



# **Local Labour Initiative Training and Enterprise**

## **Labour Market Information**

**March 2010**

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## Introduction

Llite was formed in 2001 with bases in Hull and Sheffield and a geographical target area that included the two cities and the East Riding of Yorkshire and South Yorkshire. In 2009 Llite expanded into North Lincolnshire with a new training centre in Scunthorpe.

When the company was established a number of large capital regeneration initiatives were under development and at the same time the construction sector was facing a huge skills shortage. At a local, regional and national level there was a growing demand for training new entrants in the industry and up skilling the existing workforce. The construction sector set itself a target of 500,000 new entrants to the industry and a further 500,000 existing staff achieving NVQ Level 2 by 2010.

Llite was formed to assist the sector achieve these aims and to develop a qualified construction labour market that would contribute to local regeneration initiatives. Basically Llite aims to marry up capital investment and the subsequent employment opportunities that arise for local people. Llite has recently expanded its training portfolio to include street works, manufacturing and warehousing.

Annually Llite compiles Labour Market Information to reassess these aims and consider how the construction sector, the labour market and regeneration initiatives are changing. This allows Llite to ensure that its own services and training is meeting the needs of its stakeholders, clients and the local construction sector.

## **Section 1: Statistical Profiles (data from June 2009 – February 2010)**

### **a. Hull Local Labour Market**

168,500 (65.1% of the total population) people in Hull are of working age. Of these people 120,700 are economically active and 47,800 (28.57%) are economically inactive. In comparison 21.9% of the Yorkshire region and 21.1% of the UK's population are economically inactive. 34,650 (20.6%) people claim benefits, which is high when compared to a regional figure of 14.3% and a national figure of 13.5%.

There are 13,150 (7.8%) people claiming Job Seekers Allowance in Hull. This is the highest level of unemployment in the Yorkshire and Humber region and an increase of over 4,000 people from October 2007. Another 14,880 (8.8%) people claim incapacity benefit. This compares poorly with national figures of 4% of the population claiming Job Seekers Allowance and 7.1% claiming Incapacity Benefit. Hull also has above regional and national averages of people claiming Lone Parent, Disability and Carer benefits.

In Hull 54.8% of the working population is educated to NVQ Level 2 or above, an increase of 1.5% from June 2008. In comparison 62.9% of Yorkshires population and 65.2% of the national population are educated to NVQ Level 2. Worryingly 30,300, almost 18.2% of the working population, have no qualification at all but on a positive note this is 4,500 less people than in June 2008. In comparison 13.4% of people in Yorkshire and 12.4% of people in the UK have no qualification.

4.7% of the economically active work in the construction sector, which is under the regional average of 5.2% and the national average of 4.8%. The average wage of full time employee in the Hull area is £407.70 per week compared to a national average of £491 (a difference of £83.30).

Overall Hull's Labour Market suffers from a complex range of problems particularly in terms of the number of economically active people who claim benefits and with regards to the number of people who do not have a qualification. The recession has compounded these problems with a further 4,000 people claiming Job Seekers Allowance.

### **b. East Riding of Yorkshire Local Labour Market**

197,400 (58.9% of the total population) people in the East Riding of Yorkshire are of working age. Of these people 169,800 are economically active and 36,400 (19.2%) are economically inactive, which is an increase of 5,300 people since October 2007. In comparison 21.9 % of the Yorkshire region and 21.1% of the UK's population are economically inactive. 9.9% of people claim benefits compared to 20.6% of people in Hull and 13.5% of people nationally.

A total of 6,420 people claim Job Seekers Allowance, an increase of 2,740 since June 2008. The percentage of claimants has risen from 1.9% to 3.2%, which is still lower than regional

and national averages and significantly lower than Hull's average of 7.8%. It also has below average percentages of people claiming Incapacity, Carers and Disability benefits.

In the East Riding of Yorkshire 68.9% of the working population is educated to NVQ Level 2 or above, which compares strongly with regional and national averages. 10.3% (20,500) of people have no qualification compared to 13.4% of people in Yorkshire and 12.4% of people in the UK.

5.3% of the economically active work in the construction sector, which is slightly above regional (5.4%), national (4.9%) and the Hull (4.7%) average. The average salary of a full time employee in the area is £460.70, which is £53 higher than the Hull average (£407.70).

Overall the East Riding continues to have a strong labour market, particularly in comparison with the Hull area but the area has also seen a sharp rise in unemployment.

### **c. Sheffield Local Labour Market**

342,800 (64% of the total population) people in Sheffield are of working age. Of these people 272,400 are economically active and 76,600 (22.6%) are economically inactive. In comparison 21.9% of the Yorkshire region and 21.1% of the UK's population are economically inactive. 14.3% of people claim benefits compared with 13.5% of people nationally.

A total of 16,600 people claim Job Seekers Allowance, an increase of 7,280 people. This means 4.7% percentage of people are claiming Job Seekers Allowance compared to 2.7%, in June 2008. This is significantly higher than the national average of 4%. Sheffield also has slightly above average national average numbers of people claiming Incapacity benefits, Carers benefits and Disability benefits.

In Sheffield 64.6% of the working population is educated to NVQ Level 2 or above, which compares strongly to 62.9% of Yorkshires population and 65.2% of the national population. 50,000 (14.7%) of the working population have no qualifications at all, which above the Yorkshire average of 13.4% and above the UK average of 12.4%. Most other regions have seen a decline in the number of people with no qualifications.

4.2% of economically active people work in the construction sector, which is below national (4.8%) and regional (5.2%) averages. The average full time wage is £458.60, below the national average of £491 but above the Yorkshire average of £450.80.

Overall the Sheffield labour market has seen a rise in unemployment since June 2008 which has been much sharper than either regionally or nationally. Additionally the number of people with no qualifications has grown in the area while other regions have seen significantly reduced numbers.

#### **d. South Yorkshire (incorporating Barnsley, Doncaster and Rotherham) Local Labour Market**

814,000 (62.3% of total population) people in South Yorkshire are of working age. Of these people 645,400 are economically active and 185,000 (22.90%) are economically inactive. In comparison 21.9% of the Yorkshire region and 21.1% of the UK's population are economically inactive. 134,900 (16.6%) of people in South Yorkshire claim benefits, which is higher than the regional (14.3%) and national (13.5%) averages.

There are 41,610 claiming Job Seekers Allowance, an increase of over 18,000 people since June 2008. This means 5.1% of people are claiming Job Seekers Allowance compared to 2.9%, in June 2008. This is significantly higher than the national average of 4%. Additionally the number of people claiming Incapacity benefits in South Yorkshire is 8.9% (72,070) which is higher than both regional (7.1%) and national (7%) averages.

In South Yorkshire 496,600 people are educated to NVQ Level 2 or above an increase to 61.2% from 58.7% in June 2008. In comparison the regional (62.9%) and national (65.2%) averages are slightly higher. 127,500 (15.7%) people have no qualifications at all, which is higher than regional (13.4%) and national (12.4%) averages.

5.8% of the economically active work in the construction sector, which is higher than the regional average (5.2%) and national average (4.8%). The average wage of a full time employee in the South Yorkshire area is £451.10, which is slightly above the regional average (£450.80) and significantly below the national average (£491).

Overall the South Yorkshire Labour Market has seen significant increases in not only the number of unemployed people but also the number of people claiming Incapacity benefit since June 2008.

#### **e. North Lincolnshire**

96,100 (60% of the total population) people in North Lincolnshire are of working age. Of these people 81,500 are economically active and 18,900 (19.6%) are economically inactive. In comparison 21.9% of the Yorkshire region and 21.1% of the UK's population are economically inactive. 14.1% of people claim benefits compared with 13.5% of people nationally.

A total of 4,740 people claim Job Seekers Allowance, an increase of 2,140 people since June 2008. This equates to a percentage of 4.7% which is exactly the same as the Yorkshire average and higher than the national average of 4%. Scunthorpe's averages in people claiming Incapacity benefit, Carers benefit and Disability benefits are all very similar to national and regional averages.

In North Lincolnshire 61.1% of the working population is educated to NVQ Level 2 or above which is below regional (62.9%) and national (65.2%) averages. 11,300 (11.7%) people have no qualifications, which is significantly lower than regional (13.4%) and national (12.4%) averages but represents an increase of 1,500 people since June 2008.

8% of economically active people work in the construction sector, which is above regional (5.4%) and national (4.9%) averages. The average full time wage is £463, which is above the regional average but £28 lower than the national average.

Overall North Lincolnshire's economy remains relatively strong although, as with all other areas, there has been a sharp rise in unemployment.

#### **f. The Economic Crisis**

Over 30,000 more people claiming benefits in Llite's operational areas between June 2008 and February 2010. We are also receiving of information from the media, Learning Skills Council and Job Centre Plus that suggest employment related projects such as Llite will be busy over the next two to three years with large volumes of unemployed people coming through the system.

Additionally our own statistics are telling. The number of people coming through on long term unemployment programmes has doubled since July 2008, whilst we are inundated with short term unemployed clients seeking support and retraining.

The below tables detail Job Centre Plus's projected increase in long term unemployed clients between October 2009 and September 2014. As the tables show the figures have been recalculated to over 300% the original projection.

	<b>Volumes</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>	<b>Total</b>
<b>South Yorks and Derbys</b>	Original	6,500	5,625	5,700	5,625	5,600	<b>29,050</b>
	Revised	17,000	19,000	19,000	19,000	19,000	<b>93,000</b>
	Diff %	262%	338%	333%	338%	339%	<b>320%</b>

	<b>Volumes</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>	<b>Total</b>
<b>North and East Yorks, Humber and Tees Valley</b>	Original	7,675	6,600	6,725	6,650	6,600	<b>34,250</b>
	Revised	20,000	22,500	22,500	22,500	22,500	<b>110,000</b>
	Diff %	261%	341%	335%	338%	341%	<b>321%</b>

In the Humber Job Centre Plus have recorded 4,000 new notifications of redundancies, while job losses saw the claimant on-flow rise to 5,745 in January 2009 alone. Manufacturing (significantly in Food, Chemical and Caravan), Engineering, Financial services, Warehouse and Distribution and Retail have been the worst hit in the Humber, based on Job Centre Plus published figures.

**Source:** Official Labour Market Statistics ([www.nomisweb.co.uk/reports](http://www.nomisweb.co.uk/reports)) and partner organisations.

## Section 2: Strategies and Information

### a. Regional Strategies and Information

1. **Chief Economist unit and Yorkshire Forward:** The recession's impact on regional and local labour markets in Yorkshire and Humber

This report was published in June 2009 and provides clear information on how the recession has affected vacancies, unemployment and at risk jobs. A number of regionally pertinent points that affect Llite's operational areas are detailed below:

#### Hull and the Humber

- Hull experienced significant employment contraction before the recession.
- In 2010 and 2011, the years of most significant contraction in employment growth, the areas at greatest risk include Hull and the East Riding.
- Skilled Trade occupations have taken a hit in the number of vacancies, and this is particularly affecting the Humber.
- That Hull has the greatest concentration of wards that have experienced high rates of claimant count unemployment growth.
- Hull and Rotherham appear to be the two districts where the scale, nature and spatial intensity of rising unemployment is most pronounced
- The rates of growth in claimant count unemployment across wards in Hull have been especially pronounced in the last year; and amongst the highest in Yorkshire and Humber.
- The more deprived areas of Hull have been especially hard hit with increases in the unemployment rate as high as 4.8%.
- Hull features prominently in two senses – it has the highest proportion of wards where the rate of increase in male unemployment has been very high (in the top quintile) and the greatest disparity between rates of change in male and female unemployment - the rate of increase in male unemployment has been much sharper than that for females.
- Hull – the high proportion of wards with a significant increase in male unemployment appears to be driven by an increase in male long-term unemployment.
- By 2026 forecasts suggest that Hull will not yet have returned to pre-recession levels of employment.

## Sheffield and South Yorkshire

- Skilled Trade occupations have taken a hit in the number of vacancies, and this is particularly affecting South Yorkshire.
- Rotherham experienced significant employment contraction before the recession.
- Barnsley, Doncaster and Rotherham have significantly high concentrations of wards where the rate of claimant count unemployment has risen significantly.
- Hull and Rotherham appear to be the two districts where the scale, nature and spatial intensity of rising unemployment is most pronounced

## Scunthorpe and North Lincolnshire

- In 2010 and 2011, the years of most significant contraction in employment growth, the areas at greatest risk include North Lincolnshire.
- North Lincolnshire has significantly high concentrations of wards where the rate of claimant count unemployment has risen significantly.

## All areas

- In the long-run, those areas whose employment growth rates were most significantly impacted by the recession are forecast to make a much lower contribution to employment growth in the future, compared to the previous economic cycle.
- Short-term contraction in employment (essentially across the three years of recession) is likely to be most pronounced in Hull, North East Lincolnshire, North Lincolnshire, Barnsley, York, East Riding and Sheffield.

**Source:** Yorkshire Forward (available at [www.yorkshire-forward.com/our-wonderful-region/our-economy/labour-market-skills](http://www.yorkshire-forward.com/our-wonderful-region/our-economy/labour-market-skills))

### 2. Centre for Cities: Tackling Urban Youth Unemployment (June 2009)

This Centre for Cities report concentrates on the issue of youth unemployment which has long been an issue in the UK and which has got much worse during the recession. As the paper reports in its Executive summary “in cities like Hull and Barnsley youth employment has increased on top of already high stocks unemployment”. The paper reports that since the recession started youth unemployment has risen from 700,000 (13.8%) to 900,000 (18.4%) and projects that this will peak at over 1,000,000 before the end of the recession.

Within this issue there is the further matter of long term unemployment. Durations of unemployment undoubtedly increase during recessions and currently it is estimated 15% of young unemployed people have been out of work for over 12 months. By early 2011 it projected that this will increase to 30% meaning that 300,000 young people will not have worked for at least 12 months.

In Lites' operational areas Hull is identified as having the highest percentage of Young People claiming benefits (6.3% of all young people) and Barnsley in number 9 on the list. Hull is also listed as having the most applicants per vacancy in the country, with 24.2 people applying for every job.

**Source:** Centre for Cities (available at [www.centreforcities.org/assets/files](http://www.centreforcities.org/assets/files))

### **3. Department for Work and Pensions: Labour Market Overview**

The DWP identified a number of pertinent points in its recently published Labour Market Overview in its Local Specification of the Yorkshire and Humber area.

In Hull it focused upon the major investment in the city with the proposed Humber Quays, Quay West and Fruit Market regeneration and the potential Casino project, all of which are major capital developments. It also highlights the areas dependency on the Manufacturing Sector (17.9% compared with 12% nationally) and its vulnerability, as demonstrated by the recent closures of Birds Eye and Youngs Bluecrest (with over 800 job losses).

Generally it emphasises the likely sectors for development in the Humber, in particular the logistic and warehouse sector. The construction sector will have a key role to play in developing the infrastructure to support these developments.

Within Sheffield and South Yorkshire the ongoing regeneration of the City Centre and Sheffield interchange is cited as creating jobs in the construction sector but at the same time creating skills shortages in smaller construction companies across the region.

**Source:** DWP Local Specification for Yorkshire and the Humber Region (available at [http://www.dwp.gov.uk/supplyingdwp/what\\_we\\_buy/european\\_social\\_fund.asp](http://www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp))

### **4. Yorkshire Forward: Regional Economic Strategy 2006 - 2015**

Yorkshire Forwards Regional Economic Strategy is a blueprint for maximising the local economy over the period 2006 - 2015. Construction features a number of times when considering the region's economic challenges and opportunities.

In particular the strategy focuses on moving the economy away from reliance on declining sectors such as manufacturing and toward growth sectors, such as construction. Also it highlights the need to monitor the impact of construction in the South East of England,

where the 2012 Olympic project and affordable housing schemes could affect the capacity of local construction companies as labour migrates out of the region.

Most significantly under Objective 2: Competitive Businesses, the role of the construction sector is highlighted under the sub-heading 2C Boost key sectors of regional significance: *'Construction – address skills needs and gain more benefit from local jobs, contracts and sustainable construction.'*

**Source:** Yorkshire Forward Regional Economic Strategy (available at <http://www.yorkshire-forward.com/>)

## **b. National Strategies and Information**

### **1. Construction Skills: Sector Skills Agreement**

Construction Skills represents the sector and reports and influences government agendas. In October 2005 it published the Skills Sector Agreement for Construction. Three key priorities were identified:

To improve the business performance of construction companies, particularly the 95% that employ fewer than five people. Statistics show that less than a third of registered employers are claiming grants for training and an even smaller proportion have committed to achieving the Investors in People standard.

To achieve a fully qualified workforce at all stages of the construction process and throughout the supply chain. Again, estimates show that in order to achieve the industry's own target of a fully qualified workforce by 2010 at least 70,000 people a year need to achieve an NVQ Level 2 qualification.

To improve the recruitment and retention of well-trained and qualified new entrants by creating a positive image of the industry and providing well-structured progression pathways into and through it. It is forecast that over the next five years, 68,800 qualified new entrants a year must be recruited in England alone. Whilst the industry is attracting enough people, it is estimated that only 40% are suitably qualified. There is an urgent need to better understand how recruits, particularly adults, enter the industry and what measures can be put in place to ensure they are properly qualified.

Generally the focus is on creating a less fragmented sector, with more commitment to training, attracting new entrants and growing existing businesses.

**Source:** Construction Skills: Skills Sector Agreement (available at <http://www.constructionskills.net/sectorskillsagreement/>)

## **2. Construction Skills: Labour Market Information March 2010**

Construction Skills acknowledges that for most employers in the construction industry the recession and low or uncertain demand were key issues and consequently there has been a very dramatic fall in skills shortages facing employers compared with previous years, however skills shortages were still identified. Research points to quite a wide variation in the type of employers encountering skill shortages when recruiting. Professional services firms that had attempted to recruit skilled staff were far more likely to have encountered recruitment difficulties (56%) than the construction contracting sector (22%).

In many cases the skills lacking among applicants are very occupation specific, and in other cases the 'skill' is more about personal attitudes and commitment and motivation (mentioned by 33% of employers experiencing hard-to-fill vacancies) or a lack of experience (27%). Among broader generic skills mentioned were a lack of literacy / numeracy (8%) and a lack of IT skills (7%). On the construction contracting side of the sector, the largest volume of skills gaps (circa 13,000) was reported for labourers and general operatives. 6% of people working in this occupation were described as "not being fully proficient".

**Source:** Construction Skills (available at [www.constructionskills.net/research](http://www.constructionskills.net/research))

## Section 3: Construction and Regeneration Activity

### a. Hull and the East Riding of Yorkshire

In Hull and the surrounding area there are over 500 Construction and allied trade based SME's that employ 5,800 people in Hull and 6,700 people in the East Riding of Yorkshire. A spate of developments and initiatives are increasing the volume of building projects across the region and the demand for construction staff is expected to rise accordingly.

Examples of large capital projects proposed or underway include;

#### **Hull City Centre Master Plan**

The St Stephens development, completed in October 2007, was the first phase of Hull ambitious City Centre master plan. A number of new initiatives are planned in the City Centre:

- **Quay West;** an extension to Princes Quay Shopping Centre that will link with St Stephens, creating a vibrant retail area.
- **Humber Quays;** An elite office district on the waterfront, which will be a centre for international trade.
- **Fruit Market;** A residential, workspace, leisure and retail development on Hull Marina.
- **Albion Square and Heart of the City;** A creative transformation of the area surrounding Queen Victoria Square and Queens Gardens, including office and residential space.
- **East Bank of the River Hull;** Housing led riverside development along the bank of the River Hull.

Additional construction work will be required to create an infrastructure that will support the proposed developments, including roads, paths and footbridges.

Over the next 10 years an estimated £825 million of public and private money will be levered into the city to achieve the described projects.

**Source:** Hull City Centre Masterplan (available at [www.hull.co.uk](http://www.hull.co.uk))

#### **Gateway; the Housing Market Renewal Fund Pathfinder**

Gateway is a government funded project to revitalise neighbourhoods where the population is declining and the demand for housing is weak. Hull is described as an area of 'acute market failure' due to empty properties, low house prices and a lack of choice. The first five priority areas are Newington and St. Andrew's, Ings, Preston Road, North Bransholme and Orchard Park.

A number of proposed capital improvements will redevelop these neighbourhoods including:

- Demolishing unwanted housing stock.
- Building new homes.
- Improving existing homes.

The first phase of this work is expected to bring around £180 million pounds into the city. The proposed improvements are to continue until 2020.

Gateways Scheme Update, published in April 2006 made an important point; "Construction skills: will be critical to support the scale of regeneration across the Humber sub-region."

**Source:** Gateway Pathfinder to Renewal in Hull and the East Riding (available at [www.gatewaypathfinder.net](http://www.gatewaypathfinder.net))

### **Building Schools for the Future**

In 2007 Construction Skills released a report that during 2007-2011 a total of 87,600 new recruits to the construction industry alone would be needed to meet the aims of the Building Schools for the Future (BSF) Project. In Yorkshire alone it was predicted that 6,090 recruits per annum (24,360) over the timeframe will be needed to complete the work. Construction Skills Peter Loban then commented that: "One of our biggest challenges is to ensure new entrants and existing workers have access to the training that will deliver the skills that are required for projects across all sectors."

In October 2009 the ESTEEM consortium led by Morgan Sindall was named the preferred bidder by Hull City Council. The £400m project includes:

- three brand new academies
- one trust school
- one Roman Catholic school
- one all boys school
- one all girls school
- six learning centres (schools) with specialists areas such as languages, sport, and technology across the city
- a complete overhaul of the information and communications technology (ICT) facilities at all schools and units

The impact of BSF on the local labour market will be enormous, creating entry opportunities for young people and affecting the whole supply chain.

**Source:** Yorkshire Forward and Hull City Council (available at [www.yorkshire-forward.com](http://www.yorkshire-forward.com) and [www.hullcc.gov.uk](http://www.hullcc.gov.uk))

## **b. Sheffield and South Yorkshire**

8,500 people from Sheffield and 27,400 people from South Yorkshire work in the construction sector. The catalytic effect of European funding is being felt across the area, with £538 million invested in South Yorkshire during 2000-2007, including 83,000 square metres of floor space created. As Objective 1 European Funding is phased out of the area, significant investment is ongoing:

### **Sheffield City Centre Masterplan**

Similarly to Hull, a number of flagship projects are planned or in process across the city centre. The Sheffield Masterplan was officially launched in 2001 and is due to finish between 2011 and 2016.

- **Heart of the City;** An ambitious project to transform the commercial area of the city into an area with hotels, office space and commercial space. The project is under development with a hotel and office space completed and 322 apartments due for completion by 2009.
- **New Retail Quarter (NRQ);** The NRQ is focussed on re-establishing Sheffield City Centre as a shopping destination. 82,000 square metres of retail space will be created with the first phase due to begin in 2008 and completed by 2011.
- **City Hall and Barkers Pool;** Elements of this scheme to create a mixed use cultural area, with leisure, office, retail and living space have been completed. However further work is planned on Office Space in 2007.
- **Castlegate;** This is another mixed build, with significant private investment and includes commercial office space and retail units. Work is expected to start on the site in late 2007.
- **Sheffield Digital Campus;** This project concerns the creation of 50,000 square metres of workspace for pioneering and innovative creative businesses. The first phase of the project is due to start in 2007.
- **Sheffield Station and Integrated Transport;** A series of improvements, including a £60 million upgrade of Sheffield Station, to the transport infrastructure are under proposal to improve access to the city centre.

**Source:** Develop in Sheffield: City Centre Masterplan (available at <http://www.creativesheffield.co.uk/DevelopInSheffield/CityCentreMasterplan>)

### **Transform South Yorkshire Programme**

As with housing stock in Hull, South Yorkshire is a target area for Housing Market Fund Pathfinder. Over a ten to fifteen year period obsolete housing in South Yorkshire will be replaced through a programme of demolition, refurbishment and new builds.

Work began on the first phase of work in 2004 in Barnsley, Rotherham, Doncaster and Sheffield. By 2007 £71 million had been invested in housing market renewal in these areas. A further £90 million has been designated over the next three years.

This rolling programme will continue until 2019. Transforming South Yorkshire is the largest of nine housing market renewal pathfinders in the UK. A total of 135,000 properties will benefit from the programme.

Source: Transform South Yorkshire (available at [www.transformsouthyorkshire.org.uk](http://www.transformsouthyorkshire.org.uk))

### **The Northern Way initiative**

With the publication of Moving Forward: The Northern Way in 2004, the government committed to bridging the 29 billion annual output gap between the North and the South of England. It focussed on the keys for unlocking faster economic growth in Northern England. Under the initiative Sheffield has been identified as having strong economic potential, due to its location, workforce, environment and cultural assets.

Central to the Northern Way proposal is the development of Sheffield and Doncaster as a 'trade and transport corridor from Ireland, across North of England to Hull, and into Northern and Eastern Europe.' Initiatives to further develop the area as a logistics centre include:

- Easing the over-extended East-West road network, especially the M62.
- Environmentally acceptable direct southern Pennines road and rail links to handle inter-urban traffic arising from the economic transformation of the North that contribute to management of increasing Peak Park visitor traffic.
- Improved volume freight transport linkages for the Humber ports into the UK rail and road network.
- Augmentation of the North's air links for the people and businesses located on the Eastern side of the North and Midlands.

Further proposals are detailed in the Sheffield City Region Development Programme to improve the infrastructure across South Yorkshire, which will unlock the areas economic potential. The construction work necessary to achieve this will be a further driver in the growth of South Yorkshires' construction sector.

**Source:** Sheffield City Region Development Programme (available at [www.thenorthernway.co.uk](http://www.thenorthernway.co.uk))

### **c. Scunthorpe and North Lincolnshire**

#### **Town centre development**

Scunthorpe's Urban Renaissance Programme is driving forward the development of the town in partnership with North Lincolnshire Council, Yorkshire Forward, Scunthorpe Town Team and the North Lincolnshire Strategic Partnership.

Through Yorkshire Forward's Renaissance Towns and Cities Programme Scunthorpe is capitalising on the potential £12m investment to deliver transformational change to improve parks and public spaces, and promote biodiversity and ecology.

North Lincolnshire Council and Threadneedle Property Investments Limited, acting for Zurich Assurance Limited, have reached an agreement to provide:

- A new modern market hall
- The construction of an 80,000 sq ft supermarket
- A 46,000 sq ft multi-storey shopping complex
- An eight unit retail development
- Additional car parking.

**Source:** North Lincolnshire Council (<http://www.northlincs.gov.uk>)

#### **Advance Crosby Regeneration Masterplan**

Advance Crosby is a multimillion pound regeneration scheme that will totally transform parts of the Crosby area of Scunthorpe. The vision is to improve housing, communal areas, green space and education in the area. This will be done through:

- Improving housing
- Building new affordable housing
- Transforming the Memorial Gardens
- Creating more open space
- Extending Scunthorpe Church of England Primary School

Work started on the project in January 2008 and the programme has a value of £1.5 – 2 million.

**Source:** North Lincolnshire Council (<http://www.northlincs.gov.uk>)

## Section 4: Lite SWOT Analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- The company has an established reputation with voluntary and community sector organisations, local councils, local colleges, major contractors and prime contractors.</li> <li>- The company has an established infrastructure that can deliver a broad range of projects with underpinning and flexible support services for learners.</li> <li>- The company has established strong systems supported by quality standards, including Matrix and Investors in People.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- The construction sector is still fragmented with numerous sub-contractors and a disparate workforce.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- The large scale capital developments are driving demand for more construction staff.</li> <li>- Construction represents a viable alternative for people leaving the declining manufacturing sector.</li> <li>- There is a continuing demand for construction training from the sector itself, government strategies and regeneration companies.</li> <li>- The proposed infrastructure developments across the region will drive demand for construction staff.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Various regeneration funds such as ESF and Neighbourhood Renewal have been streamlined and in some cases phased out.</li> <li>- Government Agencies are increasingly contracting with large training companies at a sub regional and national level.</li> <li>- A change of government could change priorities and strategies and threaten planned regeneration activities.</li> </ul>

## Executive Summary

The current economic crisis has severely undermined many years of progress in reducing the construction skills gap and attracting people into the sector. The irony of redundancies across construction and related sectors is that the skills being lost will be in high demand when the UK pulls out of the recession.

The next five to ten years still pose numerous opportunities for the economy of Yorkshire. The economy will be driven by large capital 'mixed use' developments and transforming the areas infrastructure to encourage a thriving transport and logistical sector. Additionally the Building Schools for the Future project and Gateway initiative look set to transform local communities across the region. Obviously construction has a key role to play in all these activities bringing forward of these programmes during the recession will create of jobs.

Furthermore social and affordable housing is becoming a massive issue for the Government. Conservative estimates suggest the UK has to build 290,000 affordable houses per annum to meet demand over the next five years. This year that figure is expected to be as low as 80,000 houses unless there is further Government intervention. The capacity of construction companies to deliver these programmes is crucial and the sector faces a massive challenge in terms of retaining staff during and after the economic crisis.

People trying to enter the construction labour market, particularly long term unemployed people and Apprentices, will find accessing employment very difficult. Llite must adapt its training accordingly with an emphasis on skills development and employer led training. There will also be numerous opportunities to work with construction employees looking to achieve vocational qualifications that will give them the best chance of sustainable employment.

Llite faces huge challenges over the next two years. A skilled construction workforce is crucial to the regions development but paradoxically during the recession people are forced to leave the sector. Llite must counteract this with interesting and engaging training that can cater for a wide range of people with different levels of qualifications and experience. Llite must also seek to be at the forefront of local construction initiatives such as Building Schools for the Future that will sustain the sector during the recession.