of two buoyant labour markets means talent leaks out of the district, it is also the case that companies and talent priced out of those centres may be able to find a home in the Harrogate district.

The strength of the Harrogate district economy is reflected in the forecast jobs growth of 3.3% to 2028. However, the total labour force supply is predicted to remain near constant, creating a pressure to retain talent in the area and attract new talent to meet the needs of growing businesses.

The nature of the labour force is also changing, with a significant forecast increase in the volume of older age workers (those over 65) to 2028, at the same time as the quantity of working age labour supply (16 - 64) is forecast to reduce by 4%. This forecast change suggests the need for an emphasis within the Plan on upskilling, reskilling, career change, and returning to work.

Finally, the characteristics of both the Harrogate labour market and the neighbouring Leeds and York labour markets create the conditions for the export of high-skilled and

high-paid residents to those centres, and the import of lower-skilled and lower-paid people to jobs in Harrogate's lower value sectors. Addressing this imbalance requires an emphasis on higher value sector growth in the district, as set out in the Economic Growth Strategy. The actions in this Skills for Growth Action Plan directly respond to this challenge.

Some of the challenges faced by the Harrogate district include:

- An undersupply of appropriately skilled candidates for some roles and some sectors. The type of role varies, but a consistent theme emerged around skills including problem solving and communication skills, as well as some more technical/sector specific needs;
- The need for employers to upskill their existing workforce to adapt to a range of factors, including new technologies, but also to relieve recruitment pressures;
- Residents not in the current labour force that have limited opportunities to re-engage in it, including re-skilling;
- A lack of awareness of how to engage with skills providers to inform existing provision and the development of new provision to improve supply, and even where that awareness does exist, real challenges to doing so;
- The lack of a higher education (HE) institute means that young people tend to leave the Harrogate district to pursue their studies, and then their careers. There are also impacts in terms of business-academic interaction, the 'magnetic' pull of a university for new businesses and students from outside the area, and provision of continuing professional development (CPD);
- A further education offer that has not been as responsive to employer demand and economic trends as it could be.

These come at a time of significant economic and technological changes that will impact on the future of work and labour markets at every level, which exacerbate the challenges.



There are also many strengths, and opportunities, which include:

- Strong secondary education performance, and a maturing offer of careers advice in schools, which increasingly equips young people for the world of work;
- Under new ownership and leadership from 1 August 2019, a strong commitment from Harrogate College to developing provision much more closely aligned to the needs of employers, and working in partnership with others in the area to do so;
- Strong interest from a sample of higher education providers for the potential of increasing the HE offer in the area, potentially extending to physical sites;
- Employers who are supportive of change and have an appetite to participate; and
- A strong sense from consultees that the council's proactive approach is welcome, building on the engagement undertaken for the Economic Growth Strategy and since then, not least through its visible champion, the council's Cabinet Member for Resources, Enterprise and Economic Development.

On balance, and in the short term, we think the above factors will slow growth rather than arresting it; they are a concern rather than a crisis. In that sense it is welcome that the council is seeking to take action now. That is also welcome because in the medium to longer term there is a real risk that:

- Businesses in the Harrogate district will not be able to find the right talent, denying them the opportunity to grow, and in the worst cases not just causing stagnation but decline. This has an impact not just on people entering the labour market for the first time, but experienced professionals perhaps returning to Harrogate or moving to the district in later life; and

- Young people in particular will look outside the Harrogate district for opportunities for work and to develop their careers. As this talent seeps away and is not replaced, there is a real danger in the longer term that the district becomes almost entirely an exporter of labour, and a dormitory town for neighbouring economies.

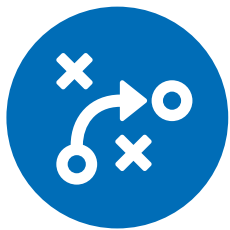
Places that will be competitive in the future will be those that can develop, attract, and retain a skilled, creative, digitally enabled workforce that is resilient and adaptable to change.

This Skills for Growth Action Plan seeks to challenge the view (which to a strong degree is a misperception) of the Harrogate district as a dormitory / tourism destination, supporting low value consumption related jobs and exporting talent out of the area, by supporting the district to become an economic magnet in its own right based on knowledge-based production, high value services, and skills provision that meets the needs of business.

While the focus of the Skills for Growth Action Plan is on proposals that directly impact on the supply and demand for skills, skills challenges are intrinsically related to broader economic conditions for growth, including physical and digital connectivity and land use for both employment and living. It is recommended that the council:

- Continues to invest in digital infrastructure and improved connectivity as an enabler of business growth and reinforcing the Harrogate district as a destination for digital businesses;
- Maintains an ongoing review of fit between quantum, quality and type of employment land / business premises and growth sector needs;
- Lobbies for transport/connectivity improvements to help attract a workforce from the wider area and retain existing talent; and
- Expands housing availability, mix and affordability to attract and retain graduates and young professionals.





3.ACTIONS: SKILLS FOR GROWTH

The council has adopted four themes on which it will prioritise its actions, these are:

1. Improving the **skills infrastructure** by enabling feedback between employers, skills providers and stakeholders. This will assist the implementation and impact of all the actions..
2. Improving the **retention of young people in the local labour market**, to improve the quality and quantity of the talent pool and better meet business needs.
3. **Upskilling the existing workforce**, to drive productivity and wage growth, and better meet the needs of business.
4. **Sector specific** proposals which reflect the key sectors of the Economic Growth Strategy – logistics, digital and creative, scientific research and development, financial and professional services, and construction.

In total there are 20 actions across these four themes, each of which have been developed in response to the skills review that informed this plan.

Partnership working with employers and skills providers will be central to successfully delivering all of these actions. Taking forward the engagement created during the skills review will therefore underpin our work.



SKILLS FOR GROWTH ACTION PLAN 2019-2024 FOR THE HARROGATE DISTRICT

THEME	ESSENTIAL 2019-2021
1. Improving the skills infrastructure	Support employers to influence local skills provision
	Enter into dialogue with providers to test appetite for increased provision of higher education, developing pathways for progression from further education
	Strengthened further education provision through the revised offer of Harrogate College
2. Improving the retention of young people in the labour market	Working to ensure Careers Education, Information, Advice and Guidance (CEIAG) in Harrogate schools is reflective of the local business base and its opportunities, and provides more work experience opportunities locally
3. Upskilling the existing workforce to drive productivity and wage growth	A campaign to increase awareness of advanced learner loans, linked to a broader promotion of the value of upskilling, returning to work, and potential career change.
4. Key sector specific proposals	Harrogate the Science Town: build on existing employer success in informing provision to engage other businesses in shaping provision at a local level and aggregating demand, and the development of a pathway/ qualification for key employers
	Driving skills outcomes through planning obligations in the council's housing programme

DESIRABLE 2020-2023	EXPLORATORY 2020-2025 (AS RESOURCES ALLOW)
Development of delivery agreements with key providers to improve the link between provision and the needs of businesses	
Supplying labour market information to skills providers to facilitate better provision and more effective advice	Development of a local apprenticeship levy transfer scheme for employers
Increasing apprenticeships through a range of incentives for employers, subsidies for travel, and more proactive promotion/engagement with employers	Consider the appetite/capacity for apprenticeship focused recruitment events, especially following exam results
Encourage and create opportunities for providers of continuing professional development (CPD) to engage with businesses, including through the Skills Service, the latter with a focus on leadership and management skills in the SME base	
A focus on higher level skills in the logistics sector	Explore the potential for a big data/data analytics business cluster and tailored skills provision based around the development of incubation space
Articulate the logistics sector offer and opportunity for progression to young people – including placements / work experience	
The promotion and support of 'boot camp'/digital skills programmes to enable career change/return to work	
Expand Harrogate Digital to more explicitly include creative businesses	Testing the scope for collaboration around modern methods of construction training between employers and skills providers
A Code Club in every school and National Coding Week leadership	



4. UNDERSTANDING IMPACT

The impact of the Skills for Growth Action Plan is forecast to assist in securing wider economic benefits for the Harrogate district over the longer term. The themes and actions will indirectly support quantitative outcomes, such as increased workplace earnings and the creation of new jobs, rather than directly and in the short term. All of the actions will contribute to the measures of impact identified in the council's Economic Growth Strategy:

- Number of higher valued jobs created;
- Increase in number of jobs in the key sectors; creative & digital, financial and professional services, logistics, scientific research and development and construction

- Increase in average workplace earnings;
- Increase in GVA above current forecasts;
- Decrease in the % of residents claiming in work benefits; and
- Reduction in the need to commute out of the district to take up employment and skills training.

Reflecting the support shown in undertaking the skills review and developing this Skills for Growth Action Plan, the council will continue to engage with stakeholders in the ongoing review of the plan and its actions, meeting periodically to share progress, challenge implementation, and shape new activities.

5. NEXT STEPS

Adopting this inaugural Skills for Growth Action Plan is only the start of the process of developing and improving skills provision in the Harrogate district.

The council shares the view of the consultant's (Arup) that it will have the greatest impact if it is treated as a living plan, to be reviewed and challenged on at least an annual basis. As actions are delivered their impact will be assessed and opportunities to address other, existing or new, skills issues will be taken up.

An annual review and action progress report will therefore be undertaken. Led by the council, in consultation with stakeholders, the year one report, 2019-2020, will be published in November 2020.

For all enquiries regarding the Skills for Growth Action Plan please contact business@harrogate.gov.uk



Proactive Graduates Performance Recruitment
Retain Harrogate Technologies Logistics
Competitive Technical University Invest Housing Growth
Talent Offer
Supply Studies
Knowledge Thematic Demand Education
Ownership Scientific Schools Productivity Careers
Economic Develop
Solving Experienced Infrastructure Research
Enterprise Based Providers
Stagnation Re-skilling
Leadership Financial
Jobs Professional Council Academic College
Attract Improve
Impact Challenges Opportunities Cpd Undersupply
Future Digital Provision • Students Transport
Needs Business Quality
Labour Supporting Partnership Connectivity Work
Far Sector Participate
Workforce Reaching Role
Current Communication Creative

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