The East Riding of Yorkshire
Local Economic Assessment – January 2011

1. Introduction

1.1. Background

1.1.1 Part 4 of the Local Democracy, Economic Development and Construction Bill which received its royal assent in 2009 introduces a statutory duty on all top tier local authorities to prepare Local Economic Assessments (LEA) for their area.

1.1.2 This new duty came into force on 1st April 2010 at which point Local Authorities had to begin to develop their assessments with a deadline for completion of 31st March 2011.

1.1.3 The key principle behind the LEA is to develop a robust evidence base to provide local authorities and their partners with a clear understanding of the local economic make up of their area and how it is performing. In turn this evidence should then underpin policy and decision making for that area, such as strategic planning, investment decisions and delivery plans.

1.1.4 The election of the Conservative led coalition government to office in May 2010 has seen a major change in economic policy, nationally, regionally and locally. The new government has highlighted two issues it considers urgent national priorities: tackling the budget deficit and rebalancing the economy away from what it sees as public sector dependency towards private sector growth.

1.1.5 The regional-led method of delivering economic policy favoured by the previous Labour government has been replaced by the 'Big Society' concept with an emphasis on local business and communities identifying locally specific solutions to economic issues within their own functional economic areas. This change in approach has already seen the removal of the Regional Development Agencies and revocation of a range of regional policies such as the Regional Spatial Strategy.

1.1.6 To replace the Regional Development Agencies the government's Department for Business Innovation and Skills is promoting the development of Local Economic Partnerships (LEPs) with the direct aim of providing strategic direction and fostering the right local conditions for business success and economic growth.

1.1.7 A letter from Grant Shapps, Minister for Housing & Local Government, to Local Authority Chief Executives on the 23rd September 2010 outlined the coalition government's views on the future role of the LEA. This letter outlined that the Assessment should not only tell the economic story of the area but also outline the economic rationale for the newly devised Local Economic Partnerships (LEPs), mirroring their geographical scope and providing intelligence to assist these Partnerships in creating policy which is underpinned by a robust local evidence base.

1.1.8 Being developed in parallel to the LEPs is a Regional Growth Fund; a £1.4bn fund which LEPs, public/private partnerships and businesses can bid into. This scheme is aimed at supporting projects which offer significant potential for sustainable economic growth and can create new private sector jobs.

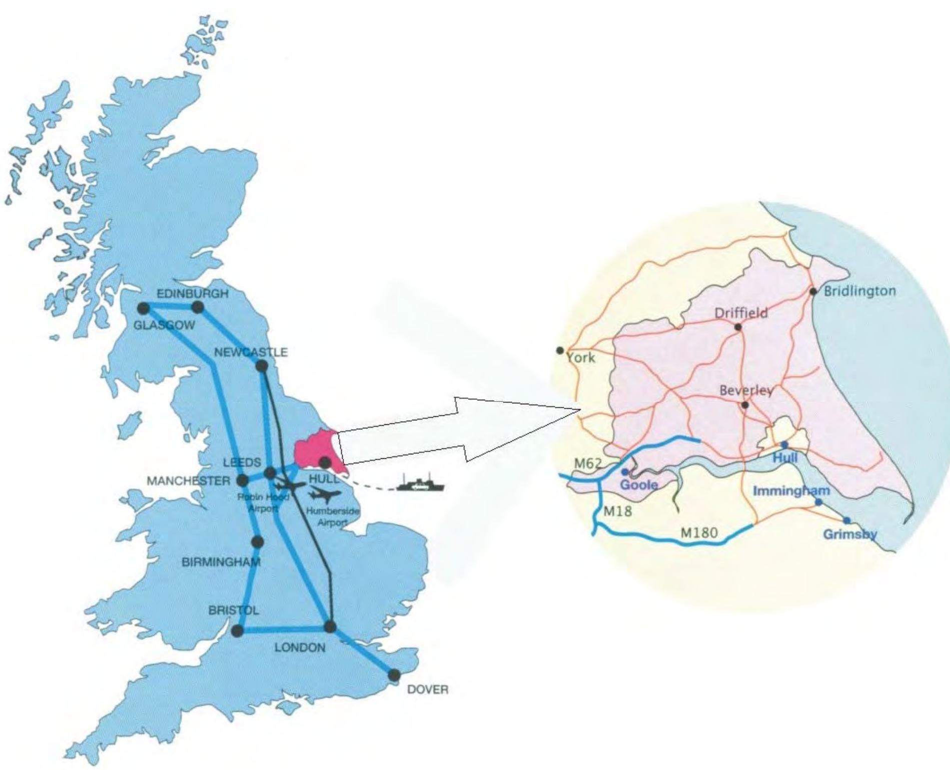
1.2 Ongoing Development of the LEA in the East Riding.

1.2.1 This Version 1.0 of the East Riding of Yorkshire's Local Economic Assessment is the first edition of the assessment and marks the beginning of an iterative process which will see the document updated annually with a full refresh at least every three years. The first full refresh is scheduled to be undertaken in 2013 when the full results of the 2011 Census will be available.

1.3 Introduction to East Riding of Yorkshire

1.3.1 The East Riding of Yorkshire Council is one of the largest unitary councils by area in England and Wales, covering 930 square miles. The East Riding is bounded to the east by the North Sea, to the north by Scarborough and Ryedale District Councils, to the west by York City, Selby District and Doncaster Metropolitan Councils and by North Lincolnshire and North East Lincolnshire to the south, separated by the Humber Estuary. The East Riding surrounds the city of Hull on the north bank of the Humber.

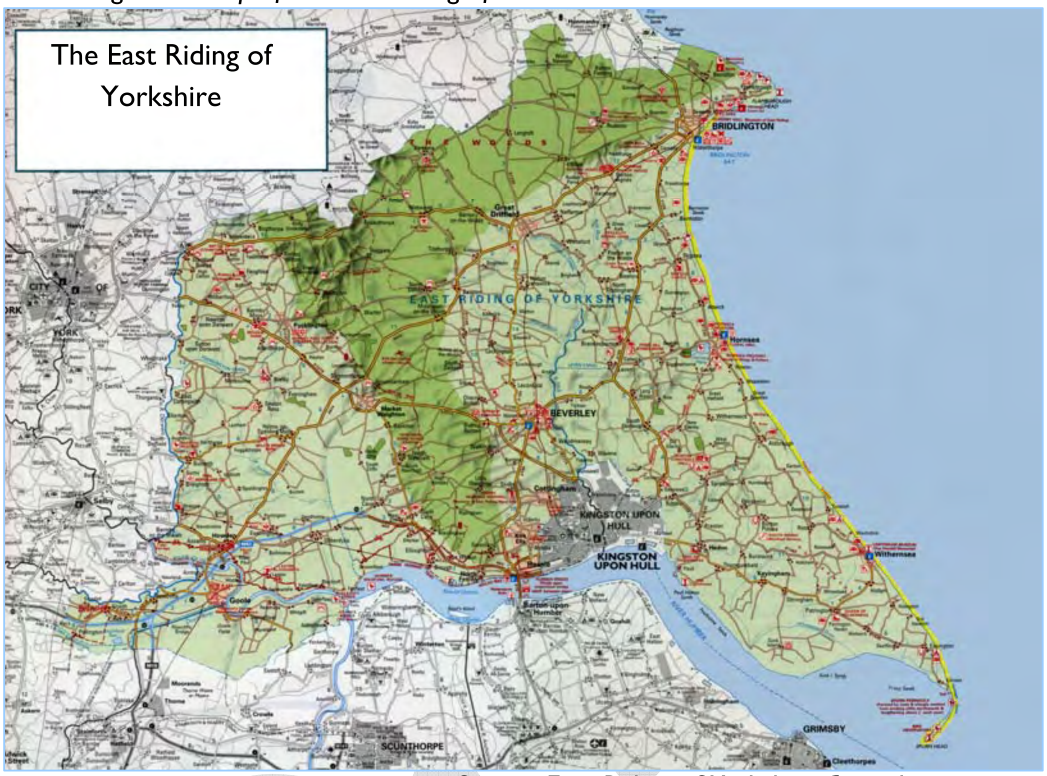
Figure 1: Location of the East Riding in relation to the United Kingdom



Source: East Riding of Yorkshire Council

1.3.2 The East Riding of Yorkshire has a population of approximately 337,000 residents (mid-2009 estimate), and comprises 171 parishes and 26 wards.

Figure 2: Map of the East Riding of Yorkshire



Source: East Riding of Yorkshire Council

1.3.3 The Yorkshire Wolds form the middle ridge of the East Riding. They are rolling chalk hills curving north from near Hessle and spreading out before ending abruptly at the chalk cliffs of Flamborough and Bempton. Flanking the Wolds are the market towns of Driffield, Pocklington and Market Weighton.

1.3.4 To the west of the Wolds is the Vale of York, which includes the towns of Goole and Howden. To the east of the Wolds is the low-lying, undulating Holderness plain, including the River Hull which flows south from Driffield. The Holderness coastline begins at Spurn Point at the mouth of the Humber estuary and extends north to the chalk cliffs of Flamborough Head. Between these two points are the seaside resorts of Withernsea, Hornsea and Bridlington. The coastline is mostly composed of boulder clay and, in parts, is the fastest eroding coast in Europe.

1.3.5 The River Ouse flows around Goole and merges with the Humber estuary which forms the southern boundary to the county. The East Riding is connected to the motorway network via the M62, and there are regular train services to London, Sheffield, Doncaster, York and Leeds.

1.4 Functional Economic Areas within the East Riding

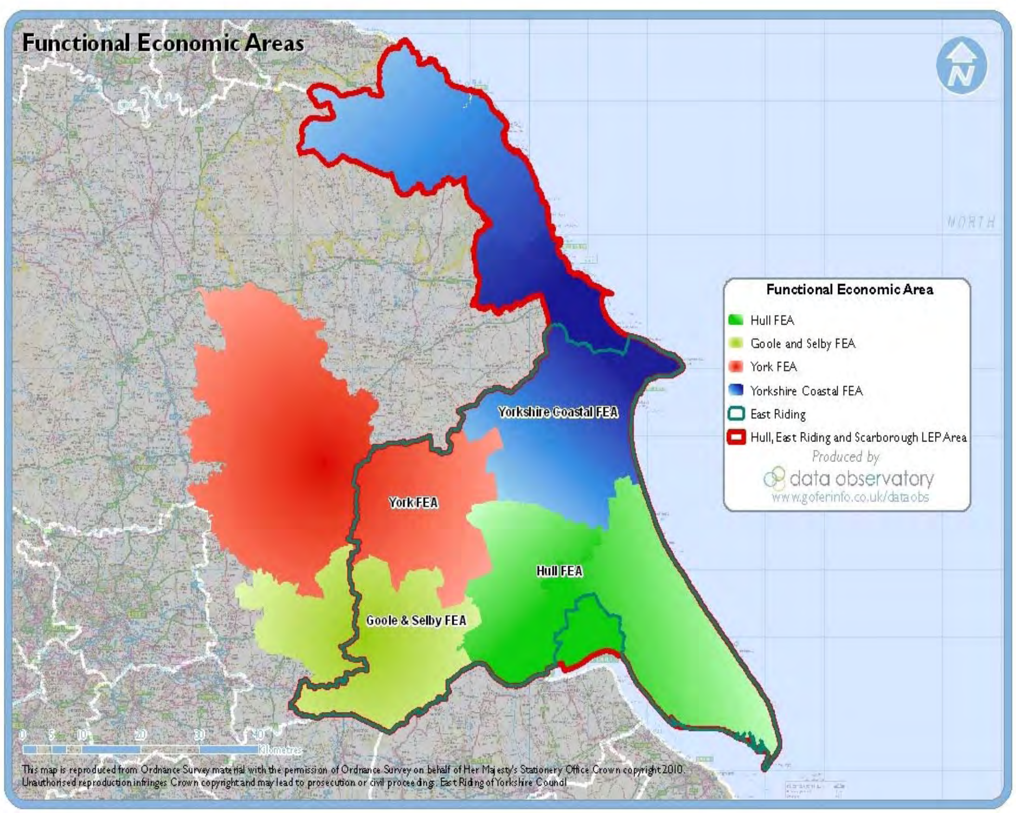
1.4.1 The East Riding of Yorkshire displays a complex set of economic, demographic and environmental inter-relationships, both internally and with surrounding regions, local authorities and settlements.

1.4.2 In order to make sense of such a large and diverse geographical area it is useful to identify functional economic areas (FEAs). There is no single, universal approach to defining functional economic market areas and they rarely correspond with administrative boundaries. However, there is a widely used set of indicators (including labour markets measured by travel to work areas, retail markets by catchment areas) which we have used to best reflect the key drivers of our local economy when defining the East Riding's FEAs.

1.4.3 The exact nature of these interrelationships will be examined in detail during this assessment but it is reasonable to introduce the East Riding's Functional Economic Areas at this stage. For the purpose of this assessment, the East Riding has been divided into four FEAs (see *Figure 3*):

- Hull
- York
- Goole & Selby
- Yorkshire Coastal

Figure 3: East Riding of Yorkshire's Functional Economic Areas

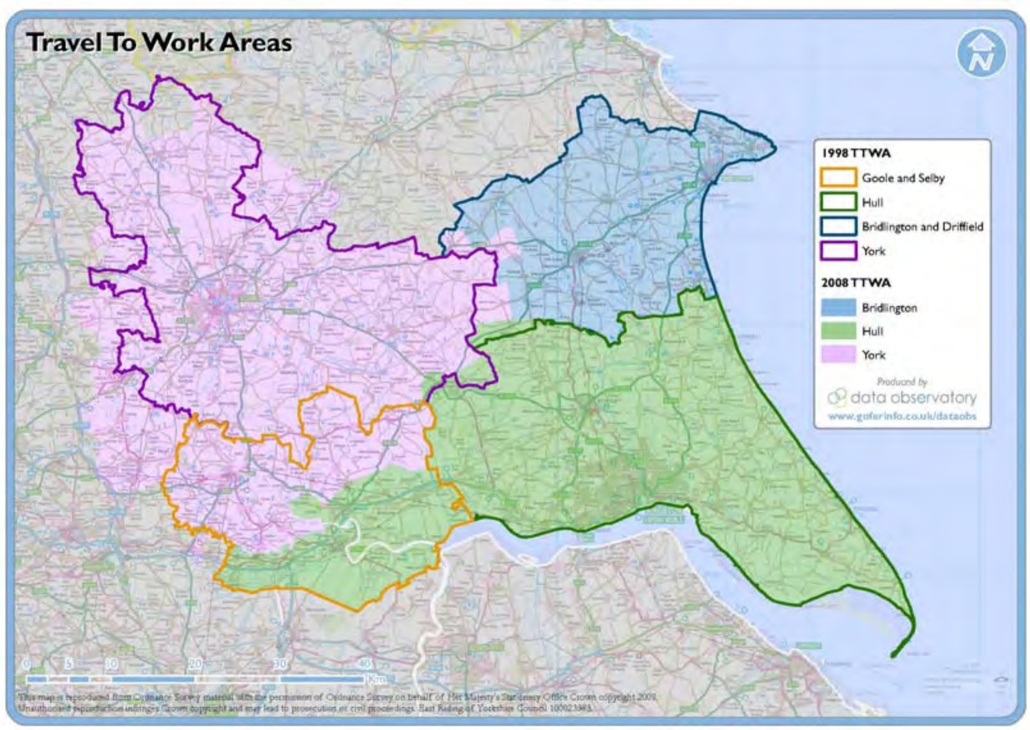


Source: East Riding of Yorkshire Council

1.4.4 The four FEAs were based on the four 2001 East Riding Travel to Work Areas (TTWAs). TTWAs are defined geographical extents which show self-containment i.e. the majority of people who live within that area also work in that area. These areas are defined by the ONS and are broadly calculated on the basis that, of the resident economically active population, at least 75% actually work in the area, and also, that of everyone working in the area, at least 75% actually live in the area.

1.4.5 The TTWAs for the East Riding were altered by ONS in 2007 and reduced from four to three. A direct impact of these changes was that the extent of the Hull TTWA was expanded towards and encompassed Goole. York's TTWA was also increased in size. Both East Riding of Yorkshire Council and Hull City Council agree that, in practical terms, the extent of the Hull TTWA does not expand that far and that Goole's functional economic relationships are more closely tied with Selby and Doncaster. Therefore, the four FEAs have been based on the previous 2001 geography although this will be kept under review especially as the 2011 census results become available.

Figure 3a: 1998 and 2008 TTWA areas



Source: ONS

1.4.6 It is also important to note that the economic influence and linkages within the four FEAs decreases towards the outer edges of the boundaries – the shading of the FEAs in *figure 3* changes to denote this 'sphere of influence'. The boundaries themselves reflect the super output areas that statistically fall within each TTWA. However these are not absolute and in practice are 'fuzzy' boundaries.

1.5 Hull Functional Economic Area

1.5.1 As can be seen from the map at *figure 2*, the East Riding sits between two regional cities: Hull and York. Both cities exert a sphere of influence onto the East Riding in terms of pulls on the labour market, availability of educational opportunities, retail offer and cultural attractions. Conversely the East Riding with its excellent quality of life for residents and plentiful employment land for business affects its own influences upon these cities.

1.5.2 As the Hull FEA also encompasses the seaside resorts of Hornsea and Withernsea, it is also important to note that this part of the East Riding's coastline demonstrates many of the key economic characteristics that are prevalent in the Yorkshire Coastal FEA.

1.6 York Functional Economic Area

1.6.1 As noted in *paragraph 1.5.1*, the city of York exerts a sphere of influence onto the East Riding, most notably within the Pocklington and Wolds Weighton areas.

1.6.2 There are strong connections in terms of the number of East Riding residents who travel into York and the wider North Yorkshire area for both work and learning opportunities, in addition to tourism and retail linkages.

1.7 Goole Functional Economic Area

1.7.1 Goole's excellent connections to national and international transport networks have led to the successful development of the port complex and the employment area known as Capitol Park on 305 acres of Greenfield land adjoining junction 36 of the M62. There is considerable further scope for employment growth within Capitol Park, whilst the port provides Goole with a range of employment and international business activities and opportunity for further intensification.

1.7.2 The Goole FEA is fairly self-contained, sharing its closest economic linkages with its nearest major settlement of Selby. Like York, these mainly relate to travel to work and learning opportunities.

1.7.3 Selby & York have strong functional relationships with the Leeds City Region.

1.8 Yorkshire Coastal Functional Economic Area

1.8.1 The Yorkshire Coastal FEA encompasses several TTWAs: Bridlington and Driffield; Scarborough; and Whitby. The diminishing 'sphere of economic influence' (*as noted in paragraph 1.4.6*) is most evident in this FEA, particularly north of Scarborough towards Whitby.

1.8.2 The coastal area in the East Riding does, however, share many linkages and attributes with coastal North Yorkshire and the resorts of Scarborough, Whitby and Filey. Our coastal towns tend to be more remote and isolated than urban areas, as they only serve a 180-degree hinterland and road and rail infrastructure is poor.

1.8.3 The Index of Multiple Deprivation (IMD) 2007 also highlights several clear-cut issues which are shared by our seaside resorts within this FEA, including areas of low income, benefit dependency, high unemployment, poor health and lower educational achievement.

1.8.4 However, on a positive note, there are several economic sectors, distinct to the coastal zone, which are a positive attribute to the area. Seaside tourism and the visitor economy is a major one in addition to the fishing industry, but there is also a wide range of lifestyle businesses attracted to a high quality of life found living by the sea.

1.9 Correlation between FEAs and the Local Development Framework

1.9.1 The East Riding Local Development Framework (or LDF) is the name for the portfolio of documents that together provide the framework for managing development and addressing the key planning issues within the county. When the individual documents – known as Development Plan Documents (DPDs) – are adopted, they will guide investment decisions and be used to determine planning applications.

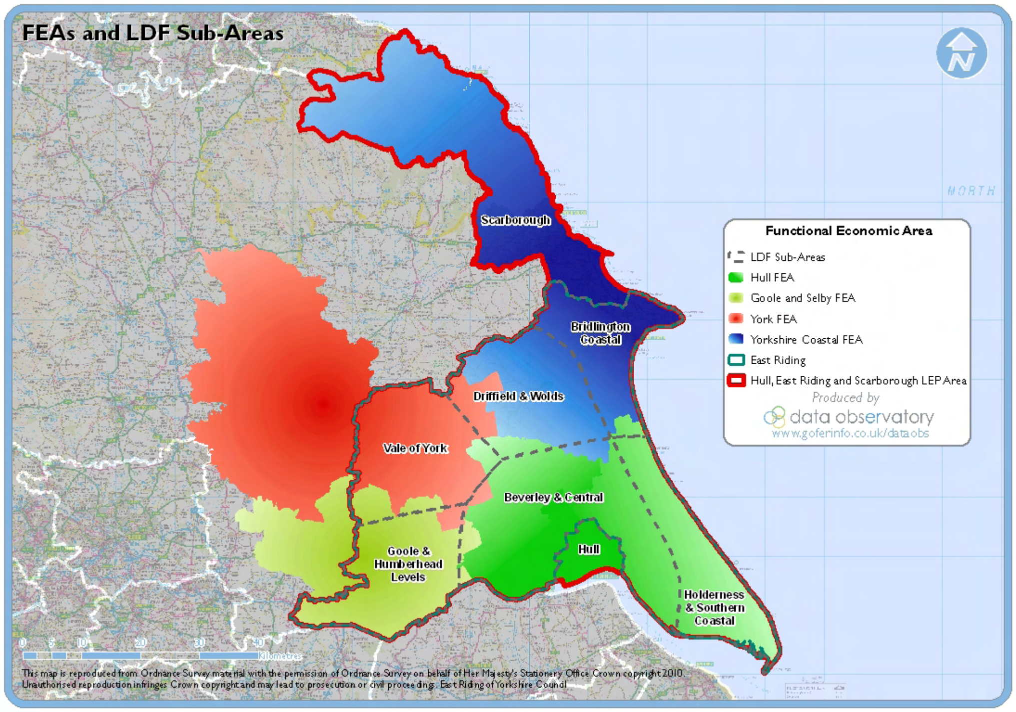
1.9.2 The East Riding LDF will replace the existing plans prepared under the previous planning system. These include the Joint Structure Plan for Hull and the East Riding, the four Local Plans of the former boroughs of Beverley, Boothferry, East Yorkshire and Holderness and the Joint Minerals and Waste Local Plans. The LDF will comprise a number of DPDs:

- Core Strategy
- Allocations
- Bridlington Area Action Plan
- Joint Minerals
- Joint Waste

1.9.3 The Preferred Approach Core Strategy identifies a vision for the area and sets the direction for the more detailed documents listed above. It divides the East Riding into a series of sub areas based upon a range of factors including landscape; commuting patterns; retail catchments and housing market areas.

1.9.4 As can be seen from *Figure 4*, if you combine the Bridlington Coastal and Driffield & Wolds sub areas and the Beverley & Central and Holderness & Southern Coastal sub areas, then the TTWAs and FEAs almost mirror the LDF sub areas.

Figure 4: East Riding of Yorkshire's Functional Economic Areas and LDF Sub Areas



Source: East Riding of Yorkshire Council

1.9.5 A policy has been prepared for each LDF sub area that aims to address the key spatial planning issues for each area – aspects of the Preferred Core Approach Strategy are referenced later in chapter 6 'Housing, Infrastructure and Connectivity'. The Core Strategy is anticipated to be adopted by late 2012, early 2013, whilst the Allocations DPD is likely to be a year later.

1.10 Summary

1.10.1 This is the first iteration of the East Riding of Yorkshire's Local Economic Assessment. This document will provide an overview of the make up and performance of the local economy, its strengths and weaknesses, the functional economic areas which comprise the East Riding's economy, and present some threats to economic growth and opportunities which could drive forward the economy of the area in the future.

1.10.2 Due to its scale and physical geography the East Riding of Yorkshire is a complex and widely differing place, with an economy to match. Although the there is no single, overall economic identity to the East Riding there are sufficient economic linkages and shared issues to make a strong case for four functional economic areas within it. These are the Hull FEA, the York FEA, the Yorkshire Coast FEA and the Goole and Selby FEA.

1.10.3 We shall now examine the East Riding and these Functional Economic Areas using the key elements which can inform our understanding of the economy of the area: Demography; Business & Economy; Employment & Skills; Economic Inclusion & Worklessness; Housing, Infrastructure & Connectivity; and Environment.

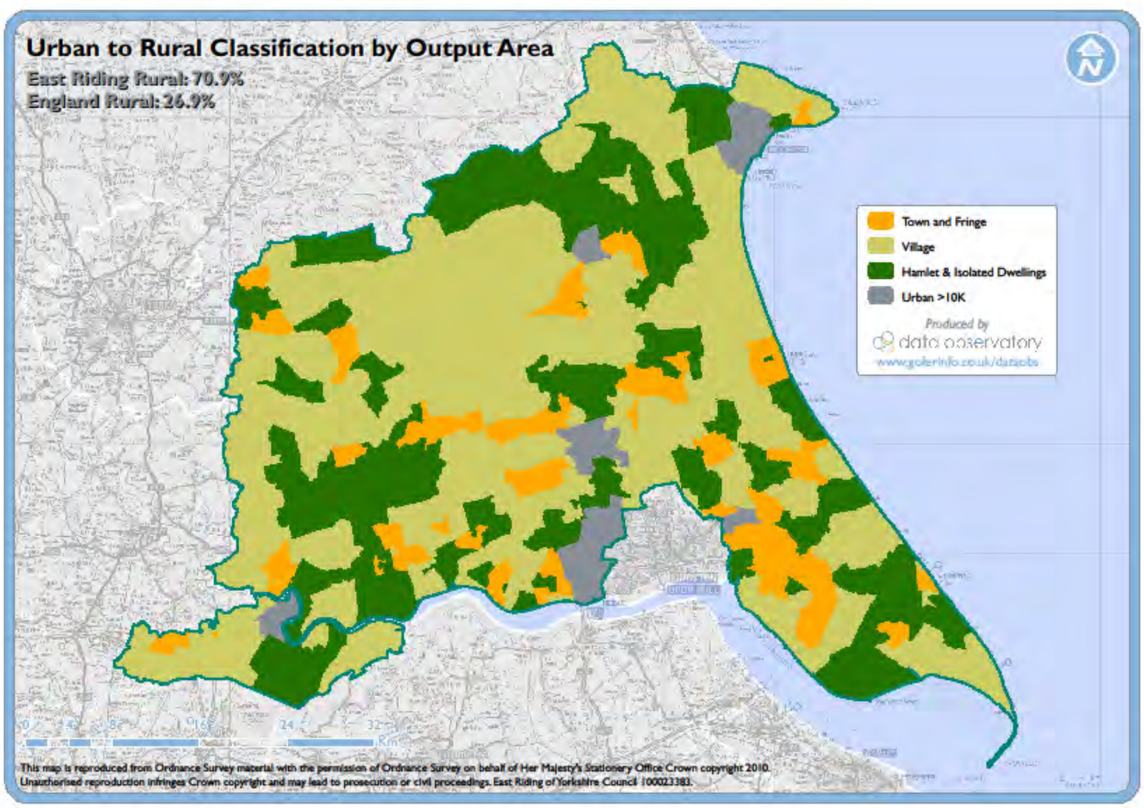
2. Demography

2.1 Population Profile

2.1.1 As already noted, in 2009 the East Riding of Yorkshire had an estimated population of 337,000[1], which represents an increase in populace of 7.3% since the 2001 Census.

2.1.2 The largest town in the East Riding is Bridlington with a population of 35,000 people. The other major settlements are Beverley (30,500), Goole (17,500), and the 'Haltemprice' settlements to the west of the City of Hull: Cottingham (17,000); Anlaby/Willerby/Kirkella (23,500); and Hessle (15,000). However, as can be seen from *Figure 5*, the East Riding is predominantly a rural area with over half of the population living in dispersed rural communities. In 2004, the ONS classified the East Riding as being approximately 70.9% rural by area and 51% by population.

Figure 5: Urban to Rural Classification in the East Riding



Source: East Riding Data Observatory

[1] 2009 Office for National Statistics Mid-Year Estimates

2.1.3 *Figures 6 and 7* shows the population of the East Riding compared with the Yorkshire and Humber region, and England. The population of the East Riding has been rising fast in recent years: between 2001 and 2009, its population is estimated to have risen by 7.3%, compared with 5.9% for Yorkshire and Humber, and 5.4% for England. The gender split for the East Riding is in line with regional and national proportions.

Figure 6 : Population Estimates

	Census 2001	Mid 2004 Estimate	Mid 2005 Estimate	Mid 2006 Estimate	Mid 2007 Estimate	Mid 2008 Estimate	Mid 2009 Estimate
East Riding of Yorkshire	314,100 (% change from base)	324,800 + 3.4%	327,400 +4.2%	330,900 +5.3%	333,000 +6.0%	335,000 +6.6%	337,000 +7.3%
Yorkshire & Humber	4,964,800 (% change from base)	5,038,800 +1.5%	5,063,900 +2.0%	5,142,400 +3.6%	5,177,200 +4.3%	5,213,200 +5%	5,258,100 +5.9%
England	49,138,800 (% change from base)	50,093,800 +1.9%	50,431,700 +2.6%	50,762,900 +3.3%	51,092,000 +4.0%	51,446,200 +4.7%	51,807,700 +5.4%

Sources: National Statistics website: www.statistics.gov.uk

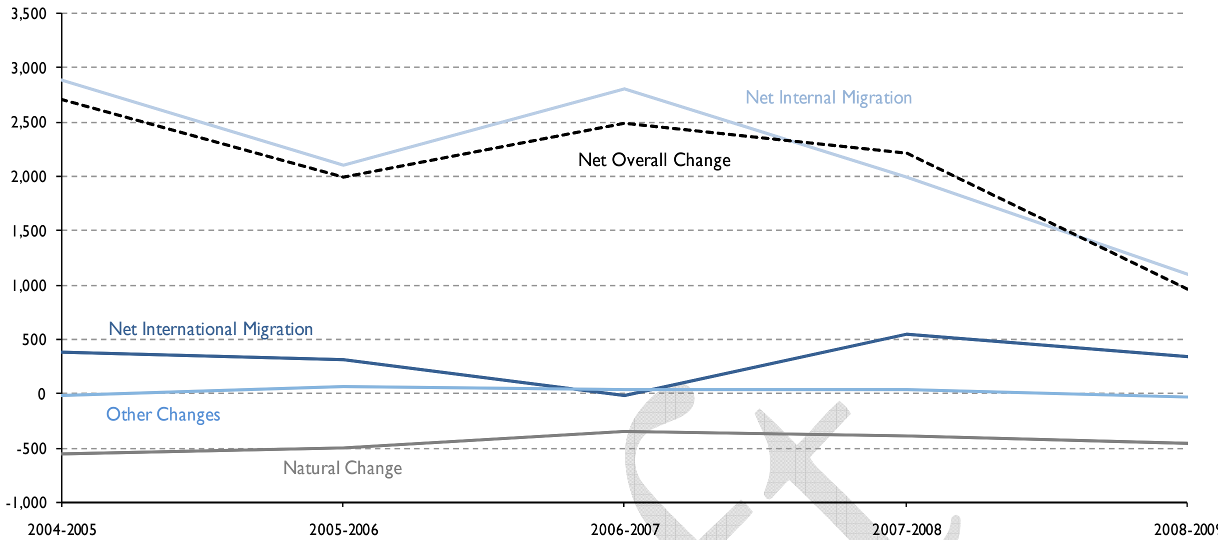
Figure 7: Gender differences in population (2009)

	Male Population	Female Population
East Riding of Yorkshire	166,000 (49.3%)	171,000 (50.7%)
Yorkshire & Humber Region	2,594,200 (49.3 %)	2,663,900 (50.7%)
England	25,514,600 (49.2%)	26,295,200 (50.8%)

Sources: National Statistics website: www.statistics.gov.uk

2.1.4 *Figure 8* illustrates the components of change within the East Riding population. This analysis seeks to illustrate what is driving changes in population in the East Riding by considering natural change, i.e. number of births and deaths alongside inward and outward migration in the area.

Figure 8: Components of population change – East Riding 2008/09



Source ONS

2.1.5 Although there are more deaths (3,490) than births (3,040) between mid-2008 and mid-2009 net migration and other changes accounted for the increase in the East Riding's population. Of the migration to the area the majority was net internal migration from within the UK, however the level of net internal migration has been falling since 2006/07.

2.1.6 Specific flows of internal migration have been seen from the City of Hull to the Haltemprice settlements, Beverley and the surrounding rural area. People are choosing Pocklington, Market Weighton and their rural hinterlands as bases from which to commute to York and large numbers of retirees are opting to relocate to the East Riding's coastal strip from cities and large towns in West & South Yorkshire.

2.1.7 International migration to the East Riding is characterised by economic migration from EU accession states.

2.1.8 Given the largely rural nature of the East Riding, it is not surprising that population density is significantly below the national and regional average, as can be seen from *Figure* 9.

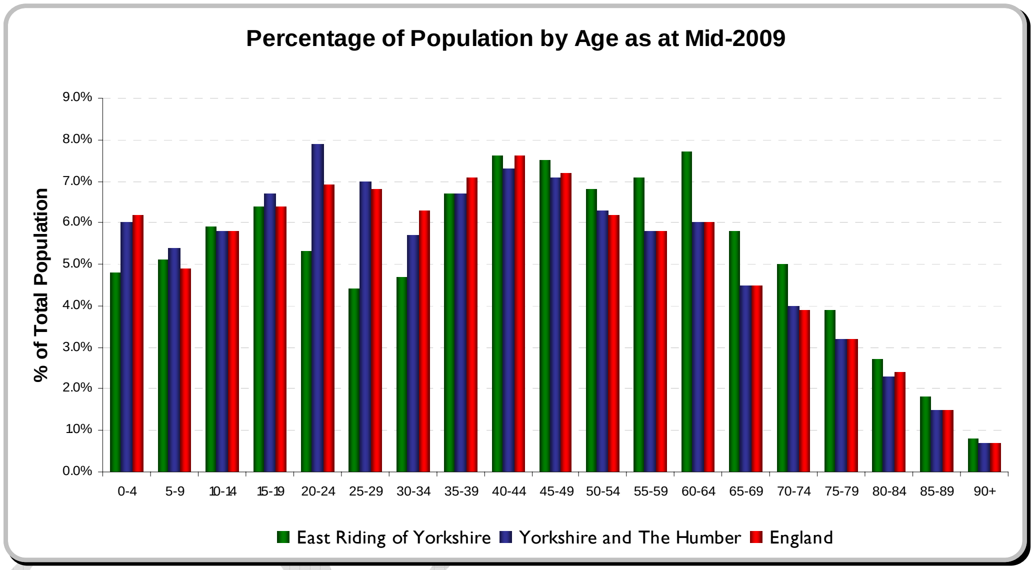
Figure 9: Population Densities

	Area (sq km)	Population (mid 2009)	Density (people per sq km)
East Riding of Yorkshire	2,408	337,000	139.9
Yorkshire & Humber Region	15,408	5,258,100	341.2
England	130,281	51,807,700	397.7

Sources: National Statistics website: www.statistics.gov.uk

2.1.9 *Figure* 10 shows the age profiles of the East Riding, the Yorkshire and Humber region, and England and Wales. For all the age categories under 40, the East Riding has proportionally less people compared with the national and regional averages. Conversely, for all the age categories of 40 and over, the East Riding has proportionally more people. The two most striking aspects to note in the East Riding's profile is the large dip in the 20 to 29 year-old categories, and the large peak in the 55 to 59 year-old category: the former attributable to people moving out of the area to access higher education in their twenties, the latter to in migrants taking advantage of the quality of life the East Riding offers.

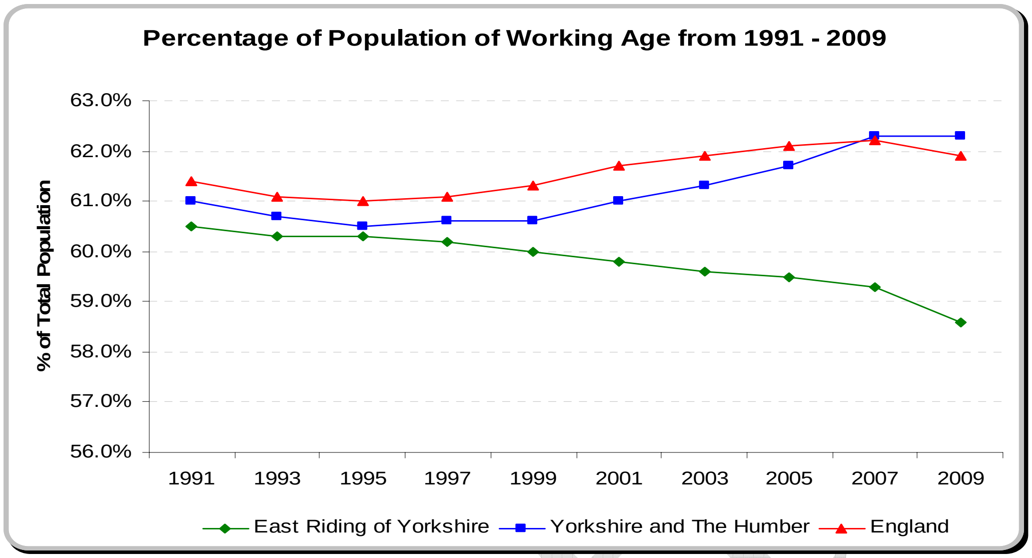
Figure 10: Percentage of population by age as at mid-2009



Source: ONS Mid-2009 Population Estimates, 2010.

2.1.10 *Figure 11* shows that, since 1996, the estimated proportion of the population in the East Riding who are of working-age has been declining. In 2009 the working age population in the East Riding stood at 197,500 (2009 mid year estimate ONS). This contrasts starkly with the trends in England and Wales and Yorkshire and Humber, both of which have seen increases in the estimated proportion of the working-age population during the same period. The East Riding has always had proportionally less working-age people in its population, but the gap has widened during the last ten years.

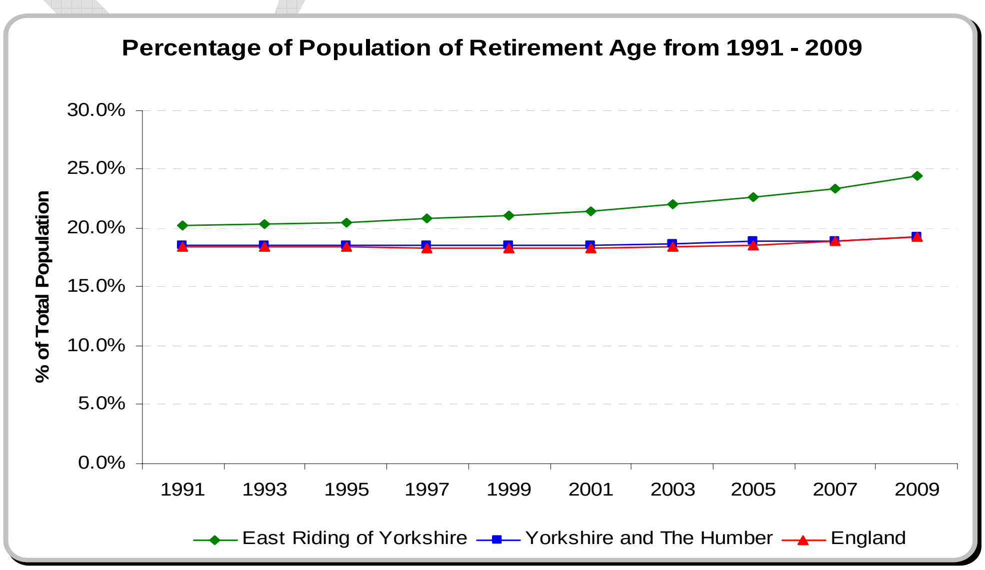
Figure 11: Percentage of population of working age from 1991 to 2009



Source: ONS Mid-Year Population Estimates (1991-2009), 2010

2.1.11 In comparison, *Figure 12* shows that since 1995 there has been a year-on-year increase in the proportion of retired people in the East Riding. This contrasts with England and Wales, and Yorkshire and Humber averages, both of which have maintained fairly consistent percentages of retired people over the same period. Indeed the 65+ population of the East Riding is estimated to have grown 2.5% since 2008 which is a higher percentage growth than the East Riding population as a whole. It is also a higher estimated growth than for the 65+ population in England and Wales (1.8%). The population of the East Riding aged 80+ is also estimated to have grown faster than the East Riding population as a whole, measuring a 3.5% increase.

Figure 12: Percentage of population of retirement age from 1991 to 2009



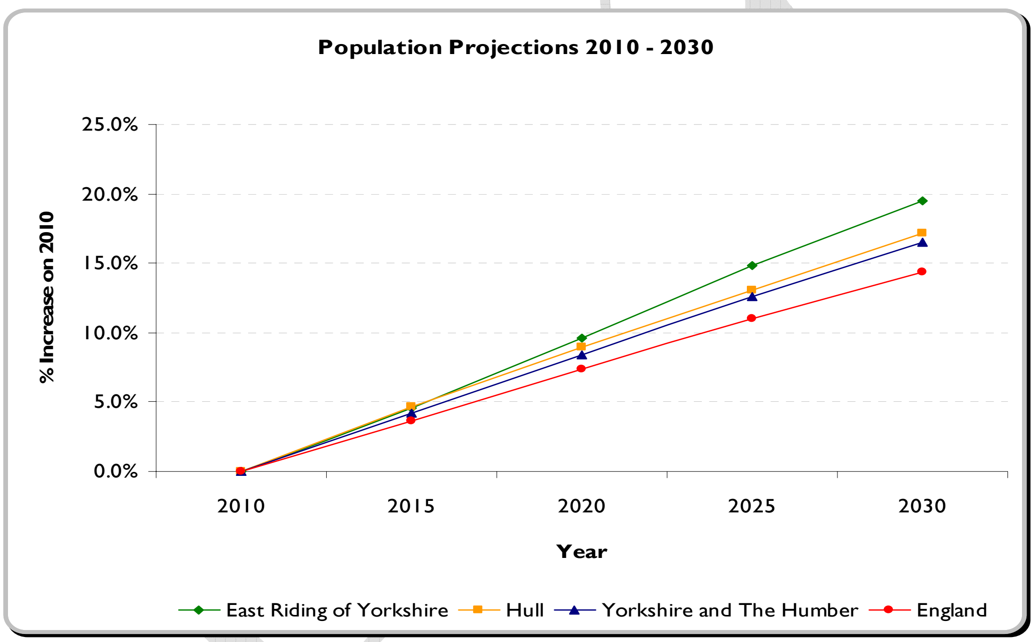
Source: ONS Mid-Year Population Estimates (1991-2009), 2010

2.1.12 It is apparent from these demographic charts that future plans need to take into account the needs of the elderly given that they are an increasing sector of the population. Plans will also take into account the needs of young adults if we are to retain them or attract them to the area. It is important to ensure that we are building mixed, sustainable communities and a skilled workforce that will remain viable into the future.

2.2 Population Projections 2010-2030

2.2.1 The projections shown in *Figure 13* below are based on past trends and the population projections, which reflect large scale Greenfield developments in previous years. More recent changes to the housing and employment market may not, therefore, be reflected in current projections.

Figure 13: Population projections 2010-2030



Source: PANSI – 'Population by Age', 2010

2.2.2 *Figure 13* illustrates that the population of the East Riding is projected to increase by 9.6% from 341,900 (2010) to 374,800 in 2020. The anticipated population in 2030 is forecast to be 408,600, a 19.5% increase on 2010. This rise over the 20 year period would result in an additional 66,700 people living in the East Riding.

2.2.3 The predicted rate of growth (19.5%) in the East Riding to 2030 is notably higher than the respective growth rates of Hull (17.2%), Yorkshire and The Humber (16.5%) and England (14.4%).

2.2.4 The percentage of people aged 18-24 in the East Riding is predicted to decrease from 2010 to 2020 by 10.9%, yet subsequently followed by an 8.7% increase to 2030. Overall, this represents a 3.1% fall within this age group.

2.2.5 The proportion of working age people (18-64) in the East Riding is predicted to increase by just 6.2% from 205,100 to 217,900 in 2030. This compares with the 6.1% increase expected nationally, whereas both the Yorkshire and the Humber region (9.0% growth) and particularly Hull (12.6% rise) are projected to experience much larger increases.

2.2.6 The number of working age males in the area is expected to increase by 10.1% up to 2030, compared to a considerably lower increase of 2.4% amongst females. The significant difference between the levels of growth does not appear to be replicated on a regional or national level, where population increases by gender are forecast to grow at a much more even rate.

2.2.7 The 65+ age band is forecast to experience the highest growth in the East Riding with a 40.4% increase predicted up to 2030, which reflects the ageing population trend nationally. However, it should be noted the over 65 population both regionally and nationally is set to rise by 50.7% and 49.7% respectively, approximately 10% higher than the East Riding.

2.2.8 These ONS projections need to be viewed as a 'policy off' position which means they do not take into account the current planning and development setting within the East Riding. The ERYC Planning department, as part of their latest Infrastructure Study, have developed a methodology to project population growth based on the development strategy advocated in the emerging Local Development Framework (LDF) – *see Figure 14 below*.

2.2.9 The headline from this piece of work is that there is a discrepancy of some 26,759 people between the ONS projections to 2026 (the lifetime of the LDF) and the projections used for the LDF.

Figure 14: Difference between ONS / East Riding Local Development Framework projections

	Projected Total Population 2007 -2026	**Projected Population Growth 2007-2026**	**Projected % Population Growth 2007-2026**
ONS Projections	412,100	79,023	23.7%
LDF Projections	385,341	52,264	15.7%
Difference	26,759	26,759	8%

Source ONS/ ERYC

2.2.10 The economic implications of this more conservative growth scenario laid out in the LDF compared to the ONS projections are wide reaching but include a smaller available indigenous workforce for the East Riding than expected by the ONS and a reduced number of residential housing completions required to accommodate this growing population, but this also depends on household size changes.

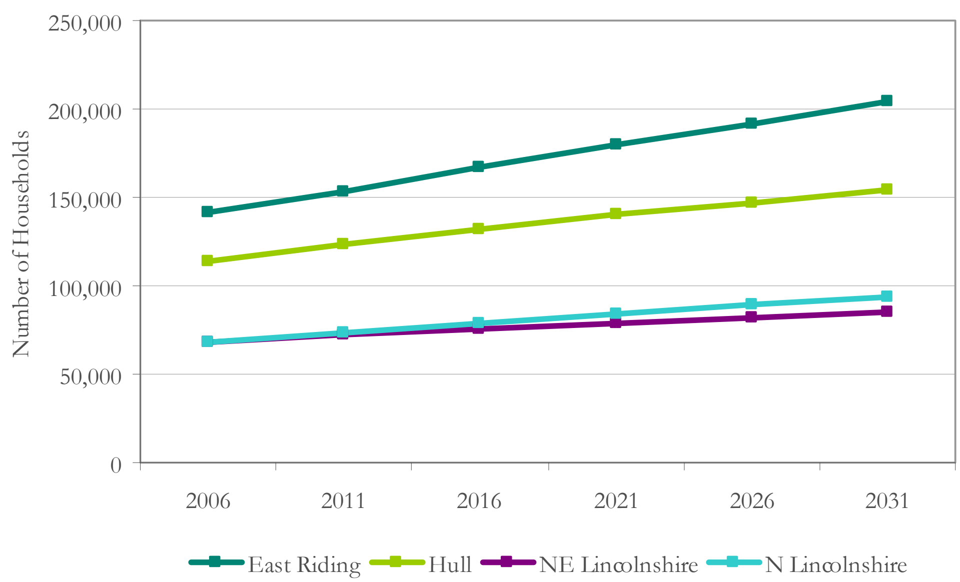
2.3 Household size and composition

2.3.1 According to the 2001 census there were 131,084 households in the East Riding. The majority of these, 49,932, were two person households. The average household size in the East Riding currently, according to the 2001 census, is 2.34. The CLG produces projections that predict decreasing household sizes with the average household being 2.10 persons by 2016, which requires a greater number proportion of homes per head of population.

2.4 Household projections

2.4.1 The following household projections (see *Figure* 15 below), published by CLG, are trend based and show what would happen if past demographic changes continue. In the current climate these figures must be viewed with caution due to the recession and reduced rate of house building.

Figure 15: Household projections



Source: CLG

2.4.2 It is estimated that in 2006 the East Riding had 141,000 households. By 2031 CLG predict this that this number will be 204,000. Therefore, based on these predictions, it is possible to calculate that the average annual increase in the number of households for the East Riding will be 2,520. Levels of housing completion in the East Riding averaged around 1,400 per year between 2000 and 2008. The figures since then have shown a dramatic drop to 535 completions in 2008/09 and 374 in 2009/10.

2.4.3 The graph shows a large increase in the number of households in the East Riding and other Humber authorities. However, the number of households in the East Riding is expected to rise by 45%, whereas the number of households in Hull is expected to rise by only 35%. Households in North Lincolnshire will increase by 38% and households in North East Lincolnshire will increase by 25%. However when compared to the revised population projections, these projections appear to be an overestimate. The East Riding of Yorkshire Council are therefore treating the projection with caution whilst recognising the real pressures arising from a sustained increase in the number of smaller and more older person households.

2.5 Black & Ethnic Minority (BME) Populations

2.5.1 In April 2009 ONS released 2006 population estimates by ethnic group for Local Authority Areas.

Figure 16: East Riding of Yorkshire Ethnic Group Estimated Populations

ONS Estimated Resident Population	**East Riding of Yorkshire**
White: British	316,500
White: Irish	1,400
White: Other White	4,500
Mixed: White & Black Caribbean	600
Mixed: White & Black African	400
Mixed: White & Asian	800
Mixed: Other Mixed	700
Asian or Asian British: Indian	2,100
Asian or Asian British: Pakistani	1,500
Asian or Asian British: Bangladeshi	300
Asian or Asian British: Other Asian	600
Black or Black British: Black Caribbean	500
Black or Black British: Black African	1,000
Black or Black British: Other Black	100
Chinese or other ethnic group: Chinese	1,000
Chinese or other ethnic group: Other	800
Minority Ethnic Group	**16,300**
% Minority Ethnic Group	**4.9%**
% Minority Ethnic Group England	**16.4%**
All People	**332,800**

Source: ONS

2.5.2 *Figure 16* estimates that there are 16,300 people of a minority ethnic group living in the East Riding equating to 4.9% of the population. This is much less than the 16.4 % recorded for England as a whole.

2.5.3 In 2006 the University of Leeds, School of Geography were commissioned by Yorkshire Futures to compile population projections for ethnicity between 2005 and 2030. These projections (*figure 17*) were derived using population statistics, and emigration and immigration flow projections for 2004.

Figure 17: Black & Ethnic Minority Population Change

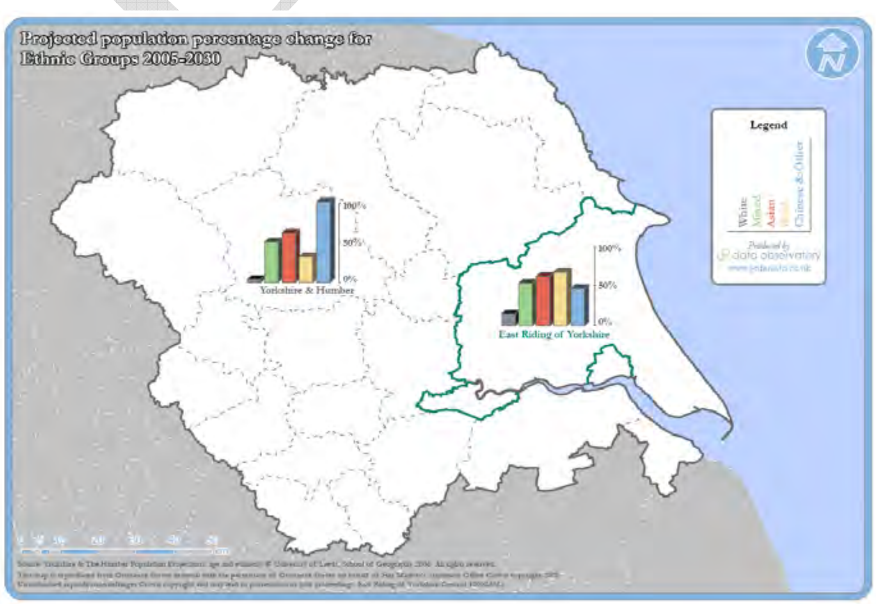
	Percentage change between 2005 and 2030					
	White	**Mixed**	**Asian**	**Black**	**Chinese & other**	**Total**
East Riding of Yorkshire	16.4	58.3	67.8	73.7	51.1	17.0
Kingston upon Hull	-12.2	24.2	8.0	74.5	106.3	-9.7
Y&H Region	4.0	55.5	67.8	35.4	100.5	8.9

Source: Yorkshire Futures

2.5.4 The results of this work were:

- The total BME population of the East Riding is expected to increase by 4,401 between 2005 and 2030. This increase is driven by increases to all ethnic populations: mixed (1,144), Asian (1,992), black (686), and Chinese and other (579).
- The percentage increase is highest within the black population (73.7%) and lowest within the white population (16.4%).
- Between 2005 and 2010, 2010 and 2020, and 2020 and 2030, all ethnic populations increase in size.
- Compared with the Yorkshire and Humber region, both the mixed and Asian population percentage increase is similar between 2005 and 2030, the white and black population percentage increase is higher for the East Riding, and the Chinese and other population percentage increase is lower for the East Riding as shown in *Figure 18*.
- All populations are increasing in the Yorkshire and the Humber region, the highest in the Chinese and other population (100.5%, equating to a total number of 39,500) the lowest amongst the white population (4.0%, equating to a number of 186,800).

Figure 18: Projected Population Change by Ethnic Group



2.6 Migrant Workers Population

2.6.1 The East Riding of Yorkshire has seen a significant increase in the number of migrants living and working in the area over the past 3-4 years. During 2005-2008, approximately 4,360 new National Insurance (NI) numbers were issued to overseas nationals living in the East Riding, compared to just over 100 in the three previous years. Migrants are living in the more urban parts of the East Riding, particularly Goole, however they also live and work in Bridlington, Beverley and Driffield.

2.6.2 As noted, Goole has the highest concentrations of migrant workers in the East Riding. Using English as an Additional Language (EAL) data from schools it can be estimated that between 3,000 and 5,000 migrants now live in Goole (population of Goole is approximately 18,000). Local intelligence indicates that there are at least 2,000 Polish, 1,000 Latvian and around 800 Brazilian and Portuguese migrants now living in Goole. Additionally there is a broad range of other nationalities living in the town including Russian, Lithuanian and Estonian.

2.6.3 Contrary to the trend of migrants arriving in the East Riding on a seasonal basis, attracted by a large number of agricultural and horticultural employment opportunities, migrants are particularly settling in Goole on a more permanent basis in extended family units. During 2010, births to mothers whose place of origin was outside of the UK has accounted for over one-third of all births registered in Goole.

2.7 Population of the East Riding's Functional Economic Areas

2.7.1 In order to understand the characteristics of each Functional Economic Area (FEA), it is useful to examine the key demographics of each area.

2.7.2 Population Assessments, shown in *Figure 19*

Figure 19: Functional Economic Area Populations

Hull FEA	Yorkshire Coast FEA	Goole & Selby FEA	York FEA
443,214	177,717	91,199	265,616

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

2.7.3 The estimated population of the major settlements in the respective FEAs for 2008 are:

<u>Hull FEA</u>

Kingston Upon Hull	261,100
Beverley	30,500
Anlaby/Willerby/Kirkella	23,500
Cottingham	17,000
Hessle	15,000

<u>Yorkshire Coast FEA</u>

Scarborough	51,460
Bridlington	35,000
Whitby	13,570

<u>Goole & Selby FEA</u>

Selby	24,000
Goole	17,500

<u>York FEA</u>

York	194,900

Source: ONS

2.7.4 The Yorkshire Coast FEA has only 56% of its population of working age. This is lower than the East Riding average of 58.5% and significantly lower than the East Riding's other FEAs. 63% of the York FEA population is of working age, 62% of the Hull FEA and 61% of the Goole & Selby FEA, shown in *Figure 20*.

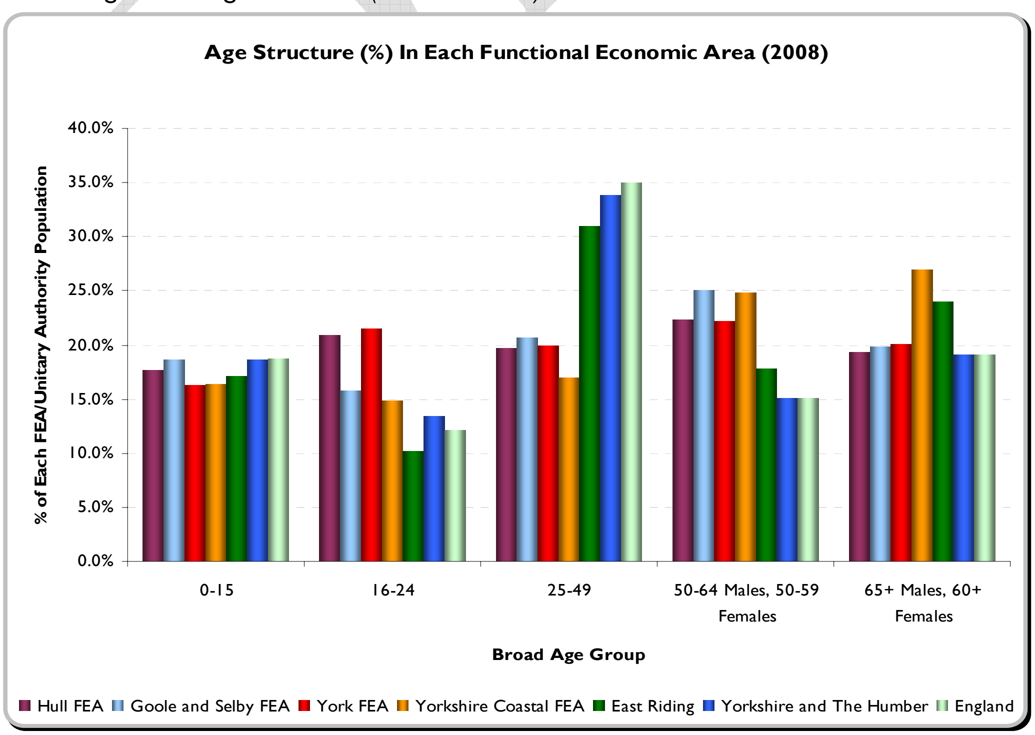
Figure 20: Functional Economic Area Working Age Populations

Hull FEA	Yorkshire Coast FEA	Goole & Selby FEA	York FEA
277,875 62%	100,563 56%	56,087 61%	168,952 63%

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

2.7.5 The Yorkshire Coast FEA demonstrates an age structure which shows a very low percentage of residents being in the 25-34 age groups and a higher percentage than other FEAs in the East Riding and England in the 60-85+ bracket, see *Figure 21*.

Figure 21: Age Structure (% Breakdown)



Source: ONS, Mid-Year 2008 Population Estimates by 'Broad Age Group'

2.7.6 The Goole & Selby FEA shares the Coastal issue of demonstrating a lower than the Regional and English percentage of young adults in the 25-34 age groups but this is counteracted by a larger percentage in the middle age ranges of 40-55.

2.7.7 The Functional Economic Areas of Hull and York, with their university populations, unsurprisingly demonstrate larger percentages in the 20–30 age groups.

2.7.8 The gender composition is largely the same across all FEAs with marginally more females than males. This is likely to be a result of the ageing population with women's life expectancy being longer than men's, shown in *Figure 22*..

Figure 22: Gender Breakdown

Gender	Hull FEA	Yorkshire Coast FEA	Goole & Selby FEA	York FEA
Males	215,901	85,757	44,873 (49.2%)	129,692 (48.8%)
Females	221,912	91,860	46,326 (50.7%)	135,924 (51.2%)

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

2.7.9 Looking at the ethnic make up of the East Riding's Functional Economic Areas it can be seen that all of the FEAs had a higher percentage of white British population than both England (87%) and Yorkshire & Humber averages (91.6%) at the 2001 census.

2.7.10 The Hull Functional Economic Area has the highest BME population in terms of numbers, with York Functional Economic Area displaying the largest percentage of the overall population being classified as BME (see *Figure 23)*.

Figure 23: Black and Minority Ethnic population by FEA

FEA	Total	White: British		Other Ethnic Group	
		No.	**%**	**No.**	**%**
Hull FEA	419,088	405,519	96.8%	13,569	3.2%
Yorkshire Coast FEA	169,781	166,091	97.8%	3,690	2.2%
Goole & Selby FEA	83,537	82,087	98.2%	1,450	1.7%
York FEA	245,751	235,226	95.7%	10,525	4.3%

Source: Office for National Statistics, Census 2001

** Limitations with data collection may mean that the total population and the total classified under a specific ethnic group may not sum.*

2.8 Summary of Demographics Section

2.8.1 The East Riding's population in 2009 was estimated at 337,000.

2.8.2 The East Riding is predominantly rural with just over half the population living in dispersed rural communities.

2.8.3 The population of the East Riding has grown significantly in recent years, with an estimated population increase of 7.3% since 2001.

2.8.5 The East Riding's Age Profile shows proportionally less residents under the age of 40 than regional and national averages but proportionally more over that age. There are very low numbers of the population who are in the 20 to 29 age range and a large proportion in the 55 to 59 range.

2.8.6 The proportion of the East Riding population of working age is currently declining.

2.8.7 The largest Functional Economic Area in terms of population is the Hull FEA with an estimated 443,214 residents.

2.8.8 York FEA has the highest proportion of residents of working age and the highest percentage of non white residents.

2.8.9 The Yorkshire Coast FEA has the highest number of residents over 60 and thus the lowest proportion of working age residents of all the East Riding's FEAs.

2.8.10 All Functional Economic Areas have lower than average BME populations.

3. Business & Economy

3.1 Introduction

3.1.1 This chapter profiles the East Riding of Yorkshire and its Functional Economic Areas and will identify similarities and differences in terms of output & productivity, business & economic structures, performance and future growth.

3.2 Economic Performance - Output (GVA) in the East Riding of Yorkshire

3.2.1 Gross Value Added (GVA) is the principal measure of the total value of goods and services that a geographical area produces. GVA, and particularly GVA growth, is an important indicator of the overall health of a local economy. It is calculated by summing the incomes generated in the production process.

3.2.2 GVA's relationship with Gross Domestic Product (GDP) (the measure for a country's net income) is defined as:

GVA + taxes on products – subsidies on products = GDP

3.2.3 Since aggregates of taxes and subsidies are available only at a national level, GVA is used as the measure of output at a local, regional and sub-regional level. It measures profits and wages at company level and, therefore, branch and subsidiary operations are recorded against the headquarters' location.

3.2.4 As GVA is only recorded at local authority level (NUTS 3)[1], it is not possible to analyse the East Riding of Yorkshire's Functional Economic Areas as separate entities. We can, however, look at individual sectors and their contribution to the whole area's GVA as some of these sectors are location specific.

3.2.5 In 2007, the East Riding achieved £4.35bn GVA which, when added to Kingston upon Hull's total of £4.26bn, equates to 61% of the total Humber GVA. The Humber economy, at just over £14bn, contributes 16% and 1.3% respectively to the total regional and national GVA (*Figure 24*).

[1] NUTS (Nomenclature of Units for Territorial Statistics) was created by the European Office for Statistics (Eurostat) as a single hierarchical classification of spatial units used for statistical production across the European Union. NUTS 3 relates to the unitary authority / county level across England, where there are 133 units in total.

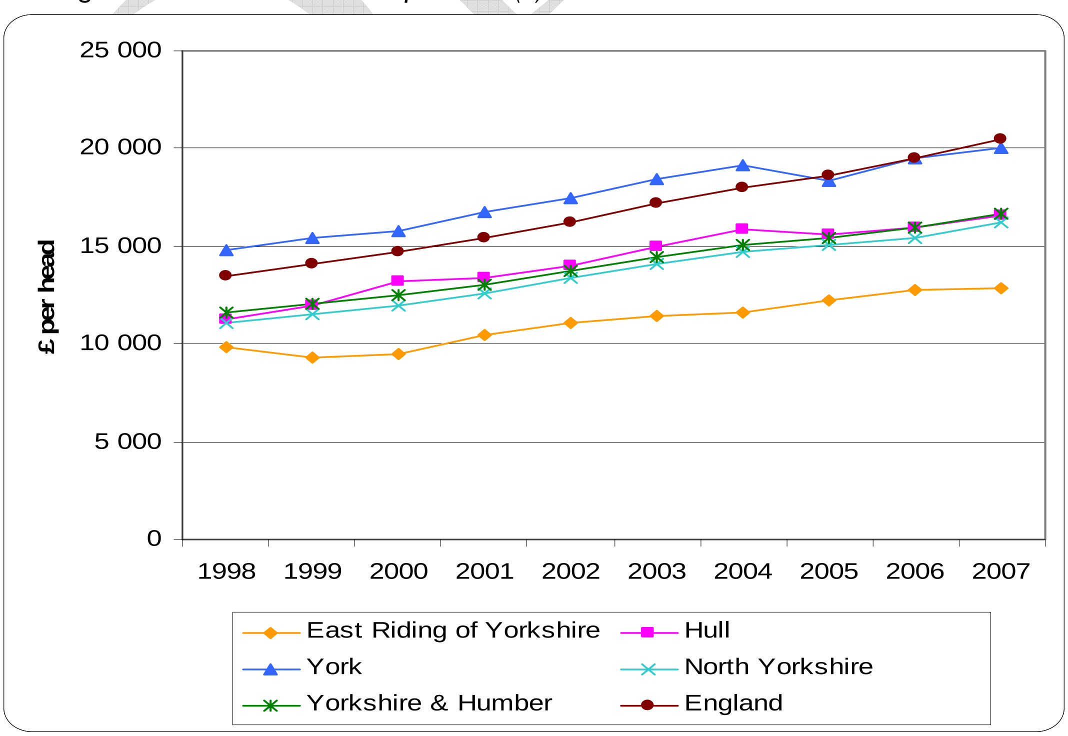
Figure 24: Total Gross Value Added (2007)

	Total GVA (£m)
East Riding of Yorkshire	4,347
Kingston upon Hull	4,258
York	3,857
Scarborough	1,525
Selby	1,520
Yorkshire & Humber	87,393
National - England	1,045,501

Source: Office Of National Statistics, Yorkshire Forward / Experian Business Strategies Ltd Regional Econometric Model, Spring 2010

3.2.6 'Progress In The Hull & Humber Ports' (2010), outlines that the East Riding of Yorkshire made significant progress on the baseline year, with 4.8% average annual GVA growth while Kingston upon Hull had a 4.1% increase in its GVA between 1998 and 2007. The increase in the GVA of the East Riding was attributable, up until 2003, to a growth in population allied to a similar expansion in employee jobs in the area. Since 2003 the number of jobs has remained relatively static, but there has been a sectoral shift within the economy towards the business services & finance and public administration, education, health and other services sectors, which have made considerable contributions to the East Riding's GVA.

Figure 25: Gross Value Added per head (£) 1998 - 2008



Source: ONS

3.2.7 While this increase was substantial, there has been a 5.2% growth regionally and a 5.9% growth nationally over the same period, resulting in the city region falling further behind the regional and national averages. While a slower rate of GVA growth is indicative of underperformance, headline productivity often masks the differences in composition and value added across industries and services at a regional and city regional level.

3.2.8 Data for GVA per head provides a useful proxy for assessing levels of GVA at lower geographies. However, due to the way it is calculated, GVA per head can be distorted by the effects of demographic differences and commuting as it is counted by workplace and then divided by residential population. The impact of these factors can be seen in *figure 25* which reflects the commuting patterns within the Hull FEA as large numbers of East Riding of Yorkshire residents travel into Kingston upon Hull to work.

Figure 26: Gross Value Added per head 2007

	GVA per head (£)
East Riding of Yorkshire	13,055
Kingston upon Hull	16,571
York	17,135
Scarborough	14,081
Selby	18,929
Yorkshire & Humber	16,670
National - England	20,458

Source: Office Of National Statistics, Yorkshire Forward / Experian Business Strategies Ltd Regional Econometric Model, Spring 2010

3.2.9 In 2010 the total GVA across the East Riding of Yorkshire is forecast to be £4.4bn. *Figure 27* illustrates that this is an estimated 1.6% drop from pre recession levels seen in 2007. This figure, however, represents a drop which is markedly lower than that seen across the whole of Yorkshire & Humber.

3.2.10 Forecasts created by using the regional econometric model show that by 2015 GVA across the East Riding will increase by 8.4% to £4.7bn.

Figure 27: Current GVA Forecasts

	2007	2010	2015	% Growth 2010 v 2007	% Growth 2015 v 2010
	Output	in £bn		%	%
Yorkshire & Humber	84.3	81.3	89.0	-3.5	9.4
East Riding of Yorkshire	**4.5**	**4.4**	**4.7**	**-1.6**	**8.4**
Kingston Upon Hull	4.2	4.0	4.3	-5.6	6.8
York	3.4	3.4	3.6	-1.7	7.3
Scarborough	1.5	1.5	1.7	1.0	9.0
Selby	1.5	1.5	1.7	0.0	9.1

Source: Yorkshire Forward Local Area Briefing July 2010: Yorkshire Forward, Experian Business Strategies, ONS, Regional Econometric Model.

3.2.11 Amongst the surrounding authorities within the East Riding's Functional Economic Areas, only Scarborough is projected to record a growth in GVA between 2007 to 2010 of 1% (whilst the country has experienced a recession).

3.2.12 Selby is predicted as having the largest percentage growth between 2010 and 2015 of 9.1%, whilst Scarborough is predicted a similar level of growth at 9.0%. These levels of growth demonstrate a projected increase of GVA of £0.2bn for Selby and Scarborough combined. The GVA for East Riding and Hull is predicted to grow £0.3bn over the same period.

3.2.13 The City of Hull demonstrates both the biggest forecast drop in GVA of -5.6% between 2007 and 2010 and also the smallest projected growth between 2010 and 2015, when GVA is predicted to grow by 6.8%

3.2.14 The percentage growth for all local authorities within the East Ridings FEAs is predicted to be lower than the overall Yorkshire & Humber figure of 9.4%.

3.3 GVA by Sector

3.3.1 ONS have released GVA (Gross Value Added) data for NUTS3 areas for 6 industrial groups:

- Agriculture, Forestry and Fishing
- Production
- Construction
- Distribution, Transport and Communication
- Business Services and Finance
- Public Administration, Education, Health and other services.

3.3.2 As GVA is a measure of productivity, this data allows comparisons between different parts of the local economy. However, it should be noted that the latest available figures relate to 2007.

Figure 28: GVA by Sector, East Riding of Yorkshire 2007

	£bns	%
Agriculture, forestry and fishing	198	4.55%
Production	1,038	23.88%
Construction	347	7.98%
Distribution, transport and communication	936	21.53%
Business Services and finance	697	16.03%
Public administration, education, health and other services	1,130	25.99%
Total	**4,347**	**99.98%**

Source: ONS

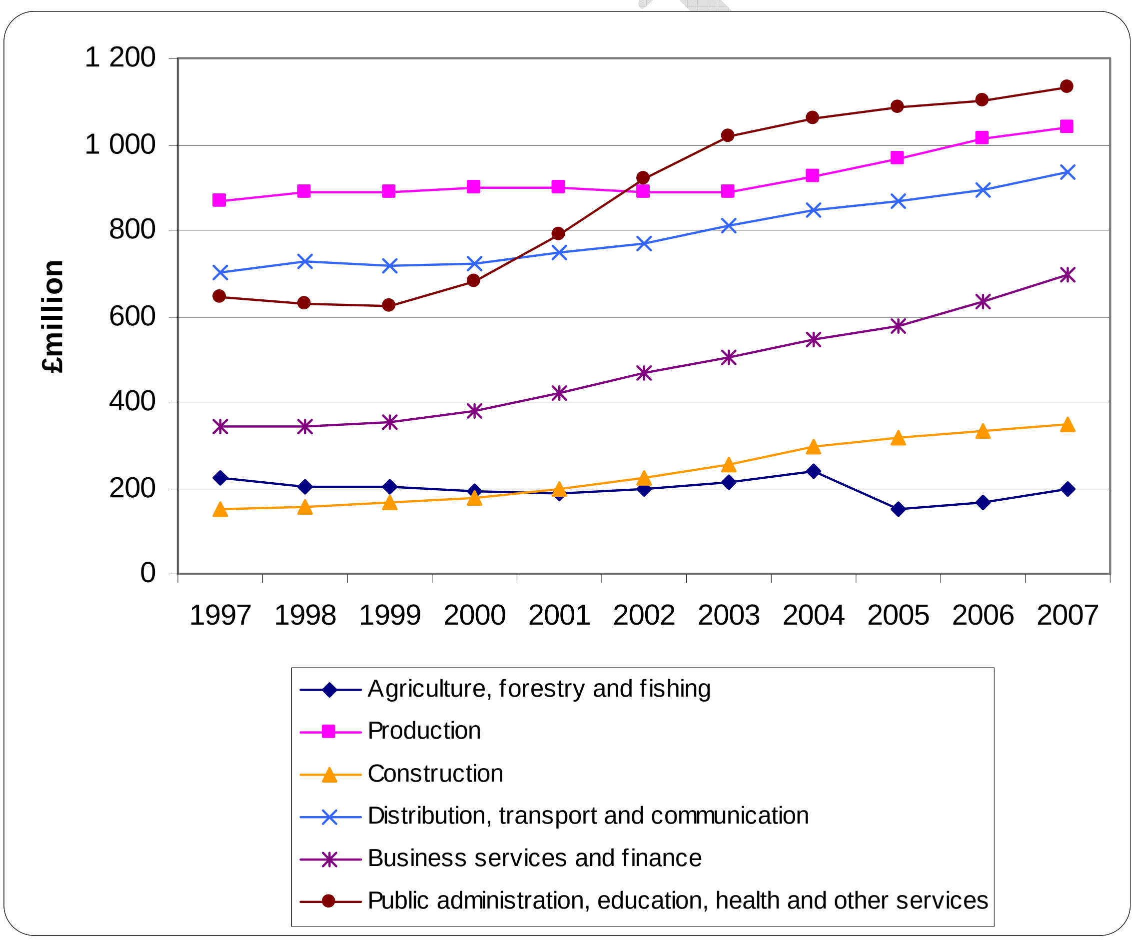
3.3.3 The 2007 figures highlight that the sectors which delivered the highest level of GVA were Public Administration, Education, Health and other services, followed by Production and then Distribution.

3.3.4 Public Administration, Education, Health and other services accounted for 26% of East Riding's GVA; Production for 24%; and Distribution for 22%. Public Administration has long been a key driver sector during the period 1999 to 2007. However, with the recession and the new Government's commitment to cutting the national debt (and consequently reducing the amount of public sector funding), it is difficult to predict any growth in this sector over the medium term.

3.3.5 GVA in the Business Services and Finance sector in the East Riding has grown steadily between 1995 and 2007 from £474m to £756m. However, the rate of growth has been much slower for this sector when compared with regional and national rates.

3.3.6 Distribution and production has seen modest levels of GVA growth over the period in the East Riding, which has resulted in their proportional contribution to the East Riding's GVA reducing by almost 5% in the case of the Production sector.

Figure 29: East Riding GVA proportion by Sector



Source ONS

3.3.7 Productivity is defined as the ratio between outputs and inputs in an economy. It is a useful concept to use when analysing growth, because it puts output (GVA) measures for an economic area into context.

3.3.8 Productivity by worker in the East Riding is predicted to decline by 0.9% between 2007 and 2010. This is in line with both the regional average and that of the Hull City Council area.

Figure 29: Productivity per worker forecasts

	2007	2010	2015	% Growth 2010 v 2007	% Growth 2015 v 2010
	Productivity per worker £000s			%	%
Yorkshire & Humber	36,500	36,100	39,000	-0.9	7.8
East Riding of Yorkshire	34,200	33,900	36.500	-0.9	7.6
Kingston Upon Hull	37,100	36,800	40,100	-0.9	8.8
York	36,800	36,700	39,500	-0.3	7.5
Scarborough	33,800	33,700	36,300	-0.3	7.6
Selby	39,200	38,000	41,400	-2.9	8.8

Source: Yorkshire Forward/ Experian Business Strategies Ltd, Office of National Statistics

3.3.9 When considering the period between 2010 and 2015 it is predicted that productivity per worker in the East Riding will grow at 7.6%, the same rate as Scarborough and slightly below the Yorkshire & Humber average of 7.8%.

3.3.10 Kingston upon Hull and Selby are predicted to see their productivity per worker increase by 8.8% over the same time period.

3.4 Economic Structure

3.4.1 Economic Structure has a significant impact on the performance of local economies and can influence future growth potential and thus has major implications on an economy's GVA 'score'. The following analysis will examine how the East Riding and surrounding FEAs are structured both in terms of employment and business unit base.

3.4.2 The Standard Industrial Classification is used to classify business establishments and other statistical units by the type of economic activity in which they are engaged in order to provide uniformity. Occasionally this classification is revised in order to ensure new products services and industries are included. Prior to the comprehensive review in 2007, a light touch revision was undertaken in 1997 and 2003.

3.4.3 *Figure 30* shows the breakdown of employment in the East Riding using the new 2007 Standard Industrial Classification (SIC) codes and illustrates the significant role which the manufacturing, wholesale and retail, human health and social work activities and education sectors play in the East Riding.

Figure 30: Employment by sector 2007 Standard Industrial Classifications

Sector	East Riding of Yorkshire		Yorkshire & Humber		England	
	No.	%	No.	%	No.	%
Agriculture, forestry & fishing	351	0.3	16,080	0.7	172,673	0.7
Mining & quarrying	276	0.3	3,118	0.1	26,138	0.1
Manufacturing	15,879	14.5	272,414	12.2	2,175,898	9.4
Electricity, gas, steam, and air conditioning	269	0.2	6,910	0.3	63,318	0.3
Water supply, sewerage, waste management	371	0.3	11,856	0.5	127,157	0.6
Construction	6,445	5.9	122,358	5.5	1,136,579	4.9
Wholesale & Retail trades	18,334	16.8	379,732	17.0	3,843,327	16.7
Transportation & Storage	4,555	4.2	104,151	4.7	1,107,235	4.8
Accommodation and food service activities	7,856	7.2	140,115	6.3	1,544,051	6.7
Information & communication	2,219	2.0	53,732	2.4	914,599	4.0
Financial and insurance activities	1,839	1.7	87,627	3.9	945,366	4.1
Real estate activities	1,017	0.9	31,607	1.4	326,632	1.4
Professional, scientific and tech. activities	4,996	4.6	121,720	5.5	1,638,409	7.1
Administrative and support services activities	4,005	3.7	157,444	7.1	1,931,176	8.4
Public administration and defence	8,156	7.5	119,701	5.4	1,201,915	5.2
Education	14,848	13.6	236,029	10.6	2,181,629	9.5
Human health and social work activities	14,300	13.1	281,157	12.6	2,688,951	11.7
Arts, Entertainment and recreation	1,309	1.2	49,150	2.2	554,705	2.4
Other service activities	2,157	2.0	37,444	1.7	493,955	2.1
Activities of households as employers	0	0.0	0	0.0	0	0.0
Activities of extraterritorial orgs.	0	0.0	0	0.0	0	0.0
TOTAL	**109,183**	**100.0**	**2,232,345**	**100.0**	**23,073,714**	**100.0**

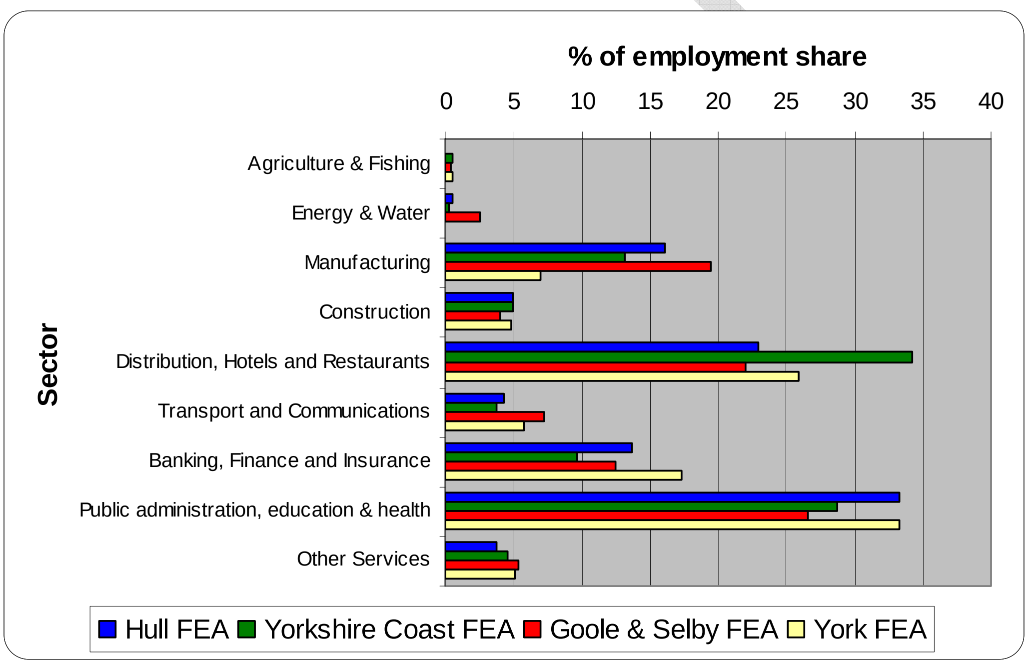
Source: NOMIS Annual Business Inquiry – Workplace Analysis

3.4.4 *Figure 30* also highlights that, in percentage terms, proportionately less people in the East Riding work in the financial & insurance activities and administration & support services sectors than the regional and national averages. Arts, Entertainment and Recreation employment has been divided into a new SIC code category and the employment share for the East Riding is half the rate for England and considerably lower than that for Yorkshire & Humber.

3.4.5 Due to the changes in classification codes that followed the 2007 SIC codes review, it is very difficult to undertake a time series analysis using the new codes. Therefore in order to examine progress over time, the 2003 SIC codes have been used to analyse the business structure of FEAs.

3.4.6 The Following graph in *figure 31* shows the 2008 employment structure for the East Riding's Functional Economic Areas. Each bar demonstrates the number of jobs in that sector represented as a percentage of overall employment in that area.

Figure 31: FEA 2008 Employment Structure, 2003 SIC Codes



Source: ABI 2008

3.4.7 *Figure 31* shows that a high percentage of those employed in the Hull FEA are employed in the manufacturing and public administration, education and health sectors.

3.4.8 The Yorkshire Coast FEA exhibits a high percentage of employment in the distribution, hotels and restaurants sector but a low percentage employed in banking finance and insurance.

3.4.9 The Goole and Selby FEA has a higher percentage of employment in manufacturing and electricity, gas and water supply sectors when compared with the other FEAs, and the lowest percentage employed in the public administration, education and health.

3.4.10 Conversely the neighbouring York FEA has a high percentage of public administration education and health and the lowest percentage of manufacturing jobs in its economy. The York FEA has the highest proportion of employees in the banking, finance and insurance sector compared to other FEAs.

3.5 Analysis by individual sector

3.5.1 The following section outlines more detail on the structure of individual sectors in the East Riding and its Functional Economic areas. It will concentrate upon employment changes in principal sectors but will highlight other relevant information.

3.5.2 The employment structure analysis looks at changes over the last 5 years as alterations to SIC code methodology in 2003 makes analysis of the FEA spatial level possible only after this date.

3.5.3 When examining sector structure by employment it is worth noting that although growth in employment can contribute to growth in an area's overall GVA, it does not necessarily have an impact on GVA per head. This is because there are sectors which add more value an area's economy. For example, although Banking, Finance and Insurance services employ less people in the East Riding than the retail sector, it contributes more to the East Riding's Economy in terms of GVA.

3.6 Agriculture & Fishing

3.6.1 The agriculture & fishing sector accounts for 0.5% of all employment in the East Riding. This represents a fall of 0.4% in employment terms since 2003. Both the Yorkshire Coast and York FEAs have the highest percentages of employment in this sector. The York FEA displays the highest number of employees in the sector although many of these are likely to be based in the North Yorkshire part of the York FEA.

3.6.2 The figures for those employed in this sector seem small, considering the rural and coastal nature of the East Riding and its FEAs, but this is due to the fact that this SIC code does not include any employment in food manufacture or processing. These jobs are contained within the Manufacturing SIC code and will be considered later in this section.

Figure 32: total number of jobs by FEA, SIC 2003

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Agriculture, Hunting, Forestry & Fishing	676	384	178	300	491	127	411	572	1,013	605	16,078	18,310	174,176	209,589

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 33: % of all jobs in area, SIC 2003

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Agriculture, Hunting, Forestry & Fishing	0.4%	0.2%	0.3%	0.5%	1.6%	0.4%	0.3%	0.5%	0.9%	0.5%	0.7%	0.8%	0.8%	0.9%

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.6.3 Although in employment terms the agriculture, forestry and fishing sector seems small it still makes a significant contribution to the economy in terms of GVA and also the physical and economic landscape of the East Riding (which will be further examined below).

3.6.4 The amount of land used for agriculture in the East Riding has been broadly consistent over the last 20 years but has increased in each of the last two recorded years (2008 and 2009).

Figure 34: Amount of Agricultural Land in East Riding

	1987	1997	2007	2009
Agricultural Land (Hectares)	209,315	208,915	203,635	206,243

Source: Defra Census

3.6.5 Over 90% of the agricultural land in the East Riding is classified as being of excellent, good or good/moderate quality and represents around 19% of Yorkshire & Humber Region's agricultural land and 75% of that in the Humber Sub-Region. The net effect of quality soils and land area - plus good quality farming - makes the East Riding of Yorkshire an important engine of agricultural economic activity within the Region.

3.6.6 *Figure 35* identifies the financial contribution of agriculture to the East Riding economy. Recent increases in commodity prices (cereals in 2008, pigment picking up from 2009) have increased the GVA contribution of the industry to the local economy as a whole. This is despite a sustained increase in production (raw material) costs such as fuel, feed and fertiliser.

3.6.7 *Figure 35* also illustrates the importance to the area of the cereal (especially wheat), pig and horticultural sectors and how year to year performance of the East Riding agricultural sector is particularly influenced by the price volatility of these commodities

Figure 35: Financial Contribution of Agriculture to the East Riding Economy

	Av 1998/2000	2007	% of output	2008	% of output	2009#	% of output
CEREALS (including seeds)	**93.4**	**67.4**	**19.5**	**120.7**	**27.4**	**90.5**	**21.3**
INDUSTRIAL CROPS	33.5	25.4	7.4	42.2	9.6	40.1	9.4
FORAGE PLANTS	1.0	2.1	0.6	2.0	0.5	2.3	0.5
VEGETABLES AND HORTICULTURAL PRODUCTS	**89.3**	**86.6**	**25.1**	**76.9**	**17.5**	**78.4**	**18.5**
POTATOES (including seeds)	14.9	16.6	4.8	20.5	4.7	17.2	4.0
FRUITS	0.3	2.8	0.8	0.6	0.1	0.6	0.1
OTHER CROP PRODUCTS	3.7	2.4	0.7	1.8	0.4	1.8	0.4
Cattle	10.2	8.7	2.5	11.2	2.6	11.9	2.8
PIGS	**75.1**	**61.1**	**17.7**	**70.3**	**16.0**	**82.3**	**19.4**
Sheep and goats	2.6	2.3	0.7	3.6	0.8	4.3	1.0
Poultry	33.7	16.3	4.7	28.1	6.4	32.6	7.7
Equines & Other animals	0.8	1.2	0.4	1.2	0.3	1.2	0.3
Milk	8.3	8.5	2.5	10.3	2.3	9.3	2.2
Eggs	2.1	6.6	1.9	7.7	1.7	7.7	1.8
Other animal products	0.8	1.5	0.4	2.1	0.5	2.1	0.5
AGRICULTURAL SERVICES OUTPUT	13.3	12.0	3.5	14.8	3.4	15.7	3.7
SECONDARY ACTIVITIES (INSEPARABLE)	10.1	17.0	4.9	17.7	4.0	17.6	4.1
GFCF in livestock (this is included in total output)	5.2	6.4	1.9	8.3	1.9	9.3	2.2
Total output	398.4	344.8	100.0	440.0	100.0	424.9	100.0
Intermediate Consumption		222.7		277.1		269.0	

GVA calculations	**2007**	**2008**	**2009**
total GVA for East Riding (from the ONS website) *	4,347	NA	NA
Agricultural GVA for East Riding	122.1	162.9	155.6
Agricultural GVA as % of total GVA for East Riding	**2.8**	**3.7 (est.)**	

2009 figures extrapolated from national trends for each sector (Agriculture in the UK 2009)
Table excludes revenue coming into the East Riding from Single Farm Payments (£42M in 2008), agri-environment schemes (c.£3m in 2008) and other rural development funding streams.

Source: Defra

3.7 The Fishing Industry

3.7.1 The fishing sector in the East Riding is predominantly involved with catching of the product, principally inshore and with a major emphasis on shellfish. At the current time 59 vessels are based in the ports and landings along the East Riding's stretch of coastline, from Flamborough to Spurn Point directly employing around 146 men and achieving landings at an estimated first sale value of £6,847,000.

3.7.2 *Figure 35a* details a summary of the fishing effort along the Yorkshire Coast in 2008, resulting from a survey undertaken by the North Eastern Sea Fisheries Committee. As is clearly evident, the catching and landing of shellfish is an extremely important component of the fishing industry within the Yorkshire Coast FEA.

3.7.3 There are several additional vessels that sail from the ports within the Yorkshire Coast FEA to catch whitefish, but their numbers are less significant than the shellfish fleets.

3.7.4 As noted in *section 1.5.2*, due the coastal towns of Hornsea and Withernsea, this sector also plays a role in the Hull FEA economy, although this is mainly in relation to shellfish.

Figure 35a: Summary of Fishing Effort Survey along the Yorkshire Coast, 2008

Home Port	Potting Effort 2008			Netting Effort 2008			Trawling Effort 2008			Lining Effort 2008		
	No. of Boats	**No. of Men**	**No. of Pots**	**No. of Boats**	**No. of Men**	**Future Netting**	**No. of Boats**	**No. of Men**	**Vessel Type**	**No. of Boats**	**No. of Men**	**Vessel Type**
Staithes	4	5	520	0	0	0	0	0	N/A	0	0	N/A
Runswick Bay	4	6	300	0	0	0	0	0	N/A	0	0	N/A
Whitby	31	73	15,090	2	5	0	7	26	Keel	0	0	N/A
Robin's Hood Bay	3	5	549	0	0	0	0	0	N/A	0	0	N/A
Scarborough	20	33	8,160	1	2	0	5	15	Keel	4	7	Cobble
Filey	6	11	2,450	0	0	0	1	2	Cobble	0	0	N/A
Flamborough	4	8	1,000	1	2	0	0	0	N/A	0	0	N/A
Bridlington	29	84	38,830	1	2	0	2	6	Keel	0	0	N/A
Yorkshire Coast FEA	**101**	**225**	**66,899**	**5**	**11**		**15**	**49**		**4**	**7**	
Hornsea	8	16	2,700	0	0	0	0	0	N/A	0	0	N/A
Tunstall	5	10	700	1	2	0	0	0	N/A	0	0	N/A
Withernsea	10	20	4,500	1	2	0	0	0	N/A	0	0	N/A
Easington	2	4	1,400	1	2	0	0	0	N/A	0	0	N/A
Spurn Point	1	2	550	0	0	0	0	0	N/A	0	0	N/A
Hull	1	2	250	0	0	0	0	0	N/A	0	0	N/A
Hull FEA	**27**	**54**	**10,100**	**3**	**6**		**0**	**0**		**0**	**0**	
TOTALS	**128**	**279**	**76,999**	**8**	**17**		**15**	**49**		**4**	**7**	

Source: North Eastern Sea Fisheries Committee

3.8 Energy & Water

3.8.1 As can be seen from *figures 36 and 37*, the East Riding has seen a 0.7% drop in the proportion of people employed in the Mining & Quarrying sector between 2003 and 2008 but a 0.3% increase in the Electricity, Gas and Water Supply Sector.

3.8.2 In 2008, the Goole & Selby FEA had 2.5% of its employment in the Electricity, Gas and Water Supply sector, a much higher proportion than the other FEAs and regional and national averages. This is mainly due to the coal fired power stations at Drax and Eggborough, which are located within this FEA.

Figure 36: Energy & Water total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Mining & Quarrying	872	183	91	104	517	37	880	20	962	276	6,099	3,212	32,190	26,379
Electricity, Gas & Water Supply	695	971	118	68	532	817	343	149	32	326	7,138	8,802	94,226	88,488

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 37: Energy & Water % of all jobs in area (2003 SIC)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Mining & Quarrying	0.5	0.1	0.2	0.2	1.6	0.1	0.7	0.0	0.9	0.2	0.3	0.1	0.1	0.1
Electricity, Gas & Water Supply	0.4	0.5	0.2	0.1	1.7	2.5	0.3	0.1	0.0	0.3	0.3	0.4	0.4	0.4

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.8.3 Due to the high levels of mechanisation that currently exist in the energy and water industries, relatively few people are actually employed in these sectors in the East Riding. However, the electricity gas and water supply sector and particularly the renewable energy sector represent a real opportunity for growth in the East Riding economy, especially when considering that the global market for low carbon goods and services worth £3 trillion in 2007/08, and expected to grow to £4.3 trillion in 2014/15 (Innovas, 2009).

3.8.4 However global competitiveness is likely to demand that locations which hope to attract these industries have the requisite natural resources, for example wind or tidal sources, alongside the appropriate supply chain and skills mix.

3.8.5 Innovas (2009) predict a UK low carbon environmental goods and services growth from £107bn in 2007/08 to £155bn in 2014/15 – a rate of 5.5 % per annum. This anticipated rate of growth has been given further credence by a recent update suggesting that the sector grew 4.3% in the year to 2008/09 despite the recession (Innovas 2010).

3.8.6 In order to seize the opportunities to deliver these benefits for the area, the Hull, East Riding & Scarborough Local Enterprise Partnership (LEP) will seek to work with its Humber partners on the south bank of the river. It is, therefore, useful to examine this sector on a Humber and East Coast wide context.

3.8.7 Home to Centrica, International Power, Scottish & Southern Energy, ConocoPhillips, Total and BP, energy is big business in the Humber. The East Riding coast currently lands, stores and distributes 20% of the UK's natural gas and the Humber provides more than a quarter of the UK's oil refining capacity. Additionally, 32% of the UK's coal imports come through the Humber ports, most of which is supplied to the nearby power stations at Drax, Ferrybridge & Eggborough, which generate around 17% of the UK's electricity.

3.8.8 With a pivotal role in the UK energy sector, established infrastructure, the capability to handle a diverse energy mix and the knowledge and expertise, the Humber area is capitalising on its strengths as a natural location for investment to establish a world class renewable energy hub.

3.8.9 To do this, experts across the wind, tidal, biofuel and biomass private sectors have come together with the University of Hull, training providers, business support agencies and the four local authorities, to drive the sector forward with the aim of putting the region on the world stage for renewable energy.

3.8.10 The Humber area already has a number of assets which offer an opportunity to establish a world class renewable energy hub in the area:

3.8.11 **Tidal technologies:** Having worked closely with internationally renowned experts at the University of Hull, the Humber is home to two tidal energy test sites and is set to become the location of the first marine renewable device to feed power into the national grid on the UK mainland. This could create significant construction jobs and potentially supply chain jobs.

3.8.12 **Biomass:** The Humber currently is home to largest proportion of biofuel production facilities in the UK. There are significant sources of biomass in the Humber Region, both from agriculture and from waste wood which is unsuitable for recycling. The East Riding houses a world first in the production of energy from food waste utilising anaerobic digestion. The position of the Humber as an east-facing port means there is an opportunity to import biomass. There are significant projects already built or in planning for biomass installations at large process industry sites and public sector buildings. This potentially offers modest job creation for the Humber Region.

3.8.13 **On-Shore Wind:** Parts of the Region (mainly in the East Riding) are classified as having the right climatic conditions to maximise wind harvesting. There is clearly an opportunity to promote additional wind schemes within the East Riding, in particular on industrial and derelict land, which would have little adverse visual impact. However the supply of such sites is very limited and on-shore wind installations do not necessarily produce *significant* levels of local jobs.

3.8.14 **Off-Shore Wind:** The Humber region has the nearest major ports complex to off-shore wind farms in the North Sea (e.g. Humber Gateway, Westermost Rough & Round 3 Developments) which account for 75% of the UK's off-shore capacity. It has the potential to be a major growth industry to supply and service the required infrastructure and the Humber is ideally placed to take advantage of this due to its location, estuary, infrastructure and abundance of available employment land.

3.8.15 Development of the offshore wind industry is taking place in three phases. The Government announced Phase 3 at the beginning of 2010 which could be worth up to £75 billion and create tens of thousands of jobs nationally.

3.8.16 **Carbon Capture and Storage (CCS):** Carbon capture and storage (CCS) will be an essential part of a lower carbon future and the East Riding is well placed to take advantage since the EU decision last year to award £164m of funding to install carbon capture and storage technology at a power station in Hatfield, South Yorkshire.

3.8.17 A network of pipelines connecting power plants and major industrial installations in the area will allow millions of tonnes of CO2 to be diverted into depleted gas fields or empty aquifers in the North Sea. This network is likely to be in close proximity to a number of large employment allocations in the East Riding such as Capitol Park, which is only 4 miles from Drax Power Station (the largest carbon producer in the UK). Infrastructure such as this can only add to the attraction of the employment sites down the M62/A63 corridor and significant interest has already been shown by energy project developers.

3.8.18 **Energy from Waste (EfW):** This is a sector which has potential for development in the East Riding - indeed a major new facility is proposed at Saltend, Hull and will burn Solid Recovered Fuel (SRF) from residual municipal waste from across the region to generate electricity. This is a major development in the Humber Region in a rapidly developing area; *expertise* developed *locally* could potentially be *exported* to other parts of the UK or abroad.

3.8.19 This mix of renewable energy technologies with development potential should enable the promotion of the Humber Region as a centre for renewable energy development based around existing and planned installations. To deliver this vision it is important that the Region's infrastructure is moulded to support renewable development. Specific issues to be addressed include:

- Utility network improvements to facilitate renewable feeds into the Grid
- Identify and secure an appropriate land and seabed portfolio
- Develop appropriate skills provision in relevant sectors
- Develop local financing capacity and capability for low carbon business support.

2.8.20 The range of renewables available to the Humber sub-region means that each local authority area has particular strengths. For example, on-shore wind energy installations are centred in the East Riding. Biomass and waste to energy capacity potentially could spread across the City Region. This geographic clustering relates to specific generating site locations. The manufacturing, construction and maintenance supply chains to support the generating sites are spread across the City Region, resulting in a spread of potential job opportunities and economic growth.

3.9 Manufacturing

3.9.1 The manufacturing sector plays a significant role in the economic structure of the East Riding. However, over recent years the number of jobs supported by manufacturing has fallen. Levels of employment in this sector in the East Riding are higher than both regional and national levels although there has been a fall in the proportion of those recorded as being employed in this sector between 2003 and 2008.

Figure 38: Manufacturing, total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Manufacturing	33,423	28,820	9,128	7,720	7,051	6,251	12,415	8,766	18,762	16,382	343,974	290,855	2,807,133	2,337,081

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 39: Manufacturing, % of all jobs in area (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Manufacturing	18.0	16.1	15.2	13.2	22.4	19.4	9.6	7.0	16.8	15.0	15.6	13.0	12.6	10.1

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.9.2 When examining the manufacturing sector in more detail, some very significant sub sectors in terms of employment in the East Riding are evident: Manufacturing of Food and Beverages; Manufacture of Chemicals and Chemical Products; Manufacture of Fabricated metal products; Manufacturing of motor vehicles, trailers and semi trailers (ostensibly the caravan industry in Hull and the East Riding and Plaxton's Coaches in Scarborough); and Manufacture of transport equipment (mainly aircraft at BAE Systems in Brough) are all important employers in the area.

3.9.3 Although a number of these are key clusters for the area, most notably Food & Drink and Chemicals, (which contribute to making production the second biggest contributor to GVA in the East Riding), it is important to note that only Fabricated Metal Production has seen any growth in employment between 1998 and 2008, increasing the percentage of the East Riding workforce in the sub-sector 0.6% over this period.

3.9.4 The proportion of manufacturing employment is above national and regional figures across all the FEAs except for York. The Hull FEA illustrates the highest number of people employed in manufacturing activity at 28,820 in 2008, and Goole and Selby FEA has the highest percentage of its economy employed within the sector at 19.4%. All FEAs have seen falls in the number and percentage of jobs in the sector, with the Hull FEA having lost 13% of its employment in the sector between 2003 and 2008.

Table 40: Manufacturing Sub Sectors as % of Whole Workforce – East Riding 2008 (SIC 2003)

Sub Sector	%
Manufacturing of Food & Beverages	1.6
Manufacturing of tobacco products	0.0
Manufacture of textiles	0.1
Manufacturing of wearing apparel	0.1
Tanning and dressing of leather	0.0
Manufacture of wood and products of wood (except furniture)	0.7
Manufacture of pulp, paper and paper products	0.4
Publishing, printing and reproduction of recorded media	0.6
Manufacture of coke, refined petroleum products and nuclear fuel	0.0
Manufacture of chemicals and chemical products	1.4
Manufacture of rubber and plastic products	0.7
Manufacture of other non-metallic mineral products	0.8
Manufacture of basic metals	0.0
Manufacture of fabricated metal products except machinery	1.7
Manufacture of machinery and equipment	0.5
Manufacture of office machinery and computers	0.2
Manufacture of electrical machinery and apparatus	0.4
Manufacture of radio television and communication equipment	0.0
Manufacture of medical, precision and optical instruments inc clocks	0.1
Manufacture of motor vehicles, trailers and semi –trailers	1.9
Manufacture of transport equipment	3.2
Manufacture of furniture, manufacturing not elsewhere classified	0.7
Total	**15**

Source: Nomis, Annual Business Inquiry

3.10 Construction

3.10.1 The construction sector in the East Riding accounts for 5.4 % of jobs in the area. This is higher than the percentage share for the sector in Yorkshire & Humber and England. The sector has grown in terms of employment from 4.5% of the workforce in 2003 to 5.4% in 2008. Much of this growth in the East Riding has been in the skilled construction trades such as plumbers, electricians and joiners.

3.10.2 In 2008 Construction had broadly the same sized employment role within the Hull FEA (5.0% of employment in the area), Yorkshire Coast FEA (4.9%) and York FEA (4.8%).

Figure 41: Construction total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Construction	8,072	9,006	2,401	2,877	1,101	1,304	6,064	6,053	5,066	5,917	108,352	115,698	970,840	1,063,832

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 42: Construction % of all jobs in area (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Construction	4.4	5.0	4.0	4.9	3.5	4.0	4.7	4.8	4..5	5.4	4.9	5.2	4.4	4.6

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.11 Distribution, Hotels and Restaurants (Including Retail)

3.11.1 The Wholesale and Retail Sector in the East Riding employed 18,465 people in 2008. This represented 16.9% of the overall employment in the area, a 0.7% increase on the proportion employed in this sector in 2003.

Table 43: Distribution, Hotels and Restaurants (Including Retail) total number of jobs, SIC 2003

Business Structure by Industry Sector, 2008														
No.	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Wholesale & Retail Trade	32,697	31,200	12,668	11,487	5,124	5,409	23,567	21,389	18,072	18,465	404,470	385,079	4,034,403	3,873,496
Hotels & Restaurants	10,411	9.910	8,309	8,449	1,659	1,672	11,333	11,165	8,042	7,856	129,505	140,115	1,496,940	1,545,658

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Table 44: Distribution, Hotels and Restaurants (Including Retail) % of all jobs in area, SIC 2003

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Wholesale & Retail Trade	17.6	17.5	21.1	19.7	16.3	16.8	18.3	17.0	16.2	16.9	18.4	17.2	18.1	16.8
Hotels & Restaurants	5.6	5.5	13.8	14.5	5.3	5.2	8.8	8.9	7.2	7.2	5.9	6.3	6.7	6.7

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.11.2 In February 2009 England & Lyle completed a town centre & retail study for the East Riding. This piece of work assessed the role, health and future retail development opportunities of the town centres within the area. The findings for the major settlements is summarised in *figure 45*.

Figure 45: Summary of Town Centre Health

Settlement	Summary
Beverley	Large catchment area and healthy town - identified as a Principal Centre in the retail study, with a high number of retail and service outlets. Development opportunities at Flemingate and Grovehill, as well as the recycling of existing employment land could be sufficient to meet the needs of the local economy.
Bridlington	Identified as a principal town in the retail study – highest concentration of retail and service outlets in East Riding, however it is classed as underperforming and evidence of trade leakage to Beverley, York, Scarborough and Hull due to underrepresentation of high street multiples. The Area Action Plan for Bridlington Town Centre presents an opportunity to address this weakness.
Driffield	Identified as Principal Centre in the retail study – reasonably diverse mix of retail outlets in the town centre. Vacant town centre units at Viking Centre and Kwik Save are prominent and undermine vitality and viability. Evidence of significant leakage to Beverley, Bridlington and York.
Goole	Identified as a Principal Town in study but poor image of the town and a need to improve the quality of the current retail experience is holding the town centre back.

Source: England and Lyle 2009

3.11.3 The retail study outlines leakage and trade retention in the retail market as a key issue.

Figure 46: Retail leakage from the East Riding

2006	Expenditure from residents (£m)	Turnover from residents (£m)	Leakage (£m)	Leakage (% of spending)
Convenience Goods	499.21	408.30	91.91	18.2%
Comparison Goods	891.66	344.75	546.91	61.3%
Total Retail Trade	1,390.87	753.05	637.82	45.9%

Source: England & Lyle 2009

3.11.4 Overall almost half of the total retail expenditure generated in the East Riding is lost as leakage to outside centres. Leakage is particularly high in comparison goods with a retention level of only about 39% of spending. The retention of convenience goods spending is relatively high at about 82%.

3.11.5 The leakage from the East Riding itself is largely contained within its FEAs. Hull, York and Scarborough are major benefactors from this leakage.

3.11.6 Examining the Hotels and Restaurants sector the proportion of the East Riding workforce employed in this sector has remained constant at 7.2% between 2003 and 2008, slightly higher than both regional and national percentages.

3.11.7 When looking at the FEAs in terms of employment in this sector, Hotels and Restaurants have a greater influence in the York and Yorkshire Coast FEAs. Indeed the Yorkshire Coast FEA has 14.5 % of its workforce working in the sector - double the proportion of the East Riding of Yorkshire, Yorkshire & Humber and England. York FEA employs most people in the sector, with 11,165 people in employment in Hotels and Restaurants according to the 2008 ABI.

3.11.8 When considering change over time, all the FEAs have seen a slight fall in employment numbers with the exception of the Yorkshire Coast Functional Economic Area which, buoyed by regeneration efforts in coastal towns, has seen a slight rise in employment between 2003 and 2008.

3.11.9 Although not all tourism jobs fall within this SIC classification it is interesting to examine the impact of tourism on the East Riding and its surrounding FEAs at this point.

3.12 Tourism

3.12.1 The East Riding coast is an established leisure and tourism destination. The area's countryside and market towns have also become an increasingly important element of the tourism offer.

3.12.2 **East Riding Tourism Volume and Value** - according to the 2008 Hull & East Riding Economic Impact of Tourism Dataset compiled by Visit Hull & East Yorkshire, the East Riding received:

- 478,114 domestic overnight visits
- 87,964 overseas overnight visits
- 13.1 million day trips.

3.12.3 Altogether, tourist expenditure, which is recorded as an export measure for the economy, contributes in total (direct, indirect and induced) an estimated £347 million to the economy.

3.12.4 Coastal (or seaside) tourism still plays a very important role in the overall tourism industry in the East Riding and this is mirrored in the Scarborough Borough Council area.

3.12.5 Overall the seaside tourism to the East Riding and Scarborough areas supports 11,400 jobs and produces an estimated GVA of £165 million (see *figure 47*).

Figure 47: Economic Contribution from the Tourism Industry in Coastal Areas

Resort	Number of jobs supported by seaside tourism	% of jobs in area in seaside tourism sector	Estimated GVA attributable to seaside tourism (£m)
Scarborough	4,200	15%	58
Bridlington	2,200	17%	34
Whitby	2,000	29%	28
Withernsea	500	24%	9
Hornsea	400	17%	8
Filey	400	23%	7
Primrose Valley Holiday Park	700	48%	8
Cayton Bay Holiday Park	600	23%	8
Skipsea Holiday Park	400	59%	5
North Yorkshire	7,900		109
East Riding of Yorkshire	3,500		56
Total	11,400		165
Yorkshire Coast FEA	10,500		148

Source: Seaside Tourist Industry in England & Wales, Fothergill & Beatty *et al* 2010

3.12.6 As the coastal towns of Hornsea and Withernsea sit within the Hull FEA, the seaside economy in the Yorkshire Coast FEA accounts for 10,500 jobs and an estimated GVA (attributable to seaside tourism) of £148 million.

3.12.7 The Yorkshire Tourist Board's Annual Visitor survey for 2008/2009 illustrates the way in which the visitor offer between the Moors and Coast area (including the Scarborough Borough Council area) and Hull & East Yorkshire complements each other. Those visiting the Coastal and Moors area predominantly visit to enjoy natural attractions and walking, whilst those visiting Hull & East Riding of Yorkshire are doing so to take advantage of the built heritage of the area and to visit cultural attractions (see *figure 48*).

Figure 48: Product Strengths: Main activities of visitors by Area Tourism Partnership areas

	Total	Hull & East Yorkshire	Moors & Coast	York & Selby	Dales & Harrogate	Yorkshire South	West Yorkshire
Visit cultural visitor attractions	26%	28%	5%	27%	2%	36%	48%
Stroll around and enjoy the ambience	16%	21%	24%	31%	24%	4%	8%
Visiting historic houses and gardens, heritage sites	12%	17%	9%	9%	27%	10%	4%
Visiting friends or relatives	7%	6%	4%	7%	3%	9%	11%
Visiting natural attractions	7%	9%	17%	1%	14%	1%	1%
Attend a festival or outdoor event	7%	4%	3%	10%	9%	8%	6%
Short walk (up to 2 hours)	4%	2%	12%	0%	4%	2%	2%
Shopping	3%	2%	1%	6%	2%	5%	4%
Long walk (over 2 hours)	3%	1%	6%	1%	5%	1%	2%
Eating and drinking out	2%	3%	3%	1%	4%	1%	2%

Source: YTB 2009

3.12.8 The Yorkshire Tourist Board Visitor Survey also illustrates that visitors to Scarborough & East Riding travel between both areas in order to visit their attractions.

3.12.9 Between May and November 2009, 11% of those interviewed for the Visitor Survey in the Moors and Coast area had visited (or were planning to visit) the East Riding on the same trip and 15% of those interviewed in the East Riding had or were planning to visit the Moors and Coast area. This represents the closest relationship between tourism partnership areas recorded during this survey period and illustrates the fact that people basing themselves on the Yorkshire Coast for a visit will freely travel between Local Authority areas to visit attractions during their stay.

3.12.10 The above figures demonstrate the significant contribution tourism makes to the local economy but in order to ensure tourism becomes a sustainable economic sector for the East Riding there is still a need to:

- Diversify the coastal offer to generate new types of visits to sustain a year-round visitor economy
- Strengthen the other tourism character areas to ensure that they are also contributing effectively to the overall visitor economy
- Encourage the development of new tourism attractions and themes, which will attract new types of visitors.

3.13 Transport and Communication

3.13.1 Transport & Communications accounted for 4.4% of all jobs in the East Riding in 2008. This is a drop of 0.9% compared to 2003 and, as such, has less influence in the East Riding employment market than it does in the wider regional and national markets.

3.13.2 The Hull FEA had the highest employment numbers in this sector in 2008 but still recorded a drop in the number of people employed since 2003. The Goole and Selby FEA, which is the East Riding's other main logistics hub, also demonstrated a drop in employment between 2003 and 2008.

3.13.3 In spite of the fall in employment numbers recorded in *figure 49*, the logistics sector remains an important component of the Hull and East Riding economy.

3.13.4 The location quotient data reported in the previous sub-section established that there is a higher proportion of businesses located in the Hull FEA and in the East Riding than would be expected nationally.

3.13.5 The lower than expected employment levels can be attributed to increasing levels of mechanisation in the sector.

Figure 49: Transport and communication total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Transport, Storage & Communication	8,747	7,722	2,044	2,215	2,866	2,330	13,742	7,310	5,887	4,899	133,795	123,654	1,365,920	1,373,769

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 50: Transport and communication % of all jobs in area (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Transport, Storage and Communication	4.7	4.3	3.4	3.8	9.1	7.2	10.7	5.8	5.3	4.4	6.1	5.5	6.1	6.0

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.13.6 The sharpest drop in employment in this sector can be seen in the York FEA which has seen its workforce almost halve in size between 2003 and 2008. This is mainly due to the fact that the York FEA is characterised by a small number of very large employers including Network Rail, British Telecom and Royal Mail - many of these companies have undergone restructures within this timeframe resulting in relocation or loss of jobs.

3.14 Banking, Finance and Insurance

3.14.1 Overall, in 2008, 12.4% of all jobs in the East Riding were in the Banking and Insurance sector.

3.14.2 The East Riding has seen employment growth in both sub sectors of the Banking, Finance and Insurance sector. However, this growth started from a low point and has been slower than regional and national levels of growth. In 2008, 12,778 people were employed in this sector in the East Riding.

Figure 51: Banking, Finance and Insurance total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Financial Intermediation	2,524	2,614	1,139	1,031	535	295	5,189	4,519	1,461	1,764	85,463	87,004	936,417	937,503
Real Estate, Renting and Business Activities	18,696	21,749	4,191	4,564	3,291	3,739	15,670	17,248	9,022	11,014	262,576	324,413	3,572,848	4,304,145

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 52: Banking, Finance and Insurance % of all jobs in area, (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Financial Intermediation	1.4	1.5	1.9	1.8	1.7	0.9	4.0	3.6	1.3	1.6	3.9	3.9	4.2	4.1
Real Estate, Renting and Business Activities	10.1	12.2	7.0	7.8	10.4	11.6	12.2	13.7	8.1	10.8	11.9	14.5	16.0	18.7

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.14.3 There are stark variations when comparing the differences between the numbers of employees employed in this sector across the Functional Economic Areas.

3.14.4 The York FEA has the highest proportion of people employed in this sector with 17.3% of all jobs (21,767 people), whilst the neighbouring Yorkshire Coast FEA has only 9.6% of people employed in this sector (5,595 jobs). As has been previously highlighted, this sector has been a key driver for the national economy over the period 2003 to 2008 and a low level of employment in this sector may have a real impact upon the productivity of this FEA over time.

3.14.5 The Hull FEA has followed a similar trend to the wider East Riding pattern of slow growth from a low base. The sector employed 24,363 people (12.2%) in the Hull FEA in 2008.

3.15 Public Administration & Health

3.15.1 In 2008, Public Administration & Health accounted for 34.5% of the employment in the East Riding and contributed 37,323 jobs to the area's economy. As can be seen in *figures 53 and 54* most jobs were found in the education and health and social work sub sections. The proportion of East Riding jobs is higher than the corresponding figures of 28.6% for the region and 26.4% for England.

Figure 53: Public Administration & Health, total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Public Administration & Defence	16,303	12,966	1,967	2,060	1,017	1,277	7,329	7,529	11,841	8,156	114,758	119,701	1,178,366	1,201,915
Education	20,086	21,765	5,967	5,957	3,260	3,774	13,652	16,582	12,599	14,766	216,535	234,562	2,006,854	2,166,024
Health & Social Work	24,294	24,724	9,129	8,758	2,897	3,508	13,514	17,754	15,188	14,401	269,463	283,148	2,460,131	2,723,911

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 54: Public Administration & Health, % of all jobs in area (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Public Administration & Defence	8.8	7.3	3.3	3.5	3.2	4.0	5.7	6.0	10.6	7.5	5.2	5.4	5.3	5.2
Education	10.8	12.2	9.9	10.2	10.3	11.7	10.6	13.2	11.3	13.5	9.8	10.5	9.0	9.4
Health & Social Work	13.1	13.8	15.2	15.0	9.2	10.9	10.5	14.1	13.6	13.2	12.3	12.7	11.0	11.8

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.15.2 *Figure 55* shows that between 1998 and 2008 the public administration and health sub sectors (as a % of the East Riding's overall employment) had increased by 6%. However, since 2003 the proportion employed in this sector has fallen by 1%. This illustrates that, although between 1998 and 2003 there was rapid growth in this sector across the East Riding, since then there has been a consolidation in employment terms.

Figure 55: Change in Public Administration and Health Sub Sectors percentage of all employment 1998 to 2008

East Riding of Yorkshire	1998	2003	2005
Public Administration and Defence	7.1	10.6	7.5
Education	10	11.3	13.5
Health & Social Work	11.1	13.6	13.2
Total	**28.2**	**35.5**	**34.2**

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.15.3 *Figure 55* also shows us that the largest percentage of growth in terms of employment share in the East Riding has been in the Education sector with a 3.5% growth between 1998 and 2008 and Health and Social Work which has grown by 2.1%. The Public Administration and Defence sub sector has grown by only 0.4%. Education was the only sub section to demonstrate growth across the entire period.

3.15.4 It is important, however, to note that not all jobs classified within this sector are public sector jobs. This SIC code also picks up jobs undertaken where public functions have been outsourced to private companies. This includes, for example, the public-private partnership between East Riding of Yorkshire Council and avarto Government Services.

3.15.5 In terms of the other FEAs *figure 55* shows that in 2008, both the York and Hull FEAs have the highest proportions of their workforce working in the Public Administration and Health sector. Both FEAs have exactly a third (33.3%) of the workforce employed in this sector. Whereas the York FEA has seen the sector grow by 6.5%s between 2003 and 2008 (due mainly to rapid growth in their education and health sub sectors), the Hull FEA has grown by just 0.6% over the same period.

3.15.6 The proportion of workforce in this sector is lowest in Goole and Selby FEA with 26.6% of all jobs in the area in the sector. This figure is close to the national figure.

3.15.7 The Yorkshire Coast FEA has 28.7% of its workforce in the Education and Employment sector which is comparable with the regional percentage. This sector grew just 0.3% between 2003 and 2008 and indeed was the only FEA to display a fall in employment in the Health and Social Work sub section.

3.16 Other Services

3.16.1 This section covers other employment activities not classified elsewhere. It includes sanitation and refuse disposal and recreational activities.

3.16.2 This sector accounted for 3.3% of all jobs in the East Riding in 2008. There has been a modest rise since 2003 and the majority of this growth can be attributed to growth in cultural and sporting activities.

Figure 56: Other Services total number of jobs (SIC 2003)

Business Structure by Industry Sector, 2008														
Numbers	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Other Community, Social and Personal Service Activities	7,845	6,634	2,656	2,676	1,188	1,743	4,633	6,418	3,739	4,357	101,060	97,791	1,152,938	1,220,376

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

Figure 57: Other Services % of all jobs in area (SIC 2003)

Business Structure by Industry Sector, 2008														
%	Hull FEA		Yorkshire Coast FEA		Goole & Selby FEA		York FEA		East Riding of Yorkshire		Yorkshire and The Humber		England	
	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008	2003	2008
Other Community, Social and Personal Service Activities	4.2	3.7	4.4	4.6	3.8	5.4	3.6	5.1	3.3	3.9	4.6	4.4	5.2	5.3

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

3.17 The Third Sector in the East Riding

3.17.1 The Third Sector, or voluntary sector, can be classified as the sphere of social activity undertaken by organisations that are for not for profit and are non-governmental. Third sector organisations include registered charities and a range of other incorporated organisational types including Community Interest Companies (CICs), Companies Limited by Guarantee (CLGs) and Industrial and Provident Societies (IPSs). It also includes Housing Associations and other smaller unregistered or unincorporated organisations and/or service providers.

3.17.2 According to the Third Sector Research Sector's Workforce and Workplace Almanac, 668,000 people are in paid employment in the Third Sector, which equates to 2.2% of the total UK Workforce.

3.17.3 Unfortunately, similar statistics are not available at the East Riding level. We can gain some idea of the scale of third sector employment by using the National Survey of Third Sector Organisations (NSTSO) undertaken by Ipsos Mori in 2008 and on behalf of the Office for Civil Society. This survey collated 460 responses from the East Riding and of these 69% of Third Sector organisations employed nil staff; 24% employed 1-10 staff; and 4% employed 11- 50 employees.

3.17.4 The NSTSO outlines the main activities which Third Sector Organisations are engaged in: community & leisure; education & lifelong learning; community development & mutual aid; and health & well being.

3.17.5 It is unclear as to the long term impact the current climate of austerity will have on the voluntary sector as, nationally, it currently receives about £11bn a year from the public sector, which constitutes approximately 35% of their income[2]. The Comprehensive Spending Review 2010 announced on average 19% cuts across the Public sector.

3.17.6 In October 2010 the Third Sector Research Centre published a working paper, "*How dependent is the third sector on public funding? Evidence from the National Survey of Third Sector Organisations*". It notes that, although between 25% and 35% of third sector organisations in the East Riding receive public sector funding, less than 5% of all organisations class this as their most important source of income. The perception is different in Hull where 45%-50% of third sector organisations receive public funding and between 15-20% feel this is their primary source of funding.

3.18 Structure by Business units

3.18.1 An analysis of the business structure in the East Riding by looking at business units by sector shows us that, in 2008, two sectors shared over half of the overall business stock: 27.9% of businesses were classified within the Distribution, Hotels and Restaurants sector and 27.4% were in the Banking Finance and Insurance Sector.

3.18.2 As can be seen from *figure 58*, the percentage of the East Riding business stock within the Banking, Finance and Insurance Sector is the same as the regional figure for Yorkshire & Humber. However, as has been previously highlighted in *section 3.5.3*, this sector contributes less to the economy in the East Riding in terms of jobs and GVA than at a regional level.

3.18.3 Compared to the national and regional business stock the East Riding has a far bigger business base in the Construction sector. However, as many of the companies in this sector are small, this does not necessarily translate to large numbers in terms of employee jobs.

[2] 'Public Funding Cuts in the Third Sector' (Charity Finance Directors' Group - September 2009).

Figure 58: Business Stock 2008

	East Riding of Yorkshire		Yorkshire & Humber	England
	No.	%	%	%
Agriculture & Fishing	263	1.5%	0.9%	0.9%
Energy & Water	37	0.2%	0.2%	0.2%
Manufacturing	917	7.2%	7.8%	6.4%
Construction	1,788	14.1%	11.0%	10.2%
Distribution, Hotels Restaurants	3,546	27.9%	30.9%	26.7%
Transport & Communications	759	6.0%	4.9%	4.2%
Banking, Finance & Insurance	3,373	27.4%	27.4%	34.4%
Public Administration, Education & Health	1,129	8.9%	9.7%	8.7%
Other Services	867	6.8%	7.3%	8.3%
Total	**12,679**	**100%**	**100%**	**100%**

Source: Nomis Annual Business Inquiry

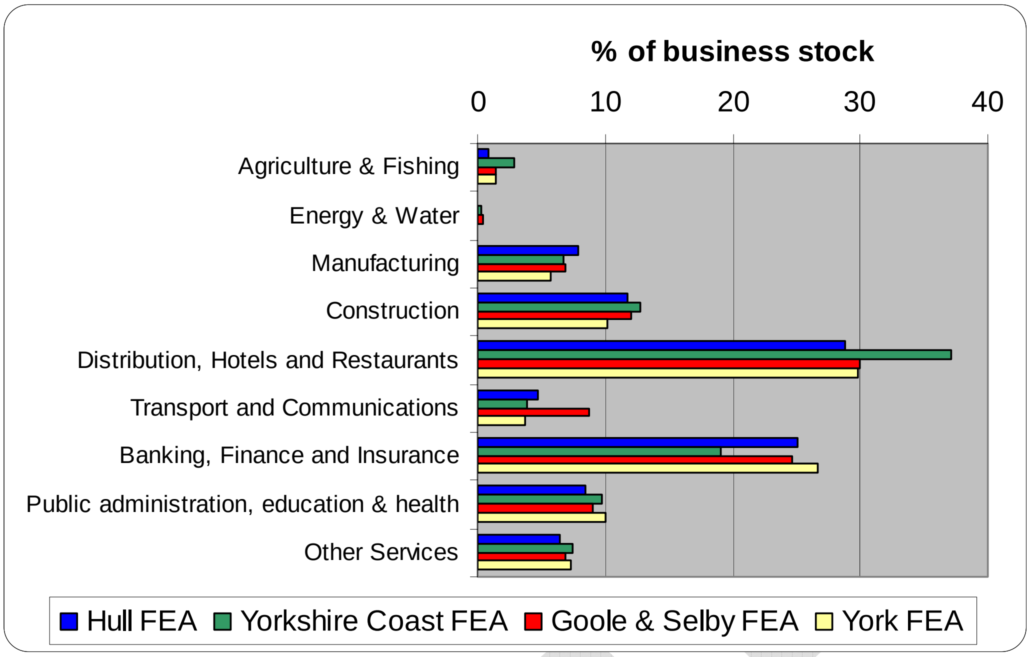
3.18.4 When examining business stock in the FEAs we can see that the Hull FEA demonstrates a high level of consistency with East Riding figures - the only significant variations being lower levels of businesses in the agriculture and construction sectors and a higher percentage of businesses in the distribution, hotels and restaurants sector, as would be expected when comparing a more rural area with an urban city.

3.18.5 Mirroring the trends in employment structure, the Yorkshire Coast FEA has a much higher percentage of businesses in the Distribution, Hotels and Restaurants Sector than other FEAs and a much lower proportion of Banking, Finance and Insurance firms. The Yorkshire Coast FEA also registers a higher percentage of Agriculture & Fishing jobs than other FEAs.

3.18.6 The Goole & Selby FEA has twice the number of Transport & Communications businesses than the Yorkshire & Humber and England averages. This further illustrates the point made earlier (*section 3.13.5*) about increasing levels of mechanisation within the sector: although there are many businesses in this key geographical area, it does not necessarily translate into high job numbers per business.

3.18.7 The business stock of the York FEA shows the highest percentage of businesses in the Banking, Finance & Insurance and Public Administration, Education and Health sectors.

Figure 59: % of Business Stock in FEAs



Source: Nomis - Annual Business Inquiry

3.19 Business Structure by Size Band

3.19.1 Examining the business structure by size of business underlines the importance of the micro and small business sector to the East Riding. 87% of businesses in the East Riding employ between 1-10 employees (higher than the Yorkshire & Humber and England averages), whilst 97.2% of all businesses employ less that 50 employees.

Figure 60: Business Structure by employment size band 2008

Business Structure by Employment Size, 2008									
	1-10 Employees		11-49 Employees		50-199 Employees		200+ Employees		Total Business Stock
	No.	%	No.	%	No.	%	No.	%	
Hull FEA	12,455	83.1	1,894	12.6	517	3.5	114	0.8	14,980
Yorkshire Coastal FEA	5,878	84.4	925	13.3	143	2.1	22	0.3	6,968
Goole & Selby FEA	2,987	86.4	363	10.5	89	2.6	19	0.5	3,458
York FEA	9,303	83.6	1,408	12.7	351	3.2	66	0.6	11,128
East Riding	11,125	87.7	1,208	9.5	287	2.3	59	0.5	12,679
Yorkshire and The Humber	151,493	83.0	23,558	12.9	6,036	3.3	1,350	0.7	182,437
England	1,844,371	85.3	243,371	11.3	60,096	2.8	13,828	0.6	2,161,305

Source: NOMIS – Annual Business inquiry

3.19.2 A time series analysis of business stock is not as effective at measuring economic trends as employment structure analysis due to the long time lag between changes in the economy and the consequences for business stock. However, between 2003 and 2005 the number of businesses operating in the

East Riding increased by 1,774. The vast majority of this business growth was seen in the construction sector, which showed a net growth of 536 businesses and the Real Estate, Renting and Business Activities sub sector which increased by 698 businesses.

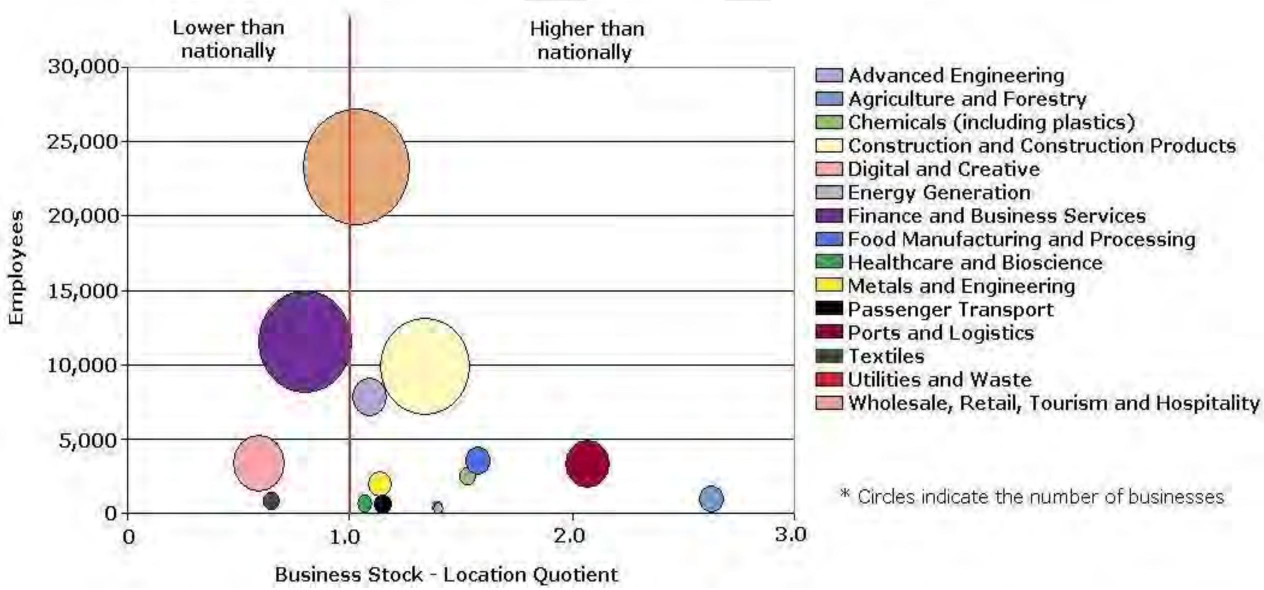
3.20 Cluster Analysis

3.20.1 This cluster analysis moves away from the standard SIC code classification of industry sectors to look in more detail at groupings of business activities within the local economy. These relationships are not always picked up by analysis of the standard SIC code data due to the way the classifications are developed.

3.20.2 Business clusters are defined as geographical concentrations of interconnected companies, specialist suppliers and service providers in a specific field. The flows within these agglomerations are stronger than those in the rest of the economy and clusters develop and grow due to the competitive advantage which can be gained through these inter-relationships.

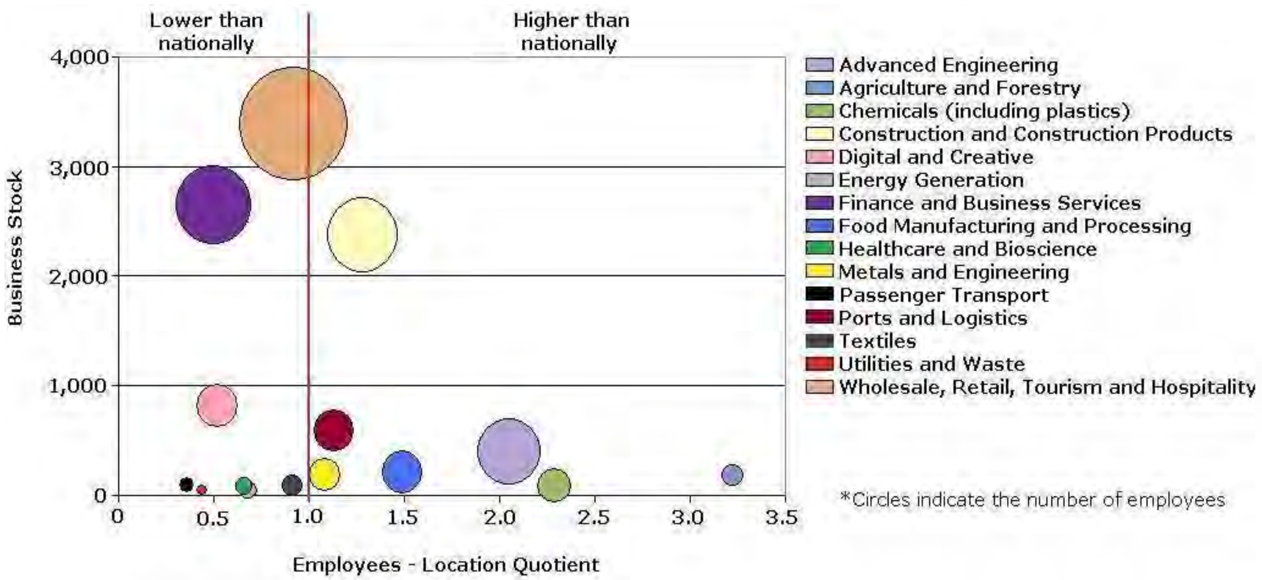
3.20.3 In order to develop the following cluster analysis for the East Riding of Yorkshire and Hull FEA area a methodology of defining clusters by 4 digit SIC code and then using this to interrogate ABI data has been applied.

Figure 61: Clusters by business size, strength of representation in the East Riding of Yorkshire 2008



Source: HEP: Annual Business Inquiry, 2008, 4-Digit SIC 2007

Figure 62: Clusters by employment, strength of representation in the East Riding of Yorkshire, 2008



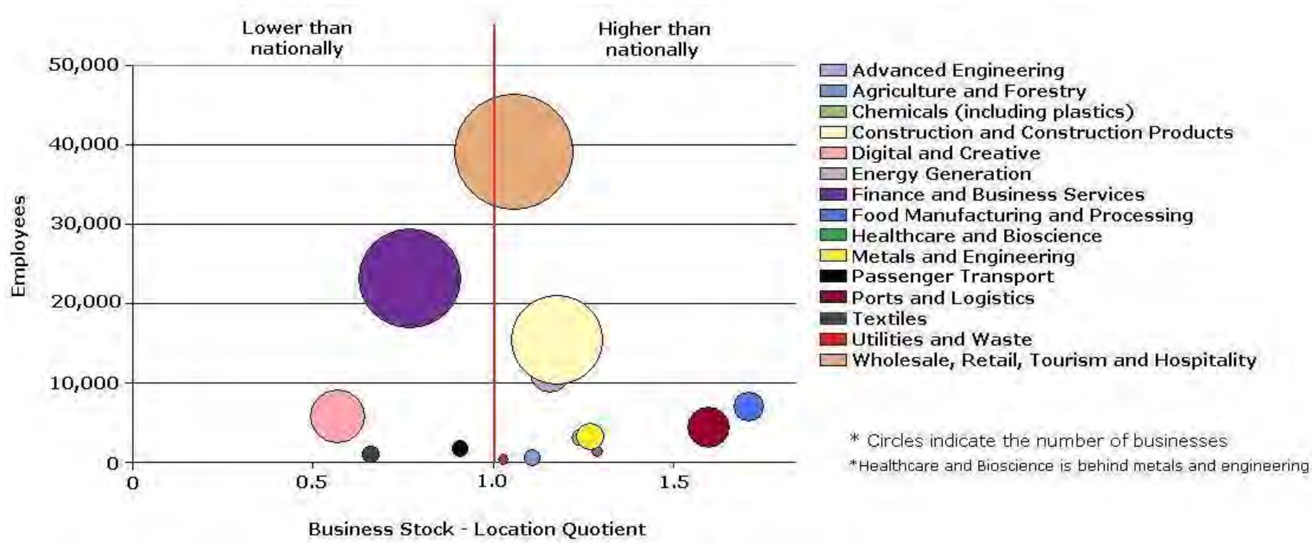
Source: HEP: Annual Business Inquiry, 2008, 4-Digit SIC 2007

3.20.4 The East Riding demonstrates some key industry specialisms in these charts. Predictably, in an area with a large rural hinterland (both in terms of business stock and number of employees), the Agriculture and Forestry sectors show a strong locational concentration in the East Riding. Allied to that, Food Manufacturing and Processing also shows as a significant cluster for the area.

3.20.5 Other clusters showing high Location Quotient (LQ) for the East Riding include: Ports and Logistics; Chemicals; Advanced Engineering; Metals and Engineering; Energy Generation; and the Construction Industry. These clusters reflect those outlined within the East Riding of Yorkshire LSP's Economic Development Strategy 2007-2011 and the Hull and Humber Ports City Region Development Plan (2006) which highlights Chemicals, Energy, Food & Drink and Logistics & Ports as already being of international importance to the area.

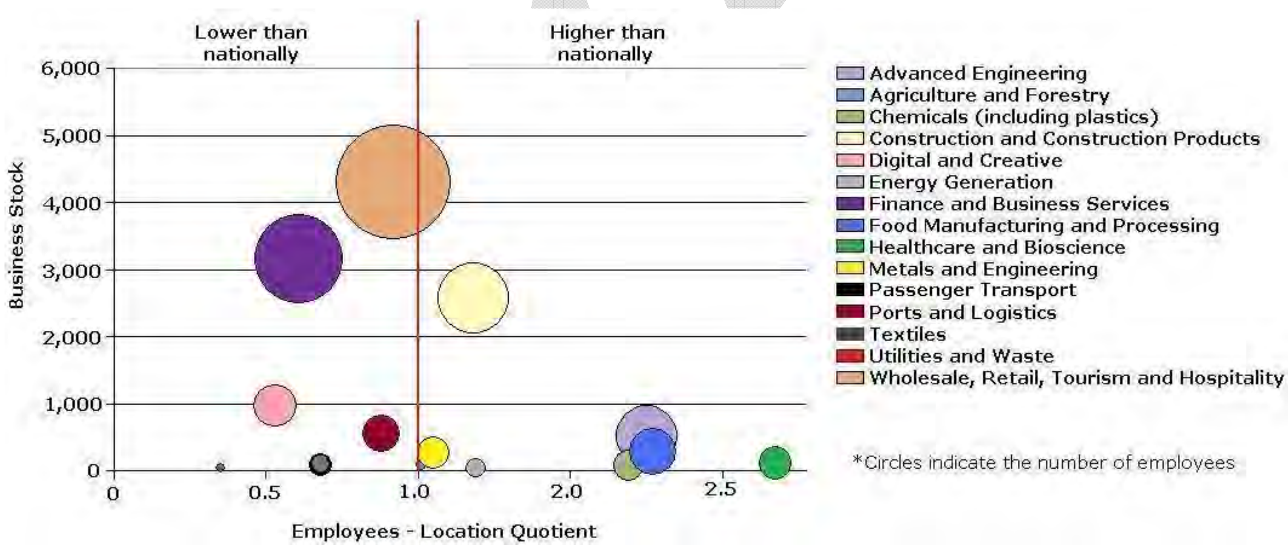
3.20.6 Despite having a reasonably high number of business and employees in the area, the LQ for the Finance and Business Services sector shows that it is underrepresented in the East Riding compared to the rest of England. This is potentially significant as this sector has been a national driver for productivity across the country during the last few years. The East Riding is also underrepresented in the Digital and Creative sector which is also considered a high skill, high growth sector. This under representation is due, in part, to the fact that these sectors tend to cluster in more urban areas.

Figure 63: Clusters by business size, strength of representation in Hull Functional Economic Area, 2008



Source: HEP: Annual Business Inquiry, 2008, 4-Digit SIC 2007

Figure 64: Clusters by employment, strength of representation in Hull Functional Economic Area, 2008



Source: HEP: Annual Business Inquiry, 2008, 4-Digit SIC 2007

3.20.7 Many of the clusters well represented in the East Riding of Yorkshire are also well represented in the Hull FEA. These include: Advanced Engineering; Chemicals; Food Manufacture and Processing; Metals and Engineering; and the Construction Industry. Additionally the Healthcare and Bio Science sector also demonstrates a significant cluster in the Hull FEA area. These sectors are mainly focused within the centre of the city.

3.20.8 The Ports and Logistics sector is underrepresented in the employment LQ score despite being an important part of the economy for the Hull FEA and showing a strong representation in terms of business units. Again this may be attributable to increasing levels of mechanisation within the sector.

3.20.9 The Hull FEA, akin to the East Riding, also shows an underrepresentation of Finance and Business Services and Digital & Creative Sectors.

3.21 Clusters in Other Functional Economic Areas

3.21.1 Although Location Quotient information is not available at this time for the East Riding's other functional economic areas, it is important to understand the key industrial sectors within these areas. Using information in the Draft York & North Yorkshire Local Economic Assessment 2010 and information collected for the FEAs in the East Riding it is reasonable to outline the following sectors as important in their respective areas in terms of employment only.

3.21.2 **Yorkshire Coast FEA:** Food Manufacturing & Processing; Wholesale; Retail Tourism and Hospitality; Health & Social Care; Public Sector.

3.21.3 **York FEA:** Finance & Business Services; Healthcare & Bioscience; Public Sector; Transport & Communications.

3.21.4 **Selby & Goole FEA:** Ports & Logistics; Finance & Business Services; Construction; Metals & Engineering.

3.22 Business Start Ups and Growth

3.22.1 This section will examine the level of new business start-ups and the level of growth of small businesses with under 50 employees.

3.23 Business Start Ups & Business Registration Rate

3.23.1 Until 2009, Business Registration Rate was calculated by taking the number of VAT businesses that had registered for the first time and dividing this by the local population (per 10,000 aged 16+) (*Figure 65*). After 2009, the measure was altered to include PAYE registration rates also. *Figure 66* calculates this change and applies the methodology retrospectively to figures back to 2002.

3.23.2 What can be seen from both *figures 65 and 66* is that the East Riding generally performs below the England average but better than the Yorkshire and Humber.

3.23.4 The East Riding, over the periods shown, has demonstrated higher Registration Rates that its neighbouring cities of York and Hull.

Figure 65: VAT Registration Rates per 10,000 head of population

	2002	2003	2004	2005	2006	2007
England	39	42	40	39	39	43
Yorkshire & Humber	31	35	33	32	31	35
East Riding of Yorkshire	**36**	**39**	**34**	**35**	**35**	**35**
Hull	23	24	24	22	22	24
Scarborough	31	37	29	27	26	32
York	33	35	31	32	29	34
Selby	41	47	42	38	36	50

Source: Department for Business, Innovation & Skills

Figure 66: PAYE & VAT Registrations Per 10,000 head of population

	2002	2003	2004	2005	2006	2007	2008
England	54.0	59.0	61.6	59.2	54.8	59.5	57.2
Yorkshire & Humber	42.9	49.8	50.3	48.4	44.6	48.5	44.3
East Riding of Yorkshire	**46.8**	**62.5**	**60.3**	**57.7**	**49.9**	**52.3**	**45.4**
Hull	34.5	39.6	41.3	39.9	34.2	38.0	36.7
Scarborough	52.4	65.0	54.9	50.2	41.7	47.1	41.9
York	44.7	49.3	46.7	48.1	40.9	40.3	44.5
Selby	55.7	60.0	56.8	57.6	48.2	56.7	55.7

Source: Department for Business, Innovation & Skills

3.23.5 The addition of the PAYE element to the measure has had the most marked effect on the East Riding of Yorkshire and Scarborough Borough Council areas' registration rates. This is due to the high number of 'lifestyle businesses' in these areas, many of which chose to remain below the VAT threshold and, therefore, have been excluded from previous measurements.

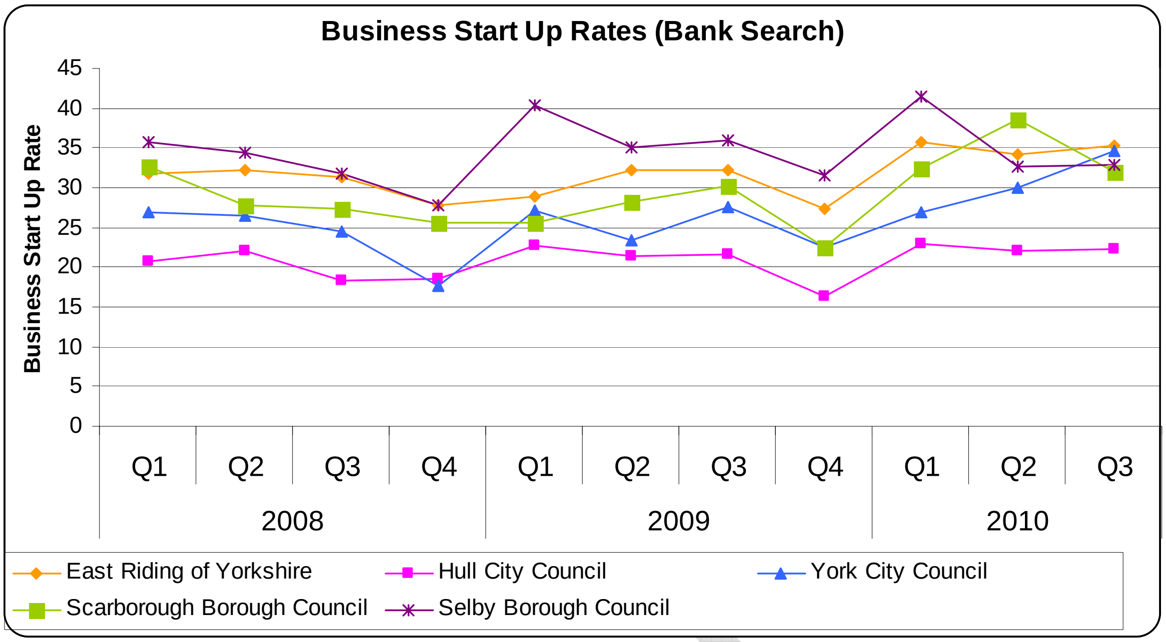
3.23.6 Due to the time lag in the release of this data from BIS, the results in *figures 65 and 66* do not give us the most up to date information to ascertain how new business start ups may have been affected by the recession. Data collected by Bank Search can, however, assist with this.

3.23.7 The data is collated from most major banks charting the number of new business customers opening accounts. As it is not collected from all banks the rates tend to be lower that the VAT & PAYE figures but give us an interesting insight into recent trends.

3.23.8 *Figure 67* shows us is that, in the East Riding, the rate of business start-ups during this turbulent time for the economy has been relatively stable, although the level of business start-ups has increased in 2010 thus far.

3.23.9 Of the surrounding areas, York has seen an upsurge of business start-up rates since Q4 2009, whilst Scarborough has shown the most volatility in start-up rates over the last 4 quarters but has ended the period broadly in line with the rates recorded for Q1 2008.

Figure 67: Business Start-Up Rates 2008 – 2010



Source: BankSearch

Figure 68: Business Start-Ups in the East Riding By Sector

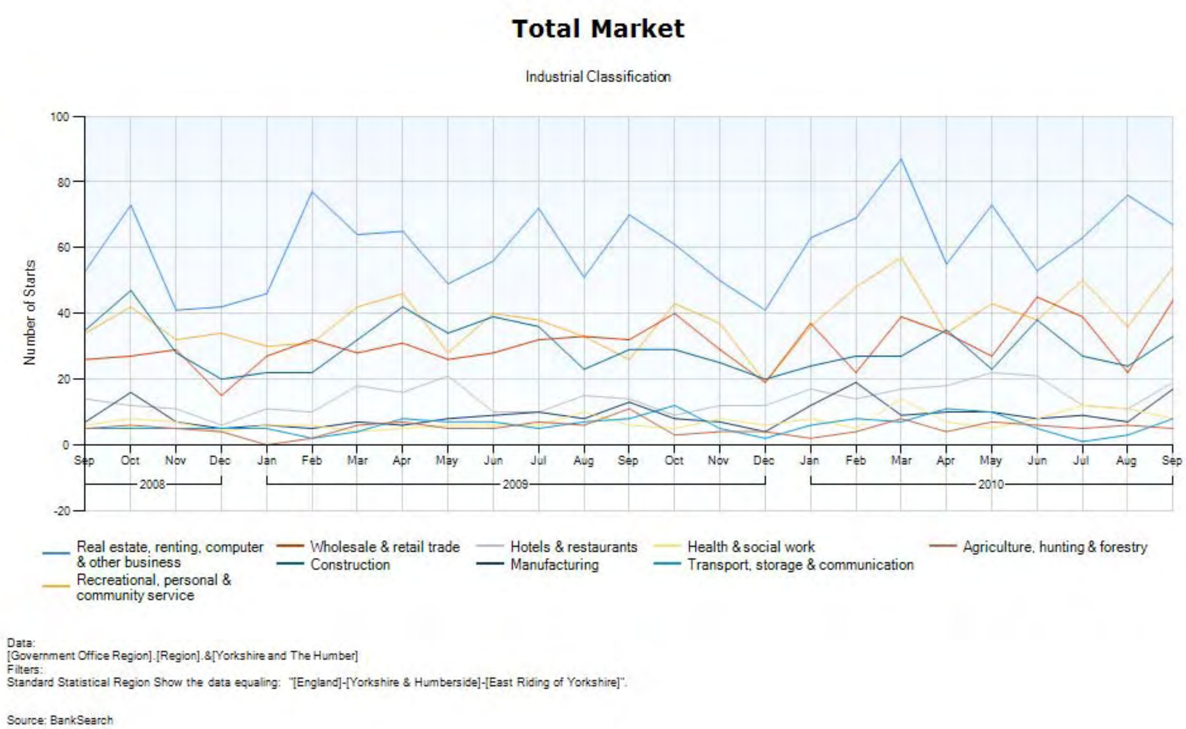
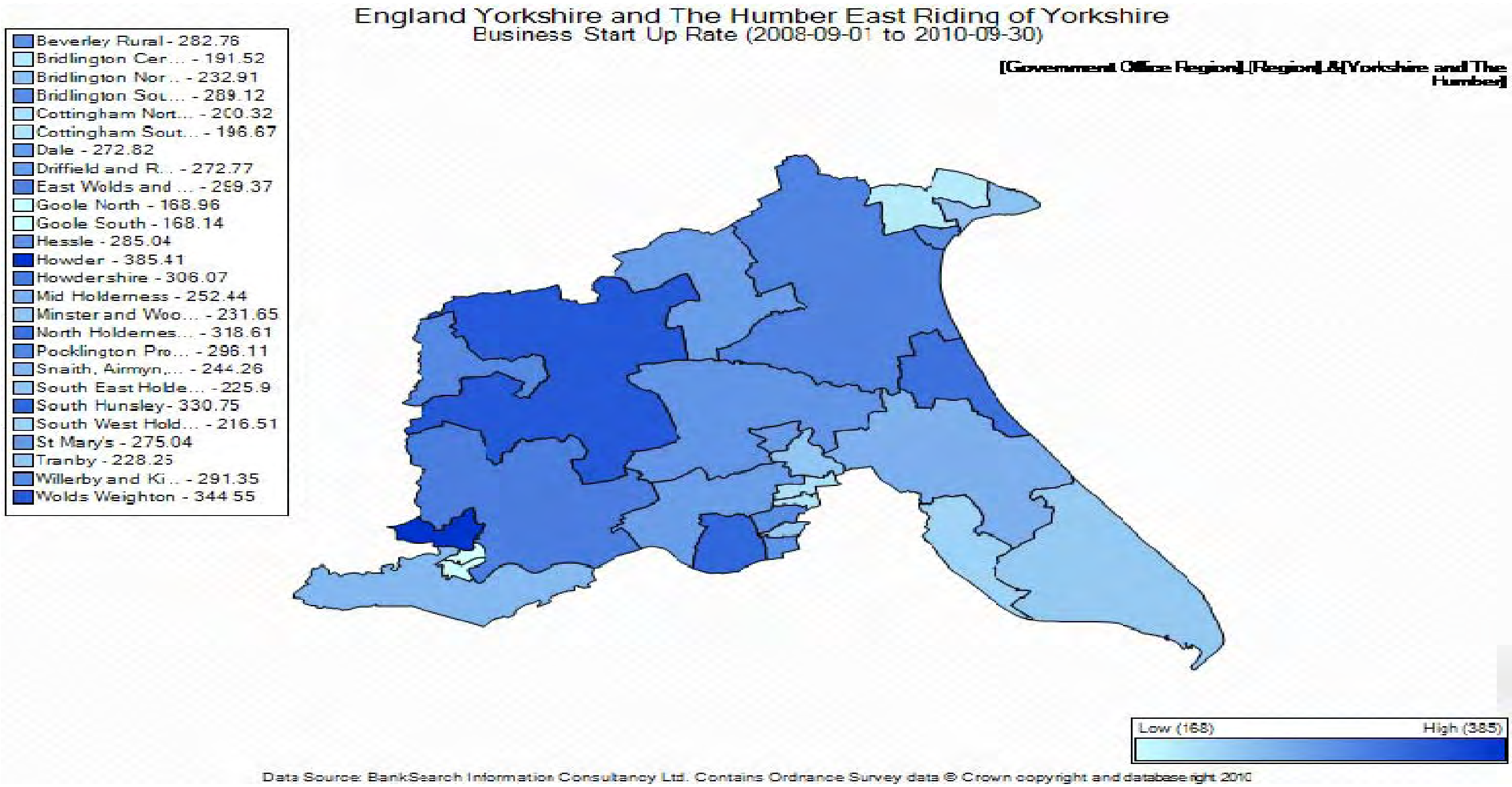


Figure 69: Business Start-Up Rates, 2008 to Q3 2010, by ward



Source: BankSearch

3.23.10 Since Q1 2008, the East Riding has seen the Real Estate, Renting, Computer & other Businesses cohort consistently generating the most business start-ups followed by Recreational, Personal and Community Services, Wholesale and Retail Trade and Construction who have showed broadly similar levels.

3.23.10 Geographically, the highest business start-up rates since Q1 2008 has been seen in Howden, Wolds Weighton and South Hunsley wards and the lowest levels recorded in Goole South, Goole North and Bridlington Central & Old Town.

3.24 Percentage of Small Business in the Area Showing Employment Growth

3.24.1 In order to assess the strength of the small business sector, it is important to identify the proportion of small VAT or PAYE registered businesses with less that 50 employees showing year on year employment growth. *Figure 70* outlines that the East Riding's performance for 2007/08 was slightly better than the national average but marginally worse than Yorkshire & Humber.

3.24.2 The East Riding has shown year on year improvement in the percentage of small businesses showing employment growth since 2003/2004 with the exception of 2007/2008. York & Scarborough have seen their rate grow every year over the same time period.

3.24.3 Hull, Scarborough & York all have growth rates of 1.5% higher than the East Riding's.

Figure 70: % of Small Businesses showing growth

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
England	10.64	10.20	11.41	14.49	14.23	14.20
Yorkshire & Humber	11.26	11.06	11.07	13.37	13.77	14.97
East Riding of Yorkshire	**10.58**	**10.33**	**11.53**	**13.82**	**15.03**	**14.33**
Hull	12.93	13.04	11.33	15.57	14.26	15.87
Scarborough	11.76	9.82	14.08	14.96	15.57	15.91
York	11.92	10.42	13.61	14.66	15.73	16.13
Selby	10.50	10.31	12.93	12.97	16.05	14.04

Source: Department for Business, Innovation & Skills

3.24.5 In summary, the East Riding is home to a higher rate of business start ups but a smaller percentage of them demonstrate growth than businesses in surrounding areas. This contrasts with Hull and Scarborough who generate less business start-ups but see a higher proportion of their small business base recording year on year growth.

3.24.6 The explanation for this trend can be found in the large number of lifestyle businesses found in the East Riding. Lifestyle businesses are classed as businesses that are set up and run by their founders primarily with the aim of sustaining a particular level of income or way of life. Lifestyle businesses are often found in areas which offer a high quality of life or a distinct offer from a standard city or town centre location i.e. a seaside or rural location.

3.25 Economic Growth/Economic Assets

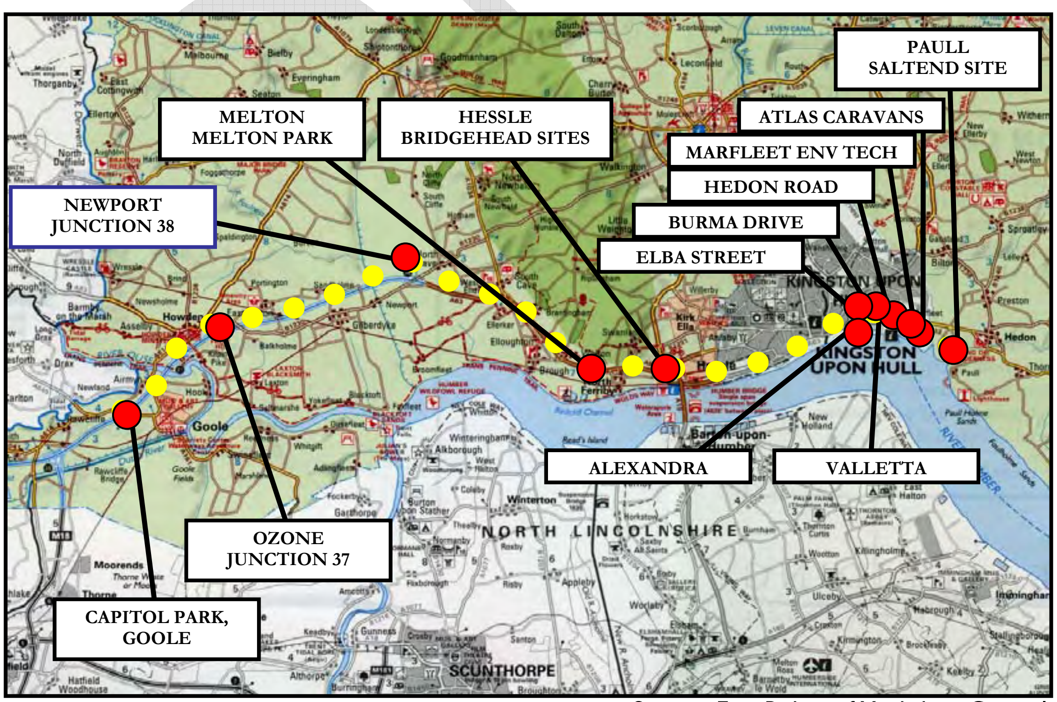
3.25.1 This section considers the key economic assets within the East Riding, which may be developed to create economic growth.

3.26 Key Economic Assets

3.26.1 **M62/A63 Corridor:** The M62/A63 corridor (*figure 71*) follows the north bank of the Humber Estuary and comprises a range of complementary development sites that can accommodate a range of business uses from B8 storage and distribution to grade A B1 office.

3.26.2 Since the East Riding's inception in 1996 there has been a long-term objective to remove the development constraints associated with these sites, which has resulted in major investments along the corridor. These include Guardian Industries float glass plant, Tesco regional distribution centre, The Press Association's Northern HQ office building, online retailer E-Buyer's UK Headquarters and distribution centre, Wren Kitchens manufacturing and distribution centre, Heron Foods Headquarters and distribution centre and Nippon Gohsei's first European investment in a chemical plant located at Saltend.

Figure 71: Key sites along the M62/A63 corridor



Source: East Riding of Yorkshire Council

3.26.3 With a range of high quality employment sites still available along the corridor, Hull and the East Riding are well placed to attract further large scale foreign direct investments and major projects from key growth sectors.

3.26.4 The M62/A63 corridor also form part of the multi modal North European Trade Axis (NETA) – the broad trade and transport route, running from Ireland to the Baltic States, linking several conurbations in Northern England. This is a natural gateway to and for goods, raw materials and support services vital to the UK's manufacturing and energy requirements. The proximity to Hull and Goole Ports and the wider multi-modal assets of the wider Humber area give these employment sites a strategic advantage.

3.26.5 **The Humber Estuary**: The Humber Estuary drains the water from one fifth of England into the North Sea. It is host to the largest ports complex in the UK and is the scene for over 40,000 shipping movements per year. As such, it is a key asset to the East Riding and Hull. Strengthening its role as a 'global gateway' to and from the UK will be a main driver for future economic growth in the East Riding of Yorkshire.

3.26.6 The Humber estuary provides opportunities in key clusters such as ports and logistics, chemicals and the food and drink industries. The challenge is to ensure that these industries continue to grow and evolve alongside emerging industries such as renewable energy.

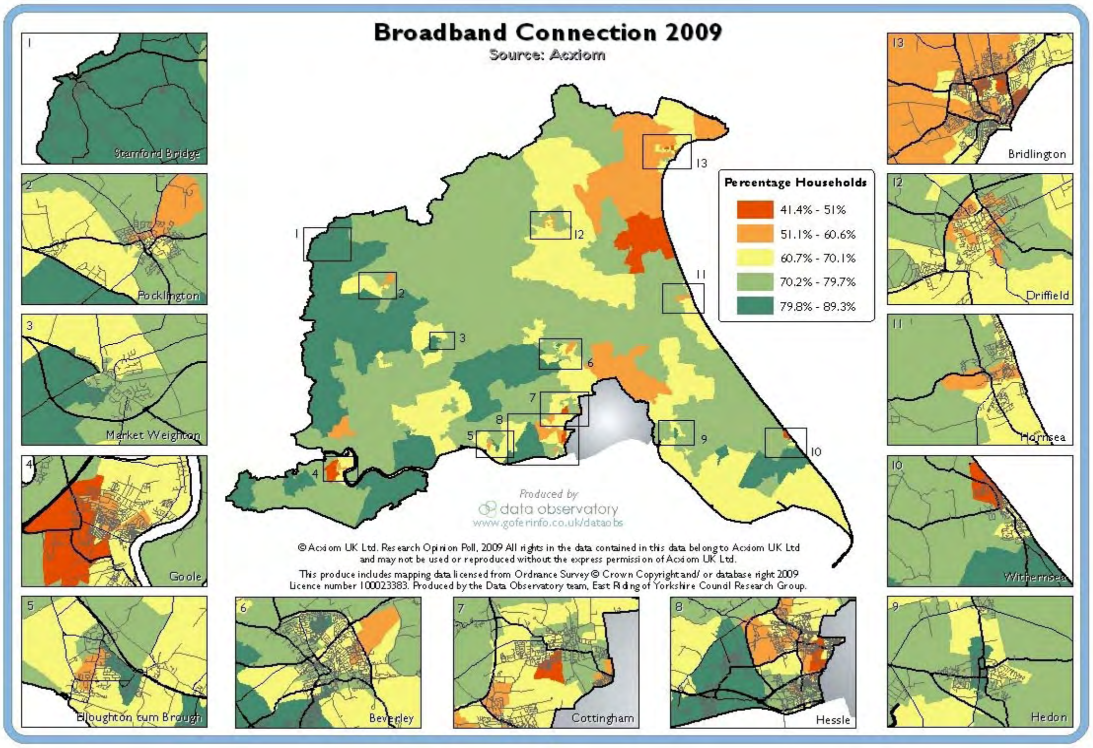
3.27 Broadband Access in the East Riding

3.27.1 Access to broadband is a key issue for the East Riding due to its peripheral and largely rural nature. Some rural areas still do not have access to Broadband and anecdotally this is impeding business growth. Areas of the East Riding traditionally served by Hull's Kingston Communications (KC) have historically found it difficult to access providers other than KC's own Karoo Service.

3.27.2 Overall the East Riding has demonstrated a 19% increase in households with a broadband connection (as opposed to dial up) since 2007. This compares favourably to the England average of 17% but it must be noted that the East Riding was starting from a much lower base. #

3.27.3 *Figure 72* shows the geographical spread of households connected to broadband. Coastal and deprived areas, as well as some rural areas, are less likely to have a Broadband connection.

Figure 72: Households with Broadband Access in East Riding.



Source: East Riding of Yorkshire Council

3.27.4 The internet is now a key way of accessing employment and education opportunities and without access to broadband it is another barrier which needs to be overcome to access jobs and/or education opportunities.

3.28 SWOT Analysis for the LEA: Business and Economy

STRENGTHS	**WEAKNESSES**
The East Riding sits upon an important trade connection between the UK and Europe.	GVA per head in the East Riding is weak compared to Yorkshire & Humber and England average.
The East Riding and its Functional Economic Areas contain important clusters in Advanced Engineering, Chemicals and Ports & Logistics.	The % of small business sharing growth in the East Riding is low compared to regional and national levels.
The East Riding traditionally fosters new businesses at a level above the Yorkshire &Humber average.	61% of resident comparison good spending leaks from the East Riding economy.
The East Riding offers an excellent range of serviced commercial sites and business parks with excellent connection to road and rail infrastructure.	The Business structure of the East Riding shows an over reliance upon low growth sectors such as manufacturing and an underrepresentation of sectors such as finance and business services which had driven national growth in the last 10 years.
The East Riding offers a great quality of life for its residents which can influence inward investors and those choosing where to set up a new business.	
OPPORTUNITIES	**THREATS**
Great opportunities are available in the area to develop a range of industries in the renewable energy sector.	Public Sector spending will decrease in the current climate. This has implications on the levels of employment in this sector and contracts available to private business in the area.
Stay-cations and the increased foreign visits to the UK due to the weak pound offer great opportunities to further capitalise upon the East Riding's Tourism assets.	Development of Renewable sector is dependent upon the right skills & infrastructure being in place.
	Broadband take up and availability in some coastal and rural areas is low.

4. Employment & Skills

4.1.1 This chapter profiles the East Riding in terms of employment and skills and how they impact on the current and potential economic performance of the area.

4.1.2 The chapter is divided into two sections, firstly examining in detail the employment structure of the East Riding. This section will look at employment levels, average earnings and employment projections.

4.1.3 The second section will investigate education and skills, looking primarily at adult skill levels and young people's education. This will include educational attainment in the schools and colleges, influences on attainment levels including deprivation, and how performance is changing over time. Specific focus will be given to educational attainment at Key Stages 2 and 4, Post 16 destinations, the September Guarantee, apprenticeships, graduates and adult skills.

4.2 Employment

4.2.1 Employment Structure

4.2.2 *Figure 73* shows that the Economic Activity Rate for the East Riding in March 2010 was 77.8%. This has fallen slightly when compared with the figures from March 2007 and March 2008 but is still above the Yorkshire & Humber and English averages of 75.4% and 76.6% respectively. The East Riding has the highest economic activity rate of the authorities within its Functional Economic Areas, with the York City Council area displaying the next highest economic activity rate at 76.4% and Hull City Council the lowest at 71.1%.

Figure 73: Economic Activity Rate for 16 – 64 population

%	April 04 – March 05	April 05 – March 06	April 06 – March 07	April 07 – March 08	April 08 – March 09	April 09 – March 10
East Riding of Yorkshire	77.5	78.9	79.2	79.0	77.7	77.8
Kingston Upon Hull	72.9	70.0	70.9	70.4	68.9	71.1
York	78.7	78.8	80.3	78.9	79.6	76.4
Scarborough	72.1	77.7	74.6	72.2	75.5	73.2
Selby	77.8	77.6	73.9	77.8	81.6	74.4
Yorkshire & Humber	75.5	75.8	75.8	75.6	75.9	75.4
England	76.5	76.6	76.7	76.8	77.0	76.6

Source: Annual Population Survey

4.2.3 The current working age population of the East Riding is 211,300 and of this population, 156,000 were projected to be in employment in March 2010. This equates to a current employment rate for the East Riding of 72.6%.

Figure 74: % Employment Rate 16-64 population

	April 09 – March 10
East Riding of Yorkshire	72.6
Kingston Upon Hull	60.8
York	71.4
Scarborough	65.9
Selby	67.9
Yorkshire & Humber	68.5
England	70.5

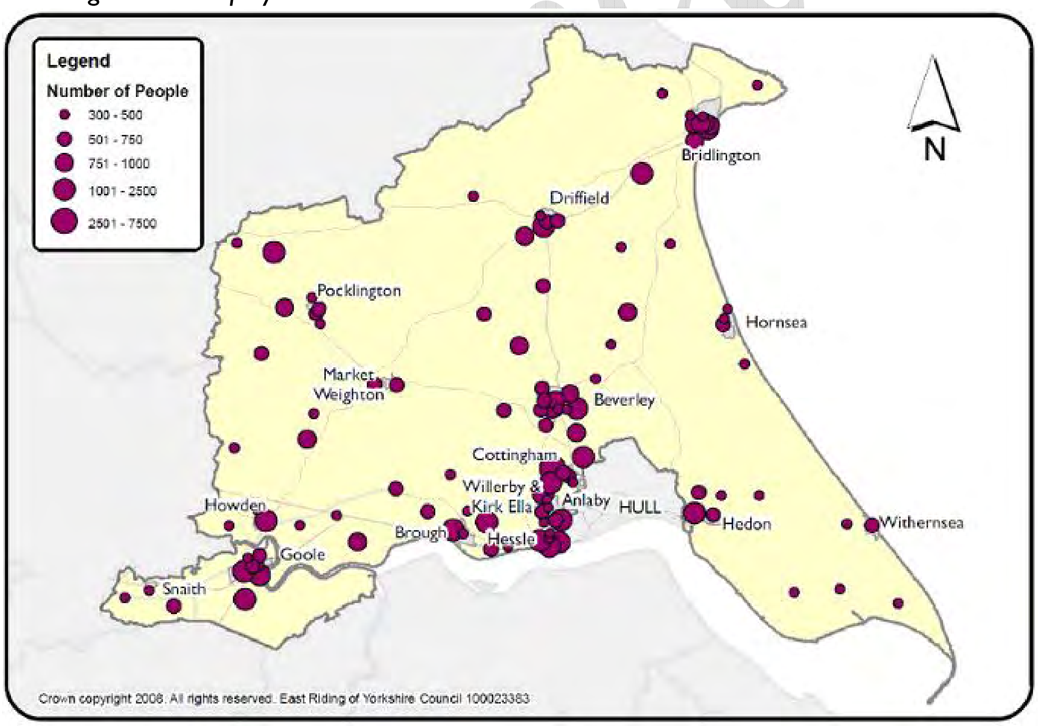
Source: Annual Population Survey

4.2.4 Industries

4.2.5 As discussed in the Business & Economy section, the major industries in terms of employment in the East Riding are: Wholesale & Retail Trades; Manufacturing; Education; and Human Health & Social Work Activities.

4.2.6 These industries create a spatial demand for labour. *Figure 75* shows that the greatest concentrations of jobs within the East Riding are found in Haltemprice, Beverley, Goole and Bridlington (when Carnaby is considered). Other significant locations include Full Sutton, Carnaby Industrial Estate, Leconfield (RAF base) and Melton.

Figure 75: Employment Concentrations



Source: Annual Business Inquiry 2007

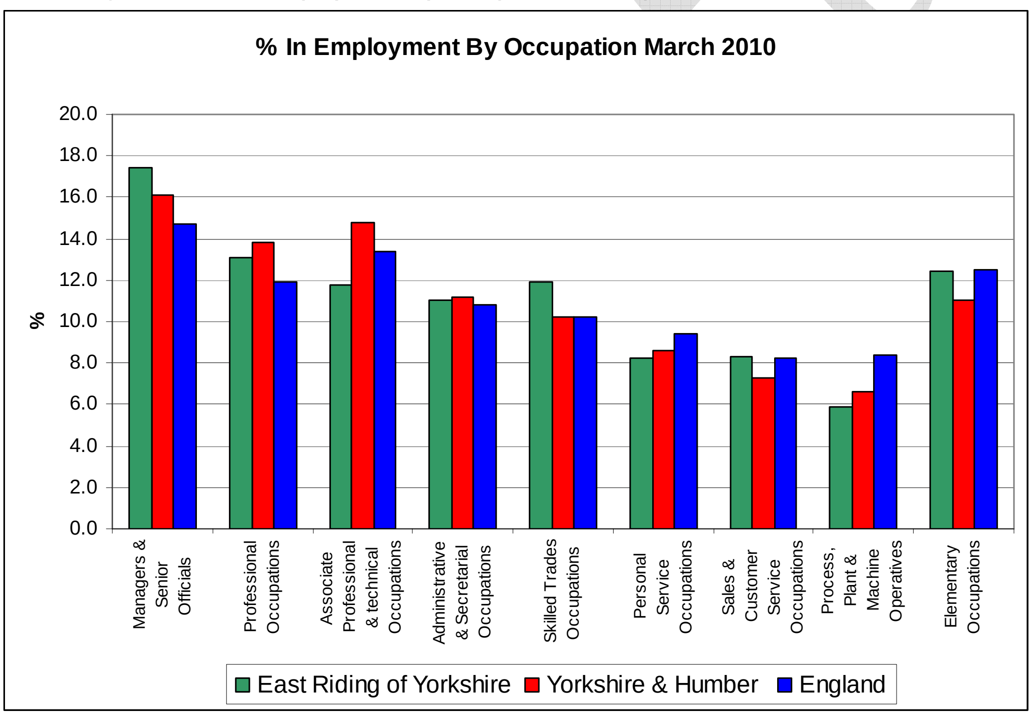
4.2.7 This map also illustrates the number of rural employment sites, which are often located on former WW2 military bases.

4.2.8 The pattern of rural employment locations is further amplified by measures to develop the main strategic sites in the area situated along the M62/A63 corridor, which forms part of the E20 corridor (European trade route). The corridor's route passes through the East Riding, the Port of Hull (part of the Humber port complex) and on to Saltend (*see figure 71*). This corridor is of paramount strategic importance as it forms the UK gateway to and from the continent. Some of the main business locations in the East Riding have limited public transport services and a key objective of the draft is to achieve green transport plans for businesses with over 500 employees.

4.2.9 Occupations of East Riding residents

4.2.10 In terms of occupations the Annual Population Survey (March 2010) shows that the highest percentages of workers in the East Riding are Managers & Senior Officials followed by Professional Occupations and then Elementary Occupations.

Figure 76: % in employment by occupation - occupation based

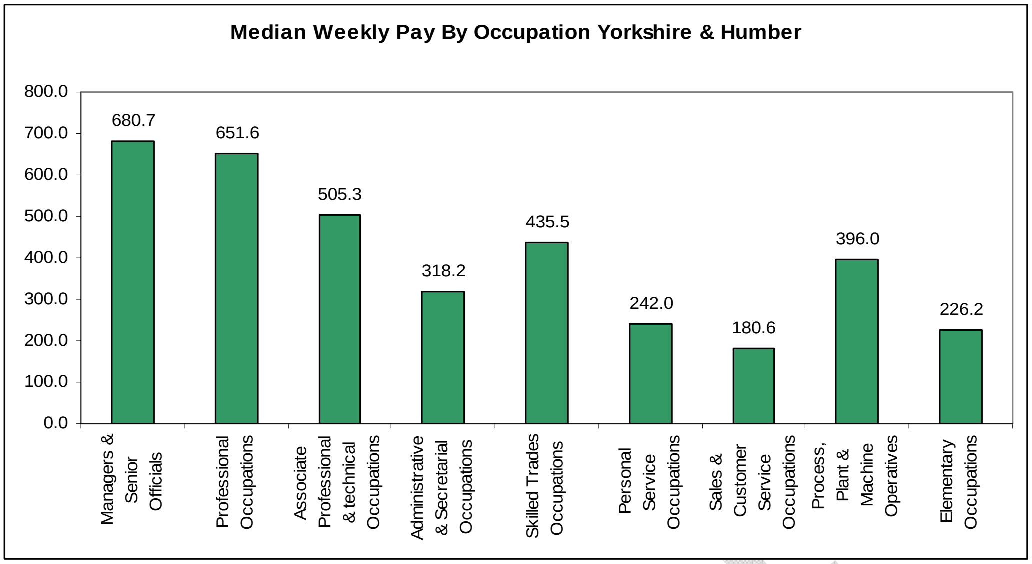


Source: Annual Business Survey

4.2.11 These three occupational categories have seen increases in the number of people in employment over the last 6 years. Since March 2004 there has been 3,300 more people employed as Mangers & Senior Officials, 1,600 more in Professional Occupations and 3,500 more in Elementary Occupations. Within the Elementary Occupations there has been an increase of 3,100 employees since Dec 2008.

4.2.12 When considering the differences in wages offered by these occupational sectors in Yorkshire & Humber (*figure 77*), it is useful to further examine the geographical concentrations of these occupations in the context of the East Riding's Functional Economic Areas.

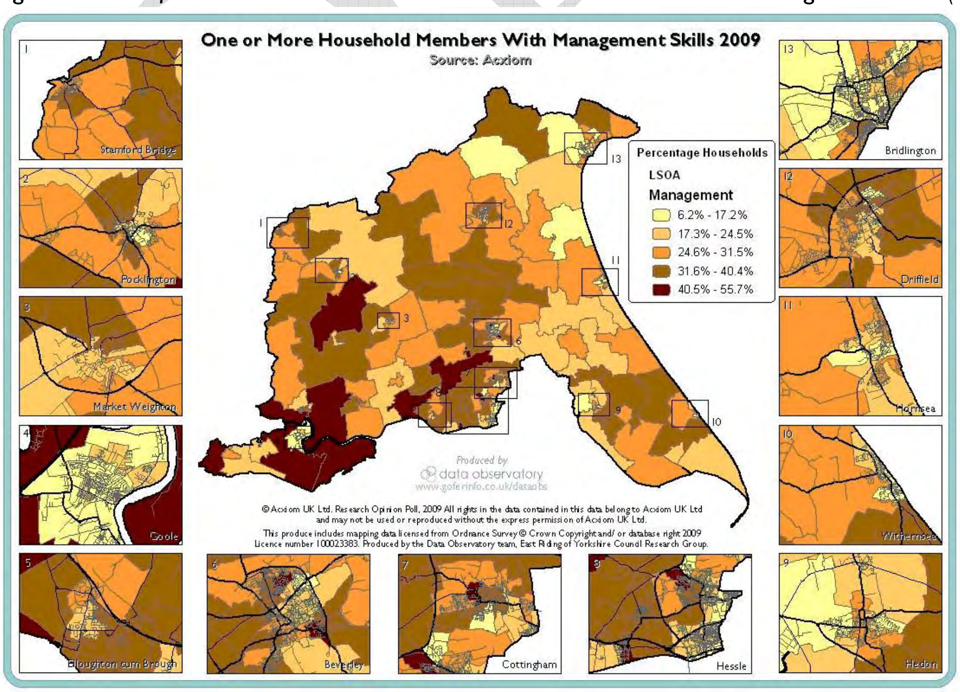
Figure 77: Median Weekly Pay by Occupation in Yorkshire & Humber



Source: ASHE 2008

4.2.13 *Figure 78* shows the number of households where at least one member has the management skills required to access these higher-level, higher paid jobs. Predominantly these households are concentrated in rural areas, especially in the commuter belt for Hull, York, West and South Yorkshire.

Figure 78: no. of households where at least one household member has Management Skills (2009)



Source: Acxiom

4.2.14 This analysis is further strengthened by *Figure 79*, which shows that, in 2001 over half of the large employers and higher managerial jobs in Hull were taken by people living in the East Riding, compared with only 15% of routine jobs being taken by East Riding residents.

Figure 79: Proportion of Hull workplaces held by commuters from the East Riding

	%
Large employers and higher managerial	52
Higher Professional	48
Lower managerial and professional	42
Intermediate	37
Small employers and own account	22
Lower supervisory and technical	25
Semi-routine	18
Routine	15

Source: Census of Population, 2001 (from an analysis provided by the Local Futures Group)

4.2.15 *Figure 78* also highlights that the level of households with one member possessing management skills is noticeably lower along the coastal strip, though this may be in part due to the geographical location being some distance from the major commuting cities.

4.2.16 Another potential factor which may account for the higher proportion of East Riding residents holding Management occupations could be the levels of self-employment.

4.2.17 As noted earlier, the East Riding historically has a high level of business start ups and *Figure 80* shows how this equates into a high percentage of those of working age being self employed. This also indicates the existence of a large amount of sole traders and lifestyle business within the East Riding.

Figure 80: Self employment rates - % of working age population

%	April 04 – March 05	April 05 – March 06	April 06 – March 07	April 07 – March 08	April 08 – March 09	April 09 – March 10
East Riding of Yorkshire	9.2	9.5	10.3	11.3	9.3	9.1
Kingston Upon Hull	5.6	4.9	5.2	5.3	5.0	5.2
York	8.3	6.7	6.8	7.5	8.0	6.1
Scarborough	9.4	12.8	8.9	14.0	11.5	7.9
Selby	8.1	10.6	8.2	8.7	5.8	7.1
Yorkshire & Humber	7.6	7.8	7.9	7.9	8.1	7.9
England	9.1	9.2	9.3	9.4	9.1	9.2

Source: Annual Population Survey

4.2.18 Gender

4.2.19 The Economic Activity Rates for males in the East Riding at 83.4%, is broadly similar to the England average of 83.0%. The economic activity rate for females is 72.3% and, therefore, slightly higher than the national rate of 70.3%.

4.2.20 In terms of employment sectors, males dominate in manufacturing and construction, where as the female workforce tends to be concentrated in the retail, education and health sectors.

Figure 81: % gender breakdown by occupation of working population - residence based March 10

	East Riding of Yorkshire		Yorkshire & Humber		England	
	Males	Females	Males	Females	Males	Females
Managers & Senior Officials	22.5	11,5	19.5	12.3	18.4	10.5
Professional Occupation	13.9	12.2	14.7	12.8	12.1	11.8
Associate Professionals & Technical Occupations	11.4	12.3	13.8	15.9	12.3	14.6
Administrative and Secretarial Occupations	4.5	18.3	4.7	18.7	5.2	17.1
Skilled Trades Occupations	20.9	1.6	17.5	1.8	17.5	2.0
Personal Service Occupations	1.1	16.3	2.6	15.6	2.7	17.0
Sales & Customer Service	5.7	11.3	4.6	10.3	4.9	12.0
Process, Plant & Machine Operatives	8.6	2.8	10.8	1.7	14.2	2.0
Elementary Occupations	11.4	13.6	11.4	10.6	12.3	12.7

Source: Annual Population Survey

4.2.21 As shown in *figure 81*, the economically active East Riding male population is concentrated in the Mangers & Senior Officials and Professional Occupations. Females have a higher propensity to be found in Administration & Secretarial and Personal Service Occupations. These are in line with national and regional trends.

4.2.22 Ethnicity

4.2.23 As noted in the demographic section, the East Riding has a much more ethnically homogenous population than the national and regional averages. Only 4.9% of the area's population are from ethnic minorities. The Annual Population Survey outlines that the BME working age population in the East Riding is 2,700 with an employment rate of 70%.

4.2.24 Due to the low numbers of the BME workforce in the East Riding it is not possible to ascertain from the Annual Population Survey the sectoral breakdown of BME employment in the East Riding.

4.2.25 Earnings

4.2.26 Data drawn from the Annual Survey of Hour and Earnings (ASHE) illustrates that the median earnings for those living in the East Riding (residence based) and those working in the East Riding (workplace based) are both above the regional average. In 2009 the median earnings for East Riding residents was 3.7% above the national average and the highest in any of the local authorities which constitute the East Ridings FEAs. The East Riding demonstrates a positive differential between residence and workplace pay of £54.20 which is the highest in the region. Hull has the largest negative differential at -£28.60 although the gap has been narrowing in the city since 2006.

4.2.27 Wide variance with median weekly pay between residence & workplace is due to the East Riding being a net exporter of employees in management occupations to surrounding cities.

Figure 82: Full Time Workers Weekly Median Pay 2009 (£)

		2006	2007	2008	2009
East Riding of Yorkshire	a)Earnings by Residence	496.8	493.7	527.8	514.5
	b)Earnings by Workplace	429.3	456.4	450.4	460.2
	Difference a-b	*67.5*	*37.3*	*77.4*	*54.3*
Hull	a)Earnings by Residence	357.1	388.1	389.1	407.7
	b)Earnings by Workplace	405.0	421.8	427.6	436.3
	Difference a-b	*-47.9*	*-33.7*	*-38.5*	*-28.6*
Scarborough	a)Earnings by Residence	361.2	384.6	410.5	410.9
	b)Earnings by Workplace	330.9	337.7	411.5	403.5
	Difference a-b	*30.2*	*46.9*	*-6.0*	*7.4*
Selby	a)Earnings by Residence	456.5	475.6	495.1	494.0
	b)Earnings by Workplace	411.2	467.0	513.9	500.3
	Difference a-b	*45.3*	*8.6*	*-18.8*	*-6.3*
York	a)Earnings by Residence	464.3	472.2	474.7	479.3
	b)Earnings by Workplace	450.5	461.5	462.0	477.5
	Difference a-b	*13.8*	*10.7*	*12.4*	*1.8*
Yorkshire & Humber	a)Earnings by Residence	412.5	425.6	444.3	452.4
	b)Earnings by Workplace	409.0	422.6	442.1	450.8
	Difference a-b	*3.5*	*3*	*2.2*	*1.6*
England	a)Earnings by Residence	450.4	464.0	484.5	496.0
	b)Earnings by Workplace	449.8	463.6	483.9	495.2
	Difference a-b	*0.6*	*0.4*	*0.6*	*0.8*

Source: ASHE

4.2.28 These earning levels impact on household income, housing affordability and general affordability issues which are examined further in the Economic Inclusion and Worklessness and Housing, Infrastructure and Connectivity chapters later in this assessment.

4.2.29 In terms of gender difference in the East Riding, the variance between median male and female full-time earnings is significant in both residence and workplace terms. The gap between male and female earnings in both measures is much greater than both regional and national figures. Indeed in workplace terms the median full time wage for a female is lower than both Yorkshire & Humber and English averages.

Figure 82a: Full Time Workers Weekly Median pay by Gender 2009

	Residence Based (£)		Workplace Based (£)	
	Male	Female	Male	Female
East Riding of Yorkshire	564.4	424.3	499.6	367.0
Yorkshire & Humber	491.3	395.3	487.9	395.6
England	538.5	431.4	538.2	431.2

Source: ASHE

4.2.30 The main reason for the variation between gender earnings is the type of activity and sectors in which the genders are typically concentrated. As noted earlier, men dominate the higher salaried management and professional sectors, whereas women are most likely to be found in the administration & secretarial and personal service occupations which offer lower wages.

4.2.31 Although this is in line with national trends, what is clear in *figure 82a* is that female workers in the East Riding are paid a median full time wage which is lower than both the Yorkshire & Humber and English averages.

4.2.32 Part Time Working

4.2.33 The percentage of people employed part-time in the East Riding is slightly higher than Yorkshire & Humber and England levels, with 34.8% of workers being employed on a part-time basis compared to 32.9% for the region and 31% nationally.

4.2.34 Looking at the FEAs, the East Riding shows similar levels of part-time working to the Hull FEA. The lowest levels of part-time working are seen in the Goole and Selby FEA at 31.1% and the highest are seen in the Yorkshire Coast FEA where 40.7% of the population are engaged in part time employment.

Figure 83: Levels of full time and part time working by gender – residence based

	Male				Female				
	Full-Time		Part-Time		Full-Time		Part-Time		Total
	No.	% of male	No.	% of male	No.	% of female	No.	% of female	
Hull FEA	73,606	84.1%	13,893	15.9%	42,644	46.7%	48,508	53.3%	178,660
Yorkshire Coast FEA	20,481	77.4%	5,951	22.6%	13,725	43.6%	17,745	56.3%	58,266
Goole & Selby FEA	15,053	86.4%	2,360	13.6%	7,180	48.2%	7,687	51.7%	32,283
York FEA	49,266	81.4%	11,253	18.6%	29,904	46.0%	35,058	53.9%	125,474
East Riding	45,093	83.6%	8,833	16.4%	25,498	46.1%	29,762	53.9%	109,184
Yorkshire and The Humber	941,967	84.3%	175,771	15.7%	556,048	49.8%	558,561	50.1%	2,232,345
England	9,819,655	83.7%	1,908,919	16.3%	6,110,764	53.8%	5,234,373	46.1%	23,073,714

Source: NOMIS – Annual Business Inquiry, Employee Analysis, 2008

4.2.35 When examining the gender differences in those engaged in part-time work (*figure 83*) it is clear that there are far more female part-time workers than their male counterparts. In the East Riding 53.9% of females were engaged in part time work compared to only 16.4 % of males. This trend is mirrored both regionally and nationally, although again figures for both male and female part-time workers are noticeably higher in the Yorkshire Coast FEA, perhaps reflecting the range of job opportunities on offer.

4.2.36 Employment Forecasts

4.2.37 *Figure 84* provides a projection of employment change in the East Riding economy between 2007 and 2025. This was generated using the Yorkshire Forward/Experian Regional Econometric Model and predicts a growth of 3,257 jobs over this period.

4.2.38 The model does not currently take into account the impacts of the Comprehensive Spending Review 2010 and, thus, growth in Health is likely to be revised down when the next projections are available. Similarly the likely future scarcity of public sector contracts in the Construction sector may also have an impact of tempering the projected growth in this sector.

Figure 84: Forecast Employment Change 2007 - 2025

	2007	2025	Change 2007-2025
Industry Total	**113,262**	**116,518**	**3,257**
Health	12,829	16,476	3,647
Construction	11,283	13,965	2,682
Business Services	11,736	14,059	2,323
Retailing	9,192	10,658	1,466
Hotels & Catering	6,287	7,484	1,197
Transport	4,663	5,613	950
Other Finance & Business Services	2,279	2,902	623
Wholesaling	7,871	8,421	550
Banking & Insurance	2,165	2,518	353
Fuel Refining	0	0	0
Oil & Gas Extraction	31	2	-29
Minerals	1,049	999	-50
Electrical & Optical Equipment	769	717	-52
Other Mining	229	154	-74
Communication	1,508	1,406	-101
Food, Drink & Tobacco	1,279	1,136	-142
Gas, Electricity & Water	290	147	-144
Other Services	4,939	4,795	-144
Rubber & Plastics	866	680	-187
Textiles & Clothing	254	49	-205
Metals	1,576	1,260	-315
Machines & Equipment	408	86	-322
Public Admin & Defence	7.900	7,428	-471
Chemicals	1,859	1,245	-641
Wood & Wood Products	918	187	-730
Paper, Printing & Publishing	1,189	390	-799
Other Manufacturing	894	88	-806
Education	8,464	7,529	-935
Transport Equipment	3,894	2,281	-1,612
Agriculture, Forestry & Fishing	6,642	3,840	-2,802

Source: Yorkshire Forward/Experian Business Strategies Ltd (Regional Econometric Model – Spring 2009) in Employment Land Review Partial Update 2009

4.3. Education & Skills

4.3.1 Educational Deprivation in the East Riding

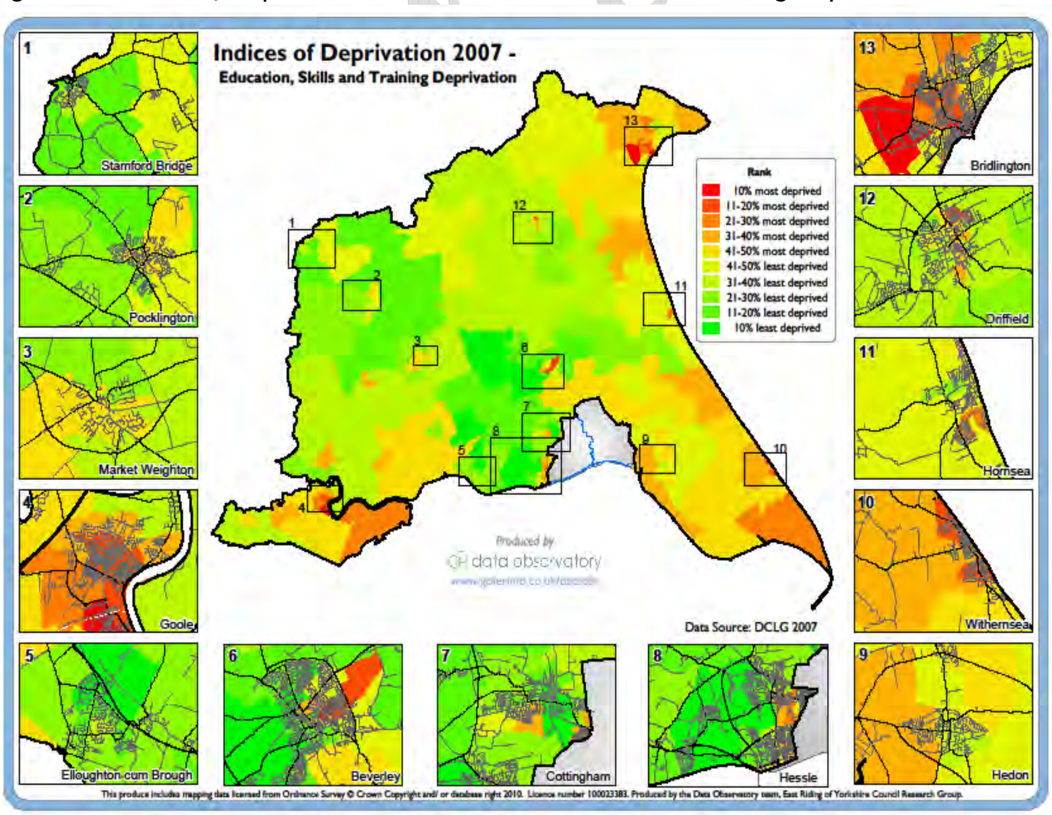
4.3.2 *Figure 85* shows a map of the Educational Deprivation ranking of Lower Super Output Areas (LSOAs) in the East Riding (according to the IMD 2007).

4.3.3 This map illustrates that there are very low levels of educational deprivation in the rural corridor which runs between York and Hull. This includes all of the York FEA which falls within the East Riding's boundary and the rural hinterland to the west of Hull and around Beverley in the Hull FEA.

4.3.4 Goole and its surrounding areas, however, suffer from high levels of educational deprivation, with the town centre LSOAs scoring particularly badly on the educational indices. Similar urban pockets of this type of deprivation also exist in Beverley, Hessle and Driffield.

4.3.5 Perhaps the most striking trend in education deprivation is the coastal dimension. LSOAs along the coast from Flamborough to South Holderness display high levels of deprivation with particularly deep pockets evident in Withernsea within the Hull FEA and Bridlington within the Yorkshire Coast FEA.

Figure 85: Indices of Deprivation 2007 – Education Skills and Training Deprivation



Source: ONS

4.3.6 Adult Skills

4.3.7 Overall the East Riding has a reasonably well skilled workforce compared to the regional average.

4.3.8 The proportion of the East Riding working population who are qualified to NVQ Level 2 is above regional and national averages. The percentage of the workforce educated to NVQ Level 3 also remains above regional levels and is on a par with the national average. Results at NVQ Level 4 are 2% higher than the regional average although fall 1% below the England mark.

Figure 86: Working age population qualified to NVQ levels 2008

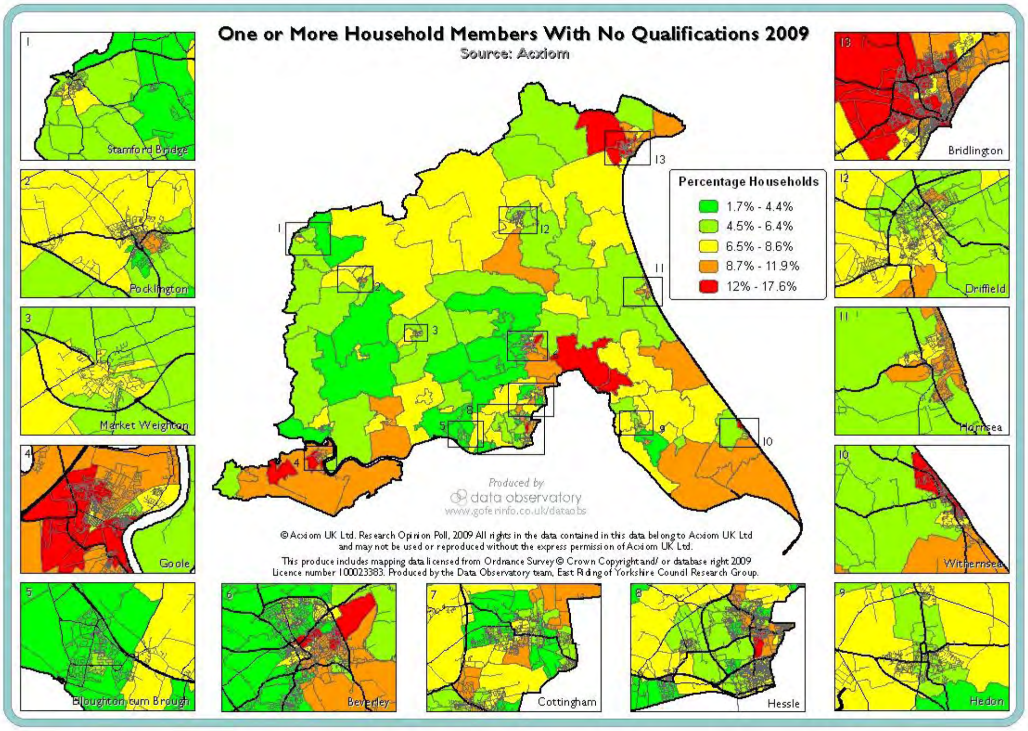
	East Riding of Yorkshire (numbers)	**East Riding of Yorkshire (%)**	**Yorkshire and The Humber (%)**	**England (%)**
NVQ4 and above	59,500	28.6	26.6	29.6
NVQ3 and above	102,000	48.9	47.0	48.9
NVQ2 and above	142,700	68.4	63.5	65.0
NVQ1 and above	171,500	82.3	78.6	79.0
Other qualifications	16,400	7.9	8.6	9.0
No qualifications	20,600	9.9	12.8	12.1

Source: ONS Annual Population Survey Dec 2009

4.3.9 The percentage of the East Riding population who have no qualifications is markedly lower than the regional and national averages. However, this figure masks some geographical concentrations of low-skilled adults.

4.3.10 *Figure 87* illustrates the geographical concentrations of households which have one or more adults with no qualifications, emphasising the correlation between numbers of households with occupiers having no skills and high index of multiple deprivation scores.

Figure 87: Number of households in the East Riding in which at least one adult household member has no qualifications (2009)



Source: Acxiom

4.3.11Young People's Education (14 -16)

4.3.12 The East Riding of Yorkshire has seen a significant improvement in 14 – 16 outcomes during the five-year period from 2006 – 2010 with:

- a 10% increase from 49% to 59% in the proportion of learners achieving 5+ A*-C GCSEs including English and Mathematics or their equivalent (the "gold standard")
- 595 pupils achieving the gold standard in 2010, which is well above the national average
- progress measures suggest the 2010 "gold standard" represents top quartile value added performance in 2010
- the proportion of students achieving 5+ A*-C GCSEs has increased by 15.3% from 63% in 2006 to 78% in 2010. This again has exceeded the upper quartile student progress for the last two years
- the Level 2 average points score per pupil, (the most inclusive measure), has risen by 67.3 points from 381.2 in 2006 to 448.5 in 2010, yet again exceeding upper quartile progress in both the last two years
- the Coalition Government has indicated it's support for continuing the "gold standard" when measuring progress

4.3.13 Key Stage 2 achievement

4.3.14 The number of East Riding pupils achieving Level 4 in English and Mathematics at Key Stage 2 decreased from 76.2% in 2008 to 73.3% in 2009. However, this still remains higher than both the regional (70.8%) and national (72.3%) results.

Figure 88: Percentage of pupils achieving Level 4 or above in both English and Maths at KS2

	2008				2009			
	Known to be eligible for FSM	Not eligible for FSM	All pupils	Attainment gap	Known to be eligible for FSM	Not eligible for FSM	All pupils	Attainment gap
East Riding	53.1	78.1	76.2	25	39.5	76.4	73.3	36.9
Kingston upon Hull	55.3	72.1	67.6	16.8	55.4	72.4	67.7	17
North Yorkshire	56	78.7	76.7	22.7	52.4	76.9	74.9	24.5
York	51.5	78.7	75.8	27.1	42.2	77.4	73.8	35.2
Regional	51.7	75.8	71.8	24.1	50.4	74.9	70.8	24.5
England	54.3	76.6	73	22.4	53.7	76	72.3	23.3

Source: NI 102 (Achieving the gap between pupils eligible for free school meals and their peers, based on pupils achieving Level 4 or above in both English and mathematics Year: 2008/09)

4.3.15 Although East Riding pupils at Key Stage 2 are outperforming national and regional figures in terms of pupils achieving Level 4 or above in both English and Mathematics, the proportion of pupils with free school meals achieving the expected level is lower than both the regional rate and the national rate. The attainment gap for the East Riding is 36.9% compared to the Regional rate of 24.5% and National rate of 22.3%.

4.3.16 Free School Meals data is used as a proxy for measuring educational achievement of disadvantaged families. Evidence suggests that East Riding schools have been successful in narrowing the gap significantly over the last three years in overall KS2 and KS4 achievement. The gap between the two groups for key English and Mathematics scores at KS2 has widened. The gap in East Riding residents achieving Level 3 qualifications at the age of 19 has also widened, as non FSM students have become markedly more successful.

4.3.17 A full time FSM Champion has been appointed in the School Improvement Adviser's team for one year to drive a fast-track strategy to make a bigger difference more rapidly. Likewise the East Riding 14-19 Strategy Group has made narrowing the FSM gap at age 19 its top priority. This will remain a very challenging issue for all rural authorities caused by years of social and economic deprivation. The new Pupil Premium is intended to support schools in narrowing the FSM gap for those from disadvantaged areas, although the resources to support narrowing the post-16 gap are not as clearly defined at present.

4.3.18 *Figures 89 and 90* give some indication of the difference between GCSE achievement between the free school meals and non free school meals population in the East Riding. When considering a benchmark achievement of 5+ A*-C grades, it is noticeable that, at an East Riding level, 24.5% more non FSM students achieve this benchmark than those claiming FSM. This percentage is higher when the 5+A*- C benchmark includes key skills in Maths and English. The percentage of those achieving this mark claiming free school meals is half that of the non free school meals students.

Figure 89: Percentage of pupils achieving 5 A- C including English and Maths*

	Percentage of pupils achieving								
Pupils eligible for FSM	3+ A*-A	5+ A*-C	5+ A*-G	1+ A*-G	Any Qualifications	5+A*-C inc A*-C GCSE E&M	5+A*-C inc Level 2 E&M	5+ A*-G inc Level 1 E&M	2+ A*-C Science
East Riding	8.3	54.1	90.9	96.7	97.9	28.1	30.2	88.4	35.5
National	12.6	55.2	84.9	94.4	97.0	30.2	33.5	82.7	42.9

Source EPAS Table GGI 2010

Figure 90: Difference between FSM and non FSM-closing the gap: 5 A- C including English and Maths*

	Percentage of pupils achieving								
Pupils not eligible for FSM	3+ A*-A	5+ A*-C	5+ A*-G	1+ A*-G	Any Qualifications	5+A*-C inc A*-C GCSE E&M	5+A*-C inc Level 2 E&M	5+ A*-G inc Level 1 E&M	2+ A*-C Science
East Riding	27.5	78.9	97.2	99.3	99.6	60.4	62.6	95.9	60.0
National	31.1	77.6	94.9	98.1	98.9	58.6	61.3	94.0	63.4

Source: EPAS Table GG1 2010

4.319 In geographical terms, work undertaken for the East Riding of Yorkshire Council's Eradicating Child Poverty Pilot project has show that the highest concentrations of pupils claiming free school meals are found in the Bridlington area.

4.3.20 Young People's Education (16 – 19)

4.3.21 Further Education

4.3.22 The cohort of 16 year olds continuing into Further Education or work based learning was 4,400 in 2007/08 whilst the cohort of 17 year olds progressing into Further Education and Work Based Learning was 4,300. The combined cohort of 8,700 has increased from 8,400 in the two previous years. This reflects the current agenda to support young people to remain in some form of learning post 16.

Figure 91: Year 11 Intended Destinations Detail recorded at August 2009 (FE Only)

%	Total Year 11 cohort	Full time education			Training / Apprenticeship		Labour Market	
		Same School	Other School	College	Definite Place	No Definite Place	Definite Place	No Definite Place
East Riding	4,031	1,978 (49.1%)	41 (1.0%)	1,632 (40.5%)	132 (3.3%)	47 (1.2%)	78 (1.9%)	75 (1.9%)
N & Y Yorks SRG	15,860	5,792 (36.5%)	621 (3.9%)	7,809 (49.2%	589 (3.7%)	211 (1.3%)	183 (1.2%)	371 (2.3%)
Region	63,104	18,541 (29.4%)	2,108 (3.3%)	32,908 (52.1%)	2,122 (3.4%)	2,122 (3.4%)	479 (0.8%)	2,338 (3.7%)

Source: T6 North and East Yorkshire Data Pack – 04-06-10.xls (NCCIS)

4.3.23 School Sixth Form

4.3.24 East Riding schools sixth form outcomes for the approximate 1,200 learners per year have improved significantly over the last four years:

- the Average Point Score per pupil has improved from 727.5 in 2007 to 753.9 in 2010 (2010 school reported data) - the equivalent of almost two grades improvement for every student
- of 17 schools all but one school shows median or upper quartile Advanced Learner Performance System value added scores in 2010 (in 2007 nine schools had lower quartile scores). Fischer Family Trust and Learner Achievement Tracker value added data confirms this improvement trend

4.3.25 September Guarantee

4.3.26 The September Guarantee ensures that all young people are offered a suitable place of learning or training. As can be seen from both *Figures 92 and 93*, the East Riding has a higher success rate in making this offer than both the Sub-Region and the Region with both 16 and 17 year old learners.

Figure 92: September Guarantee status for Year 11 students, Offer Made 2009

%	Cohort	Offer made	Going into employment without training to NVQ level 2
East Riding of Yorkshire	4,143	3,993 (96.4%)	40 (1.0%)
N & E Yorkshire SRG	16,400	15,658 (95.5%)	153 (0.9%)
Regional	63,361	60,540 (95.5%)	558 (0.9%)

Source: T5 North & East Yorkshire Data Pack – 04-06-10.xls (NCCIS)

Figure 93: September Guarantee for Year 12 students, Offer made 2009

%	Cohort	Offer made	Already in Learning (Education)	Already in Learning (Employment with Level 2 NVQ)
East Riding of Yorkshire	3,197	2,911 (91.1%)	2, 362 (73.95%)	251 (7.9%)
N & E Yorkshire SRG	16,204	14,704 (90.7%)	11, 593 (71.5%)	1,117 (6.9%)
Regional	65,660	58,698 (89.4%)	34,700 (52.8%)	4,363 (6.6%)

Source: T5 North & East Yorkshire YPLA Data Pack – 04-06-10.xls (NCCIS)

4.3.27 These figures show that Year 11 students in the East Riding have a marginally higher percentage rate of offer made than the sub-Region and Region.

4.3.28 Additionally, for year 12 students, the offer made to those not in learning exceeds the sub–regional rate by over 2%, and the regional rate by 21%.

4.3.29 NEET

4.3.30 The percentage of young people "Not in Employment, Education and Training" (NEET) fluctuates throughout the year and, whilst it is currently well above the target of 5.7% (taken as an average of the months of November, December and January), it is below the Yorkshire and Humber, and England averages. The Wolds area has the lowest number of NEET young people, with NEETs also concentrated in Bridlington and Holderness.

4.3.31 The NEET figures are made up of young people who are available to the labour market and those who are not available to the labour market. From the latter cohort there are a disproportionate number of teenage parents who are NEET. The make up of this particular group within the cohort reflects that of the NEET group as a whole, with the highest number being in the Bridlington area.

4.3.32 Care to Learn

4.3.33 Care to Learn provides financial support to teenage parents who want to continue their education and need help with the cost of childcare and any associated travel. It pays up to £160 a week for each child and is paid direct to the childcare provider.

4.3.34 Care to Learn data shows the national take up, as a percentage of the cohort, (% of mothers under 20), at 16.2% in 2008/09. In the East Riding, take up of Care to Learn was 19.7% in 2008/09, which was higher than both the regional average of 15.1% and the national figure of 16.2%.

4.3.35 Learners with Learning Difficulties and Disabilities

4.3.36 Overall between 2007/08 to 2008/09 there has been an increase in young people with learning difficulties/disabilities participating in post 16 activity in the East Riding, with school sixth forms taking on more young people identified in this category in 2009.

4.3.37 In 2012 there will be high numbers of young people with moderate learning difficulties and disabilities leaving school, followed by a sharp decrease in 2013. There are 71 young people who will potentially be entering further education or training between 2011 and 2013 with an assessed behavioural, emotional and social difficulty.

4.3.38 The percentage of learners classified as having learning difficulties or disabilities working towards apprenticeship programmes in 2008/09 shows a 9.6% increase on 2007/08, which is an improvement on a zero increase between 2006/07 and 2007/08.

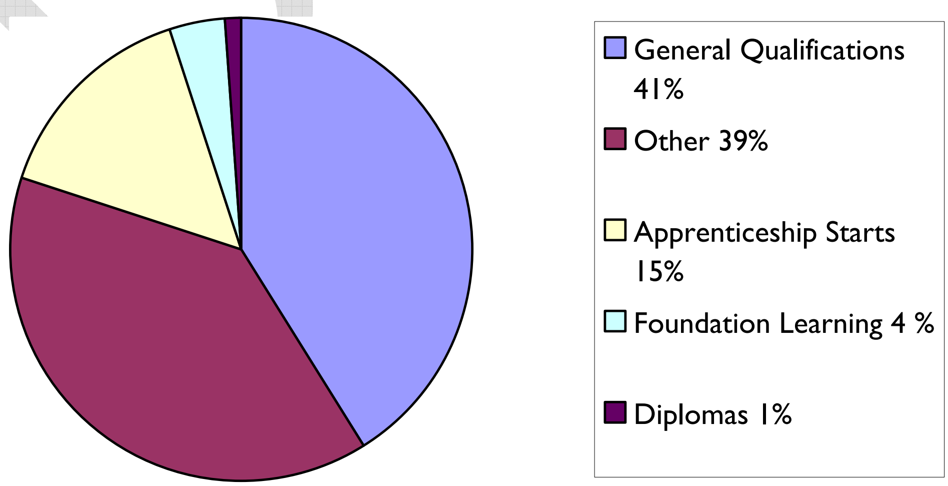
4.3.39 There has also been a decrease in participation at entry level provision, but a significant increase in participation at Level 1.

4.3.40 In terms of travel to learn the export of learners with learning difficulties and disabilities at entry level and Level 1 is not significant in terms of volumes of numbers within the Further Education sector. Some learners in special school education do, however, travel to other LA areas to access special schools provision.

4.3.41 Places and Provision Mix

4.3.42 In 2009/10, figures for the East Riding showed other qualifications (39.9%) and general qualifications (41.4%) (i.e. GCSEs, AS levels, A levels) make up the bulk of the learning achievements. There are a significant number of Apprenticeship starts (14.6%) whilst Foundation Learning starts (3.7%) (i.e. provision below Level 2) and Diplomas starts (0.3%) currently have relatively low levels of participation due to these programmes only recently coming on stream.

Figure 94: Qualification Types in the East Riding of Yorkshire 2009/10



Source: ILR L01 School Census 2009/10 (YPLA 2010 Strategic Analysis), (figures in chart key-rounded for illustrative purposes)

4.3.43 Travel to Learn Patterns

4.3.44 There is a significant difference between 16-18 learners studying at Sixth Form Schools and those accessing Further Education Providers. Whilst 60.8% of East Riding learners enrol with FE establishments outside the East Riding, only 2% move beyond the East Riding to travel Sixth Form Schools outside the Local Authority boundary.

4.3.45 The total number of learners aged 16-19 recorded as resident in the East Riding in 2009/10 is 4,031.

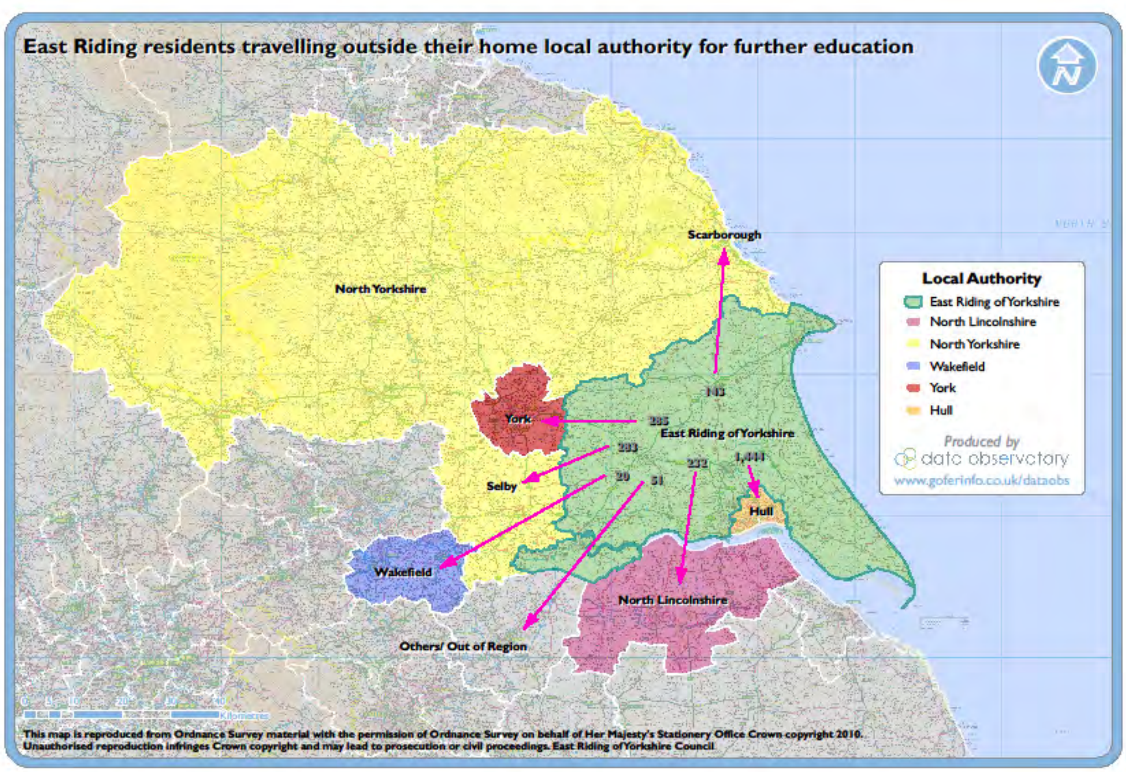
Figure 96: North and East Yorkshire Sub Regional Group Travel to Learn Patterns in FE

Local Authority	Number of Learners	Home LA	Other LA in SRG	other LA's in Y&H	out of Region or N/K
East Riding of Yorkshire	4,031	38.7%	53.8%	6.9%	0.6%
North & East Yorkshire SRG	17,636	68.5%	21.4%	3.6%	6.5%

Source: ILR 2009/10 LO1 (YPLA 2010 Strategic Analysis)

4.3.46 The above data shows that in terms of Resident Learners aged 16-19, 61.3% of learners travel outside of the East Riding to access further and/or higher education. This compares with 31.5% for Resident Learners in the rest of the sub-region.

Figure 97: East Riding Residents Travelling Outside their Home Local Authority for Further Education



Source: ILR 2009/10 L01 (excludes distance and open learning and School Sixth Forms)

4.3.47 Unlike the rest of the sub region, where most Further Education College resident learners (68.5%) remain within their home local authority, only 38.7% of resident learners remain in the East Riding.

4.3.48 The East Riding has a much higher proportion of its Further Education College learners travelling outside the local authority for Further Education than neighbouring local authorities. However, much of this travel is to institutions in close proximity to where young people live.

4.3.49 Those in College Further Education provision and resident in the east, south-east, south and south-west tend to travel outside the East Riding for Further Education. In the east, south and south-east, many opt to travel to Hull rather than Beverley, whereas in the south-west, a significant number choose either Selby or North Lincolnshire in preference to accessing learning in Goole.

Figure 98: Most Accessed Further Education College Providers by East Riding Residents

Local Authority	Provider	2007/08	2008/09	2009/10
East Riding	Bishop Burton College	468	529	545
	East Riding College	874	916	846
	East Riding of York Council	65	39	30
	Hull College, Goole	117	146	139
Kingston upon Hull	East Riding College, Hull	62	60	47
	Hull College	1,026	1,019	874
	Wilberforce College	178	191	201
	Wyke Sixth Form College	248	299	322
North Lincolnshire	John Leggot Sixth Form College	176	199	202
	North Lindsey	24	25	30
North Yorkshire	Scarborough Sixth Form College	64	95	89
	Selby College	244	269	283
	Yorkshire Coast College	63	46	54
Wakefield	New College, Pontefract	11	17	20
York	Askham Bryan College	7	8	15
	York College	248	286	270
Others/ Out of region	*Various*			51

Source: ILR 2007/08 FO5, 2008/09, 2009/10 LO1 (YPLA East Riding Travel to Learn Patterns)

4.3.50 Hull College is the major beneficiary of this movement of learners, although there are five other providers that attract more than 200 East Riding residents each year *(figure 98)*.

4.3.51 Nearly three-quarters of the learners that travel outside the East Riding for Further Education access Level 3 provision.

4.3.52 The Subjects accessed most frequently outside the East Riding are:

- Arts, Media and Publishing (all Levels)
- Business, Administration and Law (Level 3)
- Languages, Literature and Culture (Level 2 and Level 3)

- Science and Mathematics (Level 2 and Level 3)
- Social Sciences (Level 3)

` (Source YPLA data table 13 [ILR 2009/10 LO1])

4.3.53 Three-quarters of Further Education learners accessing provision in the East Riding are also local residents. Most young people travelling within the local authority do so to attend Bishop Burton College.

4.3.54 The East Riding is a net importer for learners accessing School Sixth Forms, but the volumes are not significant to warrant a more detailed analysis.

Figure 99: Sector specific by level of study (learners 16-18)

Sector Studied	**Level 1 & Entry**	**Level 2**	**Level 3**	**Level 4, 5 or Higher**	**Total**
Agriculture, Horticulture & Animal Care	517	12	33		562
Arts, Media & Publishing	71	135	1,079		1,285
Business, Administration & Law	25	43	342		410
Construction, Planning & Built Environment	81	47	23		151
Education & Training				2	2
Engineering & Manufacturing Technologies	66	92	88		246
Health, Public Service & Care	42	134	233		409
History, Philosophy & Theology			217		217
Information & Communication technology	9	22	174		205
Languages, Literature & Culture	9	131	435		575
Leisure, Travel & Tourism	16	103	255		374
Preparation for Life & Work	507	250	544	3	1,304
Retail and Commercial Enterprise	224	147	65		436
Science & Mathematics		8	299		307
Social Sciences			1		1

Source: School census all years SO2 2009/10 (YPLA Strategic Analysis- 04-06-10.xls

4.3.55 The numbers undertaking Preparation for Life and Work qualifications is significant. These qualifications are foundation level courses delivered mainly by the Further Education College network in the East Riding.

4.3.56 Employability qualifications are designed for learners who want to develop their knowledge and understanding of the world of work. Their aim is to facilitate progression from Award to Certificate and support the Employability and Skills for Life agendas. With more people than ever facing unemployment it's vital that these learners have the right skills to gain employment. The Leitch Report suggested that over time, the proportion of jobs requiring lower-level skills would decrease but also stressed the importance of improving basic skills.

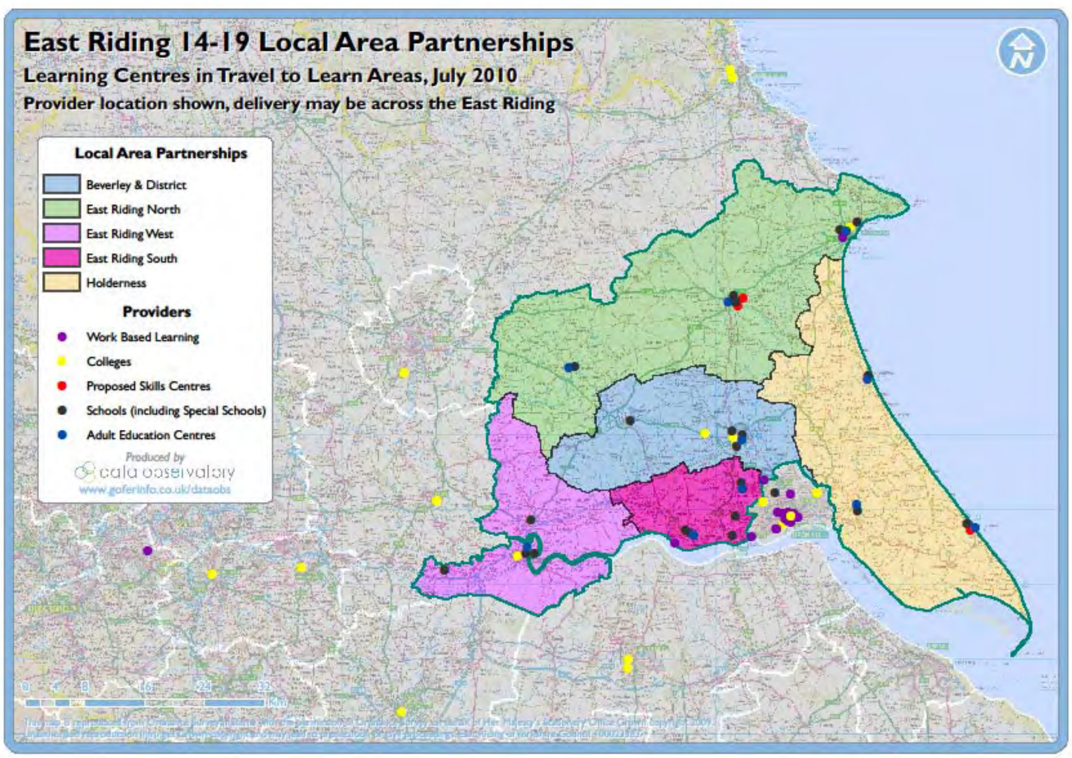
4.3.57 Local Area Partnerships

4.3.58 In November 2009 Parliament placed in statute the requirement that local partnerships comprising of schools, colleges, other local learning and training providers and service organisations work collaboratively to deliver reforms in 14 – 19 education and training.

4.3.59 All Local Area Partnerships have Employer Engagement Plans as part of their Development Plans. These plans are integrated with the Economic Business Partnership Employer Engagement team and include joint working with other key business intermediaries.

4.3.60 The Coalition Government has subsequently announced its intention that the statutory requirement on Local Area Partnerships will be withdrawn and it will be for the 14 – 19 Partnerships to determine if they continue to exist in a permissive rather than a prescriptive basis. In light of this Government directive, the East Riding has decided to continue with its previously defined 14 – 19 Local Area Partnerships *(see figure 95)*.

Figure 100: East Riding Local Area Partnership map



Source: East Riding of Yorkshire Council

4.3.61 Apprenticeships

4.3.62 There are three apprenticeship providers with their main base in the East Riding. They predominantly focus their learner recruitment from within the East Riding area (87%), with their remaining learners (11%) imported from neighbouring local authorities and with 1.6% travelling from further afield.

4.3.61 Apprenticeship delivery follows a similar pattern as Further Education delivery with many learners travelling out of the East Riding area to access provision. 54% of the recorded learners remained in the East Riding, with 45% travelling further afield, the Hull area being a major beneficiary receiving 35% of those young people.

4.3.62 The percentage of learners working towards apprenticeship programmes in 2008/09 shows a 9% increase from 2007/08, which is an improvement on a zero increase in 2006/07 to 2007/08.

Figure 100a: Apprenticeship participation by sector 2008/09

Apprenticeship total numbers 2008/09	2008/09		2009/10 Year to Date, January	
Resident participation by top 5 sectors	% of Aims		% of Aims	
*Driving Goods vehicles **	38%	995	31.7%	699
Business Administration	8.2%	209	7.6%	191
Engineering	8.1%	207	9.9%	216
Construction	7.9%	203	6.6%	137
Hairdressing	6.6%	170	8.1%	145
Vehicle maintenance & repair	3.6%	93	5.2%	107

**Due to Leconfield learners from MOD being classified as local residents*

Source: Strategic analysis core data table May 2010 (T13A, 14A)

4.3.63 Advanced Apprenticeship success rates have increased by 17% to 77.5% between 2007-08 and 2008-09, and Apprenticeship Success Rates have increased by 3.7% to 64.6%. Although the Advanced Apprenticeship rate is almost 4% above the regional rate, it is still marginally below the national rate of 65.5%.

4.3.64 To maintain 2008/09 numbers of learners undertaking Apprenticeships, the number and range of Level 2 and Level 3 Apprenticeships will need to increase.

4.3.65 Priority frameworks for Apprenticeships commissioning for the 2011/12 academic year were based on two themes of demand from employers: Growth and Replacement.

4.3.66 The Growth theme is driven by the aging population of the East Riding and consequent growth in services related to this and an increase in rural enterprise and environmental related engineering. Apprenticeship framework priorities within this theme include:

- increasing the availability of frameworks at level 4 across all sector areas
- increase frameworks at level 3 including: Health and Care; Building Services Engineering; Logistics; Electrotechnical; Food and Drink Manufacture; Environmental Conservation; Management and Accounting; and IT and Telecoms Professionals

4.3.67 The Replacement theme concentrates on those areas which are not necessarily expanding but still require skilled people to replace those leaving the sector, often due to retirement. Apprenticeship framework priorities within this theme include the following at levels 2 and 3:

- Health and Care
- Business Administration
- Travel and tourism
- Retail
- Horticulture

4.3.68 The Growth themes for apprenticeships align with both the key clusters in the East Riding and its FEAs, as well as the Econometric employment forecasting work noted earlier in this section. For example, in the context of a projected growth in business services it is wholly appropriate to prioritise accounting and purchasing & supply management as a growth area.

4.3.69 Progression to High Education

4.3.70 Applications from East Riding females increased by 18% between 2000 and 2006, whilst applications from males increased by19%. In 2001 84% of applications from females were accepted; by 2006 this had marginally increased to 85%; against 85% of applications from males in 2001 rising to 87% in 2006.

4.3.71 In 2007, from of a total of 4,144 young people in compulsory education within the East Riding, 1,209 moved on into Higher Education.

4.3.72 Graduates

4.3.73 The East Riding of Yorkshire does not have a university within its authority boundary. There are, however, university campuses within three of the four FEAs:

- **Hull University** and the *Hull Campus* of the **Hull and York Medical School** within the Hull FEA
- **York University**, **York Saint John's University** and the *York campus* of Hull and York Medical School in the York FEA
- Scarborough Campus of Hull University in the Yorkshire Coast FEA.

4.3.74 In their report *Graduate Economies in Britain 2007*, Graduates Yorkshire, identify a "homing instinct" amongst Yorkshire students, with an overall one in three returning to their "home" sub-regions to work after completing their degrees. This trend is particularly evident where they find jobs in the public sector.

4.3.75 As outlined in the Economic Inclusion and Worklessness section the "homing instinct" for students wishing to return to the East Riding is often lower, due to a relatively small number of high-level skills job opportunities and increasing house prices. As noted by Graduates Yorkshire, the public sector is one industry which does employ large numbers of graduates with such skills. However, with little prospect for immediate growth in the public sector this may, in the medium term, reduce graduate retention still further in the East Riding.

4.4 SWOT Analysis for the LEA: Employment and Skills

STRENGTHS	**WEAKNESSES**
Non coastal rural areas in the York FEA and Hull FEA show very low levels of educational deprivation.	The East Riding has high levels of educational deprivation along the coastal strip and in certain urban areas especially Goole.
The economic activity rate of the East Riding is above Yorkshire & Humber and England Levels.	A high proportion of female workers in the East Riding are in part-time employment, which is generally low paid
High proportions of the workforce are employed in the Managers and Senior Officials occupation group	The Yorkshire Coast FEA is over reliant upon part time employment.
Overall median earnings for the East Riding are above Regional and National Levels	In 14-19 learning there are distinct inequalities between the attainment of Free School Meals and non Free School Meals Students. This impacts most upon attainment in the Yorkshire Coastal FEA
East Riding has a well skilled workforce compared to regional averages.	A very high proportion of FE learners travel outside the East Riding for their education, which has funding implications for FE establishments within the area
Higher Education opportunities are available at both East Riding and Bishop Burton Colleges	The East Riding does not have its own University or University Campus
OPPORTUNITIES	**THREATS**
The East Riding has seen significant improvement in 14-16 educational outcomes between 2006-2010	Public Sector cuts are likely to impact greatly on sectors of projected employment growth in the East Riding
Attainment rates have improved for all sixth forms in the East Riding between 2007 and 2010	Public Sector cuts could further force down low levels of graduate attraction and retention in the area
Advanced Apprenticeships success rates have risen between 2007 and 2009	Aspiration levels of learners in deprived areas are low

5. Economic Inclusion & Worklessness

5.1 Introduction

5.1.1 Demographic data and statistics for the East Riding indicate that there is diversity and imbalance across worklessness and also other socio-economic measures. Until the beginning of the international banking crisis two years ago, employment rates were historically the highest ever, and the population was rising steadily, mainly as a result of families looking for better schooling, housing and increased lifestyle opportunities.

5.1.2 Whilst the rate of unemployment has not increased as much as other parts of the region, and the East Riding generally remains comparatively affluent, there is still a continued presence of substantial pockets of deprivation and a number of people who have been left behind, excluded from the labour market and are now considered to be “hard to reach”.

5.1.3 As can be seen in the preceding Employment & Skills Section and in *Figure 101* below, the East Riding’s working population statistics measure up well when compared to both Yorkshire and the Humber and Great Britain. Residents demonstrate low levels of economic inactivity and gender breakdowns suggest that there is no significant imbalance around worklessness between the sexes.

Figure101: Economic inactivity (Oct 2008 – Sep 2009)

	East Riding of Yorkshire (Numbers)	East Riding of Yorkshire (%)	Yorkshire and Humber (%)	Great Britain (%)
All people				
Economically inactive	35,300	18.1	22.2	21.1
Wanting a job	8,200	4.2	6.0	5.6
Not wanting a job	27,000	13.8	16.2	15.5
Males				
Economically inactive	15,800	15.2	18.2	16.8
Wanting a job	3,800	3.7	5.3	4.6
Not wanting a job	12,000	11.5	12.9	12.2
Females				
Economically inactive	19,500	21.3	26.6	25.8
Wanting a job	4,400	4.8	6.7	6.6
Not wanting a job	15,100	16.5	19.9	19.2

Source: ONS Annual Population Survey

5.1.4 Whilst the area is generally well placed economically, this should be tempered by the fact that unemployment issues still remain a problem, consistently linked and adding to deprivation. Several studies[1] have also made

[1] Including Ridge T(2002) Child poverty and social exclusion. David Freud - Welfare to Work report March 2007

the wider association between worklessness and poor health, including higher rates of early mortality, difficulties with mental health issues and more frequent use of medical services.

5.1.5 Poor children are more likely to become poor adults and subsequently suffer from social exclusion, less access to services and fewer opportunities to participate socially and economically throughout their lives. Conversely, work improves the quality of life and well-being of parents and their children, and is acknowledged as the key to tackling poverty.

Figure 102: Job Seekers Allowance - claimant rates for the East Riding

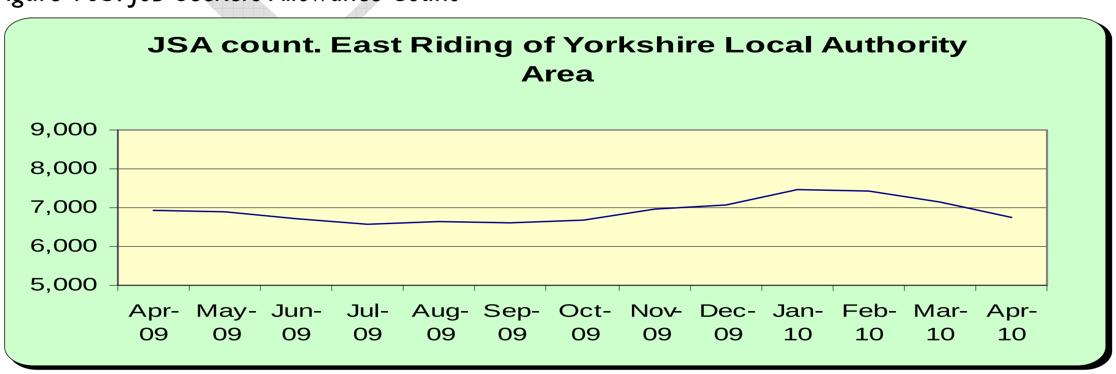
JSA: Claimant Count **(snapshot April 2010)**	▪ **6,748** ▪ A decrease of 391 (-5.5%) on March 2010 ▪ A decrease of 188 (-2.7%) on April 2009 ▪ The JSA Claimant count is 3.4% of the working age population.

5.1.6 Although the number of residents claiming unemployment benefits (as seen in *figure 102*) compares favourably with Kingston upon Hull which had 14,542 people on Jobseeker's Allowance in April 2010 at a rate of 8.6 % of the working age population, there are still underlying challenges.

5.1.7 The East Riding had a claimant rate which was consistently around 3,500 for most of 2008, but this had doubled by April 2009. The area does not receive any additional support to tackle worklessness such as the Working Neighbourhoods Fund (WNF) or the Local Enterprise Guarantee Initiative (LEGI), and so resources were very heavily stretched.

5.1.8 The trend around Jobseekers Allowance claimant numbers in East Riding has levelled out over the last twelve months, although in common with the rest of the UK, the local labour market, whilst currently heading in the right direction, has not as yet regained its previous buoyancy.

Figure 103: Job Seekers Allowance Count



5.1.9 A breakdown of claimants by the length of time they have been receiving Job Seekers Allowance suggests that there is frequent and relatively consistent turnover as people leave but then quickly re-enter the labour market. Month on month, 'short-term' client numbers have been dropping.

Figure 104: East Riding Job Seekers Allowance - Claimant Count by duration (rounded to 5) April 10

Duration	Number	Actual change on previous month	% change on previous month
13 weeks or less	2,615	-125	-4.7
13 – 26 weeks	1,480	-385	-20.8
26 – 52 weeks	1,555	95	6.6
52 weeks +	1,085	35	3.3

5.1.10 Two thirds of registered claimants in East Riding are under six months unemployed, suggesting that there are job opportunities available. More worryingly, there still remains a hardcore of long-term clients with over a thousand East Riding working-age residents having been out of employment and claiming Job Seekers Allowance for more than twelve months duration.

Figure 105: East Riding Job Seekers Allowance – Claimant Count by age (rounded to 5) April 10

Age	Number	Actual change on previous month	% change on previous month
Under 18	50	-5	-16.4
18 – 24	2,005	-210	-9.6
25 – 49	3,450	-95	-2.8
50+	1,225	-60	-5.0

5.1.11 As can be seen from figure 105, the age group 25-49 has the highest incidence of unemployment, although this reflects the actual numerical make-up of East Riding residents. Research and anecdotal evidence suggests that this group is better placed to return to work quickly as a result of having good skills and experience. They are also often well motivated, usually by other external factors such as children, housing and partner responsibilities.

5.1.12 Youth unemployment in the area has been reducing since the end of 2009, but still gives some cause for concern as over two thousand 18-24 year olds are claiming Jobseekers Allowance.

5.1.13 High graduate unemployment is a national issue, and this is reflected locally. Employers have also suggested that younger people may in general not have the right skills sets, often possess non-vocational qualifications which do not reflect employers' needs, that they are hampered by a lack of work experience and frequently do not understand issues around 'employability' or soft skills. Anecdotally, these include the need for good time keeping, the importance placed on providing customer service, reliability in attendance, displaying appropriate behaviour in the workplace etc.

5.1.14 Employers may well have a misguided perception of younger people, but the East Riding does seem to have a potential demographic 'time bomb' around its ageing population and older workers. Vacancies notified through East Riding jobcentres in May 2010 show a significant imbalance in what employers require, in relation to the type of job claimants are seeking (see *figure 106* below).

Figure 106:

Top ten notified vacancies by occupation	**East Riding May 2010**	**Top ten sought occupations by new JSA claimants**	**East Riding May 2010**
Merchandisers and window dressers	120	Sales and retail assistants	145
Construction trades	90	General office assistants/clerks	75
Scaffolders, stagers, riggers	80	Labourers in process and plant operations	60
Cleaners, domestics	73	Carpenters and joiners	40
Heavy goods vehicle drivers	71	Van drivers	40
Care assistants and home carers	59	Other goods handling and storage occupations	40
Sales representatives	48	Labourers in building and woodworking trades	30
Sales and retail assistants	47	Care assistants and home carers	25
Electricians, electrical fitters	46	Bar staff	25
Mechanical engineers	42	Cleaners, domestics	25

5.1.14 There is clearly ongoing demand, even in a tight labour market for the skilled and certificated trades in construction, and also scaffolding, electricians, and mechanical engineers. Heavy Goods Vehicle drivers still remain in short supply. These opportunities, however, tend to favour older, experienced workers.

5.1.15 New jobseekers are in general looking for lower-skilled jobs, or occupations which do not have traditional career paths, such as labourers, general office assistants, sales and retail, bar staff and cleaners. All employment should of course be encouraged, but these types of occupations are not those that are relevant to a knowledge-based global market. It would seem reasonable to suggest that education, skills provision and employment are not fully aligned, and this may well have been the case for some time now.

5.1.16 East Riding also has a number of 'hard to reach' customers with a wide range of barriers to employment. Even in a strong economy, these customers are often a step or two away from the labour market, and in hard times they may well fall away altogether without the right support and guidance. Programmes which are designed to tackle worklessness are currently available, but they are predominately reliant on very limited sources of funding.

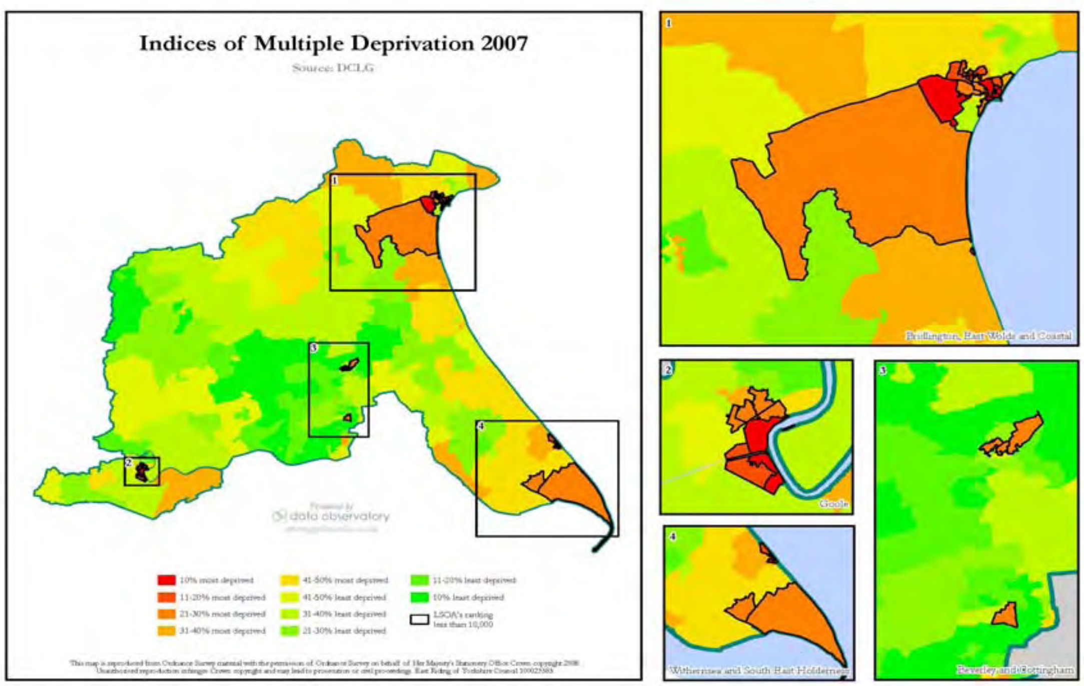
5.2 Deprivation

5.2.1 The Index of Multiple Deprivation 2007[2] consists of seven individual 'indices' referred to as domains. These themes include income, employment, health, education and the living environment. Scores are weighted, and then combined into a single total known as the Index of Multiple Deprivation which 'rates' an area numerically.

5.2.2 The East Riding ranks 256 of all 354 districts in England in terms of the IMD 2007, where a rank of 1 is the most deprived. The area overall has substantially less multiple deprivation than the England average. The least deprived parts of the East Riding are much of the areas surrounding Hull and to the east of York, which are characterised by high employment levels and a relatively large number of older age groups with adequate income levels.

5.2.3 However, deprived households can be found in all parts of the East Riding, even in areas of apparent affluence. There are particular concentrations of multiple deprivation in parts of Bridlington, Goole and Withernsea (see Figure 107), where some 'Super Outputs Areas' (SOAs) fall into the highest quartile for deprivation, ranked against the 8,414 wards in England. In such deprived areas, there is generally evidence of a high dependence on benefits and income support. Typically educational attainment and skill levels are low; crime rates are relatively high, and many people experience problems with ill health.

Figure 107: Index of Multiple Deprivation 2007

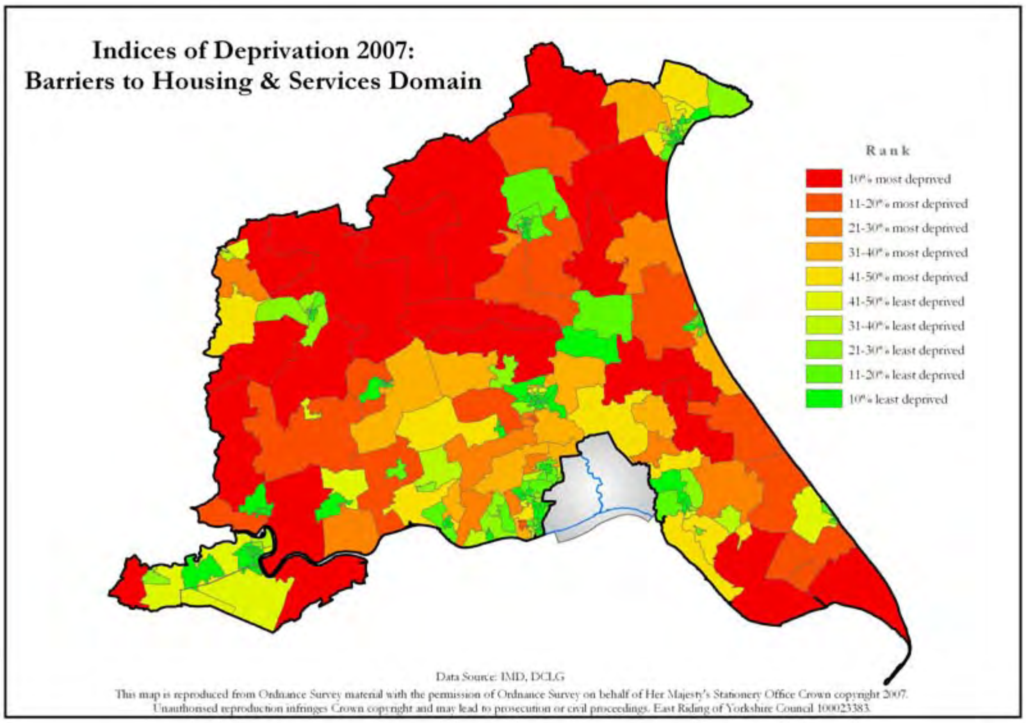


Source: English Indices of Deprivation 2007, CLG

[2] The IMD 2007 is a measure of multiple deprivation at the small area level, using areas smaller than electoral wards. These are called Lower Super Output Areas and, on average contain around 1,500 people. England is divided into 32,482 Lower Super Output Area, 209 of these can be found in the East Riding.

5.2.4 There is also a less concentrated – but significant – zone of deprivation along the whole of the coast and in the more remote rural areas in the northern parts of the East Riding. This is brought into even starker contrast when looking specifically at one of the individual measures of the Indices of Deprivation: barriers to housing and services. *Figure 108* shows a wide area of this form of deprivation covering the rural parts of the East Riding. In these parts, many people experience barriers to, or have difficulty in accessing, essential day-to-day services and facilities. Individuals on low incomes or without access to a car can be further isolated. Many of these people are elderly and require a whole range of services that are not always available in rural areas. There are particular problems for people living in our coastal areas, some of whom live for long periods of the year in caravan parks.

Figure 108: Barriers to Housing and Services – Indices of Deprivation 2007



Source: English Indices of Deprivation 2007, CLG

5.2.5 The East Riding Economic Development Strategy 2007-11 identified that, overall, whilst the East Riding area performed well on most social, health and environmental measures, its economic performance in terms of Gross Value Added was low. However, social and environmental inequalities existed in pockets and in places were compounded into multiple deprivation 'hotspots'. This led to the adoption of three categories of areas:

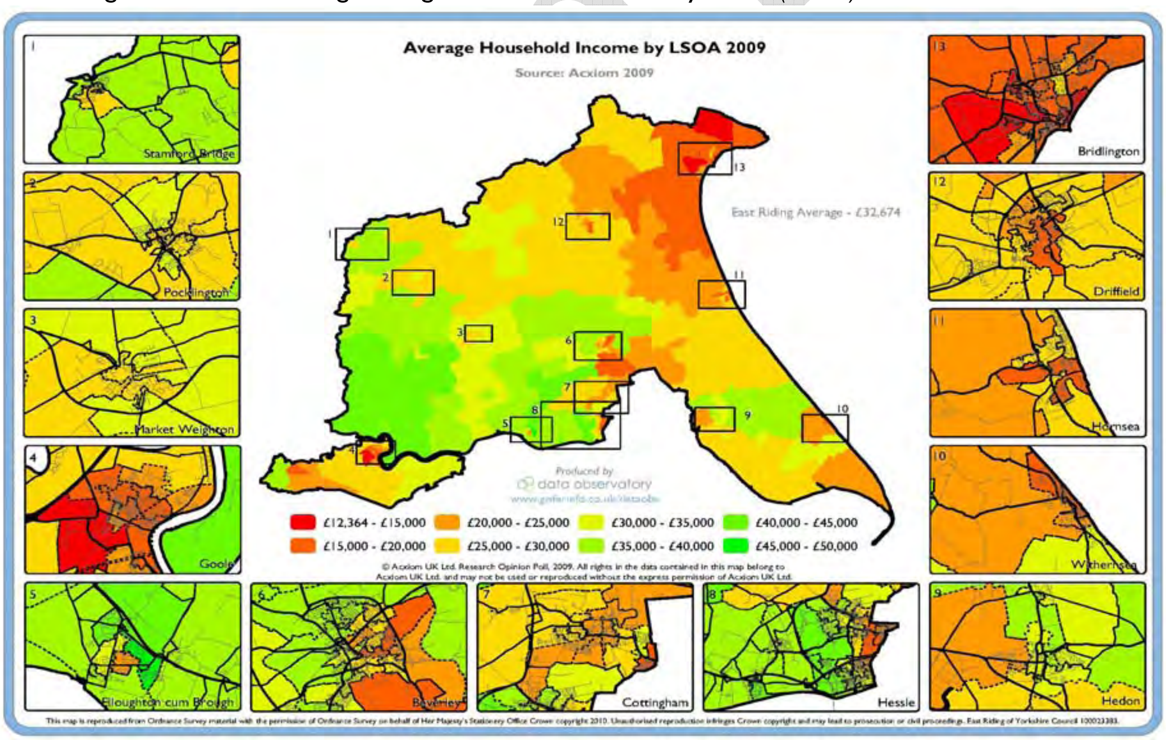
- **Category 1: Bridlington, Goole and South East Holderness** - these areas contain significant areas of market failure and deprivation, with several Super Output Areas falling within the 10% most deprived in a number of the domains covered by the IMD. They are in the peripheries of the local authority area and are in need of measures to overcome market failure and boost economic competitiveness.

- **Category 2: Beverley, Haltemprice and Hornsea** - these areas are characterised by a mixture of deprivation and affluence, often in close proximity. They also form the portion of the Hull Travel to Work Area not covered by Category 1 areas. The challenge is to establish an appropriate balance between needs-based interventions and investing in opportunities.
- **Category 3:** the remaining market towns make up two distinct groups, the Wolds Market Towns triangle of **Driffield, Market Weighton and Pocklington** and towns along the M62/A63 corridor – **Hedon, Brough, Howden and Snaith**. Within these groupings, each has different needs and opportunities, but there are some common, key elements, such as exploiting the area's tourism potential, business support and centres for key service provision etc.

5.3 Affordability

5.3.1 The map at *figure 109* below shows the levels of average household income across the East Riding and demonstrates the low levels of income in the main areas of deprivation: Bridlington, Goole and Withernsea/South East Holderness.

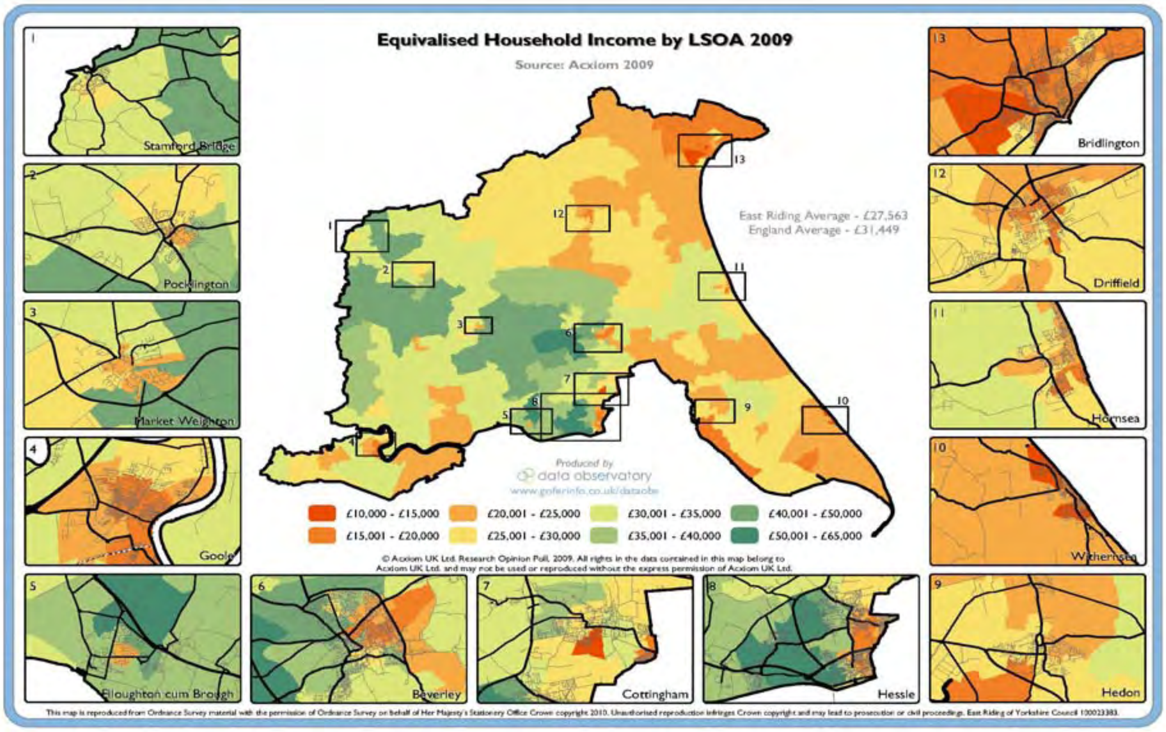
Figure 109: East Riding Average Household Income by LSOA (2009)



Source: Acxiom

5.3.2 The map at *figure 110*, however, illustrates the equivalised household income for the same period. Equivalised income adjusts the gross income figures to take into account household composition (e.g. dependants), thereby making the figure more realistic. By taking into account the differences in household structure (i.e. the number of people living under the same roof - single, couple, family, age of children) the 'equivalised' average household income is a more relative measure of household income based on how far the money must stretch.

Figure 110: East Riding Equivalised Household Income by LSOA (2009)



Source: Acxiom

5.3.3 This map illustrates that when income is equivalised, there are also significant rural areas which have low household income in addition to small pockets surrounding the more affluent market towns of Beverley and Cottingham, for example.

5.3.4 In summary average household income for the East Riding is £32,674, (92% of the England average household income at £35,544). If this income is equivalised i.e. takes into account the household structure, then the true spending power available to households across the county is much lower £27,563, which is 88% of the England average household equivalised income at £31,449.

5.4 Concentrations of worklessness

5.4.1 The East Riding of Yorkshire is divided into twenty-six wards, (see *figure 111*). In all but three of them (Bridlington South, Goole South, and Bridlington Central /Old Town), the average rate of unemployment is well below that of both Great Britain as a whole, and also the Yorkshire and Humber region.

Figure 111: Jobseeker's Allowance figures by ward in the East Riding – May 2010 (Numbers and then % of residents of working age)

	Total		Male		Female	
Ward	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**
Beverley Rural	146	1.7	98	2.1	48	1.1
Bridlington Central and Old Town	**336**	**5.7**	**229**	**7.5**	**107**	**3.8**
Bridlington North	214	3.2	170	4.7	44	1.4
Bridlington South	**798**	**9.2**	**595**	**13.0**	**203**	**4.9**
Cottingham North	130	2.3	97	3.2	33	1.3
Cottingham South	190	3.8	144	5.5	46	1.9
Dale	175	1.6	119	1.9	56	1.2
Driffield and Rural	259	3.0	195	4.3	64	1.6
East Wolds and Coastal	204	2.4	148	3.3	56	1.4
Goole North	221	3.6	140	4.3	81	2.8
Goole South	**460**	**8.0**	**328**	**10.8**	**132**	**4.8**
Hessle	297	3.2	212	4.4	85	1.9
Howden	58	2.0	34	2.2	24	1.8
Howdenshire	214	2.3	151	3.1	63	1.5
Mid Holderness	223	2.6	172	3.7	51	1.3
Minster and Woodmansey	351	3.6	249	4.9	102	2.2
North Holderness	188	3.3	126	4.1	62	2.3
Pocklington Provincial	151	1.6	104	2.1	47	1.1
Snaith, Airmyn, Rawcliffe and Marshland	175	2.9	120	3.7	55	1.9
South East Holderness	**406**	**4.5**	**317**	**6.6**	**89**	**2.1**
South Hunsley	93	1.7	72	2.5	21	0.8
South West Holderness	293	3.3	215	4.5	78	1.9
St Mary's	259	2.8	191	3.8	68	1.6
Tranby	206	3.7	157	5.3	49	1.8
Willerby and Kirk Ella	149	2.0	111	2.7	38	1.1
Wolds Weighton	141	1.4	110	2.0	31	0.7
Great Britain	**1,447,035**	**3.9**	**1,039,514**	**5.4**	**407,521**	**2.3**
Yorkshire and The Humber	**150,531**	**4.6**	**110,829**	**6.5**	**39,702**	**2.6**
East Riding of Yorkshire	**6,337**	**3.2**	**4,604**	**4.4**	**1,733**	**1.9**

Source: Job Centre Plus – Labour Market Bulletin

Rates for wards from 2008 onwards are calculated using the mid-2007 resident working age population. Rates for local authorities from 2009 onwards are calculated using the mid – 2008 estimated resident working age population.

5.4.2 Recent statistics from the Department of Work and Pensions highlight the fact that the East Riding as a whole has a disproportionate amount of residents claiming health-related worklessness benefits such as Employment Support Allowance and Incapacity Benefit. This may be linked to an ageing population, but more research would be useful to evidence and establish what the underlying reasons are.

5.4.3 There are some suggestions of a link between the large amount of static caravan sites on the east coast that are occupied all year-round rather than on short-term lets to holiday makers, and the unusually high levels of health-related claimants amongst the population. Anecdotal evidence confirms that many permanent residents are from West Yorkshire towns such as Barnsley, Castleford and Wakefield where reductions in traditional industries such as mining and engineering were accompanied by a growth in Incapacity Benefit claimants in the mid-eighties to late nineties. Whether this still has a direct impact on East Riding figures has not as yet been established.

Figure 112: DWP statistics from monthly Humber and North Yorkshire District info April 2010

Local Authority	Employment Support Allowance and Incapacity Benefit	Lone Parents
North Yorkshire	16,810	3,540
Kingston upon Hull	14,880	5,170
North East Lincolnshire	7,260	2,700
North Lincolnshire	6,500	1,800
York	5,350	1,360
East Riding of Yorkshire	10,240	2,050

Source: JCP- Labour Market Bulletin

5.4.4 The East Riding also has over two thousand lone parent claimants. Approximately one third of these live in the four most deprived council wards in the area.

5.5 Main characteristics of economic exclusion in East Riding

5.5.1 The East Riding's business base is relatively large, which is typical of a rural area. As highlighted in section 2.19 of this assessment, it is dominated by small, micro and sole trade businesses which generally do not generate large profits and quite often exist at the margins. Unfortunately, this provides limited employment and work-related training opportunities for the local workforce, reiterating the importance to the East Riding of its neighbouring functional economic areas in offering employment.

5.5.2 Local industries such as chemicals, ports and logistics, aerospace manufacturing and a returning caravan sector contribute substantially to the immediate economy through jobs and profits. There are significant numbers of employees in these sectors, not only through primary employment, but also in smaller organisations through industrial supply chains and supporting businesses.

5.5.3 The East Riding has a high proportion of employees in the Public Administration category (34.3%). This has until recently been a growth sector, but it is now facing increasing challenges as budgets are cut and projects cancelled. The council itself is the area's largest public sector employer, but faces difficult decisions in the coming years set against the background of the 2010 Comprehensive Spending Review.

5.5.4 The health sector, both locally and nationally, is expected to have to make a raft of redundancies as a root and branch review of delivery is undertaken. The NHS has been tasked with making saving of £20bn by 2014, and the new initiative to give general practitioners control over commissioning and funds mean the Primary Care Trusts will be disbanded in the next year or two, inevitably leading to loss of employment, most probably at management and white collar levels.

5.5.5 Shrinkage of the local labour market is considered to be a major factor in causing economic exclusion. At present the East Riding is coping reasonably well, but it is by no means immune to future uncertainties. Larger employers are predominantly in the public sector, and as the East Riding also supplies labour to surrounding areas it may be vulnerable because there are doubts about its ability to be able to self-generate enough alternative opportunities should the economy not continue to recover.

5.5.6 If high-skilled well-paid employment is the driving factor for strong growth, then the alternative viewpoint in understanding the local picture around economic exclusion is to examine the breakdown of benefit recipients, especially in the four most deprived wards to understand why not all residents are able or willing to participate in the labour market.

Figure 113: DWP's Benefit claimants – November 2009.
(Percentage figures show the number of benefit claimants as a percentage of resident working age population. Figures are rounded to 5)

	Bridlington South	Bridlington Central and Old Town	Goole South	South East Holderness
Job seekers	780	375	515	480
Employment Support Allowance and Incapacity Benefits	1,210	575	460	805
Lone parents	255	170	175	165
Others on income – related benefits	115	60	75	75
Key out-of-work benefits[3] sub total	**2,360** (27.1%)	**1,180** (20.2%)	**1,225** (21.2%)	**1,525** (17.1%)
Disabled	145	75	45	115
Bereaved	20	15	10	25
Carers	225	140	95	165
Total claimants	**2,750** (31.6%)	**1,410** (24.1%)	**1,375** (23.8%)	**1,830** (20.5%)

Source: JCP Labour Market Bulletin

5.5.7 The number of unemployed jobseekers registering for benefit in deprived areas is significantly higher than the rest of the East Riding, but the statistics for residents receiving Employment Support Allowance and Incapacity benefits also appear to be considerably out of step. These customers easily outnumber jobseeker totals in all but the Goole South ward, and highlight both health and wealth inequalities within East Riding.

5.5.8 Lone parents make up the third largest category of benefit recipient, but after this it should be noted that relatively few working-age residents are claiming any other forms of support such as carers allowance, disability allowance, widow's benefit etc.

[3] Key out-of-work benefits are constituted from the following groups: job seekers, incapacity benefits, lone parents and others on income related benefits.

5.9 Education and Skills

5.9.1 Until the recent downturn, almost every vulnerable group had seen a reduction in its employment gap. The exception to this was those who are the lowest skilled. Earlier research[4] indicates that 35% of the UK working age population does not have the equivalent of a "good" school leaving qualification, which is more than double the proportion in Canada, the USA and Germany. Approximately 4.6 million nationally have no qualifications at all, 5 million working age people lack functional literacy, and 7 million lack functional numeracy.

Figure 114: Percentage of working age population who are without qualifications

	2006	2007	2008
East Riding of Yorkshire	11.6	10.8	10.3
Kingston upon Hull	24.9	21.1	18.2
Scarborough	14.0	10.6	12.8
North East Lincolnshire	11.5	11.1	10.3
North Lincolnshire	13.9	10.2	11.7
Yorkshire and Humber	15.3	14.5	13.4
National – England	13.6	12.9	12.3

Source: NOMIS / ONS. Annual Pop survey / Labour Force Survey

5.9.2 Freud[5] suggests that it is having no qualifications at all that seems to put people at the greatest disadvantage in the labour market, and that even those with low-level qualifications have an employment rate of almost 70%. Unfortunately, the most deprived areas of East Riding also have the poorest levels of educational achievement, meaning that residents are exposed to lower skilled and, therefore, less financially rewarding jobs and opportunities.

5.9.3 In contrast the wider East Riding working population has a far higher level of "management" qualifications at NVQ4 and above than neighbouring areas. Again, this highlights the imbalances between well-skilled, mobile workers and those who are hampered by a lack of progression from minimum wage jobs.

Figure 115: Percentage of working age population who are qualified to NVQ4+

	2006	2007	2008
East Riding of Yorkshire	27.2	27.0	27.7
Kingston upon Hull	13.9	15.3	14.8
North East Lincolnshire	15.2	15.4	16.8
North Lincolnshire	19.2	18.8	20.8
Yorkshire and Humber	22.7	23.8	25.0
National – England	27.2	28.3	28.7

Source: NOMIS / ONS. Annual Pop survey / Labour Force Survey

5.10 Rurality

5.10.1 The rural economy tends to provide low wage jobs, especially in farming and food production, and they are often seasonal, making them unattractive. There has also been displacement of traditional rural roles around crop production and harvesting by migrant workers. The nature of

[4] Leitch Review (2006)
[5] Freud Report (March 2007)

the work available, but also difficulties in trying to progress out of poor employment in rural areas encourages people, especially in the younger age brackets to move away from the countryside and into the larger conurbations where there are better job opportunities and more housing availability. (See further details on the East Riding Housing Needs and Market Assessment in section 6.2.4 of chapter 6 'Housing, Infrastructure and Connectivity').

5.10.2 Transport issues are also linked to rurality and job availability. In order to help with access, bus and train services must be convenient and also affordable, and this is not always the case. Rural residents without their own transport are often severely disadvantaged in the labour market as reduced mobility translates into a narrower choice of locations on jobs they can consider. Cost can also be an issue if extended travel is required, especially if jobs are not well rewarded.

5.11 Hard to reach groups

5.11.1 Recent interventions by initiatives aimed at tackling worklessness, such as the Making Opportunities Realistic for Everyone (MORE) programme, and Department of Work and Pensions funded projects such as Initial Steps and the Employment Skills Vocational Routeway have identified that a number of the people who are economically excluded have specific but often common problems. These include residents with alcohol and drug addictions, physical and learning disabilities, mental health problems, older workers who feel disadvantaged in the labour market, people with basic skills issues, those with low motivation and/or self-esteem, ex-offenders etc.

5.12 Key barriers to work

5.12.1 People who have difficulty in finding employment often have multiple barriers to work to deal with. These tend to fall into two distinct categories. Actual barriers exist where there is a real and clearly defined difficulty to be overcome such as a jobseeker's lack of basic skills, poor access to transport, a limited job choice, physical or mental disability etc.

5.12.2 Perceived barriers are often self-imposed and not always an accurate reflection of a jobseeker's standing. They can be self-limiting in that a jobseeker may feel erroneously that they have no skills to offer an employer, have become accustomed to claiming benefits and lack the necessary peer and family support to make a change.

5.12.3 Worklessness in the East Riding is statistically concentrated within clearly defined areas of deprivation (see *figure 111* for number of residents claiming JSA). Evidence from Information, Advice and Guidance officers suggests that key barriers to work often go hand in hand with the reasons why people are economically excluded such as low self-esteem, poor work experience, substance abuse, depression and other factors.

5.13 Actual barriers

5.13.1 **Basic Skills Needs:** Advances in technology have made almost every workplace more automated and reliant on machinery and computers, for example warehousing and logistics where devices such as bar code scanners and the use of electronic inventories and stock control systems have replaced traditional clipboards and delivery notes. There are now very few unskilled vacancies available within the economy and so jobseekers who do not possess good levels of numeracy and literacy are at a severe disadvantage.

5.13.2 **Low skills or wrong skills:** The labour market is ever changing, especially through the influence of globalisation and the Humber sub-region has, in general, seen a decline in manufacturing, but an expansion in the service and retail sectors. Skills requirements are fluid, and so training provision needs to anticipate and reflect future sector changes such as renewables, carbon economy, research and development and IT. Advanced technical skills are of course important, but the workforce must also recognise the continuing need for soft skills such as customer service and communication, and be prepared to develop them as well in order to increase their chances of employment.

5.13.3 **Licensing and certification:** Changes in legislation and also increased need to comply with insurance and liability requirements have made companies far more stringent in employing workers who are correctly qualified and have undertaken appropriate training and assessment. Two examples of this are the Construction Skills Certification Scheme (CSCS) and the Security Industry Association (SIA) licence where previously there was no need for formal accreditation but now jobseekers who do not possess the correct paperwork cannot gain employment.

5.13.4 **Affordable and available childcare:** The Childcare Act 2006 requires all Local Authorities to conduct a Childcare Sufficiency Assessment (CSA), to gain a clear understanding of their local childcare market. The assessment is split into 3 sections:

- Supply – total number of places; occupancy rates/vacancies; opening hours; accessibility; affordability; quality
- Demand - the type of childcare parents and children want now and in the future; when and where they want it; what are the needs of parents wanting to return to work; what are employers needs
- Mapping Supply to Demand – the gaps between what is available and what is needed.

5.13.5 As the country moves towards a 24 hour economy, there is even greater need for flexible and reasonably priced childcare provision, including after school and holiday schemes. Transport issues within East Yorkshire and low wages in deprived communities can make childcare difficult to access, especially for lone parents. There are a number of areas where the childcare provision does not meet the needs of some of the workforce.

The recent loss of the Goole Courtyard After School facility is an example of where the development of new childcare places is a priority.

5.13.6 East Riding of Yorkshire Council is currently compiling its CSA, with an anticipated completion date of March 2011. The action plan that follows the CSA will give the Council the evidence and information it needs, working in partnership with childcare providers and others, to facilitate and shape a childcare market which is sufficient, flexible, sustainable and responsive to parents' needs. The findings from the CSA will be incorporated into the next iteration of the Local Economic Assessment.

5.13.7 **English is not the first language:** Whilst Polish and other Eastern European migrant workers in the East Riding have proved that it is not essential to be good English speakers to be able to secure employment; it is a requirement in certain industries to be able to communicate well, especially in public-facing roles. The area is not particularly ethnically diverse, but jobseekers who have poor language skills may have difficulty in finding suitable work.

5.13.8 **Drugs and drink:** Alcohol and substance misuse is frequently accompanied by chaotic lifestyles and often also incidences of offending. Employers are understandably reluctant to take on people with significant problems, especially in a tight labour market where they may have a wide selection of potential workers to choose from.

5.13.9 **General uncertainty in the labour market:** The economy is beginning to grow again, but there appears to still be some concern from companies around the immediate future, leading many to put recruitment and expansion plans on hold. Cuts in public sector budgets will inevitably have an effect on the local construction industry, and indeed services and leisure, as many employees who face uncertain futures rein in their spend.

5.13.10 **Types of vacancy on offer:** Recruitment methods have changed, and many organisations now only offer electronic access to vacancies via on-line applications. Jobseekers without IT facilities are at a severe disadvantage.

5.13.11 Anecdotal evidence from East Riding Initial Steps project officers also suggests that many vacancies now require 'self-employed' status, or are based around unrealistic sales via On Target Earnings (OTE). These are difficult for people to take, especially if they do not have a financial safety net to support them in the initial stages. 'Zero hours' contracts and temporary work is also becoming more prevalent in an uncertain labour market. For customers claiming benefits, these are not good opportunities for transition into the world of work because of the risk of not getting enough hours, or foregoing access to help with rent and council tax payments as well as difficulties in claiming Working Families tax credit without a steady income rate.

5.14 Barriers which are more prevalent in the East Riding:

5.14.1 **Older residents 'retiring' but still of working age:** The area has a heavier concentration of older people than its neighbours in the sub-Humber. There is a gap in information around those who consider themselves to be no longer actively looking for employment, and in effect retired, but who are actually still in receipt of working age benefits, especially Incapacity and Employment Support Allowance and therefore appear in worklessness statistics for the area.

5.14.2 Older jobseekers also often have perceptions around their age as a barrier, not seeing the transferable skills they may posses, the work experience they have gained – which employers value, and also being wary of the demands of the current labour market. They frequently lack interview experience, especially if they had been previously been employed at the same company for a long time. Application processes including on-line forms and CVs are new to them, their certification and industry qualifications may not be current and they can even run the risk of becoming socially isolated, not realising that there may be practical job search and also personal support available to them.

5.14.3 **Low pay in the rural economy:** The Rural Strategy for the Hull and Humber Ports City Region[6] notes that, although house prices are now falling after a period of significant inflation, affordability challenges remain. In some areas these extend beyond those on low incomes to more average income bands. High prices have forced many residents, especially those on lower incomes in traditional employment sectors (such as farming and agriculture), to move out of rural areas. This has inevitably led to concerns about the sustainability of 'new' (more commuter-based) rural communities.

5.14.4 Many employers in rural areas are small, often operating below VAT registration thresholds and strongly dependent on localised markets. Self-employment may in rural contexts often be forced upon individuals through decline in employment opportunities (e.g. in agriculture) or lack of a viable alternative. It can in these instances often be linked to low incomes and skills levels.

5.14.5 **Coastal employment problems:** Much of the work on offer in costal resorts is low-skilled, based around hospitality and catering and very seasonal in nature, which is not particularly attractive to long-term benefit claimants.

5.14.6 **Transport problems:** Rural isolation and lack of co-ordinated public transport provision are clear barriers to employment.

5.14.7 **Retention of graduates:** The East Riding itself has very few 'leading' cluster industries, linked to science and technology, engineering, research

[6] Rural Strategy for the Hull and Humber Ports City Region – May 2009

and development, call centres and commercial banking. The Ports and Logistics sector does form an important part of the local economy, but this is mainly in and around the Humber basin and has a relatively limited proportion of high skilled roles.

5.14.8 Other occupational areas that are not particularly well represented include the performing arts, fashion and new media. Graduates in these disciplines tend to have to gravitate towards London, or further afield to European destinations in order to find suitable employment.

5.14.9 **Knock-on effect of public sector cuts and project postponements:** The East Riding supplies mobile, high skilled labour for well-rewarded management positions in the Humber and beyond. The abolition of Primary Care Trusts (PCTs), the Regional Development Agency, Government Office for Yorkshire and Humber, Hull Forward alongside reductions in permanent and fixed-term staff in the Department of Work and Pensions, the Skills Funding Agency and all neighbouring local authorities is likely to result in an oversupply of workers with no clear route back to suitable employment.

5.14.10 There is also the danger of a reverse multiplier effect in the local economy in that there may well be less money available to spend, especially on luxury items and non-essential goods and services. Lower confidence amongst those in work could also encourage financial prudence, which will impact on suppliers and companies. The postponement or cancellation of large capital projects in the area may also have a detrimental effect on smaller organisations in the supply chain and construction sectors.

5.14.11 **Mental health issues:** Evidence from Hull and East Yorkshire Mind Forward Thinking project suggests that in recent years there has been a rise in problems around mental health and employment, especially in relation to conditions such as anxiety and depression. This is particularly prevalent in affluent areas such as the East Riding where job loss appears to be felt more acutely amongst higher wage earners with increased awareness of social standing, and who in some sense still retain a feeling of stigma attached to unemployment. Fortunately, these customers are more likely to actively seek help from support agencies.

5.14.12 **Reduced support from statutory agencies**: Unemployed residents are more dispersed in rural areas, and this makes it harder for worklessness providers to achieve economies of scale and cost-effective delivery. Jobcentreplus has closed its office in Driffield, and may well look critically at outstations, especially in Hessle and Beverley in the current climate of cost-cutting.

5.15 Social barriers:

5.15.1 **A poor work ethic:** There is some suggestion that a minority of people are just not interested in working and have chosen to remain unemployed. Long-term claimants have usually been exposed to several compulsory courses and initiatives over the last few years including Restart, Project Work, Employment Training, New Deal, etc but appear to remain obdurately unemployed, and entrenched in the benefits system. The East Riding only has small pockets of hard-core deprivation, but further research around why they persist would be valuable.

5.15.2 **Low aspiration:** The reasons for being jobless can be many and varied, but it's a common perception that peer and family values may play a significant part in how people, especially youngsters, see worklessness. If family and friends are unemployed, and have been through a third or fourth generation, then there is often no support in setting and achieving higher aspirations, and the norm can be a life on benefits. Unfortunately, socially excluded families may also not see the connection between education and higher skills, or the value of qualifications and training as a Routeway to employment. This helps sustain the cycle of unemployment.

5.15.3 **Lack of motivation:** If jobseekers do not have role models from the world of work, are surrounded by social deprivation and are not supported to reach their potential, then they may run an increased risk of settling for a life of poorly paid work, low career achievement and extended periods on benefits. Motivation is a difficult value to instil.

5.15.4 **Benefit cycle problems:** The claims process in Jobcentre plus can be bureaucratic and difficult to comprehend, especially if customers have low basic skills levels in reading and writing. Whilst some effort has been invested to make getting on and off benefits easier through a "rapid return" system, there is an inherent risk associated with taking short-term employment. This is mitigated if customers have a financial safety cushion, and can afford to wait for benefits and housing payments to be re-instated when returning from employment, but this is less likely to be the case in excluded households where money may be tight and access to reasonable credit difficult. For these reasons, people will often stay with the 'security' of benefits and be reluctant to consider part-time or temporary employment.

5.15.5 **Poor awareness of "in-work" benefits:** Many people in deprived areas are not financially aware and run the risk of being further excluded through a lack of knowledge and understanding of the in-work support which may be available to them such as Working Families tax credits, Housing benefit, council tax run-on, Child tax credit etc.

5.15.6 Other factors which make claimants unsure or suspicious around being better of in work include lack of knowledge about maintenance payments to the Child Support Agency, problems in having to pay increased amounts to creditors, losing 'passported' benefits such as free prescriptions and school meals etc.

5.16 SWOT Analysis for the LEA: Economic Inclusion and Worklessness

STRENGTHS	WEAKNESSES
Skilled and mobile workforce	Low skills / low wage in deprived and rural areas
Relatively affluent area	Few "additional" resources to tackle worklessness
Deprivation only in small pockets	Deprivation is usually heavily entrenched
Schools generally perform well	Graduate Retention
Geographically well placed for roads and ports links	Public transport is limited, affecting workforce mobility
Development land is available	Very few major recruitment opportunities (with the exception of supermarkets)
Area has an identity via Humber Bridge, Flamborough Head and Spurn point	Lacks high-tech key cluster industries
Very good quality of life	Predominantly small employers
OPPORTUNITIES	**THREATS**
Ports access if road and rail "bottlenecks" are addressed.	Heavy reliance on public sector employment
New industries emerging – Renewables, biomass and energy crop	Significant reductions in government funding
Agricultural diversity	Ageing Workforce
"Staycation" holiday and high-end tourist market developments	Postponement of local initiatives (Beverley Bypass, Floral Hall, Keyingham business centre)
	Removal of Primary Care Trusts
	Displacement of disadvantaged groups and workforce entrants by migrant labour
	Further slowing of the economy
	Housing availability and affordability causing younger people to move away from rural areas

6. Housing, Infrastructure & Connectivity

6.1 Housing

6.1.1 There is an important relationship between housing and the economy. Classic economic geography notes the importance of locating businesses close to appropriately skilled labour markets. On the reverse side of the coin, an important part of the decision making process for households and individuals is the desire to be closer to employment opportunities.

6.1.2 The right housing offer, therefore, can attract and retain workers and investors to an area. Ensuring that the housing market meets the needs, preferences and aspirations to attract and retain people with the right skills, attributes and characteristics is essential to the effective functioning of a modern local economy.

6.1.3 This section looks at some of the key characteristics of the East Riding housing 'markets' and considers the potential impact these may have on the local economy.

6.2 Spatial Extent of Housing Markets

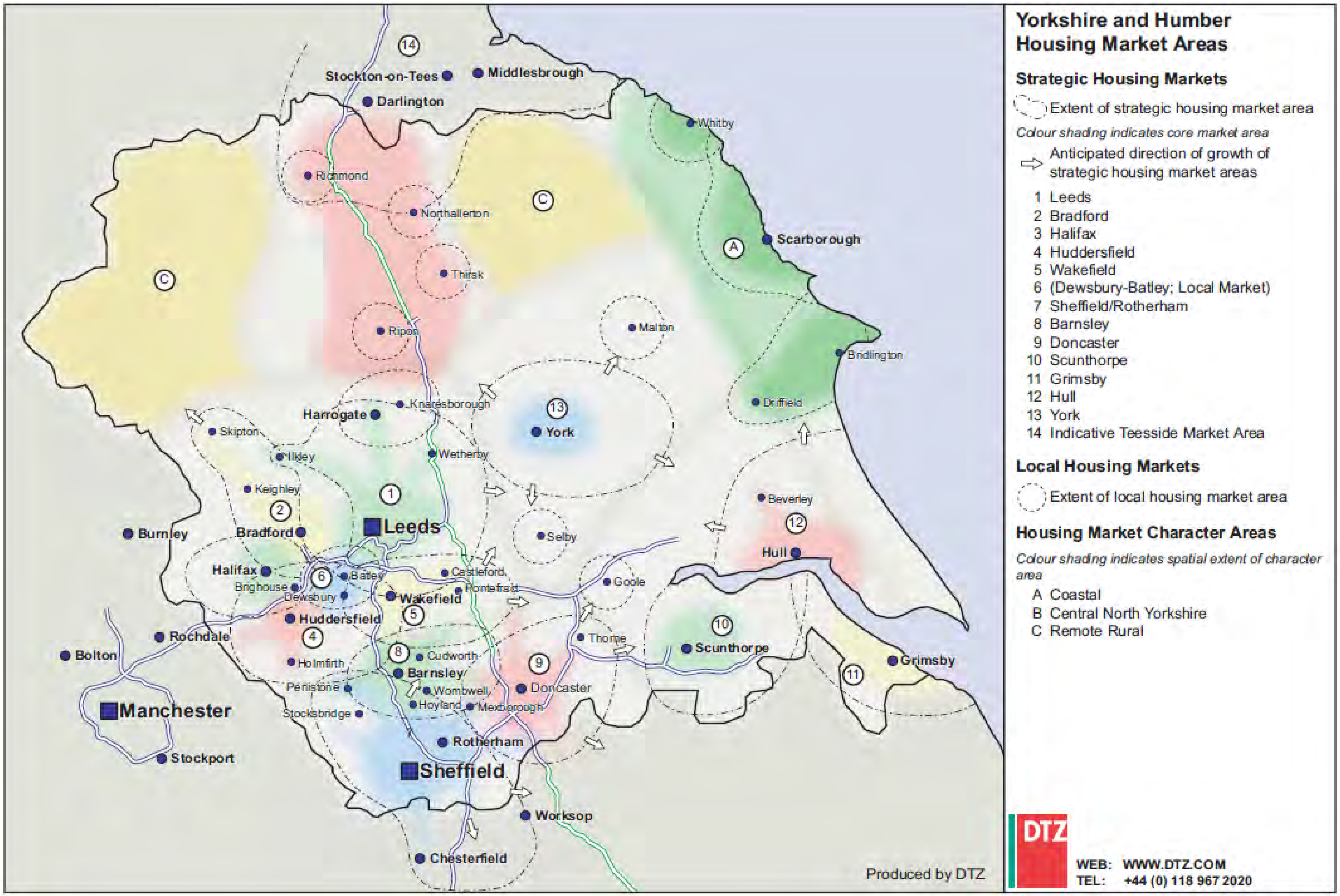
6.2.1 Housing markets are geographic areas where most people within that area will seek to buy or rent a house. The extent and characteristics of these areas are determined by factors such as proximity to family or friends, access to employment, education and other facilities. Housing markets can in practice, therefore be defined as geographical areas which contain both the origin and destination of the great majority of households who move home.

6.2.2 Evidence collated for the preparation of the *Regional Spatial Strategy* (*RSS)* included the identification of various strategic and local level housing markets operating with the Yorkshire and Humber Region. The study, prepared by DTZ, identified two strategic markets extending into the East Riding – Hull and York – and a further two local markets – Bridlington/Driffield and Goole (see *figure 116*).

6.2.3 The extent of the Hull Strategic Housing Market Area (HMA) is broadly equivalent to that of the Functional Economic Area (FEA) extending across Hull into parts of the East Riding[1]. This is the most significant housing market area in terms of its coverage and the number of affected East Riding residents. At the time of the 2001 Census, over 10% of the house moves from existing East Riding residents was to Hull. And 10% of the moves into the East Riding were from residents originally living in Hull. Naturally, this relationship is most evident in those parts of the East Riding in close proximity to the city.

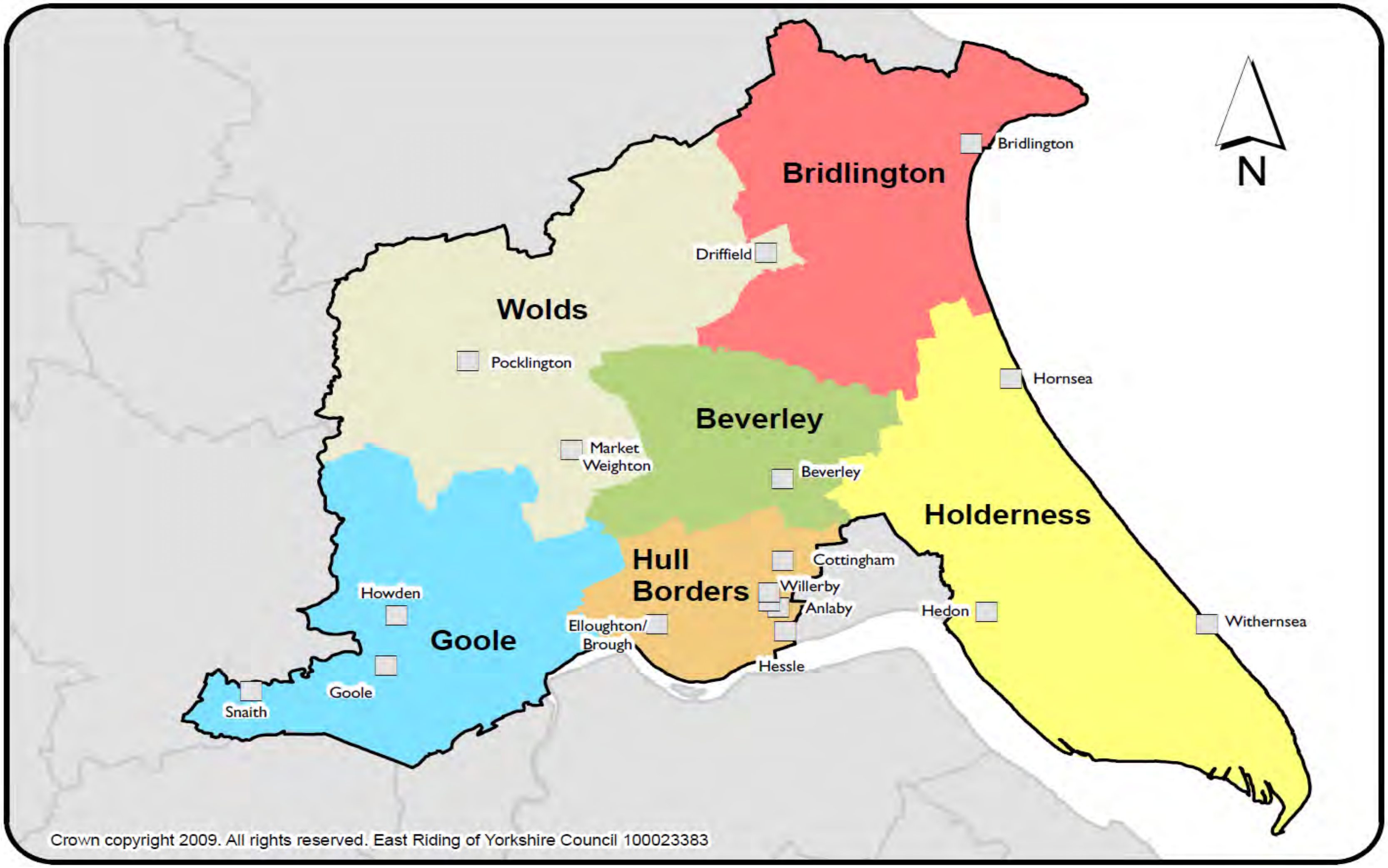
[1] The only difference relates to the ward of Beverley Rural which is part of the Beverley housing market sub area but not the FEA for Hull and East Riding.

Figure 116: Strategic Housing Market Areas in the Yorkshire and Humber Region



Source: Regional Spatial Strategy for Yorkshire and the Humber, 2008

Figure 117: East Riding Housing Market Sub Areas



Source: East Riding Housing Needs and Market Assessment, 2007

6.2.4 The *Housing Needs and Market Assessment* (2006) for the East Riding suggests that the local authority area could be described as a relatively well-defined housing market area in its own right as over 60% of relocations from within the East Riding were to other parts of the East Riding. However, this is likely to be as a consequence of the scale of the East Riding as opposed to there being a true East Riding housing market area. There is little to suggest a shared housing market between one part of the authority, Bridlington for example, and another, say Goole.

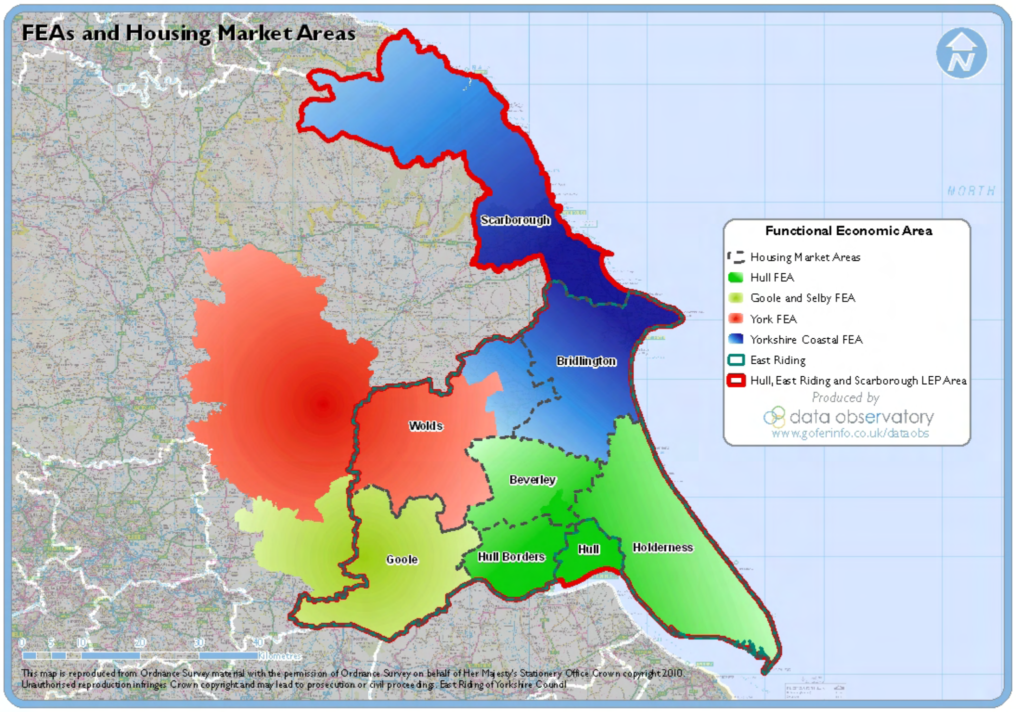
6.2.5 Indeed, the *Housing Needs and Market Assessment* seeks to break down the authority area into a further six housing market sub areas: Goole, Hull Borders, Holderness, Wolds, Beverley and Bridlington (see *figure 117*). These six sub areas are based on an analysis of self-containment based on migration, economic characteristics and commuting flows, and patterns of service provision.

6.2.6 The Wolds sub-area is reflective of the East Riding element of the York Strategic Housing Market Area, whilst the Hull Borders, Beverley and Holderness sub areas aggregate to represent the East Riding part of the Hull Strategic Housing Market Area. The sub-areas of Goole and Bridlington are much more localised and internalised i.e. cross-boundary re-locations with neighbouring authority areas are more limited. Nevertheless, a DTZ Housing Market Summary Report produced for Government Office in Yorkshire & the Humber outlines a **Coastal Character Zone**, stretching from Whitby down to Bridlington, and including Scarborough. This Area is typified as being peripheral, linked to the West Riding by retirement migration with a distinct set of economic and social factors that impact on the housing market and differentiate it from surrounding areas.

6.2.7 As can be seen from *Figure 118*, if you combine the HMA sub-areas for Beverley, Hull Borders and Holderness, then the HMA sub-areas almost mirror the four FEAs (apart from an element of the Wolds HMA sub-area, which is included within the Yorkshire Coast FEA).

6.2.8 Some of the key characteristics of the six housing market sub-areas are drawn out below. The Beverley, Hull Borders and Holderness sub-areas are particularly important in understanding the dynamics within the Hull FEA.

Figure 118: Relationship between the East Riding Housing Market sub-areas and FEAs



Source: East Riding of Yorkshire Council

6.2.9 **Beverley:** The Beverley sub-area has a strong relationship with Hull and the Hull Borders sub-area, especially in terms of travel to work patterns. Interaction with other sub-areas is reasonably limited considering that the sub-area is within the centre of the district and, therefore, easily accessible.

6.2.10 Together with Wolds and Hull Borders, levels of household income are high in this sub-area. This is also an attractive area for people priced out of the York housing market. At the time of the *Housing Needs and Market Assessment* the estimated demand for housing was greater than the estimated supply of dwellings, creating pressure within the sub-area.

6.2.11 **Bridlington:** Whilst the Bridlington sub-area demonstrates a high level of self-containment (nearly two-thirds of all re-locations are to elsewhere within the sub area), there is also evidence of a high proportion of in-migrants from outside of the East Riding.

6.2.12 The proportion of over 65s in the Bridlington sub-area is much higher than in any other. There are, therefore, implications for the economy in respect of the proportion of economically active individuals in this part of the East Riding – something which the Bridlington Renaissance Strategy is seeking to address.

6.2.13 This sub-area has 2,855 social housing units, the highest number of all East Riding's Housing sub areas and deprivation is high, with high levels of unemployment and a low proportion of the population in skilled jobs.

6.2.14 The issues of an ageing population and high levels of deprivation are shared with housing market areas in Scarborough.

6.2.15 **Holderness:** The Holderness sub-area also has a relatively strong relationship with Hull, due to its geographical proximity. The relationship between Holderness and the other sub-areas is limited, largely due to the fact that it is, in relative terms, cut off from the rest of the East Riding.

6.2.16 The *Housing Needs and Market Assessment* recorded the lowest levels of house price increases in the Holderness sub-area. In fact, the Holderness housing market sub-area seems relatively independent to the other five sub-areas, without, for example, the dip and recovery experienced by other sub-areas in late 2005.

6.2.17 **Hull Borders:** The Hull Borders sub-area has a very strong relationship with Hull, again, due to its geographical proximity to the city, although interaction with Beverley is also quite strong too. Travel to work patterns from Hull Borders to Hull is far higher than any other sub-area.

6.2.18 Together with Wolds and Beverley, levels of household income are generally high in this sub-area. However, this is juxtaposed with this area having the second largest number, in absolute terms, of social housing in the East Riding behind Bridlington and some pockets of employment and income based deprivation, mainly in Cottingham South and Tranby Wards. At the time of the *Housing Needs and Market Assessment* it was the most popular sub-area destination for those people wanting to move.

6.2.19 **Goole:** The Goole sub-area has a high level of self containment, with some interaction in terms of migration and travel to work patterns with Hull, Selby, and on a reduced scale, Doncaster. Interaction with other markets within the East Riding is reasonably limited, with some interaction with Hull Borders but little with other areas.

6.2.20 Deprivation is highest in this sub-area (together with Bridlington) with high levels of unemployment and a low proportion of the population in skilled jobs.

6.2.21 **Wolds:** The Wolds sub-area has a much stronger relationship with York than any other sub-area, especially in terms of travel to work data. The relationship is much stronger within the Pocklington ward, which is closest to York.

6.2.22 Together with Beverley and Hull Borders, levels of household income are high in this sub-area. This is also an attractive area for people priced out of the York housing market. However, at the time of the *Housing Needs and Market Assessment,* it was the least popular sub-area destination for those people that wanted to move.

6.2.23 A new Needs Assessment will be undertaken and published in 2011, alongside a study aimed at providing a locally-generated housing requirement figure. This latter study will be informed through an analysis of population dynamics (e.g. birth rates, death rates, migration) and will include assumptions based on econometric modelling. The housing requirement figure identified through this process will feed into the LDF and replace the RSS's housing figure for the East Riding.

6.3 Housing Stock and Tenure

6.3.1 Within the Hull Strategic Housing Market Area, there is a clear distinction between the character, needs and challenges of the market sub-areas within the East Riding, and that of the city. This, and the following sections, seek to describe the characteristic, needs and challenges of these housing market areas.

6.3.2 Just over a third of housing in the East Riding is detached, which is much higher than the national average (23%) (see *figure* 119). The highest proportions are found in the smaller rural villages. The position is similar for semi-detached properties with the highest proportions found in rural areas. Conversely, the largest concentrations and proportions of terraced housing are found in Goole, Beverley, Withernsea and Hessle. Very few people live in temporary structures, consistent with the national average (0.4%).

6.3.3 There is a significant under-supply of modern detached and semi-detached housing within the Hull city boundaries, though the immediate areas outside the city, within the East Riding, have a proportionally higher amount compared with national averages.

Figure 119: Dwelling type by housing market sub area (2001)

	House or bungalow			**Flat, maisonette or apartment (%)**	**Caravan or other temp structure (%)**
Sub Area	**Detached (%)**	**Semi detached (%)**	**Terraced (%)**		
Goole	32.8	35.0	25.9	6.0	0.2
Hull Borders	30.2	41.5	19.9	8.2	0.2
Holderness	34.5	41.7	17.8	5.2	0.8
Wolds	44.3	34.4	15.0	6.1	0.1
Beverley	36.3	34.1	21.2	8.3	0.1
Bridlington	28.9	38.3	18.0	14.5	0.4
East Riding total	**33.8**	**38.1**	**19.6**	**8.2**	**0.3**
Hull	5.8	25.8	53.5	14.8	0.1
England	22.5	31.6	25.8	19.7	0.4

Source: Census 2001

6.3.4 A high proportion of households are owner-occupiers in the East Riding (79% - compared with 68% nationally) with the greatest concentrations in the more rural parts (see *figure 120*). This compares with a significantly lower proportion within the city boundary (52.1%) which is in stark contrast to the immediate surrounding housing market sub-areas of Hull Borders (84.4%), Beverley (78.3%) and Holderness (78.9%).

6.3.5 Around a fifth of households in Beverley, Goole and Withernsea rent from the local authority, a housing association or other registered social landlord. Given the owner occupier figures for Hull, the proportion of households renting from the local authority, a housing association or other registered social landlord is relatively high at around a third.

Figure 120: Tenure by housing market sub-area

Sub Area	Owner Occupied (%)	Rented from			
		Council (%)	**Housing Assoc/RSL (%)**	**Private landlord (%)**	**Other (%)**
Goole	76.0	11.5	2.0	7.0	3.4
Hull Borders	84.4	7.7	0.7	5.0	2.2
Holderness	78.9	8.4	1.8	7.2	3.7
Wolds	79.4	7.2	1.2	8.2	4.0
Beverley	78.3	9.5	2.5	6.3	3.4
Bridlington	71.4	10.4	2.0	12.3	3.9
East Riding total	**78.6**	**9.0**	**1.6**	**7.5**	**3.3**
Hull	52.1	27.9	5.4	10.8	3.8
England	68.7	13.2	6.1	8.8	3.2

Source: Census 2001

6.3.6 In 2007 the Council commissioned a private sector stock condition survey which concluded that 1,300 dwellings would need to be made 'decent' by 2010 at an approximate cost of £3.7m. The most common reason for properties failing the decent homes standard relates to inadequate thermal comfort – with properties in many parts of the East Riding off the main gas network. This has a direct bearing on fuel poverty and the health of individuals.

6.3.7 According to the Join Strategic Needs Assessment in 2009, 31% of private dwellings in the East Riding are classified as non-decent compared with 27% in England. Privately rented dwellings have the highest rate of non-decency at 62 per cent compared with 27 per cent for owner occupied properties. Converted flats display the highest rate of non-decency at 88 per cent, followed by small terraced houses at 61 per cent. The age of properties is also a significant issue with older properties more prone to decency problems.

6.3.8 In geographical terms, the highest rate of non-decency is found in the Bridlington sub-area at 55 per cent, followed by Goole at 42 per cent and Beverley at nearly 38 per cent. Large numbers of vulnerable households living on the coast occupy poor quality housing. Funding has been obtained to explore this issue further and to produce a coastal neighbourhood renewal strategy.

6.4 Historic House Building

6.4.1 The East Riding has experienced relatively high and consistent house building rates over the last 10 years. At over 15,000 dwellings the average build rate of 1,500 dwellings per annum is significantly higher than the (now defunct) *RSS* requirement of 1,190. However, figures for the last couple of financial years show a significant slow down of house building: 618 (net) units in 2008/09 and 386 (net) units in 2009/10. This level of development is likely to continue over the short to medium-term (2-5 years).

6.4.2 Most new housing in the last 10 years has been focused in the larger settlements of Bridlington (1,888), Brough (1,522), Driffield (938), Beverley (839) and Market Weighton (819). Half of the parishes within the East Riding have seen less than 12 units built over the last 10 years. This last fact is not necessarily a reflection of demand, as planning policies have sought to deliver more concentrated patterns of development.

6.4.3 Only 6% of house building in the last 10 years has taken place in Haltemprice, around a third in the Principal Towns and 27% in those settlements identified in the *Joint Structure Plan* as Towns[2]. Therefore, a third of house building has taken place outside of the defined hierarchy.

6.4.4 In Hull, net house building rates have fluctuated between negative values and highs of over 500 per year. Much of the new build within the city is offset by significant rates of demolition and clearance (between 295 and 462 dwellings per year for the period 2004-09). Whilst new builds reached a peak of 840 in 2007/08, levels have since dropped to less than half of that as the economic climate restricts development coming forward.

6.4.5 A number of challenges have been identified within the city boundary, including: a high level of empty properties; a high level of long-term vacant private sector properties; a poor quality and variety of housing stock; and high levels of out-migration/population drift from the city.

6.4.6 The Housing Market Renewal programme for Hull and the East Riding – *Gateway* – has been established to revitalise Hull's housing market and to address these key challenges. The renewal programme aims to stabilise the population of Hull by providing a residential offer that suits people from all walks of life and stem the outflow of people from the city, particularly those who are economically active.

6.4.7 A number of these new housing projects are beginning to take shape in different parts of the city.

6.4.8 The low rates of development within the city boundary contrast with that experienced in the East Riding. Though the scale of area covered by each of the respective authorities is very different (East Riding – 933 square miles,

[2] Brough, Hedon, Hornsea, Howden, Market Weighton, Pocklington and Withernsea

Hull – 28 square miles), the relative populations (East Riding – 337,000, Hull – 262,000) would suggest the rates of development would be closer. The level of house building, therefore, provides an illustration of a differential level of demand within the two areas, though planning policies and site specific constraints will play their part.

6.4.9 Recent evidence suggests that internal in-migration to the East Riding has slowed since 2006/07. Continued investment through the Housing Market Renewal programme, and complementary planning policies within the East Riding may be a factor in reducing the levels of out-migration from the City and into the East Riding.

6.5 Future House Building

6.5.1 The growth requirements of the East Riding's *Preferred Approach Core Strategy* (part of the Local Development Framework (LDF)) were originally based on the housing requirements of the *RSS*, which provides for a gross figure of 1,190 dwellings each year (2009 - 2026). This means an additional 20,230 dwellings would have been required over the remaining *RSS* plan period. Further work will now be undertaken to establish a new housing requirement in light of the revocation of impending *RSS*.

6.5.2 This RSS requirement for house building is lower than previous rates, illustrating a more restrained (and focused) approach throughout the East Riding. Conversely, Hull's *Emerging Preferred Approach Core Strategy* is seeking a rise in the level of house building to an average of 1,059 dwellings per year. This average level will be achieved via a 'stepped approach' as the level of house building rises from below this average at the beginning of the plan period to above it at the end (2026). The success of this strategy will depend on a reversal of fortunes in specific parts of the city, in particular the identified regeneration areas and continued restraint in the East Riding parts of the Hull HMA.

6.6 Housing Supply

6.6.1 Each year, the Council assesses the short and medium-term housing supply position through the Strategic Housing Land Availability Assessment (SHLAA). The 2010 version of the SHLAA identified enough 'developable' sites to meet RSS housing requirements for the next 38 years. However, this is a theoretical exercise which does not consider local policy constraints, or for example, more detailed infrastructure issues. The identification of specific sites for allocation will be made through the LDF process which involves various consultation stages and detailed site assessments.

6.6.2 Over the shorter-term, the SHLAA identifies a 5.2 year supply of deliverable sites, that is sites with planning permission or sites which are allocated and have been 'released' for development. Taking a look at just those plots with planning permission, *Figure 121* shows the distribution of supply by housing market sub area. Both Bridlington and the Wolds sub areas each share 20% of the supply with over 1,000 dwellings. Hull Borders also has over 1,000 plots with permission, but this figure is relatively low when considered alongside the existing numbers of dwellings in the sub area. This position is mirrored to a certain extent in the Beverley sub area. Conversely, the number of plots with permission in the Wolds sub area is relatively high in comparison to the number of existing dwellings.

Figure 121: Housing Supply by Housing Market Sub Area (Nov 2010)

	Total Number of Dwellings with Permission (2010)	**Existing Dwellings (Census, 2001)**
Beverley	534 (9%)	19,101 (14%)
Bridlington	1,132 (20%)	23,703 (17%)
Goole	878 (15%)	19,947 (15%)
Holderness	978 (17%)	22,084 (16%)
Hull Borders	1,063 (19%)	33,668 (25%)
Wolds	1,131 (20%)	18,081 (13%)
Total	**5,716**	**136,534**

Source: East Riding of Yorkshire Council

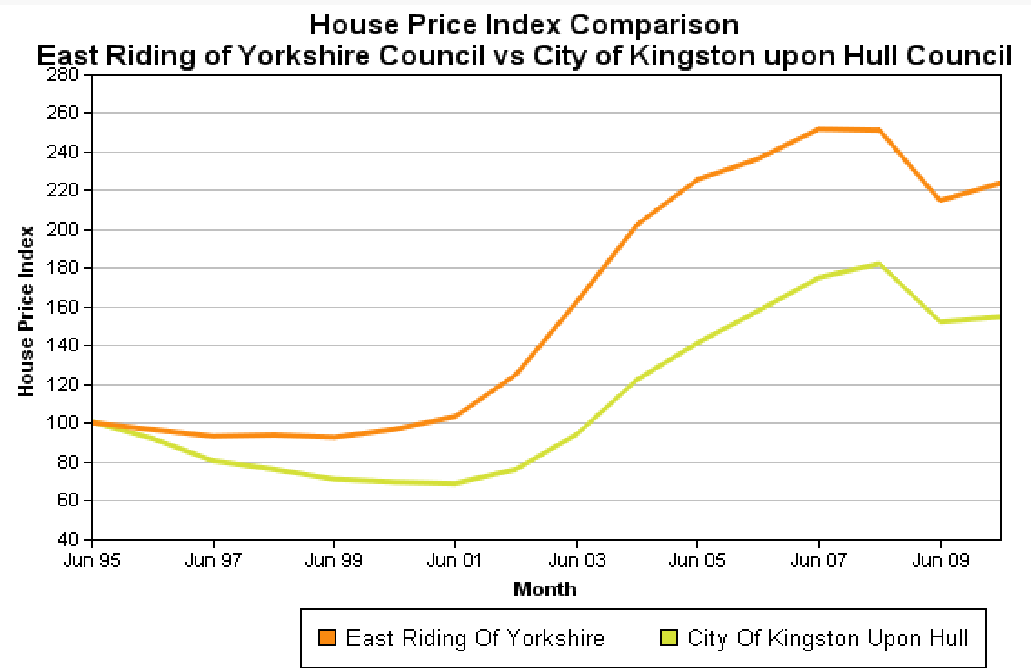
6.7 House Prices and Affordability

6.7.1 Notwithstanding the last two years, the price of houses has escalated substantially in both Hull and the East Riding, though the latter has experienced faster growth (see *figure 122*). The rises in house prices have resulted in challenges in affordability as wage levels have only seen limited growth.

6.7.2 The last two years have seen all round price falls due to wider economic forces. In the East Riding for example, the monthly average house price fell almost 15% from £156,015 in June 2008 to £133,460 in June 2009. There is, however, evidence of a slow recovery in the first part of 2010.

6.7.3 *Figure 123* shows house prices for Hull below the East Riding averages for each housing type. Indeed the housing market in Hull is one of the cheapest in the UK. The overall average column in this table refers to an average price of all housing sold within the area. The figure attributed to Hull is extremely low due to the predominance of terrace properties within that market and, thus, more transactions in the area are for smaller, lower value properties.

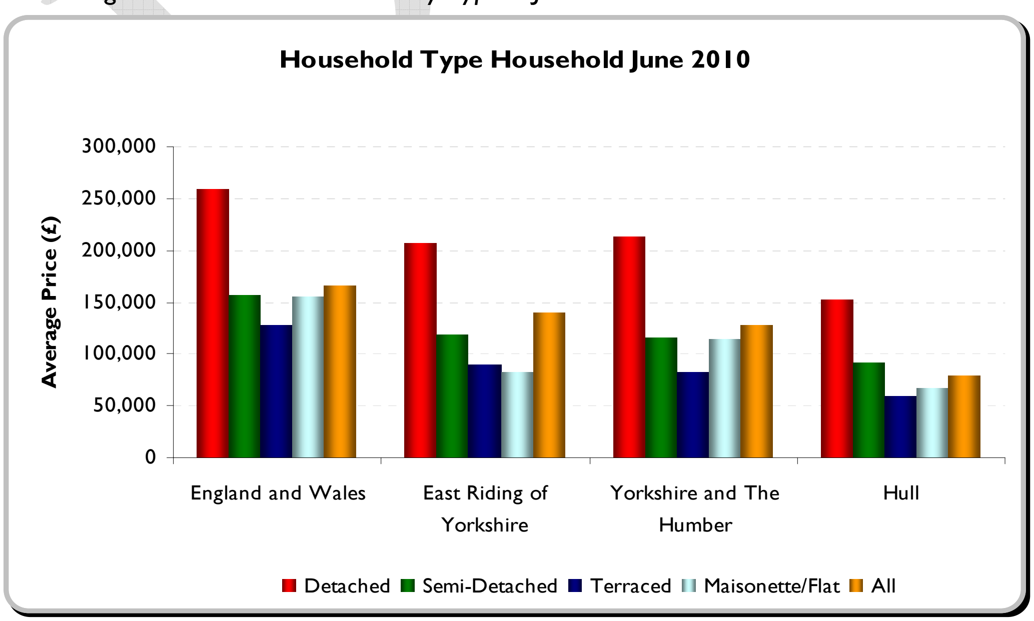
Figure 122: Changes in House prices 1995-2010 (June)



Source: Land Registry, 2010

6.7.4 In terms of spatial patterns, the highest average house prices are generally found in the north-western part of the East Riding, particularly around Pocklington, but also around Market Weighton. Average house prices to the west of Hull, particularly in the North Ferriby and Swanland area – as well as west of Beverley are also high. Conversely, low average prices centre on Bridlington, Goole and Withernsea as well as the more rural parts of the Holderness area.

Figure 123: Household Price by Type – June 2010

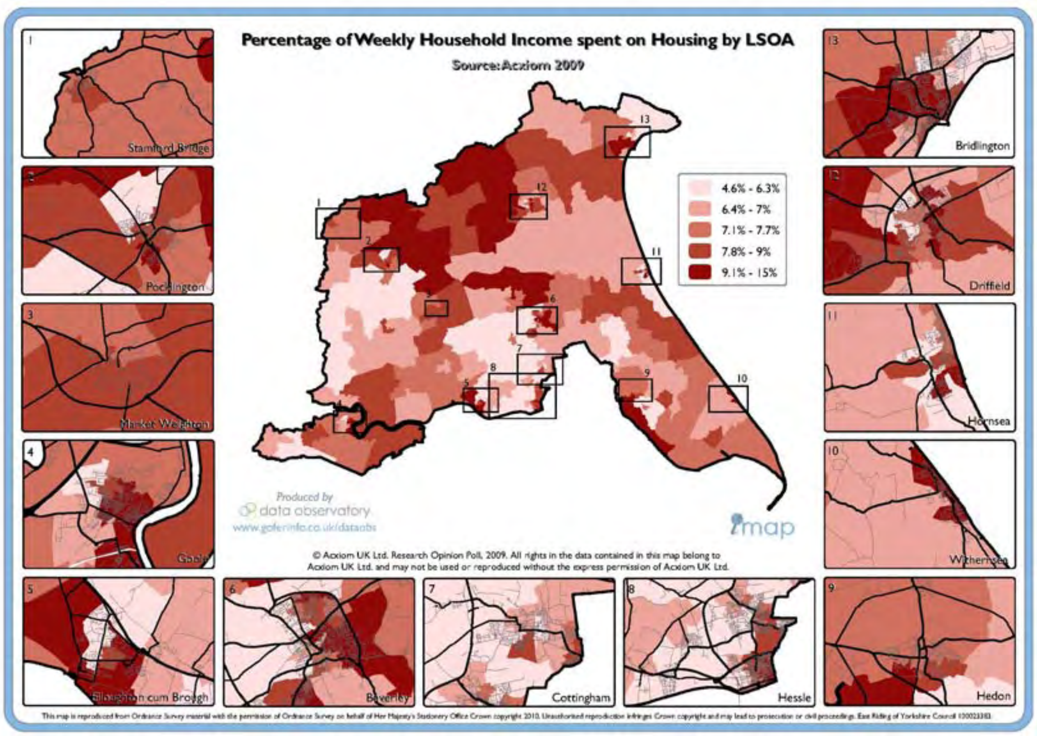


Source: Land Registry, 2010

6.7.5 Using a crude 'house price to income' ratio to gauge housing affordability, the most unaffordable areas mirror those locations where the highest house prices are found. In general terms, if the average household income for the East Riding is £32,674 (2009 data), then the 'house price to income' ratio is in the order of 4.31:1 i.e. house prices are generally 4.31: times higher than household incomes. Whilst house prices are lower in the city of Hull, it is worth noting that over half of households have earnings of less than £20,000 per annum (providing a house price to income ratio of around 4:1 for the majority of people).

6.7.6 *Figure 124* illustrates housing affordability in the East Riding in terms of housing costs as a percentage of household income. An interesting trend shown here is that households in rural areas are paying large proportions on housing despite higher incomes in many areas.

Figure 124: % of weekly income spent on housing by LSOA



Source: Acxiom

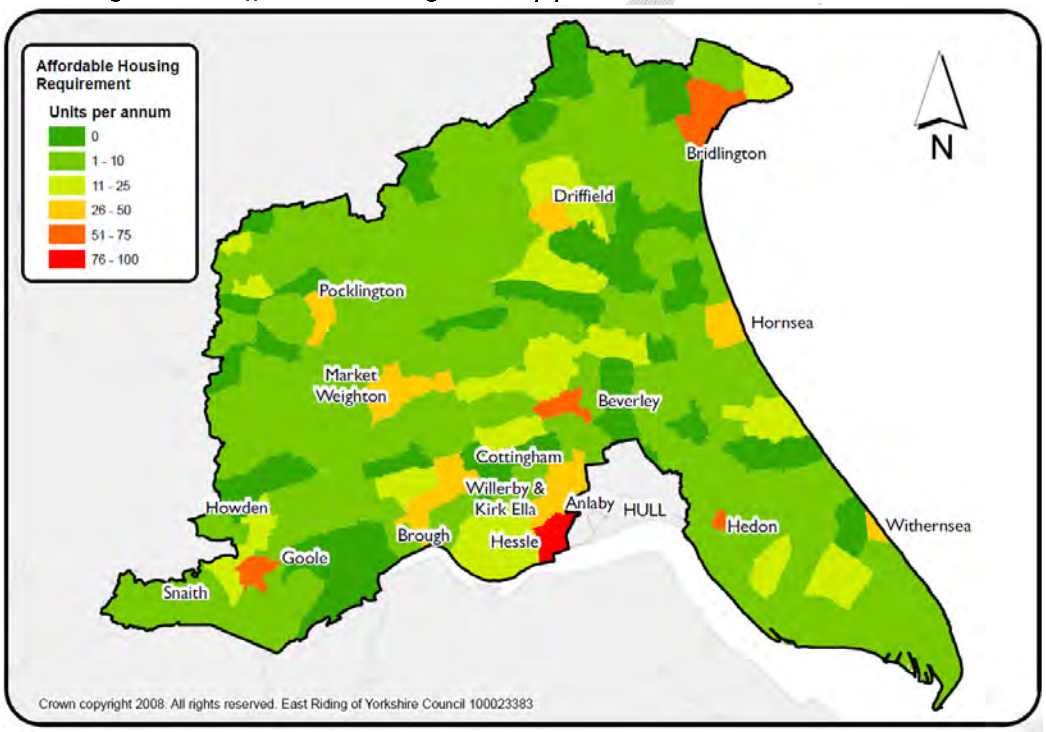
6.8 Housing Needs

6.8.1 The East Riding *Housing Needs and Market Assessment* (*HNMA*) *2007* provides detailed information on the level of 'housing need' within our area. This is where individuals are unlikely to have their needs met in the local housing market without some assistance (e.g. through socially rented properties or shared equity schemes). At a headline level, the study suggests that there is likely to be an estimated shortfall of 1,455 affordable homes per year between 2006 and 2011. This figure is higher than the total housing requirement (market and affordable) set out in the *RSS*. The figure is, therefore, a reflection of the imbalance which exists in the general housing market and is an indication of the scale of the affordability problem rather than being a target figure.

6.8.2 In absolute terms, the most acute need is evident in Haltemprice (especially Hessle and Anlaby), Bridlington, Goole, Hedon and Beverley (see *figure 125*). Elsewhere, there is a high requirement for units in Driffield, Pocklington, Market Weighton, Hornsea and Withernsea. These locations are a mixture of places with high prices and places with low income levels.

6.8.3 A review of the Housing Needs and Market Assessment is currently underway and will be published in 2011.

Figure 125: Affordable housing needs by parish



Source: East Riding Housing Needs and Market Assessment, 2007

6.8.4 In the East Riding there is a relationship between the difficulty young people have in affording housing in the East Riding and those same young people leaving to live and work elsewhere, where house prices are cheaper. This has implications for the economy of the East Riding in terms of retaining employees and indeed employers in a range of industries/sectors. There is also a particular problem in relation to key workers and in servicing the needs of the ageing population.

6.8.5 In order to address these concerns and wider affordability issues, the East Riding of Yorkshire Council is currently preparing a study looking at the viability of delivering affordable housing through the planning system. This would be by way of seeking a certain proportion of affordable housing to be delivered as part of applications for housing.

6.8.6 The Council has also successfully obtained funding and is investing in the building of 331 new affordable houses across the area – including Goole, Bridlington and Market Weighton. This is a £46.5m programme with £20.16m contributed from the Homes and Communities Agency.

6.8.7 The Hull and East Yorkshire Housing Pathfinder was also set up with the purpose of addressing these sorts of issues (housing quality, type and tenure mix, and market failure) as a housing market area.

6.9 Infrastructure

6.9.1 This section takes a brief look at the commercial market, or markets, within the East Riding, with a particular emphasis on how the supply of land links in with meeting the demands of business now, and in the future. Much of the evidence and conclusions are taken from the Employment Land Review published in 2007 and the subsequent Partial Review of that document in 2009, which was developed in response to the changing economic climate.

6.10 Supply of Land

6.10.1 It is important for any economy to have an adequate supply of sites for economic development. Such sites need to be unconstrained – free from such limitations as transport infrastructure, ownership issues, and environmental concerns. They also need to be in the right locations which appeal to investors who seek a broad range of requirements including access to markets, labour and materials.

6.10.2 The total supply of available employment land was recorded at 528ha in 2009. This comprises a mixture of remaining employment allocations made through the four Local Plans for the East Riding and windfall[3] sites. *Figure 126* illustrates the distribution of this land by FEA. The level of supply is highest in the Hull FEA, though 80% of this is accounted for by just 4 sites (Melton, Hedon Haven, Swift Development at Cottingham and south of the rail line at Elloughton-cum-Brough).

6.10.3 The York FEA has the lowest level of supply with 75% of this accounted for through provision at Pocklington Airfield. Nearly 60% of the employment land available in the Goole & Selby FEA is at Capitol Park and has permission for various employment uses. Undeveloped land at Carnaby Industrial Estate accounts for 78% of the supply of employment land in the Yorkshire Coastal FEA, with just 5% available at Driffield (just 4.66ha).

Figure 126: Supply of employment land by Local Plan area (1 April 2009)

Functional Economic Area	Remaining Land (ha)
Hull	296.97
Goole & Selby	86.45
York	55.98
Yorkshire Coast	88.98
Total	**528.37**

[3] Windfall sites are those sites with planning permission for employment uses that were not originally allocated for employment use within a Local Plan.

6.10.4 Whilst there appears to be an abundance of employment land across the East Riding, some of this is 'constrained'. The 2007 Employment Land Review (ELR) sought to uncover the 'true' level of supply by considering – on a site-by-site basis – where there are particular constraints such as:

- Strategic and site specific access
- Quality of the existing environment
- Quality of the surrounding area
- Market conditions/demand
- Ownership
- Sequential testing
- Social and regeneration policy.

6.10.5 Only a third of the sites were deemed unconstrained at the time of the 2007 ELR. The constraints identified on other sites varied considerably and the measures needed to overcome such issues require different scales of investment. Some of the constraints related to a 'wider market appeal' and this is picked up in further detail in the Market Demand section below. Other constraints included individual site access – which is most evident at Elloughton cum Brough – and strategic access. This latter constraint affects much of the stock away from the A63/M62 corridor and is a reflection of the fact that many industrial estates in the East Riding are former airfields and military installations. By their nature, they are isolated from the strategic road network and away from centres of population.

6.10.6 Notwithstanding certain constrained sites, there are a number of strategically important sites centred on the east-west multi-modal transport corridor running from Hull through Hessle, past Melton and Goole. This corridor forms part of the European E20 strategic route and is a major attraction for investors, particularly in the storage and distribution sector. *Figure 71* in *section 3.26* illustrates the key sites along this corridor. The development of these sites is vital to enhancing the performance of the Hull and Humber Ports city-region economy, and represents some of the best opportunities for drawing in value-added investment within the East Riding.

6.11 Market Demand

6.11.1 A proxy indicator of demand is to consider the level of development in different parts of the East Riding. *Figure 127* shows the take up by Local Plan area. The rates are driven by large-scale investments such as Melton Park and Capitol Park in Goole. The Boothferry Borough area has seen by far the most development of employment land reflecting this area's excellent accessibility for storage and distribution businesses. The Beverley Borough area has also seen strong levels of take up, particularly in recent years as the Melton Park site begins to take off following a £22.5m investment from the Highways Agency in a Grade Separated Junction (fully opened spring 2007). There has also been a steady stream of development in the former East Yorkshire Borough area largely down to big industrial estates at Driffield, Pocklington and Carnaby. In contrast, the Holderness District area has seen low levels of development, reflecting the difficulty in attracting investors to the east of the city where access is more problematic.

6.11.2 Consultation with various agents and developers through the preparation of the 2007 and 2009 Employment Land Reviews has helped to provide a picture of the Hull and East Riding employment land markets. Below is a brief overview of this picture.

Figure 127: Annual take-up of Employment Land in the East Riding

	Take Up (ha) Local Plan Area				
Year	**Beverley**	**Boothferry**	**East Yorkshire**	**Holderness**	**Total**
2001-02	10.52	5.75	2.81	4.14	23.22
2002-03	0.91	34.23	8.01	0.38	43.53
2003-04	1.28	6.24	7.80	1.12	16.44
2004-05	2.94	5.88	2.18	3.68	14.68
2005-06	0.36	5.27	7.72	1.28	14.63
2006-07	0.99	24.82	2.85	0.00	28.66
2007-08	23.34	11.26	8.37	0.00	42.97
2008-09	7.78	3.36	4.43	0.00	15.57
Total	**48.12**	**96.81**	**44.17**	**10.60**	**199.70**

Source: ERYC

6.11.3 In general, it is considered that the geographical distance, as well as limited transport links (although infrastructure is improving) mean that Hull is unlikely to be considered close enough to Leeds/Sheffield to be an area for business relocation on a generic regional requirement. The cost of crossing the Humber Bridge is also felt to be prohibitive, and as a result the market in Hull is somewhat undeveloped. The market in Hull and East Riding has not experienced the major commercial boom that has occurred in other areas.

6.11.4 **Offices:** The scale and diversity of the East Riding makes it difficult to provide a broad assessment of the office market. However, there are some general concerns that the office market in the East Riding is characterised by an ageing stock centred on smaller sized settlements, serving a predominantly local market. Certain agents noted a lack of good quality 'front door' accommodation, though there have been a number of new developments across the Riding which are seeking to address this, including Bridge Haven 1 and Riverside Building developments in Hessle and Monckton Court, South Newbald.

6.11.5 For both Hull and the East Riding, some agents suggested that the area is characterised by latent demand specifically relating to Grade A office space in 'key' locations. There is a belief that the area does not have the full spectrum of office products (e.g. significant prime office development, out of centre business parks, etc.) meaning that it is, in market terms, 5 to 10 years behind places such as Leeds.

6.11.6 Nevertheless, there is demand for office accommodation to the west of Hull due to easy access to the A63 and motorway network, as well as skilled labour in this area. The quality of life and the environment in this part of the East Riding are also important drivers. If these factors are classed as the ‘carrot’, the ‘stick’ may well include a perception of low quality of accommodation within the city and the transport constraints associated with congestion and on Castle Street in particular. The amount of land within the East Riding makes it a more attractive location to many investors seeking more floorspace and on-site parking.

6.11.7 As a consequence, office space in out of town locations often achieves higher rental values than city centre offices (although this may be due to some extent to new-builds with a more modern offer). This is an inverse relationship when compared with other more successful city-regions where city centre locations command the highest rental values.

6.11.8 At this point it is worth highlighting the role of national and local planning policies with respect to the office market. Offices are classed as a ‘town centre use’ and should be steered towards locating within defined centres in the first instance. This is the most sequentially preferable location. Therefore, the demand for office space needs to be considered alongside the need to investigate space within centres before considering alternatives in other locations.

6.11.9 At the time of the Employment Land Review Partial Update (July 2009), there was a notable fall in rental values in the office sector (-4.2% nationally in the three months to Jan 2009, compared with -0.7% for industrial and -1.1% for retail space). Such changes in rental values have an impact on the investment market, perhaps demonstrated most clearly by the fact capital values fell by 38% between mid-2007 and January 2009. The Partial Review suggests average rents in the office sector will continue to fall until 2011, being some 20% lower compared with the end of 2008.

6.11.10 **Industrial:** The industrial market in areas of the East Riding away from the M62/A63 corridor is considered to be underpinned by relatively parochial employment and localised demand. This is reflected in the nature of supply of industrial premises dominating the area, in addition to the rental levels achieved.

6.11.11 In spite of developments along the M62/A63 corridor in particular, a large quantity of the stock dates from the 1970s and 1980s. However key locations have experienced significant growth, particularly in the warehousing and logistics sector through investments such as Guardian Industries, Tesco, Ebuyer and Heron Foods. The key sites along the M62/A63 (Goole, Melton, and Newport) all have planning permission for economic development and although the current economic climate has slowed down the rate of development, the sites remain attractive to the market.

6.11.12 The Employment Land Partial Review noted that returns on commercial property are likely to remain suppressed at the 2009 levels – although this is a slight improvement on 2008. Positive returns are not forecast until the end of 2010, with capital values forecast to start rising from 2011.

6.11.13 Developments in the warehousing and logistics sector are land-hungry and many schemes cannot physically find space and available sites within the tight administrative boundary of Hull. They can, however, be accommodated within the Functional Economic Area (FEA) of Hull and the immediate environs of the East Riding where strategic access is good and where the labour pool from Hull can still be tapped into.

6.11.14 Elsewhere in the East Riding, some agents have identified relatively strong local markets in Pocklington, Driffield and Beverley, with Pocklington specifically benefiting from wider linkages to the York market. Whilst Pocklington and, to a certain extent, Driffield have space for further development, Beverley is said to be constrained with few examples of new supply having come forward over recent years, although the Beverley Town Plan, prepared by GVA Grimley, notes there is significant latent demand within the area.

6.11.15 The Bridlington Regeneration Strategy (2007) outlines that the industrial market in Bridlington mainly services locally based business and as such most demand is for small units of 1000sq/ft to 3000sq/ft. Traditionally, there has been a lack of speculatively built units of this size. Due to this, the East Riding of Council completed the Bridlington Business Centre Grow-on Units project which resulted in the completion of 6 units of this size in 2007 which have since shown high levels of occupancy and has since stimulated some limited developer-led speculative build in the area.

6.12 Connectivity

6.12.1 Transport is a key element of the UK's economic success, and it was identified by the Eddington Report that, at a broad level, connectivity in the UK is good. The focus, it argues, should be on improving the performance of the existing network to provide a more reliable network.

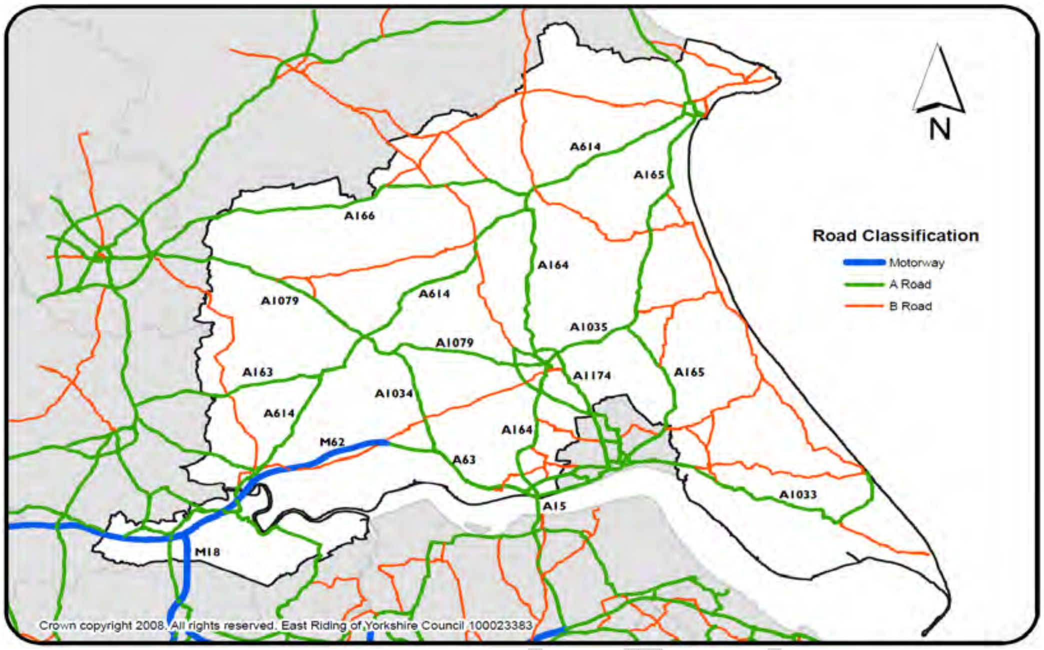
6.12.2 Long term strategies such as the third Local Transport Plan (LTP3) and the Local Development Framework (LDF) need to look beyond the current economic circumstances to ensure the provision of a transport network that is resilient to the various travel habits and patterns created by economic conditions both now and in the future.

6.12.3 The following section provides a description of the major characteristics of the East Riding transport network, outlining where there are pressures and challenges in supporting a vibrant local economy.

6.13 Highways

6.13.1 *Figure 128* shows the East Riding of Yorkshire's Road Network. The Council is responsible for the maintenance of 330km of principal roads, 335km of 'B' roads, 920km of 'C' roads, 1,802km of unclassified roads, approximately 1,500km of public rights of way and a bridge stock of 1,368 structures.

Figure 128: East Riding of Yorkshire's Road Network



Source: East Riding of Yorkshire Council

6.13.2 In addition, the strategic national road network is managed by the Highways Agency and, in the East Riding, includes the M62/A63 (Trunk [T]), M18 and A1033. The M62/A63 (T) and A1033 are part of the Trans-European Network and, as such, they carry a high proportion of heavy goods vehicles and are significant to the economic competitiveness of the area. Other major road links managed by the Council include the A164 (Beverley to Humber Bridge), the A1079 (Hull to York), the A614 (Goole to Bridlington) and the A165 (Hull to Bridlington) and onwards to Scarborough.

6.13.3 The Highways Agency has stated that the current capacity of their network was sufficient to meet the demands of traffic at 2008 levels, although they highlighted some peak period capacity issues with the A63 (T) towards the City of Hull boundary. Further problems occur within Hull in the Castle Street and Garrison Road area, which has a knock-on impact for economic development to the east of the city centre. The Highways Agency is currently consulting on potential options for improving this part of the network, but they have indicated that any enhancements will not necessarily be enough to mitigate potential impacts of new development in both Hull and the East Riding.

6.13.4 As a result of this the East Riding of Yorkshire Council is committed to looking closely at the scale and nature of proposed developments through the LDF process and seeking to support schemes which utilise other modes of transport (i.e. rail and water). Continued work with the Highways Agency on assessing the impact of different options through the LDF and preparing mitigation measures to help facilitate development where possible will be required.

6.13.5 Because of the presence of the Humber Ports and the good transport links to the economic markets of northern England, a significant amount of freight passes through the East Riding. Around 10 million tonnes of freight passes through the Port of Hull each year and up to a further 3 million tonnes through Goole. A high proportion of this freight makes its way onto the East Riding's highway network.

6.13.6 The ability to move freight quickly and efficiently is just one of the ways the highway network supports economic competitiveness. Equally important is the need for the network to support movements of people including those commuting and using the network for business purposes. This means the reliability of the network is of paramount importance and congestion can pose a threat to the success of the local economy.

6.13.7 Delays and unreliability on our roads have direct costs to people and businesses, reducing productivity though increased journey times. The Eddington Transport Study concludes that a 5% reduction in travel time for all businesses and freight travel would generate £2.5 billion or 0.2% of GDP. The UK is already well connected, both at a national level and as part of the European and International trade network. As identified in the Eddington Transport Study, the key economic challenge is, therefore, '*to improve the performance of the existing network*'. Optimising the existing transport network also contributes towards a number of other national challenges through increasing accessibility, reducing congestion and improving journey times.

6.13.8 Furthermore, the Stern Review, published in 2006, concludes that ignoring climate change will eventually damage economic growth. Introducing policies to reduce greenhouse gas emissions and to mitigate against the effects of climate change is, therefore, the preferred option to encourage and maintain economic growth in future years

6.13.9 Although congestion is not a major issue across the whole of the East Riding, larger urban areas such as Beverley, Goole and Bridlington, and the A164 and A1079 corridors experience significant levels of congestion, particularly during peak hours.

6.14 Local Transport Plan 3

6.14.1 The investment strategy for the East Riding's transport network is set out within the Local Transport Plan. The third incarnation of this plan, LTP3, is currently under development. As part of LTP3's response to tackling congestion in the urban areas and along the main highway corridors, a number of schemes at various stages of development have been prepared. These are briefly described below.

6.14.2 **Beverley:** The impact of traffic in the historic town of Beverley is long standing. The town centre is a popular destination for shoppers and tourists, but these people mix with commuters and through traffic as they enter and leave Beverley. The nature of the road network in Beverley, with narrow streets and a one-way system, presents problems for traffic movement.

6.14.3 Heavy traffic flows are the main cause of the congestion problem in Beverley during peak hours. And yet, the impact of traffic growth over the next 10 to 15 years is forecast to be more severe. Congestion is, therefore, forecast to worsen, both in terms of increased traffic flows and longer congested periods throughout the week. Traffic queues are forecast to persist throughout much of the day on sensitive streets in the medieval core of the town and along some of the key radial routes.

6.14.4 As well as the economic consequences of congestion, there are further problems associated with increased noise and vibration, reduced air quality and severance between the places where people live and the services provided in the town centre.

6.14.5 The Council is planning to address these issues through the delivery of the Beverley Integrated Transport Plan Major Transport Scheme, which comprises the construction of a Park and Ride facility that will provide a fast, frequent and reliable bus journey into the town centre, a Southern Relief Road and associated traffic management schemes. This scheme has planning permission and the Council is awaiting a decision on funding and the funding process in light of recent announcements regarding spending cuts.

6.14.6 **Bridlington:** The 'seasonal surge' of traffic, particularly along the two main corridors (the A165 and A614) into Bridlington from the south, and the subsequent congestion in the town centre has a real economic cost. Not only does congestion have an impact on economic output, but the perception of congestion may put people off visiting the town and, therefore, reduce expenditure.

6.14.7 As with Beverley, an Integrated Transport Plan Major Transport Scheme has been developed to address the main transport problems within Bridlington. Elements of this scheme including a Park and Ride, new roundabouts and variable message signs to improve journey times and journey reliability, have been delivered. Further work to improve access to the town centre and railway station etc is planned as part of the Bridlington Regeneration Strategy.

6.14.8 **Goole:** Queuing traffic and congestion in Goole has reduced considerably since the Dutch River Bridge was widened to two-way traffic in February 2006. The remaining major traffic and congestion issues in Goole are associated with the opening of three moving bridges near the docks and the frequent closure of a level crossing on Boothferry Road (a main road in the town centre).

6.14.9 A Capitol Park Link Road (Phase 2) proposal is being developed to promote an alternative route to that which is currently restricted by the level crossing on Boothferry Road. The proposal seeks to direct traffic to a 'southern route' where a 'variable messaging sign' will provide information on the opening of the West Dock Swing Bridge. It is anticipated that the use of this route would help to reduce the level of queuing traffic and congestion within the town centre. A European Regional Development Fund grant application has been completed for this project and is awaiting a decision.

6.14.10 **A164 Corridor:** The A164 forms part of the East Riding's Strategic Highway Network and carries up to 30,000 vehicles a day. The road serves as a 'gateway' from Hull and the rest of the Humber sub-region into the market town of Beverley and onto other destinations such as Bridlington and York. Current traffic volumes on the A164 are creating strategic network efficiency problems and are adversely affecting both the reliability of journeys to critical health facilities and town centres, as well as producing economic costs to businesses in the area that are normally associated with congestion.

6.14.11 LTP3 is proposing to address these issues through the delivery of the A164 Beverley to Humber Bridge Major Transport Scheme, which incorporates a dual carriageway between Cottingham and Willerby, reconfiguration of the roundabouts along the corridor to allow two-lane entry and two-lane exit and a continuous cycle route between Beverley and the Humber Bridge.

6.14.12 **A1079 Corridor:** The A1079 provides a significant link between the major urban settlements of Hull and York and the centres of Beverley, Market Weighton and Pocklington, which lie between these two cities. It is predominantly rural in nature and approximately 4.5km of the route is dual carriageway, with the remaining 39.5km being single carriageway.

6.14.13 Parts of the A1079 are operating near capacity and there are high levels of HGVs, resulting in long and unreliable journey times. There are significant numbers of commuters in the morning peak traffic turning right on the A1079 from Pocklington which not only adds to the congestion, but can be dangerous at times.

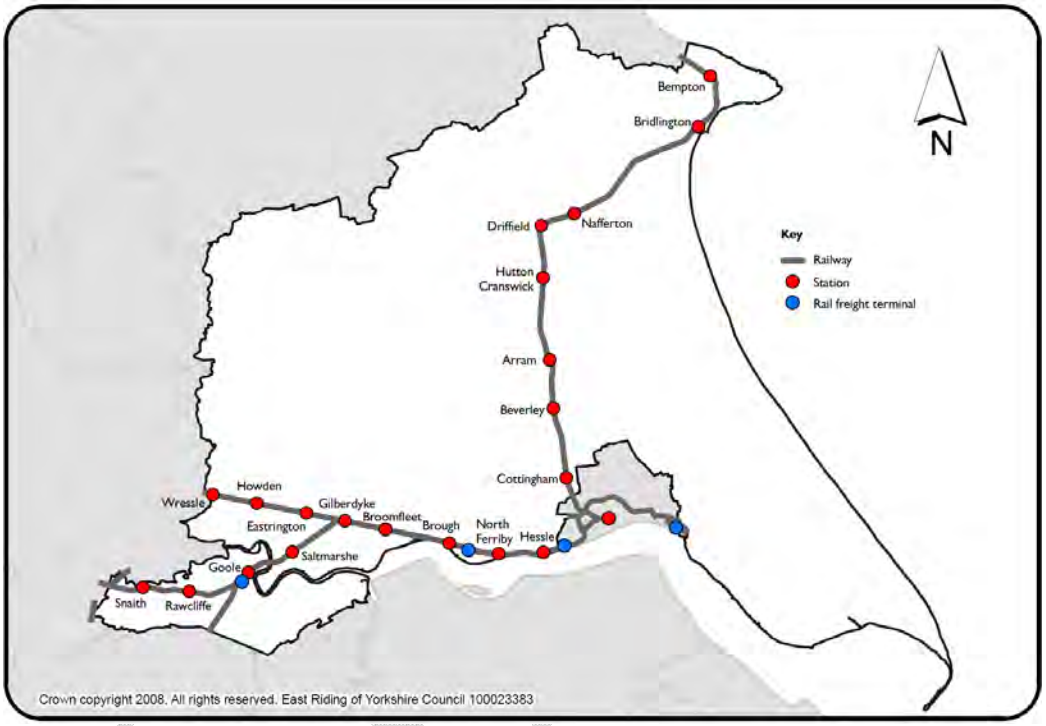
6.14.14 LTP2 funding is currently being used to construct a roundabout at the junction of Hodsow Lane, Pocklington Industrial Estate and Allerthorpe. The introduction of this roundabout will help to improve accessibility for residents of local communities who live along the A1079 corridor (particularly commuters from Pocklington), improve road safety and also help to stimulate economic regeneration.

6.15 Railways

6.15.1 The East Riding is served by three main rail links: the Hull to Doncaster line (via Goole and Brough); the Hull to Leeds/Manchester line; and the Hull to

Scarborough line (via Beverley, Driffield and Bridlington) (see *figure 129*). These link the main settlements within the East Riding to other centres in the region and the rest of the country. Northern Rail and First Trans-Pennine Express operate the majority of passenger services in and out of the East Riding with additional services operated by Hull Trains and new operator East Coast.

Figure 129: East Riding of Yorkshire's Rail Network



Source: ERYC

6.15.2 Within the city of Hull the recently improved single-track freight-only 'high level' line connects the port and the BP Chemicals site at Saltend to the mainline network. The 'Anlaby Curve' in Hull directly links the Hull-Scarborough line with the Hull-Doncaster/Leeds line, without trains having to go into Paragon Station in the centre of Hull and the 'Walton Street Goods Branch Line' is essential to allow access from the west to the freight facility at Melton.

6.15.3 In addition, the Port of Goole plays a significant role in the region for transporting goods via the railways. The rail terminal north of West Dock uses specialised rolling stock in conjunction with English Welsh and Scottish Railways Ltd (EWS) to handle steel, unitised cargo and containers. Development at Capitol Park, most notably at the Guardian Industries plant, has seen the introduction of two to three trains per week carrying industrial sand to the plant from King's Lynn. A further rail freight facility exists at Melton but is currently not in use.

6.15.4 Elsewhere, freight movements by rail are limited. A regional study in 2004 identified capacity constraints between Doncaster, Selby and Hull, despite this route supporting significantly less traffic than the southern Humber line. Parts of the route are closed at night, whilst other 'freight paths' from Hull are unused in the day time. However, the recent investment in the Hull Docks branch line has allowed the capacity of this line to double.

6.15.5 Overall, there are few concrete plans to significantly improve the coverage and capacity of the railway network within the East Riding. Several operators are making significant capital investments with some replacing much of their fleet and others refurbishing their existing trains. The ability to move a higher proportion of freight by rail is desirable but the realistic prospect of bringing specific schemes forward is uncertain.

6.15.6 The development or re-opening of rail freight terminals would provide key opportunities to encourage more transportation of freight by rail. Previous studies as part of the development of the Joint Structure Plan (JSP) recognised the potential benefits to supporting terminals at Melton and Goole. The potential to re-open and develop the facility at Melton would need to be considered in light of the amount and type of development planned for the Melton Park employment area.

6.15.7 In Goole, outline proposals have been put together to support the development of an Inter-Modal Terminal. Based on the edge of the current industrial areas to the west of the docks, the Terminal would provide unrivalled access to the inland waterways, rail freight network and the motorway network of the UK.

6.15.8 Further rail freight improvements have been suggested at Saltend, which would link with the Port of Hull, and for Melton and Carnaby, both of which would link with the development of employment land. These opportunities will need to be considered through the LDF process in and conjunction with the Council's partners.

6.15.9 Plans to reopen the Beverley to York railway line are at the very early stages of investigation. A cost-benefit analysis for the scheme determined that the benefits from re-opening the line would be greater than the costs over a 60 year period. It is accepted that the re-opening of the route is currently an aspiration. However rail re-opening studies are in hand in other parts of the UK and some routes have already been re-established. The emerging LDF is seeking to safeguard a route for this proposal.

6.16 Bus Services

6.16.1 The distribution and frequency of bus services varies considerably between the urban and rural areas of the East Riding. The larger towns have relatively frequent schedules, while in more rural areas services may only run once per hour at peak times. Bus provision also fluctuates between weekdays, evenings and weekends.

6.16.2 The highest concentration of public transport services is found in the Major Haltemprice Settlements, reflecting their proximity to Hull. The City has a traditional radial public transport system and supports links with the Major Haltemprice Settlements as part of Hull's core bus network. However services across Haltemprice and between Haltemprice and Beverley are more limited.

6.16.3 A number of demand responsive Community Transport schemes are also in operation in the East Riding. These schemes cater for the needs of vulnerable people or groups who are not able to access mainstream services and increasingly to provide connections with the core public transport routes for accessing work and services.

6.16.4 Planning permission has been granted for a Park & Ride facility at Beverley following the opening of the facility at Bridlington. These schemes have been developed to help alleviate congestion and improve traffic conditions within the two town centres.

6.16.5 In addition to the Park and Ride schemes planned for East Riding towns, Hull City Council has indicated a desire to expand their network. This includes consideration of schemes to the north of the city – around the Dunswell area, and to the east – around Hedon. Both facilities are anticipated to be located within the East Riding's administrative area and would generally serve the needs of East Riding residents looking to travel into the city.

6.17 Ports and waterways

6.17.1 The Humber ports are one of the UK's busiest trading areas and are at the heart of the multi-modal North European Trade Axis (NETA). This is the broad trade and transport corridor that links Ireland to the Baltic States via the north of England, the Netherlands, Germany and Poland. It provides our area with a competitive advantage and is a driving force behind the sub-regional economy.

6.17.2 Goole, together with Hull, Immingham and Grimsby is part of the largest port complex in the UK[4], and offers excellent multi-modal transport links. Goole is some 80km from the North Sea and within half an hour's drive of the industrial parts of West and South Yorkshire. The Port of Goole principally trades containers, steel, forest products and bulk cargoes with specialist facilities for each. From the Port, goods can be transferred to the rest of the UK by water, rail or road. This position inland, and in a relatively congestion-free area, provides Goole with a competitive advantage in terms of moving freight across the country.

6.17.3 The Port of Goole is complemented by port facilities at Howden (Howdendyke), which also has excellent access to the M62. At Hessle, the Hessle Haven area once operated as a small port facility but the closure of shipbuilding and repair businesses in Hessle has meant that this port is no longer used.

[4] In terms of tonnage.

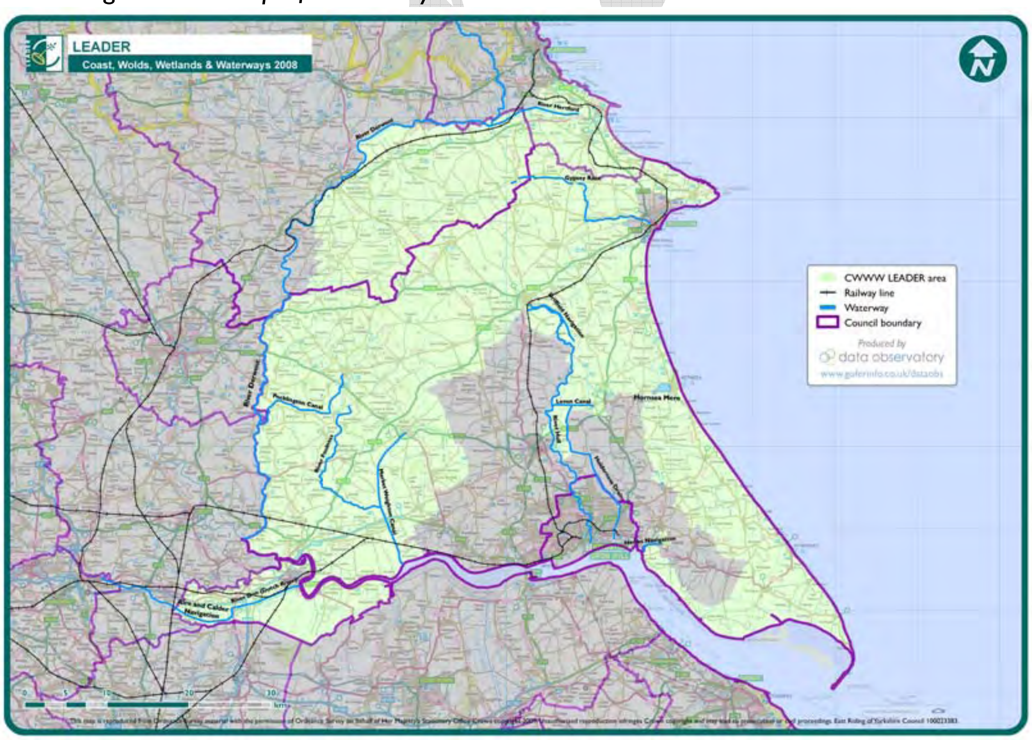
6.17.4 At Bridlington, the harbour is home to the Bridlington Fishing Fleet. The harbour itself is the UK's largest shellfish port, catching brown crab, velvet crab and lobster. As well as commercial fishing, the harbour is an ideal base for pleasure fishing. The eastern end of the harbour is home to speedboats, yachts and site-seeing vessels that provide important visitor facilities to support Bridlington's tourist economy *(see section 3.7* for further details on the fishing industry).

6.17.5 There are some 15 waterways that run across the East Riding and its neighbouring authority areas (see *figure 130*). The three main groupings are:

- Westwards from Goole, including the River Ouse, the River Aire, the Dutch River and the Aire & Calder Navigation. British Waterways is the main navigation authority for this area, adjacent to the major industrial port of Goole, which is operated by Associated British Ports;
- The lower River Derwent and the Pocklington Canal, which are in part navigable. The River Derwent extends northwards and then east towards the coast close to the River Hertford and the Yedingham Drain;
- The River Hull and its extension north to Driffield, including the Driffield Navigation, Beverley Beck, the Leven Canal and Frodingham Beck.

6.17.6 In addition to the above there is also the Market Weighton Canal, which is managed by the Market Weighton Internal Drainage Board; the Gypsey Race, part of which runs under ground; and Hornsea Mere, a privately owned, self-contained leisure facility.

Figure 130: Map of Waterways across the CWWW Leader area



Source: CWWW Leader Programme, East Riding of Yorkshire Council

6.17.7 The 2007-2013 RDPE LEADER Coast, Wolds, Wetlands and Waterways (CWWW) programme is a rural regeneration programme covering the rural parts of East Yorkshire and the Ryedale District and Scarborough Boroughs of North Yorkshire. It is financed by the European Agricultural Fund for Rural Development as well as Defra and is currently being overseen by Yorkshire Forward as part of the Rural Development Programme for England. The overall purpose of the LEADER CWWW programme is '*to utilise the unrealised potential of the area's heritage and culture to stimulate local vibrancy, encourage enhanced pride in place and thereby improve the area's economic performance and social sustainability*'.

6.17.8 Developing the waterways is a core strand of the CWWW LEADER Programme. During 2009/10, work was undertaken with statutory, voluntary and community agencies to research the waterways within the CWWW area, and to establish the foundations for an effective partnership between the various interests. It is hoped that by '*developing a strategic approach to the restoration and development of the (LEADER) Area's inland waterways*', the new partnership will help to '*develop facilities and networks of activity that create a focus and enable understanding and connectivity to local heritage and landscape*'.

6.17.9 A Waterways Strategy will be prepared during 2011 to build consensus and a shared single vision, and to set the strategic direction for future working.

6.18 Airports

6.18.1 The nearest airports to the East Riding are Humberside, Robin Hood and Leeds-Bradford, with Humberside generally accessed by many East Riding residents and businesses via the tolled Humber Bridge. These airports are within one to two hour commuting times for the majority of businesses and residents located along the A63/M62 corridor. However, for most businesses outside of this corridor, the travel times are considerably longer making them a less attractive proposition for those businesses seeking good air links.

6.19 Employment Destinations and Commuting

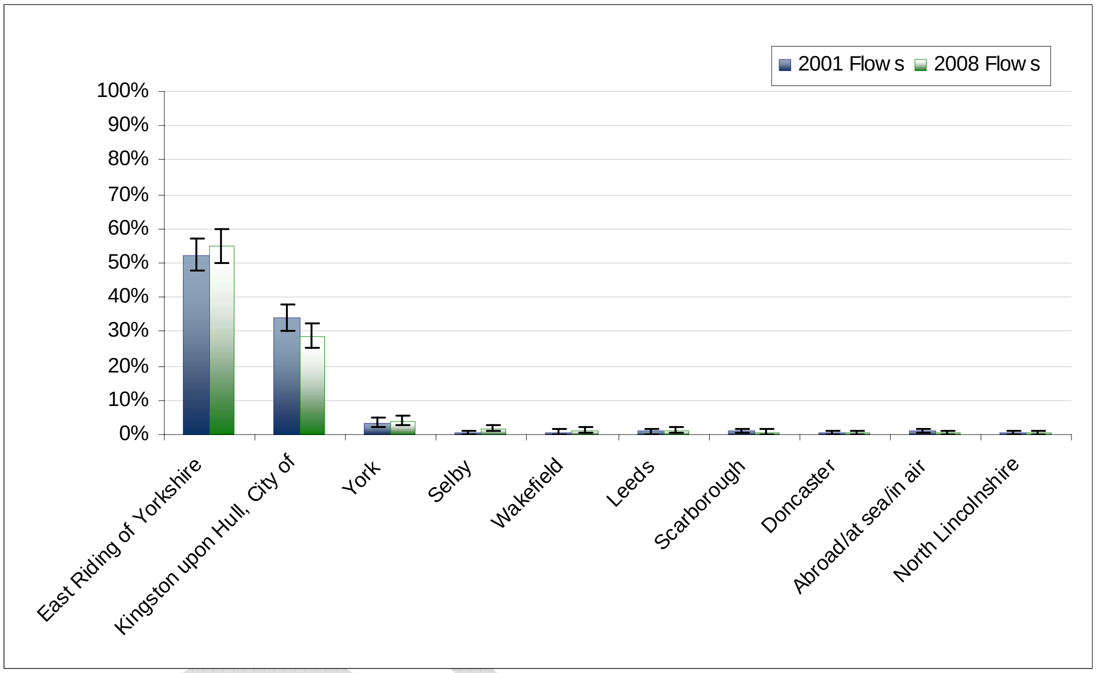
6.19.1 According to the Annual Population Survey in 2008 approximately 55% of East Riding residents also work within the East Riding see *Figure 131*.

6.19.2 Generally, people living towards the outer edges of the East Riding are more likely to work in neighbouring administrative areas. Perhaps not surprisingly, 28.8% of the East Riding population work in Hull. Data from the 2001 Census *(Figure 132)* suggests those working in Hull are primarily living in the major Haltemprice Settlements, Beverley and Hedon. Approximately 4.1% of East Riding residents work in York and looking at 2001 Census patterns are mainly accommodated within Pocklington. In 2001 other significant commuting patterns also identified included:

- Bridlington to Carnaby Industrial Estate and to a lesser extent to Beverley
- Driffield to Bridlington and Beverley, smaller movements to Hull and as far as York
- Elloughton/Brough to Hull
- Howden to Goole.

6.19.3 Other employment hubs, though less significant in terms of volumes of flows from the East Riding, include Leeds, North Lincolnshire, Doncaster, Scarborough, Wakefield and Selby.

Figure 131, Local Authority of Work for East Riding Residents



Source: Annual Population Survey

Figure 132:

	2001 flow	2008 flow	Change
East Riding of Yorkshire	52.9%	55.0%	2.1%
Kingston Upon Hull	33.9%	28.8%	-5.1%
York	3.5%	4.1%	0.6%
Selby	0.6%	1.9%	1.3%
Wakefield	0.8%	1.3%	1.5%
Leeds	0.9%	1.2%	0.3%
Scarborough	1.2%	0.8%	-0.4%
Doncaster	0.5%	0.8%	0.3%
Abroad / at sea / in air	0.9%	0.7%	-0.2%
North Lincolnshire	0.6%	0.7%	0.1%

Source: Local Labour Force Survey 2001 Annual Population Survey 2008

6.19.4 When considering the impact of the 'out-commuting' from the East Riding on surrounding authorities it can be seen that Hull, Selby, York and Scarborough have a significant amount of their workforce made up by East Riding residents (see *Figure 133*).

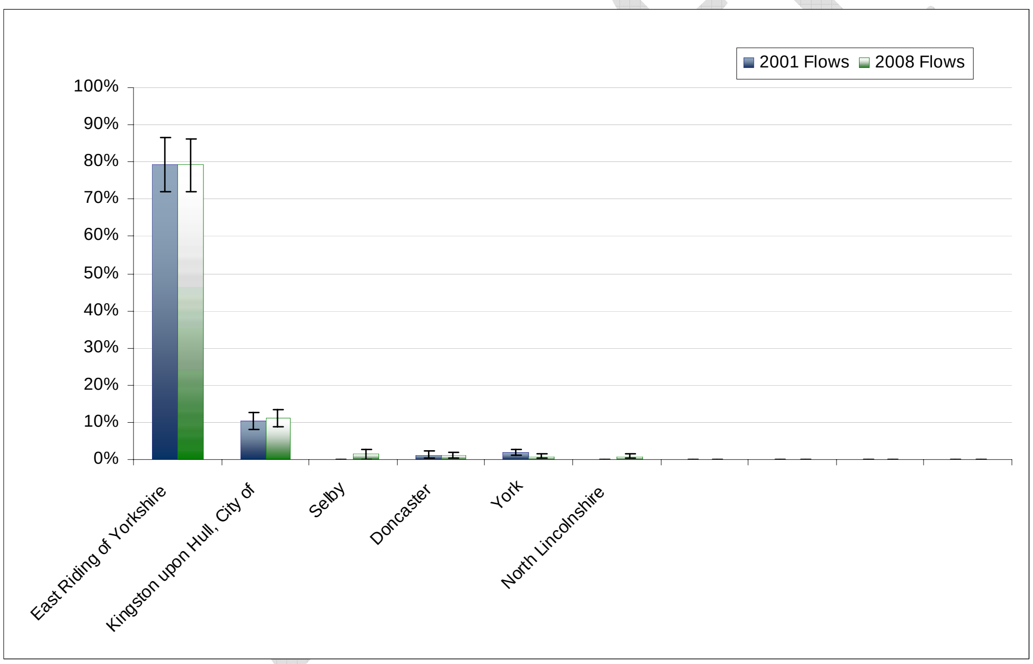
Figure 133: Proportion of jobs in other areas which are filled by residents of the East Riding 2008

Local Authority	% of workforce made up of East Riding residents
Kingston Upon Hull	34.8%
Selby	8.8%
York	5.5%
Scarborough	2.7%
North Lincolnshire	1.5%
North East Lincolnshire	1.2%
Doncaster	1.0%

Source: Annual Population Survey 2008

6.19.5 In terms of 'in-commuting', over 11% of the East Riding's workers live in the Kingston upon Hull Area. Looking at 2001 Census data commuting patterns (see *Figure 134)* suggests a high proportion of these commuter movements are associated with major employment sites at Saltend, Hessle and Brough.

Figure 134: Place of Residence for East Riding Workers – Change over time



Source: Annual Population Survey 2008

6.19.6 Overall the East Riding is a net exporter of labour, with more people travelling out of the area to work than travelling in each day, as shown in *Figure 135*.

Figure 135

	2001 flow	2008 flow	Change
East Riding of Yorkshire	79.2%	79.2%	-
Kingston Upon Hull	10.2%	11.1%	0.9%
York	1.9%	0.9%	-1.0%
Selby	-	1.4%	1.4%
Doncaster	1.3%	1.1%	-0.2%
North Lincolnshire	-	0.8%	0.8%

Source: Local Labour Force Survey 2001 Annual Population Survey 2008

6.20 Travel Characteristics

6.20.1 A key challenge for the East Riding is addressing the heavy reliance of local residents on using the private car for travel. Most people are, and will continue to be, dependent on this mode of travel as their main way of travelling around the East Riding. It is the most flexible form of private transport but comes with many well-publicised associated economic, social and environmental consequences.

6.20.2 The 2001 Census shows that the majority (69.5%) of trips to work by East Riding residents are made as a driver or passenger in a car or van, or by motorcycle. Perhaps not surprisingly, a high proportion of people who use their car to reach their place of employment are in the more rural wards such as South Hunsley, Mid Holderness and Beverley Rural (79.1%, 76.5% and 75.1% respectively).

6.20.3 While more residents choose to walk or cycle to work within East Riding's larger settlements, the number of people driving from and within these urban areas is also still relatively high. For example, in the Willerby and Kirk Ella ward, 77.2% of residents use their car to get to work each day. In addition, residents living in towns tend to have the shortest commute to their place of employment. Over 30% of those living in Willerby and Kirk Ella travel less than 5km to their place of work.

6.20.4 A similar trend is apparent in other urban areas within the East Riding. In Bridlington North 72% of people travel to work by car, while 44% of journeys to work in this ward are less than 5km. In Driffield, 64.1% use their car to commute while 39% drive less than 5km and in Goole North, 64.7% drive and 39% travel less than 5km. This demographic, who are using their car to travel relatively short distances, are an important target group for modal shift schemes as many of these shorter journeys could easily be made by public transport, walking or cycling. Ensuring that the infrastructure is in place to support this modal shift is crucial in underpinning this challenge.

6.20.5 The Third Local Transport Plan (LTP3) aims to build on the success of LTP2 and support this modal shift. LTP3 includes priorities such as 'reduce carbon emissions' and 'improve accessibility', both of which are directly related to the objective of supporting more sustainable movements. Specific programmes and initiatives such as School Travel Plans, off-road cycle routes, improved pedestrian and cycle routes, and public transport infrastructure improvements have been identified as key measures in LTP3.

6.20.6 These conclusions are supported by data that show that those travelling between 5-20km are concentrated in the wards on the boundary with the City of Hull, while longer commuting distances (over 20km) are primarily found in areas further away from Hull in wards such as Howden (where 29.1% of residents travel over 20km to work), South East Holderness (28.6%) and Howdenshire (26.8%). This demonstrates the importance of Hull as an employment hub for those living in the East Riding.

6.20.7 The Major Haltemprice Settlements, comprising Cottingham, Willerby, Anlaby, Kirk Ella and Hessle, are located on the western fringes of Hull. Consequently they benefit from frequent, high-quality public transport links into the city and are close to regionally important services and facilities. As a result, a relatively high number of Haltemprice residents travel to work using public transport. For example, 8.3% of residents in the ward of Tranby travel to work by bus or train compared with 4.7% for East Riding as a whole.

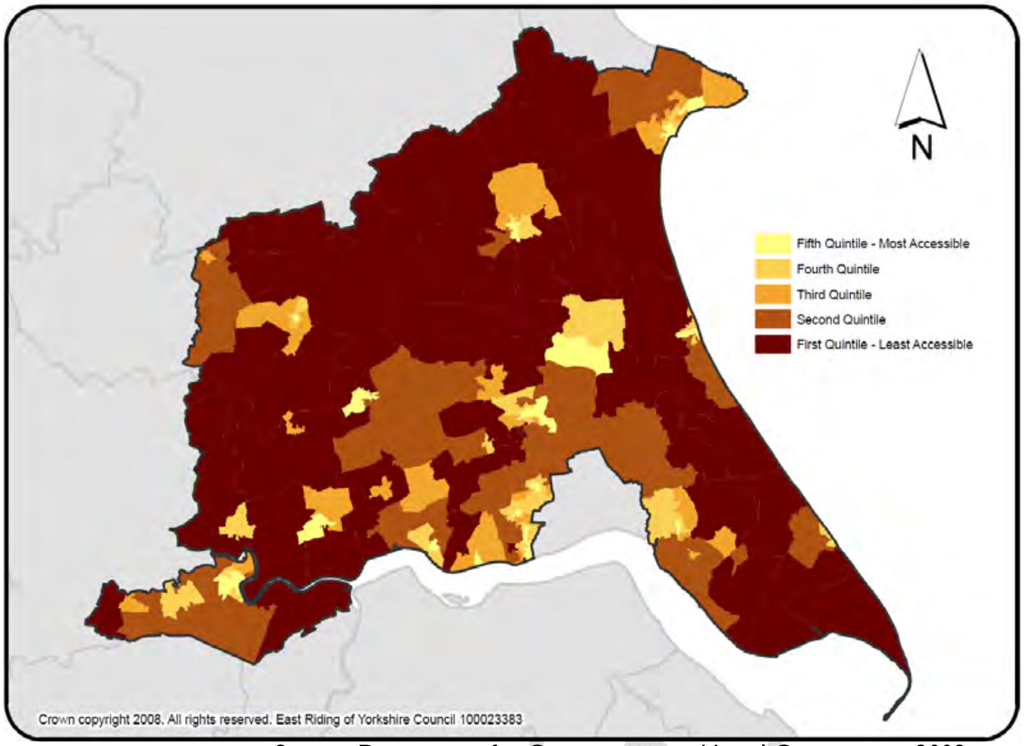
6.20.8 The percentage of people who work from home in the East Riding (10.3%) is greater than the national average of 9.2%, with a higher concentration of these 'homeworkers' found in the more rural areas of the East Riding. This is likely to reflect the number of hoteliers, guesthouse owners, and the high proportion of agricultural workers in the East Riding. Over 7,000 highly skilled individuals are still employed full time in the agricultural sector (Defra Census 2009). This means the number of commuter trips from rural areas in the East Riding may increase over the life of the LTP3 Strategy as more agricultural workers shift to different types of employment.

6.21 Accessibility

6.21.1 Accessibility planning is an integral part of local transport and spatial planning. It concerns the promotion of social inclusion, focusing on helping people access jobs and essential services. Access to services, homes and jobs is difficult to achieve in rural areas (as noted in the Economic Exclusion and Worklessness section), which means that areas such as the East Riding have to think more innovatively about service delivery.

6.21.2 A lack of access to core services and jobs is a very real form of deprivation experienced by many people in rural areas of the East Riding, particularly for older residents or those with poor mobility. *Figure 136* shows the extent of 'deprivation' as it relates to access to services (GPs, post offices, local shops and primary schools). This is taken from the IMD 2007. It shows the most 'accessible' places in a light yellow shade. These include the four Principal Towns of Bridlington, Beverley, Goole and Driffield together with a good proportion of the Haltemprice area. Other accessibility 'hotspots' include parts of Pocklington, Market Weighton, Gilberdyke, Brough, North Ferriby, Hedon, Leven and Hornsea.

Figure 136: English Indices of Deprivation 2007 – Geographical Barriers Sub-Domain



Source: Department for Communities and Local Government, 2008

6.21.3 This picture of accessibility is reinforced through 'The State of the Countryside' reports developed by the Commission for Rural Communities. An element of these reports details those areas within 2km[5] of a particular service outlet such as a post office, cash machine or primary school.

6.21.4 The results show that some facilities such as jobcentres, dentists and secondary schools are within 2km for only a very limited number of households. Those best served are, unsurprisingly, found in East Riding's larger towns. Because of this limited coverage, encouraging modal shift for shorter journeys will be most effective in these larger towns where facilities are located nearby. The potential to reduce car usage in rural areas of the East Riding is likely to be very limited unless the trips are to a specific local destination.

6.21.5 It is also important to note that for many elderly or disabled people travelling 2km to access the types of services listed above is no different (and no more achievable by walking or cycling) to travelling 200 yards.

6.21.6 These residents often rely on supported bus services or Community Transport schemes, and recent Comprehensive Spending Review 2010 (CSR10) cuts to a range of funding streams for these (including new guidance on concessionary fares reimbursement) mean that they may come under threat in the future.

[5] The 2km distance was selected to coincide with the advice in PPG13 (Transport) that suggests walking and cycling has the potential to replace short car trips of this length.

6.21.7 Additionally, the Government's recent decision to consolidate all Local Authority funding into a (reduced) Block Grant and remove ring fencing for schemes such as the Rural Bus Grant, may add to the likelihood of service cuts and/or withdrawals. It will be vitally important for an area such as the East Riding, with its large rural hinterland, that strategies are developed to mitigate the withdrawal of public and external funding and ensure that sufficient capacity and support is maintained for the Community Transport sector (which is currently operating at almost full capacity as it stands).

6.21.8 The Yorkshire and Humber Rural Car Share Feasibility Study[6] was completed in April 2010, as part of the Yorkshire and Humber Rural Access to Opportunities Programme.

6.21.9 The principal aim of the study was to determine the extent, reach and coverage of current car sharing schemes in the Yorkshire and Humber region, with the aim of assessing their potential for improving access to employment, training and key services for people in areas of geographic isolation.

6.21.10 The study found that the Yorkshire and Humber Region has 10 'umbrella' formal car sharing schemes which are run and maintained by local authorities, within which around 50 'closed community' schemes exist – largely focusing on individual employers. However, despite the prevalence of both open and closed schemes across the region, they are not currently performing to their full potential in terms of the number of people registered (estimated at 0.5% of all people aged 16- 74 years for the region as a whole) whereas national best practice cites registration levels at 1%.

6.21.11 Despite the lower levels of uptake, the study found that the formal schemes across the region are estimated to save 3.9 million vehicle kilometres per year (at an estimated cost of £0.017 per vehicle kilometre reduced) making it a very effective mechanism for shifting behaviour away from single occupancy car use. This is estimated to represent a total saving of 790 tonnes of CO_2 and more than £66,000 per year.

6.21.12 The study concluded that car sharing already provides a valuable role within local rural communities, and is an essential element of the transport network for journeys to work, leisure and shopping destinations. Despite the high prevalence of formal schemes across the region, the actual number of registered users and active sharers is low compared to other comparator regions. Hence much more can be achieved within the scope of the existing schemes. On the other hand informal sharing is popular and helps to bridge the accessibility gap in rural areas.

6.21.13 A Regional Car Sharing Partnership has since been formed in order to progress some of the key recommendations from the study.

[6] The Yorkshire and Humber Rural Car Chare Feasibility Study (April 2010), Integrated Transport Planning Ltd.

6.22 SWOT Analysis for the LEA: Housing, Infrastructure and Connectivity

STRENGTHS	WEAKNESSES
Strong local employment land markets in Pocklington, Driffield and Beverley	Industrial market across East Riding is considered to be underpinned by relatively parochial employment and localised demand
Demand for office accommodation to the west of Hull	Hull and East Riding doesn't have the full spectrum of office products – thereby putting it, in market terms, 5 to 10 years behind places such as Leeds
Strong levels of employment land take up in the former Boothferry (Goole, Howden and Howdendyke) and Beverley (Melton) Borough areas	General concerns that the office market in the East Riding is characterised by ageing stock centred on smaller sized settlements serving a predominantly local market
A number of strategically important sites which are centred on the east-west multi-modal transport corridor running from Hull through Hessle, past Melton and Goole	Two thirds of employment land identified as constrained in one way or another e.g. 'strategic access' to former airfields within the East Riding – are relatively isolated from the motorway network
The Ports play a significant role in driving the Humber economy and currently benefits from relatively congestion-free motorway network	Rail connections in the East Riding are reasonable but there is limited scope/plans for significantly moving more freight by rail
A1033/M62/A63/A1079 route is part of the Trans-European Network and is an important route for moving goods (links the ports of Hull and Goole to the rest of the country)	East Riding residents have a heavy reliance on the car – as is to be expected in a rural areas
The East Riding is a desirable place to live and there is demand for land for housing	Seasonal surge in Bridlington creates congestion and provides a disincentive for additional tourist trips
Strong links between Hull and the East Riding housing market sub areas of Hull Borders, Holderness and Beverley	Growth in household incomes has not kept pace with house price increases
House building in the East Riding has historically been high though the financial climate has slowed down the rate of building in the last few years	Although Hull and the immediate areas within East Riding aggregate to establish a reasonably balanced housing market area, housing in Hull can be viewed as a separate market area

OPPORTUNITIES	**THREATS**
The distribution of existing employment land is broadly in line where there is an identified demand	Inverse market where office space in out-of-town locations often achieve higher rental values than city centre offices
There is a forecast growth in net jobs in the order of 3,000 by 2025, including notable gains in the construction, retailing, hotels & catering and health sectors	There are significant job losses forecast in the public, agriculture, paper, printing & publishing, manufacture of transport equipment, other manufacturing and education sectors
Demand for office accommodation to the west of Hull	Perceived latent demand in Hull and East Riding
Significant supply of land allocated for employment use – much of this is made up of large employment sites e.g. M62/A63 corridor	Concerns over identified constraints at Castle Street on the A63 on the edge of the city which could compromise the scale and nature of future development
A1033/M62/A63/A1079 route is part of the Trans-European Network and is an important route for moving goods (links the ports of Hull and Goole to the rest of the country)	Congestion is an economic cost and particular issues of congestion are centred on Beverley, Goole, Bridlington, the A164 and the A1079
The Ports play a significant role in driving the Humber economy and currently benefits from relatively congestion-free motorway network	East Riding has a high proportion of detached properties which are generally high value
Potential to use more modes to transport and transfer freight through the development of multi-modal freight terminals (at Goole, Melton, Hull)	House prices in East Riding are relatively high for the sub-region, particularly in the north-western part of the district, Beverley and villages to the west of Hull
Planned Park & Ride facilities at Beverley and Hull (north and east) may help to alleviate congestion and reduce economic costs	High level of recorded need for affordable housing in the East Riding, particularly in Haltemprice, Bridlington, Goole, Hedon and Beverley
Bridlington Park & Ride facility will help manage the seasonal surge	

7. Environment

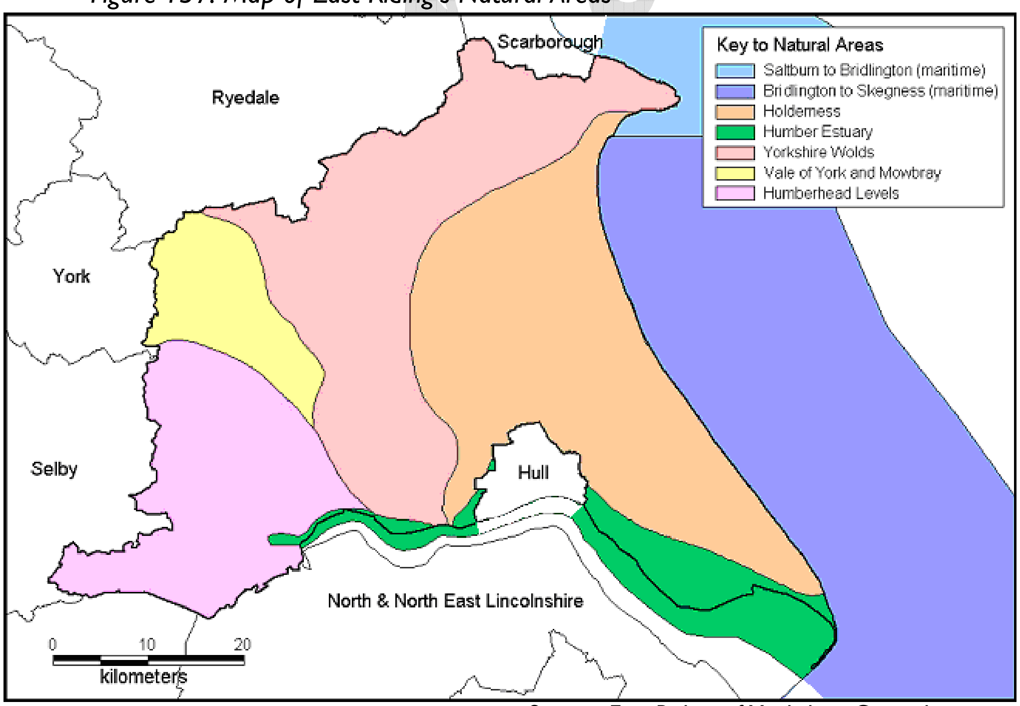
7.1 This chapter firstly gives a brief overview of the natural environment of the East Riding, with a general indication of how this environment contributes to the local economy. It then looks at the key environmental issues currently affecting the East Riding of Yorkshire. The future impacts of these issues on the local economy are considered, in addition to how sustainable the economy of the East Riding is, with particular reference to climate change.

7.2 The natural environment of the East Riding

7.2.1 The East Riding has a rich and varied natural environment, including:

- the ancient flood meadows of the Lower Derwent Valley;
- the chalk grasslands of the Wolds;
- the wetlands of the River Hull valley;
- the remnants of lowland heath in the eastern Vale of York;
- the mudflats and salt marshes of the Humber Estuary;
- the sand dunes of the Spurn Peninsula;
- the chalk headwater streams of the River Hull;
- the chalk cliffs of the Flamborough Headland; and
- the offshore chalk reef habitats of the North Sea.

Figure 137: Map of East Riding's Natural Areas



Source: East Riding of Yorkshire Council

7.2.2 These natural assets (often termed as ecosystem services) contribute to the functioning of a strong East Riding economy. *Figure 138* below summarises some of the direct (and indirect) contributions that the natural environment of the East Riding makes to its economy.

Figure 138: Benefits of the natural environment of the East Riding

Natural Environment Benefit	**Explanation**
Helps to sustain local economies	• Benefits the economy through the provision of jobs, e.g. in agriculture • Boosts the tourism industry. A 1998 survey found that the RSPB Bempton Cliffs reserve attracts 45,000 visitors every year and their expenditure amounted to £407,000 in the local economy (ERYC, 2002) • Makes for a more attractive area that is well placed to attract external investment and skilled workers • Helps, through farming, generate local produce • Provides new market opportunities for farmers and land managers through farm diversification • Geography and natural assets of the area provides great opportunities in relation to the rapidly growing renewable energy sector, e.g. wind, tidal, biomass
Has an important role in mitigating and adapting to climate change	• Woodlands and peat bogs act as carbon sinks, locking up excess carbon e.g. Snaith & Cowick, Rawcliffe and Goole Moors • Floodplains and coastal habitats help to reduce or ameliorate flooding, which is likely to increase in future years as a result of climate change • Urban woodland and tree cover can help to cool and clean the air of our towns and provide shade, which will be extremely important if predicted rises in temperature (due to climate change) happen in coming years
An indicator of the wider health of our environment	• Provides an attractive and healthy environment for people, which can be attractive for external investors • Enhances outdoor recreation, exercise and relaxation opportunities, which can provide employment opportunities in the leisure sector
Supports other vital services that sustain life	• Ecosystem services include the provision of clean air and water, defence against floods and storms, and the management of waste and pollution

7.3 Current Environmental Issues

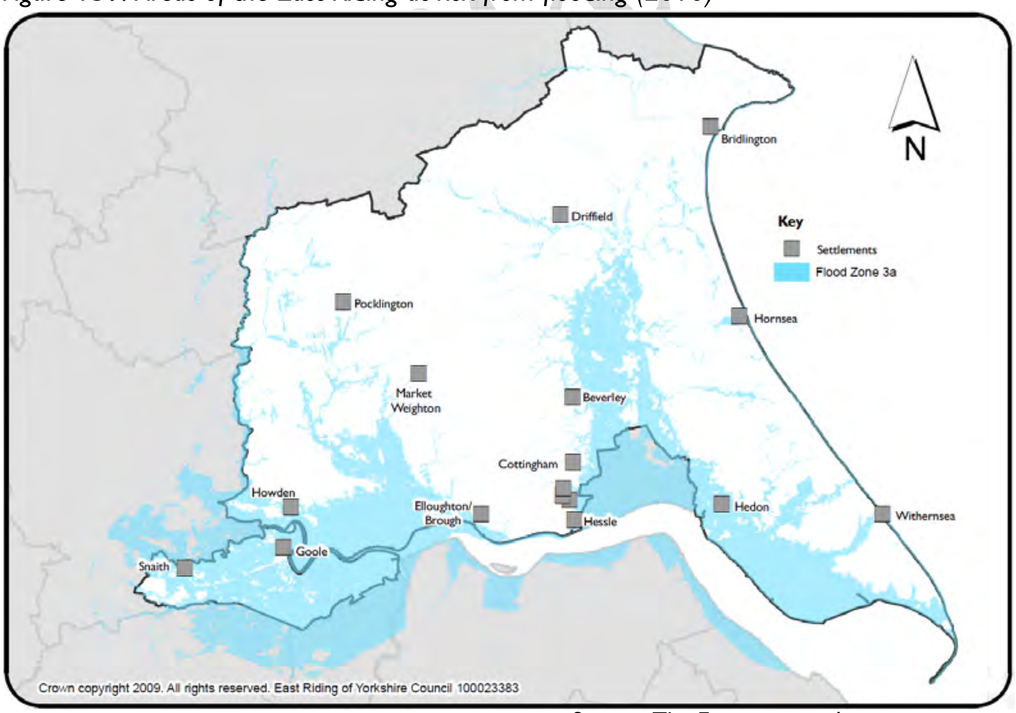
7.3.1 The current environmental issues which interact with the economy of the East Riding are:

- Flooding
- Coastal change
- Waste
- Contaminated Land
- Air Quality

7.4 Flooding

7.4.1 Flood Zone Maps are issued by the *Environment Agency* to provide a general overview of areas of land within the natural floodplain and therefore potentially at risk of flooding from rivers or the sea (see *figure 139)*. A considerable proportion of the East Riding is at risk from river and/or tidal flooding. In total around 25% of the East Riding is within Flood Zone 3, covering around 40,000 households. This is not surprising given the relatively low lying topography of much of the area, historically natural floodplain that has been 'reclaimed' for agriculture and the building of towns through the provision of artificial land drainage and flood defences.

Figure 139: Areas of the East Riding at risk from flooding (2010)



Source: The Environment Agency

7.4.2 It should be noted that the Maps disregard entirely the presence of flood defences. A large proportion of the flood affected areas of the East Riding (as depicted in the Map) are defended against tidal and/or fluvial flooding by the presence of raised flood defences.

7.4.3 The East Riding's Level 1 *Strategic Flood Risk Assessment* (*SFRA*) has recently been completed. This Assessment is a requirement of PPS25 (*Development and Flood Risk*) and provides a foundation upon which the Council's planning and development management decisions can be made.

7.4.4 A Level 2 assessment will be undertaken to examine flood risk issues in Goole more closely, due to the nature of the risk in this part of the East Riding. This will involve an analysis of the current standard of protection provided by defences, and how this will change over time (i.e. as a result of climate change).

7.4.5 In June 2007 the East Riding was flooded on an unprecedented scale causing severe disruption. The event was identified as a 1 in a 150 year occurrence and the result was devastation and misery for many communities and individuals. Over 6,000 households were affected by water entry into the ground floor in the June 2007 floods with many more suffering floods in outbuildings, driveways and gardens. Of these over 3,000 householders were completely displaced from their homes, and forced to live in temporary accommodation with over 900 in caravans. Some of the other impacts of the floods included:

- 78 schools were closed – 38 of which were damaged
- Some 12,334 hectares of land were flooded including good quality agricultural land
- Some 92 businesses and commercial properties were affected
- Some 700km of highway were affected
- There was estimated loss or damage to private property and business well in excess of £200m, plus an estimated £45m of costs to the Council for repairs to highways, schools, bridges and properties.

7.4.6 The report of the Flood Review Panel 2008 made recommendations requiring action by most organisations involved in water management and emergency recovery: the Environment Agency, Yorkshire Water, East Riding of Yorkshire Council; Internal Drainage Boards and Parish Councils. Recommendations were also made for changes in the operation of water management at a national level.

7.5.6 Progress has been made on the co-operation of the relevant authorities. There has been an improved level of consultation and exchange of information. The Multi – Agency Operational Liaison Group has proved very successful in identifying and rectifying local flooding issues. However, there is further work to be done to improve communication and an understanding of water management activities.

7.5.7 The Council has also engaged in extensive work alongside progress on the Flood Review Panel's recommendations including numerous bids for funding, responding to national, regional proposals and prioritising investment for communities, setting up responsive systems to community requests, monitoring systems for early identification of risk, etc.

7.5.8 In planning future growth, the LDF will also assist in minimising climate change vulnerability by directing development away from areas at increased risk of flooding and/or coastal erosion. This will not be possible in all cases (i.e. within existing settlements, such as Goole, that already lie within an area of high flood risk), but the LDF will help to ensure that new development (and re-development of existing land uses) in vulnerable areas is designed to a standard that is resilient to flooding events, storms, and other impacts.

7.5 Coastal Change

7.5.1 Parts of the East Riding's coastline are the fastest eroding in northern Europe. Constant weathering and the undermining of the soft boulder clay Holderness cliffs are resulting in a loss of coastline material. As a consequence, an average rate of 1.5-2 metres of land per annum is being removed over the length of the coast. The processes also have a direct bearing on the protection of internationally important nature conservation sites in the estuary and beyond.

7.5.2 In June 2004, the Council adopted a 'roll back' policy for caravan and holiday home parks to help facilitate a pilot project funded by *Yorkshire Forward* aimed at implementing a sustainable solution to the loss of important tourism infrastructure. ('Roll back' is a term used to describe relocating property/infrastructure further inland from the eroding coast.)

7.5.3 In addition to the above, the Council also agreed a roll back policy for houses and farmsteads in the coastal zone in November 2005. The policy document suggested that over 100 dwellings or farmsteads could be lost to coastal erosion within the next 100 years. The roll back policy provides guidance to residents seeking to apply for planning permission to replace and re-locate their dwelling/farmstead to a more suitable location, thereby lessening the danger of residents living in increasingly unsafe locations.

7.5.4 The Council is lead authority and project manager on the current second generation of the Humber Estuary Coastal Authorities Group (HECAG) Shoreline Management Plan review (SMP2). SMPs form an important part of the Government's strategy for managing flooding and coastal erosion in line with their sustainable development principles.

7.5.5 SMP2 is currently going through the process of potential adoption by all partners. The SMP2 sets headline policies for the future management of the coastline from Flamborough Head down to Gibraltar Point in Lincolnshire. For the East Riding coast the draft policy for the main towns of Bridlington, Hornsea and Withernsea is 'Hold the Line' meaning that protection will continue to be maintained and improved to deal with rising sea levels. For the areas in between, the predominant draft policy is 'No Active Intervention', which means that natural coastal processes will be allowed to continue. To protect these lengthy stretches of coastline would be far too expensive and the sediment released is vital to feed the Humber, Spurn and beaches in Lincolnshire, which help to protect vast areas of low lying land.

7.5.6 The draft SMP2 notes that climate change is causing sea levels to rise. In addition, it also noted that it is likely that climate change will bring about increased storminess. The historic rate of sea level rise is just over 1.1 millimetres per year, based on the sea level measured at Immingham over the period between 1960 and 1995. The relevant figures used for our stretch of coast are given in *figure 140* and suggest a total level of sea level rise of just under one metre by 2105.

Figure 140: DEFRA sea level rise guidance (East of England and East Midlands – south of Flamborough Head)

Time period	Net sea level rise (mm per year)	Total sea level rise in each epoch (mm)	Cumulative sea level rise (mm)
Epoch 1 (2009 – 2025)	4.0	64	64
Epoch 2 (2026 – 2055)	8.5	255	319
Epoch 3a (2056 – 2085)	12.0	360	679
Epoch 3b (2086 – 2105)	15.0	300	979

Source: Defra

7.5.6 The Council has also secured funding as part of the DEFRA Coastal Change Pathfinder. This project aims to engage and support coastal communities as they try to deal with the challenges posed by coastal change through adaptation and relocation. It is not, however, a compensation scheme - the approach in the East Riding will seek to give incentives to people living with the imminent threat of losing their home to relocate to safer and more sustainable areas. The funding for this project will end in March 2011, but the lessons learned from the Pathfinders and any good practice they generate will be shared and reviewed.

7.5.7 The East Riding Integrated Coastal Zone Management (ICZM) Plan is also currently being reviewed (see *figure 141*) and the Coastal Change Pathfinder is a key project for ICZM related activity in the East Riding. The project advocates a joined up ICZM approach.

Figure 141: The East Riding Coastal Zone covered by the Integrated Coastal Zone Management Plan

7.6 Waste

7.6.1 Waste Management is the second most heavily regulated industry in the UK behind nuclear power. Poor waste management can lead to land and groundwater pollution, litter and detritus, hazards to human health, resource scarcity and inefficient business. In order to prevent this, the Environment Agency regulates waste permitting in England. Local authorities and the private sector are involved in this sector which reaches into the tens of millions of pounds in the East Riding alone.

7.6.2 Key waste data for the East Riding is presented in *figure 142* and covers mainly household waste as no reliable local authority data exists for the volume of waste created by the industrial and commercial sectors.

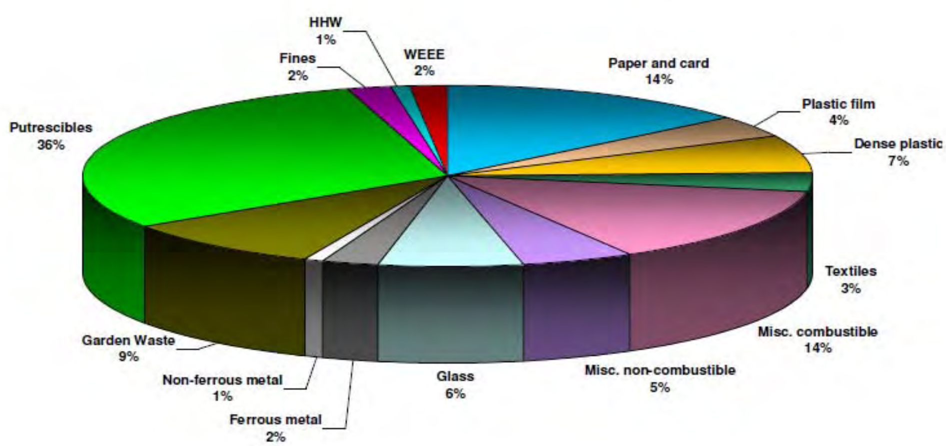
Figure 142: Municipal Waste in the East Riding 2007-2010

	2007/08	2008/09	2009/10	Target 2010/11	Target 2011/12
NI 191 – Residual household waste per household (kg)	869	797	736	665	652
NI 192 – Percentage of household waste sent for re-use, recycling and composting	31.32	33.80	37.62	36.80	To be set
NI 193 – Percentage of municipal waste land filled	64.34	62.20	58.75	53.47	51.09

Source: East Riding of Yorkshire Council

7.6.3 The composition of household waste in the East Riding which still goes to landfill is shown below in *figure 143*. 199,846 tonnes of municipal waste was collected by East Riding of Yorkshire Council in 2008/09, 179,170 tonnes of this was household waste. The remaining 20,676 tonnes was collected from SME's within the East Riding.

Figure 143: Household Waste Composition in the East Riding - Spring 2010.



Source: East Riding of Yorkshire Council

7.6.4 There is a thriving private sector associated with waste management which contributes significantly to the employment and environmental services of the East Riding. Waste is considered in developing future land use patterns and permitting change of use and new construction projects. Given the declining landfill capacity of the UK and rising taxes on landfill per tonne, there will be a significant challenge to address in the future. This challenge needs to be addressed in partnership between local authorities, the private sector and local communities.

7.7 Contaminated Land

7.7.1 In 2001, the East Riding of Yorkshire Council's specialist environmental control team had identified around 4,000 potentially contaminated sites, approximately 400 of which were prioritised where it was considered there was a very high probability of contamination. These prioritised sites included former and existing landfill sites, former gasworks; former and existing scrap metal stores, and existing chemical manufacturing sites.

7.7.2 The council ranked these high priority sites using the 'Contaminated Land Assessment Risk Analyst' software (CLARA), a commercially available computer model specifically developed for this purpose. The council decided to focus on these top priority sites, and embarked on a programme of detailed site inspections. By 2008, some 50 site investigations had been completed and closed, where no evidence of significant pollutant linkages had been identified. However, the process of identifying potentially contaminated land is still ongoing.

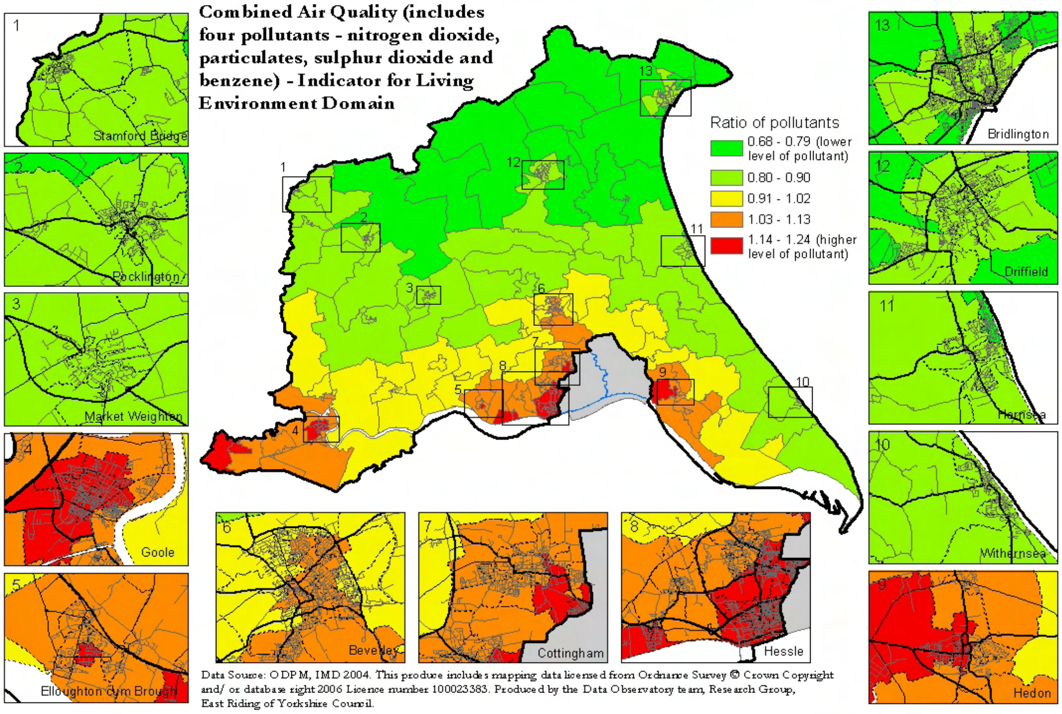
7.8 Air Quality and CO_2 Emissions

7.8.1 Since December 1997 each local authority in the UK has been carrying out a review and assessment of air quality in their area. This is part of their statutory duties for the system of local air quality management (LAQM). The review and assessment process helps local authorities identify areas where there are air quality problems. The East Riding is not at present an Air Quality Management Area, as it does not exceed any of the national air quality objectives, and so no specific pollutants have been declared.

7.8.2 Staffordshire University have allocated the emissions data to Super Output Area (SOA) level for four pollutants for which there are reliable small area level measures and clearly defined annual standard values: benzene, nitrogen dioxide, sulphur dioxide and particulates (PM10).

7.8.3 The combined air quality of the East Riding on a national level is relatively high with no area of the East Riding falling into the lower half of the ratio. None of the East Riding's LSOAs have levels of any of the four pollutants above safe levels. However, there are higher concentrations of pollutants in those LSOAs located around Hull and Goole than the areas in the North and more Eastern fringes of the authority (see *figure 144*).

Figure 144: Ratio of Air Pollutants per area in the East Riding



7.8.4 The Department of Energy and Climate Change (DECC) collate CO_2 figures for all local authority areas in the UK. Though a challenge has been made to the industrial and commercial emissions in *Figure 145*, the emissions for the East Riding have remained relatively static. Carbon Emissions are high due to the rural nature of the local area and therefore high car usage.

Deleted: to the

Figure 145: emissions summary for the East Riding of Yorkshire

Year	*Industry and Commercial Kt CO_2*	*Domestic Kt CO_2*	*Road Transport Kt CO_2*	*Total Kt CO_2*	*Population ('000s, mid-year estimate)*	*Per Capita Emissions (t)*
2005	989	881	696	2,566	329.2	7.8
2006	1,409	876	678	2,963	330.9	9.0
2007	1,423	851	682	2,956	333.0	8.9

7.9 Future environmental issues, the economy and climate change

7.9.1 Much of the national policy and science surrounding climate change is about numbers. If we continue on a 'business as usual' trajectory, the science suggests we could see a global temperature rise of up to 6°C. This may not seem like much, but it would in fact render vast amounts of the world uninhabitable. We know this cannot be allowed to happen, so internationally governments are trying to set targets which will hold the amount of greenhouse gasses in the atmosphere to a level that will mean we will only experience an average global temperature rise of 2°C.

7.9.2 To do this, Britain has calculated that it must cut its emissions by 34% by 2020 and 80% by 2050. This is an enormous, but achievable, task and requires the economy of the East Riding to undergo change. The regional economy could in the future have an over-dependence of on cheap fossil fuels, as these may become more expensive or less available as part of a policy aimed at reducing emissions. The local economy will, therefore, need to adapt accordingly.

7.9.3 It is important to understand the impacts climate change will have locally. As mentioned above, central government is trying to limit emissions to a level where we will only experience 2°C of warming. Even with success in reducing global emissions to the 2°C level, we will still see significant changes to our weather patterns. This means we will have to adapt the way businesses function to deal with extreme weather, water shortages and food insecurity. We can expect hotter drier summers and wetter warmer winters. Summer heat waves, like the one of 2003 which caused many thousands of deaths across Europe and in the UK, will be more frequent and there will be a greater risk of floods.

7.9.4 Fortunately, the East Riding has a wealth of 'renewable' resources to draw on to replace such fuels in the form of wind, wave, tidal and biofuels. Energy producers in the Hull and Humber City Region consist of 119 businesses which had nearly 4,000 employees in 2007. The concentration of businesses involved in energy production and distribution in the Humber was twice as strong as the England average. Recent developments towards utilising renewable energies in the city region would suggest that this cluster is strengthening.

7.10 Economy and society

7.10.1 Key issues identified include:

- Climate change will affect the reliability of food supply chains and water availability. This will increase costs to consumers and lead to shortages of food and water.
- A new study by the University of East Anglia estimates that fish stocks will migrate north by 40km every decade for the next 50 years. This may have a significant impact on our coastal towns and the fisheries industry.
- Climate refugees from the southern countries of the EU may bring renewed pressure on housing, services and labour markets.
- Tourism could increase and infrastructure will be required to cope with increased visitor numbers. However, the nature of coastal tourism may have to adapt to the effects of coastal change, such as coastal squeeze.
- Businesses will need to be fully equipped to respond to the challenges and opportunities of environmental change (and the requirements of environmental compliance regulations) in order to be competitive in the marketplace.

7.10.2 Business support and advice is available to businesses within the East Riding through organisations such as CO_2 Sense, Envirowise, the Carbon Trust, Business in the Community, and Humber Environment Network. They were established to assist businesses with environmental change, new regulations and new markets. The Council also has a number of fully trained and SFEDI Gold Standard accredited Business Advisers offer assistance to businesses operating in the East Riding, when they are planning to develop, employ, train, expand or reduce the company activity or when dealing with the Council's services.

7.11 Agriculture

7.11.1 Key issues identified include:

- Risks to agriculture from changes to the growing season, droughts and floods, increased heat stress in livestock and more storm damage.
- Increased risks from pests and diseases.
- Possible opportunities to exploit growing different crops and increasing yields.
- Potential increased risk of flooding of low lying agricultural land.

7.11.2 Given the continuing importance of agriculture and agricultural land management in the East Riding of Yorkshire, the Council is currently working with the agricultural sector to identify in greater detail the impacts, challenges and opportunities presented by a changing climate. Opportunities such as the growing of energy crops, anaerobic digestion and community supported agriculture are being investigated. The competition between food and biomass production will also be taken into account.

7.11.3 The Council works in partnership with external partners from the private, public and voluntary sectors across the East Riding of Yorkshire and the wider city-region through the East Riding of Yorkshire Rural Partnership (ERoYRP) to take forward the Rural Strategy for the Hull and Humber Ports City–Region. The Strategy includes a section communicating key vulnerabilities and risks arising from climate change, and contains a number of action points to both mitigate and adapt to the challenges faced.

7.11.4 Agriculture is at the forefront of the challenges of both climate change and food security. Changes to the growing season, more extreme weather events and the threat of new pests/diseases are all risks to the sector. However, climate change also presents opportunities such as growing different crop varieties, potential for enhanced yields and renewable energy production. The changing climate is already affecting farmers and it is vitally important that the sector is sufficiently 'future-proofed' to respond and adapt to the challenges ahead.

7.12 The natural environment

7.12.1 Key issues relating to climate change and biodiversity in the East Riding are:

- Rising sea levels resulting in loss of valuable habitats and changes in habitat type
- Rapidly eroding coastline resulting in loss of valuable habitats
- Low lying areas susceptible to flooding
- Locally fragmented semi-natural habitats making them susceptible to further isolation and species extinctions.

7.12.2 The East Riding of Yorkshire Biodiversity Action Plan (ERYBAP) aims to sustain, restore and create a thriving, vibrant and sustainable network in which the priority species and habitats of the East Riding can prosper. An essential part of the ERYBAP is to promote the development of strong networks of habitats for the East Riding that will provide space for biodiversity and the ability for biodiversity interests to move and change as part of the challenges posed by climate change and other pressures.

7.13 Transport infrastructure

7.13.1 Key issues identified include:

- Road surfaces may need to be more heat resilient to cope with higher projected summer temperatures.
- Alternative routes may need to be found or existing routes protected for road and rail infrastructure; and sea defences may need to be provided to prevent strategic routes from being damaged by coastal erosion.
- Climate change is likely to affect UK ports in particular, with extreme weather or rising sea levels resulting in flooding and possibly disrupting operations. In addition, ports on the east coast may face an increased risk from storm surges. To reduce these risks port operators may need to, for example, change the height and configuration of harbour walls and their drainage.
- Capacity of drainage may need to be increased to safeguard transport routes.
- More frequent repairs to road and rail corridors in response to wider temperature ranges and damage from weathering.

7.13.2 The Local Transport Plan 3 (LTP3) is currently under development and will address possible adaptations to climate change. Many of the impacts above are, however, mild in comparison to impacts in other areas. Road surfaces in the East Riding, as in most parts of the UK, are vulnerable to both extreme heat and extreme cold. Repeated freeze - thaw cycles as seen in the winter of 2010 can cause potholing of roads, whilst extreme heat can cause roads to 'melt' creating potentially dangerous conditions. In order to plan for these occurrences in the future, the way we deliver highway maintenance will change along with industry standards. Monitoring weather trends and the condition of highways in the East Riding will ensure roads stay safe and useable.

7.14 Summary

7.14.1 The East Riding is in an excellent position to take advantage of its natural and historic attributes for tourism, attracting new business and for the quality of life of its residents. A diverse range of habitats and landscapes create a set of characteristics that have shaped the settlement patterns and economy of the area. The quality of its natural landscapes and biodiversity improves quality of life, provides ecosystem services such as pollination and soil retention and supports the visitor economy.

7.14.2 Waste is managed effectively and data shows improvements year on year in both the services residents can expect and the waste treatment and recycling infrastructure available to businesses. There is some pressure on landfill capacity but this is expected to drive further innovation in the waste sector creating more economic opportunities for growth and new entrants.

7.14.3 The causes and effects of the 2007 floods have been closely scrutinised. Multi agency working has reduced the risk of similar events recurring and built in resilience to the existing infrastructure. More needs to be done however regarding water management and constrained funds mean schemes must be prioritised clearly. New development is closely scrutinised for flood risk and future plans incorporate all aspects of water management, especially in land use planning.

7.14.4 There is a robust programme of identification and remediation of contaminated land and many of the identified sites have been returned to a useful state, often unlocking valuable brownfield land for development.

7.14.5 The air quality of the East Riding is high and is predicted to remain so into the future. Even so a number of monitoring stations strategically placed around the county ensure air quality data can be accessed easily and trends analysed.

7.14.6 Coastal Change is being managed by a number of agencies and residents in immediate danger of losing their home are helped with significant support from the Coastal Change Pathfinder Project. The Shoreline Management Plan ensures coastal processes and the needs of coastal communities are understood, managed and met in cost effective ways into the future.

7.15 SWOT Analysis for the LEA: Environment

STRENGTHS	WEAKNESSES
Excellent natural environment and biodiversity	Coastal change
Built and natural heritage landscape value	Dependence on fossil fuels
High air quality	High CO2 emissions against national average
Low levels of contaminated land	
OPPORTUNITIES	**THREATS**
Utilisation of diverse and plentiful renewable resource, including wind, biomass, wave and tidal	Heat waves and longer dry spells in summer due to climate change
Development of diverse waste management sector	Wetter winters, including greater threat of flooding
Increased tourism due to hotter summers and excellent tourism offer	Increased flooding (fluvial, pluvial and coastal)
Adaptation of existing agricultural systems to exploit new growing conditions	Climate change and development pressures threaten habitats and biodiversity
Use of natural environment in mitigating and adapting to climate change	Accelerated coastal erosion

8. Initial Summary & Conclusions

8.1 Introduction

8.1.1 This section seeks to summarise the preceding seven sections of the East Riding of Yorkshire's Local Economic Assessment, giving an overall view of the economy within the East Riding, the opportunities it offers and the challenges it faces.

8.1.2 This section also attempts to draw together the key economic linkages and economic characteristics of the four identified Functional Economic Areas.

8.1.3 In order to summarising the findings, we are proposing to ask the following questions which draw together the key messages and generate potential areas of action for future economic policy within the East Riding.

8.2 Does the East Riding have a productive economy with competitive businesses that have the capacity to grow?

8.2.1 The area's business base is largely characterised by micro businesses (i.e. up to 8 employees), but it is also home to major installations for international companies including BP, BAE Systems, Centrica and to one of the Country's largest inland ports at Goole. Industries well represented in the East Riding include manufacturing (14.6% of employees compared to 10.8% nationally), public administration (33.3% of employees compared to 26.8% nationally) and agriculture which employs 7,000 people directly.

8.2.2 The East Riding does not have a highly developed pattern of economic clusters, where groups of organisations are linked together because they buy and sell from each other or because they use the same infrastructure, customers or skills base. However, some key clusters are emerging in the East Riding and include:

- Food and drink;
- Logistics and Ports;
- Renewables (energy/environment);
- Manufacturing and engineering.

8.2.3 Many of these have a spatial dimension. For example, organisations operating in the logistics and ports cluster are naturally located along the main east-west transport corridor and particularly in and around Goole. Over 10% of the Yorkshire and Humber's transport and logistics companies are based in the East Riding, taking advantage of the large land mass it offers.

8.2.4 Other key sectors, which tend to operate in more dispersed patterns are:

- Digital and creative industries;
- Finance and business services;
- Tourism, retail and hospitality.

8.2.5 The area's agricultural industry supports many of these key clusters and sectors through the production of food and non-food crops and diversification.

8.2.6 The key locations for different industries in the East Riding, shown in *Figure 146*, combined with the nature of the area's population growth, is reflected in the area's Gross Value Added (GVA) per head, which is low in comparison with the regional and national averages, as well as the other Humber authorities. The challenge is to attract more businesses in high growth sectors to the area and encourage growth amongst existing businesses.

Figure 146: Key Locations for Different Industries in the East Riding

Sector	**Key Locations**
Energy and water	• Southern Holderness *(less than 300 employees)*
Manufacturing	• Brough • Carnaby • Howden & Gilberdyke/ Newport/North Cave/Sandtoft), • Beverley, Swinemoor/Grovehill • Hedon/Preston *each over 1,000 employees*
Construction	• Carnaby • Beverley, Swinemoor/Grovehill • Hessle *each over 400 employees*
Distribution, hotels and restaurants	• Bridlington • Hessle • Beverley *each over 1,800 employees*
Transport and communications	• Goole *(over 1,000 employees)*
Banking, finance and insurance	• Hessle • Beverley *each over 1,000 employees*
Public admin, education & health	• Beverley *(over 4,500 employees)* • Cottingham • Willerby & Kirk Ella • Bridlington *each over 2,000 employees*
Other services	• Howden *over 1,000 employees*

Source: Annual Business Inquiry 2007

8.3 Does the East Riding have a workforce which has the skills and opportunity to contribute to growing the East Riding's economy?

8.3.1 Schools educational attainment levels in East Riding are generally good, but limited high-value jobs result in young people and graduates leaving the area.

Again, the pattern of attainment mirrors the concentration of deprivation, as does the proportion of 16-19 year olds not in education, employment or training. Considerable investment has been made in Bridlington and Goole's schools with new buildings and management. Plans to create a 'through school' campus for Withernsea were being advanced through Building Schools for the Future, but are now likely to be significantly delayed or scaled back following CSR10.

8.3.2 The nearest University is based in Hull (which also has a campus at Scarborough) and there are four college campuses, at Bridlington, Beverley, Goole and Bishop Burton. Around half of all learners over 16 years old access further education outside the area.

8.3.3 Overall the East Riding generally has a good level of highly skilled workers, mainly in the Haltemprice settlements, Beverley, and in York's eastern rural hinterland.

8.3.4 A low proportion of highly qualified people live in Bridlington, Withernsea and Goole compared with other parts of the East Riding such as Beverley and the West Hull villages. Over a third of people in Bridlington, Withernsea and Goole have no recognised qualifications. There are a number of other barriers to employment, both actual and attitudinal. The benefits trap is a real issue, particularly for people in private rented housing and a growing deterrent to work has resulted in an increase in the number of target-based forms of employment contract which have no base salary or fixed hours.

8.3.5 The proportion of employers reporting skills gaps is relatively low at 12%. However, demand for skills in the care services sector is high due to the increasing proportion of older residents, especially as the health sector has an ageing workforce. Construction and technology are evolving and present new opportunities within green energy and waste management with potential links to international markets. Increased logistics activity will potentially create demand in finance, distribution and warehousing. There is expected to be high replacement demand in leisure and tourism, health and social care, retail, and port and logistics sectors. Public sector spending reductions will, however, impact on employment in the public and private sector supply chains.

8.3.6 Employers demand good literacy and numeracy skills and the importance of keeping a focus on Science, Technology, Engineering and Mathematics (STEM) will increase further given the growth in higher level jobs to support new industries, new jobs and replacement demand in manufacturing. As well as courses related to the East Riding's key driver sectors, management and accounting, ICT and environmental conservation are also identified as priorities.

8.4 Does the East Riding have sustainable infrastructure, housing and transport facilities in place to maximise the area's economic prosperity?

8.4.1 The East Riding of Yorkshire Council is one of the largest unitary councils by area in England and Wales, covering 930 square miles with 70.9% of this being classed as rural.

8.4.2 The area suffers from a relative mismatch between employment locations and key settlements. This has resulted from the conversion of ex-Ministry of Defence sites to industrial use since the Second World War.

8.4.3 The East Riding is a net exporter of labour with 45% of East Riding residents travelling outside the area for work. 20% of the East Riding workforce is made up of in-commuters, however most of this commuting activity is within the Hull and York Functional Economic Areas.

8.4.4 Given the scattered residential pattern in the East Riding, the rural nature of the area and range of employment destinations, a sustainable transport network is vital to linking people to jobs.

8.4.5 Considering the factors in the previous paragraph it is therefore not surprising that the majority of people living in the area travel to work by car. Public transport links between smaller towns and villages and the major employment centres are limited. The dispersal of employment sites outside urban centres makes it even more challenging to provide transport services which link people to jobs. Access to colleges and employment is also restricted for those having to use public transport.

8.4.6 The reliance on the motor vehicle to move people and goods within the East Riding invariably creates traffic congestion and thus priorities for investment under LTP2 have been to alleviate congestion in Beverley and Bridlington, improve road safety and encourage walking and cycling.

8.4.7 The East Riding enjoys relatively good rail linkages however the quantity of goods travelling by rail has scope for growth.

8.4.8 House building in the East Riding has historically been high, fuelled by demand from in-migrants from the UK, and especially from within the Region. These in-migrants are looking to take advantage of the excellent quality of life offered in the East Riding. A large number of these, especially in coastal areas are of retirement age or approaching retirement age.

8.4.9 Levels of house building have reduced in the last two years as have the average house prices within the area. Nevertheless, there are still issues of affordability within the East Riding housing market.

8.4.10 A number of commercial and residential properties and associated infrastructure along the coast are at risk from coastal erosion. The Holderness coast is eroding at an average rate of 1.5-2m each year – one of the fastest in Europe. The East Riding was successful in securing £1.2m Coastal Change Pathfinder funding (to March 2011) to develop and test innovative approaches to help vulnerable and isolated groups to adapt to the pressures caused by coastal change and to achieve a level of wellbeing and quality of life. The number of properties affected is being determined through the Shoreline Management Plan (2) and two levels of support to re-house eligible households have been devised. The Pathfinder will also enable a review of the current 'roll-back' policy for businesses, particularly caravan parks and other tourism accommodation.

8.4.11 The area is seeing significant demand as a location for major renewable energy developments, particularly for the development of wind energy installations. As of January 2010, there are 39MW of operating grid connected wind turbines and a further 146MW with planning consent. There is also some demand for biomass and combined heat and power development, with 33MW of development permitted. Taken together, these have the combined potential capacity to deliver more renewable energy than the target of 148MW by 2021 set in the Regional Spatial Strategy.

8.4.12 The East Riding is served by both Kingston Communications and British Telecom for telecommunications and broadband. Parts of the area suffer from slow broadband speeds and this is increasingly impacting on business operations as more and more services go exclusively on-line. Bridlington and the coastal strip has been identified as an area that has a combination of supply and demand issues – poor broadband capacity and high levels of digital exclusion. A proposal is being developed to link to North Yorkshire's NYNet system to improve coverage and speeds to Bridlington and provide support for communities and businesses to use the increased capacity.

8.5 What are the key opportunities and challenges facing the East Riding's economy?

8.5.1 This Local Economic Assessment process has identified a number of key opportunities but also some key challenges or threats to the economy of the East Riding. These can be summarised as follows in *Figures 147, 148 and 149*:

Figure 147 Key Strengths of the East Riding Economy

Business & Economy • The East Riding sits upon an important trade connection between the UK and Europe; • The East Riding and its Functional Economic Areas contain important clusters in Advanced Engineering, Chemicals and Ports & Logistics; • The East Riding traditionally fosters new businesses at a level above the Yorkshire & Humber average; • The East Riding offers a great quality of life for its residents which can influence inward investors and those choosing where to set up a new business; • The East Riding offers an excellent range of serviced commercial sites and business parks with excellent connection to road and rail infrastructure.
Employment & Skills

- East Riding has a well skilled workforce compared to regional average;
- Non coastal rural areas in the York FEA and Hull FEA show very low levels of educational deprivation;
- The economic activity rate of the East Riding is above Yorkshire & Humber and England Levels;
- High proportions of the workforce in the Managers and Senior Officials occupation group;
- Overall median earnings for the East Riding are above Regional and National Levels.

Housing, Infrastructure and Connectivity

- Strong local employment land markets in Pocklington, Driffield and Beverley;
- Strong levels of employment land take up in the former Boothferry (Goole, Howden and Howdendyke) and Beverley (Melton) Borough areas;
- A number of strategically important sites which are centred on the east-west multi-modal transport corridor running from Hull through Hessle, past Melton and Goole;
- The Ports play a significant role in driving the Humber economy and currently benefit from relatively congestion-free motorway network;
- A1033/M62/A63/A1079 route is part of the Trans-European Network and is an important route for moving goods (links the ports of Hull and Goole to the rest of the country);
- The East Riding is a desirable place to live and there is demand for land for housing;
- Strong links between Hull and the East Riding housing market sub areas of Hull Borders, Holderness and Beverley;
- House building in the East Riding has historically been high though the financial climate has slowed down the rate of building in the last few years.

Environment

- The East Riding has an excellent natural environment and biodiversity;
- High built and natural heritage landscape value in the area;
- The East Riding enjoys high air quality;
- Low levels of contaminated land in the area.

Figure 148 : Key Opportunities presented within the East Riding Economy

Business & Economy

- Great opportunities are available in the area to develop a range of industries in the renewable energy sector;
- Stay-cations and the increased foreign visits to the UK due to the weak pound offer great opportunities to further capitalise upon the East Riding's Tourism assets.

Employment & Skills

- The East Riding has seen significant improvement in 14-16 educational outcomes between 2006-2010;
- Attainment rates have improved for all sixth forms in the East Riding between 2007 and 2010;
- Advanced Apprenticeships success rates have risen between 2007 and 2009;
- There is a forecast growth in net jobs in the order of 3,000 by 2025, including notable gains in the construction, retailing, hotels & catering and health sectors.

Housing, Infrastructure and Connectivity

- The distribution of existing employment land is broadly in line with where there is an identified demand;
- Significant supply of land allocated for employment use – much of this is made up of large employment sites e.g. M62/A63 corridor;
- A1033/M62/A63/A1079 route is part of the Trans-European Network and is an important route for moving goods (links the ports of Hull and Goole to the rest of the country);
- The Ports play a significant role in driving the Humber economy and currently benefit from relatively congestion-free motorway network;
- Potential to use more modes to transport and transfer freight through the development of multi-modal freight terminals (at Goole, Melton, Hull);
- Planned Park & Ride facilities at Beverley and Hull (north and east) may help to alleviate congestion and reduce economic costs;
- Bridlington Park & Ride facility will help manage the seasonal surge in the resort.

Environment

- Utilisation of diverse and plentiful renewable resource, including wind, biomass, wave and tidal for energy production;
- Development of diverse waste management sector;
- Increased tourism due to hotter summers and excellent tourism offer;
- Adaptation of existing agricultural systems to exploit new growing conditions.

Figure 149: Key Challenges and Threats to the East Riding of Yorkshire's Economy

Business & Economy

- GVA per head in the East Riding is weak compared to Yorkshire & Humber and England average;
- The % of small businesses sharing growth in the East Riding is low compared to regional and national levels;
- 61% of comparison good spending leaks from the East Riding economy;
- The Business structure of the East Riding shows an over reliance upon low growth sectors such as manufacturing and an underrepresentation of sectors such as finance and business services which have driven national growth in the

last 10 years;
- Public Sector spending will decrease in the current climate. This has implications on the levels of employment in this sector and contracts available to private business in the area;
- Broadband take up and availability in some coastal and rural areas of the East Riding is low.

Employment & Skills

- The East Riding has high levels of educational deprivation along the coastal strip and in certain urban areas, especially Goole;
- Female workers employed in the East Riding are generally poorly paid due to the low levels of pay in the sector which they predominate and high levels of part time working;
- Yorkshire Coast FEA is over reliant upon part time employment;
- In 14-19 learning there are distinct inequalities between the attainment of Free School Meals and non Free School Meals Students. This impacts most upon attainment in the Yorkshire Coastal FEA;
- A very high proportion of FE learners travel outside the East Riding for their education which has funding implications for FE establishments within the area;
- There is no University or University Campus within the East Riding;
- Public Sector cuts are likely to impact greatly on sectors of projected employment growth in the East Riding;
- Public Sector cuts could further force down low levels of graduate attraction and retention in the area;
- Aspiration levels of learners in deprived areas are low.

Economic Inclusion and Worklessness

- The level of micro lifestyle businesses in the East Riding is impeding the scope for small business employment growth in the East Riding;
- Retail is presenting the only opportunities for large scale recruitment in the East Riding at the present time;
- The lack of provision of Public Transport is impeding workforce mobility, especially in rural and deprived areas;
- Displacement of disadvantaged groups and workforce entrants by migrant labour and potentially public sector workers;
- The Ageing workforce of the East Riding presents challenges around how to keep skill sets relevant and types of sectors that an ageing workforce can reasonably be accommodated in.

Housing, Infrastructure and Connectivity

- Industrial markets across East Riding is considered to be underpinned by relatively parochial employment and localised demand;
- Hull and East Riding doesn't have the full spectrum of office products – thereby putting it, in market terms, 5 to 10 years behind places such as Leeds;

- General concerns that the office market in the East Riding is characterised by ageing stock centered on smaller sized settlements serving a predominantly local market;
- Two thirds of employment land identified as constrained in one way or another e.g. 'strategic access' to former airfields within the East Riding, are relatively isolated from the motorway network;
- Rail connections in the East Riding are reasonable but there is limited scope/plans for significantly moving more freight by rail;
- East Riding residents have a heavy reliance on the car – as is to be expected in rural areas;
- Congestion is an economic cost and particular issues of congestion are centred on Beverley, Goole, Bridlington, the A164 and the A1079;
- Growth in household incomes has not kept pace with house price increases in the area.

Environment

- High dependence on fossil fuels;
- High $C0_2$ emissions in the East Riding compared to national average;
- Threats to housing and industry from flooding and coastal change.

8.6 What are the Key Economic Linkages and Characteristics of the East Riding's Functional Economic Areas?

8.6.1 The evidence presented in the Local Economic Assessment has helped to demonstrate that, due to the size of the East Riding with its complex labour markets, commuting patterns, housing markets, retail catchments, travel to learn catchments and localised industrial specialties, defining Functional Economic Areas has been a complex task. This is especially the case as the economic influence and linkages within the defined FEAs decrease towards the outer edges of their boundaries.

8.6.2 The evidence within the LEA established that there are four distinct areas within and around the East Riding which share sufficient linkages, common features and issues to be considered distinct Functional Economic Areas. These are:

- Hull Functional Economic Area
- York Functional Economic Area
- Yorkshire Coast Functional Economic Area
- Goole & Selby Functional Economic Area

8.6.3 The characteristics and linkages of these Functional Economic Areas are as follows:

8.7 Hull Functional Economic Area:

8.7.1 The key linkages between the East Riding of Yorkshire and Hull are as follows:

8.7.2 **Labour Market Linkages:** The Hull Functional Economic Area very closely correlates with the Hull 1998 Travel to Work Area which the East Riding of Yorkshire Council feels more accurately reflects the patterns of labour movement than the more recent 2008 version.

8.7.3 28.8% of the population commute to work in Hull from the East Riding, equating to East Riding residents making up 34.8% of Hull's workforce. The 2001 Census outlines those East Riding residents working in Hull are primarily living in the major Haltemprice Settlements, Beverley and Hedon, which are within the Hull FEA.

8.7.4 In terms of 'in-commuting', over 11% of the East Riding's workers live in the Kingston upon Hull Area. Looking at the 2001 Census commuting patterns suggests a high proportion of these commuter movements are associated with major employment sites at Saltend, Hessle and Brough, again in the Hull FEA.

8.7.5 **Housing Market Linkages:** The Hull FEA includes the Beverley, Holderness and Hull Borders housing market sub areas which all share a close relationship with the Hull City Housing Market. The unbalanced housing stock in Hull has contributed to continued strong links between the East Riding and Hull's housing markets as workers in the city look for newer semi-detached and detached housing less available in the city, but continue to work in Hull. The Housing Market Renewal programme for Hull and the East Riding – *Gateway* – has been established to revitalise Hull's housing market and to address this key challenge. The renewal programme aims to stabilise the population of Hull by providing a residential offer that suits people from all walks of life and stem the outflow of people from the city, particularly those who are economically active.

8.7.6 **Transport Linkages:** Hull and the East Riding is strongly linked together by Road, Rail and Water. In highways terms the main economic links between the East Riding and Hull are provided by the M62/A63 corridor (Liverpool to Hull via Manchester and Leeds) and the A1079 (Hull to York).

8.7.7 Hull is serviced by rail, via the East Riding, in an east-west direction to Doncaster or Sheffield and on to London or transpennine to Liverpool, Manchester and Leeds, or on the north/south axis to Beverley, Bridlington and Scarborough.

8.7.8 The logistics industry is an important cluster within both the East Riding and Hull facilitated by port operations in both Goole and Hull.

8.7.9 **Employment Land Linkages:** The tightly bound nature of the Hull City Council administrative area means that any industries looking to locate or grow within the Hull area, in sectors which require large footprints for their operations, need invariably to locate within the East Riding segment of the Hull FEA.

8.7.10 **Employment Sector Linkages:** Main sectors of employment in both the East Riding and Hull are Manufacturing, Distribution, hotels and restaurants, public administration and health.

8.7.11 **Further Education Linkages:** 1,444 students from the East Riding attend further education establishments in Hull. That equates to 36% of all East Riding residents undertaking Further Education activity.

8.7.12 **Retail Catchment Linkages:** The East Riding Retail Study outlines that the majority of non food retailing in the East Riding is undertaken in either York or Hull. Indeed 61% of all comparison good expenditure available in the East Riding is spent outside the East Riding.

8.7.13 The study notes that East Riding wide, Hull has the largest market share for all categories of non-food shopping

8.7.14 **Tourism Linkages:** Hull and the East Riding have a track record in collaborating in order to grow the tourism market within the Hull FEA. The visitor destinations management organisation 'Visit Hull & East Yorkshire (VHEY)' have worked closely with both local authorities in order to promote festivals of national significance such as Hull's Freedom Festivals and Beverley's annual Folk Festival in order to attract more staying visitors to the area,

8.7.15 **Common Issues**: The East Riding and Hull also share some further common issues:

- High dependency on the public sector for employment
- Low graduate retention rates
- Mediation of flood risk

8.8 York Functional Economic Area:

8.8.1 The key linkages between the East Riding of Yorkshire and York are as follows:

8.8.2 **Labour Market Linkages**: The Pocklington Provisional ward and large parts of the Wolds Weighton Ward fall within both 1998 and 2008 Travel to Work Areas for York.

8.8.3 From the East Riding, 4.1% of the population commute to work in York, this equates to East Riding residents making up 5.4% of York's overall workforce. The 2001 Census outlines those East Riding residents working in York are primarily living within the Pocklington area, in the York FEA.

8.8.4 In terms of 'in-commuting', over 0.9% of the East Riding's workforce live in the city of York.

8.8.5 **Housing Market Linkages:** The Wolds housing market sub area within the East Riding has a close linkage with the York housing market, especially in terms of residents commuting patterns. As with many elements within the FEAs the influence of the city is stronger for those areas in direct proximity to it. The majority of the Wolds housing market sub area is found within the York FEA.

8.8.6 **Further Educational Linkages:** 285 students from the East Riding attend further education establishments in York.

8.8.7 **Retail Catchment Linkages:** As previously noted the East Riding's retail study states that the majority of East Riding's non food retailing is undertaken in York or Hull.

8.8.8 Evidence from the City of York Retail Study undertaken by GVA Grimley in 2009 shows that the York area enjoys between 30 and 39.9% of the comparison goods market share in the areas of the East Riding which fall within the York FEA.

8.8.9 **Common Issues:** the areas also share some common issues including:
- High dependency on public sector for employment
- Flood risk and its economic impact

8.9 Yorkshire Coast Functional Economic Area:

8.9.1 The key linkages between the East Riding of Yorkshire and Scarborough Borough in the Yorkshire Coast Functional Economic Area are as follows:

8.9.2 **Tourism linkages**: The traditional seaside resorts of Whitby, Scarborough, Filey, Bridlington, Hornsea and Withernsea characterise the main tourism offer on the Yorkshire coast with coastal tourism in East Riding of Yorkshire and Scarborough Borough accounting for 11,400 jobs and an estimated GVA of £148m according to research from Sheffield Hallam University[1]. The Yorkshire Tourist Board Visitor Survey 2009, illustrates the existence of a functional tourism economy on the Yorkshire Coast. The complementary offer in Hull and East Yorkshire and the Coast and Moors areas (including Scarborough Borough), results in those people visiting the Yorkshire Coast travelling freely between local Authority areas to visit attractions during their stay. The Yorkshire Coast is the only area to demonstrate this significant shared linkage in the Region. As a result of the decline in traditional seaside tourism over many years, the resorts have suffered from a lack of investment and market failure which is only now being remedied through a series of regeneration programmes.

8.9.3 **Retail catchment linkages:** The north of the East Riding has a retail economy which is closely linked to Scarborough. The Bridlington Area Action Plan Retail Study, completed by Roger Tym & Partners in 2006, states that

[1] The Seaside Tourist Industry in England and Wales: Employment, Economic Output, Location and Trends. Sheffield Hallam University and the Centre for Regional Economic and Social Research – June 2010 (Table 5 and Table 11).

20% of expenditure on comparison goods from residents in Bridlington is spent in Scarborough - this equated to £37.2 million worth of spend.

8.9.4 **Rural linkages:** Areas of Scarborough Borough and the East Riding of Yorkshire fall within the RDPE Leader funded area. These links are based on similar rural needs and a common heritage. One element of the Leader Programme includes a significant opportunity to develop enterprise and create wealth by enhancing the environment and developing the cultural heritage across the whole of the Yorkshire coast e.g. lost villages, shipwrecks, energy-related industries, fishing, wildlife, seaside traditions and customs.

8.9.5 **Transport linkages**: The Scarborough to Hull Railway line is a vitally important route for the area connecting Scarborough, Filey, Bridlington Driffield and Beverley with Hull and then onwards with other regional and national cities. A Community Rail Partnership has been in operation for many years to encourage use of the line and ensure community involvement in its improvement and development. Demand on the Scarborough to Bridlington section has increased in recent times to the point that a greater frequency of service was put in place all year round as part of the December 2009 timetable.

8.9.6 **Housing Linkages:** A DTZ Housing Markets Summary Report produced for Government Office in Yorkshire & the Humber outlines a **Coastal Character Zone**, stretching from Whitby down to Bridlington, and including Scarborough. This Area is typified as being peripheral, linked to the West Riding by retirement migration with a distinct set of economic and social factors that impact on the housing market and differentiate it from surrounding areas.

8.9.7 **Fishing Industry Linkages:** The Yorkshire coast is characterised by a number of small fishing ports including Staithes, Whitby, Scarborough, Filey, Bridlington, Hornsea and Withernsea. The local fishery is primarily involved in catching and primary processing with a strong focus on shellfish. There are several common issues facing the industry along the coast, including white fish stock depletion, controls on fishing effort, relatively poor landing infrastructure and the need to diversify the industry.

8.9.8 **Further Education Linkages:** 143 students from the East Riding attend further education establishments in Scarborough.

8.9.9 **Environmental Linkages:** There are many shared issues of Coastal Management, including monitoring of coastal erosion and defence of major settlements. East Riding and Scarborough's Shoreline Management Plans overlap. There is also a shared desire to best utilise potential for sustainable energy production in the area.

8.9.10 **Common Issues**

- High dependency on service sector for employment;
- An ageing population fuelled by the in-migration of older; people looking for improved quality of life;

- Unemployment issues;
- High levels of part time working in the area;
- Issues of peripherality;
- A shared desire to develop a Yorkshire Coast Strategy, including concerns to improve broadband coverage, facilitate coastal town regeneration and the concept of the 'enterprising coast', encouraging micro and small business sector development.

8.10 Goole & Selby Functional Economic Area:

8.10.1 The key linkages between the East Riding and Selby are:

8.10.2 **Labour Market Linkages:** The Goole & Selby Functional Economic Area very closely correlates with the Goole & Selby 1998 Travel to Work Area which the East Riding of Yorkshire Council feels more accurately reflects the patterns of labour movement than the more recent 2008 version. The 2008 Travel to Work Areas suggests a far greater economic linkage between Goole and Hull than we have found in the preparation of this assessment.

8.10.3 The labour market flows between Selby and the East Riding look relatively even when considering 1.9% of the East Riding's residents travel to Selby to work and 1.4% of Selby's residents travel to the East Riding for employment. However due to the fact that the East Riding's working population is approximately 4 times bigger than Selby's, in real terms far more East Riding residents are travelling out than Selby residents travelling to the East Riding.

8.10.4 The proportion of Selby residents who travel into the East Riding for employment has increased from negligible levels in 2001 to the 2008 level of 1.4%. It is reasonable to assume this is due in part to the large scale industrial and distribution development at the Junction 36 strategic site in Goole and the associated job creation.

8.10.5 **Education Linkages:** 283 students from the East Riding attend further education establishments in Selby. These students are from within the Goole area.

9. LOCAL ECONOMIC ASSESSMENT - Glossary

AAP	Area Action Plan
ABI	Annual Business Inquiry
ABS	Annual Business Survey
APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
BME	Black and Minority Ethnic
BP	British Petroleum
CCS	Carbon Capture and Storage
CFMPs	Catchment Flood Management Plans
CLARA	Contaminated Land Assessment Risk Analysis
CLG	Communities and Local Government
CSA	Childcare Sufficiency Assessment
CSCS	Construction Skills Certification Scheme
CSR 10	Comprehensive Spending Review 2010
DCLG	Department for Communities and Local Government
DECC	Department of Energy and Climate Change
DEFRA	Department for the Environment, Food and Rural Affairs
DPD	Development Plan Document
DWP	Department for Work and Pensions
EAL	English as an Additional Language
EBP	Education Business Partnership
EfW	Energy from Waste
ELR	Employment Land Review
EMA	Educational Maintenance Allowance
EPAS	Education Planning and Assessment System
ERoYRP	East Riding of Yorkshire Rural Partnership
ERYBAP	East Riding of Yorkshire Biodiversity Action Plan
ERYC	East Riding of Yorkshire Council
EU	European Union
EWS	English Welsh & Scottish Railways
FE	Further Education
FEA	Functional Economic Area
FFT	Fischer Family Trust
FSM	Free School Meals
GCSE	General Certificate of Secondary Education

GDP	Gross Domestic Product
GVA	Gross Value Added
HE	Higher Education
HEP	Humber Economic Partnership
HFRMS	Humber Flood Risk Management Strategy
HGV's	Heavy Goods Vehicles
HMA	Housing Market Area
HMSO	Her Majesty's Stationery Office
HNMA	Housing Needs and Market Assessment
ICT	Information and Communications Technology
IMD 2007	Index of Multiple Deprivation 2007
IPCC	Intergovernmental Panel on Climate Change
JSA	Job Seekers Allowance
JSP	Joint Structure Plan (Hull and East Riding)
KS2	Key Stage 2 (Years 3-6 incl.)
LA	Local Authority
LDF	Local Development Framework
LEA	Local Economic Assessment
LEGI	Local Enterprise Growth Initiative
LEP	Local Enterprise Partnership
LQ	Location Quotient
LTP	Local Transport Plan
MOD	Ministry of Defence
MORE	Making Opportunities Realistic for Everyone
N&EY SRG	North & East Yorkshire Sub Regional Group (Learning)
NAS	National Apprenticeship Service
NEET	Not in Education, Employment or Training
NETA	North European Trade Axis
NCCIS	National Connexions Customer Information System
NHS	National Health Service
NI	National Indicator
NOMIS	National Online Management Information System – Labour Market Statistics
NSTSO	National Survey of Third Sector Organisations
NUTS 3	Nomenclature of Units for Territorial Statistics
NVQ1	National Vocational Qualification Level 1
NVQ2	National Vocational Qualification Level 2

NVQ3	National Vocational Qualification Level 3
NVQ4	National Vocational Qualification Level 4
ONS	Office for National Statistics
OTE	On Target Earnings
OTS	Office of the Third Sector
PAYE	Pay As You Earn
PCT	Primary Care Trust
PPG	Planning Policy Guidance
RAF	Royal Air Force
RSPB	Royal Society for the Protection of Birds
RSS	Regional Spatial Strategy
SIA	Security Industry Association
SIC	Standard Industrial Classification
SME	Small to Medium-sized Enterprise
SMP2	Shoreline Management Plan 2
SOA	Super Output Area
SRES	Special Report on Emissions Scenarios
SRF	Solid Recovered Fuel
SRG	Sub Regional Group
SWOT	Strengths Weaknesses Opportunities Threats
TTWA	Travel to Work Area
UKCP09	UK Climate Projections 2009
VAT	Value Added Tax
VHEY	Visit Hull and East Yorkshire Ltd
WNF	Working Neighbourhood Fund
WW2	World War Two
Y&H	Yorkshire and the Humber
YPLA	Young Persons Learning Agency
YTB	Yorkshire Tourist Board